



Department of Customer Service Annual Report 2022-2023

Acknowledgement of Country

The Department of Customer Service acknowledges, respects and values Aboriginal peoples as the Traditional Custodians of the lands on which we live, walk and work. We pay our respects to Elders past and present. We recognise and remain committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships, and continuing connection to their lands, waters and seas. We acknowledge their history here on these lands and their rich contribution to our society.

We also acknowledge our Aboriginal and Torres Strait Islander employees who are an integral part of our diverse workforce, and recognise the knowledge embedded forever in their custodianship of Country and cultures.

The 'Connecting Communities' artwork used here is by Alison Williams, a proud Gumbaynggirr woman.



Annual Report 2022–23

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More information

Any enquiries relating to content and use of this publication, including by NSW Government agencies, must be addressed to DCS Media at: **media@customerservice.nsw.gov.au**

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The Hon. Jihad Dib, MP
Minister for Customer Service and Digital Government

The Hon. Anoulack Chanthivong, MP
Minister for Better Regulation and Fair Trading, Minister for Building

The Hon. Sophie Cotsis, MP
Minister for Industrial Relations, Minister for Work Health and Safety

The Hon. Courtney Houssos, MLC
Minister for Finance

The Hon. Stephen Kamper, MP
Minister for Small Business

Re: Department of Customer Service Annual Report

Dear Ministers,

I am pleased to submit the annual report for the NSW Department of Customer Service for the year ended 30 June 2023 for presentation to Parliament.

This report has been prepared in accordance with Part 7 of the *Government Sector Finance Act 2018* and the *Government Sector Finance Regulation 2018*.

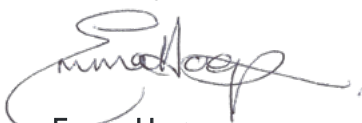
As previously advised, this report is being submitted 22 days late due to delays arising from the completion of the audit opinion on the Department of Customer Service's 2022–23 financial statements. An application for an extension of time was made to NSW Treasury and an extension was granted to submit the annual report to the Minister by 30 November 2023.

The report also includes annual reports for the:

- Office of the Registrar General
- Office of the Surveyor General
- Geographical Names Board.

The annual report of the Surveyor General was prepared in accordance with section 33 of the *Surveying and Spatial Information Act 2002*. The annual report of the Geographical Names Board was prepared in accordance with section 16 of the *Geographical Names Act 1966*.

Sincerely,



Emma Hogan
Secretary for Digital, and the Department of Customer Service

Secretary's message



I'm pleased to provide the 2022–23 Annual Report for the Department of Customer Service, which will also be my last as Secretary.

In the past 12 months, DCS has more than ever been anchored in customer. We continued to deliver improved customer and regulatory services, while shaping and embedding the NSW Government's new priorities and programs.

In October 2022, we delivered the first State of the Customer report, incorporating feedback from over 48,000 customers with the aim of improving services and trust in government. A key output was a renewed focus on improving service delivery for our culturally diverse and most vulnerable, including those facing a continuing period of financial hardship due to the rising costs of property and household expenses.

Our reputation for leading and collaborating across the sector to improve customer experiences is stronger than ever. In 2022–23 we launched the Cost of Living hub, partnering across government to provide tips, tools and advice to help people make the most of their money. We introduced the Savings Finder tool, which helps customers find rebates and vouchers relevant to them, and I'm proud to say that tool has been accessed by more than 880,000 customers, delivering significant household savings across utilities, transport and health care. More than 27,900 customers met with a Service NSW Savings Specialist, enabling them to uncover an average saving of \$566.

Our work to transform the digital landscape continued through delivery of world-leading digital services that make it easier for customers to interact with government. In 2022–23, we delivered on our 'Government Made Easy' core strategy by increasing the number of services where customers only need to 'tell government once'. We migrated a further 22 websites to nsw.gov.au – a single location for customers to source information, advice and support, and we leveraged digital advancements like artificial intelligence which enabled us to identify vulnerable customers in need of extra assistance.

Service NSW Business Connect supported more than 50,000 NSW businesses with free, tailored advice to help them succeed and grow. Our Service NSW for Business frontline team also ensured they reached every local government area, collaborating with other agencies to deliver a one-stop-shop to help organisations start, run, adapt and recover in times of change. Targeted programs such as independent Aboriginal business advisors, and disaster and emergency assistance for women in business, supported small business owners to evolve as needed.

We ensured our customers and communities at the far corners of the state weren't disadvantaged, with our Mobile Service Centres visiting dozens of rural and remote communities so they can more easily engage with government services. Our Mobile Black Spot program delivered mobile coverage to tens of thousands of premises, and 1300 km of roads through the installation of new or enhanced mobile base stations.

“
Our reputation for leading
and collaborating across
the sector to improve
customer experiences is
stronger than ever.”

Data, insights and community consultation continued to put our customers and communities at the centre of government decision-making. This year, the Have Your Say platform supported 62 public consultations, a 27% increase on the previous year. On this channel, citizens share their thoughts on a wide range of topics including regulation, planning, transport, emergencies and the environment. We listened to customer feedback on a range of topics including improving NSW rental laws and responded by identifying reforms to support the NSW Government’s response to better and more affordable renting conditions.

Our teams continued to safeguard our customers, introducing nation-leading laws to address psychosocial hazards in the workplace, and also drive change in the construction industry to rebuild public confidence through building compliance and remediation. In addition, our focus on improving customer safety saw DCS lead the NSW Government’s response to recent data breaches and strengthening cyber resilience across government to protect citizen data against cyber threats.

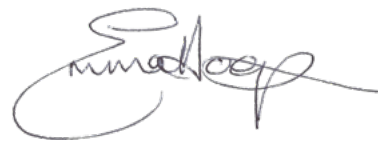
Internally, we further embedded our *Care and Belonging Strategy 2022-2025* and our commitment to providing an inclusive experience for our diverse people and customers, where they feel they truly belong and their needs remain at the centre of all we do. I am exceptionally proud that DCS once again had one of the highest sector employee engagement scores of 74% – a true reflection of our culture of care.

You can read more about our many highlights for 2022-23 throughout this Annual Report.

As we head towards the end of 2023, DCS will be retiring the *DCS Connect Strategy 2020-23*, which has underpinned our work over these last 3 years – including the outputs and achievements outlined in this report. A new strategy for 2024-28 will be developed to align with the new priorities of the NSW Government and is expected to be launched in early 2024.

This November, I will be stepping aside as the Department’s Secretary. I’m eternally grateful for the opportunity to lead such an incredibly talented and inspiring team these past 4 years, especially during some of the biggest challenges our state has faced. I am truly humbled by the exceptional outcomes our people at DCS continue to deliver.

Finally, I couldn’t sign off without thanking you – our 8+ million customers across NSW – for your continued trust and confidence in DCS and the services we provide. Delivering for our customers is in our DNA, and I know I’m leaving you in the hands of a talented team, who truly aim to keep each one of you at the heart of everything they do.



Emma Hogan
Secretary

About this report

About this report

This report covers the Department of Customer Service (DCS) and related entities and agencies from 1 July 2022 to 30 June 2023.

This report also contains annual reports for the:

- Office of the Registrar General
- Office of the Surveyor General
- Geographical Names Board.

The DCS Annual Report 2022–23 is available at: nsw.gov.au/customer-service/publications-and-reports

This report was prepared by DCS officers and there were no external production costs.

Entity annual reports

The following entities produce their own separate annual reports as required under legislation:

- Board of Surveying and Spatial Information: bossi.nsw.gov.au/publications/annual_reports_plans
- Digital Restart Fund: digital.nsw.gov.au/funding/digital-restart-fund
- Independent Pricing and Regulatory Tribunal: ipart.nsw.gov.au/Home/About-IPART/Governance/Annual-Reports/List-of-Annual-Reports
- Independent Review Office: iro.nsw.gov.au/publications/annual-report
- Information and Privacy Commission NSW: ipc.nsw.gov.au/about-us/our-corporate-information/annual-and-quarterly-reports
- Long Service Corporation: longservice.nsw.gov.au/about-us/annual-report
- NSW Architects Registration Board: architects.nsw.gov.au/publications
- NSW Government Telecommunications Authority (NSW Telco Authority): nsw.gov.au/telco-authority/publications
- Personal Injury Commission: pi.nsw.gov.au/resources/annual-review
- Professional Standards Council: psc.gov.au/news-and-publications/annual-reports
- Rental Bond Board: nsw.gov.au/customer-service/publications-and-reports
- Service NSW: service.nsw.gov.au/about-us/annual-reports
- Small Business Commission: smallbusiness.nsw.gov.au/news/commissioners-annual-review-2022
- State Insurance Regulatory Authority: sira.nsw.gov.au/corporate-information/annual-reports

About this report

DCS related entities

In 2022–23, the following entities, which were established administratively or pursuant to legislation, existed outside the principal office’s administrative body but formed part of DCS:

- Board of Surveying and Spatial Information
- Geographical Names Board
- Independent Pricing and Regulatory Tribunal
- Independent Review Office
- Information and Privacy Commission NSW
- Long Service Corporation
- NSW Architects Registration Board
- NSW Telco Authority
- Personal Injury Commission
- Professional Standards Council
- Rental Bond Board
- Service NSW
- Small Business Commission
- State Insurance Regulatory Authority.

Machinery of Government changes

The Independent Pricing and Regulatory Tribunal (IPART) was transferred from the remit of the Minister for Customer Service and Digital Government to the Premier on 3 May 2023. For the IPART annual report, please visit ipart.nsw.gov.au and search ‘**list of annual reports**’.

The Long Service Corporation was transferred from the remit of the Minister for Better Regulation and Fair Trading to the Minister for Industrial Relations on 1 July 2023. For the Long Service Corporation’s annual report, please visit longservice.nsw.gov.au and search ‘**annual report**’.

Changes after the reporting period

No after balance date events that have a significant effect on financial operations, other operations or the clientele or community served have been identified.

1. Overview



Who we are

Our purpose, vision and values

DCS was established on 1 July 2019 as the world's first, integrated, customer service public sector organisation. In 2022–23 we celebrated 4 years of transforming the customer experience: 85% of government applications are now digital and face-to-face services have been expanded statewide.

Our vision has been for NSW to be the world's most customer-centric government and our public service values have reflected that goal: service, integrity, trust and accountability. To help us achieve this vision, we have worked to:

- put the customer at the heart of all programs and initiatives across the NSW Government
- deliver a more consistent and efficient digital experience with government
- use data and behavioural insights to drive customer service improvements
- modernise and simplify regulation to make it easier for businesses to comply and transact with their customers
- engage more effectively with the people of NSW.

Customers have been at the centre of all of our programs and initiatives – right across the NSW Government. We have been driven by continuous customer feedback which has informed the behaviours our customers expect from us. These expectations underpin our Customer Commitments, which outline our promise to customers of what they can expect when they access NSW Government services.

Our commitments are:

- easy to engage
- act with empathy
- respect my time
- explain what to expect
- resolve the situation
- engage the community.

We have also been accountable for driving the state's digital, data and innovation agenda. We also administered a vast regulatory framework that delivers safety, consumer and business protections, as well as insurance schemes that allowed NSW to maintain fair, secure and efficient markets.

As a broad and diverse organisation, DCS has provided services on behalf of the NSW Government to the people of NSW, with the mission that our customers received a consistently great experience. We have also embraced our role as sector leader and provided services to fellow government agencies.

Who we are

Our responsibilities

DCS brings together transactional services, digital, data and design, regulatory and compliance activities, and a whole of government view of customer service across 6 broad functions:

Better Regulation Division oversees regulating, educating and delivering services directly to citizens and businesses. The division's focus is to create a responsive regulatory environment that aims to make NSW safe, fair and competitive for consumers, businesses and workers.

Corporate Support Services provides a range of specialised services to support the work of DCS, delivered collectively through our Corporate Services Division, Office of the Secretary and People and Culture functions. These teams deliver strategic and operational policy, advisory, transaction and assurance services, which enable DCS to deliver centrally-led, customer-focused support to our people, executive and ministers.

Customer, Delivery and Transformation is responsible for leading transformation in customer-focused service delivery across the NSW Government. The division provides best practice insights, data-led analytics and advisory support to drive a customer-first culture across sector services and improved user experience for customers. It is also home to the NSW Registry of Births, Deaths and Marriages.

Digital NSW is responsible for driving digital transformation and developing digital capacity across the NSW Government. Digital NSW provides strategic governance, advisory and assurance functions to support other NSW Government departments and the people of NSW through a whole of government lens.

Revenue NSW is NSW's principal revenue management agency. Revenue NSW fairly administers state taxation and revenue, collects taxes and duties, manages fines, and administers grants and subsidies to provide valuable assistance to communities and businesses.

Service NSW makes it easier for people, communities and businesses across NSW to access government services by providing 'one-stop' access to the NSW Government's services and transactions. These are delivered via an omnichannel mix of face-to-face, phone and online services, providing customers with the choice to best suit their needs. For more information, please visit service.nsw.gov.au and search 'annual report'.

Who we are

Our functional structure

Department of Customer Service

Office of the Secretary

People and Culture

Better Regulation Division	Corporate Services Division	Customer, Delivery and Transformation	Digital NSW	Revenue NSW	Service NSW
One-stop-shop for regulation	Audit and Risk	Accelerating customer and digital transformation	Government Chief Information and Digital Officer	Fines administration and resolution	Customer service channels for all NSW Government agencies and transactions
NSW Fair Trading	DCS Chief Information Officer	NSW Registry of Births, Deaths and Marriages	Cyber Security	Collection of taxes and state debts	
Long Service Corporation	DCS Chief Information Security Officer	DCS Strategy and Delivery Unit	Government Technology Platforms	Distribution of grants	Disaster preparation and recovery
Office of the Registrar General	GovConnect	NSW Government brand, advertising, communications, nsw.gov.au	NSW Telco Authority	Hardship support for vulnerable citizens	MyServiceNSW accounts
Professional Standards Authority	DCS Finance	Premier Priorities	Spatial Services and Surveyor General		One-stop-shop for citizens and businesses across Service Centres, Mobile Service Centres, digital and Contact Centres
SafeWork NSW	DCS Procurement	Whole of government customer experience, behavioural insights and data analytics	Whole of government ICT investment prioritisation, coordination and assurance process		Transformation of customer service delivery channels
Subsidence Advisory NSW	Governance		Whole of government Digital Identity Strategy		
TestSafe Australia	Legal				
	Transformation and Continuous Improvement				
	Workplace and Property				
	Government and Executive Support Services				

Other DCS functions and entities¹

Office of the NSW Building Commissioner	State Insurance Regulatory Authority (SIRA)	Personal Injury Commission (PIC)	Independent Review Office (IRO)	Office of the Property Services Commissioner	Independent Pricing and Regulatory Authority (IPART) ²	Information and Privacy Commission NSW (IPC)	Small Business Commission (SBC)
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1. Includes major DCS entities only. Some of DCS's other functions and entities produce their own annual report, including SIRA, PIC, IRO, IPART, IPC and SBC.
 2. IPART was transferred to the Premier's Department on 3 May 2023.

What we do

Better Regulation

Better Regulation Division

The Better Regulation Division (BRD) is a group of regulators who work collaboratively to provide vital regulatory services to the people of NSW. The BRD remit is extensive and covers work health and safety, consumer protection, building and construction, real estate and property, automotive, registered organisations and charities, mine subsidence, the land titles system, professional standards, and long service payments for the building, construction and cleaning industries.

BRD is made up of 6 regulators – NSW Fair Trading, SafeWork NSW, Long Service Corporation, Subsidence Advisory NSW, Office of the Registrar General and the Professional Standards Authority. BRD also has 2 statutory bodies – the Rental Bond Board and the NSW Professional Standards Council.

BRD has a vision of becoming Australia’s most trusted and customer-centric regulators and strives to make NSW safer, fairer and more productive.

Office of the Building Commissioner

The Office of the Building Commissioner (OBC) is leading important building reforms in NSW to ensure the construction industry has the capability and capacity to meet the state’s housing needs in building classes 1, 2, 3 and 9c. The OBC works with consumers, the industry and multiple agencies to rebuild trust in residential construction in NSW. Underpinning its work is the OBC’s clear intention of becoming a proactive, best practice regulator, supported by advanced, digital tools.

Office of the Property Services Commissioner

The Office of the Property Services Commissioner was created to drive change and transformation, build a trusted, empowered and accountable NSW property services sector, support the public and streamline services delivered to consumers, agents and other property services professionals. The Property Services Commissioner’s strategy centres on industry, government and the consumers of NSW.

As well as having significant external stakeholders, the Office of the Property Services Commissioner engages directly with NSW Fair Trading and DCS leadership across end-to-end regulatory service delivery on each of the major projects. In 2023 the Office of the Property Services Commissioner will move into BRD.

State Insurance Regulatory Authority

The State Insurance Regulatory Authority was established in 2015 to steward and regulate the state’s statutory insurance and care schemes – Workers Compensation, Motor Accidents and Home Building Compensation. It is a small agency with a large remit – ensuring that NSW insurance schemes protect and support the people who need them most, now and in the future.

Corporate Support Services

Corporate Services Division

The Corporate Services Division supports DCS to achieve its goals by providing strategic and operational policy, advisory, transaction and assurance services. Delivering centre-led customer and client-focused support, the function connects the agencies, divisions and business units of DCS, which enables teams across the department to focus on our frontline and customer-facing services.

The Corporate Services Division is home to our internal transformation program, where we continue to reshape our foundations and reimagine the way we operate – so that our systems, functions and accountabilities are clear and streamlined.

The division also oversees the delivery of shared government corporate services through GovConnect, to DCS and other client agencies.

Office of the Secretary

The Office of the Secretary provides support services for ministers, cabinet members and executives, and advice to DCS relating to government-wide policy development and legislative reform led by our department and its related agencies. We also drive small business policy and manage the Aboriginal Outcomes Unit, which works on strategies and reforms to improve the social and economic wellbeing of Aboriginal people, communities and businesses.

What we do

People and Culture

The People and Culture Division supports over 13,000 DCS team members, providing them with various services and advice relating to people matters, to help them deliver the strategic objectives of both DCS and the NSW Government. Our services relate to HR policies, industrial relations, payroll governance, organisation design, staff engagement, recruitment, diversity and inclusion, safety and wellbeing, conduct, behaviour, learning and development, and workforce analytics, insights and strategy. We aim to improve digital and customer capabilities, the skills of our collective leadership, shape modern recruitment and onboarding practices, build on our strong culture of wellbeing, inclusion, care and belonging, and enhance the experience of our people across the employee lifecycle.

Customer, Delivery and Transformation

Customer, Delivery and Transformation (CDT) leads transformation in customer-focused service delivery across government and DCS. CDT supports the whole NSW Government sector, by providing data and insights to empower agencies to make good policy and program decisions. CDT is fiscally efficient for government by reducing, if not eliminating, the need for similar functions in multiple government agencies, for example, data platforms, website consolidation, advertising, brand management and community consultation.

Digital NSW

Digital NSW is a digital service provider for the whole of government and leads and delivers cross-government digital experiences, services and products. Digital NSW provides sustainable investment and sourcing that enable the NSW Government to deliver critical digital platforms and infrastructure that protect and connect NSW. Working with other NSW Government departments and agencies, we create a digital ecosystem that puts customers at the centre and makes NSW a great place to live and work.

Revenue NSW

Revenue NSW fairly administers state taxation and revenue for, and on behalf of, the people of NSW. Revenue NSW collects duties, manages fines and administers grants and subsidies to provide valuable assistance to the community and businesses across NSW. We also recover debt to provide an equitable outcome for the community.

Our agency connects with over 3 million people each year and our revenue management helps to deliver government priorities for NSW. This includes securing around \$30 billion towards the State Budget each year. In 2022–23 we collected \$41 billion which goes towards health, education and other services for NSW.

Service NSW

Service NSW delivers world-class, one-stop-shop services for our customers, businesses and our partner agencies across NSW, enabling them to access countless services from the NSW Government. We provide multiple ways customers can connect with us, including Service NSW Centres, Contact Centres, Mobile Service Centres, the Service NSW website and the Service NSW app. We also provide a business concierge service for metropolitan and regional areas and a dedicated digital platform for business.

Principal officers



Emma Hogan

PGDip HR, ECPP, GSEP,
GAICD

Secretary for Digital,
and the Department of
Customer Service



Jody Grima PSM

EMPA, BA (Social Sciences)

Chief People Officer



Greg Wells

BEng (Hons)

Chief Executive Officer,
Service NSW

(December 2022 – current)

Government Chief
Information and Digital
Officer

(July 2018 – December 2022)



Damon Rees

EMBA, BIT

Chief Executive Officer,
Service NSW

(November 2017 – December
2022)



Mandy Young

BSW

Chief Operating Officer



Natasha Mann

BA (Hons), LLB

Deputy Secretary, Better
Regulation Division,
Commissioner for NSW Fair
Trading, Head of SafeWork
NSW

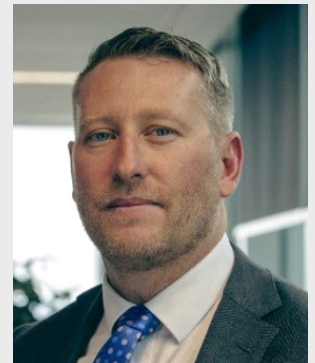


Laura Christie PSM

BeSocSc (Hons)

Government Chief Information
and Digital Officer

(December 2022 – current)



Scott Johnston

EMPA, Grad Cert Statistics,
BCom

Deputy Secretary, Revenue
NSW, Chief Commissioner of
State Revenue, Commissioner
of Fines Administration

Principal officers



John Minns

Class 1 RE Agent's Licence,
Cert IV T&A

Property Services
Commissioner



William Murphy PSM

GEFP, EMPA, MMgt (Industry
Strategy), BCom (Econ &
Finance)

Deputy Secretary, Customer,
Delivery and Transformation
(July 2022 – June 2023)



David Chandler OAM

BConMgt, Adjunct Fellow –
c4SMC

Building Commissioner



Adam Dent

MBA, ECPP, Grad Cert Pro
Legal Stud, MBA (Leadership,
Entrepreneurship)

Chief Executive, State
Insurance Regulatory
Authority



Lauryn Bae Brokate

MIPH, BIntDev (Hons)

Executive Director, Strategy,
Office of the Secretary

2. Strategy



Our strategic objectives

VISION To be the world's most customer-centric government	PURPOSE Customers and communities can expect government services to be trustworthy, effective and easy no matter who they are, where they are or what they need	VALUES Service Integrity Trust Accountability
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Our role

Central agency
Set whole of government customer and digital strategy, standards, investment prioritisation and ways of working

Network leader
Partnering with clusters to leverage our specialist services and unique expertise to support whole of sector customer priorities

Service delivery and reform
Service excellence in the delivery of customer facing functions both for DCS and whole of government



8+ million customers

Easy to engage
Act with empathy
Respect my time
Explain what to expect
Resolve the situation
Engage the community

Our accountability

Lighthouses
Signature whole of government projects that deliver significant customer value

Greenhouses
Signature division level projects that deliver significant customer value

Serving customers and community
Excellence and continuous improvement in our core delivery and regulatory functions

Corporate and support services
Whole of cluster enabling services to support delivery

CULTURE  Customers and community at the centre	 People and inclusion at the heart	 Partner collaboration at its best
--	--	--

Our digital & customer capabilities

- Customer at the centre
- Collaboration and agility
- Data, decisions and ethics
- Ideas to impact
- Enabling technologies
- Digital leadership

Our outcomes

- Excellence in customer service
- Digital leadership and innovation in government services
- Fair, secure and efficient markets

Success indicators

- Top Australian jurisdiction for customer satisfaction
- Top Australian jurisdiction for digital government readiness
- Lighthouse and Greenhouse projects deliver measurable change
- Enhanced trust in government services
- People engagement >75%

The DCS Connect Strategy 2020-23

The DCS Connect Strategy 2020-23 shared our vision, purpose and strategic direction. It highlighted how DCS drives customer service excellence to help make NSW the world's most customer-centric government.

We take our strategic and specific priorities from the NSW Government. In 2022-23 we were responsible for delivering the *Government Made Easy* and *World Class Public Service* priorities (jointly with the NSW Public Service Commission) and 3 State Outcomes:

- excellence in customer service
- digital leadership and innovation in government services
- fair, secure and efficient markets.

Our strategy also aligned with the NSW Government Customer Commitments.

The strategy shows how DCS has played a crucial role in delivering services to and for NSW Government agencies and customers, and how our 13,000+ team members connected across DCS. Our responsibilities have covered a wide range of functions: providing leadership, policy and practice, transformation and capacity building across government, as well as a diverse range of customer service delivery and regulatory activities.

Our role is multi-dimensional and has encompassed the following key functions:

Central agency – setting whole of government customer and digital strategy, standards, investment prioritisation and ways of working, and driving agency accountability against those standards, by influencing and steering service delivery improvements.

Network leader – leveraging our specialist services and unique expertise to support DCS and whole of sector delivery in digital, data, behavioural insights and regulatory leadership.

Service delivery and reform – inspiring excellence in service delivery to customers and directing reform in the provision of customer-facing functions for the whole of government.

Strategic planning and performance framework

Approach

DCS's strategic planning and performance framework aligns with the strategic priorities of the NSW Government, and is supported by various corporate, internal planning and reporting mechanisms.

In 2022–23 these included:

- the *DCS Connect Strategy 2020–23*
- divisional and business unit delivery plans
- strategic plans for delivering corporate services
- individual performance and development plans.

Monitoring and reporting performance

In 2022–23 DCS monitored and reported performance through the following mechanisms:

- regular reports to NSW Government agencies and the public on governance, finances and projects
- reporting to the DCS Executive on operational and strategic matters
- reporting to internal governance bodies, including the Audit and Risk Committee and Management Assurance Committee
- monitoring Senior Executives' performance agreements
- tracking individual performance goals and achievements using the myCareer and MyContribution platforms.

Tracking outcomes

DCS has procedures in place to oversee the results of both internal and external performance reviews, audits, reports and inquiries.

In 2022–23 this involved:

- reviewing and reporting on recommendations made in internal and external audits including the Audit Office Management Letter and performance audits
- following recommendations from external bodies, such as the Independent Commission Against Corruption, the NSW Ombudsman and the Coroner
- conducting annual evaluations and reviews with the help of external consultants.

Performance review

During 2022–23, the Customer Service portfolio was responsible for 9 Outcome Indicators (refer to the table below), which tracked the progress being made towards each State Outcome.

Digital leadership and innovation in government services					
Outcome Indicator	Narrative	Measure	Prior year	Actual 2022–23	Target
Digital government readiness and maturity index	A composite measure that expanded the concept of digital readiness by incorporating digital government maturity	Digital government readiness and maturity index	N/A ¹	18.7/20	1. Result greater than prior year's result 2. NSW ranked as the #1 jurisdiction
Public Safety Network (PSN) availability and operations of the Critical Communications Enhancement Program (CCEP)	The PSN provided a critical communications network across the state for emergency services	PSN coverage and operations of the CCEP at an operational level and as they related to population and geographic coverage	Operational: 99.97%	Operational: 99.96%	Operational: 99.95% by 2023
			Population coverage: 99.96%	Population coverage: 97.5%	Population coverage: 98.47% by end 2023
			Geographic coverage: 44.5%	Geographic coverage: 47%	Geographic coverage: 51.38% by end 2023

¹ Previous year not reportable as this was a new metric.

Performance review

Excellence in customer service					
Outcome Indicator	Narrative	Measure	Prior year	Actual 2022–23	Target
Customer satisfaction with services across government	Tracked customer satisfaction with government services and provided insights that identify where customer service can be improved	NSW Consumer Satisfaction Score by individuals and businesses	Individuals: 75% Businesses: 72%	Individuals: 75% Businesses: 71%	Individuals: 80% by 2025 Businesses: 80% by 2025
Increase in the number of government services where customers only have to 'tell government once'	Focused on removing unnecessary time and effort, to boost customer satisfaction and trust in government	The number of government services where customers only had to 'tell government once'	60 <i>(60 was the target as of June 2022)</i>	72	70 by June 2023
Percentage of transactions available digitally through Service NSW	Aligned to the NSW Government's commitment to digital service delivery, it measured the availability of Service NSW services via digital channels, recognising convenience and accessibility of services as key drivers of customer satisfaction with government services	Percentage of transactions available digitally through Service NSW	87.4%	79.6% ¹	>87% by December 2023
Number of visits to rural and remote communities by Mobile Service Centres	Measured the number of visits to rural and remote communities by Mobile Service Centres, which offered similar services to Service NSW physical sites, and allowed communities to access a range of government support services and initiatives	Number of visits to rural and remote communities by Mobile Service Centres	37 rural and remote visits from 147 Mobile Service Centre visits	36 rural and remote visits from 154 Mobile Service Centre visits ²	36 rural and remote visits from 166 Mobile Service Centre visits by June 2023

¹ Performance against this measure dropped 5% from 2021–22 to 79.6%. This drop reflects changes in customer preferences during the COVID-19 pandemic when customers significantly preferred digital transactions over other methods. A revised 2023–24 target will be set in line with the review of the reporting methodology for this metric.

² We visited 36 Aboriginal communities, including remote communities, those with a high Aboriginal population and others with a Local Aboriginal Land Council directly in their town. We had 3 communities we were unable to visit during this time due to connectivity issues, along with another 7 locations, which although visited have minimal connectivity which restricts the services that can be delivered.

Performance review

Fair, secure and efficient markets

Outcome Indicator	Narrative	Measure	Prior year	Actual 2022–23	Target
Rate of serious defects identified in class 2 buildings	Measured the rate of serious defects identified in class 2 buildings resulting from non-compliance with the Building Code of Australia and/or defective design/faulty workmanship	Rate of serious defects identified in class 2 buildings resulting from non-compliance	N/A ¹	1.0%	2% by end 2022–23 or declining trend
Reduced rate of work-related traumatic injury fatalities (worker fatalities per 100,000 employees)	Highlighted how effective regulatory and legislative efforts were in reducing workplace fatalities caused by traumatic injuries, by measuring the fatality rate per 100,000 employed persons caused by traumatic injuries (fatalities sustained in the course of a work activity and as a result of someone else's work activity, i.e. bystander fatality)	Fatality rate per 100,000 employed persons – traumatic worker fatalities	1.34 (2021)	Available 2023–24 Q2 ²	1.34 by December 2022
Affordability of the Compulsory Third Party (CTP) insurance scheme (Motor Vehicles)	Measured average CTP premiums as a percentage of the average NSW weekly wage	CTP insurance	23%	22.5%	Maintain or improve CTP affordability, as a percentage of the average NSW weekly wage

¹ This measure commenced from July 2023 and replaced the previously reported *compliance rate of selected regulatory activities* measure.

² The result for the 2021 period is at target. The result for the 3-year period 2020–2022, which will form the final result, is anticipated to be available within Q2 of 2023–24.

3. Operations and performance



Our Lighthouse projects

During 2022–23, DCS led 7 significant whole of government projects known as DCS Lighthouse projects. These included:

Lighthouse projects	Lead division	Description	Customer impact
NSW Digital Identity and Verifiable Credentials Program	Digital NSW	Deliver a sustainable and scalable Digital Identity and Credential Sharing ecosystem for NSW and establish IDSupport NSW.	Customers have access to new and more efficient, trusted, private and secure digital services across the entire NSW economy.
Government Made Easy and Life Journeys	Customer, Delivery and Transformation	Increase the number of ‘tell us once’ services and streamline customer journeys.	Reduced time and effort for customers, increased engagement and trust for better customer outcomes.
Digital Restart Fund	Digital NSW	Fund and accelerate digital transformation to quickly deliver service improvements for all customers.	Funding digital transformation, ICT infrastructure and cyber capability uplift.
eRegulation	Digital NSW	Deliver customer improvements along the whole journey and consolidate all licencing work under one program.	End-to-end digital licence journeys for individuals and business. Simpler compliance, easier applications, better experience.
Service NSW for Business	Service NSW	Provide ‘one front door’ for business across 3 levels of government.	Make NSW the easiest state for small business to start, run, adapt and prosper.
One Customer Experience (OneCX)	Customer, Delivery and Transformation	Consolidate 500 websites across government into one easy-to-use nsw.gov.au	One single source of government information that is timely, accurate and easy for the customer to find what they need.
Critical Communications Enhancement Program	NSW Telco Authority	Build a Public Safety Network for emergency services officers and frontline responders.	Safer and better protected communities through an expanded and enhanced Public Safety Network.

Introduced as part of the *DCS Connect Strategy 2020–23*, our Lighthouse projects were a core part of the work DCS delivered. True collaboration was the hallmark of these projects, which involved teams across DCS, whole of government delivery with multiple agencies and departments, and partnering across state and federal government, and industry. Since their introduction, the role of these projects in delivering significant customer value has been recognised.

Our Lighthouse projects

The highlights and achievements of DCS Lighthouse projects during 2022–23 follow.

NSW Digital Identity and Verifiable Credentials Program

The Digital Identity and Verifiable Credentials (DIVC) program is a digital ecosystem that will enable customers to use digital identity and verifiable credentials stored in a digital wallet to confirm who they are and what they are entitled to. With a NSW Digital Identity, customers will be able to digitally prove who they are, without the need to provide copies of identity documents, such as a driver licence or birth certificate. It will also enable issuers to provide internationally-recognised, verifiable credentials, like university qualifications, training certificates or occupational licences.

Several pilots have tested the DIVC system's capabilities and infrastructure, including one for renewing the Working with Children Check (WWCC). These pilots were successful, with significant time and resource savings, and increased customer satisfaction. Some of the key initiatives and achievements in 2022–23 include:

- becoming one of the first jurisdictions to pilot online WWCC renewals – which are expected to save 250,000 customers per year an average of 70 minutes each
- successfully testing proof of age in online commercial transactions without sharing unnecessary personal information – providing greater privacy protection for the people of NSW
- trialling the Strong NSW Digital ID – which uses photo verification technology to allow more government and business transactions to be conducted digitally without a physical presence.

The pilots received over 95% positive customer feedback, and will lead to further improvements to the technology and overall user experience. The next phase includes a soft launch and scaling of the WWCC renewal application and delivering a First Aid Certificate as the first verifiable credential in the Digital Wallet.

Government Made Easy and Life Journeys

Government Made Easy

In June 2022, the Customer Experience Design and Delivery team (formerly Government Made Easy) reached the milestone of 60 service improvements where customers only have to 'tell us once' – one year ahead of target.

In 2022–23 the team continued to transform NSW Government services to be more proactive, personalised and connected and build on the achievements and cross-government collaboration established by broader DCS initiatives. To improve the ease and access of complex services and those that involve multiple touchpoints across government, the team utilised robust research data and customer insights.

Some of the services delivered in the reporting year include:

Shared Equity Home Buyer Helper tool – created to assist single parents, older singles and key workers to become first home buyers. The rules of the program can be complicated and confusing, particularly for vulnerable or culturally and linguistically diverse customers, which negatively impacted the scheme's uptake. The tool was written in plain English to ensure all users can understand the eligibility requirements and was also translated into multiple languages to cater for those who may face language barriers. By using the tool, customers can quickly and easily check if they are eligible for the Shared Equity program. Between its introduction in December 2022 and May 2023, the tool supported 87,000 interactions, saving customers time and reducing stress by empowering them to determine their eligibility on their own.

Self-identification pilot – after exploring key challenges faced by First Nations people self-identifying for government services, a pilot was undertaken in November 2022. In the pilot, over 6000 customers who identify as Aboriginal or Torres Strait Islander were able to pre self-identify in their online MyServiceNSW account, which reduced the need for face-to-face interactions.

Our Lighthouse projects

Life Journeys

The Customer Experience Unit within Customer, Delivery and Transformation continued to lead the Life Journeys Program, which aims to connect the people and communities of NSW to government services and the information they need during key life events. The program delivers meaningful proactive solutions that are designed around people's unique circumstances and needs, and ensures seamless government experiences. People no longer have to repeatedly enter their personal information or navigate between different systems or information.

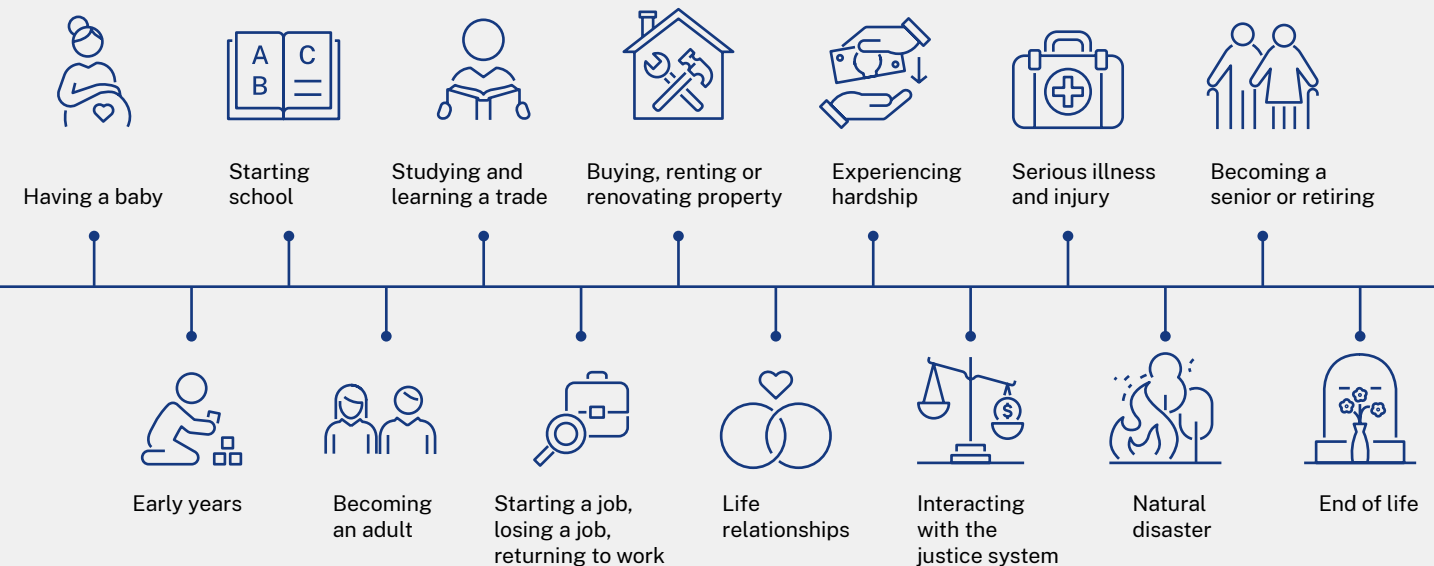
The program's strength in NSW was recognised in a recent Commonwealth Review of Life Events approach across the country. The review recommended states and territories develop a scalable framework based on the key principles and capabilities established in NSW, to advance a national life event program.

Examples of the most impactful additions to the Life Journeys Program over the reporting year include:

The Health and Development Check – in partnership with the Ministry of Health, this initiative saw a 24% increase in bookings and attendance for 6–8 week old babies in the Illawarra Local Health District. This directly impacted the health outcomes for over 300 children. The initiative also received high levels of engagement and overwhelmingly positive feedback (97%) from nursing staff.

myHome Planner – an interactive digital solution that helps people plan and navigate through the often-complex process of building a home. It brings together information across 45 touch points from 8 agencies into one convenient place. Since its launch in January 2023, over 40,000 interactions have occurred from over 9000 users. It is expected that this tool will help reduce development application timeframes, which currently take 114 days. Additionally, it also aims to reduce contact centre calls and complaints by 10%.

Life Journeys



Our Lighthouse projects

Digital Restart Fund

In 2022–23 the NSW Government continued to be a leader in digital government, with the \$2.1 billion Digital Restart Fund (DRF) as the key driver of digital transformation. Since it was established, the DRF has invested in 277 digital projects to improve outcomes for the environment, community, government and NSW economy. The DRF supports modern approaches to planning, designing and developing digital products and services in NSW, promoting customer-driven business transformation and collaboration across the NSW Government sector. The DRF's centralised and agile funding approach, aligned to whole of government priorities, also helps to reduce risk, improve delivery and return early value for citizens and government.

DRF investment has enhanced the customer experience with government through approximately 49 million customer interactions. It has also stimulated the NSW economy with a forecast of 4100 jobs supported over 3 years.

The DRF was established under the *Digital Restart Fund Act 2020*. A standalone annual report will be published on digital.nsw.gov.au by December 2023.

Some of the key initiatives and achievements in 2022–23 include:

38 new projects funded through the DRF (277 DRF projects funded since it was established in August 2020).

Approval of **\$70.4 million** to continue delivering the Rural Access Gap program and ensure fair access to digital resources for students, teachers and administrative staff in remote and rural schools.

\$15 million approved for the NSW Digital Identity and Verifiable Credentials Program to deliver the digital ecosystem needed to enable NSW citizens and businesses to prove their identity or securely provide their details.

\$20 million invested to improve fair access, safety and quality for virtual care and remote patient monitoring.

\$55 million worth of benefits delivered by the NSW Licensing Program, saving over 2 million hours in productivity gains from licence holders and businesses receiving licences faster.

Since the DRF was established, we have allocated almost **\$2 billion** to projects, including:

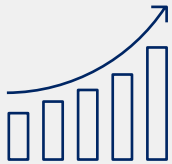
\$297.02 million for boosting cyber security capability across the NSW Government from the total \$315 million Cyber Security reservation.

\$44.56 million to advance 'smart' places across NSW out of the \$45 million Smart Places reservation.

Around **\$400 million** for regional investment in programs such as Rural Access Gap, Smart Regional Spaces – Ready Set Go, and Regional Knowledge Base.

Our Lighthouse projects

Achievements of the Digital Restart Fund since it was established



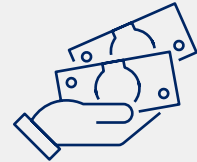
\$204M

economic boost



\$3.5B

economic returns identified



277

projects funded



\$1=\$3

for every dollar we invest in digital, we get 3 dollars back



\$31.07M

project delivered budget median now \$4.23M down from pre-DRF \$35.3M



98.7%

improved project delivery confidence with the introduction of tranche release

Improved project delivery through agile practice versus waterfall delivery



75%

drop in cost of delivery of a project



56%

drop in duration to deliver a project



1-3 months: Business case development time

Down from pre-DRF of >6 months

3-6 months: Time to obtain project funding

Down from pre-DRF of >12 months

19 months: Median time to market

Decreased project delivery time from 42 months

Our Lighthouse projects

eRegulation

The eRegulation strategy for DCS aims to make digital licensing and regulatory processes simple and secure for customers and businesses. To achieve this, we introduced the digital case management platforms Licence NSW and Regulation NSW, which support the Licensing, and Complaints, Compliance and Enforcement programs. These platforms seamlessly connect with Service NSW and other government and non-government services, to make the entire regulatory process smoother and more efficient from start to finish. They serve as important digital assets for the state.

Licensing Program

The Licensing Program began in 2021 and is a \$173 million, multi-year program. Its goal is to create digital, end-to-end licensing journeys through the Licence NSW platform, making it easier for customers to apply, renew and use licences in NSW.

The program is digitising application and renewal processes, and adding identity verification, an integrated payment engine and automated processes. This means some customers will be able to get immediate approval for their licence.

More than 130 industry or occupational licences and permits will be available digitally by the end of 2024, and over the next 10 years, the program is projected to generate over \$600 million in economic benefit.

Complaints, Compliance and Enforcement Program

The Complaints, Compliance and Enforcement Program started in 2022 and is improving compliance and enforcement by providing integrated digital solutions. These tools are helping regulators adopt modern, proactive, risk-based regulatory practices. Some of the key initiatives and achievements in 2022–23 include:

- the Service NSW Business Profile – Licence Manager tool saved 8529 licences, helping businesses track tradesperson and real estate licences for employees and subcontractors
- over 4100 cases were lodged, of which 66% were finalised to completion, in the new Regulation NSW platform for NSW Fair Trading automotive complaints and enquiries
- the functional design blueprint for the end-to-end regulatory lifecycle was completed, providing the foundation for a regulator-agnostic approach to scale across whole of government.

Some of the key initiatives and achievements in 2022–23 include:

Over **\$51 million** of benefits were realised across several industries.

14 products for customers and **23** internal regulator products were released to support licensing management.

More than **89,960** digital trade licences were downloaded onto customers' phones.

Over **29,000** visits to Service NSW Centres were avoided as the transactions were assessed and processed through the new Licence NSW platform.

The equivalent of **227,000** days was contributed back to the NSW economy from time savings gained from the digital licence application process.

41 integrated services were created for Licence NSW to enable quicker, easier transactions.

Our Lighthouse projects

Service NSW for Business

During 2022–23, Service NSW for Business provided NSW businesses with ‘one front door’ access to government services, support and information. As part of this, we offered free, personalised support throughout the different stages of business through:

- a dedicated Business Concierge team giving one-on-one, collaborative support and guidance over the phone, in-person and online, and streamlined referrals to other government agencies
- access to independent advisors providing tailored advice and practical insights through the Service NSW Business Connect program
- independent Aboriginal business advisors via the Aboriginal Business Advisory Initiative, providing specialist coaching and advisory support to Aboriginal and Torres Strait Islander businesses
- a suite of digital tools, including the Service NSW Business Profile, making it faster and easier to work with the NSW Government
- targeted business communications alerting businesses to relevant support and information.

With services now provided to every local government area in NSW, the Service NSW for Business frontline team helped support businesses to start, run, grow, adapt and recover in times of change. We also continued to support businesses affected by storm and flood events during the year.

In 2022–23, Service NSW for Business introduced a one-stop-shop approach to business customer care to bring together what businesses and individuals need in one place. This was supported by collaboration between Service NSW and other agencies, to reduce the time and effort required for businesses to get what they need.

Other notable achievements during the year include:

- provided eligible families with 3 x \$50 vouchers to use at registered NSW businesses through the NSW Back to School vouchers program, boosting local business income and helping families pay for school supplies
- improved the Service NSW Business Profile with the inclusion of the Licence Manager tool, allowing businesses to manage their licences online and stay compliant with NSW Government regulations
- assisted over 50,000 businesses through Service NSW Business Connect
- brought the Aboriginal Business Advisory Initiative into Service NSW for Business, which offers specialist coaching and advice to Aboriginal and Torres Strait Islander business owners
- increased awareness of our services amongst business peak bodies, industry associations, regional bodies and professional networks
- added dedicated disaster and emergency assistance information and support for women in business to our online business information hubs.

Our Lighthouse projects

One Customer Experience (OneCX)

During 2022–23, the OneCX Program continued to transform the digital experience of the NSW Government website (nsw.gov.au) for the more than 2.6 million monthly visitors by providing a single location for them to find information, complete tasks and provide feedback.

During 2022–23, the OneCX Program team received multiple awards recognising work that showed significant improvement or development in customer experience, including the Customer Service Institute of Australia 2022 award for Customer Transformation Project of the Year.

In 2022–23:

22 websites were migrated to nsw.gov.au to improve the **customer experience** in the key focus areas of health, regional NSW, education, regulation and life events.

1767 outdated and duplicated pages were removed from individual agency websites, helping to create a single source of truth and increase trust in government.

The **accessibility** of government content was improved by **20%** after it was migrated to nsw.gov.au

141 new features were added, including interactive maps, directories to help locate **services and discounts** and easy-to-use eligibility tools such as the Shared Equity Home Buyer Helper.

517 grants and funding opportunities were published from **46 agencies** on the Grants and Funding Finder.

515,000 businesses had a Service NSW Business Profile, enabling them to access customised support through their MyServiceNSW account.

7475 agency requests were resolved with an average customer satisfaction score of **95.8%**, following the introduction of personalised customer messaging on key webpages.

173 self-help articles were published on the Help Hub to support nsw.gov.au content management system users across 140 agencies.

480 staff across government received training to improve their digital capabilities and manage their pages autonomously, enabling content to stay up-to-date more easily.

Our Lighthouse projects

Critical Communications Enhancement Program

Managed by the NSW Telco Authority, the Critical Communications Enhancement Program (CCEP) aims to create a single, interoperable network to allow emergency and essential services organisations and government agencies to communicate with each other and coordinate responses during critical incidents and disasters.

The program represents the largest investment in critical communications infrastructure in the state's history. Once complete, it will deliver 669 new or enhanced Public Safety Network (PSN) sites that provide coverage across 85% of NSW and reach 99.7% of the population.

The PSN land coverage is now 47%, compared to less than 35% before the program, and reaches 97.5% of the state's population. In 2022–23, 83 sites were delivered, covering an additional 28,747 km² and representing a 33% increase on the previous reporting period. This means that as of 30 June 2023, there were 337 operational sites. These will play a vital role in aiding emergency services to keep the people and places of NSW safe.

Public Safety Network coverage	Prior to CCEP	30 June 2023	2027 completion
Sites	150	337	669
Population	80%	97.5%	99.7%
Landmass	Less than 35%	47%	85%

Other highlights and achievements

Many of our highlights in 2022–23 were known as Greenhouse projects. Introduced as part of the *DCS Connect Strategy 2020–23*, these were signature divisional level projects which delivered significant customer value.



Greenhouse projects are identified within this chapter using this symbol.

Better Regulation Division

The Better Regulation Division (BRD) focuses on making things better for the people of NSW by improving regulatory practices and seeking to prevent problems from happening.

To drive this change, in December 2022 BRD established a Customer Experience and Program Delivery stream focused on making sure our services, projects and digital products are customer-centred and run smoothly.

In 2022–23, BRD delivered major projects including:



Accountability for design and construction work (Construct NSW program)

–expanded existing building reforms to cover class 3 and 9c buildings to increase transparency and make the building and construction industry more efficient. NSW Fair Trading implemented the *Design and Building Practitioners Act 2020* and the *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020* giving the agency the power to stop defective building work to the benefit of both industry and the consumer. Together these Acts strengthen regulatory oversight, increase collaboration around licensing systems, enhance intelligence capabilities and establish standards for certifiers. The program also introduced new digital tools such as the Building Assurance Solution and independent rating tools to further improve transparency and trustworthiness within the industry.



The Automatic Mutual Recognition (AMR) scheme

–implemented in NSW on 1 December 2022, the scheme makes it easier for occupational licence holders from other states with a valid licence to work in NSW. Interstate occupational licensees can now quickly and easily register in NSW, using a new secure licence verification platform, which allows information to be safely and securely shared between the different interstate jurisdictions.

Other highlights and achievements

Customer-centred – under the eRegulation Licensing Program, BRD made it easier for individuals and businesses to get a licence by reducing complexity, time and ‘red tape’ via the digital licensing scheme. The end-to-end digital licensing journey simplifies and improves the user experience, driving a 92.8% uptake in digital licensing in 2022–23.

The Strata Hub – serving more than 85,000 schemes and approximately 1.2 million residents, this simple and secure digital platform helped ensure compliance with the new strata scheme reporting requirements introduced in July 2022. The Strata Hub centralises basic strata scheme information in one place for the first time. As well as supporting improved compliance, the Strata Hub also improves emergency services access to buildings, facilitates community education about strata living, and helps the administration of strata building bonds and inspections for new developments, contributing to improved building quality and consumer protection.

