



annual report
2017/2018

Department of Finance, Services and Innovation

NSW Department of Finance, Services and Innovation annual report 2017–18

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Author

Department of Finance, Services and Innovation (DFSI)

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Office of the Secretary

The Hon Victor Dominello MP
Minister for Finance, Services and
Property
GPO Box 5341
SYDNEY NSW 2000

The Hon Matthew Kean, MP
Minister for Innovation and Better
Regulation
GPO Box 5341
SYDNEY NSW 2000

Dear Ministers

I am pleased to submit the annual report for the NSW Department of Finance, Services and Innovation for the year ended 30 June 2018, for presentation to Parliament.

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

The report also includes reports for the:

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

This report also includes the following Annual Reports as appendices:

- Rental Bond Board
- Building Professionals Board
- NSW Telco Authority
- Subsidence Advisory NSW
- State Archives and Records Authority
- Office of the Valuer General
- Long Service Corporation.

Yours sincerely

Martin Hoffman
Secretary

Encl

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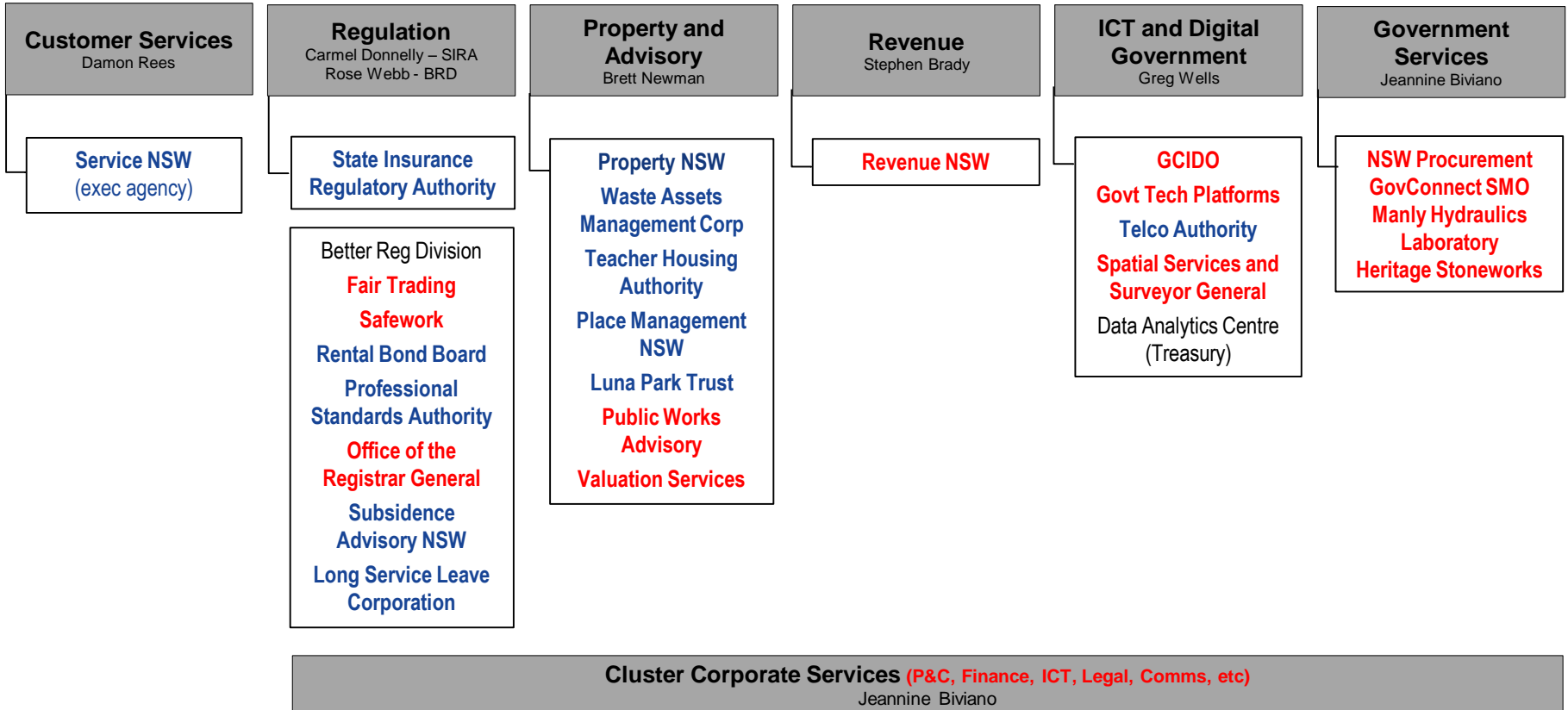
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Other entities' annual reports

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

DFSI Cluster

Office of the Secretary (CPO, MSU & Cabinet, IA & Risk, C3PO, PP12)



Independent Statutory Agencies

Office of the Valuer General
Workers Compensation Commission
Workers Compensation Independent Review Office

Head Department
Statutory entity
*includes major DFSI entities only

About this report

This report covers the Department of Finance, Services and Innovation (DFSI) and cluster agencies as at 30 June 2018.

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

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

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

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

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

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

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

Secretary's message

The reporting year has seen the Finance, Services and Innovation (DFSI) cluster continue to make significant progress against the NSW Government's key priorities and our five strategic organisational outcomes – services, innovation, regulation, finances and people. We are at the forefront of changing the way government does business.

The cluster's highlights and achievements for 2017-18 are outlined on pages 17 to 31 of this Annual Report and identify the concerted attention the DFSI cluster has given to the citizens of NSW. They are evidence of the DFSI's work to deliver and enable world class public services that the people of NSW want alongside fiscal discipline and rigour. We have delivered on the transformational change required to implement rapid and substantial reforms, building savings and economies within government and for the benefit of NSW.

The cluster has moved to outcomes-based reporting with customer outcomes at the heart of results. We have also worked to deliver real transparency and open government with a digital-solutions focus.

The people of NSW have seen the benefits of this approach specifically in their dealings with Service NSW. Expanded services have been offered to the public on top of existing services including CTP refunds, Active Kids vouchers and a successful pilot of the digital driver licence in the Dubbo region. Making Business Easier is another innovative example of cross-divisional collaboration to provide a singular digital entry for the café, restaurant and small bar industry that decreases time and red tape when starting or growing a business in NSW. The portal delivers on the Premier's Priority of improving government services and the State Priority to make NSW the easiest state to start a business.

The new CTP Green Slip scheme, along with the introduction of CTP Assist, the online claim submission and the Green Slip Check, has streamlined the purchase of green slips, claims processing and the journey for injured people. The state-wide CTP premium average has decreased since implementation providing direct benefit to NSW road users.

The SafeWork NSW licence register and the Retirement Village Calculator are examples of our digital innovations that place the customer at the centre of increased transparency, oversight and certainty for diverse communities within NSW.

Keeping the customer at the centre of DFSI business has seen Revenue NSW become one of the top performing agencies in NSW across all six complaint handling commitments measured by the NSW Ombudsman. The agency is developing into a trusted and fair organisation particularly in its debt recovery operations and programs to support NSW citizens facing fines and experiencing financial hardship.

We have introduced the Feedback Assist tool across more than 30 DFSI websites in an initial implementation project. This gives the people of NSW a direct mechanism to provide feedback, whether positive or negative, and suggestions as they use our online services. It has proven to be a significant channel for customer engagement with more than 5,000 interactions recorded in the reporting period. The tool enhances our understanding of customers' real-time experience of our online sites, tools and resources.

Less obvious to NSW citizens but crucial to providing financial returns and economies of scale to support government's work are the whole-of-government contracts for the maintenance of public buildings, managed by Property NSW, estimated to save \$60 million over four years, and Government and Corporate Services' comprehensive re-set of the sector's procurement approach and performance.

We made considerable progress on staff relocations to regional areas with 150 employees moving to Gosford by the end of the reporting period, and are halfway to achieving the NSW Government's election pledge to move 300 staff to Gosford by December 2018. Building renovations in Tamworth

were completed late in the reporting period, allowing NSW Fair Trading, Public Works Advisory, Valuation Services and SafeWork NSW's regional offices to co-locate to this new location, providing internal savings, opportunities for staff, and more integrated services to the people of NSW.

The roll-out of internal digital interfaces continues and, while presenting challenges for such a diverse cluster, is on track to deliver more flexible and efficient management of people, payroll, finance, procurement, expense claims, and project accounting management. We're making changes for the future and working hard to make DFSI a great place to work.

We are developing a strategic and engaged workforce and improving the employee experience to attract capable people, and improve diversity, retention, and future workforce needs. We are on track to achieve the 2025 Premier's Diversity Priority target of 50 per cent women in senior leadership. As at 30 June 2018, 50 per cent of the DFSI Executive Committee are women and we have made significant increases in the number of women employed across all levels of senior leadership with female representation now above 40 per cent. We continue to encourage flexible working arrangements while creating more agility through day-to-day collaboration and communication across the divisions in the cluster.

Delivering and enabling world-class public services across government for the people of NSW relies on the commitment and capability of our people. Thank you to everyone who has contributed ideas, passion and hard work as the cluster has gone through transformative change over the past year. We should be very proud of what we've achieved.

The reforms outlined here are just some of the successes this diverse cluster has delivered during 2017-18. We will continue to meet the challenges of the future and consistently deliver results and outcomes that matter to NSW.



Martin Hoffman
Secretary
Department of Finance, Services and Innovation

1. About Finance, Services and Innovation

1.1 Who we are

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

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

Each function includes a range of entities and an even broader range of responsibilities and services.

DFSI's main responsibilities are:

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

Changes during the year

The NSW Government completed its transaction to award the 35-year Titling and Registry Services concession to Australian Registry Investments on 30 June 2017. As a consequence, from 1 July 2017 Land and Property Information ceased to be a division within DFSI.

The Office of State Revenue changed its name to Revenue NSW in July 2017.

On 24 November 2017, the *Lotteries and Art Unions Act 1901* (Games of Chance) transferred from Liquor and Gaming NSW and reported to the Secretary.

On 1 January 2018, the NSW Data Analytics Centre (DAC) transferred from ICT and Digital Government in DFSI to NSW Treasury.

On 1 January 2018, three new regulatory schemes transferred to the Better Regulation Division within DFSI:

- Long Service Corporation transferred from NSW Treasury
- Swimming Pools Scheme transferred from the Office of Local Government
- *Lotteries and Art Unions Act 1901* (Games of Chance) was transferred from Liquor and Gaming NSW.

DFSI related entities

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

Finance, Services and Property portfolio

- Board of Surveying and Spatial Information (BOSSI)
- Geographical Names Board of New South Wales (GNB)
- Property NSW (PNSW)
- New South Wales Government Telecommunications Authority (Telco Authority)
- New South Wales Procurement Board
- Service NSW
- State Insurance Regulatory Authority (SIRA)
- State Archives and Records Authority of New South Wales (SARA) (Note: 'Changes outside the reporting period' below)
- Place Management NSW
- Teacher Housing Authority of New South Wales (THA)
- Waste Assets Management Corporation (WAMC)
- Office of the Valuer General

Innovation and Better Regulation portfolio

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

Changes after the year

From 1 July 2018, responsibility for administering the *State Records Act 1998*, and SARA were transferred to the Minister for the Arts. SARA staff were transferred from DFSI to the Department of Planning and Environment.

1.2 What we do (at the date of report)

Office of the Secretary

The Office of the Secretary business units are: Policy and Delivery Projects, Cabinet Office, Premier's Priority 12 (Customer Satisfaction) Team, Risk and Opportunity Management, Corporate Planning, Performance and Portfolio Office, Internal Audit, and Ministerial Services.

Service NSW

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

Revenue NSW

As the principal revenue agency for the state, Revenue NSW contributes to its prosperity by fairly collecting state taxation and other revenue for, and on behalf of, the people of NSW.

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

As NSW's principal revenue management agency, Revenue NSW fairly administers state taxation and revenue for, and on behalf of, the people of NSW. Revenue NSW manages fines and administers grants and subsidies to provide valuable assistance to the community and businesses across NSW. Revenue NSW also recovers debt to provide an equitable outcome for the community and helps to deliver government priorities for a fair, safe and prosperous NSW.

Revenue NSW secures approximately \$30 billion towards the State Budget each year, which goes towards health, education and other services for NSW.

Revenue NSW contributes to the streamlining of services by collaborating with its business partners and improving its organisational capabilities to achieve the best outcomes for its stakeholders.

Better Regulation

Better Regulation Division (BRD) creates a competitive, confident and protected NSW. BRD achieves this by developing and implementing regulation, services and programs that make it easier to do business in NSW, while at the same time ensuring workplace and consumer protections are maintained.

NSW Fair Trading

NSW Fair Trading (Fair Trading) is the NSW Government's consumer protection agency that safeguards consumer rights, regulates specific industries and occupations, and advises traders on fair and ethical business practices.

SafeWork NSW

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

Loose Fill Asbestos Implementation Taskforce

The Loose Fill Asbestos Implementation Taskforce (LFAIT) administers the loose-fill asbestos Voluntary Purchase and Demolition Program by providing assistance to affected homeowners, purchasing and demolishing contaminated properties, and returning remediated sites back to owners or the community.

The following BRD agencies report as individual entities to the Deputy Secretary:

Office of the Registrar General

The Office of the Registrar General (ORG) is an independent regulator overseeing the performance of the land title registry operator (NSW Land Registry Services).

Long Service Corporation

The Long Service Corporation (LSC) is responsible for the management of portable long service schemes for workers in both the building and construction and contract cleaning industries in NSW.

Emergency Services Insurance Levy Monitor

The Office of the Insurance Levy Monitor works to detect and prevent prohibited conduct associated with the emergency services levy (ESL) reform, which accords with the *Emergency Services Levy Insurance Monitor Act 2016*.

Subsidence Advisory NSW

Subsidence Advisory NSW (SA NSW) supports NSW communities living in areas where there is the possibility of mine subsidence. SA NSW manages compensation claims for subsidence damage and regulates surface development in mine subsidence districts to help reduce potential damage.

State Insurance Regulatory Authority

The State Insurance Regulatory Authority (SIRA) is a statutory body and NSW Government agency constituted under section 17 of the *State Insurance and Care Governance Act 2015*. SIRA was established in 2015 to regulate workers compensation insurance and related activities, motor accidents compulsory third party (CTP) insurance and home building compensation insurance in NSW and provide independent dispute resolution services. SIRA also has specific functions within the Lifetime Care and Support Scheme and the Dust Diseases Scheme and plays a strong role in funding.

SIRA advances the wellbeing and confidence of the people and businesses of NSW through sustainable insurance and support systems, so they can actively engage in the economy and society.

ICT and Digital Government

ICT and Digital Government (IDG) is delivering on the NSW Government's vision, set in May 2017 to 'improve life for people of NSW through smart, simple and seamless services'. IDG exists to define, monitor and support direction in the innovative use of technology to deliver government services and protect the community. This is done by providing leadership across NSW Government in a range of enabling functions – ICT, digital, innovation, data, operational communications, and spatial thus successfully leading Australian governments in digital readiness for the past two years.

Government and Corporate Services

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

GCS binds together divisions and business units of DFSI via the corporate operating model delivering efficient, centre-led customer and client-focused services.

Property and Advisory Group

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

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

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

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

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

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

1.3 Principal officers (at the date of report)

Martin Hoffman

Secretary, Department of Finance, Services and Innovation

Martin was appointed Secretary of the NSW Department of Finance, Services and Innovation in August 2015. Martin holds an MBA (Hons) from the Institute for Management Development (IMD) in Lausanne, Switzerland, Master of Applied Finance (Macquarie), and Bachelor of Economics (Sydney). He completed the Executive Fellows program at the Australia New Zealand School of Government (ANZSOG) in 2009, and was awarded the James Wolfensohn Public Service Scholarship to study at the Harvard Kennedy School in 2013.

Dawn Routledge

Executive Director, Office of the Secretary

Dawn was commenced as Executive Director of the Office of the Secretary in July 2018 following a temporary appointment as Acting NSW Government Chief Information and Digital Officer. Dawn holds a masters degree in Arts and Law from University College London and the University of Northumbria. She is a graduate of the Australian Institute of Company Directors.

Damon Rees

Chief Executive Officer, Service NSW

Damon was temporarily appointed as the Chief Executive Officer of Service NSW in September 2017, and then permanently appointed to the position in November 2017. Damon holds an Executive Master of Business Administration degree from the University of Sydney.

Stephen Brady

Deputy Secretary, Revenue NSW

Chief Commissioner of State Revenue, Commissioner of Fines Administration

Stephen was appointed as the Deputy Secretary of Revenue NSW, and Chief Commissioner of State Revenue and Commissioner of Fines Administration in July 2015. Stephen holds honours degrees in Commerce and Law from the University of Queensland.