Other key achievements for BRD regulators are shown below. The Long Service Corporation and the Professional Standards Authority produce their own separate annual reports as required under legislation. The annual review of the Office of the Registrar General is included in this annual report.

SafeWork NSW

As the state’s workplace health and safety regulator, SafeWork NSW works with the NSW business community, industry, unions and workers to prevent accidents and improve workplace health and safety. Our responsibilities include issuing licences and registration for potentially dangerous work, investigating workplace incidents and complaints, and where necessary, enforcing work health and safety, workers compensation and explosives laws in NSW.

In 2022–23, SafeWork NSW’s regulatory activities promoted harm prevention by informing, educating and engaging with communities and industries and continuously improving capability. SafeWork NSW’s customer engagements for the year are summarised in the following table.

SafeWork NSW customer engagements during 2022–23

SafeWork NSW engagements	Totals
Requests for service	18,889
Enquiries	15,887
Incident notifications	8727
Website page views	More than 6 million page views
Social media posts	Across Facebook, Twitter and LinkedIn: <ul style="list-style-type: none">• 424 social media posts• 12.6 million impressions
Webinars	SafeWork NSW delivered 60 on-demand webinars with 22,922 attendees

Achievements

SafeWork NSW works to keep NSW workplaces safe through legislative reforms, with a particular focus on the areas of compliance and enforcement to address non-compliant behaviour.

An important tool in our efforts to enhance workplace safety and ensure compliance with safety regulations, is the Speak Up, Save Lives app, developed by SafeWork NSW. This web and mobile app makes it easy for workers to report hazards by taking photographs of unsafe situations and reporting them directly to the regulator, who can then take the necessary actions and improve safety standards.

Other highlights and achievements

In 2022–23, over 4022 submissions were sent to SafeWork NSW via the app. Overall, since its launch in October 2019, there have been over 14,559 submissions, resulting in over 4817 improvement notices, 1229 prohibition notices and 296 penalty notices issued.

In August 2022, automation of the long-standing Small Business Rebate Program also made it easier and faster for small business customers to apply and receive a rebate to help purchase critical safety items. The digital solution decreased the wait time for customers from 13 to 4 weeks. In 2022–23, 12,000 applications were received with \$4.4 million paid out in rebates and a further \$3.45 million from small business investment.

In 2022–23, SafeWork NSW became the first jurisdiction to introduce new laws to address psychosocial hazards in the workplace, which look at how work is designed, organised and managed in relation to a person's mental health and wellbeing.

SafeWork NSW also progressed reforms to address safety in demolition work, asbestos work, electrical work, amusement rides and the delivery of services via the gig economy.

Other key achievements during the year include:

Specific food delivery rider regulation – following the introduction of new legislation requiring food delivery riders to wear high-vis to comply with Australian Standards, food delivery platform Uber Eats commenced a \$17 million rollout of high-vis Personal Protective Equipment to its riders, both in NSW where it is required, as well as other parts of Australia.

Regulatory Priorities – published in January 2023 and covering high-risk activities and sectors, the Regulatory Priorities are concise, evidence-based, measurable statements of regulatory intent that support the ability of regulatory bodies to adapt quickly to change. As well as including strategic goals, they include key measurements to help us monitor, see the impact of our work and report against it publicly. The Regulatory Priorities for SafeWork NSW cover safety around moving plant, the gig economy, seasonal work, psychological safety, respect at work, exposure to harmful substances and falls from height. They are also focused on protecting younger workers, workers from culturally and linguistically diverse backgrounds (especially newly arrived workers) and Aboriginal people.

Respect at Work Directorate – as part of SafeWork NSW's Regulatory Priorities, established the first Australian work health and safety regulator, creating a dedicated team focused on gender-based harms in the workplace, including sexual harassment. In June 2023, SafeWork NSW formed a partnership with Royal Melbourne Institute of Technology to begin research to address workplace sexual harassment, undertake activity to improve the expertise of the inspectorate and develop resources to better equip businesses to take preventative action against workplace sexual harassment.

Mentally Healthy Workplaces Strategy 2018–22

– concluded in November 2022, the strategy's key objectives were to grow awareness and understanding of mentally healthy workplaces, increase the capability of NSW employers to create mentally healthy workplaces, improve NSW workers' perception that their workplaces are safer and healthier, expand social connections within the workplace and community, boost productivity through reduced absenteeism and presenteeism, advance recovery at work outcomes, and provide employer cost savings. Across its 4 streams, the strategy had 20 projects, of which 14 were delivered by SafeWork NSW – the remainder were delivered by the State Insurance Regulatory Authority, icare and the Centre for Work Health and Safety. By the end of 2022, over 90,000 businesses had taken effective action to create mentally healthy workplaces.

National Work Health and Safety (WHS) Radar Report and the Australian WHS Survey

– published in April 2023 by the Centre for Work Health and Safety, the survey provided the latest insights on work health and safety. In addition, the National WHS Radar will empower Australian regulators, academics, professionals and business leaders to take a proactive approach to work health and safety, to better inform existing and future policies and practices. The centre also launched the WHS Data Science Program to explore state of the art methods in predictive modelling, machine learning and advanced analytics. For more information on SafeWork NSW's research and development, see the 'Research and development' section of this annual report.

Other highlights and achievements

Compliance and enforcement activities

In the reporting year 2022–23, SafeWork NSW delivered a range of compliance and enforcement activities summarised in the following tables.

SafeWork NSW licensing	2022–23
New licence applications finalised	172,130
Renewals finalised	119,482
Renewals refused	97
Total of all currently held SafeWork NSW licences and authorisations (includes licences, certificates, registrations, permits and notifications)	2,419,428

Work health and safety compliance action	2022–23
Proactive activities (workplace advisory visits, project activity, verification audits)	24,638
Workshops, presentations, seminars and forums	903
Response activities (requests for service, workplace incidents, enforceable undertakings)	11,801
Non-field response activities – not at a workplace or in the field (including resolution of an incident or requests for service, providing advice, interviews, desktop audits)	15,815

SafeWork NSW notices issued	2022–23
Improvement notices	11,398
Prohibition notices	2882
Penalty notices	888
Other SafeWork NSW issued notices	3751

SafeWork NSW enforcement decisions	2022–23
Legal proceedings resulting in a conviction, order or agreement	75
Legal proceedings commenced in 2022–23 (proceedings commenced may not conclude until subsequent years)	175
Fines ordered by the courts	\$16.3 million

In 2022–23, SafeWork NSW finalised 134 reviewable decisions all within statutory timeframes.

As an alternative to prosecution, there were 6 enforceable undertakings accepted by SafeWork NSW in 2022–23 which will deliver \$6,170,877 in work health and safety improvements. A further 6 enforceable undertakings, accepted in previous years, were formally completed in 2022–23 delivering a total of \$3,484,355 in work health and safety improvements to NSW workplaces, industry and the community.

Other highlights and achievements

NSW Fair Trading

NSW Fair Trading is responsible for the administration of consumer protection laws in NSW. It aims to achieve fairness for all in the marketplace by undertaking a range of activities including customer engagement, education, dispute resolution, licensing, conducting compliance and inspection programs, and enforcing laws to safeguard consumer rights.

NSW Fair Trading also administers residential bonds on behalf of the Rental Bond Board under the *Residential Tenancies Act 2010* and administers retail leases and cash security bonds on behalf of the Small Business Commission under the *Retail Leases Act 1994*. An overview of bonds administered by NSW Fair Trading during the reporting year is included in this section.

Customer engagements

NSW Fair Trading's customer engagements for the year are summarised in the following table.

NSW Fair Trading engagements	2022–23
Complaints	32,874
Enquiries	44,636
Strata mediation	2763 mediations conducted (average resolution rate 48%)
Website page views	12.1 million views
Social media posts	Across Facebook, Twitter and LinkedIn: <ul style="list-style-type: none">• 139 posts• 1.7 million impressions
Events, stakeholder meetings and webinars	1163

In 2022–23, Community Voice Networks were established with over 400 members working with priority communities: Aboriginal, youth, culturally linguistic and diverse people and people with a disability. NSW Fair Trading established the networks to disseminate harm minimisation messages as well as capture community feedback.

From October to November 2022, BRD also delivered the 'Fair and Safe Together' regional roadshows to educate industry and communities about their rights and responsibilities. More than 50 events were held across NSW including in Wagga Wagga, Dubbo and Ballina.

Achievements

Key policy and legislative reforms in building and construction, real estate and housing, and consumer protection delivered in 2022–23 include:

Consumer protection rights – improved consumer protections and raised awareness of rights in the areas of puppy scams and funeral pricing. NSW Fair Trading also consulted with the community on proposed reforms for the regulation of motor vehicle dealers and repairers, and paintball venues, suppliers and users.

Fire safety reforms – to make buildings safer and increase compliance with fire safety measures in buildings, reforms were introduced making changes to the *Environmental Planning and Assessment (Development Certification and Fire Safety) Regulation 2021* on the design, certification and maintenance of fire safety measures in buildings.

Reforms in real estate and housing – a priority for NSW Fair Trading, progress focused on implementing the *Strata Scheme Management Act* statutory review and *Residential (Land Lease) Communities Act 2013* reforms. The *Residential Tenancies Amendment (Rental Fairness) Act 2023* received assent on 3 July 2023, updating tenancy laws so that real estate agents, landlords or third parties cannot solicit or invite bids higher than the advertised rental price. It also made amendments to assist with the development of a portable bond scheme.

Penalty Infringement Notices – were introduced for the charitable fundraising regime in NSW under the *Charitable Fundraising Amendment Regulation 2022*.

Regulatory Priorities – the NSW Fair Trading Regulatory Priorities, introduced in 2023, concentrate on 4 areas of consumer protection that are either emerging or seen as high-risk: consumer goods and services, automotive sales, building and construction, and real estate and property. The Regulatory Priorities include both strategic goals and critical indicators to track progress and enable it to be shared with the public. They also have an emphasis on protecting vulnerable consumers, such as seniors, individuals from culturally and linguistically diverse backgrounds, those escaping domestic and family violence and Aboriginal people.

Other highlights and achievements

Residential construction, safety and licensing –

inspectors from the building-related compliance teams delivered 6 operations across 138 metropolitan and regional building sites in NSW which looked at residential construction, safety and licensing. They conducted 197 licence checks and found 39 compliance breaches. There were 9471 apartments audited under the *Design and Building Practitioners Act 2020*. A further 345 occupation certificates for class 2 developments were registered on the ePlanning portal, and 81 audits before occupation certificates were issued.

Rental residential bonds – on behalf of the Rental Bond Board, NSW Fair Trading, as the administrator for the rental bonds system under the *Residential Tenancies Act 2010*, saw a total of 328,583 new residential bonds lodged and receipted in 2022–23, 84% of which were lodged fully online using Rental Bonds Online. A total of 307,058 residential bond refunds were processed, with 93% of these fully refunded online. The total number of residential bonds held for 2022–23 was 961,471 at a value of \$1.929 billion.

Rental retail bonds – since July 2022, customers have been able to lodge and transact retail bonds through Rental Bonds Online in compliance with the *Retail Leases Act 1994*. Of the 8110 new retail bonds lodged and receipted, 39% were lodged using the online portal and of the 5279 retail bond refunds processed, 43% occurred online. The total number of retail bonds held in 2022–23 was 33,807 at a value of \$257 million.

Compliance activities

During 2022–23, NSW Fair Trading undertook a variety of compliance activities including licensing, inspections, audits and proactive regulatory engagements, which are summarised in the following tables.

NSW Fair Trading licensing	2022–23
New licence applications finalised	53,415
Renewals finalised	140,274
Renewals refused	2472
Total of all currently held NSW Fair Trading licences and authorisations (includes licences, certificates, registrations, permits and notifications)	958,332

NSW Fair Trading proactive (planned) activities	2022–23
Consumer goods and services	6408
Automotive	4305
Building and construction	141
Property	738
Other/miscellaneous	295

NSW Fair Trading inspection and audit activities	2022–23
Electrical and gas inspections	2532
Building inspections	643
Plumbing inspections	70,064 (4100 non-compliances issued)
Audits of occupation certificates	81
Anytime/anywhere class 2 building audits	42
Design and building practitioner audits	59
Certifier audits	121
Property inspections – onsite and desktop	771
Automotive (investigations and inspections)	5169

Other highlights and achievements

Enforcement action

In 2022–23, NSW Fair Trading opened 5570 investigations and closed 4343 investigations resulting in the action summarised in the following table.

In 2022–23, NSW Fair Trading finalised 698 reviewable decisions all within statutory timeframes.

NSW Fair Trading enforcement action – type of action	2022–23
Charges made	259 (across 56 defendants with fines and penalties totalling \$745,782.43)
Penalty Infringement Notices issued	1705 (fines totalling \$2,176,371)
Licence disqualifications permanent	13
Licence disqualifications temporary	50
Licence suspensions	18
Licence cancellations	53
Public warnings	5
Warning letters	1933
Verbal warnings	583
Education letters	983
Verbal education	217
Assessment education letters	507
Reprimand	39
Monetary penalty	33 (totalling \$362,150)

Subsidence Advisory NSW

Subsidence Advisory NSW supports property owners in NSW living in areas where subsidence from underground historical and active coal mining may occur, by:

- managing compensation claims for subsidence damage to improvements, such as houses
- regulating development in mine subsidence districts to help reduce potential damage
- operating a 24-hour hotline to respond to reported subsidence emergencies, primarily in historical coal mining areas.

In 2022–23, Subsidence Advisory NSW approved development in mine subsidence districts with an estimated total value of over \$4 billion and assessed 4056 individual development applications.

Subsidence Advisory NSW also responded to 214 emergency mine subsidence reports during the reporting year, including sinkholes, through its 24-hour response service.

In 2022–23, Subsidence Advisory NSW received 241 claims and paid \$9.62 million in compensation for residential, commercial and infrastructure claims for damage caused by mine subsidence. Of note, \$6.53 million has been paid towards ongoing remediation of recent significant subsidence events that occurred in the Newcastle area.

Other highlights and achievements

Corporate Services Division

The Corporate Services Division provides centrally-led, client-focused support across operational, transactional and corporate governance functions to support the department and its related entities and agencies. Through integrated support services and a culture of continuous improvement, the division delivers trustworthy, effective and easy to engage with work practices in partnership with our businesses and staff, to enable the provision of frontline and customer-facing services in line with the vision and strategy for DCS.

Key delivery highlights for the Corporate Services Division for 2022–23 in the areas of technology, cyber security and performance follow.

Technology

Introduced automated testing to improve the **quality assurance** process for our SAP ERP system which underpins key business processes for the **24,000+** users of GovConnect services.

Upgraded networking software for all DCS sites, providing an improved **user experience** and enabling a uniform and consistent support response to address critical vulnerabilities.

Updated our **technology network** to assist with the successful transition of our most valuable applications to the cloud, as part of the NSW Government's Cloud strategy.

Established new network technology and physical sites to support the deployment of temporary Service NSW branches to aid our **response to natural disasters** across the state.

Developed a standard process for implementing and delivering **Machinery of Government** related changes to enable clear lines of responsibility and accountability throughout the process.

Other highlights and achievements

Cyber Security

The Office of the Chief Information Security Officer (CISO) led significant cyber security improvements across DCS and the shared ICT service, GovConnect, to ensure the ongoing protection of NSW Government systems, data and information. Initiatives delivered in 2022–23 include:

Significantly improved and **modernised security control** capabilities in line with the NSW Cyber Security Policy and the Australian Cyber Security Centre Essential Eight.

Extended **cyber security** capabilities across internal DCS ICT environments and to other NSW Government agencies and departments, including NSW Treasury and the Department of Enterprise, Investment and Trade.

Resolved cyber security findings that were self-identified or flagged through **internal audits**.

Invested in developing sustainable security capabilities and the **continuous development** of DCS CISO Operations by bringing strategic, governance and tactical operations in-house.

Undertook an education program across DCS, focused on identifying and managing **cyber risks**, improving business engagement, raising awareness and driving an improved security posture.

Performance

Exceeded the 2022–23 procurement target for expenditure with Aboriginal suppliers by **\$9.6 million**.

Supported small and medium enterprises (SMEs) through increased spending by the NSW Government, with **20%** (\$92.6 million) of our total spend directed to SMEs.

Delivered **\$9.4 million** in productivity benefits through 12 process re-engineering and automation projects.

Delivered approximately **\$28 million** in procurement savings.

Delivered over **300** procurement projects across DCS, with 2 stand-out achievements leading the way for the public sector:

Crisis Response Panel – to enable **quick access** to emergency resources during natural disasters and stimulus programs.

Cash in transit services – to source a service provider for cash collection services for Service NSW, resulting in a **21%** cost reduction.

In Legal matters:

294 prosecution charges were commenced against **45** individual defendants.

97 civil litigation matters were concluded.

Advice was provided regarding **92** building orders on behalf of NSW Fair Trading and the Office of the Building Commissioner.

175 prosecution charges were commenced against **104** separate defendants on behalf of SafeWork NSW.

Other highlights and achievements



Program Fortify

Program Fortify has decommissioned over 200 servers from DCS's ICT environment, decreasing our spend on legacy infrastructure and significantly reducing our cyber security risk exposure. This has allowed us to consolidate and reduce our footprint within Government Data Centres (GovDC), resulting in approximately 3.5 tonnes of e-waste being decommissioned.

The program also simplified DCS's core IT network across the department and its related entities and agencies, lowering our maintenance costs, and making it easier to support this critical environment. Further work has also been done to consolidate database licensing across DCS, avoiding significant costs for several agencies.



Project Trust

Funded by the NSW Digital Restart Fund, Project Trust was an ambitious 3-year strength and resilience program of information and cyber security transformation led by the Corporate Services Division. Delivered in 3 phases, the program's mission was to uplift and enhance the cyber and information security posture of DCS by:

- reducing the risk of future security and privacy incidents through increased system reliability and integrated security
- maturing DCS's ability to detect, respond and recover from security and privacy incidents
- uplifting employee capability and awareness across DCS
- strengthening security controls and business processes.

In this final year of delivery, key achievements were under the following 3 workstreams:

1. **Cyber Security** – focused on ensuring the digital systems and information we work with across DCS are appropriately secured and safeguarded against cyber attacks.
2. **Information Protection** – centred on developing and promoting work processes and practices that help protect sensitive information.
3. **Privacy Protection** – dedicated to strengthening privacy protection capabilities and awareness across DCS.

Across its lifespan, Project Trust has:

- enhanced cyber security threat detection and monitoring capabilities
- enabled Essential Eight controls (macros, user application hardening and application control) across DCS digital platforms and networks
- refreshed the DCS Privacy Management Framework and Privacy Management Plan
- introduced an Information Security Management System framework driving increased consistency and alignment across DCS
- added multi-factor authentication across DCS applications
- completed remediation of security gaps and implementation of base level controls across key DCS applications and systems
- run multiple employee programs to foster awareness and enhance skills in managing information safely and securely
- launched a suite of policies, procedures and frameworks to govern our use, access and control of the information, systems and data we hold.

Other highlights and achievements

Customer, Delivery and Transformation

Customer, Delivery and Transformation (CDT) leads the NSW Government in ensuring services are accessible and effective for all people, no matter which agency of government they deal with.

CDT provides services under 4 focus areas:

- transform services shaped around people rather than government structures
- data, insights and analytics to better understand people's needs and what works
- engage the community to inform and listen, in ways that work for people rather than reflecting the structure of government
- the NSW Registry of Births, Deaths and Marriages is a national exemplar of modern, effective government.

Transform services shaped around people rather than government structures

The NSW Government Customer Experience Survey

The Customer Experience Survey has been running since December 2021, providing valuable insights across all of government. This helps the NSW Government to improve services for our customers' benefit. By the end of June 2023, over 48,000 customers, including 38,523 residents and 9757 businesses, had provided feedback on their experiences with government services.

The survey data was used to create the first State of the Customer report, published in October 2022. This study provided a transparent view of customer feedback about their experiences of government services – both what we're doing well and where we need to improve. DCS continues to work with government departments to help them build these insights into their policy decisions.

Connected services for the people of NSW

The Customer Experience Unit is designed around the needs of the people and communities of NSW. It consists of the Life Journeys and Customer Experience Design and Delivery teams, which specialise in delivering integrated service solutions across the whole of government.

An example of this work is the Life Administrator tool. It is a digital customer care solution that serves as a single location to guide customers through services they need, when they need them – such as registering a birth, school enrolments, accessing financial support or purchasing a home.

A further 50 service improvements were started in 2022–23. These focus on people who need government support the most, whether through crisis, financial hardship or social challenges.

Other highlights and achievements



Data, insights and analytics to better understand people's needs and what works

NSW Insights Hub

The NSW Insights Hub serves as a central platform for collecting, integrating and sharing data, analytics and insights with all government departments and agencies. It provides a single, strong evidence base for understanding customers across NSW. These insights are derived from various behavioural data sets such as spending patterns, mobility, business performance, community attitudes and perceptions, and feedback from customers on their experience with government services. By the end of 2022–23, the Hub had over 400 registered users from all areas of the NSW Government.

NSW Data Analytics Centre

The NSW Data Analytics Centre (DAC) leads a whole of government approach to data sharing and data analytics, providing data science and analytics services to improve government policies, programs and services.

The DAC also plays a leadership role in NSW and National Data Reform activities, advocating for the sharing and use of data to inform government policies and services. This work includes the implementation of the *NSW Government Data Strategy*, policies, ethics and legislation and the National Data Sharing Work Program.

Some of the initiatives implemented during 2022–23 include:

Strategic and integrated data assets – provided valuable customer insights to key decision-makers to help them evaluate programs and initiatives. These assets are securely managed by the DAC through its in-house hosting platform and environment.

NSW Legislative Twin – created a virtual representation of the NSW legal system. NSW public servants maintain, deliver and review policy within a large and complex network of legislation. The NSW Legislative Twin helps users, for example, to see how changes to one act may affect others. It also helps to ensure that all relevant legislation is considered when preparing policy for implementation.

Natural Language Processing text analytics tool – introduced a data science-enabled tool to help government agencies quickly and systematically analyse free text feedback and surveys from customers. This enables agencies to take timely action to improve services based on these insights.

Behavioural Insights Unit

The Behavioural Insights Unit improves customer and service outcomes by using research from behavioural sciences to understand how people make choices and interact with services. The unit works with NSW Government agencies to use these insights, along with rigorous design and evaluation, to make public services and policies more effective.

Examples of successful outcomes this year include:

Helped agencies identify and remove obstacles (or 'sludge') that get in the way of a **positive customer experience** and accessibility, through the release of the Sludge Finder tool.

24% more parents took their children to free health checks as the result of **easier bookings** and timely reminders.

Adoption of rehabilitative behaviours **increased by 10%** and staff motivation increased by 9% after training was offered, supported by habit building tools.

20 solutions were identified to support businesses increase women's recruitment in non-traditional trades.

7 times more patients took up an outpatient care app to support them to build healthy habits.

Other highlights and achievements

NSW Better Outcomes Lab

The NSW Better Outcomes Lab (BOL) helps agencies to access and use data from various sources to improve citizen outcomes.

In 2022–23, the BOL implemented and refined 5 products and services:

- Linked Data Capability Hub – serves as a gateway for accessing the BOL products and helps agencies to build their skills in using data sets that combine information from across agencies
- Data Passport – provides ‘Safe User’ accreditation and a data application management platform that simplifies and fast tracks data access for trusted users
- Journey Lab – an agile and powerful entry point for government agencies to analyse and gain unprecedented insight into NSW citizens’ service usage and outcomes
- Pathway Analytics – a custom, data analytics and advisory service that helps agencies to better understand customer pathways and identify ways to improve service delivery and results
- Evaluation DataLab – a cost-effective service that delivers quick, efficient and independent estimates to assess the effectiveness of government funded programs.



Engage the community to inform and listen, in ways that work for people rather than reflecting the structure of government

One place for all NSW Government information

The OneCX Program is building the nsw.gov.au website as the single location for customers to find information, complete tasks and provide feedback. With over 2.6 million monthly visitors, nsw.gov.au plays a crucial role in connecting the government with the people of NSW.

During emergencies such as natural disasters, nsw.gov.au has been a trusted and reliable source of essential information, personalised content and location-based recommendations – helping users to tailor their customer journey and navigate their way through critical situations.

In 2022–23, we migrated 22 websites to nsw.gov.au and added 141 new features including interactive maps, service directories and user-friendly tools like the Shared Equity Home Buyer Helper.

One place to engage our NSW community

The Have Your Say community consultation platform on nsw.gov.au is a central place used by government for community and stakeholder consultations. It helps gather feedback and opinions from the public which are used to make decisions about policies, programs and digital products.

In 2022–23 Have Your Say evolved to incorporate data analytics, customer insights and spatial mapping capabilities. This allowed government teams to access real-time data dashboards and trends, helping to improve community engagement and make more informed decisions.

During 2022–23, Have Your Say supported 62 consultations, a **27% increase** from the previous year.

The platform achieved an average **engagement rate of 35%**, far surpassing the previous benchmark of 10%.

Additionally, **93%** of participants found the site easy to navigate and provide feedback, making the consultation process user-friendly for the public.

Other highlights and achievements

Communicating with one trusted voice

CDT continued to support DCS, on behalf of the NSW Government, by sending electronic direct mail containing up-to-date information about government services and initiatives to more than 5 million customers and 1.4 million business owners. The team also supported other government agencies by sending emails on their behalf.

Additionally, CDT continued to manage various social media channels including Service NSW Facebook and Instagram, the NSW Registry of Births, Deaths and Marriages Facebook and Instagram and several regulator assets. During the year, the team provided personalised and attentive customer care on all DCS communication channels, with a special focus on Service NSW.

Notable achievements in 2022–23 include:

NSW Government social media – the NSW Government’s Facebook content was viewed over 33 million times in 2022–23, providing important government updates in easy-to-understand formats. The launch of the NSW Government Instagram and LinkedIn pages in late 2022 expanded the total reach by over 7 million individuals.

Customer care through social media – the Service NSW social media channels received over 54,000 comments, posts and messages and over 15,000 customers received personalised support.

Delivering coordinated communications on sector priorities

DCS is the NSW Government’s delivery engine for coordinated communications and advertising on important issues that affect the public. This includes handling communication during major crisis events such as floods, the COVID-19 pandemic and bushfires, to support the work of emergency service agencies.

The team also develops advertising campaigns on topics that cut across all of government interests. In 2022–23 this included the cost of living campaign that saved NSW customers \$7.5 billion using rebates and vouchers.

Driving savings across the sector through centralised media buying

The NSW Government is a major buyer of advertising. To save significant costs and ensure value for money to government, DCS manages the procurement of communication suppliers. In October 2022 we moved to one media buying agency instead of 5, saving the NSW Government \$100 million over 3 years.

The NSW Registry of Births, Deaths and Marriages is a national exemplar of modern, effective government

The NSW Registry of Births, Deaths and Marriages (BDM) registers life events in NSW accurately and securely, and for all time.

In 2022–23 BDM:

Registered **222,073** life events, issued 451,405 certificates, conducted 2217 weddings and actioned 34,590 family history research applications.

Delivered **4391** free birth certificates through its community engagement initiatives to **vulnerable** and disadvantaged citizens that needed help registering life events.

Attended **73** community engagement events where they assisted people with identity verification and application processes.

Partnered with Legal Aid NSW, Youth Justice NSW, Revenue NSW, various community organisations and others across the not-for-profit sector, to help people **register life events** and obtain copies of their certificates.

Held **29** ceremonies to celebrate the love of the LGBTQIA+ community at the Sydney Opera House, Sydney Harbour BridgeClimb and Manly Yacht Club to coincide with the **5-year** anniversary of same sex marriage in Australia and Sydney’s first time hosting WorldPride.

Other highlights and achievements

Digital NSW

During 2022–23, Digital NSW continued to provide the necessary strategies, tools and resources to help the NSW Government provide easy-to-use, accessible digital services. Digital NSW also led important projects in digital identity and cyber security, upgraded ICT platforms and networks, and made improvements in relation to sourcing, procurement and project delivery.

Here are the main accomplishments for 2022–23.

ID Support NSW

ID Support NSW provides tailored assistance, remediation and recovery advice, and in the event of a large-scale data breach, delivers support to all of NSW Government as the lead coordinating agency. ID Support NSW is the only identity recovery service of its kind in Australia. In 2022–23 ID Support NSW led the NSW Government response to the recent high-profile Optus and Medibank breaches.

ID Support continues to lead the nation with proactive notifications to NSW customers whose personal information has been located on the dark web. This successful approach has become a model for other jurisdictions.



Cyber Security NSW

To safeguard the confidentiality, integrity and availability of government systems, services and data, Cyber Security NSW leads, implements and supports cyber security initiatives to ensure that the NSW Government is well protected against cyber threats. Cyber Security NSW takes a targeted, risk-based approach to strengthen the cyber resilience of the whole of NSW Government.

Some of the key initiatives and achievements in 2022–23 include:

Delivered cyber security awareness training to **189,153** NSW Government staff through online modules (184,953) and in-person training (4200).

Detected almost **29,000** external vulnerabilities and provided remediation advice to NSW Government entities.

Provided **349** cyber security related risk assessments to **169** NSW Government entities.

Disseminated over **180** intelligence products and triaged over **350** notifications to support NSW Government agencies, councils and State Owned Corporations in response to threats and **cyber security** incidents.

Continued to develop the Cyber Portal to gather and analyse cyber security metrics.

Developed **toolkits** to support NSW Government entities in implementing the NSW Cyber Security Policy and improving their cyber resilience.

Delivered the **Cyber Insights Panels** to help Fire and Rescue NSW, the NSW Police Force, the NSW Department of Education, and the NSW Department of Communities and Justice strengthen cyber security.

Published the Cyber Security NSW Service Catalogue, to better inform NSW Government entities of the **support** available to them.

Other highlights and achievements



Government Technology Platforms

Government Technology Platforms (GTP) plays a critical role in addressing digital capability challenges for the NSW Government, people of NSW, businesses and within industry. GTP delivers a broad range of innovative and secure digital platforms, network services and customer-centric digital solutions to improve performance and enhance customer experiences.

Some of the key initiatives and achievements in 2022–23 include:

Partnered with NSW Rural Fire Service and NSW State Emergency Service to create the **Hazards Near Me NSW** app, allowing quick and easy sharing of fire, flood and tsunami warnings.

Developed the Hazard Watch Publishing platform with NSW State Emergency Service, allowing flood and tsunami warnings to go online in just **1–3 minutes**, a reduction from the previous 30–60 minutes.

Helped make more government data open for use in research by API.NSW supporting **2.4 million** calls about its products, an average of 6722 a day, with a 4.25 out of 5 satisfaction rating.

Provided fuel price comparisons across **2630** fuel stations via the FuelCheck app, which had **2.57+ million** downloads, supporting 15,000 daily visits with a **93.1%** satisfaction rating.

Saved **one million tonnes** of carbon dioxide emissions during the past 10 years of operations, through the NSW GovDC.

Delivered cloud contact centre services to 10+ agencies with over 4900 agents handling **27 million** annual customer interactions across voice and chat through the Virtual Contact Centre.



Spatial Services – Live NSW

Spatial Services is the authority for spatial data for the NSW Government, providing land information to individuals, businesses and government agencies. This data is essential for mapping and the spatial information systems used across the community, government, industry and environmental sectors. Spatial Services also administers NSW-wide address management services through the NSW Point and Service Point applications. These tools help government agencies integrate address validation and location services into online applications – so customers can easily confirm and locate their address – and provide anonymised transaction data for use by the NSW Government.

In 2022–23, Spatial Services continued to lead the Live NSW program which is developing the NSW Spatial Digital Twin. This will provide an interactive, digital representation of the real world which can be used to facilitate better planning, design and modelling for the future needs of government service delivery. This involves connecting NSW Government spatial, and sometimes real-time data, and transforming it from two dimensions to three and four dimensions.

Some of the key initiatives and achievements for the year include:

- launched the Bathurst Spatial Digital Twin experience, making it the first regional city to be part of the program
- transformed foundational spatial data for 18 local government areas, which represent approximately 37% of the NSW population
- successfully piloted the NSW Spatial Digital Twin with Schools Infrastructure NSW, demonstrating considerable benefits across the infrastructure lifecycle
- enhanced the NSW Spatial Digital Twin to support more effective emergency management and response.

Other highlights and achievements

Accessibility NSW

Accessibility NSW is focused on making sure that all the ICT and digital products created, bought and communicated by the NSW Government can be used by everyone, no matter their ability, situation or background. The team provides staff with the tools, technical advice and solutions they need to ensure their work is accessible to all.

In June 2023 we introduced the latest version of the Digital Accessibility Toolkit. This comprehensive resource and guide for staff has had over 10,000 page visits since its launch, showing that it is widely used and valued.

ICT/Digital Sourcing

ICT/Digital Sourcing (ICT/DS) helps the NSW Government achieve its goal of becoming the world's most customer-centric government, as well as the easiest government to partner and do business with.

In 2022–23 ICT/DS delivered various programs. These included setting up whole of government agreements and panels for all ICT categories, updating the NSW Government ICT and Digital sourcing policies and frameworks, implementing strategies for engaging with industry, managing strategic partnerships and streamlining procurement and spend to drive better value for money.

Key initiatives and achievements in 2022–23 include:

Achieved **\$554.1 million** in ICT procurement benefits between August 2019 and June 2023, exceeding the 4-year target of \$400 million (cash and costs avoided).

Realised **\$262.1 million** in cash savings (out of the \$554.1 million above) which can be directly reinvested in other priorities.

Established 2 new whole of government panels, supporting **37** new suppliers, for the provision of professional services and electronic signature software.

Extended or refreshed an additional **11** whole of government agreements and panels.

Completed the **first**, annual true-up of the SAP ERP licences under the Software Broker Model.



Digital Procurement Transformation Program

The Digital Procurement Transformation program, known as buy.nsw, improves the procurement experience for buyers and suppliers making it simpler, safer and more connected. It also encourages supplier diversity, with a particular focus on increasing spending with SMEs, Aboriginal-owned enterprises and start-ups. To achieve these goals, buy.nsw improves access to government supply opportunities, simplifying and integrating digital procurement services and improving the visibility of social procurement spend across government.

In total, and as of 30 June 2023, over 50,000 suppliers, with more than **100,000** registered users were supported by **buy.nsw**, with the platform growing by about 1000 new suppliers a month.

The platform also included more than **36,000** SMEs, **1034** Aboriginal-owned businesses and **159** social enterprises.

Over **7400** government buyers were registered, using the platform to find suppliers and obtain procurement information and advice.

During 2022–23, over **\$6.3 billion** in contracts were awarded to buy.nsw registered suppliers and almost **5000** opportunities were matched to supplier profiles on the platform.

Direct spend through buy.nsw was **\$236 million** during the same period.

Other highlights and achievements

NSW Telco Authority

NSW Telco Authority oversees a \$1.5 billion portfolio of projects for the NSW Government. Its focus is to provide essential communications for Emergency Services Organisations and address connectivity challenges across NSW.

Some of the key initiatives and achievements in 2022–23 include:

- managed the Public Safety Network to deliver mission-critical radio communications services for emergency and essential services
- improved frontline emergency responses by consolidating and modernising the centralised, mission-critical, emergency services paging network
- launched the NSW Connectivity Strategy to coordinate and streamline government programs and funding, and ensure modern, high speed digital networks are available to all
- trialled emerging technology alongside industry and government as part of the Next Generation Connectivity program to help people affected by disasters and keep communities connected
- led a proof of concept trial in partnership with Nokia, Optus and TPG to demonstrate the technical viability of a national Public Safety Mobile Broadband
- developed a world first Digital Connectivity Index to identify connectivity gaps in the state, and set new minimum connectivity standards for all new government infrastructure projects.



Connecting Country Communities

The \$50 million Connecting Country Communities Fund has invested in communications infrastructure to improve voice and data connectivity in regional NSW. The program, led by the NSW Telco Authority and the Department of Regional NSW, has made the following investments:

Mobile Black Spot Program – \$39 million was allocated to extend mobile coverage to 23,000 premises and along 1500 km of transport routes through the provision of 150 new or enhanced mobile base stations that enable 4G voice and data services. To date, 145 of these have gone live, providing coverage to 22,000 premises and 1300 km of roads. Additionally, 3 new base stations were delivered during 2022–23 at Wollondilly, Barwon and Coffs Harbour.

Broadband internet access – \$11.5 million was allocated to improve fixed wireless broadband internet in Southern NSW, benefitting around 4000 premises. One new base station was added during 2022–23 and a further 36 were upgraded. A total of 44 of 46 base stations have been installed, providing fixed wireless broadband to communities in the Kangaroo Valley, Southern Highlands and Southern Tablelands areas.

Digital Strategy, Investment and Assurance

Digital Strategy, Investment and Assurance (DSIA) is responsible for ensuring that ICT projects and programs across the NSW Government are delivered efficiently and cost-effectively. DSIA plays a crucial role in driving transformative digital reforms within government, shaping how digital projects are prioritised, funded and monitored. By collaborating with all government departments, DSIA drives the delivery of government priorities and leads significant change to achieve better results for the community, government and the economy.

One of DSIA's major initiatives is the Digital ICT Investment Strategy, which aims to bring transparency to the NSW Government's ICT or digital investments. It also looks to identify ways to streamline processes and encourage the reuse of digital services.

Some of the key initiatives and achievements in 2022–23 include:

- initiated the development of a new State Digital Strategy, aligned with current government priorities
- established a Digital Investment Pipeline of projects to help ensure focus on government priorities
- developed a NSW State Digital Asset Reuse Policy to reduce duplication and increase the reuse of digital assets in NSW
- updated the NSW Treasury Cost Benefit Analysis framework to include digital guidelines, which helps agencies present the costs and benefits of their proposed digital and ICT projects.

Other highlights and achievements

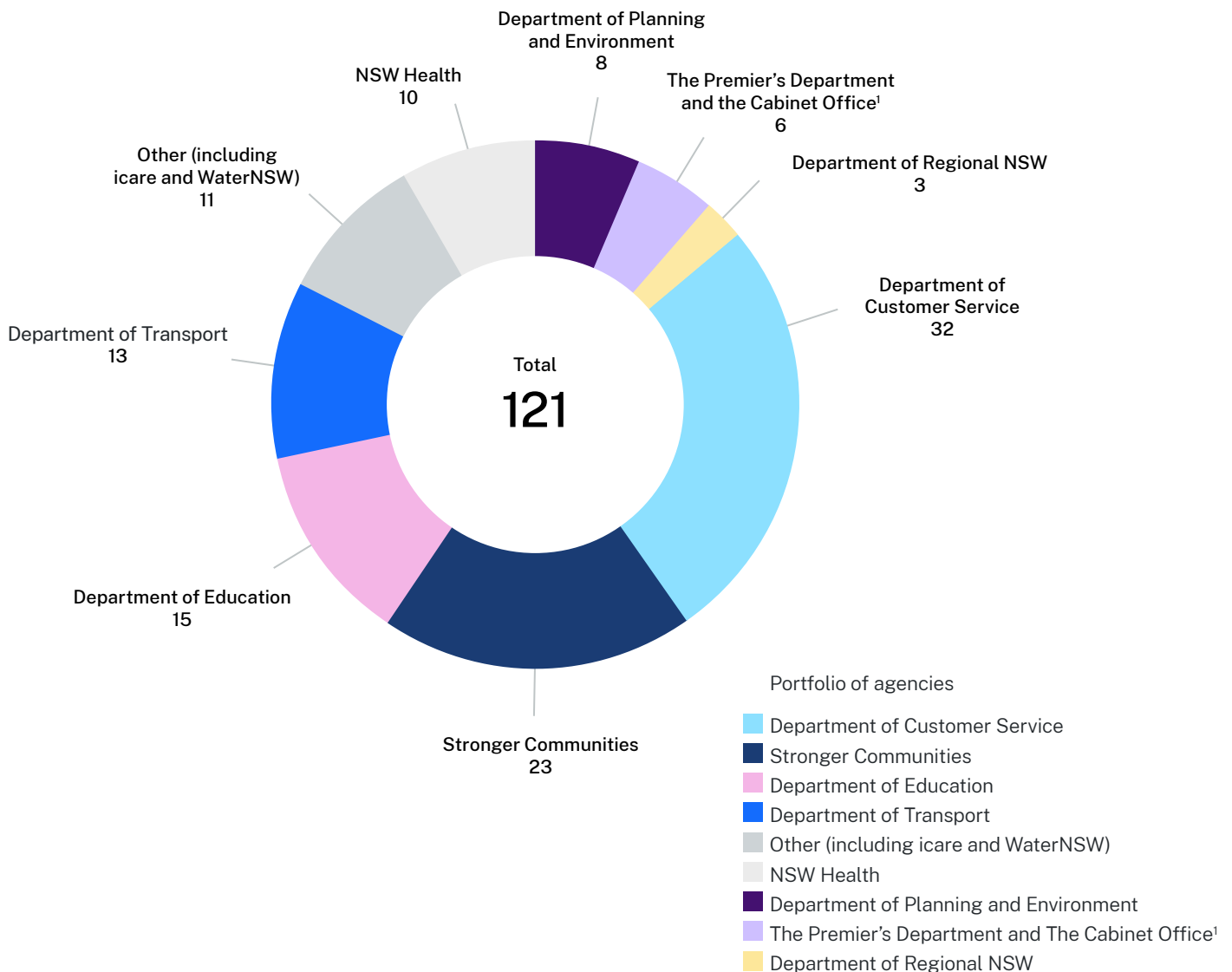
ICT and Digital Assurance Framework

By implementing the ICT and Digital Assurance Framework, the NSW Government has saved money by reducing the average cost of an ICT project by 75% and the average delivery time by 56%.

Since 2021, DSIA has reviewed more than 300 projects, with the sponsors of these projects expressing a satisfaction rating of over 90%. In 2022–23, the team assured a total of 121 projects across a wide range of government portfolios, as shown in the diagram below.

More on the ICT Digital Assurance Framework can be found on our website.

2022–23 Digital and ICT project reviews conducted by portfolio or agency



¹ Previously the Department of Premier and Cabinet.

Other highlights and achievements

Office of the Building Commissioner

In 2022–23, the Office of the Building Commissioner (OBC) made significant progress in restoring public confidence in the NSW construction industry and enhancing the capabilities of the building sector.

Project Remediate

This opt in program supports owners corporations to replace combustible cladding on high-risk residential apartment buildings. The first buildings have now been successfully addressed.

As of 30 June 2023, Project Remediate has:

Completed **142** building inspections.

Prepared design documentation for **100** buildings.

Drafted tender documentation for **58** buildings.

Had **6** buildings enter the construction phase.

Completed **remediation** for 2 buildings.

Recycled **9.73** estimated tonnes of cladding through the program.

To build industry capability and raise standards, industry training and upskilling are also key areas of focus for Project Remediate. More than 326 training modules have been delivered to contractors, allowing them to work on Project Remediate sites.

In May 2023, the second edition of the Pattern Book was published. Its role is to guide design teams and building contractors nationwide who work on remediation projects, and drive best practice, standardise solutions and reduce duplication of effort. The Pattern Book is a valuable resource helping bring long-term improvements to the skills in the cladding and construction industry.

Project Intervene

Following a successful pilot program, Project Intervene launched on 2 November 2022. Project Intervene aims to resolve serious defects found in the common property of occupied apartment buildings completed in the past 6 years, where there is a developer or builder to fix the issues.

The initiative uses legislative powers of the *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020* to encourage the developer or builder to fix serious defects at their cost by entering into a Developer Undertaking. This is a voluntary, but enforceable agreement offered by the developer to the Secretary of DCS. It includes the appointment of independent parties to create an agreed list of serious defects, oversee their remediation in a mutually agreed time frame, and to provide assurance that remedial building work complies with required standards.

As of 30 June 2023, there were:

107 buildings registered.

70 buildings inspected.

Over **2000** serious defects or potential serious defects identified.

17 Undertaking Process Deed Polls signed (developer's commitment to participate in the process, including the appointment of the Undertaking Manager).

9 Undertaking Deed Polls signed.

Data gathered through the project is also providing new insights into the unethical practice of 'phoenixing' – when a business is wound up to avoid bankruptcy due to outstanding debts, and a new company is then formed to continue the same business activities.

Other highlights and achievements

Case study: Construct NSW – improving governance and contracts

The OBC commissioned the study *Improving Governance and Contracts – Research report on financial, contractual and governance risks for the construction industry*, by Corrs Chambers Westgarth to identify financial, contractual and governance risks within class 2 building projects in NSW. The study was published in August 2022.

As part of this work, 10 recent development projects were looked at against common financial, contractual and governance risks. A key finding was the need for those financing projects to be aware of risks early on so they can manage and resolve issues at an earlier stage of construction. This report forms part of the Construct NSW strategy to reform the building and construction industry.

A further research report, *Improving Governance and Contracts – Research report on contracts for the design and construction of large residential apartment buildings in the context of the Design and Building Practitioners Act and the Residential Apartment Buildings (Compliance and Enforcement Powers) Act*, published in August 2022, looked into contracts relating to the design and construction of large residential apartment buildings. Ten sample projects were reviewed, and common behaviours, trends and risks were identified leading to recommendations of areas for improvement. The review was conducted in the context of the *Design and Building Practitioners Act 2020* and the *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020*. It was published in March 2023.

The OBC also continued to support industry-led initiatives, including 10-year latent defects insurance and iCIRT ratings. iCIRT is an independent, construction industry rating tool to assess building professionals and provides consumers with some insight into which companies to trust. iCIRT also has a role to play in eradicating phoenixing in NSW.

Case study: Broken promises, blame games and balconies

In early 2023, the OBC commissioned Weir Legal and Consulting to produce a case study into the experience of owners dealing with serious defects at the Otto 2 development in Rosebery. The case study, *Broken promises, blame games and balconies*, was published on the NSW Government website in June 2023.

The building was chosen because it was one of the first cases where the OBC used powers under the *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020* to intervene in what had become a protracted dispute about defects.

As a result of the OBC's involvement, the owners corporation was able to complete the necessary repair work to make the building safe, using a contribution from the developer – this was after incurring more than \$750,000 in legal and expert fees without any success.

2023 strata defects survey

The OBC partnered with Strata Community Association (NSW) to conduct a second strata defects survey looking into the prevalence of serious defects in class 2 residential apartments in NSW.

From June 2023, managers of 1372 eligible strata schemes were invited to participate in a voluntary survey distributed through the Strata Hub – the first time the Strata Hub was utilised for this purpose. The resulting critical piece of research will help the OBC make better informed policy decisions from having insights, gathered over a period of time, which help provide an understanding of how owners corporations deal with serious defects.

The research findings and full report will be published on the NSW Government website in late 2023.

Other highlights and achievements

Education

The Construct NSW Digital Learning Platform, which is run in conjunction with TAFE NSW, delivers continuous learning and skill development courses to the NSW building and construction industry. The courses allow learners to accrue Continuing Professional Development points. Since its launch in September 2021, the platform has generated over 38,550 enrolments from 28 courses. From June 2022, the platform delivered 7 new courses and generated a 28.5% increase in enrolments.

Course insights have shown that:

- 70% of learners attempt the assessment
- 67% of learners pass the assessment
- 17% of learners are female – this is higher than the industry average for female participation in the construction industry of 13%.

In late 2022, both the University of Technology Sydney and Western Sydney University decided to include one of the key courses being offered – *Waterproofing Design Principles* – into their core undergraduate course curriculum. This decision reflects their acknowledgement of the significance and value of the course material and learning platform. To date, over 650 students have completed the course.

Digital tools

As a partner in the ongoing development of the NSW Planning Portal, the OBC played a key role in helping to improve the service and data sets provided, to support building reforms and assist developers and practitioners to meet their legislative obligations. The updates align with the *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020*, *Design and Building Practitioners Act 2020*, *Building and Development Certifiers Act 2018* and *Strata Schemes Management Act 2015*.

Two digital products were launched in 2022–23, with the help of KPMG Origins, to support the OBC's co-regulation strategy. Pilot projects are underway with private developers and agencies (School Infrastructure, Property and Development NSW and Health Infrastructure) and include:

Building trustworthy indicator – a rating for buildings based on demonstrable proof that it complies with the required standards. Developers progress from obtaining a 'Trustworthy as Designed' grading for off-plan sales, through to 'Trustworthy as Built'. The project kicked off in July 2022 and the first private developer rating is expected to be available later in 2023.

Asset Impact (Embodied Carbon) – introduced in November 2022, this is a complementary product that compares the carbon emissions that were estimated in the design phase to completion.

Legal

Commitment to change

The OBC began accepting Enterprise Improvement submissions from organisations in the construction industry wanting to upskill staff, improve their performance and demonstrate their trustworthiness. Working with DCS through an enforceable Enterprise Improvement Undertaking, they commit to making change. These companies work with an expert business adviser to improve in the key areas of good decision making, safety, sound contracting, quality and ongoing professional development.

Mascot Towers

On the evening of 14–15 June 2019, Mascot Towers was evacuated due to serious structural defects. The building remains unoccupied and the government has provided eligible owners with rental assistance for alternative accommodation.

In May 2023 the Building Commissioner provided a report to the Secretary of DCS, the Minister for Building and the Mascot Towers owners corporation on ways to assist owners to make the building safe. The OBC will continue to work with the owners corporation to help them reach a resolution.

Other highlights and achievements

Office of the Secretary

In 2022–23, the Office of the Secretary continued to partner across the department and its related entities and agencies on several deliverables as part of the *DCS Connect Strategy 2020–23*.

Aboriginal Outcomes Unit

Aboriginal Employment Strategy

DCS's *Aboriginal Employment Strategy (AES) 2020–2025* aims to advance Aboriginal employment by creating meaningful career opportunities and paths for Aboriginal employees. The Aboriginal Outcomes Unit has started by building a culture of awareness and understanding, laying the foundation for improved Aboriginal employment outcomes.

Last year, the program launched training programs for emerging leaders, a cultural awareness pilot with TAFE NSW and created a Leader's Guide for working with Aboriginal team members. Consultation guides were updated and the DCS Aboriginal staff conference was reinstated in February 2023. Externally, a cultural awareness pilot was launched with TAFE NSW.



Aboriginal Customer Engagement Strategy

The Aboriginal Outcomes Unit oversees the delivery and implementation of DCS's *Aboriginal Customer Engagement Strategy 2021–2025*, which was launched in August 2021. The strategy guides us to better connect with and serve Aboriginal people and communities, so that we can provide services that are culturally respectful, competent and responsive.

Under the strategy, DCS has introduced targeted programs to improve customer satisfaction. For example, we established Quiet Hour in some Service NSW Centres to create a more sensory controlled and culturally appropriate environment for people with disabilities and Elders. Feedback is gathered from Aboriginal customers through 'truth-telling' customer satisfaction surveys, and in 2022–23 we also hosted a Meet the Buyer forum to help Aboriginal businesses to better understand government procurement and contracting requirements.