Rose Webb

Deputy Secretary, Better Regulation Division

Commissioner for NSW Fair Trading

Rose was appointed as the Deputy Secretary of the Better Regulation Division and Commissioner for NSW Fair Trading on 6 November 2017. Rose holds a double degree in Economics and Law from the Australian National University and has a Masters of Laws from the University of Sydney.

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

Carmel was appointed as the Chief Executive of the State Insurance Regulatory Authority (SIRA) in December 2017. Carmel holds an Executive Master of Business Administration from the Australian Graduate School of Management, a Master of Public Health from the Faculty of Medicine at Sydney University, and a Bachelor of Arts (Honours Psychology) from the University of Sydney. She is a Graduate Member of the Australian Institute of Company Directors and an Associate Fellow of the Australasian College of Health Service Management.

Greg Wells**Government Chief Information and Digital Officer**

Greg became the Government Chief Information and Digital Officer (GCIDO) in July 2018, making him the NSW Government's most senior technology executive. Greg holds an honours degree in Electrical Engineering from the University of New South Wales.

Jeannine Biviano**Deputy Secretary, Government and Corporate Services**

Jeannine joined DFSI on 3 April 2017 in the position of Deputy Secretary, Government and Corporate Services. Jeannine is a Fellow of the Institute of Chartered Accountants, a graduate of the Australian Institute of Company Directors and holds a Master of Economics from Macquarie University and Bachelor of Business from University of Technology Sydney.

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

Brett joined Property NSW as Government Property NSW's Chief Executive Officer in April 2013 and is the Deputy Secretary of the Property and Advisory Group. Brett holds an LLM and BEc/LLB from the University of Sydney and an MBA (Distinction) Management from the London Business School.

Changes outside the reporting period

Changes to the executive:

- Rod Stowe, former Fair Trading Commissioner retired 14 July 2017.
- Rose Webb was appointed Fair Trading Commissioner and Deputy Secretary, Better Regulation Division on 6 November 2017.
- Rachna Gandhi resigned as CEO of Service NSW on 1 September 2017.
- Damon Rees was appointed CEO of Service NSW on 14 November 2017.
- Laura Christie, Executive Director, Office of the Secretary on maternity leave from 12 January 2018, to return to a new role.
- Dawn Routledge was appointed Executive Director, Office of the Secretary in January 2018.
- Carmel Donnelly was appointed Chief Executive of SIRA on 8 December 2017.
- Greg Wells was appointed Government Chief Information and Digital Officer on 2 July 2018.

2. Highlights and achievements

2.1 Better Regulation Division

SafeWork NSW Licence Register

SafeWork NSW created a register for general construction induction training cards, asbestos, demolition and high-risk work licences. The register provides licence information via a single portal so the validity of workers' licences or cards can be easily checked by businesses and the community. This enables faster and better protection for those choosing to engage licence holders.

The first phase of the register was released in January 2018 when over 1.5 million records became publicly available for the first time. These records included information on the licence holder's name, licence number and type, the licence status, and the licence expiry date if any.

The second phase of the register was released in June 2018 and included licence conditions, prosecutions and, from 1 July 2018, penalty notice information. Almost 2.3 million records are now available to the public.

SafeWork NSW provides advice to workplaces and undertakes workplace inspections, investigation of incidents and complaints and, when necessary, issues penalties and undertakes prosecutions.

SafeWork NSW has also delivered the following key initiatives during 2017-18:

- engaging with the NSW community in numerous ways including:
 - 43,000 workplace interactions (including inspector visits)
 - four million website visits
 - 143,831 emails, calls and letters
 - 77,894 licences issued
 - 55,428 'Get Healthy at Work' checks (cumulative since commencement of the program).
- overall customer satisfaction with our services remains high with a result of 88 per cent
- provided 569 small business rebates. This represents over \$265,000 invested by government and over \$403,000 invested by small businesses to make safety improvements in NSW workplaces.
- there were over 4,100 registered participants in SafeWork NSW webinars
- continued promotion and delivery of the major multimedia campaign "Safety starts with you"
- the first Consultation@Work conference was held at the Sydney Cricket Ground with approximately 200 people in attendance
- coordinating the expansion of the Small Business Mentoring program into regional NSW
- launching the Supply Chain project to engage with designers, manufacturers, importers and suppliers to improve the exchange of safety information within NSW supply chains to ensure organisations 'up-stream' are supplying safe products, substances and processes for 'downstream' users.
- launch and commencement of the Agriculture and Manufacturing Sector Plans implementation. The Manufacturing Plan includes initiatives to address the potential high-impact harm that unguarded machinery may have.
- launch of the 2022 Musculoskeletal Disorder Strategy to prevent and manage the risk of Musculoskeletal Disorder injuries within NSW.

- launch and commencement of the Reducing Exposure to Hazardous Chemicals and Materials project. This involves intensive engagement with industry to identify priority chemicals for attention during the project.
- launch of the NSW Mentally Healthy Workplaces Strategy 2018-2022
- conducting targeted compliance programs, including a 'construction falls from heights blitz' that resulted in 460 construction sites across NSW being inspected. As a result of these inspections, SafeWork NSW issued \$115,000 in fines.
- making a \$2.5 million investment in additional specialist infrastructure project inspectors
- undertaking targeted compliance of High consequence, Low frequency risk areas. If unmanaged, these have the potential to cause serious human, social, reputational or economic impacts in NSW. Examples include crane incidents, scaffold collapses, amusement device failures, explosions involving firework factories and bulk fuel tanks.
- continued implementing the Quad Bike Improvement Program, which includes world first research, rebates, free training, community campaigns, partnerships and support for a five-star quad bike rating system. More than \$1.6 million in rebates has been paid to farmers who in return are investing more than \$21.4 million of their own money to drive significant safety improvements on their farms
- launch of the Asbestos Awareness campaign with industry leaders and advocates
- launch of a new world class research centre, the Centre for Work Health and Safety that will help reduce deaths and serious injuries in NSW workplaces. The centre will utilise research and data to inform innovative harm prevention strategies. The centre published its first research blueprint that sets out the scope of its research over the next four years.
- ongoing implementation of the Get Healthy at Work project including expansion into NSW Government agencies.

Work Health and Safety Performance

In the past decade, there has been a 28 per cent reduction in work-related fatalities from 86 to 62 in 2017 and a 24.6 per cent reduction in serious injury and illness.

Workplace fatality numbers and rates fluctuate year-to-year. In NSW, however, there is a downward trend overall and, given the work being undertaken under the Work Health and Safety Roadmap for NSW 2022, this trend is expected to continue.

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

Key Performance Indicator	Unit	Baseline		Three year rolling average results				Interim target ¹	Target
		2007-10	2011-13	2012-14	2013-15	2014-16	2015-17	2015-17	2020-22
Reduce the number of worker fatalities by at least 20 per cent by 2022	Number of traumatic injury fatalities (workers only) ²	75 (1)	65 (1)	65 (1)	58 (1)	58 (1)	59 (2)	67 (1)	60 (1)

Data sources:

- (1) Data provided by Safe Work Australia on 24 November 2016.
- (2) The data for the calendar year 2017 (62 fatalities) was provided by Safe Work Australia on 30 May 2018. This data is preliminary only and could change when data quality checks are applied in the future.

¹ The interim target was derived assuming a linear decrease from the baseline to the target.

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

Key Performance Indicator	Unit	Baseline	Results				Interim target ³	Target
		2009-10 to 2011-12	2012-13	2013-14	2014-15	2015-16	2015-16	2021-22
Reduce the incidence rate ⁴ of claims resulting in one or more weeks off work by at least 30 per cent by 2022.	Incidence rate of serious workers compensation claims ⁵	14.2 (1)	11.6 (2)	10.7 (2)	10.4 (2)	9.3 (2)	12.5 (1)	10.0 (1)

Data sources:

- (1) Data provided by Safe Work Australia on 24 November 2016.
- (2) From the 19th edition (revised) of the Comparative Performance Monitoring Report available here: [Comparative performance monitoring report 19th Edition–Part 1 | Safe Work Australia](#)

³ The interim target was derived assuming a linear decrease from the baseline to the target.

⁴ The Incidence rate is defined as the number of claims per 1,000 workers.

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

SafeWork NSW compliance and enforcement activity

In 2017-18, SafeWork NSW commenced 100 prosecutions under Work Health and Safety laws, securing 59 successful prosecutions (mainly from incidents in previous years) resulting in \$4.1 million in fines. SafeWork NSW accepted seven enforceable undertakings (an alternative to prosecution through the courts) worth \$4.5 million of investment towards harm reduction initiatives across NSW.

A summary of compliance, enforcement and other activities undertaken during 2017-18 is provided below.

Activity	Number
Workplace visits – proactive	22,765
Workshops, presentations, seminars, forums – proactive	818
Workplace visits – reactive	12,739
Other reactive interventions	7,651
Penalty notices issued	324
Prohibition notices issued	1,810
Improvement notices issued	9,210
Total other notices issued - Breakdown by section/clause of WHS legislation:	2,268
<i>C106</i>	3
<i>C110</i>	30
<i>S136B</i>	0
<i>S155</i>	1,285
<i>S161</i>	2
<i>S163A</i>	124
<i>S171</i>	506
<i>S174</i>	1
<i>S177</i>	18
<i>S178</i>	37
<i>S179</i>	6
<i>S198</i>	89
<i>S238</i>	12

Activity	Number
S59B	64
Notices under explosives legislation	91
Enforceable undertakings	7
Legal proceedings finalised in 2017-18	61 (successful and unsuccessful)
Legal proceedings resulting in a conviction, order or agreement in 2017-18	59 (successful matters)
Legal proceedings commenced in 2017-18(Proceedings commenced may not conclude until subsequent year/s)	100
Value of fines ordered by the Courts	\$4,111,450.00

Loose-fill asbestos insulation

In 2017-18 this program:

- received more than 412 property registrations
- conducted over 21,042 ceiling inspections
- provided financial assistance to 97 affected homeowners
- purchased 45 properties and successfully demolished and remediated 39 of those properties.

Once remediated, sites are removed from the Loose-fill Asbestos Insulation Public Register. The taskforce continues to work closely with project partners including Public Works Advisory and Property NSW. This ensures program objectives are met, focusing on ceiling inspections, asbestos removal and demolition activities, whilst rigorous work health and safety standards are upheld. Stakeholder and community expectations are managed through extensive engagement and continued implementation of education and communication strategies.

Centre for Work Health and Safety

The Centre for Work Health and Safety was officially opened in December 2017. It is a world class institution that informs policy, identifies emerging trends in workplace health and safety, and sets future priorities for business and government.

In the first six months, the centre initiated 15 research projects that align with the priorities outlined in its research blueprint. The blueprint details the centre's plan to use outcomes-driven, evidence-based insights to improve work health and safety for NSW workers.

Gift card reforms

The *Fair Trading Act 1987* was amended to introduce a minimum mandatory expiry period of three years for most gift cards and gift vouchers sold in NSW, as well as a ban on post-purchase administration fees. The changes aim to strike a fairer economic balance for consumers and businesses in the gift card market by giving consumers access to the full value of their gift card over a reasonable period, while maintaining a workable business model for traders. In response to the reforms, some retailers, including Woolworths, decided to scrap expiry dates altogether for gift cards sold around Australia.

Mentally Healthy Workplaces

The Better Regulation Division developed the NSW Mentally Healthy Workplaces Strategy 2018-22 to improve mental health at work.

Extensive research was undertaken to identify risks and issues. A Mentally Healthy Workplaces in NSW benchmarking tool was developed to achieve a baseline measure of NSW businesses and gauge where support was required. A summit was attended by 130 delegates including academics, mental health advocates, large and small business representatives, employee representatives and people with a lived experience of mental ill health. Through a co-design process and commitment pledge, summit participants demonstrated a universal commitment to improve mental health in NSW workplaces.

The strategy was announced in May 2018 and includes a \$55 million funding commitment from the NSW Government to support all businesses across the state. This funding is the single-biggest investment in workplace mental health in Australia.

Retirement Village Calculator

There are approximately 640 registered retirement villages across NSW accommodating over 55,000 residents. In September 2017, as part of a four-point plan to regulate retirement village businesses and practices, Fair Trading introduced an online calculator to empower prospective residents and their families by giving them a better understanding of the estimated costs of living in a retirement village. The calculator – developed in consultation with residents and operators – helps protect residents from confusing contracts, hidden fees and unexpected costs by generating easy-to-understand cost estimates.

2.2 State Insurance Regulatory Authority

Compulsory Third Party Green Slip reform

The new Compulsory Third Party (CTP) Green Slip scheme commenced in December 2017 bringing more support, structure, ease of access and savings to NSW road users. The introduction of CTP Assist, a multi-channel support service for injured people and other participants in the CTP scheme, and a new online tool allowing injured people to submit electronic CTP claims and disputes through the Service NSW website, have streamlined the process for NSW citizens. The new Green Slip Check is a fast, user-friendly, comparison tool that also improves services for motorists. Since implementation, the state-wide CTP premium average has decreased by more than \$120 to an average of \$528 per year. Millions of dollars in CTP refunds have been provided to millions of eligible NSW vehicle owners.

Home Building Compensation Check

The reformed NSW Home Building Compensation Scheme commenced operation on 1 January 2018. SIRA launched a new tool to help protect homeowners against uninsured and unlicensed building work. Home Building Compensation (HBC) Check allows homeowners, renovators, prospective buyers, councils and conveyancers to verify a project's insurance certificate number and issue date, a builder's name and their licence number, and the nature of the work to be undertaken.

Self-insurer licensing review

Following an extensive consultation and development process, SIRA began implementing a new workers compensation self-insurer licensing framework from June 2017. The redesign of the licensing framework provided scheme efficiencies by assisting SIRA to identify and minimise the risks to a well-functioning NSW workers compensation system, and to address these risks through appropriate levels of regulatory supervision. Key changes improve supervision of internal governance structures, claims management, data quality and prudential requirements. The first round of self-insurer tiering is complete.

Countering fraud in the CTP Green Slip scheme

SIRA continues to work extensively with the NSW Police Force's Strike Force Ravens, providing analysis and data on the CTP scheme and suspected unlawful activity. As a result, in 2017-18, there were more than 10 arrests and 75 charges laid concerning alleged fraudulent claims totalling approximately \$3.9 million.

2.3 ICT and Digital Government

FuelCheck app

Launched in October 2017, the FuelCheck app helps NSW motorists make informed decisions about their petrol purchases by providing fuel prices in real-time for all NSW service stations. The free app allows motorists to compare fuels by price, location, type and brand.

Development of Universal Claims database for CTP scheme reforms

Government Technology Platforms within IDG developed and delivered a Universal Claims database that provides real-time data on insurers' Compulsory Third Party (CTP) insurance claims as they are processed. This database enables SIRA to report sooner and more accurately on claims. The data provide insights into claim costs, insurer compliance, effectiveness of legal and health service providers, customer complaints and return to work and pre-injury activity rates. It builds a strong foundation to develop initiatives to improve the affordability of premiums, the proportion of benefits paid to the most seriously injured, access to scheme benefits and reductions in CTP fraud.

Digital.nsw Accelerator

In February 2018, the NSW Government and IDG launched its Digital.nsw Accelerator (DNA) to rapidly deliver prototypes of high-impact and high-value digital products to address challenges citizens face when interacting with government. Located on level 9 of the McKell Building, Rawson Place, Sydney, the Accelerator is a purpose-built collaborative space, where teams across government can apply agile and human-centred design practices to accelerate digital product delivery. With a focus on understanding customer needs, the Accelerator enables NSW Government departments to collaborate with citizens to co-design public services and products that are smart, simple and seamless.

buy.nsw

buy.nsw, an online procurement platform for all of NSW Government, was launched in May 2018 and provides a marketplace for cloud applications, infrastructure and digital support. buy.nsw brings digital transformation to procurement processes and makes procurement more efficient for buyers and sellers.

Critical Communications Enhancement Program

Throughout the reporting period, the Critical Communications Enhancement Program (CCEP) has continued to develop and expand its capability. The pilot in the North West was a success, extending public safety network coverage in the region. There was also continued focus on developing the North Coast priority region, with 87 sites confirmed to be upgraded to significantly improve shared and interoperable network coverage from north of Port Stephens and into Queensland.

Government data centres

The NSW Government's digital and private cloud community steadily grew throughout 2017-2018 as agency migrations continued into GovDC facilities. With all 10 NSW Government cluster agencies having representation within GovDC, utilisation of the original build neared capacity in early 2017.

Ongoing demand from NSW Government agencies and other public sector organisations enabled DFSI to commit to building new data halls in Silverwater and Unanderra. Construction was successfully completed by December 2017, with new tenants commencing migration shortly after.

2.4 Property and Advisory Group

Millers Point sale program

The Millers Point sale program reached a significant milestone in 2017-18, with more than \$500 million raised for 1,500 new social housing developments across NSW. Developments are occurring in areas of identified need for social housing, including the Bankstown, Canterbury, Liverpool and Fairfield areas and the Sutherland and Wollongong areas. New social housing is also under construction in Coffs Harbour and the Hawkesbury area in North Richmond.