National Agreement on Closing the Gap – Target 17

As part of the National Agreement for Closing the Gap, DCS is working closely with BlaQ Aboriginal Corporation – our Coalition of Aboriginal Peak Organisations partner. Together we are co-leading Target 17: *Digital Inclusion – by 2026, Aboriginal and Torres Strait Islander people have equal levels of digital inclusion.*

We established Closing the Gap teams and in 2022–23 began the implementation of Phase 1 – Research and Evaluation. This stage of the project compares the access, affordability and digital ability Aboriginal people have with the rest of the population to establish a NSW baseline to help with ongoing measurement. The research will allow us to identify gaps and then establish programs and initiatives to bridge the digital divide for Aboriginal people and communities in rural, remote and metropolitan areas.

Small Business Taskforce

Small Business Strategy

The Small Business Taskforce finalised consultations with the small business sector and government agencies to inform the development of a new, whole of government NSW Small Business Strategy. The Taskforce led the drafting, approvals and design of the Strategy, which was released on 2 March 2023.

Small Business Charter and Bureau

The Small Business Taskforce worked closely with Service NSW for Business to help realise the Minister for Small Business's commitment to establish a Charter for Small Business and NSW Business Bureau. This included investigating and proposing implementation options, and considering how the commitments align with current programs and initiatives. The Taskforce also developed a consultation strategy, to test ideas with NSW Government agencies and the small business sector in the second half of 2023.

Small Business Ministers' Meetings

The Small Business Taskforce worked with NSW Government agencies to support the Minister for Small Business's attendance at the national meetings of state and territory small business ministers, which were reconvened by the Federal Minister for Small Business in late 2022. Taking place in December 2022 and May 2023, the meetings discussed key challenges and opportunities for small business.

Other highlights and achievements

Strategy and policy

Evaluating Legislative Amendments

The Strategy and Policy team completed a statutory review of the amendments made to the *Service NSW (One-stop Access to Government Services) Amendment (COVID-19 Information Privacy) Act 2021*. These amendments provided that contact details collected through the COVID Safe Check-in app can only be used for contact tracing purposes. The statutory review was tabled in Parliament in May 2023 and confirmed that these provisions ought to remain in place for the foreseeable future.

Working with other NSW Government agencies to provide support for jointly administered legislation

The Strategy and Policy team also worked closely with the NSW Department of Communities and Justice (DCJ) to help the Secretary of DCS and the Minister for Customer Service and Digital Government to carry out their statutory responsibilities under the *Privacy and Personal Information Protection Act 1998* (PPIP Act) – which is jointly administered by the Attorney General and Minister for Customer Service and Digital Government. This included working with DCJ on the *Privacy and Personal Information Protection Amendment Act 2022* (Amendment Act), which established the Mandatory Notification of Data Breach Scheme and made State Owned Corporations subject to the PPIP Act. The Amendment Act received assent on 28 November 2022 – the scheme is due to commence on 28 November 2023.

One-DCS voice and policy support

Strategy and Policy continued to play a key coordinating role to bring together DCS's various policy positions to ensure they work together effectively. We also partnered with other parts of the department on important projects to ensure their initiatives have appropriate policy support. For example, Strategy and Policy supported the Digital Birth Certificate Project by making necessary changes in November 2022 to the relevant regulation.

People and Culture

During 2022–23, People and Culture continued to focus on building a culture of care and belonging, attracting and retaining talented people, helping staff adopt new ways of working and enabling employees to deliver the strategic objectives of both DCS and the NSW Government.

Culture of wellbeing, inclusion, care and belonging

Over the past 12 months, People and Culture focused on embedding our *Care and Belonging Strategy 2022–2025*, which is underpinned by the public service values of accountability, integrity, service and trust, into all areas of People and Culture's operations and the experiences of our people. Creating a culture of care and belonging is a key part of our People Strategy and builds on and complements work developed through other DCS initiatives and programs. This is especially the case in the areas of Aboriginal cultural awareness, multiculturalism and disability inclusion. It was noteworthy that DCS's 2022 People Matter Employee Survey results showed strong improvements in overall wellbeing scores.

Key focus areas under the People Strategy for 2022–23 include:

Healthy Hybrid Habits program – as a key component of our Employee Value Proposition, DCS provided and maintained access to flexible working options. The Healthy Hybrid Habits program looks at the whole picture of how work gets done and seeks to adapt to new ways of working that reflect the changed nature of when, where and how we work. Our hybrid approach recognises that there is no right way of working, and places trust in our people to find the best solution at a local level for individuals, teams and the organisation. Coming together in-person matters but flexible working is supported to suit the needs of our people and to optimise outcomes for the people of NSW.

Mental health – we placed a strong emphasis on creating a mentally healthy workplace, encouraging our people to feel enthusiastic and connected to our purpose, organisation and customers. In 2022–23 DCS continued to aid and develop our mental health first aid officers and as at 30 June 2023, 188 volunteer staff members had qualified to support our people at workplaces across the state. This is an almost threefold increase from 65 in June 2022.

Other highlights and achievements

Preventing harm – we improved our ability to promptly report and help prevent incidents at DCS sites, by rolling out mandatory training on the new MySafety tool across DCS, with over 9600 staff (more than 78%) having completed it by 30 June 2023. Developed to ensure we ‘put safety first’, this centralised online reporting tool makes it clearer, easier and quicker to report physical and psychological incidents, hazards and near misses.

Respectful Workplace Behaviour policy and best practice guides – to address potential issues around bullying, harassment and discrimination, DCS developed its Respectful Workplace Behaviour policy and guides in mid-2022 to complement existing policies, such as the Positive Productive Workplace and the Code of Ethics. The focus of the policy and guides is to ensure the safety of all employees and reaffirms the commitment of the senior leadership team to support a safe and respectful workplace. They encourage the early reporting of incidents of disrespectful behaviour and clearly lay out the avenues and process for making reports. They reiterate that it is the responsibility of all staff to ensure our behaviours are consistent with DCS’s commitment to the public service values of integrity, trust, service and accountability. Together, they provide a framework to make sure all staff are treated fairly and inclusively, that differences are acknowledged and valued, and communication is open and considerate.



Developing leadership capabilities

Recognising the impact of strong leadership, in 2022–23 DCS made a strategic commitment to focus on developing its senior executives. Prioritising those with people management accountabilities, we implemented Elevate, and for senior executive leaders, Elevate Edge. These tailored, signature leadership programs were specifically co-designed by our leaders, for our context.

The program aims to cultivate world-class leaders who make a positive impact and adopt effective leadership habits and practices that drive results and better serve our customers. Through Elevate, we encourage our leaders to foster a culture of care and belonging throughout DCS.

Since its inception, around 250 leaders have completed the full Elevate program, with over 400 more currently undergoing the training (the program will continue in 2023–24). Additionally, more than 150 senior leaders have completed Elevate Edge, supporting their leadership growth and ability to support their people more effectively.



Attraction and retention

People and Culture continued to place a significant focus on addressing recruitment and retention across DCS this year. With many sectors experiencing skills shortages and challenges attracting talent in key areas, People and Culture’s Talent, Acquisition and Onboarding team developed innovative and best practice strategies to ensure DCS continues to attract and retain the best candidates and employees.

Additionally, DCS’s employment of contractors decreased by 35% over the past 12 months, and ‘time to offer’ for external candidates dropped by more than 10 days since June 2022.

In 2022–23 the Digital Talent Squad worked to attract and retain staff, especially for digital roles across DCS. During the reporting year, ‘time to hire’ for digital staff improved by 16% and the attrition rate for staff in this area dropped by 10% due to initiatives to address digital talent shortages. The team implemented several measures to attract applicants for in-demand roles including running a digital talent marketing campaign, developing a pilot for DCS visa sponsorship, launching a DCS alumni program, publishing our first DCS Seek and LinkedIn digital pages, and enhancing DCS’s job advertisement processes to appeal to a wider audience and candidate pool.

A Diversity, Equity, and Inclusion (DE&I) recruitment team was created in August 2022 to deliver a strategic DCS-wide DE&I plan, ensure our recruitment practices are inclusive, enhance reporting and insights, and help attract a diverse candidate pool to ensure that DCS’s workforce reflects the communities we serve.

In August 2022, DCS achieved Disability Confident Recruiter Status awarded by the Australian Network on Disability. The accreditation recognises that our recruitment processes, onboarding experience, online training modules and websites meet accessibility standards.

Other highlights and achievements

Office of the Property Services Commissioner

With the ongoing goal of driving customer-centric reforms to deliver public confidence and produce valuable consumer experiences in the property sector, 2022–23 saw several significant programs relating to industry collaboration, accountability and trust.

Projects Engage and Connect – trusted and customer-centric regulation

In March 2023, the Office of the Property Services Commissioner produced a report to identify solutions for the stubborn issues which have faced regulation of property services in NSW. The report considered extensive feedback from stakeholders across the spectrum of consumers, government, sector and industry partners. The Property Services Expert Panel facilitated the industry response and provided the main source of industry feedback. The Panel, appointed by the Minister for Better Regulation and Fair Trading, brings together senior representatives from all parts of the property services sector to provide a direct voice to government on issues affecting the industry.

The report provided 35 recommendations for reform. It recognises that we now have an opportunity to implement holistic property services solutions that consider for the first time rapidly evolving market factors, customer expectations, digital innovation and strong regulatory foundations.

Project Elevate – for professional standards and licensing

In February 2023, the Office of the Property Services Commissioner convened an industry roundtable which brought together education and professional standards leaders, as well as training providers, regulatory and licensing specialists, leading industry practitioners, and key industry associations in the real estate, business broking, strata services and short-term residential sectors. The action plan which emerged provides a template to empower industry professionalism, train practitioners for the roles of the future and build further integrity in industry licensing standards.

The first initiative from the round table was the implementation of performance-driven, continuing professional development requirements for all licensed property services agents in NSW. These include significantly increased reporting responsibilities for licensees-in-charge and training providers, and higher eligibility and delivery standards for training organisations.

Project Transform – future-proofing NSW strata living

Confidence in strata living remains fundamental to housing supply, affordability, economic wellbeing and social cohesion in NSW. Owners, residents, industry practitioners, investors, businesses and developers all need greater transparency, certainty and awareness for this to occur. The Office of the Property Services Commissioner, in collaboration with the Strata Community Association (NSW), formed 3 expert working groups during 2022–23 with the first set up in December 2022. These groups bring together sector leaders in a robust engagement to identify solutions, particularly in the complex arenas of:

- sales representations, scheme establishment and governance
- resilience and sustainability
- insurance and insurability.

Thirty eight endorsed recommendations from the first 2 of these working groups are informing the government's response to the statutory review of the *Strata Schemes Management Act 2015* and *Strata Schemes Development Act 2015*, providing a template for evolving professional practices and consumer protection across the sector.

Other highlights and achievements

Revenue NSW

This reporting year was Revenue NSW's biggest revenue collection year ever, with more than \$41 billion in revenue collected. Revenue NSW balances the need to responsibly collect revenue with support for the community's needs and especially for people experiencing hardship. The funds collected by Revenue NSW provide more than one-third of the state's budget to fund and deliver essential core services for the people of NSW.

Over the past 2 years Revenue NSW has developed the Aspire 2032 strategic plan. This process provided us with the opportunity to pause, reflect and plan for the unplannable. We reflected on what we do for our customers, our people and the NSW Government as a whole and how we can do it better.

Helping people with their first home

Revenue NSW continued to help people buy or build their first home with the First Home Buyer Assistance scheme and the new Shared Equity program. These programs help support people when they buy or build their first home.

Some of our achievements for 2022–23 include:

- 24,000 duty concessions granted with a value of around \$390 million
- more than 3000 first homeowner grants paid with a value of over \$31 million
- developed the new Shared Equity program and supported legislation to enable this initiative.

Returning funds to their rightful owners

As at 30 June 2023, Revenue NSW held more than \$500 million in unclaimed money. When businesses, banks and other entities are unable to locate the owner of this money, it is sent to Revenue NSW. It is our job to make this information available so that the money can be returned to the rightful owner.

In 2022–23 we worked with the NSW Registry of Births, Deaths and Marriages and Service NSW to advertise and raise awareness of this unclaimed money. During a communications campaign run between May and June 2023, there was a 10,000% increase in visits to the unclaimed money web page and \$2 million worth of unclaimed money was returned to the rightful owners during this period.

More than one million people in the past 12 months accessed the unclaimed money information we make available, including 14,583 in a foreign language. In total, during 2022–23 we returned over \$7 million in unclaimed money.



Hardship support

In 2022–23, Revenue NSW continued to work closely with government, non-government organisations and communities to support vulnerable customers experiencing financial hardship and break the cycle of disadvantage. Alongside Service NSW, acting as the 'front door' for customers, Revenue NSW aims to make it even easier for customers to access services, comply with their obligations and receive their entitlements. Where customers are experiencing short-term financial hardship, we provide understanding and flexible payment options.

In 2022–23, over 27,000 Work and Development Orders were approved, enabling individuals to undertake unpaid work, courses, counselling or other eligible treatment options to pay off their fines or related debt.

We also expanded our First Nations Outreach Team to 12 officers, building trust and awareness in Aboriginal communities, improving cultural understanding and making it easier for them to deal with Revenue NSW. In 2022–23, our First Nations Support line provided services designed and delivered with respect and cultural understanding to over 4000 Aboriginal and Torres Strait Islander customers.



Supporting our vulnerable customers through automation

At Revenue NSW we use data to help our customers, listen to feedback and create real benefits for the citizens of NSW.

We also use advanced technology, like Artificial Intelligence, to identify those who might need extra help, so we can step in and help them before things get too tough. In 2022–23, about 18,000 people were identified as needing extra support and were offered different resolution options as a result, helping them avoid more serious consequences.

Other highlights and achievements

Revenue NSW automation achievements

Financial year 2022-23



\$1.5M

transactions processed



80K

hours saved / avoided



\$6.1M

FTE costs saved



16

privacy breaches prevented



\$10M

revenue impact



90%

reduction in days to respond



>500

errors prevented



>12

staff retained

Other highlights and achievements

Service NSW

Service NSW led significant projects as part of the *DCS Connect Strategy 2020–23*.

Further information on Service NSW's achievements can be found in the 2022–23 Service NSW Annual Report. Please visit service.nsw.gov.au and search 'annual report'.

Customer Engagement Integration Program

The Customer Engagement Integration (CEI) Program continued to add to the Service NSW one-stop-shop approach. CEI simplifies the telephony systems across DCS, by moving users onto a common cloud platform, which also gives the customer facing teams access to new, best in class technology capabilities.

In 2022–23, CEI introduced a new Experience Management System, further strengthening the ability to deliver truly customer-centric services. New knowledge management and workforce management systems to support vulnerable customers are also in development. We also teamed up with Multicultural NSW to provide a new translation service. CEI is leading the way in compliance and adhering to good data practices to make sure our customer data is safe from cyber threats. Additionally, the program acts as an efficient resource to deliver rapid outbound call response programs for our customers, when needed.

Helping the people of NSW find savings

The Savings Finder program continued to bring together more than 70 rebates and savings funded by the NSW Government into one location, including Active Kids and Creative Kids vouchers, Toll Relief and the Low-income Household Rebate. The program helps customers to find the rebates and savings relevant to them more easily, either using the Savings Finder tool on the Service NSW website, attending a face-to-face appointment in a Service Centre, or over the phone with a Savings Specialist.

In 2022–23, more than 880,000 customers accessed the Savings Finder tool and over 27,900 customers met with a Savings Specialist. On average, customers saved approximately \$566 using these services.



MyServiceNSW accounts

Key highlights for 2022–23 include:

162 million+ customer interactions in Service NSW Service Centres, Contact Centres and through our website.

97% customer satisfaction score.

434,248 new MyServiceNSW accounts.

6.7 million (in total) customer accounts had been 'identity proofed' to level 2.

NSW Digital Driver Licence

In 2022–23, customers continued to adopt the NSW Digital Driver Licence, with over 4.5 million drivers in NSW now holding a digital licence. As of 30 June 2023, 78% of drivers had downloaded their digital licence. With customer satisfaction consistently over 92%, it shows that people are happy with this service.

Other highlights and achievements

State Insurance Regulatory Authority

Further information on the achievements of the State Insurance Regulatory Authority (SIRA) can be found in the 2022–23 SIRA Annual Report. Please visit sira.nsw.gov.au and search 'annual report'.

Putting SIRA2025 into practice

SIRA's primary role is to regulate and oversee the statutory insurance, workers compensation and care schemes within the state, and ensure they are operating fairly, efficiently and effectively. In 2022–23, SIRA continued to implement its SIRA2025 strategy, releasing 5 supporting plans detailing the strategic initiatives that will deliver the desired progress and results over the next 3 years.

The supporting plans include:

- people, culture and governance
- scheme design and performance
- supervision and enforcement
- data and digital
- customer plan.

SIRA also launched its annual business plan for 2022–23, which shared the priority deliverables contained in the supporting plans, to ensure the work delivered against each of the 7 goals in the SIRA2025 strategy. These focus on putting customers at the centre, building and supporting talent, enhancing digital capabilities, setting the benchmark for governance, culture and accountability, strengthening regulatory capabilities, holding regulated entities to account for outcomes and maintaining a contemporary regulatory environment.

Treasury Managed Fund review

In 2022–23, SIRA undertook an integrated compliance audit and performance review of Treasury Managed Fund (TMF) claims. The review assessed whether workers compensation activities within the TMF agencies are following the workers compensation legislation, subordinate legislation and best practice expectations. The final report is due to be published in late 2023.

The report will highlight risks and trends across the TMF agencies and assist SIRA in determining whether:

- claims are being managed fairly, effectively and efficiently and with the objective of securing the health, safety and welfare of workers
- further guidance or services are necessary to support stakeholders operating within the TMF
- clearer accountabilities are required between stakeholders operating within the TMF.

New powers to get the best from health service providers

From 16 December 2022, changes resulting from the *State Insurance and Care Governance Amendment Regulation 2022* gave SIRA new powers to better manage health service providers in both workers compensation and Compulsory Third Party (CTP) schemes. These powers enable SIRA to issue directions to health service providers to ensure their practices align with legislative requirements. The Regulation also includes specifications for a public register of providers. SIRA will consult with health practitioners to design how the public register will work.

Value-based healthcare and healthcare reforms

SIRA continued its work to embed the Value Based Health Care (VBHC) implementation plan that was codesigned with stakeholders and scheme participants, including injured people with lived experience. The plan aims to enhance the quality of services being delivered and improve claimant health outcomes. Since the plan's implementation, SIRA has established the Value Based Health Care Advisory Committee, comprising key senior leaders in insurance, healthcare delivery, employers and people with lived experience. Other key achievements include a significant reduction of health care expenditure across the schemes and implementing standardised health outcome measures and clinical guidance into the VBHC implementation plan in the areas of whiplash and lower back injuries.

Other highlights and achievements

New inspectorate focuses on return to work

In July 2022, SIRA established a new 'Return to Work' inspectorate to improve employer compliance with injury management and return to work obligations. Inspectors target NSW employers through a range of compliance, enforcement and advisory efforts to ensure employers are meeting their obligations to support workers to recover from or return to work after an injury.

Worker Contractor Tool

In June 2023, SIRA launched a new 'Worker or Contractor Tool' on the SIRA website to assist employers and head contractors to determine if a person working for them is either a 'worker', 'deemed worker' or a 'contractor', for workers compensation insurance premiums. The tool also helps employers comply with their legislative obligations to have a workers compensation policy to protect them from the costs of workers compensation claims.

Pre-injury Average Weekly Earnings review

In 2022–23, SIRA undertook a review of the 2019 Pre-injury Average Weekly Earnings (PIAWE) reforms to evaluate whether they met the intended objectives of increased simplicity, fairness and transparency. The overall findings show that the PIAWE amendments and improved methodology are delivering a simpler, fairer and more transparent approach compared to the previous 2012 provisions.

Workers Compensation Assist pilot

From 1 June 2022, SIRA launched a Workers Compensation Assist pilot to test if the successful CTP Assist outbound support call service, which provides information and support for people injured in motor accidents in NSW and to other users of the CTP Green Slip scheme like health providers, hospitals and lawyers, would work with the workers compensation scheme. Under the Workers Compensation Assist service, injured workers from participating partner insurers receive a support call 4 weeks into their claims journey, to explain benefits, rights and what to expect next. The pilot finished in August 2023 and will be independently evaluated to determine next steps.

Customer Listening Program

Delivered in 2022–23, a key initiative in SIRA's customer plan was the Customer Listening Program, with the aim of giving various teams within SIRA direct feedback from customers to help them in their tasks. This is achieved by sharing a thoughtfully chosen collection of calls that have taken place with call centre staff.

Recovering excess profit via the CTP scheme

SIRA identified \$178.7 million in excess profit from CTP insurers from the 2018 and 2019 accident years, after activating the transitional excess profit and losses mechanism. This approach gives SIRA the regulatory power to retrospectively recoup excess profits above a 10% profit margin, after injured road users receive the treatment and care they need, or manage excess losses (below 3%). In the face of the rising cost pressures, the savings were used to maintain the affordability of CTP insurance from 15 January 2023. This is the second time SIRA has activated the mechanism.

Specialist Trauma Support Service and Liaison Function

In June 2023, SIRA utilised the *Motor Accident Injuries Amendment Act 2022*, which received assent on 28 November 2022, to provide timely and much needed support for those impacted by a serious bus crash in the Hunter Valley, in which 10 people died and 25 were injured. The legislative changes allow for faster access to benefits and damages for injured people, increased access and availability to rehabilitation and additional regulatory enhancements to improve the operation of the scheme. SIRA also established a Specialist Support and Liaison team within CTP Assist to help family members impacted by a road crash related fatality.

\$1 million commitment to road safety research for under 25s

SIRA helps to fund road safety programs that prevent or reduce injuries from motor vehicle crashes and improve safety education by taking one dollar per CTP policy paid and investing it into research and education. In May 2023, SIRA announced a \$1 million commitment to research projects that target road safety programs for drivers under the age of 25. Data shows that drivers under this age are up to four-and-a-half times more likely to be involved in a motor vehicle collision and up to 5 times more likely to be involved in a motor vehicle collision resulting in death or a serious injury.

Financial highlights

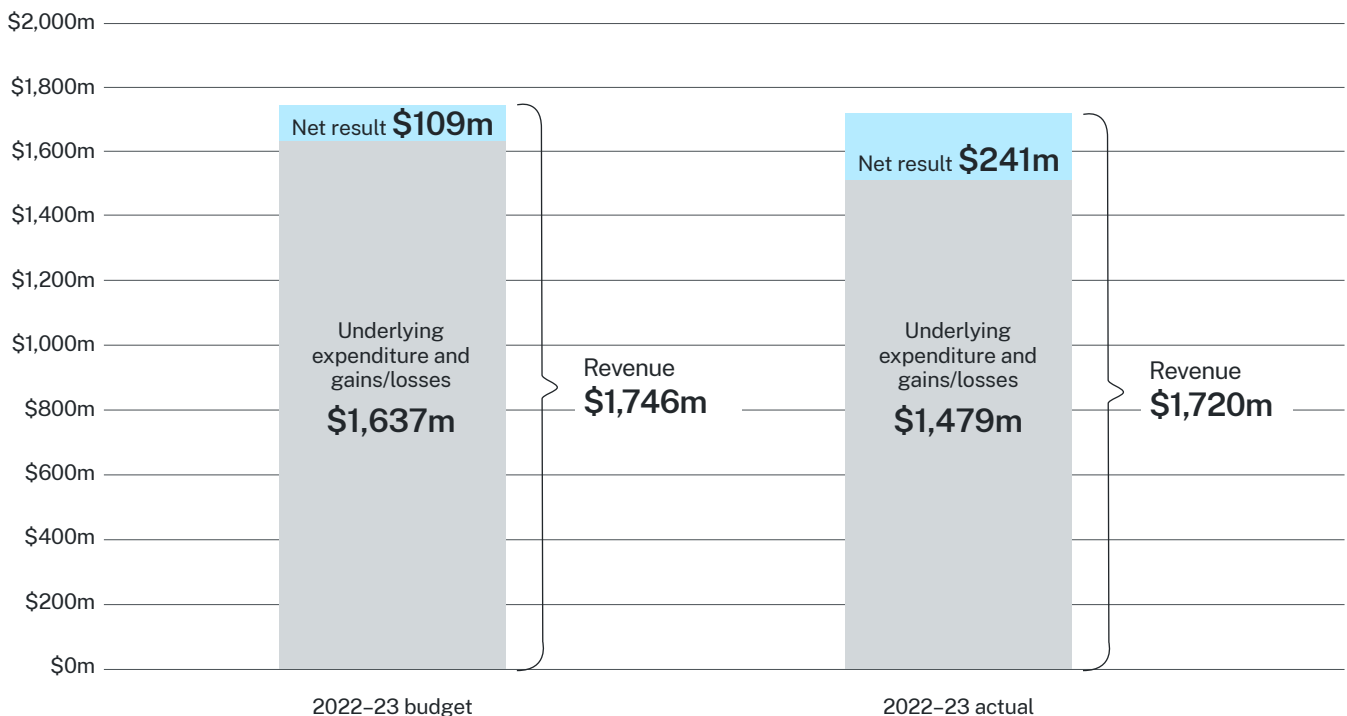
During 2022–23 DCS continued to focus on delivering superior customer service, digital transformation and regulatory reform for the more than 8 million residents and businesses of NSW.

Net result

DCS had a net result surplus for 2022–23 of \$241 million compared to a budgeted surplus of \$109 million resulting in a favourable variance of \$132 million¹. There were a number of factors impacting this, including higher interest rates resulting in better revenue returns under the *Property and Stock Agents Act 2002* offset by lower than budgeted expenditure, including a revaluation of long service leave entitlements.

The favourable budget variance was primarily due to \$166 million underspend on underlying total expenditure². This was offset by:

- \$27 million reduction in underlying total revenue²
- \$7 million in unbudgeted losses on disposal of software developed for Live NSW.



¹ Budgeted amounts reflect Budget Paper No.4 presented to NSW Parliament for the 2022–23 financial year.

² Excluding \$987 million (2022: \$776 million) for grants and subsidies made for programs and to other government agencies, and for which appropriations were received as revenue.

Financial highlights

Expenditure

Underlying total expenditure¹ for the 2022–23 financial year was \$1,479 million, which was less than the 2022–23 budget. The favourable budget variance was primarily due to:

- \$95 million underspend on employee-related costs mainly driven by higher vacancy rates and a \$22 million decrease in the valuation of employee long service leave provision due to interest rate assumptions
- \$71 million of net underspend in operating and other costs.

Revenue

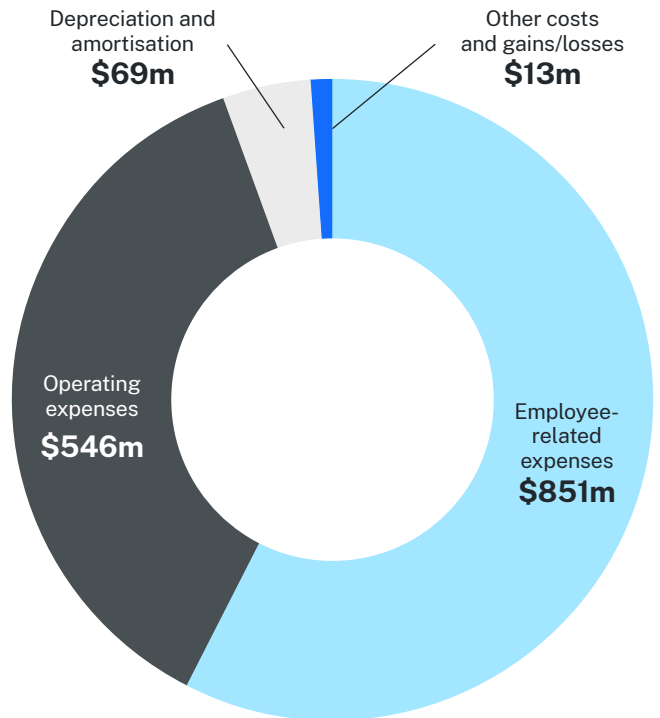
Underlying total revenue¹ for the 2022–23 financial year was \$1,720 million, which was \$27 million less than the 2022–23 budget. The unfavourable budget variance was primarily due to:

- \$49 million for grants and other contributions not received due to delays in Digital Restart Fund capital projects
- \$22 million reduced income from NSW Treasury resulting from the decrease in employee long service leave provision
- \$106 million of other net decreases in revenue mainly due to cost underspends for which appropriations revenue for the DCS principal department were not required.

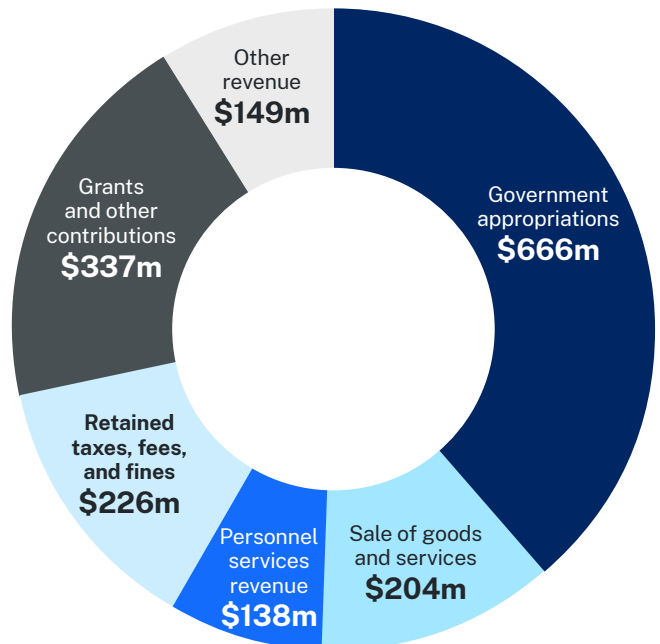
This was offset by:

- \$134 million of retained taxes, fees and fines primarily due to additional interest income resulting from higher than anticipated interest rates² – this income largely relates to monies received from real estate agents and can only be used for the purposes specified in the relevant legislation
- \$16 million of additional revenue primarily due to revenue earned by Digital NSW from other government agencies.

Actual underlying expenditure by category (\$1,479 million)



Actual underlying revenue by category (\$1,720 million)



¹ Excluding \$987 million (2022: \$776 million) for grants and subsidies made for programs and to other government agencies, and for which appropriations were received as revenue.

² Interest income is primarily derived from protected funds relating to NSW Fair Trading to be used in the future for restricted purposes.

Funds granted to non-government community organisations

In 2022–23, NSW Fair Trading offered several grants to provide essential consumer advisory services. For more information, please visit [fairtrading.nsw.gov.au](https://www.fairtrading.nsw.gov.au) and search for ‘**community grants administered in 2022–2023**’.

Major works

New major works in 2022–23

Project name and location	Total expenditure to 30 June 2023 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start (year)	Completion date (actual or estimated)
Revenue collections system (MARS) technology refresh	3,567	28,495	2022	2026
Property tax reform	8,528	16,000	2022	2024
Shared Equity program	6,708	11,600	2022	2024
Construct NSW –Regulatory Framework	1,880	2,242	2022	2024
Total new major works	20,683	58,337		

Major works

Continuing major works in 2022–23

Project name and location	Total expenditure to 30 June 2023 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start (year)	Completion date (actual or estimated)	Details of any significant: <ul style="list-style-type: none"> • cost overruns • delays • amendments • deferments • cancellations.
Office refurbishment and rationalisation	176,193	196,053	2005	2033	Program extended to 2033
NSW Registry of Births, Deaths and Marriages relocation	-	6,000	2021	2024	Program extended to financial year 2024
ICT projects	101,970	123,973	2004	2033	Program extended to 2033
Revenue NSW –critical system maintenance	11,751	50,797	2017	2028	N/A
Spatial Data Infrastructure Program	29,104	50,013	2014	2028	N/A
Technology Asset Replacement Program	18,450	37,204	2014	Ongoing	Ongoing program of work to renew and replace IT equipment
ICT Development Program	21,976	38,957	2014	2031	N/A
Data Centre Consolidation Acceleration Program	13,355	24,986	2013	2033	Program extended to 2033
OneGov digital services gateway	8,117	13,225	2013	2028	N/A
CORSnet sustaining capital	541	6,350	2019	2029	N/A
Digital Restart Fund –Modernise Licencing and Compliance Program	80,617	104,117	2020	2024	Program extended to 2024
Digital Restart Fund –Complaints, Compliance and Enforcement Program	15,621	31,710	2022	2024	Program extended to 2024
Digital Restart Fund –Live NSW (Digital Twin)	12,748	31,255	2021	2024	Program extended to 2024
Digital Restart Fund –DCS GovConnect Cyber Resilience Program –Project Trust	17,356	20,456	2021	2024	Program extended to 2024
Digital Restart Fund –Mining Royalty Management System enhancement	1,726	2,585	2022	2024	Program extended to 2024
Digital Restart Fund –Australian Death Notification Service	943	943	2021	2023	Program ended in financial year 2023
Total continuing major works	510,468	738,624			

Major assets

Clause 6(2) of the *Government Information (Public Access) Regulation 2018* requires government departments to make certain 'open access information' publicly available, including:

- a list of the department's major assets (excluding land holdings), appropriately classified and highlighting any major acquisitions during the previous financial year (clause 6(2)(a))
- the total number and total value of properties disposed of by the department during the previous financial year (clause 6(2)(b)).

Major DCS assets and acquisitions

During the reporting year, DCS owned 2 major assets:

- a property at 905-945 Londonderry Road, Londonderry NSW 2753
- a property at 35 Regent Street, Chippendale NSW 2008.

No major assets were acquired during 2022–23.

Disposals

No major assets were disposed of during 2022–23.

Further information

Further information about DCS assets, acquisitions and disposals can be found in the financial statements section of this report.

Please note that some DCS entities produce their own separate annual reports as required under legislation, including the NSW Telco Authority and Service NSW. Refer to these documents for further information for these agencies relating to major assets, acquisitions and disposals.

Land disposal

There were no land disposals to declare during 2022-23.

Research and development

The SafeWork NSW Centre for Work Health and Safety uses cutting-edge research and data to create awareness, suggest smarter approaches and bring about behavioural change in work health and safety in NSW.

Some of the key research and development from the Centre for Work Health and Safety in 2022–23 include:

Wearables research – collaborated with Trolex and the icare Foundation to research technologies for a wearable monitor for the detection of crystalline silica, to put an end to silicosis caused by the inhalation of silica particulates in the workplace. Phase 2 of the research focused on commercialisation with design updates and additional prototypes, field trials and lab tests in the United Kingdom and Australia, and the development of a user interface, maintenance hardware and accessories. The device has won 6 international and national awards for innovation and safety.

Conversations about Life, Health and Safety: Construction – worked with RMIT, Master Builders Association of NSW and the Australian National University on a study focused on supervisor-worker communication in the NSW construction industry. The project centred on young construction workers, a high-risk subgroup, and aims to reduce injuries and boost health protection practices. The research studied supervisor-worker conversations to look for characteristics of supportive interactions and how companies operate.

Other programs progressed by the Centre for Work Health and Safety include:

Psychosocial Hazard Work Re-Design – developed a suite of resources and tools to help businesses understand and develop the skills to identify psychosocial hazards at work. The aim is to help design or re-design work to create mentally healthy workplaces consistent with the NSW Government’s Code of Practice for Managing Psychosocial Hazards at Work.

‘Moral’ injury in emergency workers – completed research focused on the psychological distress experienced by first responders in Australia, concluding that working in high-risk environments produced a heightened risk of psychological harm. The research also highlighted the impact of potentially morally injurious events on first responders and emphasised the need to address perceived injustices, enhance leadership practices, and integrate moral and spiritual reflective practices. A proposed Biopsychosocial-Spiritual Framework is being considered to provide practical strategies for preventing and treating psychological distress in first responders, taking into account their spiritual wellbeing.

The Healthy Older Worker Toolkit – partnered with the Edith Cowan University to address the physical impact and stress work can have on older workers. The resulting toolkit helps users assess the impact of an ageing workforce on work health and safety systems and guides the design of healthy and safe work environments for older workers. The toolkit provides valuable insights and helps challenge assumptions about older workers’ capabilities and preferences, with the objective to improve work experiences and reduce early retirement.

Asbestos contamination – together with Western Sydney University, started a project investigating non-destructive digging where soils may be contaminated by asbestos. A series of 19 experiments were conducted to assess the impact of different digging patterns, water pressure and truck types on the intensity of exposure to asbestos during non-destructive digging operations. Air monitoring data confirmed that the concentration of airborne fibres in the vicinity of the non-destructive digging operation was below the reporting threshold. The final report will assist SafeWork NSW to develop a safety guide on conducting non-destructive digging on asbestos contaminated soils and to seek a class exemption from the regulations.

Farming and climate change – in collaboration with the Institute of Sustainable Futures, investigated the impact on farmers of climate change in the area of work health and safety. The research ensured farmers are keeping work health and safety in mind when adapting their farming practices due to climate change. Tested with industry, this project has created an affiliate pack to guide agribusinesses through discussions around changing farming practices, enabling them to make smart choices for their farms and remain financially sound.

DCS related entities' annual reports – Office of the Registrar General

The Office of the Registrar General (ORG) is the regulator of the NSW land titling system. This includes overseeing:

- NSW Land Registry Services (NSW LRS), which operates NSW land titles registry under a concession with the NSW Government
- Electronic Lodgment Network Operators (ELNOs) in NSW, who maintain national digital platforms for lodging land title dealings, such as transfer and mortgages – all land title dealings must be lodged electronically in NSW.

The ORG also advises government on relevant land title legislation, regulation and policy, is an independent arbiter of disputed title boundaries, and administers the Torrens Assurance Fund – a statutory compensation scheme designed to compensate people who, through no fault of their own, suffer loss or damage as a result of the operation of the *Real Property Act 1900*.

Boundary determinations and survey audits

Our cadastral integrity surveyors investigated, determined and resolved boundary disputes between landowners on behalf of the Registrar General under Part 14A of the *Real Property Act 1900*. In 2022–23, 15 boundary determinations were lodged with the Registrar General – 10 in Sydney metropolitan area and 5 in regional NSW.

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

In 2022–23, the ORG conducted 181 audits across NSW, 94 of which were in the Sydney metropolitan area and 87 in regional NSW. All audits performed by the ORG are on plans registered with NSW LRS.

We also carried out one examination survey to resolve anomalies in the cadastre and conducted one administrative review under section 121 of the *Real Property Act 1900*.

Legislative reform projects

100% eConveyancing reform

NSW moved to a fully electronic conveyancing system called 'eConveyancing' in October 2021. Replacing the manual paper processes, home sellers now receive funds sooner and home buyers have title to the land transferred earlier. The eConveyancing system, regulated by the ORG, provides a more efficient and secure land titling system for the people of NSW. ORG is continuing to work with industry stakeholders to identify and improve the eConveyancing system to streamline more complex transactions.

New enforcement powers for ELNO breaches

The *Electronic Conveyancing Enforcement Act 2022* received assent on 14 November 2022, giving the NSW Registrar General more nuanced tools to respond should an ELNO breach any of its operating conditions. The NSW enforcement regime is intended to be an interim measure, ahead of a future national 'eConveyancing' enforcement regime.

Three new enforcement tools were introduced:

- enforceable undertakings, that can be offered by an ELNO to the Registrar
- remedial directions, that can be given by the Registrar to an ELNO, including interim remedial directions in emergency circumstances
- civil penalties for a contravention of an enforcement provision.

Penalty amounts were set considering comparable legislative regimes to be an effective deterrent, with a maximum of up to \$10 million for the most serious ELNO breaches.

Conveyancing (Sale of Land) Regulation 2022

Following an extensive review conducted by the ORG, the *Conveyancing (Sale of Land) Regulation 2022* came into force on 1 September 2022, to repeal and replace the previous Regulation.

The new Regulation continues to support the *Conveyancing Act 1919* by setting out disclosure obligations for vendors in conveyancing transactions conducted through contracts for the sale of land (including off the plan), and options for the purchase of residential property. It also provides purchasers with remedies including the right to rescind contracts within a certain time if disclosure obligations are not met.

DCS related entities' annual reports – Office of the Registrar General

The new Regulation updated existing provisions to improve structure and readability and made minor changes to clarify disclosure and cooling off periods for contracts arising from certain options.

Statutory review of strata laws

The ORG has been working collaboratively to develop draft legislation to amend strata laws. This work addresses recommendations set out in the *Report on the statutory review of the Strata Schemes Development Act 2015 and the Strata Schemes Management Act 2015*, tabled in Parliament by the NSW Government in November 2021. The review found that the policy objectives of the Acts remained valid but made 139 recommendations for improvement to the strata framework, including to the strata renewal regime, and to strengthen disclosure, transparency and governance in part-strata schemes.

Powers of attorney

The ORG continued to work with relevant state, territory and federal government agencies to review ways to strengthen protections for vulnerable people against misuse of enduring powers of attorney.

Most recently, this has involved participating in a cross-jurisdictional working group to develop a set of model principles that could support a nationally consistent approach to enduring powers of attorney. This review arose from the *National Plan to Respond to the Abuse of Older Australians (Elder Abuse) 2019–2023* and considers improved outcomes for attorneys and the third parties who they interact with.

Transitioning from paper to digital survey plans

The ORG, together with Spatial Services, continued to work with NSW LRS to transition from paper to digital survey plans. The first component, an online plan-creation-to-registration process, is progressively being implemented by NSW LRS through the replacement of the legacy ePlan lodgment portal with NSW LRS Connect. A soft launch of the new portal went live in May 2023 with 3 organisations registered and successfully lodging plans and creating workspaces.

Other highlights for 2022–23 include:

- an ICT Assurance Health Check Report of LRS Connect, conducted in April 2023, gave it a medium-high rating with 14 recommendations relating to the overall program, and improvements in governance and administration
- over 5300 deposited plans lodged were examined by NSW LRS in a hybrid format using digital data captured by Spatial Services.

Updating the eConveyancing regulatory framework

During 2022–23, the NSW Registrar General continued to endorse the need for a competitive market environment for eConveyancing. This work involves developing the technical and regulatory framework for interoperability between ELNOs. The interoperability reform is being led by the Australian Registrars National Electronic Conveyancing Council (ARNECC) and is supported by the Australian Competition and Consumer Commission (ACCC).

In June 2022, the Electronic Conveyancing National Law was amended to require the ELNO platform to work better and give registrars greater powers to determine operating requirements concerning interoperability. As a result, ARNECC will update the Model Operating Requirements to address interoperability, including timelines.

ARNECC is also planning to update the Model Operating Requirements to address matters relating to the Independent Pricing and Regulatory Tribunal's report on inter-ELNO interoperability transaction pricing and to require ELNOs to comply with the Industry Code for eConveyancing Payments. This will address financial settlement matters such as misapplied or unapplied funds.

DCS related entities' annual reports – Office of the Registrar General

ARNECC continued to develop a further set of amendments to the Electronic Conveyancing National Law which will address stakeholder feedback on the first phase of legislative change, as well as introduce stronger enforcement powers for registrars to enforce compliance with legislative and regulatory obligations at a national level. In November 2022, the NSW Parliament enacted an interim enforcement regime.

In June 2021, the Council of Financial Regulators published its recommendation for the development of a self-regulatory industry code to address financial settlement in eConveyancing. The Australian Payments Network is working with ELNOs and financial institutions to develop the industry code, with the first version of the code expected to be agreed and approved by late 2023.

Strategic scanning project

In 2022–23, the ORG, Spatial Services, Government Records Repository and NSW LRS undertook conservation work on damaged, historically-important, land titling records reaching back to the first land grants in NSW and Australia. These records require expert preservation to restore them to a state where they can be digitised and transferred to Museums of History for safeguarding. The 3 million images that have already been digitised can be accessed publicly through the Historical Land Records Viewer on the NSW LRS website.

Titling and Registry Services business during 2022–23

The property market in NSW continued to experience high levels of activity in 2022–23. A total of 952,928 dealings were lodged for registration which was an 11.76% decrease from the previous year, but still a high number considering the particularly buoyant market over the past few years. Discharges of Mortgage continued to dominate, with 318,004 lodged in 2022–23.

Deposited plan lodgments increased by 7.32% to 11,559 and strata plan lodgments increased by 0.44% to 1598. There were 46,646 new lots created, 30,369 from deposited plans and 16,277 from strata plans. Strata plans represented 12% of all plans lodged and 35% of all lots.

Torrens Assurance Fund claims

During 2022–23, 7 Torrens Assurance Fund compensation claims were submitted to the Registrar General. As at 30 June 2023, there were 9 current claims against the Torrens Assurance Fund totalling approximately \$7.6 million. This estimate of liability is based on the scenario of all fraud and error claims being paid. Actual payments are generally much lower. In 2022–23, the Torrens Assurance Fund has paid out a total of \$925,305.65 in compensation.

DCS related entities' annual reports – Office of the Surveyor General

The Office of the Surveyor General is part of Spatial Services and operates in accordance with the *Surveying and Spatial Information Act 2002* (S&SI Act) and the *Surveying and Spatial Information Regulation 2017* (S&SI Regulation).

The S&SI Act provides for the:

- coordination, evaluation and maintenance of certain state cadastral information
- qualification, registration, regulation and integrity of land and mining surveyors
- coordination of surveys carried out by public authorities
- establishment of a state control survey and advice to the government relating to the collection, collation and dissemination of spatial information other than surveys.

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

Highlights and achievements

In 2022–23 the Office of the Surveyor General:

- worked on updates to the S&SI Regulation in line with best practice, with the new Regulation expected to be made in 2024
- reviewed and updated the following Surveyor General's Directions to ensure consistency and quality of practice across the surveying industry:
 - Surveyor General's Direction (SGD) 11 – Preservation of Survey infrastructure (POSI)
 - POSI Resource Pack – templates and technical documents supporting SGD11
- undertook a review of the following Surveyor General's Directions to ensure that the content and procedures are up-to-date and best practice:
 - SGD6 – Water as a boundary – expected to be published in 2024
 - SGD8 – Mining Tenure Surveys – expected to be published in late 2023
- maintained 12 regional Electronic Distance Measuring baselines to enable surveyors to calibrate their surveying instruments and ensure compliance with legislation

- maintained National Association of Testing Authorities accreditation and National Measurement Institute appointment as a verifying authority under the provisions of the *National Measurement Act 1960 (Cth)*
- provided enhancements to the online workflow between the Office of the Surveyor General and industry, allowing for digital submission and real-time tracking of requests for survey services
- assessed applications received under the S&SI Act and the S&SI Regulation including:
 - applications for survey mark removal under clause 90 of the S&SI Regulation (section 24 S&SI Act)
 - applications for exemption from the provisions of the S&SI Regulation
 - applications for proposed development at Trigonometrical Station sites
- chaired the Preservation of Survey Infrastructure Collaborative Working Group with Transport for NSW to maintain the integrity of the state control survey and the state cadastre
- ensured the state's control survey is authoritative, accurate, current and complete
- supported the propagation, sourcing and improvement of the state control survey
- provided survey services for government aerial imagery and LiDAR (Light Detection and Ranging – a remote sensing method) capture programs
- provided survey services for the upgrade and update of the Digital Cadastral Database
- presented at over 25 industry events on a wide range of topics to contribute to the ongoing development of skills and knowledge of surveyors and the community.

DCS related entities' annual reports – Office of the Surveyor General

NSW Gravity Model Project

As part of the Live NSW project, Spatial Services (through the Office of the Surveyor General) continued to develop a statewide gravity model which will cover the entirety of NSW and provide a new level of gravity measurement coverage and accuracy.

The NSW Gravity Model will provide consistent, high quality, high density (2+ km spacing) gravity data across the entire state. This will deliver critical geoscience information to improve outcomes for state infrastructure projects and the management of natural hazards and resources, including:

- exploration and management of groundwater stores
- land use decision-making
- bushfire and natural disaster recovery efforts
- large infrastructure projects
- property, construction, agriculture, mining and surveying
- flood mapping
- future resource investment opportunities
- reduced levels of survey expenditure across all 3 tiers of government.

Airbourne capture for the NSW Gravity Model Project was almost completed, with 75% coverage of the state captured. Completion of the project, including capture and delivery via NSW Government online portals, is due in December 2023.

CORSnet-NSW

CORSnet-NSW is a network of Global Navigation Satellite System tracking stations that provides cm-level positioning across NSW. The network is made up of 206 Continuously Operating Receiver Stations (CORS) supporting accurate positioning, machine guidance and autonomous driving in industries such as construction, mining, agriculture and the property sector. The CORSnet-NSW network is owned, operated and maintained by Spatial Services with delivery to customers via 3 Value Added Resellers and Geoscience Australia through Positioning Australia.

CORSnet-NSW achievements this year include the successful operation of CORSnet-NSW in the Amazon Web Services cloud, with system availability exceeding 99.99%.

After being affected by COVID-19 pandemic restrictions in 2021–22, ongoing maintenance and upgrades were also reinvigorated. These include:

Receiver upgrade program (to comply with Service Level Agreements for equipment currency) – 23 receivers were upgraded, bringing the total to 197 receivers since the beginning of the replacement and modernisation project in 2017. Only 7 receivers in the network are older than 7 years.

Battery refresh and lithium upgrades – 11 sites were upgraded to lithium batteries as part of a focus on upgrades to lithium batteries which require an entire cabinet refit. This brings the total to 25 since the project began at the beginning of 2022.

Modem upgrade – in preparation for the decommissioning of the 3G network, 28 high performance industrial cellular modems were installed this year bringing the total to 288 installed at 183 sites since the project began. Only one legacy modem remains in the system.

Five new CORS builds – at Wentworth, Forbes, Fort Denison, Western Sydney Airport and Muswellbrook.

DCS related entities' annual reports – Office of the Surveyor General

Survey Control Information Management System

The Survey Control Information Management System (SCIMS) is a database that contains the coordinates, heights and related attributes for Permanent Survey Marks that make up the State Control Survey established under the direction of the Surveyor General of NSW. This information is collected under the S&SI Act and the S&SI Regulation. SCIMS is maintained for the purposes of cadastral boundary definition, engineering surveys, mapping and a variety of other spatial applications.

In 2022–23, SCIMS achievements include:

Addition of **2506** new survey marks.

Updated coordinates for a further **586** marks.

Processed more than **2360** locality sketch plans.

Number and type of survey marks issued during 2022–23

State Survey Mark					Permanent Mark			
Type 1	Type 2	Type 15	Type 16	Type 15 pin only	Cover box	Stainless steel pin	Brass screw	Number plate
107	231	1357	265	17	756	101	1572	794

Digital Survey Plans

The Office of the Registrar General, NSW Land Registry Services (NSW LRS) and Office of the Surveyor General continued to run a program of works to implement the transition from paper survey plans to digital in NSW. The reform is broken down into 3 main components:

- Component A: move to an online process, from plan creation to registration
- Component B: require digital data to be included as a part of plan lodgments
- Component C: digital data considered the legal point of truth.