Whole-of-government maintenance contracts

In May 2018, the NSW Government awarded eight new contracts to deliver maintenance services to 3,000 government sites across the state, including schools, TAFE campuses, ambulance stations and fire stations. Property NSW led a detailed, competitive tender process that resulted in the appointment of four contractors to undertake the works across eight regions. The new contracts, which commenced on 1 July 2018, are estimated to save the NSW Government \$60 million over four years. In addition, each contractor has committed to targets relating to Aboriginal and disability employment.

Property Infrastructure Policy

In 2017, the NSW Government approved a new policy to assist agencies with identifying surplus and underutilised property assets and make whole-of-government decisions on the future use of these assets to support the state's objectives. The Property Infrastructure Policy (PIP) will see Property NSW undertake detailed reviews of the government's property portfolio to identify assets that may be suitable for transfer to other government agencies or sold to deliver housing or social infrastructure. The new policy will encourage a whole-of-government approach to the allocation of the state's real property capital that will ultimately assist the state to deliver its significant infrastructure requirements.

Pymont Bridge restoration

In May 2018, the NSW Government commenced work on the \$23 million structural restoration of Pymont Bridge at Sydney's Darling Harbour. Opened in 1902, Pymont Bridge is one of the oldest surviving electrically operated swing span bridges in the world. It has been recognised as a National Engineering Landmark and is state-heritage listed. The project will include the replacement of deteriorated timber sections within the bridge pier and truss sections to maintain its ongoing structural integrity.

Sale of 45-61 Waterloo Road

In August 2017, infrastructure and property group John Holland was announced as the successful proponent to develop a new commercial precinct at 45-61 Waterloo Road, Macquarie Park. The \$170 million deal will see the former 3.2-hectare vacant site transformed to include office accommodation and a new public park. The commercial precinct can deliver up to 117,000 square meters of office accommodation. As part of the deal, the NSW Government will lease back 25,000sq/m of the new office space to accommodate more than 2,000 public service employees.

Campbell's Cove upgrade

In April 2018, work commenced on a major \$15 million upgrade of the historic Campbell's Cove promenade along Sydney Harbour. The changes will protect the heritage fabric of the precinct for future generations and improve public open space for visitors. The upgrades include a levelling and

widening of the existing promenade, a waterfront leisure area and amphitheatre for public events, east-west connections from the promenade to Hickson Road and The Rocks, and enhanced connections to the new Overseas Passenger Terminal wharf extension.

Improved asset management

Following a review of local and international best practice, the NSW Government has adopted new principles to improve the management of government property assets and support the delivery of core services. These principles, which are being rolled out across government, include incentives to improve utilisation of the government's property portfolio; separating property management from service delivery to ensure independence and transparency of these respective functions; further developing specialised property systems and capabilities; and; undertaking more robust reporting on portfolio performance across government.

New Teacher Housing Authority (THA) accommodation

In August 2017, Housing Services unveiled a \$1.2 million project to provide new housing at Coonamble Public and Coonamble High Schools. The new large flexible-design accommodation block in Bimble Street, Coonamble can be converted into either two-bedroom and three-bedroom units or one-bedroom and four-bedroom units.

2.5 Revenue NSW

A stronger and fairer NSW

In March 2018, the whole-of-government debt recovery strategy moved forward with the passage of the *State Debt Recovery Act 2018*. This supports Revenue NSW in providing services to other state agencies and local government resulting in better services and more efficient delivery. In 2017-18, total collections on behalf of NSW Ambulance increased from \$27.6 million to \$29.6 million. In the same period, customer satisfaction with collections increased by 50 percentage points from 31 per cent to 81 per cent.

To make our state fairer for all, Revenue NSW continued to support people experiencing severe hardship to manage fines debt they cannot pay. In addition to providing the option of a time to pay arrangement, eligible people who may be disproportionately impacted by fines debt may access the Work and Development Order (WDO) program. Through WDOs, people complete unpaid work, education or drug and alcohol treatment to work off their fines. As of 2017-18, the number of WDOs approved since the scheme began in 2011-12 has exceeded 100,000. This year, 28,456 WDOs were approved and \$34,896,136 in fines resolved.

Putting the customer at the heart of all we do

In July 2017, Revenue NSW made a public commitment to becoming a more customer-centric organisation with the launch of a Customer Charter setting out the professional, accountable, responsive and informed service that customers can expect. Customer experience training was delivered to all staff and customer experience metrics were developed across Revenue NSW. In 2017-18, 83 per cent of Revenue NSW customers indicated they were satisfied or extremely satisfied with the services provided.

A NSW Ombudsman's review of complaint handling functions across NSW Government found that Revenue NSW was one of the top performing agencies in all six Complaint Handling Commitments. In addition, the Customer Service Institute of Australia, in its first review of Revenue NSW's complaint handling, certified the agency at the second of three levels of maturity.

Efficient administration of revenues

Revenue NSW collected \$30.2 billion in 2017-18. State taxes made up the bulk of the revenue collected, funding 38 per cent of NSW finances. In 2017-18, Revenue NSW identified \$529 million of tax compliance revenue against a target of \$350 million.

Quality processes delivering for NSW

In 2017-18, Revenue NSW was re-certified under ISO 9001 2015 requirements. Six business areas were reviewed with planning underway on reviewing a further 16. In addition, 25 new reviewers were trained and 12 ISO 9001 external audit recommendations were completed. These efforts help to ensure that Revenue NSW is meeting internal and external requirements, and is focussed on increasing customer satisfaction and identifying improvement opportunities.

Making it easier for customers to do business

In 2017-18, the proportion of customers who received a camera-detected driving offence and used the online eNominations service to transfer the fine to the person responsible more than doubled, from 30 per cent to 68 per cent. This has cut red tape and provided a better customer experience for individuals and businesses.

In support of the NSW Government's timetable to introduce eConveyancing, Revenue NSW processed 26,638 property settlements electronically in 2017-18, compared to 5,624 electronic settlements in the previous financial year. The number of potential clients registered to Revenue NSW's electronic duties return service increased by nine per cent from 3,276 to 3,589.

2.6 Service NSW

Helping millions of customers and businesses

In 2017-18, Service NSW continued to deliver a high standard of customer service and maintain an impressive customer satisfaction rating of 97 per cent. Service NSW helped more people than ever this financial year, delivering services to customers and businesses through a network of 90 service centres, 32 council agencies and nine self-serve digital kiosks, a transactional website and the Service NSW app. Over 13 million customers were assisted across NSW, including 5.8 million calls answered at contact centres. A total of 3.3 million MyService NSW accounts have been created, with over one million app downloads.

Expanded services for families and citizens of NSW

Service NSW is the public face for delivering new rebates and incentives that reduce the cost of living for NSW citizens.

In September 2017, the Newcastle Contact Centre began handling NSW TrainLink calls. These customer interactions include trip enquiries, ticketing, booking changes and payment transactions. Since the handover to Service NSW, the Contact Centre has answered over 360,000 TrainLink customer calls.

From 1 December 2017, Service NSW has delivered the CTP refunds for private vehicle owners through its MyServiceNSW account. Over \$136 million has been refunded to CTP policy holders.

From 31 January 2018, Active Kids vouchers, valued at \$100 per calendar year for each student enrolled in school, were made available to NSW citizens. To date, 566,300 vouchers have been redeemed.

Community engagement and expansion of the Service NSW footprint

In 2017-18, Service NSW expanded its services to customers with 11 new Service Centres opening in rural and regional communities.

Around 78 per cent of Service NSW's network is located in rural and regional areas across NSW. The number of customers in these areas will continue to grow, and another 16 Service Centres and one Digital Hub in Woy Woy (first of its kind) are planned to open across rural and regional NSW in 2018-19.

Service NSW frontline teams participated in over 130 community engagement events, presenting at local shows and, charity drives and visiting seniors' groups and schools to educate people about Service NSW digital services.

Making Business Easier

The Making Business Easier program is a cross-divisional project that tackles the time, complexity and administrative burden that business owners face when starting or growing a business in NSW. The program bundles the regulations relevant to businesses in the cafe, restaurant and small bar industry on one digital platform which is supported by a tailored business concierge service.

Making Business Easier is a partnership between Service NSW, the Office of the NSW Small Business Commissioner and the Better Regulation Division. There are currently 69 councils partnering with Service NSW to roll out the program in their local government area. The program aligns with the Premier's priority of improving government services and the State priority of making NSW the easiest state to start a business and was rolled out to the housing construction industry from 30 June 2018.