Following extensive stakeholder engagement, the first component was supported by industry. The second and third components remain subject to further industry consultation.

A major milestone in achieving Component A was the replacement of the ePlan lodgment portal with NSW LRS Connect. A soft launch of the portal was completed in May 2022 with 3 organisations registered and successfully creating workspaces and lodging plans electronically. A full launch is expected in Q3 2023 with a mandate for 100% online lodgment of plans to take effect 12 months later.

Spatial Services also continued to assist the reform by capturing lodged plans in a digital format and returning them to NSW LRS for examination. Over 50% of plans lodged went through this process, up from 20% when the program first started.

Other initiatives developed include Computer Aided Design (CAD) layering standards and beta versions of CAD translators for more efficient drafting of digital plans and file creation for use by industry.

DCS related entities' annual reports – Geographical Names Board

The Geographical Names Board (GNB) is the authority for place naming in NSW. It operates under the *Geographical Names Act 1966* and manages policy documents on addressing and geographical naming in NSW. GNB's responsibilities include:

- assigning and determining place names, and maintaining the state gazetteer of place names
- approving that a recorded name of a place shall be its geographical name
- determining address locality (suburb) boundaries
- investigating and determining the form, spelling, pronunciation, origin and history of place names
- evaluating road name proposals and maintaining a list of road names for the state gazetteer
- supporting the production, aggregation, publication and usage of standardised address data across NSW.

Geographical Names Board's role

Place names connect people to a place and play a vital role in our social and cultural environment. GNB's role is to ensure that place names are reflective of community sentiment and represent the rich and diverse culture of NSW.

Clear, unambiguous and authoritative place names are essential for emergency services, postal and service delivery, as well as for professional and personal navigation. GNB is committed to open and transparent practices and procedures in the selection of place names. GNB makes clear and consistent decisions using the guidelines and principles outlined in the NSW Place Naming Policy.

Aboriginal place naming

GNB continued to encourage and support Aboriginal place naming in NSW, acknowledging that it is central to language revitalisation as it helps reawaken, preserve and grow Aboriginal languages in NSW, and strengthens NSW First Peoples' connections with culture and identity.

Representatives from the GNB Secretariat assisted in establishing the Aboriginal Place Name Partnership. The partnership includes representatives from the Aboriginal Languages Trust, Aboriginal Strategy and Outcomes team from the NSW Department of Planning and Environment, the NSW Aboriginal Land Council and the GNB. The partnership supports collaboration and finds joint solutions to common challenges or opportunities related to Aboriginal place naming in NSW. Terms of reference have been finalised for the group.

GNB is committed to engaging with the community and a wide range of stakeholders to promote and support the use of traditional Aboriginal language in place names in NSW. As a result of this work, GNB saw an increase in traditional Aboriginal place name applications, and new place and road names using Aboriginal language.

Offensive names

The NSW Geographical Names Register contains place names that may be considered offensive for a multitude of reasons, including the use of derogatory terms, the meaning of the word or the origin of the name. The perception of offensive names may vary through time and from place to place.

For example, in 2022, Ben Boyd National Park was a name deemed to be offensive by the community and a new place name, Beowa, was assigned, in consultation with the local community.

GNB plays a vital role in supporting development in NSW by providing a reliable and authoritative source of truth for place naming. GNB encourages the establishment of an official name early in the process. Following major developments in NSW this reporting year, GNB:

- continued working with Western Parkland City Authority to guide the naming of a new suburb, reserves and other features within the Western Sydney Aerotropolis area, with a focus on Aboriginal place naming
- continued working with NSW National Parks and Wildlife Services and local government to assign new address localities in Blue Mountains National Park.

DCS related entities' annual reports – Geographical Names Board

Production figures

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

Designation	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Address locality (suburb) names and boundaries	92	64	36	32	10	16	22	11
Road names (evaluated)	2547	1563	1762	1634	1135	1468	1808	1428
Dual names	8	0	0	0	1	0	6	1
Place names	55	75	110	84	92	46	59	75

DCS related entities' annual reports – Geographical Names Board

Governance

Board members, meetings and attendance

Members are appointed to the Board under section 3 of the *Geographical Names Act 1966*. The Board met formally on 5 occasions during the year. The Board also convened on 4 additional occasions to deal with matters out of session.

The following table shows the 2022–23 Board members and how many of the 5 formal meetings were attended by each member.

Members of the Board	Board meetings attended in 2022–23
Narelle Underwood Surveyor General of NSW. Ex-officio position Chair of the Board (from August 2022)	3
Thomas Grinter A/Surveyor General of NSW. Ex-officio position A/Chair of the Board (until August 2022)	2
Lauryn Bae Brokate Representing Department of Customer Service. Ex-officio position	4
Audrey Maag Representing Department of Customer Service (acting for Lauryn Bae Brokate)	1
Richard Neville Representing State Library. Ex-officio position	5
Monica Gibson Representing Department of Planning and Environment. Ex-officio position	2
Simon Chan Representing Multicultural NSW	4
Alice Glachan Representing Local Government and Shires Association of NSW	4
Dr Alanna Kamp Representing Geographical Society of NSW	4
Dallas Donnelly Representing NSW Aboriginal Land Council	3
Carol Liston Representing Royal Australian Historical Society	4

Counsellors and attendance

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

The following table shows the counsellors appointed in 2022–23.

Counsellors to the Board	Advice	Board meetings attended in 2022–23
Dr Peter Orlovich	Historical issues	4
Dr Jakelin Troy	Language issues	3
Julie Christie, Australia Post	Issues relating to addresses	0
Marina DeGabriele, NSW Fire and Rescue	Emergency services	2
Terry Kass	Historical and geographical issues	5
Thomas Grinter, Deputy Surveyor General	GNB policy	3

4. Management and accountability



Employment statistics

Division	Full-time equivalent (FTE) over time ¹²			
	2020 ¹	2021 ¹	2022 ¹	2023 ¹
Better Regulation Division ¹¹	1725.2	1781.2	1676.7	1947.9
Customer, Delivery and Transformation ⁴	411.1	436.3	523.6	654.9
Digital NSW ²	551.7	701.4	878.9	1150.5
Corporate Services ³	603.1	663.4	809.7	991.4
Greyhound Welfare and Integrity Commission ⁵	58.6	66.9		
Information and Privacy Commission NSW ⁶	26.3	27.2	32.2	26.4
Office of the Secretary ³	40.5	61.2	58.4	48
Independent Review Office ⁸		56.4	56.8	65
Personal Injury Commission ^{7,9}		154.2	153.2	172.3
Revenue NSW	1214.2	1218	1441.9	1769.4
Small Business Commission ¹⁰			53.3	39.6
State Insurance Regulatory Authority ⁹	360.6	283.3	302.1	412.6
Workers Compensation Independent Review Office ⁸	49.5			
Workers Compensation Commission ⁷	67.1			
Total¹³	5107.9	5449.5	5986.8	7278.0

Notes:

- Full-time equivalent (FTE) staff excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay. Statistics are based on NSW Public Service Commission Workforce Profile census data as of 25 June 2020, 24 June 2021, 23 June 2022, and 22 June 2023.
- Digital NSW was renamed from ICT and Digital Government in 2020.
- 10 Ministerial Services staff transferred from the Office of the Secretary to Corporate Services in November 2022.
- Customer, Delivery and Transformation (CDT) division was created in July 2019, which included the transfer of NSW Registry of Births, Deaths and Marriages, the Customer Service Commission, the Data Analytics Centre and the Behavioural Insights Unit into DCS. CDT Strategy, CDT Delivery Unit and Brand Digital and Communications were newly formed in July 2019 when the division was created.
- Greyhound Welfare and Integrity Commission transferred to DCS in July 2019 and was transferred out of DCS on 1 April 2022.
- Information and Privacy Commission NSW transferred to DCS in July 2019.
- Workers Compensation Commission was abolished in February 2021 and transferred to the Personal Injury Commission which was established on 1 March 2021.
- Workers Compensation Independent Review Office was abolished in February 2021 and transferred to the Independent Review Office which was established on 1 March 2021.
- Dispute Resolution Services division of the State Insurance Regulatory Authority transferred to the Personal Injury Commission on 1 March 2021.
- Small Business Commission transferred to DCS on 1 April 2022.
- Liquor, Gaming and Racing transferred out of DCS on 1 April 2022. These staff are not included in the figures.
- The FTE equivalent headcount is the total employee headcount based on the number of hours a person works where a full-time employee is equal to 1 FTE.
- The increase in FTE is largely attributable to a significant increase in the growth, scale and complexity of programs DCS is required to deliver. DCS's remit significantly expanded in response to the COVID-19 pandemic and natural disasters in 2020–21 and 2021–22. This increased further during 2022–23 as DCS took on additional accountabilities to deliver on several whole of government initiatives, particularly in communications and media and the digital and transformation spaces, but also in direct service delivery, disaster response and building and property regulation.

Senior executive statistics

In 2022–23, 7.4% of DCS employee-related expenditure was for senior executives compared to 8.4% in 2021–22. This figure excludes Service NSW and IPART, who produce their own annual reports.

Senior Executive Band	2022 ^{1, 2, 3}				2023 ^{1, 2, 3}			
	Female	Male	Total	Representation by women (%)	Female	Male	Total	Representation by women (%)
Band 4 (Secretary)	1	–	1	100	1	–	1	100
Band 3 (Deputy Secretary)	2	7	9 ⁵	22.2	4	4	8	50
Band 2 (Executive Director)	21	16	37	56.8	25	13	38	65.8
Band 1 (Director)	95	94	189	50.3	106	94	200	53
Total	119	117	236	50.4	136	111	247	55.1

Senior Executive Band	2021–22 ⁴		2022–23 ⁴	
	Salary range (\$)	Average remuneration (\$)	Salary range (\$)	Average remuneration (\$)
Band 4 (Secretary)	499,251–576,700	614,000	509,251–588,250	623,300
Band 3 (Deputy Secretary)	354,201–499,250	423,733	361,301–509,250	445,081
Band 2 (Executive Director)	281,551–354,200	326,088	287,201–361,300	329,502
Band 1 (Director)	197,400–281,550	238,310	201,350–287,200	245,392

Notes:

- Senior executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.
- Statistics are based on NSW Public Service Commission Workforce Profile census data as of 23 June 2022 and 22 June 2023.
- All employees reported in 2022 and 2023 are appointed under the *Government Sector Employment Act 2013*. Salary band based on current assignment including those on a temporary above level assignment for more than 2 months.
- Salary ranges effective at the Workforce Profile census dates of 23 June 2022 and 22 June 2023.
- One Band 3 included in 2022 headcount was a secondment to another NSW Government agency and not a Band 3 role in DCS.

Consultants

There were 3 key drivers which impacted the observable increase in spend on consulting engagements during 2022–23. These include:

1. Revenue NSW prioritisation of initiatives driven by government priorities, such as the Shared Equity program.
2. Digital NSW uplift of agile capability to deliver large-scale programs, including the Licensing Program, and independent economic assessments to ensure digital investment supports government priorities.
3. Improved compliance with Procurement Board Direction 2021-03, as stronger processes were implemented to identify and report on Professional Services engagements that met with the definition of a consultant.

Consultant	Category	Division	Purpose	Amount (\$)
The trustee for the Skoda Family	Management Service	Better Regulation	Develop an Employee Value Proposition to support the attraction, retention and engagement of talent to DCS. This will improve attraction and retention rates through an increase in the quantity and quality of internal and external candidates.	300,000
Robert Bird Group	Management Service	Better Regulation	Expert engineer advice to address high risk issues and structural defects at Vicinity Apartments.	98,248
Unisearch–Expert Opinion Services	Management Service	Better Regulation	Expert advice in relation to the existence of serious structural defects at Vicinity Apartments. Advice was used to assess the scope of the potential defects and determine an appropriate regulatory response.	60,394
Principals Branding Agency	Management Service	NSW Registry of Births, Deaths and Marriages	To develop a consistent national branding strategy for national projects managed by the NSW Registry of Births, Deaths and Marriages, including the Digital Birth Certificate and the Australian Death Notification Service, to ensure customers understand the product, its purpose and trust security and privacy features.	225,000
Aurum Data	Management Service	NSW Registry of Births, Deaths and Marriages	To develop the implementation of a data commercialisation strategy for the NSW Registry of Births, Deaths and Marriages which seeks to address short, medium and long-term opportunities to increase revenue and further develop customer-centric solutions.	150,000
PwC	Organisational Review	Corporate Services	Advice on organisational review of DCS Legal Counsel for optimisation of workflow and to explore opportunities for improved service delivery and workload management.	190,000
KPMG	Management Service	Corporate Services	To develop a contractual savings roadmap of cost optimisation initiatives with an aim to improve management of procurement strategies.	180,000
DB Results Pty Ltd	Organisational Review	Corporate Services	Advice to improve the service from GovConnect as a service provider delivering IT operations and business processes including HR, payroll and finance transactional services.	130,800
Ernst & Young	Organisational Review	Corporate Services	Advice for the cost-effective sourcing strategy for the SAPConnect Program to consolidate the ERP systems for all agencies in DCS for a more sustainable future.	95,500
TrainTheCrowd	Management Service	Corporate Services	Advice for the effective roll out of the new system to support the operations of the Long Service Corporation.	87,500

Consultants

Consultant	Category	Division	Purpose	Amount (\$)
Kantar Public	Management Service	Customer, Delivery and Transformation	Market research on the needs and requirements of NSW regional audiences to improve their engagement with the NSW Government using Government Made Easy websites.	65,000
University of Technology Sydney (Human Technology Institute)	Management Service	Customer, Delivery and Transformation	Consultation on ensuring data integrity for the initial stages of implementing artificial intelligence within NSW Government agencies.	223,015
ELABOR8 Pty Ltd	Management Service	Digital NSW	Develop a framework to deliver large-scale programs that will simplify and standardise the end-user experience for licences issued by the NSW Government via implementation of a digital process which will reduce duplication for licence regulators and provide a single view of data.	575,000
Grant Thornton Australia	Management Service	Digital NSW	To develop the operating model for the over-the-counter payments channel to ensure value is delivered to client agencies and NSW public bodies.	200,000
Deloitte	Management Service	Digital NSW	Independent economic evaluation to justify ongoing investment in digital and information, communication and technologies to benefit the citizens of NSW by enhancing services provided by the NSW Government.	176,840
Urbis	Management Service	Digital NSW	To evaluate the economic benefits and project delivery approach of large-scale programs that will simplify and standardise the end-user experience for licences issued by the NSW Government via the implementation of digital processes.	98,902
Deloitte	Management Service	Digital NSW	To assess and certify the NSW Government's Cyber Portal, for tracking cyber security information of NSW Government agencies, as part of an annual reporting requirement.	83,600
Gradient Institute	Management Service	Digital NSW	To report on the enabling technologies of emerging digital worlds known as the metaverse and to explore opportunities for the NSW Government to provide related services for the benefit of citizens.	82,000
Greg Channell	Management Service	Better Regulation	Advice from an industry expert on the implementation phase of the eConveyancing interoperability reform, aiming to standardise technology data standards and build a regulatory framework between stakeholders.	61,740
Deloitte	Management Service	Revenue NSW	Design and implementation of the Shared Equity Home Buyer Helper tool, which assists those meeting the eligibility criteria in purchasing a home. This also included accounting advice and a valuation model to accurately value NSW's share of property assets.	2,580,000
Publicis Sapient	Management Service	Revenue NSW	To create a tax compliance strategy and roadmap to improve end-to-end tax compliance processes and increase identified tax compliance revenue over the next 4 years. This will ensure people who should be paying tax are paying their fair share.	468,050

Consultants

Consultant	Category	Division	Purpose	Amount (\$)
Deloitte	Management Service	Revenue NSW	To identify key areas for improvement and to produce a delivery roadmap to understand the shortfalls of the current systems and to implement a cost-effective system to maintain the integrity and sustainability of the future growth of collection and compliance requirements within NSW.	249,300
Future Friendly	Management Service	Revenue NSW	To produce a service and technical blueprint to redesign penalty notices to provide an enhanced customer experience, particularly to support people experiencing hardship.	245,169
Ernst & Young	Management Service	Revenue NSW	To develop an intelligent automation strategy to invest in technology that will deliver efficiencies and increase effectiveness for Revenue NSW through automation of certain repetitive manually intensive processes, thereby providing cost savings by significantly reducing processing hours.	100,000
HoustonKemp	Management Service	Revenue NSW	Advice on the benefits of diverting customers experiencing hardship from the fines system as part of Revenue NSW's strategic initiative centred on the customer.	99,067
Behavioural Insights (Australia) Pty Ltd	Organisational Review	SafeWork NSW	Develop a strategy for the Respect at Work Directorate, including an action plan, monitoring and evaluation framework for how to prevent and respond to sexual harassment in workplaces.	81,253
Confluence Pty Ltd	Management Service	SafeWork NSW	Advice on the effective delivery of workplace mental health coaching programs to support employees of small businesses to ensure value for money spent on the program.	70,000
Subtotal – engagements costing \$50,000 and above				6,976,378
Other external consultancy engagements – less than \$50,000 (27 engagements)				838,541
Key consultancy engagements during 2022–23 for the DCS principal department				7,814,919

Overseas travel

The following table lists overseas visits undertaken by our officers and employees during 2022–23 and the main purpose of those visits.

The table includes visits by officers within the DCS principal department only. Some agencies within DCS publish their own annual reports. Further information about overseas visits by officers from these agencies is available in their annual reports.

Date	Officer	Destination	Purpose
October 2022	Electrical Engineer, SafeWork NSW	New Zealand	To conduct quality assessments for TestSafe clients.
November 2022	Surveyor General and Executive Director Spatial Services, Digital NSW Director, Policy, Awareness and Research, Digital NSW Director, Building and Construction, Better Regulation Division Executive Services Coordinator, Corporate Services Division Manager, Strategy, Customer, Delivery and Transformation	New Zealand	To attend compulsory face-to-face sessions for units of the Australia and New Zealand School of Government Executive Master of Public Administration course.
May 2023	Program Manager, World Congress, and Director, Centre for Work Health and Safety, Better Regulation Division	Europe (London, Vienna and Berlin)	Attended international exhibitions to promote the upcoming '23rd World Congress on Safety and Health at Work' to be held in Sydney on 27–30 November 2023. This will be the first time that the World Congress has come to Australia. SafeWork NSW is proud to host this important global forum, together with the International Labour Organization and the International Social Security Association. A grant by Tourism Australia partially funded the overseas visits.
May 2023	Surveyor General and Executive Director Spatial Services, Digital NSW	USA	To attend the International Federation of Surveyors Working Week conference 2023 and deliver a presentation on <i>Transitioning from paper to Digital Survey Plans in NSW Australia</i> .
June 2023	Senior Engineer, SafeWork NSW	China and Malaysia	To conduct quality assessments for TestSafe clients.

Legislation administered

Prior to the NSW State election in March 2023, one minister had responsibility for the legislation administered by DCS. Following the appointment of the new government, there were 5 responsible ministers.

Minister for Customer Service and Digital Government

From 3 May 2023 to 30 June 2023^(*)¹ the **Minister for Customer Service and Digital Government** was responsible for the administration of the following Acts:

- *Access to Neighbouring Land Act 2000* [No 2](#)
- *Births, Deaths and Marriages Registration Act 1995* [No 62](#), jointly with the Attorney General
- *Community Land Development Act 2021* [No 6](#)
- *Conveyancing Act 1919* [No 6](#)
- *Conveyancing and Law of Property Act 1898* [No 17](#)
- *Data Sharing (Government Sector) Act 2015* [No 60](#)
- *Digital Restart Fund Act 2020* [No 15](#)
- *Electronic Conveyancing (Adoption of National Law) Act 2012* [No 88](#)
- *Electronic Conveyancing Enforcement Act 2022* [No 62](#)
- *Encroachment of Buildings Act 1922* [No 23](#)
- *Geographical Names Act 1966* [No 13](#)
- *Government Advertising Act 2011* [No 35](#), jointly with the Premier and the Attorney General (*1 July 2022 to 4 April 2023) and jointly with the Premier and the Special Minister of State (*5 April 2023 to 30 June 2023)
- *Government Information (Information Commissioner) Act 2009* [No 53](#), jointly with the Attorney General
- *Government Information (Public Access) Act 2009* [No 52](#), jointly with the Attorney General
- *Government Telecommunications Act 2018* [No 67](#)
- *Land Sales Act 1964* [No 12](#)
- *Licensing and Registration (Uniform Procedures) Act 2002* [No 28](#)
- *Perpetuities Act 1984* [No 43](#)
- *Powers of Attorney Act 2003* [No 53](#)
- *Privacy and Personal Information Protection Act 1998* [No 133](#), jointly with the Attorney General
- *Real Property Act 1900* [No 25](#)
- *Relationships Register Act 2010* [No 19](#), jointly with the Attorney General
- *Service NSW (One-stop Access to Government Services) Act 2013* [No 39](#)
- *Strata Schemes Development Act 2015* [No 51](#), jointly with the Minister for Building
- *Surveying and Spatial Information Act 2002* [No 83](#)

¹ The applicable date range for the administration of all legislation covered in this section is indicated in brackets and with an asterisk (*).

Legislation administered

In addition to the above Acts, from 1 July 2022 to 2 May 2023(*), the **Minister for Customer Service and Digital Government** was also responsible for the administration of the following Acts (responsibility of these Acts was transferred to other Ministers for the remainder of the reporting year):

- *Associated General Contractors Insurance Company Limited Act 1980 No 38*
- *Bishopsgate Insurance Australia Limited Act 1983 No 81*
- *Duties Act 1997 No 123*, jointly with the Treasurer and the Minister for Finance
- *Fines Act 1996 No 99*, jointly with the Treasurer and the Minister for Finance, except Part 2, Divisions 1 and 2 and sections 13, 120, in so far as it relates to registrars of the courts and the Sheriff, and section 123, which were the responsibility of the Attorney General
- *First Home Owner Grant and Shared Equity Act 2000 No 21*, jointly with the Minister for Finance (*1 July 2022 to 4 April 2023) and jointly with the Treasurer and the Minister for Finance (*5 April 2023 to 2 May 2023)
- *Government Insurance Office (Privatisation) Act 1991 No 38*, sections 26 and 27, jointly with the Treasurer
- *Health Insurance Levies Act 1982 No 159*, jointly with the Treasurer and the Minister for Finance
- *Home Building Act 1989 No 147*, Parts 6, 6B and 6C solely (*1 July 2022 to 4 April 2023) and jointly with the Minister for Building (*5 April 2023 to 2 May 2023)
- *Independent Pricing and Regulatory Tribunal Act 1992 No 39*, except for section 9, which was the responsibility of the Premier
- *Insurance Protection Tax Act 2001 No 40*, jointly with the Treasurer and the Minister for Finance
- *Land Tax Act 1956 No 27*, jointly with the Treasurer and the Minister for Finance
- *Land Tax Management Act 1956 No 26*, jointly with the Treasurer and the Minister for Finance
- *Motor Accident Injuries Act 2017 No 10*, solely (*1 July 2022 to 4 April 2023) and jointly with the Minister for Work Health and Safety (*5 April 2023 to 2 May 2023)
- *Motor Accidents Act 1988 No 102*, solely (*1 July 2022 to 4 April 2023) and jointly with the Minister for Work Health and Safety (*5 April 2023 to 2 May 2023)
- *Motor Accidents Compensation Act 1999 No 41*, solely (*1 July 2022 to 4 April 2023) and jointly with the Minister for Work Health and Safety (*5 April 2023 to 2 May 2023)
- *Motor Vehicles (Third Party Insurance) Act 1942 No 15*, solely (*1 July 2022 to 4 April 2023) and jointly with the Minister for Work Health and Safety (*5 April 2023 to 2 May 2023)
- *Payroll Tax Act 2007 No 21*, jointly with the Treasurer and the Minister for Finance
- *Payroll Tax Deferral (BlueScope Steel) Act 2015 No 68*, jointly with the Treasurer and the Minister for Finance
- *Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011 No 19*, jointly with the Minister for Enterprise, Investment and Trade (*1 July 2022 to 4 April 2023) and jointly with the Minister for Jobs and Tourism (*5 April 2023 to 2 May 2023) – repealed on 1 July 2023
- *Personal Injury Commission Act 2020 No 18*, except for certain parts administered by the Attorney General (*1 July 2022 to 4 April 2023), and jointly with the Minister for Work Health and Safety, except sections 7(1), (2), (6) and (7) and 16 and Schedule 2, clause 15, jointly with the Minister for Work Health and Safety and the Attorney General, and sections 7(4), 8–10, 14 and 15, Schedule 1, clause 7 and Schedule 2, clauses 1–14, 16 and 17, administered solely by the Attorney General (*5 April 2023 to 2 May 2023)
- *Small Business Grants (Employment Incentive) Act 2015 No 14*, jointly with the Minister for Small Business – repealed on 1 July 2023
- *State Debt Recovery Act 2018 No 11*, jointly with the Treasurer and the Minister for Finance
- *State Insurance and Care Governance Act 2015 No 19*, except Part 2 and Schedules 1 and 2, and Parts 1 and 4 and Schedule 4 in so far as they relate to Insurance and Care NSW, administered by the Treasurer (*1 July 2022 to 4 April 2023) and except Part 2 and Schedules 1 and 2, and Parts 1 and 4 and Schedule 4 in so far as they relate to Insurance and Care NSW, administered by the Treasurer jointly with the Minister for Work Health and Safety (*5 April 2023 to 2 May 2023)
- *Taxation Administration Act 1996 No 97*, jointly with the Treasurer and the Minister for Finance
- *Unclaimed Money Act 1995 No 75*, jointly with the Treasurer and the Minister for Finance
- *Workers Compensation Act 1987 No 70*, except Parts 4 and 7, Division 1A, administered by the Treasurer (*1 July 2022 to 4 April 2023) and jointly with the Minister for Work Health and Safety, except Parts 4 and 7, Division 1A, administered by the Treasurer (*5 April 2023 to 2 May 2023)
- *Workplace Injury Management and Workers Compensation Act 1998 No 86*, solely (*1 July 2022 to 4 April 2023) and jointly with the Minister for Work Health and Safety (*5 April 2023 to 2 May 2023).

Legislation administered

Minister for Better Regulation and Fair Trading

From 1 July 2022 to 4 April 2023(*) the Minister for Fair Trading, and from 5 April 2023 to 30 June 2023(*) the **Minister for Better Regulation and Fair Trading**, was responsible for the administration of the following Acts:

- *Agricultural Tenancies Act 1990* [No 64](#)
- *Architects Act 2003* [No 89](#), solely (*3 May 2023 to 30 June 2023) and jointly with the Minister for Building (*1 July 2023 onwards)
- *Associations Incorporation Act 2009* [No 7](#)
- *Biofuels Act 2007* [No 23](#)
- *Boarding Houses Act 2012* [No 74](#), except Parts 1 and 5 and Part 1 of Schedule 2, jointly with the Minister for Families and Communities (*1 July 2022 to 2 May 2023) and jointly with the Minister for Housing (*3 May 2023 to 30 June 2023), and Part 4 and Part 2 of Schedule 2, solely by the Minister for Families and Communities (*1 July 2022 to 2 May 2023) and solely by the Minister for Housing (*3 May 2023 to 30 June 2023)
- *Building and Construction Industry Long Service Payments Act 1986* [No 19](#) – responsibility for this Act was transferred to the Minister for Industrial Relations on 1 July 2023
- *Building and Construction Industry Security of Payment Act 1999* [No 46](#)
- *Building and Development Certifiers Act 2018* [No 63](#), solely (*1 July 2022 to 4 April 2023) and jointly with the Minister for Building (*5 April 2023 to 30 June 2023)
- *Building Products (Safety) Act 2017* [No 69](#), solely (*1 July 2022 to 4 April 2023) and jointly with the Minister for Building (*5 April 2023 to 30 June 2023)
- *Business Names (Commonwealth Powers) Act 2011* [No 44](#)
- *Charitable Fundraising Act 1991* [No 69](#)
- *Coal Mine Subsidence Compensation Act 2017* [No 37](#)
- *Community Gaming Act 2018* [No 60](#)
- *Community Land Management Act 2021* [No 7](#)
- *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010* [No 122](#) – responsibility for this Act was transferred to the Minister for Industrial Relations on 1 July 2023
- *Contracts Review Act 1980* [No 16](#)
- *Conveyancers Licensing Act 2003* [No 3](#)
- *Co-operative Housing and Starr-Bowkett Societies Act 1998* [No 11](#)
- *Co-operatives (Adoption of National Law) Act 2012* [No 29](#)
- *Credit (Commonwealth Powers) Act 2010* [No 6](#)
- *Dangerous Goods (Road and Rail Transport) Act 2008* [No 95](#), except in so far as it relates to the on-road and on-rail transport of dangerous goods by road or rail, administered by the Minister for the Environment and Heritage (*1 July 2022 to 4 April 2023) and by the Minister for the Environment (*5 April 2023 to 2 May 2023) – responsibility for this Act was transferred to the Minister for Work Health and Safety and the Minister for the Environment on 3 May 2023
- *Design and Building Practitioners Act 2020* [No 7](#), jointly with the Minister for Building
- *Entertainment Industry Act 2013* [No 73](#)
- *Environmental Planning and Assessment Act 1979* [No 203](#), Part 6 and section 10.13(1)(d), jointly with the Minister for Planning (*1 July 2022 to 4 April 2023) and jointly with the Minister for Planning and Public Spaces and the Minister for Building (*5 April 2023 to 30 June 2023)
- *Explosives Act 2003* [No 39](#) (*1 July 2022 to 2 May 2023) – responsibility for this Act was transferred to the Minister for Work Health and Safety on 3 May 2023
- *Fair Trading Act 1987* [No 68](#)
- *Funeral Funds Act 1979* [No 106](#)
- *Gas and Electricity (Consumer Safety) Act 2017* [No 15](#), solely (*1 July 2022 to 30 June 2023) and jointly with the Minister for Building (*1 July 2023 onwards)
- *Hairdressers Act 2003* [No 62](#)
- *Holiday Parks (Long-term Casual Occupation) Act 2002* [No 88](#)
- *Home Building Act 1989* [No 147](#), solely (*1 July 2022 to 4 April 2023) and jointly with the Minister for Building (*5 April 2023 to 30 June 2023), except Part 6A, administered by the Minister for Finance (*1 July 2022 to 30 June 2023) and Parts 6, 6B and 6C, solely by the Minister for Customer Service and Digital Government (*1 July 2022 to 4 April 2023), and by the Minister for Customer Service and Digital Government jointly with the Minister for Building (*5 April 2023 to 2 May 2023), and solely by the Minister for Finance (*3 May 2023 to 30 June 2023)
- *Long Service Corporation Act 2010* [No 123](#) – responsibility for this Act was transferred to the Minister for Industrial Relations on 1 July 2023
- *Motor Dealers and Repairers Act 2013* [No 107](#)
- *Mutual Recognition (Automatic Licensed Occupations Recognition) Act 2014* [No 51](#)
- *Paintball Act 2018* [No 44](#)

Legislation administered

- *Partnership Act 1892 55 Vic* [No 12](#), in so far as it relates to the functions of the Registrar overseeing the register of limited partnerships and incorporated limited partnerships and to the setting of fees to be charged for maintaining that register, jointly with the Attorney General
- *Pawnbrokers and Second-hand Dealers Act 1996* [No 13](#)
- *Personal Property Securities (Commonwealth Powers) Act 2009* [No 35](#), Schedule 1, Part 2, Division 2 and Schedule 1, clause 24, jointly with the Attorney General
- *Plumbing and Drainage Act 2011* [No 59](#), solely (*1 July 2022 to 30 June 2023) and jointly with the Minister for Building (*1 July 2023 onwards)
- *Professional Standards Act 1994* [No 81](#)
- *Property and Stock Agents Act 2002* [No 66](#)
- *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020* [No 9](#), solely (*1 July 2022 to 4 April 2023) and jointly with the Minister for Building (*5 April 2023 to 30 June 2023)
- *Residential (Land Lease) Communities Act 2013* [No 97](#)
- *Residential Tenancies Act 2010* [No 42](#), except Part 7, jointly with the Minister for Homes and the Minister for Families and Communities (*1 July 2022 to 4 April 2023), and jointly with the Minister for Housing (*5 April 2023 to 30 June 2023)
- *Retail Trading Act 2008* [No 49](#) – responsibility for this Act was transferred to the Minister for Industrial Relations on 1 July 2023
- *Retirement Villages Act 1999* [No 81](#)
- *Storage Liens Act 1935* [No 19](#)
- *Strata Schemes Management Act 2015* [No 50](#)
- *Swimming Pools Act 1992* [No 49](#)
- *Tow Truck Industry Act 1998* [No 111](#)
- *Uncollected Goods Act 1995* [No 68](#)
- *Work Health and Safety Act 2011* [No 10](#) (*1 July 2022 to 4 April 2023) – responsibility for this Act was transferred to the Minister for Work Health and Safety on 5 April 2023.

Minister for Building

From 5 April 2023 to 30 June 2023(*)¹ the **Minister for Building** was responsible for the administration of the following Acts:

- *Architects Act 2003* [No 89](#), jointly with the Minister for Better Regulation and Fair Trading (*1 July 2023 onwards)
- *Building and Development Certifiers Act 2018* [No 63](#), jointly with the Minister for Better Regulation and Fair Trading
- *Building Products (Safety) Act 2017* [No 69](#), jointly with the Minister for Better Regulation and Fair Trading
- *Design and Building Practitioners Act 2020* [No 7](#), jointly with the Minister for Better Regulation and Fair Trading
- *Environmental Planning and Assessment Act 1979* [No 203](#), Part 6 and section 10.13(1)(d), jointly with the Minister for Planning and Public Spaces and the Minister for Better Regulation and Fair Trading
- *Gas and Electricity (Consumer Safety) Act 2017* [No 15](#), jointly with the Minister for Better Regulation and Fair Trading (*1 July 2023 onwards)
- *Home Building Act 1989* [No 147](#), jointly with the Minister for Better Regulation and Fair Trading, except Part 6A, administered by the Minister for Finance solely, and Parts 6, 6B and 6C jointly with the Minister for Customer Service and Digital Government (*5 April 2023 to 2 May 2023), and jointly with the Minister for Better Regulation and Fair Trading, except Parts 6, 6A, 6B and 6C, administered by the Minister for Finance (*3 May 2023 to 30 June 2023)
- *Plumbing and Drainage Act 2011* [No 59](#), jointly with the Minister for Better Regulation and Fair Trading (*1 July 2023 onwards)
- *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020* [No 9](#), jointly with the Minister for Better Regulation and Fair Trading
- *Strata Schemes Development Act 2015* [No 51](#), jointly with the Minister for Customer Service and Digital Government.

¹ Prior to 5 April 2023 the Minister for Building's legislative portfolio had not been established.

Legislation administered

Minister for Finance

From 1 July 2022 to 30 June 2023(*) the **Minister for Finance** was responsible for the administration of the following Acts:

- *Associated General Contractors Insurance Company Limited Act 1980 No 38* (*3 May 2023 to 30 June 2023)
- *Betting Tax Act 2001 No 43*, jointly with the Treasurer
- *Bishopsgate Insurance Australia Limited Act 1983 No 81* (*3 May 2023 to 30 June 2023)
- *Contractors Debts Act 1997 No 110*
- *Duties Act 1997 No 123*, jointly with the Treasurer and Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023) and jointly with the Treasurer (*3 May 2023 to 30 June 2023)
- *Fines Act 1996 No 99*, jointly with the Treasurer and Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023), except Part 2, Divisions 1 and 2 and sections 13, 120, in so far as it relates to registrars of the courts and the Sheriff, and section 123, administered by the Attorney General, and jointly with the Treasurer (*3 May 2023 to 30 June 2023), except Part 2, Divisions 1 and 2 and sections 13, 120, in so far as it relates to registrars of the courts and the Sheriff, and section 123, administered by the Attorney General
- *First Home Owner Grant and Shared Equity Act 2000 No 21*, jointly with the Minister for Customer Service and Digital Government (*1 July 2022 to 4 April 2023), jointly with the Minister for Customer Service and Digital Government and the Treasurer (*5 April 2023 to 2 May 2023) and jointly with the Treasurer (*3 May 2023 to 30 June 2023)
- *Gaming Machine Tax Act 2001 No 72*, jointly with the Treasurer and the Minister for Gaming and Racing, except Part 4 and Schedule 1, administered solely by the Minister for Gaming and Racing
- *Health Insurance Levies Act 1982 No 159*, jointly with the Treasurer and the Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023) and jointly with the Treasurer (*3 May 2023 to 30 June 2023)
- *Home Building Act 1989 No 147*, Part 6A (*1 July 2022 to 2 May 2023) and Parts 6, 6A, 6B and 6C (*3 May 2023 to 30 June 2023)
- *Insurance Protection Tax Act 2001 No 40*, jointly with the Treasurer and the Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023) and jointly with the Treasurer and the Minister for Work Health and Safety (*3 May 2023 to 30 June 2023)
- *Land Tax Act 1956 No 27*, jointly with the Treasurer and the Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023) and jointly with the Treasurer (*3 May 2023 to 30 June 2023)
- *Land Tax Management Act 1956 No 26*, jointly with the Treasurer and the Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023) and jointly with the Treasurer (*3 May 2023 to 30 June 2023)
- *Loan Fund Companies Act 1976 No 94*
- *Motor Accident Injuries Act 2017 No 10* (*3 May 2023 to 30 June 2023)
- *Motor Accidents Act 1988 No 102* (*3 May 2023 to 30 June 2023)
- *Motor Accidents Compensation Act 1999 No 41* (*3 May 2023 to 30 June 2023)
- *Payroll Tax Act 2007 No 21*, jointly with the Treasurer and the Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023) and jointly with the Treasurer (*3 May 2023 to 30 June 2023)
- *Payroll Tax Deferral (BlueScope Steel) Act 2015 No 68*, jointly with the Treasurer and the Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023) and jointly with the Treasurer (*3 May 2023 to 30 June 2023)
- *Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011 No 19*, jointly with the Minister for Jobs and Tourism (*3 May 2023 to 30 June 2023) – repealed on 1 July 2023
- *Personal Injury Commission Act 2020 No 18*, except sections 7(1), (2), (6) and (7) and 16 and Schedule 2, clause 15, jointly with the Attorney General, and sections 7(4), 8–10, 14 and 15, Schedule 1, clause 7 and Schedule 2, clauses 1–14, 16 and 17, solely administered by the Attorney General (*3 May 2023 to 30 June 2023)
- *Public Works and Procurement Act 1912 No 45*, Part 11 and the Fifth Schedule
- *Small Business Grants (Employment Incentive) Act 2015 No 14*, jointly with the Minister for Small Business (*3 May 2023 to 30 June 2023) – repealed on 1 July 2023
- *State Debt Recovery Act 2018 No 11*, jointly with the Treasurer and the Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023) and jointly with the Treasurer (*3 May 2023 to 30 June 2023)
- *State Insurance and Care Governance Act 2015 No 19*, except Part 2 and Schedules 1 and 2, and Parts 1 and 4 and Schedule 4, in so far as they relate to Insurance and Care NSW, administered by the Minister for Work Health and Safety (*3 May 2023 to 30 June 2023)

Legislation administered

- *Taxation Administration Act 1996 No 97*, jointly with the Treasurer and the Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023) and jointly with the Treasurer (*3 May 2023 to 30 June 2023)
- *Unclaimed Money Act 1995 No 75*, jointly with the Treasurer and the Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023) and jointly with the Treasurer (*3 May 2023 to 30 June 2023)
- *Workers Compensation Act 1987 No 70*, except Part 4 and Part 7, Division 1A, administered by the Minister for Work Health and Safety (*3 May 2023 to 30 June 2023)
- *Workplace Injury Management and Workers Compensation Act 1998 No 86* (*3 May 2023 to 30 June 2023).

Minister for Work Health and Safety

From 5 April 2023 to 30 June 2023^(*) the **Minister for Work Health and Safety** was responsible for the administration of the following Acts:

- *Dangerous Goods (Road and Rail Transport) Act 2008 No 95*, except in so far as it relates to the on-road and on-rail transport of dangerous goods by road or rail, which were administered by the Minister for the Environment (*3 May 2023 to 30 June 2023)
- *Explosives Act 2003 No 39* (*3 May 2023 to 30 June 2023)
- *Government Insurance Office (Privatisation) Act 1991 No 38*, sections 26 and 27 (*3 May 2023 to 30 June 2023)
- *Insurance Protection Tax Act 2001 No 40*, jointly with the Treasurer and the Minister for Finance (*3 May 2023 to 30 June 2023)
- *Motor Accident Injuries Act 2017 No 10*, jointly with the Minister for Customer Service and Digital Government (*5 April 2023 to 2 May 2023)
- *Motor Accidents Act 1988 No 102*, jointly with the Minister for Customer Service and Digital Government (*5 April 2023 to 2 May 2023)
- *Motor Accidents Compensation Act 1999 No 41*, jointly with the Minister for Customer Service and Digital Government (*5 April 2023 to 2 May 2023)
- *Motor Accidents (Lifetime Care and Support) Act 2006 No 16* (*3 May 2023 to 30 June 2023)
- *Motor Vehicle (Third Party Insurance) Act 1942 No 15*, jointly with the Minister for Customer Service and Digital Government (*5 April 2023 to 2 May 2023) and solely by the Minister for Work Health and Safety (*3 May 2023 to 30 June 2023)
- *NSW Self Insurance Corporation Act 2004 No 106* (*3 May 2023 to 30 June 2023)
- *Personal Injury Commission Act 2020 No 18*, jointly with the Minister for Customer Service and Digital Government, except sections 7(1), (2), (6) and (7) and 16 and Schedule 2, clause 15, jointly administered with the Minister for Customer Service and Digital Government and the Attorney General, and sections 7(4), 8–10, 14 and 15, Schedule 1, clause 7 and Schedule 2, clauses 1–14, 16 and 17, administered solely by the Attorney General (*5 April 2023 to 2 May 2023)
- *Sporting Injuries Insurance Act 1978 No 141* (*3 May 2023 to 30 June 2023)

¹ Prior to 5 April 2023 the Minister for Work Health and Safety's legislative portfolio had not been established.

Legislation administered

- *State Insurance and Care Governance Act 2015* [No 19](#), Part 2 and Schedules 1 and 2, and Parts 1 and 4 and Schedule 4, in so far as they relate to Insurance and Care NSW, jointly with the Treasurer (*5 April 2023 to 2 May 2023) and Part 2 and Schedules 1 and 2 and Parts 1 and 4 and Schedule 4 solely by the Minister for Work Health and Safety, in so far as they relate to Insurance and Care NSW (*3 May 2023 to 30 June 2023)
- *Work Health and Safety Act 2011* [No 10](#)
- *Workers Compensation Act 1987* [No 70](#), jointly with the Minister for Customer Service and Digital Government, except Part 4 and Part 7, Division 1A, which were administered by the Treasurer (*5 April 2023 to 2 May 2023), and Parts 4 and 7, Division 1A (*3 May 2023 to 30 June 2023)
- *Workers Compensation (Bush Fire, Emergency and Rescue Services) Act 1987* [No 83](#) (*3 May 2023 to 30 June 2023)
- *Workers' Compensation (Dust Diseases) Act 1942* [No 14](#) (*3 May 2023 to 30 June 2023).

Minister for Small Business

From 1 July 2022 to 30 June 2023(*) the **Minister for Small Business** was responsible for the administration of the following Acts:

- *Retail Leases Act 1994* [No 46](#)
- *Small Business Commissioner Act 2013* [No 22](#)
- *Small Business Grants (Employment Incentive) Act 2015* [No 14](#), jointly with the Minister for Customer Service and Digital Government (*1 July 2022 to 2 May 2023) and jointly with the Minister for Finance (*3 May 2023 to 30 June 2023) – repealed on 1 July 2023.

Legislative changes

The following legislative changes were made by, or on behalf of, the **Minister for Customer Service and Digital Government**, the **Minister for Better Regulation and Fair Trading** (formerly the Minister for Fair Trading), the **Minister for Building**, the **Minister for Finance**, the **Minister for Work Health and Safety** or the **Minister for Small Business** during the 2022–23 reporting year.¹

New legislation (Acts assented to during 2022–23)

- *Electronic Conveyancing Enforcement Act 2022* [No 62](#).

Amending legislation (Acts assented to during 2022–23)

- *Building and Other Fair Trading Legislation Amendment Act 2022* [No 61](#)
- *First Home Buyer Legislation Amendment Act 2023* [No 4](#)
- *Government Sector Finance Amendment (Grants) Act 2023* [No 1](#)
- *Health Legislation (Miscellaneous) Amendment Act (No 2) 2022* [No 41](#)
- *Motor Accident Injuries Amendment Act 2022* [No 78](#)
- *Privacy and Personal Information Protection Amendment Act 2022* [No 74](#)
- *Revenue Legislation Amendment Act 2023* [No 2](#)
- *Statute Law (Miscellaneous Provisions) Act (No 2) 2022* [No 59](#)
- *Treasury and Energy Legislation Amendment Act 2022* [No 63](#)
- *Workers' Compensation (Dust Diseases) Amendment Act 2022* [No 53](#).

Repealed legislation

- *Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011* [No 19](#) – repealed on 1 July 2023
- *Small Business Grants (Employment Incentive) Act 2015* [No 14](#) – repealed on 1 July 2023.

New regulations

- Associations Incorporation Regulation 2022 ([SI 522](#))
- Biofuels Regulation 2022 ([SI 462](#))
- Building and Construction Industry Long Service Payments Regulation 2022 ([SI 523](#))
- Contract Cleaning Industry (Portable Long Service Leave Scheme) Regulation 2022 ([SI 484](#))
- Conveyancing (Sale of Land) Regulation 2022 ([SI 485](#))
- Dangerous Goods (Road and Rail Transport) Regulation 2022 ([SI 464](#))
- Duties Regulation 2022 ([SI 489](#))
- Independent Pricing and Regulatory Tribunal Regulation 2022 ([SI 524](#))*
- NSW Self Insurance Corporation Regulation 2022 ([SI 499](#))**
- Property and Stock Agents Regulation 2022 ([SI 501](#))
- Retail Leases Regulation 2022 ([SI 813](#))
- Service NSW (One-stop Access to Government Services) Regulation 2022 ([SI 817](#)).

¹ The legislative changes listed in this section with an asterisk (*) refer to legislative changes that were made by, or on behalf of, the above-named Ministers from 1 July 2022 up to 2 May 2023, before responsibility for the legislation was transferred to other Ministers for the remainder of the reporting year. Legislative changes with two asterisks (**) refer to changes that were made by other Ministers before the legislation came within the remit of the above-mentioned Ministers.

Legislative changes

Amending regulations

- Births, Deaths and Marriages Registration Amendment (Digital Certificates) Regulation 2022 ([SI 701](#))
- Building and Development Certifiers Amendment (Miscellaneous) Regulation 2022 ([SI 781](#))
- Building and Development Certifiers Amendment Regulation 2022 ([SI 328](#))
- Building Legislation Amendment (Building Classes) Regulation 2023 ([SI 65](#))
- Building Legislation Amendment Regulation 2023 ([SI 317](#))
- Charitable Fundraising Amendment Regulation 2022 ([SI 329](#))
- Coal Mine Subsidence Compensation Amendment (Contributions) Regulation 2023 ([SI 341](#))
- Community Land Management Amendment (COVID-19) Regulation (No 2) 2022 ([SI 557](#))
- Conveyancing (General) Amendment (Amplitel Pty Ltd) Regulation 2023 ([SI 12](#))
- Conveyancing (General) Amendment (Transport Asset Holding Entity of New South Wales and Landcom) Regulation 2022 ([SI 539](#))
- Design and Building Practitioners Amendment (Miscellaneous) Regulation (No 2) 2022 ([SI 783](#))
- Design and Building Practitioners Amendment Regulation 2022 ([SI 332](#))
- Duties Amendment (Excluded Transactions) Regulation 2022 ([SI 784](#))
- Environmental Planning and Assessment (Development Certification and Fire Safety) Amendment (Construction Certificates) Regulation 2023 ([SI 30](#))
- Environmental Planning and Assessment (Development Certification and Fire Safety) Amendment (Fire Safety) Regulation 2022 ([SI 788](#))
- Explosives Amendment (Exemptions) Regulation 2022 ([SI 531](#))
- Fair Trading Amendment (Information Sharing) Regulation 2022 ([SI 732](#))
- Fair Trading Amendment (Monetary Limit on Orders) Regulation 2022 ([SI 385](#))
- Fair Trading Amendment Regulation 2023 ([SI 296](#))
- Government Advertising Amendment (Exemptions) Regulation 2022 ([SI 708](#))
- Government Information (Public Access) Amendment (Greater Sydney Commission) Regulation 2022 ([SI 580](#))
- Home Building Amendment (Insurance Cover) Regulation 2023 ([SI 100](#))
- Home Building Amendment (Miscellaneous) Regulation 2022 ([SI 754](#))
- Motor Accident Injuries Amendment (Claim for Statutory Benefits) Regulation 2023 ([SI 105](#))
- Motor Accident Injuries Amendment Regulation 2022 ([SI 280](#))
- Personal Injury Commission (Amendment No 2) Rule 2023 ([SI 40](#))
- Planning Legislation Amendment (National Construction Code) Regulation 2023 ([SI 71](#))
- Property and Stock Agents Amendment (Solicited Rent Bidding) Regulation 2022 ([SI 809](#))
- Residential Apartment Buildings (Compliance and Enforcement Powers) Amendment (Penalty Notices) Regulation 2022 ([SI 812](#))
- Retirement Villages Amendment (Miscellaneous) Regulation 2022 ([SI 756](#))
- Retirement Villages Amendment (Operator Obligations) Regulation 2022 ([SI 268](#))
- State Insurance and Care Governance Amendment Regulation 2022 ([SI 818](#))
- Strata Schemes Management Amendment (COVID-19) Regulation (No 2) 2022 ([SI 564](#))
- Strata Schemes Management Amendment (Miscellaneous) Regulation 2022 ([SI 583](#))
- Tow Truck Industry Amendment (Signage) Regulation 2022 ([SI 761](#))
- Work Health and Safety Amendment (Demolition Licensing) Regulation 2022 ([SI 565](#))
- Work Health and Safety Amendment (Demolition Licensing) Regulation 2023 ([SI 42](#))
- Work Health and Safety Amendment (Penalty Notices) Regulation 2022 ([SI 611](#))
- Work Health and Safety Amendment Regulation 2022 ([SI 551](#))
- Workers Compensation Amendment Regulation 2022 ([SI 820](#))
- Workers Compensation Amendment (Penalty Notice Offences) Regulation 2023 ([SI 111](#))
- Workers' Compensation (Dust Diseases) Amendment (Scheduled Diseases) Regulation 2022 ([SI 455](#)).

Significant judicial decisions

Better Regulation Division – NSW Fair Trading

Decision	Brief explanation of decision
NSW Fair Trading matter of Jamie Fredrick Leslie Howard	<p>On 6 June 2022, Mr Howard was convicted of 2 offences under section 192E(1)(b) of the <i>Crimes Act 1900</i>.</p> <p>Mr Howard was sentenced by the Local Court to a 30-month imprisonment to be served by way of an Intensive Correction Order, with an additional condition that he perform 300 hours of community service.</p> <p>An investigation revealed that Mr Howard, a licensed strata manager and director of Strata Partners Pty Ltd (ACN 003 675 778), misappropriated \$766,254.30 from trust accounts that were kept in respect of 4 different strata plans between 2016 to 2019.</p> <p>On 27 July 2022, Mr Howard's appeal against his conviction was dismissed by the District Court of NSW. The prison sentence was reduced to 24-months to be served by way of Intensive Correction Order and the community service hours were reduced to 200 hours.</p>
NSW Fair Trading matter of Bianca Alyce Birchill	<p>On 28 October 2022, the Local Court convicted Ms Birchill of 10 offences of dishonestly obtaining financial advantage by deception under the <i>Crimes Act 1900</i>. She was sentenced to a 2-year imprisonment, to be served by way of Intensive Correction Order with various conditions.</p> <p>While employed as a strata manager in her father's real estate agency, Ms Birchill created false invoices and approved payment from a number of the agency's strata trust accounts resulting in fraudulent conversion of \$96,618.70 from the company's trust account.</p>
NSW Fair Trading matter of Anthony Lee Francis	<p>On 6 February 2023, the Local Court convicted Mr Francis of 14 offences under the <i>Home Building Act 1989</i> and 2 offences under the <i>Australian Consumer Law</i>. The Local Court imposed fines totalling \$90,000 against Mr Francis and imposed a 12-month Community Correction Order. Additionally, Mr Francis was ordered to pay \$31,000 to 3 consumers, and \$16,500 in professional costs to the prosecutor.</p> <p>The charges arose from Mr Francis undertaking residential building work for 3 consumers when he was unlicensed to do so. For 2 of the consumers the contracted work was left incomplete, and for the third, the quality of the work completed by Mr Francis was substandard.</p>
NSW Fair Trading matter of Amelia Foggetti	<p>On 3 March 2023, Ms Foggetti was convicted of 2 charges under section 192E of the <i>Crimes Act 1900</i> and sentenced to an aggregate 10-month sentence to be served by way of Intensive Correction Order. She was also ordered to complete 80 hours of community service and be subject to supervision by Community Corrections.</p> <p>Ms Foggetti was the licensee-in-charge of Homeone Property Pty Ltd (ACN 611 757 361) and the sole signatory of the trust account. An investigation revealed that between 2018 and 2020, Ms Foggetti used rental money from the trust account for her own purposes. She also received rental bonds and did not deposit them with the Rental Bond Board. The total amount involved in this fraud was \$70,302.43.</p>
NSW Fair Trading matter of Anna Di-Lorenzo	<p>On 10 March 2023, Ms Di-Lorenzo was convicted of 3 charges under section 192E of the <i>Crimes Act 1900</i> and sentenced to an aggregate of 12-month sentence to be served by way of Intensive Correction Order. She was also ordered to complete 80 hours of community service and be subject to supervision by Community Corrections.</p> <p>Ms Di-Lorenzo was employed as a real estate agent by Cujas Pty Ltd (ACN 145 054 084) (Cujas) and was a signatory to the Cujas trust account. An investigation revealed that between 2019 and 2020, Ms Di-Lorenzo claimed bonds from the Rental Bond Board, directing the money into her personal account. She also issued cheques from the Cujas trust account, depositing these into her personal account and received rental money in her personal bank account. The fraud amounted to \$83,993.84.</p>

Significant judicial decisions

Decision	Brief explanation of decision
NSW Fair Trading matter of Peter Hynes	<p>On 17 March 2023, the Local Court convicted Mr Hynes (aka Mr Peter Garay) of 8 offences under the <i>Home Building Act 1989</i>, with a further 7 offences taken into account on a Form 1. He was sentenced to an aggregate 22-month imprisonment with a non-parole period of 11 months.</p> <p>Between May 2020 and November 2020, Mr Hynes entered contracts with 5 consumers to perform landscaping work on their properties. Mr Hynes received payments totalling \$106,400 under contracts valued at between \$19,000 and \$45,000. Notably, Mr Hynes never held a contractor licence under the <i>Home Building Act 1989</i> that would permit him to engage in residential building work.</p> <p>At the time of the offence, Mr Hynes was already subject to an 18-month Intensive Correction Order for previous home building-related offences.</p>
NSW Fair Trading matter of Ali Ghasemi	<p>On 17 May 2023, Mr Ghasemi was convicted for using false documents to gain financial advantage. He was sentenced to 15-month imprisonment, to be served by way of Intensive Correction Order with 250 hours of community service.</p> <p>Mr Ghasemi was a director of Delta Design and Construction Pty Ltd. He knowingly authorised the company to undertake residential building work to build duplexes for 2 consumers under contracts using false insurance certificates. As the company went into liquidation, legal action was taken against Mr Ghasemi.</p>
NSW Fair Trading matter of Simon Chayboub	<p>On 23 June 2023, the Local Court convicted Mr Chayboub of 14 offences under the <i>Home Building Act 1989</i>, and fined him \$3750 for each offence, resulting in a total fine of \$52,500. Mr Chayboub was also convicted of 3 offences under section 192E(1)(b) of the <i>Crimes Act 1900</i> for dishonestly obtaining financial advantage by deception, and sentenced to a 10-month imprisonment to be served by way of an Intensive Correction Order. Additionally, Mr Chayboub was ordered to pay the prosecution's costs of \$7000.</p> <p>Mr Chayboub was the director of Instyle Pools & Spas Group Pty Limited (ACN 147 568 796) (the company), which was contracted to install pools at 5 properties without the necessary license. The company received a total of \$281,087.25 from these 5 consumers.</p>

Better Regulation Division – Registrar General

Decision	Brief explanation of decision
Ausbao (286 Sussex Street) Pty Ltd v The Registrar General of New South Wales [2023] NSWCA 18 (17 February 2023)	<p>In 2013, a developer bought a property at 286 Sussex Street, Sydney, for \$55 million relying on a plan prepared and registered by the Registrar General. The plan overstated the area of the property. The error occurred because the Registrar General's office did not deduct 91.1 square metres that had been acquired for road widening in 1975 from the registered plan.</p> <p>The developer sued the Registrar General for compensation from the Torrens Assurance Fund on the basis that the inaccurate plan prevented them from offering a lower purchase price based on the actual land area and the resulting expected rate of return from the completed development.</p> <p>This case was a test case regarding section 129(2)(e) of the <i>Real Property Act 1900</i>, inserted in 2000, which states that the compensation is not payable where the loss or damage arises due to an error 'in the measurement of land'.</p> <p>The Registrar General contended, and Court of Appeal confirmed that the error regarding the property's area constituted an error 'in the measurement of land'.</p> <p>All 3 judges of the NSW Court of Appeal unanimously dismissed the developer's appeal against the Registrar General, with costs.</p> <p>The Court of Appeal also noted that the developer's failure to check the area on the plan was 'an effective cause' of its loss.</p>

Significant judicial decisions

Better Regulation Division – SafeWork NSW

Decision	Brief explanation of decision
SafeWork NSW v Aussie Skips Recycling Pty Ltd; SafeWork NSW v Emmanuel Roussakis [2022] NSWDC 276	<p>On 24 May 2018, a 42-year-old labourer/picker suffered fatal injuries when he was struck by a front-end loader while it was reversing in a waste recycling site operated by Aussie Skips Recycling Pty Ltd.</p> <p>Following a SafeWork NSW investigation, Aussie Skips Recycling Pty Ltd pleaded guilty to an offence under sections 32/19(1) of the <i>Work Health and Safety Act 2011</i>. The company's director, Mr Emmanuel Roussakis, also pleaded guilty to an offence under sections 32/27(1) of the Act.</p> <p>On 21 July 2022, Aussie Skips Recycling Pty Ltd was convicted by the District Court and fined \$525,000. Mr Roussakis was convicted and fined \$60,000.</p> <p>The Court noted that the risk was obvious and foreseeable as there was specific guidance material available in relation to the risk. The Court further noted that simple and well-known steps were readily available to the defendants to eliminate or minimise the risk.</p>
SafeWork NSW v Riverwall Constructions Pty Ltd [2022] NSWDC 408	<p>On 11 February 2019, a 25-year-old labourer lost his life after he was electrocuted, due to contact between high voltage energised power lines and the steel handrail he was holding while standing on a roof.</p> <p>Following a SafeWork NSW investigation, Riverwall Constructions Pty Ltd pleaded guilty to an offence under sections 32/19(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 14 September 2022, the defendant was convicted by the District Court and given a \$600,000 fine. The Court noted that the defendant knew of the risk of working near the overhead power lines and that the risk was obvious and foreseeable as there was guidance material directed to the risk of coming into contact with power lines. The Court also found that simple and well-known steps were readily available to eliminate or minimise the risk.</p>
SafeWork NSW v Greater Civil Pty Ltd [2022] NSWDC 486	<p>On 21 August 2019, a 30-year-old labourer sustained serious injuries when he fell approximately 4 metres from an excavator bucket to the ground whilst doing demolition work on a construction site.</p> <p>Following a SafeWork NSW investigation, Greater Civil Pty Ltd pleaded guilty to offences under sections 32/19(1) and 38(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 20 October 2022, the defendant was convicted by the District Court, fined \$600,000 for the section 32 offence and a further \$18,750 for the section 38 offence.</p> <p>The Court noted that the risk of falling from height was obvious, the offence was objectively serious, and the steps available to avoid the risk were known, or ought to have been known, by the defendant and were straightforward.</p>
SafeWork NSW v LJW Solar Pty Ltd [2022] NSWDC 526	<p>On 7 January 2020, an 18-year-old, first year, electrical apprentice suffered serious injuries when he fell approximately 3.5 metres off a single storey roof to the concrete ground below.</p> <p>Following a SafeWork NSW investigation, LJW Solar Pty Ltd pleaded guilty to an offence under sections 32/19(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 2 November 2022, the defendant was convicted by the District Court and fined \$600,000. The Court noted that the risk of a fall from height was glaringly obvious and the seriousness of the foreseeable harm to workers was extreme. The Court further noted that the steps available to avoid the risk were known to the defendant, straightforward and readily available.</p>
SafeWork NSW v Leda Form Group Pty Ltd [2022] NSWDC 524	<p>On 21 August 2019, a 38-year-old site manager sustained fatal injuries when he stepped backwards and fell through an open penetration, falling approximately 19 metres to the basement concrete floor below.</p> <p>Following a SafeWork NSW investigation, Leda Form Group Pty Ltd pleaded guilty to an offence under sections 32/19(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 3 November 2022, the defendant was convicted by the District Court and fined \$450,000. The Court noted the likelihood of the risk occurring was high. There were many dangerous unguarded penetrations on the roof and simple and well-known steps were readily available to eliminate or minimise the risk.</p>

Significant judicial decisions

Decision	Brief explanation of decision
SafeWork NSW v Synergy Scaffolding Services Pty Ltd [2022] NSWDC 584	<p>On 1 April 2019, an 18-year-old apprentice was fatally injured when a large section of scaffold collapsed onto him on a construction project. Another worker was seriously injured.</p> <p>Following a SafeWork NSW investigation, Synergy Scaffolding Services Pty Ltd pleaded guilty to an offence under sections 31/19(2) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 25 November 2022, the defendant was convicted by the District Court and fined \$2,000,000.</p> <p>The Court noted that in circumstances where the scaffold was overloaded, the ties and some transoms had been removed and there was a lack of vertical bracing, the likelihood of the risk occurring was so high that it was almost certain. The potential consequences of the risk were catastrophic. The Court noted the offence was of the utmost objective gravity.</p>
SafeWork NSW v MON Natural Foods Pty Ltd [2023] NSWDC 55	<p>On 20 December 2019, a 57-year-old electrician suffered fatal injuries when he was crushed between a section of a roof and the rail of a work box. At the time of the incident, he was standing in a work box attached to a forklift being driven by an apprentice electrician.</p> <p>Following a SafeWork NSW investigation, MON Natural Foods Pty Ltd pleaded guilty to an offence under sections 32/19 of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 15 March 2023, the defendant was convicted by the District Court and fined \$450,000.</p> <p>The Court noted the risks to workers were exacerbated by multiple failures relating to work procedures, training and supervision. The Court found that having regard to the availability of appropriate control measures, the serious risk of foreseeable harm and the consequences that flowed, the offence was a serious one within mid-range of objective seriousness.</p>
SafeWork NSW v AGL Macquarie Pty Ltd [2023] NSWDC 133	<p>On 17 December 2020, a 56-year-old assistant plant controller suffered serious burn injuries when the oil cooler he was working on experienced an internal fault and exploded.</p> <p>Following a SafeWork NSW investigation, AGL Macquarie Pty Ltd pleaded guilty to an offence under sections 32/19(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 2 May 2023, the defendant was convicted by the District Court and fined \$450,000.</p> <p>The Court noted that the offence was objectively serious, the seriousness of the foreseeable harm to a worker was extreme, and that the steps available to avoid the risk were straightforward and inexpensive.</p>
SafeWork NSW v Buddco Pty Ltd (No 2) [2023] NSWDC 128	<p>On 7 December 2017, a 42-year-old sole trader sustained fatal injuries while working inside an industrial ink holding tank, which he was contracted to clean. The incident occurred because of the tank's motor engaging without warning, which caused the anchor blade inside the tank to rotate and strike the worker.</p> <p>Following a SafeWork NSW investigation, Buddco Pty Ltd pleaded not guilty to an offence under sections 32/19(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>The defendant was subsequently convicted of the offence by the District Court and on 2 May 2023 was fined \$600,000.</p> <p>The Court found that the defendant's culpability was in the high range. The Court noted the risk of death or serious injury to a worker crushed by an anchor blade inside an ink holding tank, when the agitator was activated because it had not been electronically isolated, was obvious and foreseeable.</p>
SafeWork NSW v Ausgrid Management Pty Ltd [2023] NSWDC 164	<p>On 2 April 2019, a 39-year-old male was working on low voltage power lines from a cherry picker and sustained a fatal injury as the result of an electric shock.</p> <p>Following a SafeWork NSW investigation, Ausgrid Management Pty Ltd pleaded guilty to an offence under sections 32/19(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 19 May 2023, the defendant was convicted by the District Court and fined \$600,000.</p> <p>The Court noted that the risk was foreseeable, well-known and recognised in the industry. The risk was highlighted by a similar incident which had occurred a few months prior in January 2019. The Court considered that it was an objectively serious offence.</p>

Significant judicial decisions

Revenue NSW

Decision	Brief explanation of decision
Thomas and Naaz Pty Ltd v Chief Commissioner of State Revenue [2023] NSWCA 40	<p>The applicant operated 3 medical centres, engaging doctors to treat patients at each through written agreements. These allowed the doctors to use the centres as private practitioners, with the applicant providing the doctors with rooms and shared administrative and support services. The written agreements also stated that 30% of the Medicare benefits payable to each doctor in respect of the patients seen at the medical centres were to be paid to the applicant.</p> <p>Outside of these agreements, the applicant and the doctors also had an arrangement where the doctors could opt to direct Medicare to direct all benefits paid in respect of the doctor's patients into a bank account in the applicant's name. Administrative staff employed by the applicant recorded and reconciled all Medicare benefits received for the doctor and would then pay 70% of those amounts to the doctor. The remaining 30% was retained by the applicant, representing the payment to be made to them by the doctor under the agreement.</p> <p>The respondent levied payroll tax under the <i>Payroll Tax Act 2007</i> on these payments to the doctors on the basis that the agreements were 'relevant contracts' and that the payments were made 'for or in relation to the performance of work relating to a relevant contract'.</p> <p>At first instance, the NSW Civil and Administrative Tribunal confirmed the Chief Commissioner's assessments. The applicant appealed and the NSW Civil and Administrative Tribunal Appeal Panel dismissed that appeal. The applicant then sought leave to appeal to the NSW Court of Appeal. The Court of Appeal refused leave to appeal on the basis that the 4 grounds of appeal did not raise a question of law.</p>
Chief Commissioner of State Revenue v E Group Security Pty Ltd (No 2) [2022] NSWCA 259	<p>In the Supreme Court proceeding below, the respondent (E Group Security Pty Ltd) sought a review of payroll tax assessments that were issued by the Chief Commissioner.</p> <p>The key legal issue was whether the arrangements between the respondent and its clients (or, alternatively, the arrangements between the respondent and its related entities) were 'employment agency contracts' within the meaning contained in section 37 of the <i>Payroll Tax Act 2007</i>.</p> <p>The primary judge allowed the respondent's review at first instance.</p> <p>The Court of Appeal however allowed the Chief Commissioner's appeal, finding that there was sufficient documentary evidence to demonstrate that there was an arrangement in place which involved the related entities performing more than just a payroll function for the respondent. The related entities also procured the supply of security guards for the respondent.</p>
Beame; Els v Commissioner of Police & Ors [2023] NSWSC 347	<p>Penalty notices were issued to the plaintiffs because they had allegedly contravened Public Health Orders relating to the COVID-19 state response.</p> <p>On 14 July 2022, the plaintiffs, represented by Redfern Legal Centre, filed summonses in the Supreme Court of NSW seeking declaratory relief including to the effect that:</p> <ul style="list-style-type: none">• each of the respective notices was not a 'penalty notice' within the meaning of section 20 of the <i>Fines Act 1996</i> (the Act) and was invalid on that basis; and• the Commissioner of Fines Administration was required to refund amounts paid under the penalty notices pursuant to section 122C of the Act. <p>Prior to the hearing, the Commissioners notified the plaintiffs and the Court that they conceded that the notices were invalid, in the sense that they were not a 'penalty notice' within the meaning of section 20 of the Act. At the hearing on 29 November 2022, the Commissioners consented to the declarations of invalidity and did not oppose the refund declarations. Justice Yehia made both declarations on that date.</p> <p>Subsequently, the Commissioner of Fines Administration withdrew all other penalty notices that contained the offence descriptions in the notices.</p> <p>In her judgment, published on 6 April 2023, Justice Yehia found that section 20 requires penalty notice offences to be 'clearly and unambiguously' specified in the notice itself.</p> <p>Justice Yehia then considered and rejected 2 submissions that the Commissioners made in support of their contention that a 'short description identifying the substance of the offence' is sufficient to satisfy the specification requirement in section 20.</p>

Significant judicial decisions

Decision	Brief explanation of decision
Chief Commissioner of State Revenue v Godolphin Australia Pty Ltd [2023] NSWCA 44	<p>The proceeding at first instance involved a determination of whether the activities taking place on properties known as 'Kelvinside' and 'Woodlands' (together 'the land') were for the dominant purpose of selling racehorses and their bodily produce, so as to attract the primary production exemption (PPE) in section 10AA of the <i>Land Tax Management Act 1956</i> (LTMA).</p> <p>The judgment dated 13 April 2022 found in favour of Godolphin Australia Pty Ltd (Godolphin), with the primary judge finding that the dominant use of the land was for primary production pursuant to section 10AA(1) and (3)(b) of the LTMA. This was on the basis that the 2 activities on the land of maintaining horses for racing, and for stud and breeding, was an integrated operation. The primary judge accepted Godolphin's argument that the activities were of an integrated stud operation, in which the preparation of the horses for racing is with the dominant purpose of increasing revenue from the nomination fees and from the sale of the progeny produced by the broodmares. The primary judge concluded, therefore, that the PPE applied to the land, and revoked the Chief Commissioner's assessments.</p> <p>On 20 March 2023, the NSW Court of Appeal allowed the Chief Commissioner of State Revenue's appeal of the decision at first instance to revoke land tax assessments for the land tax years from 2014 to 2019 in relation to 2 properties owned by Godolphin.</p>
Chief Commissioner of State Revenue v Shell Energy Operations No 2 Pty Ltd [2023] NSWCA 113	<p>In the Supreme Court proceeding below, the respondent sought review of a duties notice of assessment issued by the Chief Commissioner to the respondent on 25 August 2021 (the assessment) in respect of the respondent's acquisition of 100% of the issued shares in GSP Energy Pty Ltd (GSP) on 29 March 2018 (the acquisition).</p> <p>The assessment was for an amount of landholder duty of \$7,979,740, which was calculated based on GSP's land holdings and goods being valued by the Chief Commissioner in the amount of \$145.35 million. At the time of the acquisition, GSP was the operator of 3 hydro-electric power stations in New South Wales, and the lessee of the land on which the power stations were situated.</p> <p>The primary focus of the dispute was whether those interests in the power stations were interests in land, or alternatively interests in goods, for the purposes of the <i>Duties Act 1997</i> – and whether, in either event, the acquisition of the shares in GSP would be dutiable.</p> <p>The primary judge found that GSP's interests in the assets forming part of the power stations were not interests in land, and further concluded that they were not interests in goods. Rather, her Honour found that the interests were more properly characterised as 'innominate sui generis property interests', so as not to be dutiable. Her Honour further found that GSP's leasehold interests in the land upon which the assets were situated were, leaving aside the assets themselves, of no material value.</p> <p>The Chief Commissioner appealed from the primary judge's decision on the following 3 grounds:</p> <ul style="list-style-type: none">• the primary judge erred in characterising GSP's interest in the power stations, other than the bare leasehold interests in the land, as 'innominate sui generis property interests' – the Chief Commissioner contended that the interests were interests in fixtures, and therefore interests in land• in the alternative, if the interests were not in land, then they were interests in 'goods' for the purposes of the <i>Duties Act 1997</i>, and therefore were still required to be taken into account in the assessment of duty• the primary judge erred in determining the value of the bare leasehold interests. <p>The Court upheld ground 2 only. The Court did not make final orders to allow the parties time to consider the potential operation of section 163G of the <i>Duties Act 1997</i>. Under that section the Chief Commissioner has a discretion to disregard the value of the goods if they constitute at least 90% of the value of the relevant assets. The Chief Commissioner has sought leave to appeal the decision to the High Court.</p>

Governance principles and framework

For 2022–23, DCS had a well-defined governance and accountability model that provided corporate oversight across the department and its related entities and agencies. This was underpinned by the following principles:

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

The DCS governance model included the:

- DCS Executive team
- independent Audit and Risk Committees for DCS and its entities and agencies as appropriate
- agency boards and committees
- decision-making executive forums for finance, people and management assurance.

The model was further supported through a central team to provide strong capability and advice in governance, audit, risk, compliance, privacy and information management across DCS.

The central team provided support services to DCS and its divisions using a 'Three Lines Model', as defined by NSW Treasury. This model defines a governance structure that includes management functions, risk, control and compliance oversight functions, and independent assurance functions.

The following units also provided additional oversight of corporate governance functions and support to divisions:

- Information Communications Technology
- Legal Services
- Corporate Finance
- People and Culture
- Chief Information and Security Office.

There were also several key governance support initiatives:

- Risk and Compliance Community of Practice
- Privacy Partners Community of Practice
- Business Continuity Management Community of Practice
- Information Governance Forum
- Complaint Handling Insights and Capability Working Group
- a network of project and program management offices.

Government Information (Public Access) Act 2009 reporting

The *Government Information (Public Access) Act 2009* (the GIPA Act) mandates NSW Government agencies to disclose information, encourages the proactive release of information and provides mechanisms for individuals to apply to access government information.

For more information on how to access DCS information please visit nsw.gov.au/department-of-customer-service and search 'access to information'.

Review of proactive release program

The GIPA Act authorises and encourages agencies to proactively release government information.

DCS's approach to proactively sharing information involves analysing data collected on requests for information under the GIPA Act over the reporting year, considering the kinds of government information we have that may be suitable for proactive release and asking our divisions and branches to identify information relevant to the public interest. The DCS GIPA team provides guidance on whether there are any public interest considerations that would prevent disclosure, whether consultation is required and if this would add unreasonable additional cost.

During the reporting period, DCS proactively released a wide range of information, free of charge, through various agency websites and traditional channels. This included guidance material, nsw.gov.au webpages, data and statistics, and other resources. We also used social media channels to inform the community about new publications, codes, guides and campaigns.

Examples of information and tools we released include:

- 25 information releases by SafeWork NSW about serious workplace incidents and how to prevent them
- additional dashboards from Revenue NSW relating to transfer duty (stamp duty) by postcode, penalty notices for speeding offences and unclaimed money
- top 100 baby names for 2022, top 10 births by town 2022 and popular baby names from 1952–2022.

In addition, our OneCX Program continued to improve the digital experience for the people of NSW, by making nsw.gov.au the sole source of information for the NSW Government. Updates include a new events finder feature for upcoming events in NSW and easier identification and eligibility checks for business grants.

Government Information (Public Access) statistics

During 2022–23, DCS received 1102 access applications. This includes withdrawn applications, but excludes invalid applications. 14 access applications were refused, either wholly or in part, because the application was for disclosure of information for which there is conclusive presumption of overriding public interest against disclosure.

These figures are from the following DCS divisions:

- Better Regulation Division (including NSW Fair Trading, SafeWork NSW, Office of the Registrar General and Subsidence Advisory NSW)
- Corporate Services Division
- Customer, Delivery and Transformation (including NSW Registry of Births, Deaths and Marriages and the NSW Data Analytics Centre)
- Digital NSW (including Spatial Services, Surveyor General and the Geographical Names Board)
- Office of the Building Commissioner
- Office of the Secretary
- People and Culture
- Office of the Property Services Commissioner
- Revenue NSW.

It is important to note that while some DCS agencies publish their own annual reports, for the purposes of the GIPA Act some of these entities are declared to be part of DCS. The statistical information for those entities is included in the aggregated figures in the following tables. This includes agencies such as the NSW Telco Authority, Personal Injury Commission, Long Service Corporation, Professional Standards Council and Rental Bond Board.

For those DCS entities not included in the statistics below, further information about how those agencies manage access applications, as well as statistical information about matters under the GIPA Act, can be found in their annual reports.

Government Information (Public Access) Act 2009 reporting

Table A: Number of applications by type of applicant and outcome¹

Applicant type	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	7	6	1	3	0	0	0	1
Members of Parliament	2	2	0	1	0	0	0	0
Private sector business	1	44	21	19	0	0	0	7
Not-for-profit organisations or community groups	3	5	1	5	3	0	0	3
Members of the public (by legal representative)	7	307	43	158	0	2	0	42
Members of the public (other)	31	170	15	30	8	6	1	34

Table B: Number of applications by type of application and outcome

Applicant type	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 ²	9	5	0	3	1	1	1	5
Access applications (other than personal information applications)	12	17	0	15	5	1	0	8
Access applications that are partly personal information applications and partly other	30	512	81	198	5	6	0	74

¹ More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

² A *personal information application* is an access application for personal information (as defined in clause 4 of Schedule 4 to the GIPA Act) about the applicant (the applicant being an individual).

Government Information (Public Access) Act 2009 reporting

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the GIPA Act)	56
Application is for excluded information of the agency (section 43 of the GIPA Act)	1
Application contravenes restraint order (section 110 of the GIPA Act)	0
Total number of invalid applications received	57
Invalid applications that subsequently became valid applications	26

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

Reason	Number of times consideration used ¹
Overriding secrecy laws	2
Cabinet information	4
Executive Council information	0
Contempt	0
Legal professional privilege	7
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
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transactions under <i>Land and Property Information NSW (Authorised Transactions) Act 2016</i>	0

¹ More than one public interest consideration may apply in relation to a particular access application and, if so, each consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Government Information (Public Access) Act 2009 reporting

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

Reason	Number of occasions when application not successful
Responsible and effective government	353
Law enforcement and security	65
Individual rights, judicial processes and natural justice	507
Business interests of agencies and other persons	225
Environment, culture, economy and general matters	0
Secrecy provisions	5
Exempt documents under interstate Freedom of Information legislation	1

Table F: Timeliness

Timeframe	Number of applications
Decided within the statutory period (20 days plus any extensions)	886
Decided after 35 days (by agreement with applicant)	29
Not decided within time (deemed refusal)	1
Total	916

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

Review type	Decision varied	Decision upheld	Total
Internal review	5	16	21
Review by Information Commissioner ¹	5	3	8
Internal review following recommendation under section 93 of the GIPA Act	2	1	3
Review by NCAT (NSW Civil and Administrative Tribunal)	0	3	3
Total	12	23	35

¹ The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Government Information (Public Access) Act 2009 reporting

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

Applicant	Number of applications for review
Applications by access applicants	32
Applications by persons to whom information the subject of access application relates (see section 54 of the GIPA Act)	3

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

Type of transfer	Number of applications transferred
Agency-initiated transfers	35
Applicant-initiated transfers	0

Compliance with the *Privacy and Personal Information Protection Act 1998*

The *Privacy and Personal Information Protection Act 1998* (PPIP Act) contains 12 information protection principles regulating the collection, use and disclosure of personal information by NSW public sector agencies. In addition, the *Health Records and Information Privacy Act 2002* (HRIP Act) contains 15 health privacy principles. These principles require agencies that collect personal or health information for lawful purposes to ensure that this information is protected from misuse and unauthorised access or release.

DCS has established mechanisms to help employees to understand their privacy obligations. This includes a Privacy Management Plan (the Plan) that explains how it follows the provisions of the PPIP Act and the HRIP Act.

The Plan is supported by the DCS Privacy Management Framework and 3 other aligned corporate governance policies:

- Risk Management Framework
- Information Security Policy
- Records Management Policy.

The DCS Code of Conduct requires staff to uphold the law, including obligations to protect the privacy of personal and health information under the PPIP Act and the HRIP Act.

DCS also informs and educates its employees to understand their privacy obligations through online training modules, making information about privacy obligations readily available via internal communications and through formal and informal education channels.

Access request applications under section 14 of the PPIP Act

Led by nominated Privacy Officers embedded within DCS business units (with support and guidance from the central Governance, Risk and Assurance team), DCS responded to informal requests by individuals requesting their personal information throughout 2022–23. The DCS principal department received one formal application by an individual requesting their personal information under the PPIP Act during 2022–23.

Applications for internal review of the conduct of DCS under section 53(1) of the PPIP Act

In 2022–23, DCS received 5 applications for internal reviews under the PPIP Act.

Information in other annual reports

Some agencies within DCS publish their own annual reports. Further information about how those divisions of DCS manage privacy, as well as statistical information about matters under the PPIP Act and HRIP Act, can be found in their annual reports.

Public interest disclosures

The DCS Report Wrongdoing and Public Interest Disclosures Policy details the support and protections available under the *Public Interest Disclosures Act 1994* for employees who make a public interest disclosure (PID). Both the policy and details of nominated officers who are authorised to receive a PID are widely available on the DCS intranet and on posters displayed around DCS offices. PID training and resources are also available to staff through the DCS intranet, induction training and onboarding, and on the DCS website.

Table: Volume of public interest disclosures (PIDs) in 2022–23 broken down by category¹

	Category 1 Public interest disclosures made by public officials in performing day to day functions	Category 2 Public interest disclosures not covered by category 1 that are made under a statutory or other legal obligation	Category 3 All other public interest disclosures
Number of public officials who made PIDs	-	-	3
Number of PIDs received	-	-	3
Corrupt conduct	-	-	2
Maladministration	-	-	-
Serious and substantial waste	-	-	-
Government information contravention	-	-	-
Local government pecuniary interest contraventions	-	-	-
Number of PIDs finalised during the reporting year	-	-	2
Number of PIDs not finalised (uncategorised) during the reporting year	-	-	1

¹ Excludes NSW Telco Authority, State Insurance Regulatory Authority and Service NSW. PID reporting is outlined in their respective 2022–23 annual reports.

Risk management framework, implementation and monitoring

Risk management

During 2022–23, DCS carried out a wide range of activities designed to strengthen risk management and gain better insights into the risk status within the department and its related entities and agencies.

These activities include:

- improved the online risk management system, including a dynamic dashboard that visually represents the DCS risk profile
- enhanced the risk culture through risk campaigns and other communications to engage staff, change perceptions of risk management and promote risk awareness across DCS
- undertook user-friendly and engaging online training – Risk Management Fundamentals – to develop risk management skills across the department
- assured DCS Enterprise Risk Management with agreed improvement initiatives progressed relating to risk management practices and processes identified in the Internal Audit report.

Compliance management

DCS is committed to ensuring our compliance obligations and risks are managed effectively. We have actively worked to improve compliance culture and skills. During 2022–23, DCS continued to strengthen and enhance our compliance management efforts.

These activities include:

- reviewed our compliance management framework and policy for aligning against the updated *ISO 37301:2021 Compliance management systems – Requirements with guidance for use*
- developed an annual, compliance self-assessment tool to test the integrity of our compliance management system, help DCS improve its practices and assure key stakeholders that we are effectively handling compliance obligations and risks.

Business continuity management

During 2022–23, DCS worked on improving the effectiveness of business continuity management and supported business units to manage the ongoing effects of the NSW floods and COVID-19 pandemic.

These activities include:

- revised the Business Continuity Policy and Framework to reflect the requirements of *ISO 22301:2019 Security and resilience – Business continuity management systems – Requirements*
- introduced the Business Continuity Bootcamp, a practical, internal training course to improve the knowledge, skills and effectiveness of Business Continuity coordinators and representatives.

Key internal and external risks

DCS maintained an enterprise risk register that monitors and prioritises a diverse range of enterprise risks. The DCS Executive regularly reviewed enterprise risks and their associated controls.

DCS's key risks from 2022–23 are shown in the table below.

Risk category	Risk	Risk appetite
Cyber security	Compromise of DCS systems, networks and infrastructure	Low
Cyber security	Breach of sensitive and/or personally identifiable information	Low
Strategic project or program	Critical skills shortage – ability to fill critical DCS roles, now and into the future	Moderate
Strategic project or program	Resource constraints impacting project delivery – delivery overcommitment and ability to fulfil strategic outcomes	Moderate
Strategic project or program	Expected benefits not realised – poor benefits mapping, tracking and management	Moderate
Business continuity	Continued COVID-19 outbreaks, natural disasters, talent shortages and high workloads across DCS impact employee health, wellbeing, resourcing levels and ability for DCS to deliver to outcomes	Low
Strategic project or program	Leadership capabilities – inconsistent and variable leadership capabilities impact culture, employee engagement and performance	Moderate

Internal audit

Internal Audit

Internal Audit provides independent and objective assurance services and consulting advice to management, the Audit and Risk Committee and the Secretary.

During 2022–23, Internal Audit updated its charter, policy and procedures including report templates, and completed 16 audits. The team also conducted an independent external quality assessment of the internal audit function.

Internal Audit also kept the Secretary updated on progress in implementing internal audit recommendations through monthly reports and at each Audit and Risk Committee meeting.

Investigations and Corruption Prevention

The DCS Investigations and Corruption Prevention team received 75 reports of fraud, corruption and maladministration matters in 2022–23, which were assessed and investigated as required. Amongst these reports, 3 matters were determined to be eligible as a Public Interest Disclosure. We also advised management on corruption prevention, risk and internal control improvements, and facilitated regulatory reporting to the Independent Commission Against Corruption and the NSW Ombudsman. We continued to refresh the DCS policies and procedures to drive increased awareness and support fraud and corruption prevention.

Audit and Risk Committee

During 2022–23, DCS maintained an Audit and Risk Committee compliant with the NSW Treasury TPP 20-08 *Internal Audit and Risk Management Policy for the General Government Sector*. DCS's Internal Audit and Risk Management Attestation Statement is included in this annual report.

The Committee's goal is to provide independent assistance to the entities involved, by monitoring, reviewing and providing advice about their governance processes, risk management and control frameworks, and their external accountability requirements. The Audit and Risk Committee also provided independent assurance and advice to the Secretary.

External audit

The Audit Office of NSW audited the DCS financial statements for the year ended 30 June 2023 and issued an Independent Audit Report with an unmodified audit opinion in November 2023.

The audit report included the following key audit matters, identified by the Audit Office as being of most significance in the audit of the financial statements:

- valuation of service concession assets
- recognition and measurement of administered revenue and receivables.

Both matters were addressed as part of the audit of DCS's financial statements. Audit recommendations are implemented across the business within agreed timeframes. The implementation of recommendations is overseen by DCS's Audit and Risk Committee.

The Independent Audit Report also included one matter of governance interest. Finance Co Trust is a special purpose trust created to facilitate borrowing from a capital provider to fund loans to Eligible Owners Corporations to remediate flammable cladding on residential apartment buildings. DCS has accepted the Audit Office's view that this entity, while managed by its own board independent of DCS, is a controlled entity of DCS for financial reporting purposes.

Insurance activities

Business risk insurance

DCS had insurance arrangements in place for all its assets and major risks. Insurable risk cover was primarily provided through participation in the NSW Treasury Managed Fund (TMF) – the NSW Government self-insurance scheme.

The TMF Statement of Cover provided cover for the following risk exposure:

- legal liability including:
 - public liability
 - product liability
 - environmental liability
 - liability for claimed misleading representations
 - cyber liability
 - statutory liability
 - professional indemnity
 - director/officer liability
- workers compensation
- property
- motor vehicles
- miscellaneous including employee fidelity, personal accident (officials who are not covered under NSW workers compensation legislation), personal effects, cancellation of events and travel (domestic and international).

DCS claims performance

Number of claims 2022–23

Line of business	2022–23
Workers compensation	118
Motor vehicle	145
Property	1
General liability	7
Miscellaneous	1
Total	272

Net incurred claims cost 2022–23

Line of business	2022–23 (\$)
Workers compensation	3,778,028
Motor vehicle	480,985
Property	38,802
General liability	726,982
Miscellaneous	10,000
Total	5,034,797

Notes:

Data regarding incurred claims and relevant costs was sourced from icare TMF Dashboard. It is based on the claims submitted (both reportable and non-reportable claims) and relevant assessment as of 30 June 2023.

Reportable claims include claims incidents where payments were made, or estimates established. Non-reportable claims include claims incidents with no payments and nil estimates that are not, or not yet, classified as claims.

The final costs and claim numbers may vary due to the timing of loss incurred, claims reported, and the outcome of the negotiated settlement. The claims performance data outlined above is exclusive of Service NSW which reports its insurance data in its annual report.

Internal audit and risk management attestation

Internal Audit and Risk Management Attestation Statement for the 2022-2023 Financial Year for Department of Customer Service

I, Emma Hogan, Secretary of the Department of Customer Service, am of the opinion that the Department of Customer Service has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
Internal Audit Function		
2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant
Audit and Risk Committee		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

Membership

The independent chair and members of the Audit and Risk Committee (ARC) are:

- Independent Chair, Ken Barker, 1 March 2022 to 31 October 2025 (1-Mar-22: Appointed as an Independent Member to the ARC for a term of 3 years. 1-Nov-22: Appointed as Chair to the ARC for a term of 3 years)
- Independent Member, David Black, 1 November 2021 to 31 October 2025
- Independent Member, Jill Davies, 1 November 2021 to 31 October 2025
- Independent Member, Rosemary Milkins, 3 November 2022 to 2 November 2025

Shared Arrangements

I, Emma Hogan, Secretary, advise that Department of Customer Service (DCS) has entered into an approved shared arrangement with the following agencies:

- Rental Bond Board
- New South Wales Government Telecommunications Authority



Emma Hogan
Secretary
Department of Customer Service

Date: 26/09/23

Agency Contact Officer
Tracy Piscopo
DCS Chief Audit Executive (+61 2 9372 7852)
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Cyber security policy attestation

Department of Customer Service



Cyber security Annual Attestation Statement for the 2022-2023 Financial Year for the Department of Customer Service (Secretary – NSW Department of Customer Service)

I, Emma Hogan, am of the opinion that the Department of Customer Service (DCS) has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy. The evidence presented to me as a part of this attestation gives me confidence that the aggressive and comprehensive cyber security resilience strategy DCS has been implementing has delivered extensive maturity improvements which will strengthen our ability to keep the trust of our clients.

Risks to the information and systems of DCS have been identified and assessed. DCS is continuously improving cyber risk management processes and operations to effectively manage cyber risks.

Governance is in place to manage cyber security maturity and related initiatives, including uplift of the ACSC Essential Eight. Independent audits on cyber security have been conducted, commitment and processes are in place to treat any opportunities for improvement. DCS has designed and operates a contemporary cyber incident response plan, which has been tested during the reporting period.

DCS will continue to harden its technology environments and increase awareness of cyber security risks for all staff. Through an aggressive and comprehensive cyber security resilience strategy, the DCS will continue to ensure that the security of citizen information and trust in the services of government are maintained to the best of its abilities against increasingly complex and prevalent threats.

DCS has defined target maturity scores to achieve for the 2023-2024 financial year. The uplift to target maturity scores requires collective direction and ongoing engagement to ensure consistency and effectiveness of controls across DCS to achieve the agreed shared target ratings. Key to achieving these targets is alignment and coordination of the various technology environments across DCS. The strategy is focused on long-term, sustainable processes and solutions. DCS acknowledges and accepts the risk until target maturity levels are met.

This attestation covers, in addition to the DCS core agencies, the following agencies:

- Independent Review Office
- Long Service Corporation
- State Insurance Regulatory Authority.

Yours sincerely

A handwritten signature in black ink, appearing to read "Emma Hogan".

Emma Hogan
Secretary, NSW Department of Customer Service

5. Sustainability



Modern Slavery Act 2018 (NSW) reporting

DCS is not aware of any issues raised by the Antislavery Commissioner during 2022–23 concerning the operations of DCS.

DCS Corporate Procurement took the following steps to ensure that goods and services procured by and for DCS during 2022–23 were not the product of modern slavery within the meaning of the *Modern Slavery Act 2018* (NSW):

- all tenders required respondents to comply with the *Modern Slavery Act 2018* (NSW)
- all tender responses required respondents to state their compliance with the *Modern Slavery Act 2018* (NSW) and where a risk was identified, the respondents had to provide the steps taken to mitigate the risk
- responses were reviewed in the evaluation phase of the procurement process and if the risks were too high or risk mitigation was not sufficient, the tender submission was automatically rejected.

All DCS contracts contained a modern slavery clause in accordance with the *Modern Slavery Act 2018* (NSW) that the supplier must agree with on execution of the contract.

DCS will implement any additional guidance published later in the year in DCS's 2023–24 annual report.

Work health and safety

DCS is committed to the health, safety and wellbeing of all workers, and our strategies focus on promoting a safe, diverse and inclusive workforce while also meeting legislative requirements.

Work health and safety

Physical health

In 2022–23 we prioritised the enhancement of mySafety – DCS’s online hazard and incident reporting system that ensures managers conduct hazard assessments and incident investigations and close out any actions submitted by their respective teams.

During this period, we also made improvements to the mandatory work health and safety (WHS) training by including information about the DCS Return to Work (RTW) program, providing instructions on how to report hazards and incidents in mySafety, and to support its use, developing a video demonstration.

Other key developments during 2022–23 include:

Work Health and Safety Management System – began a review and redevelopment of the overarching DCS system of WHS policies and procedures. Supported by other WHS materials such as guidelines, plans and forms, the system is designed to reduce injury and illness at work and assist DCS to meet WHS targets.

Work Health and Safety Dashboard – updated and integrated the dashboard with existing HR tools linking to mySafety data – to allow reporting and to flag leaders and laggards. The dashboard allows managers and other people leaders to obtain a snapshot of incidents, hazards and details on investigations from an online, easy-to-use, simple and customisable WHS dashboard. Reports are updated daily, allowing managers to review and act on WHS data and work with HR and WHS support partners to reduce risks across their business. Access to mandatory training data is also available via the dashboard.

Fitness Passport – continued to partner with Fitness Passport to offer a low cost, flexible corporate gym and pool membership program. This is a key element of DCS’s Employee Value Proposition and supports employee wellbeing.

Illness Prevention Strategy – continued with several key measures to reduce the risk of illness in our workplaces and help employees stay healthy and well, such as a free annual flu vaccination program that runs in the leadup to winter each year and is available to all our people including temporary workers.

Mental health and wellbeing

In addition to physical health, DCS recognised the importance of a holistic approach to wellbeing and in 2022–23 provided a variety of initiatives to support the mental health of all staff and create a mentally healthy workplace. These include:

Wellbeing hub – maintained a centralised depository of self-care tips, tools and resources to promote wellbeing, prevent harm, support our employees and boost workplace wellbeing and resilience.

Employee Assistance Program (EAP) – continued to provide an exemplar EAP through our provider Benestar. Employee utilisation of this program was 7.6% (compared to the industry standard of 6.1% and all customers at 4.2%) as of June 2023. During the recent natural disasters, proactive and early intervention psychological support was offered broadly. Additional services such as Well-Check programs were also carried out across DCS.

Another focus in 2022–23 was the ongoing DCS response to the flood disasters and COVID-19 pandemic, including:

Mental health support – dedicated support for areas of the business that were impacted due to floods – such as our Service NSW Centres. Benestar support services were provided for all impacted employees.

Ergonomic support – continued to recognise the importance of ergonomics during and following the COVID-19 pandemic, given large numbers of employees were working from home. To continue to support our employees we developed resources including a Working from Home Ergonomic Guide, a refreshed Home Ergonomics page on the WHS Hub and the option for staff to access virtual ergonomic assessments. SafeWork NSW inspectors are also able to have a Vehicle Ergonomic Assessment carried out.

Work health and safety

Recover at work

DCS is committed to helping injured employees get back to work, utilising the DCS RTW program and NSW workers compensation legislation, guidelines and obligations. Led by the RTW team, we have continued to provide best practice and comprehensive case management, using evidence-based strategies to ensure the best possible recovery at work outcomes.

DCS's RTW program is our formal policy that outlines how we handle work-related injury or illness. It shows our commitment to the health, safety and recovery of our employees after an incident. In 2022–23 we reviewed the policy against compliance with State Insurance Regulatory Authority guidelines. As part of the review, we also updated the DCS Injury Management Workflow.

To focus on psychological injuries, claims reviews are held monthly with DCS's Claims Services Providers.

The RTW team partnered with Employers Mutual Limited to create multiple physical and psychological Suitable Duties Registers (SDRs) for Service NSW frontline employees (DCS's largest claims cohort). These SDRs are innovative, early-intervention tools that document individual job tasks within a role, to ensure the best possible outcomes for people returning to work.

Work health and safety

Table 1: Reportable claims¹ for 2022–23 (excludes non-reportable claims²)

Policy	2020–21 ³	2021–22 ³	2022–23
Total	96	74	122
State Insurance Regulatory Authority	1	3	10
Personal Injury Commission	0	1	3
Independent Review Office	0	0	0
Better Regulation Division–Specialist Regulatory Services	5	6	2
Corporate Services	6	2	3
Information and Privacy Commission NSW	0	0	1
Digital NSW and ICT	3	2	7
NSW Fair Trading	2	7	7
Revenue NSW	8	7	17
Independent Pricing and Regulatory Tribunal	0	0	0
Subsidence Advisory NSW	0	0	0
Service NSW	58	31	49
NSW Telco Authority	1	1	4
SafeWork NSW	7	9	15
Long Service Corporation	2	0	1
NSW Registry of Births, Deaths and Marriages	0	5	2
Customer, Delivery and Transformation	3	0	1

Table 1 shows that the reportable claims increased by 65% in 2022–23 compared to the previous reporting year. Service NSW claims accounted for 40% of all reportable claims submitted in 2022–23.

This rise in reportable claim numbers is mainly due to a rise in physical claims as 78 of the 122 claims lodged in 2022–23 related to physical injuries. Service NSW had the highest proportion of physical claims submitted –36 physical claims. Note also that full-time equivalent employee numbers significantly increased in the 2022–23 year, which also contributed to the increase in claims numbers.

Of the 122 reportable claims lodged in 2022–23, 25 claims were closed as of 30 June 2023.

¹ Reportable claims are incidents where payments were made or estimates established.

² Non-reportable claims are incidents with no payments and nil estimates that are not or not yet classified as claims. They are excluded from table 1. Non-reportable claims can be reopened or become reportable claims in future and incur costs.

³ Claims figures for previous financial years have been updated to remove errors from the reporting system and previously stated non-reportable claims, and therefore they may not match information included in previous DCS Annual Reports.

Work health and safety

Table 2: Reported claims listed by mechanism of injury 2022–23

Mechanism of injury	2020–21¹	2021–22¹	2022–23
Total	96	74	122
Chemicals and other substances	3	1	0
Vehicle incidents and other	14	5	17
Falls, trips and slips of a person	9	14	15
Hitting objects with a part of the body	1	2	3
Being hit by moving objects	6	1	4
Sound and pressure	6	1	5
Body stressing	27	17	36
Heat, electricity and other environmental factors	1	0	0
Biological factors	0	2	1
Mental stress	29	31	41

Of the total number of claims reported in 2022–23, mental stress was the leading mechanism of injury (41 claims) followed by body stressing (36 claims), vehicle incidents (17 claims) and falls, trips and slips of a person (15).

¹ Claims figures for previous financial years have been updated to remove errors from the reporting system and previously stated non-reportable claims, and therefore they may not match information included in previous DCS Annual Reports.

Work health and safety

Table 3: Total amount paid per financial year from 2018–2023

	2018–19	2019–20	2020–21	2021–22	2022–23
Total amount paid	\$6.39M	\$6.05M ¹	\$8.48M ¹	\$7.69M ¹	\$8.80M
Total number of reportable claims	161	116	96 ²	74 ²	122

Despite a larger rise in reportable claims submissions, the total amount paid in 2022–23 only increased moderately (14%). Psychological claims have a higher proportion of total claim expenses compared to physical injury claims despite having lower total number of claims. This is caused by the complexities usually associated with psychological injuries including longer periods of time off work and negative return to work outcomes.

Table 4: Litigated³ claims listed in the Personal Injury Commission 2022–23

Policy name	Number of claims	Type of legal claims	Mechanism of injury
Service NSW	2	Whole Person Impairment (WPI)	Psychological
Corporate Services	3	1 Work Injury Damages claim 2 WPI claims	Psychological
Revenue NSW	1	WPI	Physical
SafeWork NSW	1	Surgery approval	Physical
State Insurance Regulatory Authority	1	WPI	Psychological
NSW Fair Trading	1	WPI	Psychological

DCS had 9 claims listed in the Personal Injury Commission for 2022–23 which was the same number as 2021–22.

One Work Injury Damages claim from the NSW Registry of Births, Deaths and Marriages policy was settled during 2022–23.

There were no prosecutions under the *Work Health and Safety Act 2011* during the 2022–23 financial year.

¹ Total amount paid figures for previous financial years have been updated to reflect the total cost paid to claims during each financial year. Previously reported figures only captured costs paid during the year the claim is raised.

² Claims figures for previous financial years have been updated to remove errors from the reporting system and previously stated non-reportable claims, and therefore they may not match information included in previous DCS Annual Reports.