Digital Driver Licence

Working with the Office of the Secretary, which developed policy and legislation to make digital driver licences and digital photo cards available to citizens across the state by the end of 2019, Service NSW rolled out a trial of a digital driver licence in Dubbo from October 2017 to February 2018. The trial was dependent on technology developed by ICT and Digital Government and involved collaboration with Government and Corporate Services. There were 1,492 digital driver licences downloaded through MyService NSW accounts with the trial receiving an 83 per cent customer satisfaction rating. All licence holders, including Learners and Provisional will be eligible for the digital driver licence at no additional cost, with the exception of the Learners Permit. Digital driver licences are issued immediately and can be accessed and managed through a smartphone app.

2.7 Government and Corporate Services

Support and strategy for NSW

Government and Corporate Services (GCS) continued to provide strategic policy, advisory, transaction and assurance support across DFSI. Significantly, GCS supported the introduction of legislative reforms including:

- the *Motor Accident Injuries Act 2017*, the Motor Accident Injuries Regulation 2017 and the Motor Accident Guidelines
- amendments to the *Fair Trading Act 1987* to introduce ticket scalping laws
- the *Building Products (Safety) Act 2017* prohibiting the use of unsafe building products in building and construction

GCS procurement and other specialist services delivered further collaborative and strategic outcomes across the cluster for a diverse range of NSW services.

Aboriginal Procurement Policy

In a cross-cluster collaboration, GCS contributed to the development of the NSW Government's new Aboriginal Procurement Policy (APP) for goods and services. The policy was announced in May 2018. The APP contributes to the NSW Government's strategic economic policy of Growing NSW's First Economy, and is the response to the NSW Legislative Council's Inquiry into Economic Development in Aboriginal Communities.

The APP sets a whole-of-government target to support 3,000 jobs for Aboriginal people through NSW Government procurement activities and to award three per cent of the total number of goods and services contracts to Aboriginal-owned businesses.

Sydney and Sydney Eye Hospital

Heritage Stoneworks stonemasons undertook the functional and aesthetic restoration of the Sydney and Sydney Eye Hospital sandstone heritage building. As with most sandstone heritage buildings, the hospital features stone ledges that aid in shedding rain from the building so the façade remains undamaged by erosion over time. The original ledges lasted 150 years but required replacing. This project, a delicate manual task requiring highly skilled craftspeople, will ensure the ongoing structural and aesthetic fabric of the building lasts for future generations.

High Availability Data project

The High Availability Database is an online replica of Manly Hydraulic Laboratory's (MHL) coastal and hydrometric data. It includes continuous quality-controlled time series data of NSW ocean waves, ocean and estuarine tides, coastal river water levels and flood information, water quality and catchment rainfall. The hosted data is derived from data collected and managed by MHL on behalf of the Office of Environment and Heritage and other public accessible data collected for other agencies. The High Availability Database is cloud-based and scalable according to demand, providing reliable access to long-term data for decision-making during emergency events such as coastal storms and floods.

Blaze: Working Women, Public Leaders exhibition

The Blaze: Working Women, Public Leaders exhibition was produced by the NSW State Archives Records Authority and hosted at the Whitlam Institute within Western Sydney University from 26 April to 27 July 2018. The exhibition is also available via an online catalogue. The Blaze exhibition provided insight into the challenges and opportunities that women faced building professional careers in the NSW public sphere across a 150-year timeframe. It also engaged with the stories of 14 present-day women who hold senior positions in NSW Government agencies, departments, and boards. These women reflected on their careers and provided unique insights into their formative, professional and leadership experiences.

2.8 Office of the Secretary

Legislation to improve workers compensation dispute resolution process

Legislation was introduced to reform the workers compensation dispute resolution system following an extensive review undertaken by the Office of the Secretary. The review involved consultation with stakeholders, injured workers and workers compensation scheme participants. The reforms will improve the experience of injured workers by enhancing support services, simplifying claim processes and removing duplication.

Rollout of Feedback Assist

DFSI, along with the Customer Service Commissioner (CSC), is the lead agency for the delivery of the Premier's Priority, that focuses on improving customer satisfaction with key government services. One of the key activities and achievements in 2017-18 was the rollout of the Feedback Assist widget on all NSW Government websites. The widget allows customers to easily provide compliments, complaints and suggestions while they are accessing these websites. This feedback will be used to help shape government programs and initiatives.

Provision of support to Finance, Services and Innovation Cabinet process

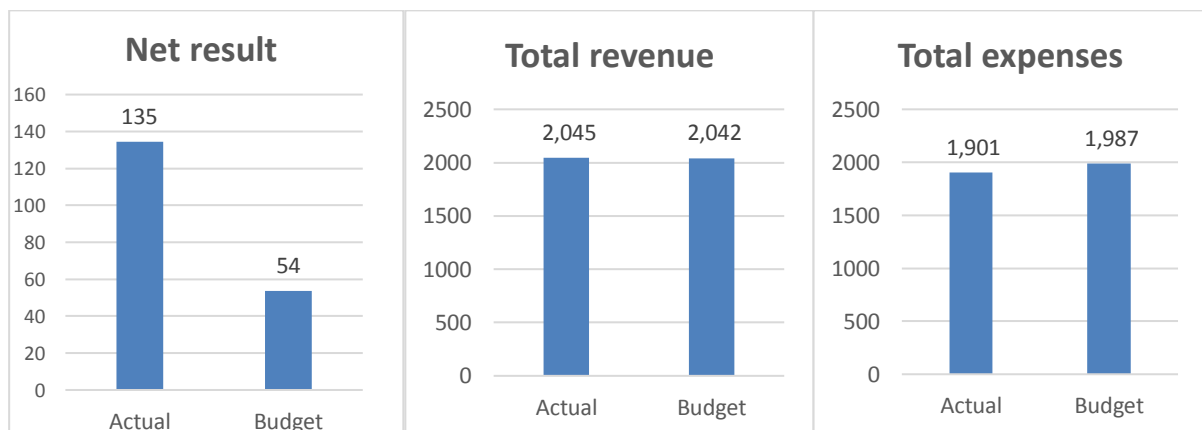
The Office of the Secretary provided advisory and project management support to the newly established Local Infrastructure Sub-Committee of Cabinet. The Committee, established in August 2017 and co-chaired by the Treasurer and Minister for Finance, Services and Property, enables coordinated and strategic government oversight of local infrastructure projects valued between \$500,000 and \$100 million. The Office of the Secretary works with local infrastructure delivery agencies, such as Roads and Maritime Services and School Infrastructure, to monitor and report on project progress.

2.9 Financial highlights

Net result

DFSI's net surplus for 2017-18 was \$134.5 million, exceeding the budgeted net surplus of \$53.6 million by \$80.9 million. The positive variance to budget was due to significantly lower expenditure than budgeted, as costs related to certain grants such as the Job Action Plan Payroll Tax Rebate were lower than forecast.

DFSI's operating expenditure (excluding gains or losses on disposal and 'other' gains/losses) was \$85.3 million lower than budgeted, while DFSI's total revenue exceeded the budgeted revenue by \$3.9 million.