³ The Claims Services Providers collect the litigated claims data manually. The data is correct at time of printing

Diversity and inclusion at DCS

In 2022–23, DCS provided comprehensive support to its teams and individual staff in promoting diversity and inclusion, which has focused on three key areas:

- delivering against the previous NSW Premier's Priority 14
- improving Employee Resource Group (ERG) activity
- embedding key commitments relating to inclusion in the *Care and Belonging Strategy 2022–2025*, the *Aboriginal Employment Strategy (AES) 2020–2025*, the *Disability Inclusion Action Plan (DIAP)* and the DCS Multicultural Plan.

Care and Belonging Strategy 2022–2025

The *DCS Care and Belonging Strategy 2022–2025* provides a framework to further elevate our culture of care at DCS for the benefit of our 8 million+ customers across NSW.

The strategy focuses on 6 important pillars that help us create a culture of care and belonging at DCS. Each of these areas has specific goals to achieve within 3 'time horizons' up to the end of 2025.

The following areas are some of the achievements from the first phase of delivery.

Delivery of Premier's Priority 14

DCS implemented initiatives to support Premier's Priority 14 of:

- increasing the proportion of women in senior leadership roles to 50% by 2025
- increasing the number of Aboriginal people in senior leadership roles
- increasing representation of people with disability to 5.6% by 2025.

Increasing women in senior leadership

DCS exceeded the target to increase women in senior leadership roles – as of 22 June 2023, women held 50.3% of these roles (grade 12 and above) in DCS and Service NSW. This percentage is consistent with the previous reporting year. To maintain this representation we have:

- provided coaching, mentoring and development opportunities to help women move into higher-level leadership roles
- used inclusive recruitment practices

- ensured that 50% of the current DCS participants in the 2022–23 NSW Public Service Commission's Leadership Academy Program are women
- engaged more women in regional NSW by broadening our talent pipelines and through targeted networking events
- continued to focus on equality for female employees, supporting their progress and ensuring their representation across the roles, pay class and working locations we offer.

Increasing representation of people with disability

As of 22 June 2023, 4.5% of DCS employees identified as having a disability. DCS has worked hard to create a sense of belonging and to make sure that employees feel they can openly share this information without worrying about discrimination, judgement or it affecting their career growth.

DCS continues to implement the actions of the DIAP to foster a safe environment, increase the number of employees with disability and provide equality in their career progression.

In August 2022, the Diversity, Equity, and Inclusion (DE&I) recruitment team was established. Its focus is on making the recruitment process more inclusive and removing barriers for people with disability who want to apply for DCS roles.

Diversity and Inclusion Advisory Council

The Diversity and Inclusion Advisory Council (DIAC) serves as a forum that provides governance of our diversity and inclusion activity. It sets goals, assigns tasks, defines accountability and responsibility, tracks progress and manages the budget. This has helped us to make our workplace more inclusive for our 13,000+ people and strengthen our workplace culture. The Secretary chairs the council, which includes the chairs of 12 Employee Resource Groups (ERGs) and their respective executive sponsors. In 2022–23, council meetings were held quarterly.

Diversity and inclusion at DCS

Employee Resource Groups

In conjunction with the DIAC, our 12 ERGs helped us build a diverse and inclusive workforce that can better understand and meet the needs and expectations of our 8 million+ customers. ERGs provide DCS with the opportunity to engage with employees, develop future leaders and gain insights into our diverse communities.

In 2022–23, the 12 ERGs were:

- Ability DCS (people with disability)
- Aboriginal
- Culturally and Linguistically Diverse (CALD)
- Carers
- Generations (for people aged 45+)
- Pride DCS (lesbian, gay, bisexual, transgender, intersex, queer, asexual and aromantic)
- Leading Women
- Young Professionals Network
- MENergy
- Regional
- Parents
- Veterans – newly launched in June 2023 (this can include Army, Navy, Air Force, Emergency Services, Police and their families and allies).

The ERGs actively participated in various, whole of government networks, and hosted inclusive events promoting a positive culture of care and belonging within DCS. Examples from 2022–23 include:

- members of the Ability DCS ERG, Care and Belonging and DE&I recruitment teams were part of the NSW Public Service Commission's DENConnect, which links members of disability employee networks to share resources, experiences and innovations
- Ability DCS members were representatives on the World Class Public Service – Disability Steering Committee and the Expert Reference Group implementing the NSW Disability Review
- Pride DCS members were active participants of the NSW Government's 'PRIDE in NSW' network, which connects public servants in NSW interested in LGBTQIA+ matters.

Let's Rock NSW

On 6 June 2023, 2 Ability DCS co-chairs led a project team, made up of staff from across DCS's Brand, Digital and Communications team, Department of Communities and Justice, Regional NSW and TAFE NSW, to launch 'Let's Rock NSW'. This was the first state-wide, hybrid event for all NSW Government staff on disability inclusion in the workplace. The event, themed 'Rethink disability', aimed to shine a light on people with disability growing their careers in the NSW Public Service. The event saw 500 people attend in person and a further 978 joined online.

Workplace Gender Affirmation Policy

In February 2023, Pride DCS launched the Workplace Gender Affirmation Policy, recognising and affirming our commitment to inclusivity for trans and gender diverse staff at DCS.

Multicultural Plan 2023–2025

Created by the CALD ERG and launched in November 2022, the Multicultural Plan 2023–2025 commits DCS to a range of actions over the next 2 years and is based on consultation with staff and customers. It builds on DCS's *Care and Belonging Strategy 2022–2025* and outlines how DCS intends to achieve the vision of the Multicultural Policies and Service Program: that people from culturally diverse communities achieve high degrees of social and economic participation.

Refugee Mentoring Program

The Service NSW Refugee Internship Employment program, which aims to enhance the experience of refugee interns, continues to be a successful career pathway for our refugee migrant communities. In 2022–23, Service NSW successfully engaged 17 refugees, bringing the total number of refugee interns recruited to 104. Over 80% of these team members remain in temporary and ongoing roles across Service NSW and DCS. The program was developed by the CALD ERG in conjunction with the Service NSW Employment Program team.

Future focus

In the year ahead DCS will continue to focus on embedding the key inclusion commitments as set out in the *Care and Belonging Strategy 2022–2025*, the AES, the DIAP and the DCS Multicultural Plan.

Diversity and inclusion statistics

The Diversity and Inclusion Premier's Priority statistics for DCS, including Service NSW, for 2022–23 are outlined below. It should be noted that completion of Equal Employment Opportunity (EEO) employee data is voluntary and as such under-reporting is likely. In 2022–23, 85.4% of staff shared their diversity data, a decrease of 2.3% on last year (noting that last year's figures did not include Service NSW).

Women in leadership

Women in leadership (defined as grade 12 and above) currently stands at 50.3%.

Female executive appointments 2022–23 ¹	Total
Number of appointments (ongoing)	47
Number of women (ongoing)	30
Ratio of women (ongoing)	64%

Highlights for 2022–23 include:

- as of 22 June 2023 (PSC census date), there were 285 substantive senior executive leaders in DCS and its related entities and agencies, of which 160 (56.1%) were female
- the ratio of women in leadership remained steady from the previous year
- DCS and its related entities and agencies met the Premier's Priority of 50% women in leadership roles by 2025
- of the 160 female senior executive leaders, 1.9% identified as Aboriginal, 2.5% identified as having a disability, and 12.5% identified as belonging to a racial, ethnic or ethno-religious minority group.

Aboriginal staff

As of 22 June 2023:

- 3.1% of DCS employees identified as being Aboriginal
- the employment rate for Aboriginal new starters was 9.9 percentage points higher than those exiting the organisation
- 38% of Aboriginal new starters commenced at general scale or equivalent
- 63% of Aboriginal new starters were placed in ongoing roles
- the separation rate for Aboriginal staff was 18.8% compared to 15.8% for all employees
- the commencement rate for Aboriginal staff sat at 28.7% compared to 26.4% for all employees
- 4 senior executive staff members identified as Aboriginal
- the total number of Aboriginal employees as at census date was 352.

People with disability

As with other EEO data, the identification of staff with a disability remains a challenge. The data below is based on what individuals voluntarily shared. However, the number of employees with a disability is likely to be higher than reported.

In 2022–23:

- 130 people with a disability started work and 98 staff with a disability exited the department
- the separation rate for people with disabilities was 19.3%, which was higher than the rate for all employees of 15.8%
- employees with disabilities made up 3.8% of new hires
- 23% of people with a disability who voluntarily left the department, left within the first 12 months
- of new starters who identified as having a disability:
 - 8% were at grade 11/12 or equivalent
 - 11% were at grade 9/10 or equivalent
 - 16% were at grade 7/8 or equivalent
 - 18% were at grade 5/6 or equivalent
 - 24% were at grade 3/4 or equivalent
 - 1% were at grade 1/2 or equivalent
 - 22% were at general scale or equivalent.

¹ Data includes new ongoing appointments to senior executive roles only and excludes promotions amongst existing senior executives.

Diversity and inclusion statistics

Workforce diversity statistics^{1,6}

Workforce diversity group	Benchmark (%)	2021 (%)	2022 (%)	2023 (%)
Women ²	50	62.4	62.8	63
Aboriginal and/or Torres Strait Islander people ³	3.3	2.6	3.0	3.1
People whose first language spoken as a child was not English ⁴	23.2	23.9	26.7	29
People with disability ⁵	5.6	4.0	4.0	4.5
People with disability requiring work-related adjustment ⁵	N/A	1.3	1.3	1.4

Notes:

1. Statistics are based on NSW Public Service Commission Workforce Profile census data as of 24 June 2021, 23 June 2022 and 22 June 2023.
2. The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.
3. The NSW Public Sector *Aboriginal Employment Strategy 2014–17* introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.
4. A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for 'People whose first language spoken as a child was not English'. The ABS Census does not provide information about first language but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.
5. In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: *Jobs for People with Disability: A plan for the NSW public sector*. The benchmark for 'People with disability requiring work-related adjustment' was not updated.
6. Data now includes Service NSW to provide a holistic view across the whole of DCS and its related entities and agencies, and therefore the 2021 and 2022 figures vary from those published in the 2021–22 DCS Annual Report.

Disability Inclusion Action Plans

The Disability Inclusion Action Plan 2020–25 (DIAP) is mapped to the state's Disability Inclusion Plan. Our DIAP covers 10 key areas of access and inclusion to ensure that DCS considers and includes all our customers, people and suppliers with disability. We make our plan accessible with public summaries in Auslan and Easy English. The Disability Inclusion Steering Committee oversees the plan with representation from across DCS and its related entities and agencies. It is also supported by the Ability DCS ERG.

Key achievements in 2022–23 include:

- achieved the Disability Confident Recruiter accreditation from the Australian Network on Disability (AND) – we will be seeking a year 2 renewal
- increased participation in disability confidence training
- initiated the 'Quiet Hour' pilot in 6 Service NSW Centres, to provide a lower sensory experience for customers and staff – which is now available at more than 110 Service Centres across NSW
- hosted 49 Stepping Into interns since the start of the program, alongside AND, with 17 interns obtaining temporary appointments or ongoing roles
- enhanced our internal mentoring program, allowing mentors to specify if they wish to mentor a person with disability, and promoting this to our people with disability and across our ERGs
- increased targeted recruitment activities, including a diversity campaign which ran from December 2022 to April 2023 and added 40 candidates to the talent pool
- interview panel members completed the Disability Confident Manager training e-learning module
- improved the accessibility of our job adverts through tailoring the content and adding in links to the different types of disabilities and types of adjustments
- continued to work with Toozly, an online jobs board platform specifically designed for job seekers with disability, to ensure that all roles were advertised in accessible formats
- started working with new online jobs platform, the Field, to connect with a broader talent pool – the official roll out is due in the upcoming financial year
- hosted the annual Chat-Listen-Champion event, run by the Ability DCS ERG, where 10 employees with a disability shared their stories with 10 executive listeners helping educate them on disability confidence
- worked in partnership with Property NSW and building management to make our buildings and equipment more accessible using relevant design rules and Australian Standards
- made our meeting rooms more accessible through the inclusion of hearing loops as standard, and providing automated captioning features
- made our employees' work more accessible through Accessibility NSW adding to the tools, technical advice and solutions on offer, launching the second iteration of the comprehensive Digital Accessibility Toolkit and preparing for delivery of the first Accessibility Learning Modules in 2023–24, following a successful pilot in DCS
- endorsed the Secretaries Board definition of disability – that people are disabled by physical and environmental barriers in society, rather than the outdated medical model of disability
- added assistive technology to the nsw.gov.au website to help users read or listen to content making it easier for them to engage with the NSW Government
- published dedicated pages on the DCS intranet promoting accessibility and inclusion and supporting employees with disability
- committed to using plain English across all digital platforms
- used linked data from the National Disability Data Asset pilot in the Early Childhood Journey Lab to share meaningful insights on early childhood development and disability support in NSW
- used learnings from the findings of the Have Your Say program on Digital Identity and Inclusion, and the Life Journeys program on customers dealing with major life events. wDCS recognises the importance of intersectionality – in that individuals are not defined by a single aspect of their identity, such as ethnicity, gender or disability, but rather by the complex interplay of these multiple factors. Through our DIAP and *Aboriginal Employment Strategy 2020–2025*, we have plans in place to support Aboriginal people with disabilities, as well as those from culturally and linguistically diverse and other diversity backgrounds.

The main aim of our DIAP is to proactively help more people with disabilities find good jobs and advance in their careers by increasing the number of successful employment outcomes by 0.5% a year, at all levels of seniority. This includes those who have moved into management, senior leadership and other roles internally within DCS and its related entities and agencies, through promotion or redeployment.

Disability Inclusion Action Plans

As of 22 June 2023:

Employment of people with disability is **4.5%**, with 55.8% of these people at grades 5/6 or below and 44.2% at grades 7/8 or above, including **8** individuals at Senior Executive Band levels.

This represents an increase of **0.5%** in percentage of the overall workforce, with **3** additional employees at a senior executive level.

Indigenous engagement

During 2022–23, DCS spent a total of \$21 million with Aboriginal suppliers throughout the organisation. This amounts to 2.7% of our total addressable spend. This is a proud achievement for DCS, and reflects our ongoing commitment to increasing support for Aboriginal and Torres Strait Islander businesses.

Our goal for 2022–23 was to spend \$12 million, or 1.5% of our total addressable spend. We exceeded this target by \$9.6 million.

This expenditure covered a range of goods and services including contingent labour hire, office supplies, locksmith services, cultural training and digital services.

6. Financial performance



Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Department of Customer Service

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Department of Customer Service (the department) which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the department's financial position, financial performance and cash flows.

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 (including Independence Standards)' (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 have fulfilled my other ethical responsibilities in accordance with APES 110.

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

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 30 June 2023. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the matter
Valuation of service concession asset	
<p>The department performed an interim valuation of its land titling database, a service concession asset at 30 June 2023. This resulted in a decrease in the service concession asset and asset revaluation reserve of \$8.8 million. The carrying value of the service concession asset was \$840 million at 30 June 2023.</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none">the service concession arrangement is financially significant to the department's financial positionthe measurement of service concession assets is complex and involve significant judgements and assumptions. <p>Further information on the valuation techniques for the service concession asset are disclosed in notes 13 and 14.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none">evaluated and tested the design and implementation of key controls in the financial reporting of the service concession assetassessed the appropriateness of the valuation methodology, key assumptions and judgements adoptedtested the key inputs and mathematical calculation of the valuation modelassessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards and NSW Treasurer's Directions.
Recognition and measurement of administered revenue and receivables	
<p>The department reported administered taxation and fines revenue of \$42.2 billion in 2022–23, \$5.7 billion in administered taxation and fines receivable, and \$366.4 million in an allowance for impairment for taxation and fines as at 30 June 2023.</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none">of the financial significance of taxation revenue, and related receivable in the disclosure of the department's administered activitiesthe calculation of the allowance related to taxation receivable requires significant judgements and assumptions. <p>Refer to Notes 27 and 29 in the financial statements for related disclosures.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none">evaluated the design and tested operating effectiveness of controls over key administered revenue streams, including land tax, payroll tax, duties, gaming machine taxes and mineral royaltiesrecalculated key administered revenue streams for reasonableness against the requirements of the relevant taxation legislationassessed the methodology and assumptions used to estimate the allowance for impairment related to the administered taxation receivable against historical recoverability rates and write-off of debt for reasonablenessrecalculated the allowance for impairment recognised for mathematical accuracyassessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards and NSW Treasurer's Directions.

Independent Auditor's Report

Secretary's Responsibilities for the Financial Statements

The Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Secretary's responsibility also includes such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities 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/ar6.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor 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.



Weini Liao
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

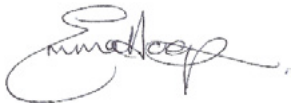
13 November 2023
SYDNEY

Statement by the Secretary

DEPARTMENT OF CUSTOMER SERVICE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
STATEMENT BY THE SECRETARY

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* (“the Act”), I state that these financial statements:

- a) have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer’s directions, and
- b) present fairly the Department of Customer Service’s financial position, financial performance and cash flows.



Emma Hogan

Secretary
Department of Customer Service

Date: 13 November 2023

Financial statements

START OF AUDITED FINANCIAL STATEMENTS

DEPARTMENT OF CUSTOMER SERVICE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023				
	Notes	Budget 2023 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
Expenses excluding losses				
Employee related expenses	2(a)	945,457	850,545	691,760
Operating expenses	2(b)	621,644	545,729	464,518
Depreciation and amortisation	2(c)	70,673	69,413	69,332
Grants and subsidies	2(d)	2,966,272	986,989	775,636
Finance costs	2(e)	1,102	2,677	11,530
Cost of motor vehicle inventory sold	2(f)	-	-	233
Other expenses	2(g)	33	3,857	3,292
Total Expenses excluding losses		4,605,181	2,459,210	2,016,301
Revenue				
Appropriations	3(a)	3,734,087	1,652,640	1,318,955
(Transfers to the Crown)	3(b)	-	(7,287)	(29,976)
Sale of goods and services from contracts with customers	3(c)	224,624	203,575	184,689
Personnel services revenue	3(d)	141,416	138,017	109,658
Investment revenue/(loss)	3(e)	8,631	15,635	(3,263)
Retained taxes, fees and fines	3(f)	92,703	226,387	94,558
Grants and other contributions	3(g)	386,159	337,215	306,523
Acceptance by the Crown of employee benefits and other liabilities	3(h)	20,766	(1,389)	(20,353)
Proceeds from sale of motor vehicle inventory	3(i)	-	-	546
Other revenue	3(j)	104,338	142,126	144,501
Total Revenue		4,712,724	2,706,919	2,105,838
Operating result		107,543	247,709	89,537
Gain/(losses) on disposal	4	1,833	(5,827)	(1,810)
Other gains/(losses)	5	(43)	(554)	121,222
		1,790	(6,381)	119,412
NET RESULT		109,333	241,328	208,949
Other comprehensive income				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Revaluation reserve released due to sale of property, plant and equipment		-	-	(209)
Changes in revaluation surplus of property, plant and equipment	12(a)	-	-	5,547
Changes in revaluation surplus of service concession intangible asset	13	-	(8,783)	38,053
Total other comprehensive income/(loss)		-	(8,783)	43,391
TOTAL COMPREHENSIVE INCOME/(LOSS)		109,333	232,545	252,340

The accompanying notes form part of these financial statements.

**DEPARTMENT OF CUSTOMER SERVICE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Notes	Budget 2023 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	7	1,244,079	583,193	542,688
Receivables	8	242,476	114,547	128,008
Contract assets	9	-	17,424	9,865
Financial assets at fair value	10	5,718	17,157	14,409
Non-Current assets held for sale	11	19,785	6,088	8,730
Other financial assets		23,800	-	-
Total Current Assets		1,535,858	738,409	703,700
Non-Current Assets				
Property, plant and equipment	12(a)	132,230	131,127	126,186
Right-of-use assets	12(b)	71,854	83,354	111,768
Intangible assets	13	1,151,747	1,087,676	990,253
Financial assets at fair value	10	73,646	69,161	66,174
Other		6,400	-	-
Total Non-Current Assets		1,435,877	1,371,318	1,294,381
Total Assets		2,971,735	2,109,727	1,998,081
LIABILITIES				
Current Liabilities				
Payables	15	60,173	132,268	187,718
Contract liabilities	9	36,301	84,617	63,310
Borrowings	16	27,673	15,135	22,593
Provisions	17	123,428	152,003	127,266
Service Concession Liability	18	75,371	77,807	77,725
Other liabilities	19	-	47,527	71,598
Total Current Liabilities		322,946	509,357	550,210
Non-Current Liabilities				
Borrowings	16	48,231	64,847	89,688
Provisions	17	30,592	48,997	29,277
Service Concession Liability	18	2,185,751	2,179,112	2,254,037
Other liabilities		192	-	-
Total Non-Current Liabilities		2,264,766	2,292,956	2,373,002
Total Liabilities		2,587,712	2,802,313	2,923,212
Net Assets / (Liabilities)		384,023	(692,586)	(925,131)
EQUITY				
Reserves		8,058	38,207	46,990
Accumulated funds		375,965	(730,793)	(972,121)
Total Equity		384,023	(692,586)	(925,131)

The accompanying notes form part of these financial statements.

**DEPARTMENT OF CUSTOMER SERVICE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2022		(972,121)	46,990	(925,131)
Net result for the year		241,328	-	241,328
Other comprehensive income				
Net change in revaluation surplus of service concession intangible asset	13	-	(8,783)	(8,783)
Total comprehensive income for the year		241,328	(8,783)	232,545
Balance at 30 June 2023		(730,793)	38,207	(692,586)
Balance at 1 July 2021		(1,158,378)	3,599	(1,154,779)
Net result for the year		208,949	-	208,949
Other comprehensive income				
Revaluation reserve released due to sale of property, plant and equipment		-	(209)	(209)
Net change in revaluation surplus of property, plant and equipment	12(a)	-	5,547	5,547
Net change in revaluation surplus of service concession intangible asset	13	-	38,053	38,053
Total comprehensive income for the year		208,949	43,391	252,340
Transactions with owners in their capacity as owners				
Increase in net assets from equity transfers		(22,692)	-	(22,692)
Balance at 30 June 2022		(972,121)	46,990	(925,131)

The accompanying notes form part of these financial statements.

**DEPARTMENT OF CUSTOMER SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Budget 2023 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related expenses		919,946	834,276	679,014
Suppliers for goods and services		567,050	612,373	483,805
Grants and subsidies		2,966,272	985,716	775,636
Finance costs		1,102	-	232
Other		-	13,352	712
Total Payments		4,454,370	2,445,717	1,939,399
Receipts				
Appropriations (excluding equity appropriations)		3,734,087	1,652,640	1,318,955
(Transfers to the Crown)		-	(7,896)	(44,614)
Sale of goods and services		363,839	420,112	418,923
Retained taxes, fees and fines		96,601	213,298	92,051
Interest received		4,272	10,995	3,955
Grants and other contributions		373,159	318,459	338,652
Proceeds from sale of motor vehicle inventory		-	-	546
Other		72,925	70,000	58,144
Total Receipts		4,644,883	2,677,608	2,186,612
NET CASH FLOWS FROM OPERATING ACTIVITIES	24	190,513	231,891	247,213
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of land and buildings, plant and equipment and infrastructure system		(48,073)	(19,689)	(25,834)
Proceeds of land and buildings, plant and equipment and infrastructure system		17,500	1,717	7,988
Purchase of intangible assets		(236,971)	(146,906)	(91,840)
Purchase of investments		(30,200)	(798)	(1,979)
Proceeds from withdrawal of investments		4,510	-	19
NET CASH FLOWS FROM INVESTING ACTIVITIES		(293,234)	(165,676)	(111,646)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of principal portion of lease liabilities		(33,556)	(25,710)	(67,503)
Repayment of borrowings and advances		-	-	(1,299)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(33,556)	(25,710)	(68,802)
NET INCREASE/(DECREASE) IN CASH		(136,277)	40,505	66,765
Opening cash and cash equivalents		1,380,356	542,688	474,698
Cash transferred in/ (out) as a result of administrative restructuring		-	-	1,225
CLOSING CASH AND CASH EQUIVALENTS	7	1,244,079	583,193	542,688

The accompanying notes form part of these financial statements.

DEPARTMENT OF CUSTOMER SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

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

DCS as a reporting entity comprises the following divisions:

- Digital NSW
- Customer Delivery and Transformation
- Revenue NSW
- Better Regulation, including Office of the NSW Building Commissioner and Office of the Property Services Commissioner
- Corporate Services, including Small Business Commission

The financial statements for the year ended 30 June 2023 have been authorised for issue by the Secretary on 13 November 2023.

(b) Basis of Preparation

DCS's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018 (GSF Act)* ;
- Government Sector Finance Regulation 2018; and
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment, service concession asset and financial assets at fair value are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is DCS's presentation and functional currency.

The financial statements of DCS have been prepared on a going concern basis.

Negative Equity

The 30 June 2023 net liabilities are \$692.6 million (30 June 2022: net liabilities of \$925.1 million). The negative equity has no cash impact on the operations of DCS. The reason for the significant negative equity is due to the 35 year service concession with the private sector entered into on 30 June 2017 so as to facilitate the provision of land titling and registry services. The transaction resulted in service concession liability of \$2.7 billion being recognised as a liability and an equity transfer to Treasury of \$2.7 billion for the repatriation of cash concession contribution to Treasury. DCS's negative equity position does not indicate a going concern issue, as the going concern of DCS to operate is based on the intention of the State rather than DCS's sustainability based on the accumulated profit position. Funding is provided from NSW Treasury via appropriations or grants which will enable DCS to meet all and any of its obligations due and payable.

(c) Statement of Compliance

DCS's financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Administered Activities

DCS administers, but does not control, certain activities on behalf of the Crown in right of the State of New South Wales (Crown). It is accountable for the transactions relating to those administered activities but does not have the discretion to deploy the resources for the achievement of the DCS's own objectives.

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

The accrual basis of accounting and applicable accounting standards have been adopted.

(e) 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 DCS as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

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

(f) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of DCS's previous reporting period, 30 June 2022, for all amounts reported in the financial statements. Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosure.

(g) Changes in Accounting Policy, Including New or Revised Australian Accounting Standards**(i) Effective for the first time in financial year 2023**

The accounting policies applied in financial year 2023 are consistent with those of the previous financial year.

Several other amendments and interpretations apply for the first time in the 2023 financial year, but do not have an impact on the financial statements of DCS:

- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018 - 2020 and other Amendments*
- *AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date*
- *AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]*
- *AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. DCS has determined that they are unlikely to have a material impact on the financial statements of DCS.

(h) Impact of COVID-19 and natural disasters on Financial Reporting for 2023

The natural disasters in the financial year, including coronavirus (“COVID-19”), have had an impact on individuals, businesses and the government sector.

The currently known impact of COVID-19, other than the covid-related programs already disclosed in the other notes to the financial statements that were funded either directly or indirectly by NSW Treasury is as follows:

- Additional costs incurred amounting to \$10.9 million (2022: \$56.5 million) for NSW home quarantine app development and trial costs, advertising and related expenses to manage and deliver government Covid-19 response.

Further impact from other natural disasters such as floods impacted DCS in the current financial year are as follows:

- Additional costs incurred amounting to \$6.4 million (2022: nil) to manage collapsing mine coal seams at Elmore Vale and Wallsend located in regional Newcastle area.
- Additional costs incurred amounting to \$1.7 million (2022: \$2.6 million) to manage and deliver government flood response and rapid updates on flood support information and timely responses to social media channels.

There is no uncertainty about DCS’s ability to continue as a going concern at 30 June 2023 as liquidity and credit risk are not significant areas of risk for DCS. There has been limited impact on DCS’s liquidity or credit risk profiles as a result of COVID-19.

On account of COVID-19, a further assessment on the fair value of the following accounts, taking into account relevant assumptions and estimates, has been performed resulting in either no impact or insignificant impact being identified:

- Receivables – Note 8
- Property, plant and equipment and Right-of-use assets – Note 12
- Intangibles – Note 13; and
- Financial instruments – Note 31.

(i) Superannuation on annual leave loading

DCS has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: *Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409*. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

2. EXPENSES EXCLUDING LOSSES

(a) Employee Related Expenses

	2023 \$'000	2022 \$'000
Salaries and wages (including annual leave)	725,214	615,806
Superannuation - defined contribution plans	70,400	54,950
Superannuation - defined benefit plans	3,156	3,599
Long service leave expense/(recovery)	(2,430)	(26,349)
Workers' compensation insurance	4,897	5,370
Payroll tax and fringe benefits tax	46,748	34,266
Voluntary redundancy	2,560	4,118
	850,545	691,760

Total employee related expenses have increased mainly due to onboarding of Revenue NSW staff to facilitate new programs in the current year such as Shared Equity Scheme and First Home Buyers' Choice. Employee related expenses of \$32.1 million (2022: \$35.5 million) have been capitalised in various capital works and therefore are excluded from the above. Employee costs are capitalised where they relate to capital projects. Such capitalised costs include direct employee costs as well as payroll overheads.

Employee related expenses incurred above for DCS agencies have been recovered for personnel services related costs which are reflected in Note 3(d) Personnel Services Revenue.

Refer to Note 26 Related Party Disclosures for in-kind contribution costs incurred.

(b) Operating Expenses

	2023 \$'000	2022 \$'000
Auditor's remuneration - audit of the financial statements	1,551	1,389
Cost of sales	364	677
Network operating costs	861	621
Advertising	17,972	49,650
Occupancy related expenses	55,027	13,682
Expense relating to short-term leases, lease of low-value assets and variable leases payments not included in lease liabilities	972	5,560
Maintenance	2,619	4,415
Mine subsidence expenses	45,574	6,906
Insurance	4,412	5,162
Fees and charges	174,760	163,374
Postage and telephone	7,205	5,172
Printing, stationery and stores	11,119	10,450
Consultants	3,597	2,124
Other contractors	86,816	58,598
Books and periodicals	1,765	1,137
Travel and motor vehicle expenses	5,445	2,253
Computer expenses	80,366	92,710
Minor equipment	1,306	106
Training	5,911	4,338
Project management fees	10,318	11,203
Data related expenses	4,493	2,181
Other	23,276	22,810
	545,729	464,518

Recognition and measurement

Operating expenses generally represent the day-to-day running costs incurred in the normal operation of DCS. All expenses are recognised as incurred, except for certain expenditures that meet the criteria for capitalisation. Refer to Note 2(a), Note 12 and Note 13 for DCS policy on capitalised expenses.

Advertising

The decrease in advertising expense is mainly due to less advertising incurred by the Customer Delivery and Transformation division on COVID-19 health awareness.

Occupancy related expenses

As at 30 June 2022, DCS accepted the changes in the agreements for occupancy of premises with Property NSW ("PNSW"), which lead to the derecognition of right-of-use assets and lease liabilities last financial year. As a result, the increase in occupancy expenses in the current year is due to accommodation costs as a result of this change.

Mine subsidence expenses

Mine subsidence expenses increased mainly due to claims in relation to subsidence events occurring at Elernmore Vale and Wallsend which are funded through the *Coal Mine Subsidence Fund*.

Fees and charges

Fees and charges generally comprise of expenditures directly attributable to job/projects, property/town survey services for asset strategic planning, structural engineering services, operator management fees and fees for service paid to supplier for subscriptions services. These have increased mainly due to more activities delivered on Project Remediate and Digital Restart Fund (DRF) in the current year.

Other contractors

The increase in contractor costs is mainly driven by increase in staff required to manage new projects and business as usual activities across DCS. Some of these projects includes Licensing Platform, Assured Revenue Program and OneCX (NSW.Gov).

Computer Expense

Computer expenses decreased mainly due to work performed in relation to cloud implementation incurred in last financial year, and the project is now managed by another NSW agency in the current financial year.

(c) Depreciation and Amortisation Expense

	2023 \$'000	2022 \$'000
Depreciation - Property plant and equipment		
- Buildings	483	444
- Plant and equipment	4,382	4,681
- Motor vehicles	-	13
- Leasehold improvements	7,875	327
	12,740	5,465
Depreciation – Right-of-use assets		
- Land and buildings	16,975	34,069
- Plant and equipment	77	76
- Motor vehicles	1,820	1,391
	18,872	35,536
Amortisation		
- Intangible assets	37,801	28,331
	69,413	69,332

Refer to Note 12 and 13 for recognition and measurement policies on depreciation and amortisation.

Depreciation expense for right-of-use land and buildings have decreased mainly due to the derecognition of PNSW property leases which was partially offset by the increase in the gross value of right-of-use headlease asset value as the data centre subleases were derecognised at 30 June 2022. Amortisation of intangibles has increased as more DRF projects in Digital NSW were capitalised during the year upon completion.

(d) Grants and Subsidies

	2023	2022
	\$'000	\$'000
Grants		
Grants to Service NSW* ⁽ⁱ⁾	704,364	463,889
Grants to NSW Government Telecommunications Authority* ⁽ⁱ⁾	186,839	197,818
Grants to Valuer General NSW* ⁽ⁱⁱ⁾	41,342	38,159
Grants for SAP licences for NSW Government Agencies* ^(iv)	19,508	7,435
Consumer Trade and Tenancy Tribunal ⁽ⁱⁱⁱ⁾	13,015	12,710
Grants to Information and Privacy Commission* ⁽ⁱ⁾	7,348	7,660
Contribution to Safework Australia	3,544	3,417
Credit Counselling Program	2,298	2,178
Home Building/Strata/No interest loan scheme Grant	1,234	1,170
ABCB Contributions* ^(v)	1,096	1,096
Grants to Independent Liquor & Gaming Authority* ^{(i) **}	-	2,246
Grants to Responsible Gambling Fund (Point of Consumption Tax)* ^{(i) **}	-	5,000
Grants to Greyhounds Welfare and Integrity Commission* ^{(i) **}	-	9,981
Grants to Clubgrants Category 3 **	-	8,229
Centre for WHS Research Grants	-	1,673
Grants to support Data Monitoring support fee assistance **	-	452
Bell Inquiry**	-	5,688
Greyhound Whole of Life Project**	-	3,590
Other Grants	5,030	3,245
	985,618	775,636
Subsidies		
Project Remediate subsidy ^(vi)	1,371	-
Grant and subsidies	986,989	775,636

* These are other related party transactions in addition to those disclosed in Note 26 Related Party Disclosures.

** Liquor & Gaming NSW, Independent Liquor and Gaming Authority, Office of Responsible Gaming, Greyhound Welfare and Integrity Commission were transferred to Department of Enterprise, Investment and Trade as part of the Machinery of Government (MoG) changes in April 2022.

(i) DCS receives appropriations from the Consolidated Fund for the agencies. Appropriation for each financial year for each DCS agency is set out in the Appropriations Act for that year. This grant represents the approved funding by NSW Treasury for this agency.

(ii) Grants to Valuer General NSW - Revenue NSW ("RNSW") pays the valuer general for completing the services of valuing the land. This is an indirect support to RNSW. Valuer general as a business is not funded directly by Treasury rather it is funded via the councils and RNSW who use their service.

(iii) Consumer Trade and Tenancy Tribunal - Grants to Tribunal specialising in resolving consumer tenancy disputes in New South Wales - these matters include requests to terminate tenancy agreements, payment of rental bonds on termination of tenancies, breaches relating to terms of the tenancy agreement and payment of compensation.

(iv) Grants for SAP licence purchases and associated costs under whole of government arrangement.

(v) ABCB Contributions - The grant payment is for Australian Building Codes Board (ABCB) as part of the Inter-Government Agreement (IGA) on building regulatory reform which provides for annual funding of the ABCB by all parties (States) to the agreement. Through this agreement, the Australian Government, the States and the territories are facilitating improved building outcomes, increased confidence in the Building and Construction industry, public trust in the safety of the industry, and a more efficient, internationally competitive industry.

(vi) Project Remediate subsidy is a commercial financing arrangements cost to support the Project Remediate program subsidised by the NSW government. These include commitment fees, financial guarantee expenses, interest return and interest subsidy to secure funding for the project. The project works to remove combustible cladding on an estimated 184 buildings which have been identified by Fire and Rescue NSW to be at high risk because of flammable cladding.

(e) Finance Costs

	2023	2022
	\$'000	\$'000
Interest expense from lease liabilities	2,677	11,298
Interest expense on borrowings *	-	232
	2,677	11,530

* These are related party transactions in addition to those disclosed in Note 26 Related Party Disclosures.

Interest expense from lease liabilities have decreased in line with the increase in occupancy expense – refer to Note 2b.

Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with NSW Treasury’s mandate to not-for profit NSW General Government Sector Entities. Interest on lease liabilities relate to the unwinding of discounted lease payments for right-of-use assets. Lease liabilities are discounted as described in Note 16.

(f) Cost of motor vehicle inventory sold

	2023	2022
	\$'000	\$'000
Cost of motor vehicle inventory sold	-	233

Recognition and Measurement

This represents the carrying amount of motor vehicle inventory sold during the last financial year. DCS held motor vehicles for rental to others in property plant and equipment (Note 12) and transferred such assets to inventories at their carrying amount when they cease to be rented and become held for sale. The proceeds from the sale of such assets were recognised as revenue (Note 3(i)).

(g) Other Expenses

	2023	2022
	\$'000	\$'000
Compensation fund payments	3,857	3,292

These are compensation payments made to assist citizens of NSW who have incurred a loss in lieu of their rights under the *Property and Stock Agents Act 2002* and *Motor Dealers and Repairers Act 2013* along with payments made to Newsagents who have to update different aspects of their lottery infrastructure.

3. REVENUE

Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer as defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

The disclosure of summary of compliance is subject to further changes, pending further guidance based on a recent legislative amendment to resolve the cross appropriations payment issue.

(a) Appropriations and Transfers to the Crown

Summary of Compliance - DCS	2023 \$'000	2022 \$'000
Amount appropriated per <i>Appropriation Act</i>	3,053,934	2,309,462
Variations made to the appropriations during the financial year		
Section 4.9 GSF Act 2018 - Transfers of functions between entities	296,588	12,405
Section 4.13 GSF Act 2018 / Section 32(2) of the Appropriation Act (Exigency of Government)	-	14,679,160
Section 34 of the Appropriation Act	23,000	28,568
Total spending authority from parliamentary appropriations, other than deemed appropriations	3,373,522	17,029,595
Add: the spending authority from deemed appropriations during the year	1,041,152	1,042,271
Add: the unutilised spending authority from deemed appropriations from prior years	1,083,084	40,813
Total spending authority from parliamentary appropriations	5,497,758	18,112,679
Less: total expenditure from parliamentary appropriations	(2,772,363)	(2,624,096)
Less: total expenditure from parliamentary appropriations - transfer payments	(301,352)	(12,881,332)
Variance	2,424,043	2,607,251
Less: spending authority from appropriations lapsed at 30 June	(299,807)	(1,524,167)
Deemed appropriations balance carried forward to following years	2,124,236	1,083,084
	2023 \$'000	2022 \$'000
Appropriations - reflected as <i>transfer payments</i> in accordance with AASB 1050 ⁽ⁱ⁾	981,505	13,558,702
Appropriations - reflected as revenue in Statement of Comprehensive Income	1,652,640	1,318,955
Net appropriations drawn down for the year	2,634,145	14,877,657

(i) Appropriations - reflected as *transfer payments* in accordance with AASB 1050

Transfer payments are monies not used for the purposes of the operations of DCS. These amounts are usually received where DCS is responsible to transfer the monies to eligible beneficiaries in accordance with legislative or other authoritative requirements. They are not controlled by DCS, hence are correctly excluded from DCS's results of operations. These transfer payments are disclosed in the Summary of Compliance above to reconcile the total gross appropriations received to the net appropriations controlled and recognised as revenues in DCS.

These transfer payments are received from NSW Treasury as part of the general appropriations and paid out to the following agencies for various purposes as disclosed below. In the current year, DCS also received some funds from the relevant agencies where the monies were not used for the allocated programs and returned to Treasury.

	Transfer Receipts/ Transfer Payments	
	2023	2022
	\$'000	\$'000
Special Deposit Accounts		
Digital Restart Fund	614,000	614,000
Rental Bond Board	66,153	63,370
Shared Equity Scheme	42,077	-
	722,230	677,370
Service NSW		
Back to School	177,460	-
Stay and Rediscover Vouchers	33,952	70,000
Flood Relief/Recovery Grant	126,420	187,670
Rental Support Scheme - Flood	128,747	248,000
Parents NSW Voucher	110,981	130,000
Toll Rebate Scheme	66,604	-
Dine and Discover Vouchers	45,796	350,000
Northern Rivers Commercial Landlord Grant	28,956	-
Return to Work	14,980	-
Small Business Fees & Charges Rebate	5,478	231,000
COVID-19 Jobsaver	-	7,934,800
COVID-19 Small Business Hardship	-	2,369,100
COVID-19 MicroBusiness Support	-	784,600
2022 Small Business Support (Bizsaver)	-	220,000
Test & Isolate Grant	-	104,000
Northern Rivers Recovery Grant	-	60,000
Council Rate Relief	-	40,000
Commercial Landlord Hardship	-	40,000
Accommodation Providers Grant	-	26,000
Music and Overnight Camp	-	14,000
	739,374	12,809,170
Revenue NSW		
Electronic Vehicles Rebate	13,749	8,424
Land Tax Concession	3,532	506,716
Duties Bushfire Relief	10	448
Job Action Plan Payroll Tax Rebates	-	1,751
	17,291	517,339
NSW Fair Trading		
Rental Relief Payment	-	58,550
Total appropriations drawn down as transfer payments	1,478,895	14,062,429
Transfer receipts returned by Service NSW to Treasury	(497,390)	(503,727)
Net transfer receipts from Treasury for the year	981,505	13,558,702

Recognition and Measurement

Parliamentary Appropriations other than deemed appropriations

Income from appropriations, other than deemed appropriations (of which the accounting treatment is based on the underlying transaction), does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15. Therefore, except as specified below, appropriations (other than deemed appropriations) are recognised as revenue when DCS obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

The Appropriation Act 2022 (Appropriations Act) appropriates the sum of \$3,053,934,000 (2022: \$2,309,462) to the Minister for Customer Service out of the Consolidated Fund for the services of the Department of Customer Service for the 2023 financial year. The spending authority of the Minister from the Appropriations Act has been delegated or subdelegated to officers of the Department of Customer Service and entities that it is administratively responsible for, including:

- Information and Privacy Commission
- Board of Surveying and Spatial Information
- NSW Government Telecommunications Authority
- Service NSW

The *Treasury and Energy Legislation Amendment Act 2022* made some amendments to sections 4.7 and 4.9 of the *Government Sector Finance Act 2018* (the GSF Act). These amendments commenced on 14 November 2022 and are applied retrospectively. As a result, the lead Minister for each entity above, being the Minister for Customer Service and Digital Government, is taken to have been given an appropriation out of the Consolidated Fund under the authority of section 4.7 of the GSF Act, at the time the entity receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the entity. These deemed appropriations are taken to have been given for the services of Department of Customer Service.

In addition, government money that a GSF agency receives or recovers, from another GSF agency, of a kind prescribed by the GSF regulations that forms part of the Consolidated Fund, is now capable of giving rise to deemed appropriations where the receiving agency has a different lead Minister to the agency making the payment, or one or both of the agencies is a special office (as defined in section 4.7(8)).

On 16 June 2023, the GSF Amendment (Deemed Appropriations) Regulation 2023 was approved to bring the GSF regulations in line with the above deemed appropriation amendments to the *GSF Act*.

The delegation/sub-delegations for the 2023 and the 2022 financial year, authorising officers of the Department of Customer Service to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but do not specify an aggregate expenditure limit for the Department of Customer Service. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation/sub-delegations are subject to the overall authority of the Department of Customer Service to spend monies appropriated under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the aggregate expenditure limit from the *Appropriations Act* and other sources is disclosed in the summary of compliance table above.

The summary of compliance has been prepared by aggregating the spending authorities of the Minister for Customer Service and Digital Government for the services of Department of Customer Service. It reflects the status at the point in time this disclosure statement is being made.

The summary of compliance does not include appropriations for the Independent Pricing and Regulatory Tribunal of New South Wales and its expenditure. This is because a separate amount has been appropriated for its services under the *Appropriations Act*.

The Department receives its funding under appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year. The State Budget and related 2023-24 Appropriation Bill has been delayed until September 2023. However, pursuant to section 4.10 of the *GSF Act*, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2023 until the earlier of 30 September 2023 or release of the 2023-24 *Appropriation Act*.

(b) Transfers to the Crown

	2023	2022
	\$'000	\$'000
StateFleet Motor Vehicle Reserve	-	21,430
DRF Funds returned to Treasury	5,783	-
Net proceeds from sale of Loose-fill Asbestos	1,504	8,546
	7,287	29,976

These are all other related party transactions in addition to those disclosed in Note 26 Related Party Disclosures.

(c) Sale of Goods and Services from contract with customers

	2023	2022
	\$'000	\$'000
Business services fee	125,854	95,143
Penalty notice fees	43,273	39,205
License revenue ⁽ⁱ⁾	16,204	20,572
Project and asset management services ⁽ⁱ⁾	7,008	20,253
Motor vehicle leasing ⁽ⁱⁱ⁾	-	311
Gaming revenue ⁽ⁱ⁾	-	697
Other goods and services	11,236	8,508
	203,575	184,689

(i) Reduction in sales relates to the Liquor, Gaming and Racing division that was transferred out of DCS as part of the Machinery of Government (MoG) changes in April 2022.

(ii) Sales relates to StateFleet division that was completely wound down at 30 June 2022.

The increase in business services fee is mainly due to the recognition of Equinix sublease income in the current year as it was derecognised as a sublease under AASB 16.

Recognition and Measurement

Revenue from rendering of services is recognised when DCS satisfies the performance obligation by transferring the promised services.

Type of service	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Business services fee	The performance obligation are typically satisfied when the services are performed and deemed as satisfying the requirements of the agreement in place.	The revenue is recognised when the services are provided and measured at the contractually agreed respective rates and amounts.
Penalty notice fees	The nature of penalty notice has no performance obligation.	The revenue is recognised when the issued penalty notice comes into effect.

Licence Revenue	The performance obligation is typically satisfied when the licence application and funds are received. Payments are typically received in advance when the application for the specific licence type or the application for the extension of the specific licence type is submitted.	The revenue is recognised when the funds are received to the extent that it is highly probable that a significant reversal will not occur. The relevant fees are based on the amounts set by Regulation or by the business entity after a review by IPART.
Project and asset management services	The performance obligation are typically satisfied when the services are performed and deemed as satisfying the requirements of the agreement in place.	The revenue is recognised when the services are provided and measured at the contractually agreed respective rates and amounts.
Gaming Revenue	The performance obligation is typically satisfied when the licence application and funds are received. Payments are typically received in advance when the application for the specific licence type or the application for the extension of the specific licence type is submitted.	The revenue is recognised when the funds are received to the extent that it is highly probable that a significant reversal will not occur. The relevant fees are based on the amounts set by Regulation or by the business entity after a review by the Independent Pricing and Regulatory Tribunal (IPART).
Other goods and services	The performance obligation is satisfied when the service is being performed and when the benefits of the goods are transferred to the customer and delivered in accordance with the specifications of the contractual agreements.	Revenue from the sale of goods is recognised as revenue when DCS transfers the significant risks and rewards of ownership of the goods, usually on delivery of the goods. Revenue on other services is recognised upon completion of rendering the contracted services.

(d) Personnel Services Revenue

	2023	2022
	\$'000	\$'000
State Insurance Regulatory Authority	83,302	70,573
NSW Government Telecommunications Authority	43,768	30,586
Long Service Corporation	10,462	8,103
Board of Surveying and Spatial Information	485	396
	138,017	109,658

These are related party transactions in addition to those disclosed in Note 26 Related Party Disclosures.

Personnel Services Revenue is revenue earned from entities within the DCS agencies in relation to employee related costs.

(e) Investment Revenue/(Loss)

	2023	2022
	\$'000	\$'000
Interest income from financial assets at amortised cost - restricted account	10,698	545
Distribution income from TcorpIM Funds	1,040	1,979
Finance income on the net investment in the lease	-	1,728
Net gain/(loss) from TCorp IM Funds measured at fair value through profit or loss	3,897	(7,515)
	15,635	(3,263)

Recognition and Measurement

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses). Increase in interest income is mainly driven by the increase in interest received from the Property Statutory Interest account as disclosed in Note 7.

Distribution income is recognised in the period when DCS's right to receive the payment have been established.

(f) Retained Taxes, Fees and Fines

	2023	2022
	\$'000	\$'000
Statutory interest - restricted account	113,651	4,950
Building licensing fees	66,490	62,800
Real estate and property licence fees	3,092	715
Owner builder permit fees	1,346	1,360
Plumbing inspection fees	9,073	9,333
Motor dealers compensation fees	1,344	1,761
Fines for non-compliance of Safety at Work regulations	8,033	7,226
Design and building practitioner fees *	12,290	-
Other fees, fines and penalties	11,068	6,413
	226,387	94,558

* *The Design and Building Practitioners Act 2020 (DBP Act)* introduced new obligations and mandatory requirements for industry practitioners to ensure designs and building work are compliant with the Building Code of Australia (BCA).

The increase in statutory interest is driven by an increase in the interest received on trust money held by real estate agents. This increase is predominately driven by the significant rise in interest rates.

Recognition and Measurement

Retained fees, taxes and fines are recognised when earned and if the amounts can be determined reliably.

Type of service	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Statutory interest	DCS is entitled to the interest earned on the Trust account in accordance with the <i>Property, Stock and Business Agents Act 2002</i> . Refer to Note 7(iii) for further details. The performance obligation is satisfied when we have performed our obligation of keeping funds within the stipulated contractual time frame to be entitled to an interest income.	Revenue is recognised upon the completion of the performance obligation and the right to receive the income has been established.

Building licensing fees, Real estate and property licence fees, Owner builder permit fees, Plumbing inspection fees, Motor dealers compensation fees, Design and building practitioner fees	The performance obligation is typically satisfied when the licence application and funds are received. Payments are typically received in advance when the application for the specific licence type is submitted.	The revenue is recognised when the funds are received to the extent that it is highly probable that a significant reversal will not occur. The relevant fees are based on the amounts set by Regulation or by the business entity after a review by IPART.
Fines for non-compliance of Safety at Work regulations, Other fees, fines and penalties	The nature of other fees, fines and penalties have no performance obligation and the notices are in accordance to the relevant legislation.	These revenues are recognised when the issued notices come into effect.

(g) Grants and Other Contributions

	2023	2022
	\$'000	\$'000
Grants		
<i>Grants without sufficiently specific performance obligations</i>		
Digital Restart Fund (DRF)* ⁽ⁱ⁾	26,520	27,327
Loose-fill Asbestos Grants ⁽ⁱⁱ⁾	1,167	-
Other	2,055	1,976
	29,742	29,303
<i>Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity</i>		
Digital Restart Fund (DRF)* ⁽ⁱⁱⁱ⁾	144,529	106,743
Taxes & Grants - Electric Vehicles ^(iv)	853	3,091
	145,382	109,834
Other Contributions		
Contributions from State Insurance Regulatory Authority* ^(v)	151,691	144,486
Contribution for Bergin Inquiry* ^(vi)	-	12,500
Colliery Contribution Levy ^(vii)	10,400	10,400
	162,091	167,386
Grants and Other Contributions	337,215	306,523

* This is a related party transaction in addition to those disclosed in Note 26 Related Party Disclosures.