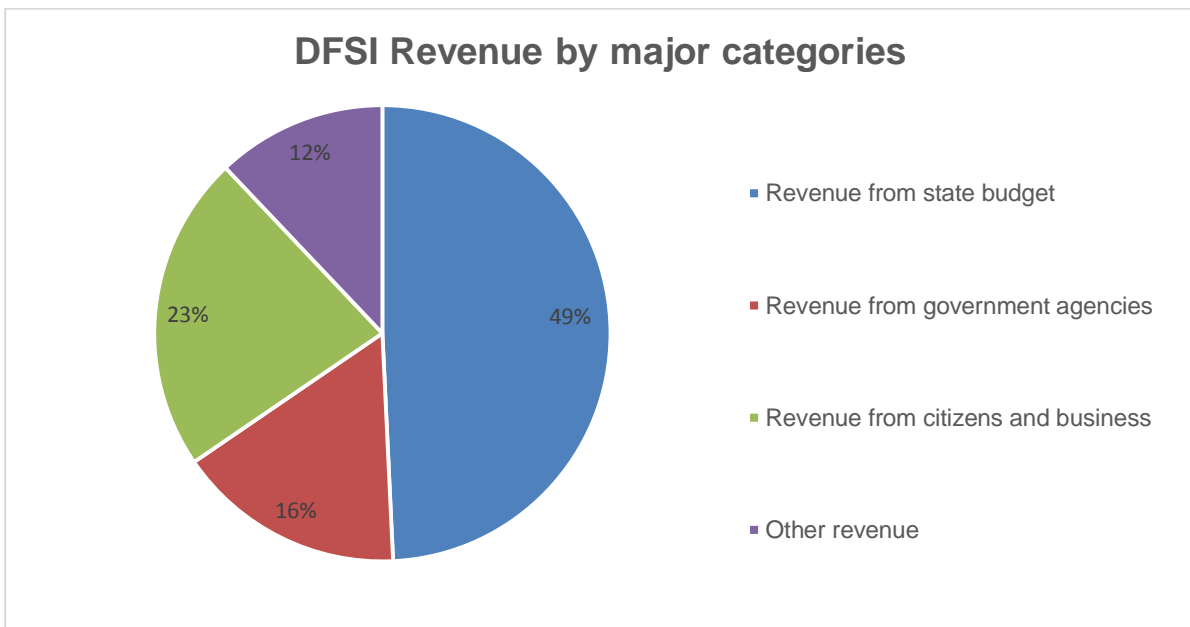
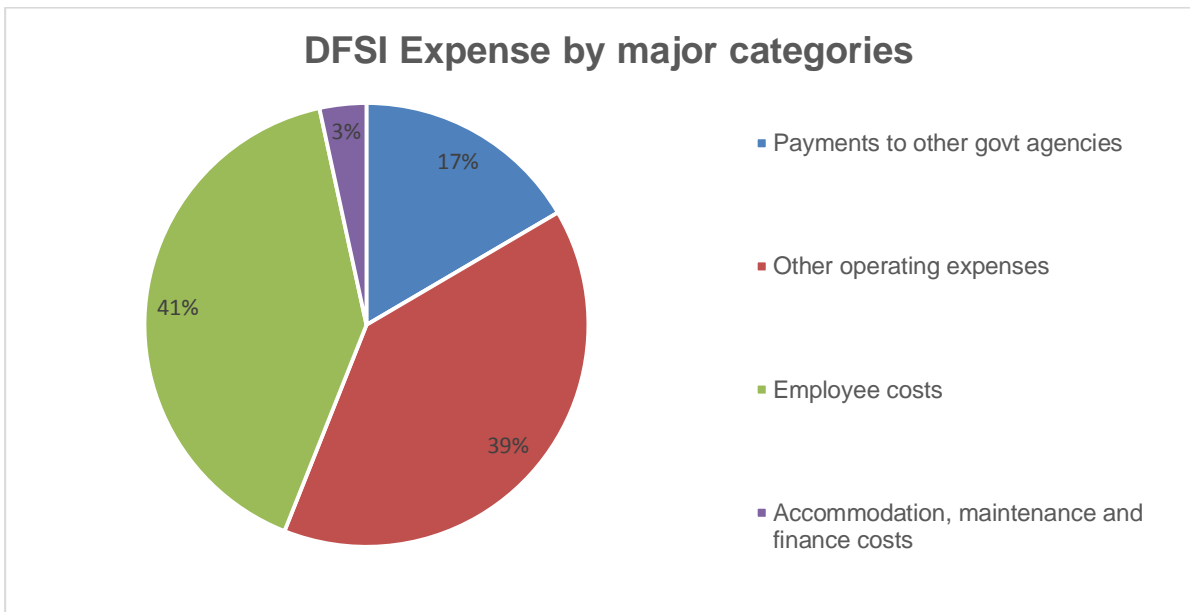


Expenditure was lower than budgeted by \$85.3 million primarily due to the following:

- payments of grants and subsidies (which includes payments of government funding to other entities in the cluster) were lower than budgeted as grants under the Jobs Action Plan Payroll Tax Rebate were lower than forecast
- reduced employee expenditure

Revenue exceeded the budgeted amount by \$3.9 million, primarily due to:

- increase in grants and contributions predominately relating to State Insurance Regulatory Authority
- proceeds from sale of motor vehicle inventory



2.10 DFSI Secretary's Awards 2017

DFSI Secretary's Awards 2017

The quality and contribution of our people in DFSI is celebrated in the annual Secretary's Awards. The 2017 award winners demonstrated common traits of leadership, ingenuity and integrity in their daily responsibilities, projects and additional commitments that fall under our Great Place to Work objective.

Award-winning examples included teams and individuals who:

- developed better systems, with the customer at heart, for improved service delivery
- improved operating models and rolled out new systems that enhance user experience
- delivered quality outcomes that provide value to a community of regional NSW
- demonstrated exemplary leadership characteristics and collaborative mindset.

Secretary's Awards were presented to the following recipients:

- **Excellence in Achievement (Individual) – Lulu Dinesan, Revenue NSW**

Lulu was key to helping call centre operators deliver better customer service by vastly improving the land tax knowledge management system, 'Apollo.'

- **Excellence in Achievement (Team) – Green Slip Price Check development team**

The work of this team helps millions of motorists every year save time and money when purchasing a Green Slip. With the landmark CTP reforms, the Green Slip Price Check replaced the Green Slip calculator to simplify and speed up the process in a more user-friendly way.

- **Leadership – Edward Couriel, Manly Hydraulics Laboratory**

Edward is held in high regard by his colleagues, who testified he is courageous and humble, listens to advice, engages clients, empowers his team and respects others.

- **Dare to Try – eApprovals project team**

The eApprovals project team worked to deliver better ministerial services by improving their operating model and rolling out a new system to enhance user experience. The team collaborated to streamline processes before implementing a new, customer-centric system.

- **Excellence in Regional Achievement (Individual) – Brett Cunningham, NSW Fair Trading**

Brett delivers quality outcomes for both Fair Trading and the Aboriginal communities of NSW through his ongoing involvement with the Aboriginal Rugby League Knockout event, the largest of its kind in Australia.

- **Excellence in Regional Achievement (Team) – Subsidence Advisory Claims team**

The Subsidence Advisory Claims team developed a new claims management model to address a significant backlog of mine subsidence claims, resolving approximately 120 claims in one year compared to around 40 in previous years.

- **Jennifer Bates Memorial Award – Alexis Wray, SafeWork NSW**

Alexis demonstrates her passion for mental health and young workers through her enormous contribution to the Young Workers Mental Health Project. As one of the founders of the Young Workers Collaboration, Alexis works in partnership with government and mental health organisations to pool resources, ideas and strategies.

3. Corporate performance

3.1 Strategic priorities

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

- Make NSW the easiest state to start a business
- Seventy per cent of government transactions to be conducted by digital channels by 2019

DFSI has in place a number of programs and projects to support the delivery of the State Priorities and is either on target or ahead of target in relation to the associated deliverables. DFSI is meeting its target for Improving government services in relation to the customer segment, and is slightly below target for the business segment.

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

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

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

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

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

3.2 Strategic planning and performance framework

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

- NSW: Making It Happen priorities and other whole-of-government strategies and plans

- DFSI Strategic Plan 2016-19
- Capital Investment plan
- strategic corporate functional plans to manage corporate services delivery
- annual operational plans that detailed each division's (or business unit's) goals, objectives and accountabilities, aligned to the Strategic Plan and broader DFSI objectives
- individual work plans and performance development plans

DFSI monitored and reported on performance through:

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

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

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

3.3 Performance review

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

DFSI Outcome	Key Performance Indicator	Unit	Target	Actual				Target	
				2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Providing efficient and connected services to citizens, business and government	¹ Improve customer satisfaction with key government services, every year	NSW Government Customer Satisfaction Index (Consumers)	79.3% (2018-19)	~	76.7	78.7	79.3	78.9	79.3
		NSW Government Customer Satisfaction Index (Businesses)	81.2 (2018-19)	~	76.6	78.4	78.3	78.2	81.2
	² Increase the number of NSW Government services delivered through SNSW channels	% agencies SNSW provide direct services for	90%						
			(2017-18)	48%	63%	78.3%	92.9%	100%	100%
Innovating and transforming the way government operates	70% of government transactions to be conducted via digital channels by 2019.	% government transactions conducted via digital channels	70% by 2019	32%	37%	43%	57%	67%	70%
	Increase the proportion of NSW Government ICT infrastructure consolidated within GovDC.	kW capacity signed up by tenants in GovDC	Upward trend	1280 kW	1892 kW	2650 kW	3305 kW	4237 kW (Actual)	4450 kW
	Reduce notifiable fatalities and serious injuries	³ No. (Fatalities)	60 (2020-22)	65	58	58	59	~	67
			9.45 (2021-22)	10.7	10.4	9.3	~	~	10.67
	⁵ Increased proportion of people within relevant schemes who are supported to return to employment or study.	%	Upward trend	78%		82%		81%	~