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- (i) Digital Restart Fund (DRF) - this grant without sufficiently specific performance obligations consists of:
- Government Made Easy \$4.8m (2022: \$1.8m) - Complete discovery and prototyping for the change of name when getting married, aligned with Living in NSW Life Event. Program of work includes initial desktop scoping, customer research, mapping, service design, technical solution development and partner onboarding discovery.
 - Business Insights Hub \$3.9m (2022: Nil) - Developed by the NSW Data Analytics Centre to bring together sentiment, experience and behaviour data to provide a unified view of customers and businesses in NSW. Datasets are procured under a “buy once use often” model to ensure whole of government access to data while reducing duplication in the cost of data purchase, management and procurement.
 - Digital Birth Certificate \$2.2m (2022: Nil) - Development of a national, interoperable and secure platform for a digital birth certificate supported by Commonwealth, State and Territory jurisdictions and key stakeholders.
 - Life Journey \$8.9m (2022: \$5.4m) - The Life Journeys program cuts across agencies to make it easier for citizens to deal with government at critical life junctures, such as losing someone close to you, starting retirement, or having a baby. Program of work includes End of Life End to End, Retirement Years, Life Events Navigators Information Services, First 2000 days.
 - PaTH (Process and harmonisation) Program Nil (2022: \$20.1m) - This program was transferred to another agency in 2022 and was aimed at delivering the Process and Technology Harmonisation (previously known as Whole of Government Enterprise Resource Planning) by acquiring and consolidating Whole of Government SAP licence (\$4HANA licence) and initiate deployment across government agencies.
 - Whole of Government website consolidation \$6.7m (2022: Nil).
- (ii) Loose-fill Asbestos Grants (funded by Treasury) - Contribution to purchase land and/or buildings impacted by Loose-fill Asbestos.
- (iii) Digital Restart Fund (DRF) - this grant to acquire/construct a recognisable non-financial asset to be controlled by the entity consists of:
- Digital and information and communications technology initiatives* - In the Digital and ICT space, from July 2022 to June 2023, it has funded a number of key initiatives that include - the Cyber Security program \$19m (2022: \$16.9m), Government Licensing Systems Modernisation \$49.7m (2022: \$37m), eRegulation Complaints, Compliance and Enforcement Program \$18.8m (2022: \$8.6m), Live. NSW \$14.2m (2022: \$6.3m), ID Support Program \$5.6m (2022: Nil), Sponsored projects \$6.5m (2022: \$4.3m), Digital Sourcing \$2.6m (2022: \$3.3m), Accessibility NSW \$1.2m (2022: \$3.4m), Smart Places \$1m (2022: Nil) and Spatial Services \$0.2m (2022: \$2.9m), Digital Investment & Assurance Nil (2022: \$0.3m) Digital Birth Certificate \$3.2m (2022: Nil) and Whole of Government website consolidation \$7.6m (2022: Nil).
 - Project Trust \$11.3m (2022: \$6m) - Recent cyber security incidents in GovConnect and SNSW have triggered immediate incident response and recovery work and also elevated the need to embark upon medium term (comprise recovery) and longer term (strategic recovery projects). In DCS, Project Trust was recently formed to address: Business process and information governance, culture, capability and awareness, cyber security, privacy and policy framework, cyber and privacy policy remediation and cyber resilience.
 - E-Construction \$3.1m (2022: \$13.8m) - Build digital platforms and enforce compliance to rebuild confidence in the class 2 building sector to deliver end-to-end quality assurance for customers, suppliers, and builders. This will improve the transparency, accountability, and quality of work within the building sector.
 - Mining Royalties \$0.5m (2022: Nil) - Legacy systems modernisation to ensure system calculations of coal royalty complies with *Mining Act 1992* and *Mining Regulation 2016*.
 - Assured Revenue Nil (2022: \$3.9m) - This business case supports the ‘Efficient & Effective Revenue Collection’ program under the Excellence in Customer Service outcomes based budget outcome for the Department of Customer Service. Additionally, this proposal aligns to the NSW budget priority of improving productivity by providing accretive revenue.

(iv) Electric Vehicles (funded by Treasury) - The NSW Government will offers \$3,000 rebates for the first 25,000 new full battery electric vehicles (BEVs) and hydrogen fuel cell electric vehicles (FCEVs), purchased for a dutiable value of less than \$68,750 that are registered on or after 1 September 2021.

(v) Contributions from State Insurance Regulatory Authority - The operations of SafeWork are principally funded by the State Insurance Regulatory Authority. Each year, under s35 (1)(a1) of the *Workplace Injury Management and Workers Compensation Act 1998*, the Minister approves the payment of amounts from the Workers Compensation Insurance Fund to the Workers Compensation Operational Fund having regard to the budget of SafeWork. This payment is made monthly to reflect cash requirements of SafeWork provided the approved amount is not exceeded.

(vi) Contribution for Bergin Inquiry - Liquor & Gaming NSW received a contribution from Independent Liquor and Gaming Authority ("ILGA") in relation to a reimbursement of \$12.5 million to partially reimburse the government for the costs of the Bergin Inquiry. The Bergin Inquiry was established under s143 of the *Casino Control Act 1992* and appointed the Honourable Patricia Bergin SC to preside over the Inquiry relating to the Barangaroo restricted gaming facility granted to Crown Sydney Gaming Pty Limited and other matters relating to the regulatory framework in which ILGA operates.

(vii) Colliery Contribution Levy - Subsidence Advisory NSW ("SANSW") receives funding from the NSW coal mining industry under Section 33 of the *Coal Mine Subsidence Compensation Act 2017*. Each year a contribution is levied onto the industry in order to fund the activities of SANSW under the Act.

Recognition and Measurement

Type of service	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Grants without sufficiently specific performance obligations	These are grant incomes received from various sources for designated purposes with no specific performance obligation.	Grants are recognised immediately in accordance with AASB 1058 as there are no specific performance obligations on these grants.
Grants to acquire/ construct a recognisable non-financial asset to be controlled by the entity	These are grant incomes received from various sources for designated purposes where the whole portion or some of which may be designated for DCS as the recipient to acquire or constructed a non-financial asset.	Grants are recognised immediately in accordance with AASB 1058 and to defer the portion where there is a requirement for DCS to acquire or construct a recognisable non-financial asset and then to recognise this as revenue as the performance obligation is satisfied.
Other grants and contributions	Other grants and contributions generally have no performance obligation.	Grants are recognised immediately in accordance with AASB 1058 as there are no specific performance obligations.

(h) Acceptance by the Crown of Employee Benefits and Other Liabilities

The following liabilities and/or expenses have been assumed by the Crown or other government entities:

	2023 \$'000	2022 \$'000
Superannuation - defined benefit	2,864	3,229
Long service leave	(4,405)	(23,744)
Payroll tax	152	162
	(1,389)	(20,353)

(i) Proceeds of Sale of Motor Vehicle Inventory

	2023 \$'000	2022 \$'000
Gross proceeds of sale of motor vehicles	-	550
Less: Disposal costs	-	(4)
	-	546

(j) Other Revenue

	2023 \$'000	2022 \$'000
Revenue related to service concession arrangement	77,768	77,664
Administrative fee* ⁽ⁱ⁾	30,838	30,423
Corporate accommodation recovery *	19,934	19,973
Corporate cost recovery *	12,915	15,697
Other revenue	671	744
	142,126	144,501

* These are related party transactions in addition to those disclosed in Note 26 Related Party Disclosures.

(i) Administrative fee

The administrative service income is received from the Rental Bond Board ("RBB") and Digital Restart Fund ("DRF"). The RBB income represents an agreed charge receivable from RBB for administrative and corporate services by DCS. The fee has been approved by the Expenditure Review Committee, Treasury and the Rental Bond Board.

The DRF income represents an agreed charge receivable from DRF for administrative and corporate services by DCS. The fee is an agreed portion of the total DRF funding over the 3 year period ended June 2023 via Letter of Confirmation between DRF and DCS.

Recognition and Measurement

Revenue related to Service Concession Arrangement

The NSW State government entered into an agreement on 17 April 2017 for a 35-year concession commencing on 30 June 2017 with the private sector to facilitate the provision of land titling and registry services. Under the concession, the State received an up-front contribution of \$2.7 billion, which was repatriated to the Restart NSW Fund, and transferred employee liabilities to the private sector operator.

ICT and other assets necessary to operate the concession have legally transferred to the private sector operator and legal ownership of these assets reverts to the State at the end of the concession. The State continues to own all existing and underlying data, information and intellectual property related to titling and registry services and provides access to these assets to the operator.

The concession is classified as a service concession arrangement. As the grantor of the service concession:

- DCS recognises the up-front contribution provided by the operator as revenue progressively over the concession term.
- Assets legally transferred to the operator prior to the concession commencement are treated as controlled for accounting purposes by DCS and recorded at their carrying values. These assets are depreciated or amortised over their useful lives which is in line with DCS depreciation policy (Refer to Note 13).
- Assets further acquired by the operator during the service concession period are recorded by DCS and depreciated in the same way. These are reflected as revenue over the remaining period of the service concession period.

Corporate Accommodation Recovery

The revenue recognised in corporate accommodation recovery relates to rental and other property related expenses which are incurred withing DCS and chargeable to other entities within the Customer Service agencies.

Throughout the year, DCS incurred rental and other property related expenses such as repair and maintenance, cleaning, electricity and water, security and fitout depreciation for each property location. These rental and property related expenses will be recharged to each agencies based on Full-time equivalent (FTE) at each location as at 1 July each year unless there is a written agreement between DCS and the agency.

The following corporate accommodation recovery to DCS agencies occurred during the year:

	2023	2022
	\$'000	\$'000
Service NSW	9,192	9,754
State Insurance Regulatory Authority	3,370	2,987
Personal Injury Commission	3,593	3,240
NSW Government Telecommunications Authority	1,255	2,006
The Independent Pricing and Regulatory Tribunal of New South Wales	1,073	1,077
Others	1,451	909
	19,934	19,973

Corporate Cost Recovery

The revenue recognised in relation to corporate cost recovery relates to services which are incurred within DCS and chargeable to other entities within the Customer Service agencies.

DCS provides certain functions to agencies where certain functions are performed centrally by the reporting entity, DCS. During the year, DCS incurred centralised corporate costs relating to Corporate Finance, Legal, Information Communication and Technology, Workplace Property & Accommodation, Governance Risk & Assurance, Procurement, Office of the Chief Operating Officer, Office of the Secretary and People & Culture in relation to services such as recruitment, procurement, business partnering support, budgeting, management reporting, financial reporting, expense management, contract reviews, legal advice, vendor contract management, internal audit, performance metrics, accommodation servicing, information technology support and compliance amongst other things. In line with DCS/ Agency MOUs, these costs are recouped as Corporate Cost recovery, with the exception of specific areas whereby services may be agreed up front for an additional fee (for example, some legal services).

The following corporate cost recovery to agencies occurred during the year:

	2023	2022
	\$'000	\$'000
NSW Government Telecommunications Authority	5,936	4,692
State Insurance Regulatory Authority	4,608	6,459
Long Service Corporation	1,134	1,407
Personal Injury Commission	520	1,625
Office of the Independent Review Officer	471	986
Others	246	528
	12,915	15,697

An amount of \$60.5 million corporate cost recovery for the financial year ended 30 June 2023 (2022: \$62.4 million) was incurred in DCS and has not been recovered from the other entities within the DCS agencies. Refer to Note 26 for details.

4. GAINS / (LOSSES) ON DISPOSAL

	2023 \$'000	2022 \$'000
Gain/(loss) on disposal of intangible assets	(6,278)	(7,635)
Gain/(loss) on disposal of property, plant and equipment	220	(10)
Gain/(loss) on disposal of assets held for sale	231	5,835
Net gain/(loss) on disposal of intangible assets, property, plant and equipment and assets held for sale	(5,827)	(1,810)

5. OTHER GAINS / (LOSSES)

	2023 \$'000	2022 \$'000
Impairment losses/(recovery) on trade receivables from:		
Contracts with customers	93	4,503
Retained taxes, fees and fines	(568)	(1,847)
Bad debts written off	(221)	(149)
Net fair value gains/(losses) on derivatives	142	(19)
Derecognition of right-of-use assets and lease liabilities with Property NSW*	-	101,375
Derecognition of right-of-use assets and lease liabilities as a lessor**	-	2,759
Impairment (loss) from right-of-use assets	-	(3,212)
Impairment recovery from intangible assets (refer to Note 13)	-	21,337
Impairment (loss) from intangible assets (refer to Note 13)	-	(3,525)
Net other gains/(losses)	(554)	121,222

* Gains are recognised due to the change in lease arrangements with Property NSW ("PNSW") resulting in derecognition of the right-of-use assets and lease liability as at 30 June 2022. Please refer to Note 12(b) for further details on the derecognition.

The net gain from the derecognition of right-of-use assets and lease liability as at 30 June 2022 is reconciled as follows:

	2022 \$'000
Right-of-use assets	
Gross carrying value	(501,864)
Less: accumulated depreciation	89,600
accumulated impairment	88,271
Net book value	(323,993)
Lease liability	425,368
Net gain on derecognition of PNSW leases	101,375

**Derecognition of Sublease as a lessor

As at 30 June 2022, there was a change in recognition of the sublease arrangements between DCS and other agencies from a finance lease due to change in circumstances arising from anticipated migration plans from the data centres. These sublease arrangements will be accounted for as operating leases going forward.

The net gain/(loss) from the derecognition of sublease arrangements of the data centres as at 30 June 2022 is reconciled as follows:

	<u>2022</u> <u>\$'000</u>
Right-of-use assets	
Gross carrying value	92,009
Less: accumulated depreciation	61,994
Net Book Value	<u><u>30,015</u></u>
Lease Receivable	
Current Lease Receivable	(23,704)
Non - Current Lease Receivable	(2,366)
	<u><u>(26,070)</u></u>
Finance income on the net investment in the lease	<u><u>(1,186)</u></u>
Net gain on derecognition of sublease arrangements for data centres	<u><u>2,759</u></u>

Recognition and Measurement

Impairment losses on assets

Impairment losses may arise on non-financial assets held by DCS from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment.

Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

- Trade receivables – Note 8
- Property, plant and equipment – Note 12(a)
- Right-of-use-assets – Note 12(b)
- Intangible assets – Note 13

6. STATE OUTCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Excellence in customer service ^{(i) *}		Digital leadership and innovation in government services ^{(ii) *}		Fair, secure and efficient markets ^{(iii) *}		Not attributable		Total	
EXPENSES AND INCOME	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Expenses excluding losses										
Operating Expenses										
• Employee related expenses	384,935	285,166	123,909	102,094	341,701	304,500	-	-	850,545	691,760
• Other operating expenses	194,975	188,064	115,717	91,327	235,037	185,127	-	-	545,729	464,518
Depreciation and amortisation	14,336	26,734	39,445	15,648	15,632	26,950	-	-	69,413	69,332
Grants and subsidies	446,480	345,861	120,653	85,347	419,856	344,428	-	-	986,989	775,636
Finance costs	-	4,383	2,588	2,836	89	4,311	-	-	2,677	11,530
Book value of motor vehicles sold	-	105	-	26	-	102	-	-	-	233
Other expenses	-	-	-	-	3,857	3,292	-	-	3,857	3,292
Total Expenses excluding losses	1,040,726	850,313	402,312	297,278	1,016,172	868,710	-	-	2,459,210	2,016,301
Revenue										
Appropriations **	-	-	-	-	-	-	1,652,640	1,318,955	1,652,640	1,318,955
(Transfers to the Crown)	(2,595)	(9,600)	(646)	(2,422)	(4,046)	(17,954)	-	-	(7,287)	(29,976)
Sale of goods and services from contracts with customers	100,449	89,814	65,107	41,444	38,019	53,431	-	-	203,575	184,689
Personnel services revenue	61,943	49,127	15,416	12,391	60,658	48,140	-	-	138,017	109,658
Investment revenue	728	41	-	1,729	14,907	(5,033)	-	-	15,635	(3,263)
Retained taxes, fees and fines	57	105	-	-	226,330	94,453	-	-	226,387	94,558
Grants and contributions	43,743	27,604	120,084	86,295	173,388	192,624	-	-	337,215	306,523
Acceptance by the Crown of employee benefits and other liabilities	(545)	(7,995)	44	(2,255)	(888)	(10,103)	-	-	(1,389)	(20,353)
Proceeds from sale of motor vehicles	-	244	-	62	-	240	-	-	-	546
Other revenue	20,848	22,436	8,210	9,923	113,068	112,142	-	-	142,126	144,501
Total Revenue	224,628	171,776	208,215	147,167	621,436	467,940	1,652,640	1,318,955	2,706,919	2,105,838
Gain/(loss) on disposal	(53)	(4,268)	(5,819)	(628)	45	3,086	-	-	(5,827)	(1,810)
Other gains/(losses)	81	52,538	162	14,163	(797)	54,521	-	-	(554)	121,222
	28	48,270	(5,657)	13,535	(752)	57,607	-	-	(6,381)	119,412
NET RESULT	(816,070)	(630,267)	(199,754)	(136,576)	(395,488)	(343,163)	1,652,640	1,318,955	241,328	208,949
Other comprehensive income										
Revaluation reserve released due to sale of property, plant and equipment	-	-	-	-	-	(209)	-	-	-	(209)
Revaluation surplus of property, plant and equipment	-	2,824	-	-	-	2,723	-	-	-	5,547
Net change in revaluation surplus of service concession intangible asset	-	-	-	-	(8,783)	38,053	-	-	(8,783)	38,053
Total other comprehensive income	-	2,824	-	-	(8,783)	40,567	-	-	(8,783)	43,391
TOTAL COMPREHENSIVE INCOME/(LOSS)	(816,070)	(627,443)	(199,754)	(136,576)	(404,271)	(302,596)	1,652,640	1,318,955	232,545	252,340

* The names and purposes of each outcomes are summarised below.

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

	Excellence in customer service ^{(i) *}		Digital leadership and innovation in government services ^{(ii) *}		Fair, secure and efficient markets ^{(iii) *}		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS AND LIABILITIES								
Current Assets								
Cash and cash equivalents	74,808	98,098	18,638	24,711	489,747	419,879	583,193	542,688
Receivables	28,455	47,195	24,679	30,268	61,413	50,545	114,547	128,008
Contract assets	4,180	4,801	7,379	1,207	5,865	3,857	17,424	9,865
Financial assets at fair value	-	-	-	-	17,157	14,409	17,157	14,409
Non-Current Assets Held for sale	-	-	-	-	6,088	8,730	6,088	8,730
Total Current Assets	107,443	150,094	50,696	56,186	580,270	497,420	738,409	703,700
Non Current Assets								
Property, plant and equipment	54,973	54,763	17,601	13,407	58,553	58,016	131,127	126,186
Right-of-use assets	-	8	80,308	110,024	3,046	1,736	83,354	111,768
Intangible assets	96,090	42,935	123,544	75,781	868,042	871,537	1,087,676	990,253
Financial assets at fair value	-	-	-	-	69,161	66,174	69,161	66,174
Total Non Current Assets	151,063	97,706	221,453	199,212	998,802	997,463	1,371,318	1,294,381
TOTAL ASSETS	258,506	247,800	272,149	255,398	1,579,072	1,494,883	2,109,727	1,998,081
Current Liabilities								
Payables	43,892	82,247	31,010	37,934	57,366	67,537	132,268	187,718
Contract liabilities	4,943	1,088	8,976	7,330	70,698	54,892	84,617	63,310
Borrowings	-	-	13,576	21,871	1,559	722	15,135	22,593
Provisions	50,479	43,634	20,455	17,726	81,069	65,906	152,003	127,266
Service Concession	-	-	-	-	77,807	77,725	77,807	77,725
Other	7,306	9,592	10,989	32,347	29,232	29,659	47,527	71,598
Total Current Liabilities	106,620	136,561	85,006	117,208	317,731	296,441	509,357	550,210
Non Current Liabilities								
Borrowings	-	9	63,021	88,683	1,826	996	64,847	89,688
Provisions	7,700	7,952	1,916	2,006	39,381	19,319	48,997	29,277
Service Concession	-	-	-	-	2,179,112	2,254,037	2,179,112	2,254,037
Total Non Current Liabilities	7,700	7,961	64,937	90,689	2,220,319	2,274,352	2,292,956	2,373,002
TOTAL LIABILITIES	114,320	144,522	149,943	207,897	2,538,050	2,570,793	2,802,313	2,923,212
NET ASSETS/(LIABILITIES)	144,186	103,278	122,206	47,501	(958,978)	(1,075,910)	(692,586)	(925,131)

* The names and purposes of each outcomes are summarised below.

	Excellence in customer service ⁽ⁱ⁾		Digital leadership and innovation in government services ⁽ⁱⁱ⁾		Fair, secure and efficient markets ⁽ⁱⁱⁱ⁾		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ADMINISTERED EXPENSES AND INCOME								
Administered Expenses								
Other	280,621	479,500	-	-	-	-	280,621	479,500
Transfer payments	588,551	1,200,097	-	-	-	-	588,551	1,200,097
Total Administered Expenses	869,172	1,679,597	-	-	-	-	869,172	1,679,597
Administered Revenues								
Licences, taxes, fees, fines and royalties	37,410,303	36,771,569	-	-	4,655,994	97,354	42,066,297	36,868,923
Other	488	140	-	-	103,144	3,792,806	103,632	3,792,946
Transfer payments	714,368	1,231,346	-	-	-	-	714,368	1,231,346
Total Administered Revenues	38,125,159	38,003,055	-	-	4,759,138	3,890,160	42,884,297	41,893,215
Administered Revenues less Expenses	37,255,987	36,323,458	-	-	4,759,138	3,890,160	42,015,125	40,213,618

Administered Expenses and Revenues are disclosed in detail in Note 28 and 29 respectively.
Administered Assets and Liabilities are disclosed in Note 27.

State Outcome Descriptions

(i) Excellence in customer service

This Outcome focuses the Department's efforts towards a customer-centred approach across the NSW Government, resulting in better customer experiences and easier transactions. This Outcome measures the availability of digital transactions, customer satisfaction with government services, and the number of services where customers only need to 'Tell us Once'.

(ii) Digital leadership and innovation in government services

The Department aims to invest in innovation and technology to increase and improve digital availability, reliability and security of NSW Government platforms, information and services. This Outcome measures digital government readiness and the public safety coverage and operation of the Critical Communications Enhancement Program.

(iii) Fair, secure and efficient markets

The Department has a fundamental objective of delivering a regulatory framework that promotes safety, efficiency and regulatory requirements that meets the evolving expectations of businesses and customers. This Outcome measures the regulatory compliance rates of selected industries, the rate of work-related traumatic injury fatalities and the affordability of the Compulsory Third Party Insurance scheme.

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2023 \$'000	2022 \$'000
Cash at bank and on hand	180,997	242,088
TCorp IM Funds Cash facility	-	797
Other restricted cash	402,196	299,803
	583,193	542,688

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, motor vehicle reserve and special purpose funds.

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

	2023 \$'000	2022 \$'000
Cash and cash equivalents (per Statement of Financial Position)	583,193	542,688
Closing cash and cash equivalents (per Statement of Cash Flows)	583,193	542,688

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

Other restricted cash

	2023 \$'000	2022 \$'000
Motor Dealers Compensation Fund (i)	19,500	19,432
Property Services Compensation Fund (ii)	17,550	16,188
Property Statutory Interest Account (iii)	192,549	140,135
Home Building Administration Fund (iv)	88,740	50,620
Torrens Assurance Fund (v)	27,412	22,701
Tow Truck Industry Fund (vi)	14,372	12,327
NSW Consumer Law Fund (vii)	112	104
Coal Mine Subsidence Compensation Fund (viii)	11,832	8,105
Safework NSW Fund (ix)	26,686	27,164
Copyright Royalties Claim Fund (x)	3,443	3,027
	402,196	299,803

(i) The *Motor Dealers Act 1974* was repealed on 1 December 2014 and was replaced by the *Motor Dealers and Repairers Act 2013*. The *Motor Dealers and Repairers Act 2013* established the **Motor Dealers and Repairers Compensation Fund** to provide protection to persons who have suffered a loss in connection with a motor vehicle through their dealings with a motor dealer or a car-market operator. Licensing fees paid by full dealers and car-market operators finance the fund. Claims are usually made on the fund when a motor dealer ceases to trade either on a voluntary basis or a forced closure.

(ii) The *Property, Stock and Business Agents Act 2002* established the **Property Services Compensation Fund** which is supported by:

- investment income earned on the investments of the fund;
- contributions or levies paid by licensees; and
- other lawful receipts.

The money in the Compensation Fund is applied to:

- payment of claims, as provided by the Act;
- legal expenses in relation to claims, licensing objections and complaints for cancellation, incurred in relation to the Fund;
- the expense involved in the administration of the Fund; and
- other lawful expenses.

(iii) The **Property Statutory Interest Account** is supported by interest earned on trust money held by real estate agents and investments made by DCS.

The account is used to meet the costs of administering the *Property, Stock and Business Agents Act 2002* and various other Acts, supplement the Compensation Fund when required, pay grants to various government and non-government agencies and invest in schemes to provide residential accommodation.

(iv) **The Home Building Administration Fund** is supported by:

- prescribed fees for contractor licences, registration certificates, owner-builder permits and building consultancy licences;
- investment income earned on the investments of the Fund; and
- other lawful receipts.

The money in the Home Building Administration Fund is applied to:

- meeting the costs of operating the scheme;
- meeting the costs of administering the *Home Building Act 1989*; and
- the making of any authorised investments.

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

Payment from the Fund is permitted if loss has been suffered in respect of land resulting from:

- an act or omission of the Registrar General;
- the registration of someone else as the owner of land/an estate or interest in land;
- an error, misdescription or omission in the Register;
- the land being converted to Torrens Title;
- fraud;
- an error or omission in an official search; or
- an error in recording details supplied in a Notice of Sale.

The Registrar General has delegated titling and registry functions to an authorised operator. Therefore, any loss or damage suffered as a result of an act or omission of the authorised operator can be made against the Fund.

(vi) **The Tow Truck Industry Fund** is supported by:

The *Tow Truck Industry Act 1998* and the *Tow Truck Industry Regulation 2008* regulate the Tow truck industry. The *Tow Truck Industry Act 1998* – Sect 91 established the Tow Truck Industry Fund, the Fund is a continuation of the Tow Truck Industry operating under the *Tow Truck Act 1989* immediately before the repeal of that Act by this Act.

From 1 July 2017, the administrative function of tow trucks was transferred from Roads and Maritime Services to NSW Fair Trading, which is now responsible for the licensing and regulation of tow truck operations in NSW.

The Tow Truck Industry Fund is supported by:

- all money received by or on account of the Secretary under this Act
- all penalties for offences under this Act and the regulations that are recovered in prosecutions brought by, or penalty notices issued by, the Secretary or authorised officers
- all money borrowed by or advanced to the Secretary for the purposes of this Act or appropriated by Parliament for the purposes of the Secretary under this Act.
- the proceeds of the investment of money in the Fund, and
- all other money required by or under this or any other Act to be paid into the Fund

The money in the Tow Truck Industry Fund is applied to:

- all amounts required to meet expenditure incurred in the administration or execution of this Act and the regulations, and
- all payments made on account of the Secretary under this Act or otherwise required to meet expenditure incurred in relation to the functions of the Secretary under this Act, and
- all other payments required by or under this or any other Act to be paid from the Fund.

Tow Truck Industry Act 1998 – Sect 92 established the Secretary may invest money in the Tow Truck Industry Fund:

- in such manner as may be authorised by the *Government Sector Finance Act 2018*, or
- if that Act does not confer power on the Department to invest the money, in any other manner approved by the Minister with the concurrence of the Treasurer.

(vii) *The Fair Trading Act 1987* – Sect 79Y established the **NSW Consumer Law Fund**. The **NSW Consumer Law Fund** is to receive:

- any pecuniary penalty ordered by a court under section 224 of the *Australian Consumer Law* (“ACL”) to be paid to the State, and
- any amount ordered by a court under section 239 (1) of the ACL to be paid into the Fund, and
- the proceeds of the investment of money in the Fund, and
- any money directed to be paid into the Fund by or under this or any other Act.

The money in the NSW Consumer Law Fund is to pay:

- money to non-party consumers in accordance with an order under section 239 (1) of the ACL, and
- special purpose grants for improving consumer well-being, consumer protection or fair trading, and
- administrative expenses incurred in relation to the Fund, and
- money that is directed to be paid from the Fund by or under this or any other Act.

Subject to the regulations, money is to be paid out of the Fund in accordance with the directions of the Minister made on the recommendation of the Secretary. Any amount ordered by a court under section 239 (1) of the ACL to be paid into the Fund must not be paid out of the Fund except in accordance with the terms of the order. The Minister may, on the recommendation of the Secretary, invest money in the Fund in such manner as may be authorised by the *Government Sector Finance Act 2018*.

(viii) **Coal Mine Subsidence Compensation Fund** - Part 5 of the *Coal Mine Subsidence Compensation Act 2017* (Act) establishes a Special Deposits Account called the Coal Mine Subsidence Compensation Fund into which annual levies are received from proprietors of coal mines. The Fund supports the objective of the Act being to provide a compensation framework for dealing with impacts of coal mine subsidence, regulate development in mine subsidence districts and provide 24 hour response to emergency subsidence calls.

(ix) **Safework NSW Fund** - Section 35 of the *Workplace Injury Management and Workers Compensation Act 1998* requires the remuneration, allowances, office accommodation and other associated costs of SafeWork NSW to be paid from the Workers Compensation Operational Fund. Funds received from the Workers Compensation Operational Fund by Safework NSW are held in the Safework NSW Fund and are used to fulfill the regulatory functions of Safework NSW. The Regulatory functions of Safework NSW are detailed in Section 152 of the *Work Health and Safety Act 2011*.

(x) **Copyright Royalties Claim Fund** - is governed by section 183(4) of the *Copyright Act 1968*. The purpose of this fund is to collect Copyright Royalties, from the sale of NSW Land Registry Services Surveyor Plans, digital and hard copy versions. Following receipt of remaining royalties balance each quarter, Office of the Registrar General are responsible for managing the fund, and to remit monies to Treasury if deemed unclaimed monies after a certain period. Claims to the fund can be applied via Copyright Royalties (CAL). The process for claimants who are not members of CAL is currently under review. The fund is supported by DCS Finance by providing monthly reconciliations.

8. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

	2023 \$'000	2022 \$'000
Current		
Prepayments	31,371	43,192
Interest receivables	13,411	297
Other	10,399	13,721
	<u>55,181</u>	<u>57,210</u>
Trade receivables from contracts with customers	57,776	68,979
Less: Allowance for expected credit losses*	(83)	(176)
	<u>57,693</u>	<u>68,803</u>
Retained taxes, fees and fines	18,829	18,583
Less: Allowance for expected credit losses*	(17,156)	(16,588)
	<u>1,673</u>	<u>1,995</u>
Total Current Receivables	<u>114,547</u>	<u>128,008</u>

* Movement in the allowance for expected credit losses

Trade receivables from contracts with customers

Balance at beginning of year	176	4,731
Transfers through administrative restructure	-	(52)
Increase/(decrease) in allowance recognised in net results (Note 5)	(93)	(4,503)
Balance at end of year	<u>83</u>	<u>176</u>

Retained taxes, fees and fines

Balance at beginning of year	16,588	14,741
Increase/(decrease) in allowance recognised in net results (Note 5)	568	1,847
Balance at end of year	<u>17,156</u>	<u>16,588</u>

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 31.

Recognition and Measurement

DCS recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when DCS becomes a party to the contractual provisions of the instrument, DCS considers:

- Whether DCS has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement

Initial Recognition

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price. Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Subsequent measurement

DCS holds receivables with the objective to collect the contractual cash flows and therefore measures them 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.

Impairment

DCS recognises an allowance for Expected Credit Losses ("ECL") for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that DCS expects to receive, discounted at the original effective interest rate.

For trade receivables, DCS applies a simplified approach in calculating ECLs. DCS recognises a loss allowance based on lifetime ECLs at each reporting date. DCS has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

9. CONTRACT ASSETS AND LIABILITIES

	2023	2022
	\$'000	\$'000
Current		
Contract assets	17,424	9,865
Contract liabilities	84,617	63,310

Recognition and Measurement

Contract assets relate to DCS's right to consideration in exchange for works performed/services rendered, but not yet billed up to reporting date. The increase mainly relates to unbilled employee cost.

Contract liabilities relate to consideration received in advance from customers. The balance of contract liabilities mainly consists of deferred income and grants received to construct non-financial assets and will be recognised as revenue as the performance obligations are satisfied. Contract liabilities have increased mainly due to deferred income on multi-year building licences issued during the year.

	2023	2022
	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	36,290	36,889
Transaction price allocated to the remaining performance obligations from contracts with customers	84,617	63,310

All of the contract liabilities are expected to be satisfied of its obligations and recognised as revenue in the next financial year.

10. FINANCIAL ASSETS AT FAIR VALUE

	2023 \$'000	2022 \$'000
TCorp IM Funds – Medium Term Growth* ⁽ⁱ⁾		
Current assets	17,157	14,409
Non-current assets	69,161	66,174
	86,318	80,583

* These are related party transactions in addition to those disclosed in Note 26 Related Party Disclosures.

(i) Subsidence Advisory NSW holds units in TCorp IM Funds with the underlying investment consisting of money market instruments, Australian bonds and Australian and International shares.

The funds invested in TCorp can be accessed on-demand with a small service fee. Management performs a monthly assessment to present funds expected to be used in the next 12 months as current assets, and remainder of the funds presented as non-current assets.

Refer to Note 31 for further information regarding fair value measurement, credit risk and market risk arising from financial instruments.

Recognition and Measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and measurement

DCS financial assets at fair value are classified, at initial recognition, and subsequently measured at either fair value through other comprehensive income or fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results. Transaction costs of financial assets carried as other comprehensive income are included as part of their fair value and amortised to net results using the effective interest method.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. TCorpIM Funds are managed and their performance is evaluated on a fair value basis and therefore the business model is neither to hold to collect contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss.

Notwithstanding the criteria to be classified at amortised cost or at fair value through other comprehensive income, financial assets may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net results and presented net within other gains/(losses), except for TCorpIM Funds that are presented in 'investment revenue' in the period in which it arises.

Derecognition of financial asset

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

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

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

11. NON-CURRENT ASSETS HELD FOR SALE

	2023 \$'000	2022 \$'000
Current		
Loose-fill Asbestos Land Assets ⁽ⁱ⁾	1,628	1,749
Subsidence Advisory Properties held for resale ⁽ⁱⁱ⁾	4,460	6,981
	6,088	8,730

(i) Loose-fill Asbestos Land Assets

The properties held for sale were acquired for asbestos removal in accordance with the *Loose-fill Asbestos Eradication Scheme 2014*, and are restored to a safe and marketable condition. Any work done is capitalised as cost of property and assessed against the market value and any adjustment/ impairment is recognised to reflect the property at lower of cost or net realisable value, which is the estimated selling price less selling costs in the ordinary course of business. The full proceeds of the sale, net of selling costs, are returned to the Crown.

(ii) Subsidence Advisory Properties held for resale

The properties held for sale have been purchased as a result of subsidence claims in accordance with the *Coal Mine Subsidence Compensation Act 2017*. The practice is to remediate the effects of the subsidence and to restore the property to a marketable condition. Any impairment on the purchase price to net market value is recognised as a claims expense. Properties held are recorded at the lower of cost or net realisable value – which is the estimated selling price less selling costs in the ordinary course of business. The full proceeds of the sale, net of selling costs, are returned to the Special Deposits Account called the Coal Mine Subsidence Compensation Fund.

Recognition and Measurement

DCS has land assets classified as held-for-sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held-for-sale are recognised at the lower of their carrying amount and fair value less costs of disposal. These assets are not depreciated / amortised while they are classified as held-for-sale.

12. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Property, Plant and Equipment

	Land and Buildings \$'000	Plant and Equipment* \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Work in Progress \$'000	Total \$'000
1 July 2021 – fair value						
Gross carrying amount	35,014	86,432	765	64,977	11,998	199,186
Accumulated depreciation and impairment	(4,307)	(76,083)	(606)	(17,721)	-	(98,717)
Net carrying amount	30,707	10,349	159	47,256	11,998	100,469
Year ended 30 June 2022						
Net carrying amount at beginning of year	30,707	10,349	159	47,256	11,998	100,469
Transfer from Work in Progress	-	268	-	-	(268)	-
Additions (current year expenditure)	-	3,370	-	105	22,358	25,833
Transfers to Motor Vehicle Inventory	-	-	(146)	-	-	(146)
Transfers through administrative restructure	-	172	-	-	-	172
Depreciation expense	(444)	(4,681)	(13)	(327)	-	(5,465)
Disposals	-	(202)	-	(22)	-	(224)
Revaluation	5,547	-	-	-	-	5,547
Net carrying amount at end of year	35,810	9,276	-	47,012	34,088	126,186
30 June 2022 – fair value						
Gross carrying amount	35,979	61,649	-	63,731	34,088	195,447
Accumulated depreciation and impairment	(169)	(52,373)	-	(16,719)	-	(69,261)
Net carrying amount	35,810	9,276	-	47,012	34,088	126,186
Year ended 30 June 2023						
Net carrying amount at beginning of year	35,810	9,276	-	47,012	34,088	126,186
Transfer from Work in Progress	-	5,267	-	21,075	(26,342)	-
Transfer between asset classes	-	-	-	-	(3,384)	(3,384)
Additions (current year expenditure)	-	928	-	2,011	16,750	19,689
Transfers (to)/from Assets Held for Sale	1,450	-	-	-	-	1,450
Depreciation expense	(483)	(4,382)	-	(7,875)	-	(12,740)
Disposals	-	(5)	-	(69)	-	(74)
Net carrying amount at end of year	36,777	11,084	-	62,154	21,112	131,127
30 June 2023 – fair value						
Gross carrying amount	37,429	60,443	-	86,748	21,112	205,732
Accumulated depreciation and impairment	(652)	(49,359)	-	(24,594)	-	(74,605)
Net carrying amount	36,777	11,084	-	62,154	21,112	131,127

* As a result of the Service Concession Arrangement, DCS (as the grantor) is deemed to have control over some of the plant and equipment held by the operator in accordance with AASB 1059 with a corresponding increase in service concession liabilities. The net carrying amount of plant and equipment capitalised in line with the Service Concession Arrangement at 30 June 2023 is \$0.6 million (30 June 2022: \$0.6 million).

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 14.

Recognition and Measurement

Acquisition of property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Capitalisation Thresholds

Property, plant and equipment and intangible assets are capitalised if it individually costs above a certain threshold which varies depending on the asset classes.

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.

Restoration Costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Maintenance

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

Depreciation

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 DCS.

All material identifiable components of assets are depreciated separately over their useful lives. Land is not a depreciable asset.

The value of the assets is depreciated within the useful lives of each asset class as follows:

Buildings and improvements	26 to 50 years
Major computer hardware	4 years
Computer equipment – portable	3 years
Furniture and fittings	10 years
Office equipment	5 years
Motor vehicles	5 years
Leasehold improvements	shorter of lease period or estimated useful lives

Refer to Note 13 for intangible assets amortisation rates used.

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 (TPP21-09) and Treasurer's Direction, 'Valuation of Physical Non-Current Assets at Fair Value' (TD21-05). TD21-05 and TPP21-09 adopt fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

DCS's fair value of property, plant and equipment is based on market participants' perspective, using valuation techniques (market approach, cost approach and income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 14 for further information regarding fair value.

Revaluations are 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. DCS conducts a comprehensive revaluation of land and buildings every three years. The last comprehensive revaluation was completed on 31 March 2022 and was based on an independent assessment. Other non-current assets are assessed by management to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the end of the reporting period.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. DCS used external professionally qualified valuers to conduct interim valuation as at 31 March 2023 and further assessment was carried at 30 June 2023. These assessments did not result in a material change in the fair values of the assets.

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

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

Revaluation increments are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result. Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the asset revaluation surplus.

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

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

DCS has adopted the option to not apply AASB 16 to assets that would be classified as service concession assets in accordance with AASB 1059 *Service Concession Arrangements: Grantors*.

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. Since 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.

DCS 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, DCS 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.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. The reversal is recognised in other comprehensive income and is treated as a revaluation increase, except to the extent that an impairment loss on the same class of asset was previously recognised in the net result, then the reversal recognised in net result.

(b) Right-of-Use Assets

The following table presents right-of-use assets that do not meet the definition of investment property.

	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
At 1 July 2021 – fair value				
Gross carrying amount	483,023	320	5,237	488,580
Accumulated depreciation and impairment	(157,760)	(109)	(3,210)	(161,079)
Net carrying amount	325,263	211	2,027	327,501
Year ended 30 June 2022				
Net carrying amount at beginning of year	325,263	211	2,027	327,501
Additions	35,802	-	1,146	36,948
Depreciation expense	(34,069)	(76)	(1,391)	(35,536)
Assets transferred in from/(out to) other agencies	-	2	-	2
Disposals	(1,310)	-	-	(1,310)
Lease remeasurement	79,488	-	-	79,488
Other adjustments	1,799	-	-	1,799
Impairment losses (recognised in other gain/losses)	(3,212)	-	-	(3,212)
Transfer due to administrative restructure	84	(18)	-	66
Derecognition of right-of-use assets	(293,978)	-	-	(293,978)
Net carrying amount at end of year	109,867	119	1,782	111,768
At 1 July 2022 – fair value				
Gross carrying amount	180,769	276	6,383	187,428
Accumulated depreciation and impairment	(70,902)	(157)	(4,601)	(75,660)
Net carrying amount	109,867	119	1,782	111,768
Year ended 30 June 2023				
Net carrying amount at beginning of year	109,867	119	1,782	111,768
Additions	74	-	3,094	3,168
Depreciation expense	(16,975)	(77)	(1,820)	(18,872)
Lease remeasurement	(12,979)	-	-	(12,979)
Other adjustments	262	10	-	272
Write offs	-	-	(3)	(3)
Net carrying amount at end of year	80,249	52	3,053	83,354
30 June 2023 – fair value				
Gross carrying amount	168,126	276	7,666	176,068
Accumulated depreciation and impairment	(87,877)	(224)	(4,613)	(92,714)
Net carrying amount	80,249	52	3,053	83,354

Right-of-use assets under leases

Recognition and measurement

DCS assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

DCS recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

DCS recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets (refer to the useful lives of asset in Note 12(a)).

If ownership of the leased asset transfers to DCS at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. DCS 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 entity 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. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

ii. Short-term leases and leases of low-value assets

DCS applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

iii. Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the entity to further its objectives, are measured at cost. These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, subject to impairment. They are not subject to revaluation.

Derecognition of right-of-use-asset

DCS continues to carry the responsibility to make good, and to control the fit-out during the remaining occupancy period as DCS receives the economic benefits via using the fit-out or expected compensation from PNSW upon relocation. The incentives received prior to the 30 June 2023 apply to the remaining occupancy period. Therefore, DCS's accounting treatment for make-good provision and fit-out costs in relation to the relevant accommodation remains unchanged.

During the year, DCS revised the lease terms to reflect the effect of exercising extension and termination options. The financial impact was a decrease in recognised lease liabilities and right-of-use assets of \$13.0 million (2022: increase of \$79.5 million). During the current financial year no revision has been made on the lease terms.

Impairment Losses for Right-of-Use Assets

The entity has undertaken an impairment assessment for the above right-of-use assets, to determine whether the carrying amount exceeded their recoverable amount. Impacted right-of-use assets were written down to their recoverable amounts by reference to the right-of-use asset's fair value less costs of disposal and an impairment loss is recognised.

DCS did not recognise any impairment loss on the right-of-use assets in the current financial year (2022: \$3.2 million). Impairment losses for right-of-use assets are included in *Other Gains/(Losses)* in Note 5 of the Statement of Comprehensive Income.

13. INTANGIBLE ASSETS

	Software*	Work in progress	Service concession asset	Total
	\$'000	\$'000	\$'000	\$'000
1 July 2021				
Cost (gross carrying amount)	361,678	67,445	810,732	1,239,855
Accumulated amortisation and impairment	(316,474)	(21,574)	-	(338,048)
Net carrying amount	45,204	45,871	810,732	901,807
Year ended 30 June 2022				
Net carrying amount at beginning of year	45,204	45,871	810,732	901,807
Transfer from work in progress	5,863	(5,863)	-	-
Additions – Internally generated	36,014	55,826	-	91,840
Disposals	(7,600)	-	-	(7,600)
Write-offs	(3)	(2,271)	-	(2,274)
Assets transferred in/(out) to other agencies	354	(6)	-	348
Transfers to/from administrative restructure	(2,141)	(19,261)	-	(21,402)
Impairment recovery	-	21,337	-	21,337
Impairment losses (recognised in other gain/losses)	-	(3,525)	-	(3,525)
Revaluation increment	-	-	38,053	38,053
Amortisation (recognised in depreciation and amortisation)	(28,331)	-	-	(28,331)
Net carrying amount at end of year	49,360	92,108	848,785	990,253
30 June 2022				
Cost (gross carrying amount)	346,245	92,108	848,785	1,287,138
Accumulated amortisation and impairment	(296,885)	-	-	(296,885)
Net carrying amount	49,360	92,108	848,785	990,253
Year ended 30 June 2023				
Net carrying amount at beginning of year	49,360	92,108	848,785	990,253
Transfer from work in progress	44,322	(44,322)	-	-
Additions – Internally generated	27,903	108,653	-	136,556
Additions – Externally acquired	7,600	2,544	-	10,144
Transfer between asset classes	3,384	-	-	3,384
Disposals	(117)	-	-	(117)
Write-offs	(66)	(6,095)	-	(6,161)
Assets transferred in/(out) to other agencies	-	201	-	201
Revaluation decrement	-	-	(8,783)	(8,783)
Amortisation (recognised in depreciation and amortisation)	(37,801)	-	-	(37,801)
Net carrying amount at end of year	94,585	153,089	840,002	1,087,676
30 June 2023				
Cost (gross carrying amount)	420,248	153,089	840,002	1,413,339
Accumulated amortisation and impairment	(325,663)	-	-	(325,663)
Net carrying amount	94,585	153,089	840,002	1,087,676

* As a result of the Service Concession Arrangement, DCS (as the grantor) is deemed to have control over some of the software held by the operator in accordance with AASB 1059. The net carrying amount of software capitalised in line with the Service Concession Arrangement at 30 June 2023 is \$7.7 million (30 June 2022: \$8.8 million).

Recognition and Measurement

DCS recognises intangible assets only if it is probable that future economic benefits will flow to DCS and if 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. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for DCS's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

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

Software is amortised using the straight-line method within a period of 4 years. No depreciation is recognised for Work in Progress and Service Concession Asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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

Service concession asset (SCA)

Service concession arrangements are contracts between a grantor and an operator where an operator provides public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and manages at least some of those services.

Based on the DCS's assessment, the following arrangements fall in the scope of AASB 1059:

	Service concession arrangement
Name and description	This is a grantor-operator service concession arrangement to enable Australian Registry Investments (ARI) to operate the NSW Land Titling Registration Concession.
Period	35 years
Terms	Concession arrangement was entered into on 17 April 2017 and commenced on 30 June 2017. Total consideration of \$2.7 billion was received by DCS for the right to operate the NSW Land Titling Registry.
Rights and obligations	As per the concession deed, DCS maintains control over the Titling database. The Operator (ARI) is responsible for maintenance and operation of the Titling Database. DCS also regulates and controls the maximum price chargeable by the Operator for the core services and other price revisions over the Concession term.
Changes occurred during the 2023 financial year	None
Changes occurred during the 2022 financial year	None
The carrying amount of SCA as at 30 June 2022	\$849 million
The carrying amount of SCA as at 30 June 2023	\$840 million

i. Initial recognition

For arrangements within the scope of AASB 1059 where an operator is allowed to provide public services, DCS shall recognise a service concession asset as DCS controls the asset by regulating the services and prices of the service and have beneficial entitlement of the asset at the end of the service concession arrangement. This asset is recognised at current replacement cost in accordance with AASB 1059. The recognition of this asset has been valued by an external valuer with experience in valuing service concession arrangements and involves certain major assumptions to derive a value which is considered true and fair under the current replacement cost valuation. The major assumptions are included under fair value measurement in Note 14.

ii. Subsequent to initial recognition

The service concession asset recognised in DCS consists of 2 components. The major component of the Service Concession Asset (SCA) is the database of land titles disclosed under Intangible Assets and a minor component of plant and equipment (including software) which DCS is legally entitled to in order for these services to be provided. The major component of the asset is expected to have an infinite useful life and not depreciated in accordance with AASB 138 and AASB 116. The plant and equipment and software is considered the depreciable portion in accordance with AASB 116 and is depreciated over its estimated useful lives as appropriate under AASB 116 and AASB 138, which is disclosed under Property, Plant and Equipment (Note 12) and software above.

The SCA has an indefinite useful life as there is a guaranteed ongoing public requirement to use the Registers for conveyancing, mortgages etc and there is no other public record of these land dealings. Therefore, the SCA has no foreseeable limit to generate revenue.

The external valuer in completing the valuation has considered the advancement of technology and its impact on the Current Replacement Cost (CRC) of the land titles registry.

Revaluation increments are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result. Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the asset revaluation surplus.

For key valuation methodology and assumptions, refer to Note 14(b).

iii. At the end of the arrangement

At the end of the service concession arrangement:

- DCS will continue to account for the major component of the Service Concession Asset under Intangible assets under AASB 138 with an indefinite useful life;
- If the service concession arrangement with the grantor ceases and is not extended, the requirement to value the asset at current replacement cost under AASB 1059 also ceases and reference to fair value reverts to the appropriate approach under AASB 13 *Fair Value Measurement* ;
- DCS will continue to account for the minor component of the asset under Property, Plant and Equipment under AASB 116 with its estimated useful lives; and
- DCS will continue to recognise these assets and will only derecognise when DCS does not have control over the asset.

14. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

Fair Value Measurement and Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principle market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 *Fair Value Measurement*, DCS categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets / liabilities that DCS 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).

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

(a) Fair value hierarchy

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2022				
Land	-	27,076	-	27,076
Buildings	-	8,734	-	8,734
Service Concession Asset - Intangibles	-	-	848,785	848,785
Net carrying amount	-	35,810	848,785	884,595
30 June 2023				
Land	-	28,526	-	28,526
Buildings	-	8,251	-	8,251
Service Concession Asset - Intangibles	-	-	840,002	840,002
Net carrying amount	-	36,777	840,002	876,779

There were no transfers between Levels during the year (2022: Nil).

(b) Valuation techniques, inputs and processes used to determine Level 2 and Level 3 Fair Values

DCS obtains independent comprehensive valuations for its land and buildings every three years. The last comprehensive revaluation was completed on 31 March 2022.

At the end of each reporting period, DCS updates its assessment of the fair value of its land and buildings, taking into account the most recent independent valuation.

The fair value of DCS's land and buildings is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where such information is not available, the asset's fair value is measured at the market buying price, the best indicator of which is depreciated replacement cost. The level 2 fair value of land and buildings has been derived using the market approach. The key inputs under this approach are from the sales of comparable land and buildings in the area.

Service Concession Asset

The valuation of the Service Concession Asset (SCA) is based on AASB 1059 requirements and the current cost of replacement approach has been used to value the SCA. Valuation methodology is based upon identifying the current cost in processing each record in a group of databases. Some significant unobservable inputs used in valuing the database includes employee expenses to replicate records, corporate overheads and major project spend to maintain the service level based on current reasonable expectation.

To perform the valuation of this asset, which comprises data more than 100 years old, this involves some major assumptions including:

- The cost of replicating each category of record is the same regardless of the age of the data. Each record type is assumed to incur the same amount of time to replicate in order to calculate the current cost of replacement
- The current replacement cost methodology is a hypothetical exercise in estimating the minimum cost to replicate the records within the database and its existing service potential
- All paper records would be available as back up for calculating the replacement cost for inputting into the Registers to replicate the database to its current state
- Electronic back-up of existing records is considered out of scope as the back up does not represent the minimum cost in replicate the Registers
- Information is readily available, i.e. the cost to collect source data has not been considered or included in the cost assumption model

As the asset does not have an expiry and continues to exist subsequent to the service concession arrangement, the asset has an indefinite useful life and no amortisation is incurred.

Management performs desktop valuations on a yearly basis and will perform a comprehensive revaluation at least once every 5 years in accordance with NSW Treasury guidelines. The valuation of this asset may be impacted by business restructuring, market inflation and changes in economic conditions as these factors may impact on labour in processing records and the demand from public in accessing the database.

DCS last performed a comprehensive valuation for 31 March 2022.

In applying the cost approach, we determined the CRC i.e. the minimum cost to replace the existing service potential of the Subject Assets via two methods:

- manual inputting/manipulation of records: using costs incurred by the Operator to process dealings/plans/titles volumes in a financial year (cost per record) and applying to relevant total volumes.
- digitisation/conversion costs: estimating current costs to input non digital records into the NSW Titling Database, the Integrated Titling System (ITS).

Other significant inputs include volume statistics (e.g. number of dealings, plans etc.), salary and overheads data and FTE headcount information obtained from the Operator.

c) Reconciliation of recurring Level 3 fair value measurements

	Service Concession Assets \$'000	Total Recurring Level 3 Fair value \$'000
Fair value at 1 July 2022	848,785	848,785
Revaluation decrement recognised through Reserves	(8,783)	(8,783)
Fair value at 30 June 2023	840,002	840,002
Fair value at 1 July 2021	810,732	810,732
Revaluation increment recognised through Reserves	38,053	38,053
Fair value at 30 June 2022	848,785	848,785

15. CURRENT LIABILITIES - PAYABLES

	2023 \$'000	2022 \$'000
Accrued salaries, wages and on-costs	21,974	17,163
Creditors	100,870	147,538
Advance claims *	2,255	2,835
Interest subsidy	932	-
Other	6,237	20,182
	132,268	187,718

* These are other related party transactions in addition to those disclosed in Note 26 *Related Party Disclosures*.

Interest subsidy

Interest subsidy is the interest on the drawdown commercial borrowing facility and loan buyout obligation as part of the financing arrangements to support the Project Remediate program subsidised by the NSW government. Further details on interest rate risk exposure in Note 31(f).

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

Recognition and Measurement

Payables represent liabilities for goods and services provided to DCS 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 are financial liabilities at amortised cost, initially recognised at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

16. CURRENT / NON-CURRENT LIABILITIES - BORROWINGS

	2023 \$'000	2022 \$'000
Current Liabilities		
Lease liability	14,830	22,593
Financial guarantee - Project Remediate	305	-
	15,135	22,593
Non-Current Liabilities		
Lease liability	64,847	89,688
Total Borrowings	79,982	112,281

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 31.

Lease liability

Recognition and Measurement

Borrowing represents interest bearing liabilities mainly lease liabilities and other interest bearing liabilities.

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

DCS has no financial liabilities designated at fair value through profit or loss.

Lease liabilities

	2023 \$'000	2022 \$'000
Balance at 1 July	112,281	477,560
Additions	3,168	36,948
Lease interest	2,677	11,298
Repayment	(25,710)	(67,503)
Lease remeasurement	(12,979)	79,488
Other adjustments	240	(142)
Derecognition of lease liabilities	-	(425,368)
Balance at 30 June	79,677	112,281

At the commencement date of the lease, DCS recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the entity; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the entity's leases, the lessee's incremental borrowing rate is used, being the rate that the entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

DCS's lease liabilities are included in borrowings. Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the entity and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

All accommodation leases relating to PNSW has been derecognised at 30 June 2022, refer details in Note 12(b).

Changes in liabilities arising from financing activities

	TCorp borrowings*	Leases	Total liabilities from financing activities
	\$'000	\$'000	\$'000
1 July 2021	1,221	477,560	478,781
Additions	-	36,948	36,948
Cash flows - repayment	(1,299)	(67,503)	(68,802)
Other movements	78	90,419	90,497
Derecognition of lease liabilities	-	(425,143)	(425,143)
30 June 2022	-	112,281	112,281
Additions	-	3,168	3,168
Cash flows - repayment	-	(25,710)	(25,710)
Other movements	-	(10,062)	(10,062)
30 June 2023	-	79,677	79,677

* DCS has ceased the loan facility with TCorp (a related party) in the last financial year ended on 30 June 2022.

Financial Guarantees

A financial guarantee contract is a contract that requires a party to make specified payments to reimburse the principal in the event that a specified debtor fails to make payment in accordance with the original or modified terms of a debt instrument.

During the financial year, the Office of Project Remediate in DCS, representing the NSW Government, is offering support to eligible owners corporations to remediate combustible cladding on residential apartment buildings.

Project Remediate is a three-year program to help remove combustible cladding. It offers eligible owners corporations:

- 10-year interest-free loans to fund the remediation work
- quality assurance and program management services delivered by experienced professionals

DCS entered into a financial guarantee arrangement in relation to loans issued under the Project Remediate program. Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, being the economic benefit of the Owner's Corporation in having the financial Guarantee. The differential interest rate charged in having a bank facility with the benefit of a government guarantee against one without a financial guarantee represents the economic benefit of the financial guarantee to the holder. The present value of this interest rate differential over the term of the loan would therefore be the initial fair value. Subsequent to initial recognition, DCS's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation, and an expected credit loss provision.

The risk of occurrence for a default in loans is assessed as low and DCS does not consider it probable that a claim will be made under the guarantee. The carrying value of the financial guarantee is reflected at market fair value. Refer to Note 31(d) for further details.

During the year, financial guarantee expenses of \$0.3 million (2022: Nil) were recognised in profit or loss.

17. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

	2023	2022
	\$'000	\$'000
Current		
Employee related provisions		
Annual leave	73,460	65,284
Other on-costs	43,331	38,660
	<u>116,791</u>	<u>103,944</u>
Other provisions		
Provision for outstanding claims	29,290	17,428
Make good provisions	959	1,303
Other	4,963	4,591
	<u>35,212</u>	<u>23,322</u>
Total current provisions	<u>152,003</u>	<u>127,266</u>
Non-current		
Other provisions		
Provision for outstanding claims	31,841	11,527
Make good provisions	17,156	17,750
Total non-current provisions	<u>48,997</u>	<u>29,277</u>
Total provisions	<u>201,000</u>	<u>156,543</u>
Aggregate employee benefits and related on-costs		
Provisions	116,791	103,944
Accrued salaries, wages and on-costs (Note 15)	21,974	17,163
	<u>138,765</u>	<u>121,107</u>
Provisions expected to be settled within 12 months from reporting date		
Annual leave	53,572	56,256
Other on-costs	15,785	16,549
Provision for outstanding claims	29,290	17,428
Make good provisions	959	1,303
Other	4,963	4,591
	<u>104,569</u>	<u>96,127</u>

	2023 \$'000	2022 \$'000
Provisions expected to be settled in more than 12 months from reporting date		
Annual leave	19,888	9,028
Other on-costs	27,546	22,111
Provision for outstanding claims	31,841	11,527
Make good provisions	17,156	17,750
	96,431	60,416

Movements in provisions (other than employee benefits)

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

	Outstanding claims \$'000	Make good \$'000	Other \$'000	Total \$'000
Carrying amount at 1 July 2022	28,955	19,053	4,591	52,599
Increase in provision from remeasurement	51,581	44	835	52,460
Unused amounts reversed	(3,253)	(982)	-	(4,235)
Amounts used	(16,152)	-	(463)	(16,615)
Carrying amount at 30 June 2023	61,131	18,115	4,963	84,209

Recognition and Measurement

Employee Benefits and related on-costs

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 using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. DCS has assessed the actuarial advice based on the DCS's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where DCS does not expect to settle the liability within 12 months, as DCS does not have an unconditional right to defer settlement.

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

Long Service Leave and Superannuation

DCS's liabilities for long service leave and defined benefit superannuation are assumed by the Crown. DCS 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 of employee benefits and other liabilities'.

Long service leave is measured at present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formula specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and Aware 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.

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.

Provision for outstanding claims

A provision is made for subsidence compensation claims when a decision has been made by the Chief Executive of Subsidence Advisory NSW (or delegate) to accept liability for a claim. The amount is based on repair estimates provided by DCS's technical or engineering staff or experts in that area of work.

A provision is made for subsidence preventative works when a decision is made by the Board (or delegate) to accept liability for carrying out mitigation works to reduce the total prospective liability to DCS. The amount is based on estimates provided by DCS's technical or engineering staff or experts in that area of work.

Provision for outstanding claims increased mainly due to claims in relation to subsidence events occurring at Elermore Vale and Wallsend which are funded through the Coal Mine Subsidence Fund.

Claims are normally settled within 12 months of being determined but due to other circumstances they may exceed 12 months, for example, delay in information from claimants that could push the claim to beyond 12 months.

Other Provisions

Other Provisions consist of community engagement, Australian Nuclear Science and Technology Organisation ("ANSTO") and Australian Registry Investments (ARI) copyright royalties. Community engagement consists of issuing free birth certificates via various programs to vulnerable adults and children as well as victims of Domestic Violence, those at risk of becoming homeless, and Aboriginal and Torres Strait Islander citizens. This is sponsored by (\$1/certificate) fee collected on sale of standard certificates. ANSTO is a NSW Government Election Commitment that DCS were asked to support and fund. The policy proposed a \$12.5 million grant over five years to the ANSTO paid progressively from 2018-19. Copyright royalties can be claimed by registered surveyors who prepare plans in accordance with the 2013 Copyright Tribunal Order. \$3 million in copyright royalties has been collected from sales of registered plans through NSW Land Registry Services.

Provisions are recognised when DCS 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. When DCS expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. 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 an agency has a detailed formal plan and DCS 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.

The impact of time value of money in the measurement of other provisions is considered immaterial.

18. SERVICE CONCESSION LIABILITIES

	2023	2022
	\$'000	\$'000
Current		
Grant of right to operate liability under service concession	77,807	77,725
Non-Current		
Grant of right to operate liability under service concession	2,179,112	2,254,037

Recognition and Measurement

ICT and other assets necessary to operate the concession have legally transferred to the private sector operator and legal ownership of these assets reverts to the State at the end of the concession. The State continues to own all existing and underlying data, information and intellectual property related to titling and registry services and provides access to these assets to the operator.

As the grantor of the service concession, DCS recognises the up-front contribution and any contributed assets provided by the operator as revenue progressively over the concession term.

The amount recorded in the "Grant of right to operate liability under service concession" is the amount of consideration received by DCS in advance. This represents the commitment of DCS as the grantor to provide rights to operate the service concession asset over the remaining service concession period. This shall be recognised as revenue on a straight line basis in the future periods as the commitment as grantor diminishes over time.

Refer to Note 13 for overview of service concession arrangement.

19. CURRENT LIABILITIES – OTHER LIABILITIES

	2023	2022
	\$'000	\$'000
Current		
Contribution to Crown ⁽ⁱ⁾	-	609
Torrens Assurance Fund ⁽ⁱⁱ⁾	27,490	22,701
Liability to construct non-financial assets to be controlled by DCS ⁽ⁱⁱⁱ⁾	18,727	37,483
Other liabilities	1,310	10,805
	47,527	71,598

(i) Relates to balance owing to Crown regarding specific programs.

(ii) The Torrens Assurance Fund is a liability as a result of the *Real Property Act 1900*. Refer to Note 7(v) for further information on how the fund operates.

(iii) This consists of deferred income relating to project funding received to construct non-financial assets and unspent as at year end.

Reconciliation of financial liabilities arising from transfers to acquire or construct non-financial assets to be controlled by DCS:

	2023	2022
	\$'000	\$'000
Opening balance of liabilities arising from transfers to acquire/ construct non-financial assets to be controlled by the entity	37,483	5,354
Add: receipt of cash during the financial year	104,011	142,014
Deduct: income recognised during the financial year	(122,767)	(109,885)
Closing balance at end of year	18,727	37,483

20. EQUITY

Recognition and Measurement

Revaluation Surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This is in accordance with the agency's policy on the revaluation of property, plant and equipment as outlined in Note 12(a) Property, plant and equipment.

Accumulated Funds

Accumulated Funds include all current and prior period retained funds.

Equity Transfers

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit 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. 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, DCS recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, DCS does not recognise that asset.

There were no administrative restructure in the current financial year.

21. COMMITMENTS

Capital Commitments

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Aggregate capital expenditure for the acquisition of information technology equipment and other equipment contracted for at balance date and not provided for:		
Not later than one year	24,172	33,830
Later than one year and not later than five years	-	2,229
Later than five years	-	-
Total (including GST)	<u>24,172</u>	<u>36,059</u>

22. CONTINGENT ASSETS AND LIABILITIES

(a) Contingent Assets

DCS is not aware of any contingent assets as at reporting date.

(b) Contingent Liabilities

Insurance Claims

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

DCS potentially have other immaterial insurance claims that would be covered by the respective business funding sources.

Torrens Assurance Fund

The Torrens Assurance Fund, is a special deposit account operated by DCS (refer to Note 7). There are 10 claims against the Torrens Assurance Fund which are estimated to be \$1.5 million.

23. BUDGET REVIEW

The budgeted amounts are in line with Budget Paper No. 4 presented to Parliament for the financial year ended 30 June 2023. Any subsequent amendments to the original budget are not reflected in the budgeted numbers. Major variances between the original budget and actual results in the financial statements are explained below.

Net result

The actual net result for DCS for 2023 is \$241 million surplus (2022: \$209 million surplus). This was a favourable budget variance of \$132 million. The overall surplus is mainly due to:

- \$166 million underspend on underlying total expenditure ¹; and

off set by

- \$27 million reduction in underlying total revenue ¹.
- \$7 million in unbudgeted losses on disposal of software developed for Live.NSW.

The \$166 million underspend on underlying total expenditure is primarily due to:

- \$95 million underspend on employee-related costs, driven by higher vacancy rates (includes \$22 million decrease in employee long service leave due to increases in the bond rates used to calculate this provision).
- \$71 million underspend of operating and other costs.

The \$27 million reduction in underlying total revenue is primarily due to:

- \$49 million for grants and other contributions not received due to delays in Digital Restart Fund capital projects.
- \$22 million reduced income from Treasury resulting from the increase in employee long service leave due to increases in the bond rates used to calculate this provision.
- \$106 million of other net decreases in revenue mainly due to cost underspends for which appropriations revenue for DCS principal department were not required; and

off set by

- \$134 million of retained taxes, fees and fines primarily due to additional interest income resulting from higher than anticipated interest rates. This income largely relates to monies received from real estate agents and can only be used for the purposes of the specific Act ².
- \$16 million of additional revenue primarily due to revenue earned by Digital.NSW from other government agencies.

Other key variances to Budget are:

- Appropriations is \$2,081 million lower than budget mainly due to \$405 million funds unused appropriations and \$1,517 million were reclassified from the actual results and not reflected in the P&L and disclosed as 'transfer payments' in accordance with *AASB 1050 Administered Items*. For budgeting purposes, these amounts had to be reflected as gross appropriation revenues.

Assets and liabilities

Net Liabilities: The actual net liability of \$693 million (30 June 2022: \$925 million net liability) was unfavourable to budget by \$1,077 million. This is mainly due to less cash held at year end resulting in \$661 million decrease and increase in liabilities of \$215 million.

Total Assets were unfavourable to budget by \$862 million due to the decrease in cash and receivables balances. The cash balance is \$661 million lower than budget mainly due to some COVID-19 and other grant programs which ceased during the year which allowed DCS to return excess cash to Treasury.

Total Liabilities were higher than budget by \$215 million mainly due to higher than budgeted current payables balance at year end including higher employee provisions for annual leave and contract liabilities for license fees.

Cash flows

The closing cash balance is \$661 million unfavourable mainly due to cash returned to Treasury before year end.

¹ Excluding \$2,966 million budgeted cluster grants and transfer payments (2023 actual: \$987 million). These are excluded on the basis that they are reflected in both expenditure (grants and subsidies) and revenue (appropriations), and therefore have no impact on the net result of DCS.

² Interest income is primarily derived from protected funds relating to NSW Fair Trading to be used in the future for restricted purposes.

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

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	2023 \$'000	2022 \$'000
Net cash used in operating activities	231,891	247,213
Depreciation and amortisation	(69,413)	(69,332)
Net gain/(loss) on disposal of intangible assets, property, plant and equipment and assets held for sale	(5,827)	(1,810)
Impairment recovery/ (loss)	-	116,282
Distribution reinvestment plan	1,040	-
Interest paid	(2,677)	(11,298)
Unrealised gains(losses) from TCorp IM Funds measured at fair value through profit or loss	3,897	(7,515)
Increase/(decrease) in receivables	(13,437)	47,244
Increase/(decrease) in other financial assets	-	(48,742)
Increase/(decrease) in contract assets	7,559	7,986
Increase/(decrease) in inventories	-	(320)
(Increase)/decrease in payables	55,145	(83,297)
(Increase)/decrease in contract liabilities	(21,307)	(13,653)
(Increase)/decrease in provisions	(44,457)	(15,348)
(Increase)/decrease in service concession liabilities	74,843	73,705
(Increase)/decrease in other liabilities	24,071	(32,166)
Net result	241,328	208,949
	2023	2022
	\$'000	\$'000
Non-Cash Financing and Investing Activities		
During the year, the following distribution from TcorpIM Funds payments were satisfied by the issue of units under the distribution reinvestment plan	1,040	-

25. TRUST FUNDS

DCS receives monies in a trustee capacity for various trusts. As DCS performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of DCS's own objectives, these funds are not recognised in the financial statements. The following is a summary of the transactions in the trust accounts:

(a) Testamentary and Trust Fund

Under Section 26 of the *Trustee Companies Act 1964* unclaimed monies are paid into the Testamentary and Trust Fund (Common Fund). Interest received from investment of the Common Fund is credited to the Interest Account.

From 2023, the Trust Fund disclosure previously denoted here, will be included in the notes to the financial statements for The Treasury. Whilst the Attorney General is the responsible Minister for administration of the Act, section 26 confers powers on the Treasurer, and consequently The Treasury, for the administration of the Testamentary and Trust Fund.

(b) Fines Accounts

	2023	2022
	\$'000	\$'000
Cash balance at beginning of financial year	54,984	52,979
Add: Receipts	905,276	839,342
Less: Payments	(901,462)	(837,337)
Cash balance at end of financial year	58,798	54,984

These amounts are collected under the *Fines Act 1996* for government departments, agencies and organisations that issue fines in NSW, and include late fees for overdue fines.

(c) State Debt Accounts

	2023	2022
	\$'000	\$'000
Cash balance at beginning of financial year	2,400	1,896
Add: Receipts	237,682	317,218
Less: Payments	(238,207)	(316,714)
Cash balance at end of financial year	1,875	2,400

DCS provides a fee for service arrangement to government departments, agencies and organisations in NSW to recover outstanding debts under the *State Debt Recovery Act 2018*.

Funds held in accounts reported in (b) and (c) are remitted daily, weekly or monthly.

(d) Retail Lease Security Bonds

Retail Lease Security Bonds are lodged with the Secretary in accordance with Section 16C of the *Retail Leases Act 1994*. These monies are excluded from the financial statements as DCS cannot be used these monies for the achievement of its own objectives.

The balance of the Retail Tenancy Trust funds, which are established into Trust Account, Interest Account and Term Deposits are held with Westpac Banking Corporation ("Westpac") and NSW Treasury Corporation ("Tcorp").

	Westpac	RBB	Tcorp	Tcorp	Total
	TSY Trust	Westpac Trust	IM Cash Fund	IM Medium	
	Account	Account	(Cash)	Term Growth	
	\$'000	\$'000	\$'000	Fund	\$'000
				\$'000	
Transfer arising from administrative restructure at 1 April 2022	30,493	4,453	75,189	132,686	242,821
<i>Add:</i>					
Bonds Lodgements	134	12,047	-	-	12,181
<i>Less:</i>					
Bonds released	(106)	(8,433)	-	-	(8,539)
Unrealised gains/(losses)	-	-	22	(6,207)	(6,185)
Balance at 30 June 2022	30,521	8,067	75,211	126,479	240,278
<i>Add:</i>					
Bonds Lodgements	-	61,296	-	-	61,296
Transfers between Accounts	75,798	-	(75,798)	-	-
<i>Less:</i>					
Bonds released	(32)	(37,929)	-	-	(37,961)
Unrealised gains/(losses)	-	-	587	7,698	8,285
Balance at 30 June 2023	106,287	31,434	-	134,177	271,898

26. RELATED PARTY DISCLOSURES

The total remuneration of the key management personnel of DCS are as follows:

June 2023	2023 \$'000	2022 \$'000
Short-term employee benefits:		
- Salaries	3,210	3,574
Post-employment benefits	201	216
Total remuneration	3,411	3,790

Other related party transactions

During the year, DCS entered into transactions with other entities that are controlled/ jointly controlled/ significantly influenced by NSW Government. These transactions which are conducted as arm's length transactions are a significant portion of DCS's sale of goods/ rendering of services/ receiving of services, in aggregate are as follows:

Nature of transaction	2023 \$'000		2022 \$'000	
	Transaction value income/ (expense)	Net receivable/ (payable)	Transaction value income/ (expense)	Net receivable/ (payable)
Sales of goods/ services, grants and contributions, proceeds from borrowings and other receipts	525,041	86,318	418,151	80,583
Purchases of goods/ services, grants and subsidies, repayment of borrowings and other payments	(906,196)	(20,982)	(767,287)	(40,927)

In addition to the above transactions, DCS incurred centralised corporate costs relating to the People & Culture; Procurement; Legal; Governance & Risk; Workplace & IT; and Finance functions for entities within the DCS agencies. DCS recovered corporate costs from these entities \$67.9 million (2022: \$70.3 million) only where the costs were confirmed and funded from the counterparty entity.

Corporate costs are also reflected in the financial statements of the below entities as in-kind contribution from DCS, these costs were not recovered by DCS.

	2023 \$'000	2022 \$'000
Service NSW	60,493	60,692
Independent Liquor & Gaming Authority NSW	-	1,226
Independent Pricing and Regulatory Tribunal	-	460
	60,493	62,378

27. ADMINISTERED ASSETS AND LIABILITIES

	2023	2022
	\$'000	\$'000
Administered Assets		
Cash at bank - Revenue NSW Administered ⁽ⁱ⁾	114,566	118,767
Cash at bank - Digital Restart Fund ⁽ⁱⁱ⁾	324,350	240,786
Cash at bank - NSW Shared Equity Scheme Fund ⁽ⁱⁱⁱ⁾	6,293	-
Cash at bank – Retail Lease security bonds ^(iv)	271,898	240,278
Taxes and fines receivable ^(v)	5,728,023	5,586,049
Shared equity payments held as deposit for property acquisitions executed but yet to settle ^(vi)	3,187	-
Transaction settlement and mortgage lodgement fees recoverable ^(vii)	14	-
Equity interest in properties under Shared Equity Scheme ^(viii)	25,965	-
Less:		
Allowance for impairment – taxes and fines ^(ix)	(366,436)	(351,315)
Total Administered Assets	6,107,860	5,834,565
Administered Liabilities		
Taxes and fines paid in advance / overpayments / other ^(x)	124,836	74,475
Retail Lease bonds payable ^(xi)	257,166	234,745
Total Administered Liabilities	382,002	309,220

Recognition and Measurement

Taxes and fines receivable

In accordance with AASB 9 *Financial Instruments*, taxes and fines are initially recognised where statutory requirements establish a right to receive the financial asset. Such a right arises on the occurrence of a past event. Taxes and fines are initially recognised at the original levied amount.

Impairment

Impairment calculations for taxes and fines receivables take into consideration the expected collection of cash over the life of the debt, based on revenue type. Revenue NSW has established an assessment process based on historical collections for taxes and fines, adjusted for forward-looking factors specific to the receivable where applicable.

Equity interest in properties under Shared Equity Scheme

Initial measurement

The equity interest in properties under the shared equity scheme is recognised at the time of property settlement at fair value, based on the discounted cashflows the State is entitled to. The fair value of the scheme interest at settlement is less than its initial contribution as there are no rental cashflows payable by scheme participants that a market participant is normally entitled to. This difference is disclosed under Note 28 Grant expense - fair value discount at settlement. Fair value is remeasured at the reporting date with any loss or gain disclosed under Note 28. The assumptions applied under the discounted cashflow methodology are classified as Level 3 inputs under AASB 13 and include scheme exits (sales), rental yields, mandatory repayments, maintenance expenses, capital growth (real), inflation and updated property value estimates at the time of remeasurement. Key assumptions are property value estimates, scheme exits (sales) and rental yield net of maintenance expenses. The impact of a variation in these assumptions is outlined in the following notes.

Subsequent Measurement

Subsequent measurement of taxes and fines receivables is at original levied amount less impairment. Changes to this are recognised in the Administered Expenses when impaired, written off or acquitted by Work and Development Orders.

(i) Cash at bank represents amounts received on 30 June 2023 and transferred to the Crown in July 2023.

(ii) This represents cash balance of Digital Restart Fund at 30 June 2023.

(iii) This represents cash balance of NSW Shared Equity Scheme Fund at 30 June 2023.

(iv) Cash and cash equivalents comprise of cash at banks (Trust account, Cash account, Interest account and Term Deposits held with Westpac Banking Corporation and NSW Treasury Corporation (Tcorp) in relation to Retail Tenancy Trust funds.

(v) Taxes and fines receivable at 30 June 2023 includes \$1,037.5 million (30 June 2022: \$878.9 million) outstanding longer than twelve months. Also included in taxes and fines receivable is \$175.8 million (30 June 2021: \$174.6 million) in time to pay arrangements with a finalisation date extending beyond twelve months.

(vi) Amounts transferred to the Crown Solicitor at the reporting date for booked property settlements under the Shared Equity Scheme.

(vii) Transaction settlement and mortgage lodgement fees recoverable from the Department.

(viii) Shared Equity Interest in Properties.

	2023	2022
	\$'000	\$'000
Opening balance	-	-
Equity interest in properties acquired	32,584	-
Less: grant expense - fair value discount at settlement (refer to Note 28)	(7,094)	-
Increase/(decrease) in revaluation of properties (refer to Note 28)	475	-
Closing balance of the equity interest in Shared Equity	25,965	-

The sensitivity of the equity interest to key assumptions is outlined below.

Assumption	-10% of individual assumptions	+10% of individual assumptions
	\$'000	\$'000
Property Value	(2,548)	2,547
Scheme exits (sales)	(490)	482
Rental yield net of maintenance expenses	658	(634)

(ix) Allowance for impairment - taxes and fines

	2023	2022
	\$'000	\$'000
Balance at beginning of financial year	351,312	356,793
Amounts written off during the year:		
Bad debts	(60,501)	(90,977)
Fines satisfied via Work and Development Orders ^(a)	(26,653)	(27,649)
Increase/(decrease) in allowance recognised in Administered Expenses	102,278	113,145
Balance at end of financial year	366,436	351,312

(a) Subdivision 1 of the *Fines Act 1996* authorises the Commissioner of Fines Administration to make Work and Development Orders that allow eligible customers to satisfy their fines through unpaid work, courses, and/or treatment programs with approved sponsors.

x) The \$124.8 million in 2023 (2022: \$74.5 million) includes \$29.3 million (2022: nil) in provision for surcharge purchaser duty and surcharge land tax refunds due to inconsistencies in international tax treaties entered into by the Federal Government.

(xi) Retail lease bonds payable comprise of amounts payable out of the Retail Lease Security Bonds once the withdrawal of retail lease bond application is approved by DCS. From 1 April 2022, the Retail Lease bonds were administered by DCS.

	2023	2022
	\$'000	\$'000
Small Business Commissioner		
Balance at beginning of financial year	234,745	-
Transfer arising from administrative restructure of Small Business Commissioner at 1 April 2022	-	231,131
Add: bonds lodgements	61,296	12,047
Less: bonds released	(37,929)	(8,433)
Less: unclaimed money	(946)	-
Balance at end of financial year	257,166	234,745

A memorandum of understanding ("MoU") was signed by DCS and NSW Treasury for NSW Fair Trading to provide the administration of the Retail Bonds as a *fee for service* arrangement. As a result, effective from 4 December 2021 the administration of the retail bonds was transferred to Rental Bond Board.

The *Administrative Arrangement (Administrative Changes—Miscellaneous) Order 2022* published on 16 February 2022 and *Administrative Arrangements (Second Perrottet Ministry—Transitional) Order 2021* dated 21 December 2021, commenced on 1 April 2022 and resulted in the retail bonds being transferred from NSW Treasury to DCS.

28. ADMINISTERED EXPENSES

During the year DCS incurred the following expenses on behalf of the Crown:

	2023	2022
	\$'000	\$'000
Other		
Act of Grace payments	3,277	1,332
Court imposed interest payments	167	759
Land tax discounts ⁽ⁱ⁾	18,329	46,507
GST rebate - Clubs ⁽ⁱⁱ⁾	14,378	14,000
First Home Owner Grant scheme	30,951	52,537
First Home - New Home/First Home Buyers Assistance scheme ⁽ⁱⁱⁱ⁾	(170)	(350)
HomeBuilder	49,323	208,695
Remissions ^(iv)	63,754	49,060
Investment losses/(gains) - Retail Tenancy Trust Funds ^(v)	(8,285)	(6,185)
Impairment losses/(gains) - taxes and fines	102,278	113,145
Grant expense - Shared Equity Scheme ^(vi)	7,094	-
Unrealised losses/(gains) - revaluation of equity interest in properties ^(vii)	(475)	-
Sub total - other	280,621	479,500
Transfer payments		
Grant expense - DRF ^(viii)	567,662	618,246
Administration Expense - DRF ^(ix)	3,730	6,006
Grant expense - Rental Relief Payments * ^(x)	-	58,506
Grant expense - Land Tax Concession and Duties Bushfire Relief ^(xi)	3,542	507,164
Grant (recovery)/expense - Job Action Plan Payroll Tax and Job Lodgement *	(132)	1,751
Grant expense - Electric Vehicle ^(xi)	13,749	8,424
Sub total - transfer payments	588,551	1,200,097
Total administered expenses	869,172	1,679,597

* Administered program ended in 30 June 2022 financial year.

(i) Section 40 of the *Land Tax Management Act 1956* entitles customers to a discount where payment of their liability is made by the first instalment date. By order of the Treasurer the discount rate is currently 0.5% (2022: 1.5%).

(ii) The GST rebate is paid to clubs to compensate for the impact of the GST. It is based on gaming profits and is paid quarterly.

(iii) The \$170,000 in 2023 (2022: \$350,000) includes \$180,000 (2022: \$405,000) in amounts recovered from compliance activities.

(iv) In accordance with the *Taxation Administration Act 1996* the Chief Commissioner of State Revenue, or his delegate, has the discretionary power to remit partially or wholly a statutory penalty and/or interest.

(v) Investment losses/(gains) represent the losses/(growth), dividend and interest (income)/expense arising from Interest Account, Cash Account and Term Deposits managed by NSW Treasury Corporation (TCorp) in relation to the Retail Tenancy Trust funds.

(vi) The difference between the transaction price (scheme contribution) and fair value recognised at settlement. While the scheme contributes its share based on the transaction price of the property, there are no rental cashflows payable by scheme participants. This is the benefit provided to the scheme participant of not being required to pay rent under the scheme. Key assumptions are outlined in Note 27.

(vii) The unrealised losses/(gains) from the remeasurement of the equity interest at the reporting date. Key assumptions are outlined in Note 27.

(viii) In accordance with *Digital Restart Fund Act 2020* No 15, there is payable from the fund to all or part of the cost of a project that promotes the purpose of the Fund and it is approved by the Minister on the recommendation of the Secretary of the Department of Customer Service.

(ix) In accordance with *Digital Restart Fund Act 2020* No 15 Section 9 there is a payable from the fund for the money required to meet administrative expenses relating to the Fund.

(x) Rental Relief Payment was financial assistance provided to landlords who agreed to reduce rent for COVID-19 impacted tenants.

(xi) In accordance with the *Act of Grace* payments under section 5.7 of the *Government Sector Finance Act 2018*, relief grant is to be provided to landowners of properties substantially damaged by the 2019/20 NSW bushfires and people whose homes were destroyed during the 2019/20 NSW bushfires and who choose to purchase a replacement property are relieved of the burden of paying transfer duty on the purchase of the replacement home. Under section 5.7(4) of the *Government Sector Finance Act 2018*, land tax concession to be provided up to 25% of the land tax payable to landlords and reduce the rent for a tenant who is suffering financial distress due to COVID-19.

(xii) The NSW Government is making electric vehicles (EVs) more affordable for the people of NSW by reducing the upfront cost (\$3,000) for the first 25,000 eligible EVs sold.

Administered expenses are reported on the same basis adopted for the recognition of expenses in the financial statements.

29. ADMINISTERED INCOME - CROWN

Administered income information is presented on a revenue earned (accrual) basis.

Revenue earned	2023 \$'000	2022 \$'000
Taxes, duties, levies and royalties		
Payroll tax ⁽ⁱ⁾	13,219,572	10,438,674
Duties ^{(i) (ii)}	12,262,176	16,635,051
Land tax ⁽ⁱ⁾	6,058,277	4,923,374
Mineral royalties ⁽ⁱ⁾	4,655,994	3,721,726
Emergency services levy ⁽ⁱ⁾	1,391,241	1,094,677
Health insurance levy ⁽ⁱ⁾	249,243	262,597
Tax equivalents	164,180	176,785
Parking space levy ⁽ⁱ⁾	95,991	102,847
Passenger services levy	71,205	49,405
Property tax (First home buyer choice) ⁽ⁱⁱⁱ⁾	1,942	-
Casino duties and levy *	-	94,656
Sub total – taxes, duties, levies and royalties	38,169,821	37,499,792
Gaming and racing		
Hotel gaming devices ⁽ⁱ⁾	1,303,046	827,131
Club gaming devices ⁽ⁱ⁾	941,317	635,409
Lotteries	577,829	595,609
Point of consumption tax ⁽ⁱ⁾	309,878	212,743
Fixed odds racing betting ⁽ⁱ⁾	41,718	12,479
Keno tax	17,252	10,402
Fixed odds sports betting	11,618	4,216
Totalizator tax on and off course totes	10,276	27,048
Footy TAB	140	164
Gaming related licenses ^(iv) *	-	2,660
Sub total - gaming and racing	3,213,074	2,327,861
Fines		
Motor traffic fines	561,826	599,659
Public health order (reversal)/fines ^(v)	(36,205)	47,365
Fees	69,908	54,165
Court fines	65,080	57,393
Other fines	22,793	4,376
Liquor, Gaming and Racing court fines *	-	38
Sub total - Fines	683,402	762,996
Other		
Unclaimed money	73,381	35,285
Other revenue	488	140
Liquor licences *	-	791
Certificate and licences	20,872	26,486
Service concession regulation fee	8,891	8,518
Sub total - other	103,632	71,220

	2023	2022
	\$'000	\$'000
Transfer payments		
Appropriation revenue - DRF ^{(vi), (xi)}	614,000	614,000
DRF Contribution revenue - government agency ^(vii)	41,000	41,457
Appropriation revenue - Land Tax Concession and Duties Bushfire Relief ^(viii)	3,542	507,164
Appropriation revenue - Job Action Plan Payroll Tax and Job Lodgement	-	1,751
Appropriation revenue - Electric Vehicle ^(ix)	13,749	8,424
Appropriation revenue - Rental Relief Assistance Programme ^(x)	-	58,550
Appropriation revenue - Shared Equity Scheme ^(xii)	42,077	-
Sub total - transfer payments	714,368	1,231,346
Total revenue earned	42,884,297	41,893,215

* Reduction in revenue relates to the Liquor, Gaming and Racing division that was transferred out of DCS as part of the Machinery of Government (MoG) changes in April 2022.

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

	2023	2022
	\$'000	\$'000
Payroll tax	97,889	26,682
Land tax	70,524	16,864
Duties	55,160	50,461
Hotel gaming devices	10,198	2,556
Mineral royalties	5,786	25
Parking space levy	2,971	656
Health insurance levy	2,054	16,751
Club gaming devices	1,728	1,375
Emergency services levy	1,014	213
Fixed odds racing betting	124	-
Point of consumption tax	17	175
Total	247,465	115,758

(ii) Primarily includes Duties on Contracts and Conveyances, Insurance, and Motor Vehicles.

(iii) Property Tax (First Home Buyer Choice) - First home buyers purchasing a property for up to \$1.5 million or vacant land not exceeding \$800,000 on which they intend to build a home, can choose to pay an annual property tax instead of transfer duty. The agreement must be signed on or after 11 November 2022. Purchasers who exchange contracts on or before 30 June 2023 have up until settlement to opt-in to First Home Buyer Choice.

(iv) Gaming related licence includes Keno Licence duty.

(v) Collection of fines issued for breach of orders issued under s.7 of the *Public Health Act 2010* in relation to COVID-19 restrictions. In late 2022, the Commissioner of Fines Administration exercised his statutory power to withdraw four types of Public Health Order fines. This resulted in the reversal of \$36.3 million in fines.

(vi) The funding relates to appropriation from Treasury through DCS principal department to fund the DRF projects in accordance *Digital Restart Fund Act 2020 No 15*.

(vii) Collection of contribution revenue under section 8(e) of the *Digital Restart Fund Act 2020 No 15* from Department of Education, Revenue NSW and Regional NSW.

(viii) Land Tax concession - Landlords providing rent relief for eligible tenants in financial distress due to COVID-19 land tax concession were part of a wide range of support measures designed to help those in need and support jobs and businesses) and Duties Bushfire Relief scheme is intended for people whose homes were destroyed during the 2019/20 NSW bushfires and who choose to purchase a replacement property elsewhere rather than rebuild. People who meet the requirements for receiving this assistance will either:

- not have to pay duty
- pay a reduced amount of duty, or
- receive a refund of all (or some) of duty paid.

(ix) The NSW Government is making EVs more affordable for the people of NSW by reducing the upfront cost (\$3,000) for the first 25,000 eligible EVs sold.

(x) Rental Relief Assistance Programme - To support landlords and tenants who have been impacted financially by restrictions imposed by the Public Health (COVID-19 Temporary Movement and Gathering Restrictions) Order 2021 (Order). As part of the Package, landlords who agree to a rent reduction for impacted tenants from 14 July 2021 can apply to receive a lump sum payment of up to \$4,500 per tenancy agreement.

(xi) This includes only amounts appropriated that have been transferred to the Digital Restart Fund's (DRF) bank account. The following additional amounts have been appropriated and represent a cumulative spending authority that is available for immediate use for the purposes of the DRF, but have not been transferred to the bank account established for the DRF.

(xii) Amounts appropriated transferred to the NSW Shared Equity Scheme Fund bank account for scheme contributions.

Appropriated amounts hypothecated to certain Special Deposit Accounts

Special Deposit Accounts	Authority	2023	2022
		\$'000	\$'000
Digital Restart Fund	<i>Digital Restart Fund Act 2020</i>	102,000	102,000

Recognition and Measurement

Administered income is reported on the same basis adopted recognised Revenue is recognised as follows:

- Administered revenue is recognised when the underlying past event under statutory requirements results in the right to receive revenue, unless it cannot be reliably measured before the financial statements are signed.
- Taxpayer assessed revenues (including Payroll tax and Lotteries) are reliably measured when payments or returns are received, which may not occur before the financial statements are signed.

Refer to Note 3(a) for information on transfer payments accounting policy.

30. ADMINISTERED CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no administered contingent assets. With regard to contingent liabilities, the Crown Solicitor and/or other legal firms are currently acting on a number of matters on behalf of DCS in the normal course of activities. A settlement estimate for these matters cannot be reliably determined.

Additionally, there has been a determination that NSW surcharge purchaser duty and surcharge land tax provisions are inconsistent with a number of international tax treaties entered into by the Federal Government. There is the potential for refunds for individuals who have not provided their citizenship, and for non-individuals who have not provided their country of affiliation. Until Revenue NSW can identify customers and transactions that may be eligible, these refunds cannot be reliably determined.

31. FINANCIAL INSTRUMENTS

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

DCS's main risks arising from financial instruments are outlined below, together with DCS'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 DCS, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by DCS on a continuous basis.

(a) Financial Instrument Categories

	Note	Category	2023	2022
			\$'000	\$'000
			Carrying Amount	Carrying Amount
Financial Assets				
Cash and cash equivalents	7	Amortised cost	583,193	542,688
Receivables ⁽ⁱ⁾	8	Amortised cost	75,419	73,478
Contract assets ⁽ⁱⁱ⁾	9	Amortised cost	17,424	9,865
Financial assets at fair value	10	Fair value through profit or loss	86,318	80,583
Financial Liabilities				
Payables ⁽ⁱⁱⁱ⁾	15	Financial liabilities measured at amortised cost	130,013	184,883
Borrowings	16	Financial liabilities measured at amortised cost	79,982	112,281

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

(ii) While contract assets are also not financial assets, they are explicitly included in the scope of AASB 7 for the purpose of the credit risk disclosures.

(iii) Excludes statutory payables and contract liabilities (i.e. not within scope of AASB 7)

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if DCS transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- DCS has transferred substantially all the risks and rewards of the asset; or
- DCS has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When DCS has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where DCS has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of DCS's continuing involvement in the asset. In that case, DCS also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that DCS has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that DCS could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial Risk

Credit Risk

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

Credit risk arises from the financial assets of DCS, including cash, receivables, and authority deposits. No collateral is held by DCS. DCS has not granted any financial guarantees.

Credit risk associated with DCS's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with TCorp are guaranteed by NSW State.

DCS considers a financial asset in default when contractual payments are past 90 days past due. However, in certain cases, DCS may also consider a financial asset to be in default when internal or external information indicates that DCS is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by DCS.

Based on management's assessment on natural disasters (including COVID-19), there was no impact on the receivables or other assets in the balance sheet. DCS has assessed the recoverability of its debtors and there was no additional impact on the ECL calculation that has been performed at 30 June 2023 (30 June 2022: nil).

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation ("TCorp") 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Accounting policy for impairment of trade debtors and other financial assets under AASB 9

Receivables - trade receivables

Collectability of trade receivables is reviewed on an ongoing basis. Procedures developed to recover outstanding amounts, including letters of demand. DCS applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets, if applicable, have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 30 days past due.

The expected credit loss as at 30 June 2023 was determined based on the gross receivables as follows:

	30 June 2023					
	\$'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Total gross receivables carrying amount	43,321	8,585	3,317	440	20,942	76,605
Expected credit loss rate	0%	0%	0%	1%	82%	23%
Expected credit loss	(18)	(16)	(6)	(4)	(17,195)	(17,239)
Total	43,303	8,569	3,311	436	3,747	59,366
	30 June 2022					
	\$'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Total gross receivables carrying amount	39,972	11,112	1,822	1,327	33,329	87,562
Expected credit loss rate	0%	0%	2%	2%	50%	19%
Expected credit loss	(13)	(7)	(31)	(31)	(16,682)	(16,764)
Total	39,959	11,105	1,791	1,296	16,647	70,798

Notes: The analysis excludes statutory receivables and prepayments as these are not within the scope of AASB 7. Therefore, the total does not include all receivables in Note 8. Only financial assets that are past due or impaired are *sales of goods and services* and *retained taxes, fees and fines* included in Note 8.

DCS is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2023 and 2022.

Other financial assets - Authority Deposits

DCS has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's Rating. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. These deposits are considered to be low credit risk. These deposits are placed with Cash Funds and Medium Term Growth Funds, which have a weighted average interest rate of 6.21% (2022: -6.16%) calculated on a weighted average balance during the financial year of \$84.4 million (30 June 2022: \$86.5 million). None of these are past due or impaired.

Financial guarantees

At 30 June 2023, DCS has issued a guarantee to a commercial bank in respect of credit facilities granted to the loan services company for Project Remediate. These guarantees are subject to the impairment test assessments under AASB 9. DCS has assessed the credit risk of the eligible Owners Corporation (OC), who will receive the interest-free loans from the loan services company, and concluded that there is no significant credit losses expected from these guarantees. The assessment is based of the following factors:

- NSW Legislative Framework - OCs have a statutory obligation to repair and maintain their property and to maintain solvency. The NSW legislative environment provides very strong protections for the ability of an OC to recover money owing to it from current (or future) unit owners and effectively making the OC a 'taxing authority' to meet its obligation.
- Commercial Dynamics - strata loans are set at very low 'loan to value' ratios relative to the value of the property.
- Historical Loss Experience - There has never been a loss on a strata loan in the history of the Australian strata finance market.
- DCS is only liable to guarantee the loan defaults exceeding \$1 million. The loan services company will cover the first \$1 million loss.

(e) Liquidity Risk

Liquidity risk is the risk that DCS will be unable to meet its payment obligations when they fall due. DCS continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current year and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. DCS's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in *Treasurer's Direction TC 11/12 Payment of Accounts*. For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For payments to other suppliers, the Head of an authority (or person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 10.46% (2022: 8.04%).

Based on management's assessment on natural disasters (including COVID-19), there was no change to the underlying terms and conditions of our financial liabilities. However, DCS has chosen to reduce the payment period on our all our creditors and other payables to assist with struggling businesses due to the COVID-19 impact. This has not affected DCS's ability to settle and pay for all debts as and when they arise.

The table below summarises the maturity profile of DCS's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

	%	\$'000	Interest Rate Exposure \$'000			Maturity \$'000		
	Weighted Average Effective Interest Rate	Nominal Amount ⁽ⁱ⁾	Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing	< 1 Year	1-5 Years	> 5 Years
2023								
Payables ⁽ⁱⁱ⁾	0.00%	130,013	-	-	130,013	130,013	-	-
<i>Borrowings</i>								
Lease liabilities	4.43%	88,236	-	-	88,236	17,816	70,420	-
Financial guarantee	0.00%	305	-	-	305	305	-	-
		218,554	-	-	218,554	148,134	70,420	-
2022								
Payables ⁽ⁱⁱ⁾	0.00%	184,883	-	-	184,883	184,883	-	-
<i>Borrowings</i>								
Lease liabilities	1.57%	118,528	-	-	118,528	26,280	62,781	29,467
		303,411	-	-	303,411	211,163	62,781	29,467

(i) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which DCS can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

(ii) The amounts disclosed here exclude statutory payables and unearned revenue (not within scope of AASB 7).

(f) 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. DCS's exposures to market risk are primarily through interest rate risk on DCS's borrowings. DCS has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which DCS 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 2022. The analysis assumes that all other variables remain constant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through DCS's interest subsidy liability on Project Remediate.

Lease liability

There is no interest rate risk on lease liabilities as the lease contracts are not subject to fluctuation in interest rates.

Interest subsidy

DCS has direct exposure to interest rate changes on the valuation and cashflows of its interest subsidy liability. However, DCS has determined that the exposure to interest rate risk is not material considering interest subsidy liability balance at year end. DCS will continue to monitor its exposure to interest rate risk and take appropriate action if significant changes occur in the future.

(g) Other Price risk – TCorpIM Funds

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM funds, which are held for strategic rather than trading purposes. DCS has no direct equity investments. DCS holds units in the following TCorpIM Funds trusts:

Facility	Investment Sectors	Investment Horizon	2023 \$'000	2022 \$'000
TCorpIM Cash Fund	Cash and fixed income	Up to 1.5 years	-	797
Medium-Term Growth Fund	Cash and fixed income, credit, equities, alternative assets, real assets	3 years to 7 years	86,318	80,583

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the TCorpIM Funds facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorpIM Funds facilities limits DCS's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the Investment facilities, which is used to demonstrate the impact on the funds' net assets as a result of a change in the unit price. This impact is based on a sensitivity rate of 10%, multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds statement). Actual movements in the price risk variables may differ to the sensitivity rate used due to a number of factors. The TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results.

Core Funds*	Impact on net result/ equity		
	Change in unit price	2023 \$'000	2022 \$'000
TCorpIM Cash Fund	+/-10%	-	+/- 80
Medium-Term Growth Fund	+/-10%	+/- 8,632	+/- 8,058

* TcorpIM Investment funds are unrated and are not guaranteed by NSW Treasury Corporation.

(h) Fair Value Measurement

(i) Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

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.

(ii) Fair value recognised in the Statement of Financial Position

Management assessed that cash, trade receivables, trade payables, and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

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, DCS categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that DCS 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).

DCS recognises transfers between levels of the fair value hierarchy at the end of the year during which the change has occurred.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2023				
Financial Assets at fair value				
TCorp IM funds	-	86,318	-	86,318
2022				
Financial Assets at fair value				
TCorp IM funds	-	80,583	-	80,583

The table above only includes financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position.

The value of the TCorpIM Funds is based on the DCS's share of the value of the underlying assets of the facility, based on the market value. All of the TCorpIM Funds facilities are valued using 'redemption' pricing.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of the observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

32. EVENTS AFTER THE REPORTING PERIOD

a) Adjusting Events

There are no known events after the reporting period which would give rise to a material impact on the reported results or financial position of DCS as at 30 June 2023.

b) Non- Adjusting Events

There are no known events after the reporting period which would give rise to a material impact on the reported results or financial position of DCS as at 30 June 2023.

END OF AUDITED FINANCIAL STATEMENTS

Costs and benefits of any Machinery of Government changes

There were no costs associated with Machinery of Government changes during 2022-23.



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