DFSI Outcome	Key Performance Indicator	Unit	Target	Actual				Target	
				2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	⁶ Improve affordability of CTP premiums and share of premiums paid to injured road users, over time and compared to other states	% (Average Weekly Earnings)	35%	36%	35%	37%	39%	29%	28%*
Strengthening public sector finances and the wider NSW economy	Increased proportion of all state revenues owing that are collected	%	80% (2017-18)			95.3%	92.70%	91.30%	~
	⁷ Increased savings returned to government through targeted procurement reforms.	\$				\$40.3m	\$115.8m	\$133.4m	\$132.6m
	Value of government property recycled	\$	\$400m (2018-19)		\$347m	\$432m	\$507m	\$489.5m	\$400m
We are a great place to work.	⁸ Improved DFSI staff engagement.	%	Upward trend	64.7%	~	61.70%	63%	64%	
	⁹ Exceed government employment targets for women in senior positions	%	50% by 2025	31.8%	32.8%	35.8%	39.7 ¹⁰ %	43.4%	
	Aboriginal and Torres Strait Islanders	%	3.3 ¹¹ %	1.6%	1.5%	1.8 ¹³ %	0 ¹² %	2.4%	
	¹⁴ People with a disability requiring work related adjustment	%	1.5%	1.9%	1.7%	2.2 ¹⁵ %	1.7%	1.9%	
	¹⁴ People with a disability	%	5.6% by 2027				6.5 ¹⁶ %	5.9%	

*Figure for the 2017-18 financial year has been adjusted for policies under the 2017 Scheme (i.e. written since 1 December 2017)

Notes

- 1 Derived from the NSW Customer Satisfaction Index 2016 for Consumers and Businesses.
- 2 Based on % of agencies SNSW provide direct services for.
- 3 Figures are provided on a three-year rolling average from 2011–2017 by Safe Work Australia. Current results are preliminary and were provided by Safe Work Australia on 24 November 2016. The data is subject to change only when data quality checks are applied in the future
- 4 Data provided by Safe Work Australia on 24 November 2016, from the 18th edition (revised) of the Comparative Performance Monitoring Report.
- 5 Taken from Safe Work Australia current Return To Work rate. Data captured on a bi-annual basis.
- 6 CTP Premiums (all passenger vehicles) as a % of average weekly earnings.

- 7 Taken from YTD Savings (Jun 2016) for the Procurement Benefits Program; data for previous financial years were not available as agencies were responsible for achieving their own procurement savings target
- 8 Taken from the Public Service Commission's People Matter Employee Survey (PMES)
- 9 Data prior to 2015-16 has not been adjusted to take into account changes in departmental structure nor machinery of government. Result as per Public Service Commission definition of a Senior Leader That is anyone with a wage on or above Senior Officer Grade 1.
- 10 In the 2016-17 DFSI Annual Report the figure of 40.00% was published for year 2016-17. This figure has been adjusted to 39.70% to reflect the Workforce Profile Data
- 11 During the publication of 2017-18 numbers the target was adjusted from 2.60% to 3.30% as the target is a sliding increase for Aboriginal staff in the sector provided by the PSC. The change from 2.6% to 3.3% took place at the end of 2016-17 year
- 12 During the publication of the 2016-17 annual report we published 4.10% for ATSI in 2016-17. This figure was incorrect due to a system error that incorrectly counted staff as identifying as ATSI that were not ATSI. We are unable to calculate the result for this year and will be reporting 0.0%
- 13 During the publication of the 2015-16 annual report we published the figure of 2.50%. This was incorrect. This has been adjusted to 1.80%
- 14 During the publication of the 2017-18 figures both disability metrics regarding disability targets were added as only displaying one is misleading
- 15 During the publication of the 2017-18 figures we found the value for 2015-16 was adjusted from 1.60% to 2.20% as the figure was incorrectly published
- 16 During the publication of the 2017-18 figures we found the value for 2015-16 was not shown in the table. The table has been updated to include this result of 6.50% as per table 6.7

4. Corporate governance

4.1 Governance principles and framework

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

DFSI had in place the following governance principles:

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

The primary governance body for DFSI was the Executive Board, which met regularly during 2017-18.

The following units provided additional oversight of corporate governance functions:

- Office of the Secretary, including:
 - Risk and Opportunity Management
 - Internal Audit
 - Corporate Planning, Performance and Portfolio Office
- Legal Services
- Corporate Finance

There were also a number of key governance support initiatives:

- DFSI Risk and Compliance Partners Community of Practice
- DFSI Business Continuity Management Community of Practice
- DFSI Information Governance Forum.

Audit

DFSI Audit and Risk Committee

During 2017-18, DFSI had an Audit and Risk Committee (ARC) in place, compliant with *Treasury Circular TPP 15-03 – Internal Audit and Risk Management Policy for the NSW Public Sector*. DFSI's Internal Audit and Risk Management Attestation Statement is provided at Appendix 6.18 Risk management, insurance activities and attestation.

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

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

Internal audit

DFSI Internal Audit (IA) provides independent and objective assurance and consulting advice to management to improve the effectiveness of risk management, control and governance processes. The Chief Audit Executive reports to the DFSI ARC and Secretary quarterly on the risk-based IA work

plan, and progress towards completion of the plan, as well as implementation of audit issues and recommendations.

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

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

IA reviewed and updated the following policies and frameworks:

- Conflicts of Interest Policy
- Fraud and Corruption Control Framework
- Fraud and Corruption Control Policy and Fraud and Corruption Control Plan
- Fraud and Corruption Internal Reporting Policy
- Gifts and Benefits

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

External audit

The Audit Office of NSW has audited DFSI's consolidated financial statements as at 30 June 2018 and issued an unqualified audit opinion and Statutory Audit Report on 27 September 2018. The audit report highlighted the following significant governance matter.

GovConnect received seven ASAE 3402 assurance reports for the 2017/18 financial year: six for Infosys with unqualified opinions; one for Unisys with a qualified opinion. The qualified opinion related to Infosys and Unisys employees having inappropriate access to the Network and access to the SAP DB2 database was not restricted appropriately or monitored through most of the fiscal year. There were also instances of former customer employees accessing network resources after their termination date.

Deloitte issued Management letters to Unisys and Infosys. The Management letters set out additional observations and areas for improvement in processes with proposed actions to address the issues. The Service Management Office (SMO) facilitated meetings between Deloitte and Infosys and the proposed actions have been agreed.

The SMO will work with the GovConnect customers Infosys and Unisys on mitigating controls to address weak or ineffective controls highlighted in ASAE 3402 reports. The SMO will continue to review and test access control monitoring as part of its quarterly self-attestation process, along with continuing regular quarterly controls testing and review processes.

The 2017-18 Audit Report to Parliament is expected to be tabled in late November 2018.

4.2 Accessing DFSI information

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

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

Review of proactive release program

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

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

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

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

Privacy and Personal Information Protection Act 1998 (PIIP Act) and the Health Records and Information Privacy Act 2002 (HRIP Act)

The PIIP Act contains 12 information protection principles regulating the collection, use and disclosure of personal information by NSW public sector agencies, and the HRIP Act contains 15 health privacy principles. These principles ensure that agencies collect personal or health information for lawful purposes and that such information is protected from misuse and unauthorised release.

NSW Government agencies are required to prepare and implement a privacy management plan in accordance with section 33(1) of the PIIP Act. The DFSI privacy management plan outlines the types of information likely to be collected, how DFSI may use or disclose that information and how an individual can access information concerning them. The plan can be found at:

www.finance.nsw.gov.au/sites/default/files/dfsi_pmp.pdf.

The DFSI plan, as well as some plans that are in place for agencies within DFSI, are designed to let the public know how personal and health information is handled. They are also used to train staff and inform policies and procedures regarding the handling of personal and health information. A privacy statement that provides a snapshot of privacy management practices supports the plans. More about the SIRA plan can be found in the SIRA annual report.

Additional information about how DFSI manages its obligations under the PIIP and HRIP Acts, as well as links to other privacy management plans for agencies within DFSI, is available at www.finance.nsw.gov.au/about-us/privacy.

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

Access request applications under section 14 of the PIIP Act

In 2017-18, DFSI received seven formal access applications by individuals requesting their personal information under the PIIP Act. DFSI also dealt with numerous informal requests by individuals requesting their personal information. These informal requests are generally dealt with directly by DFSI business units when dealing with members of the public.

Applications for internal review of the conduct of DFSI under section 53(1) of the PIIP Act

In 2017-18, DFSI received eight applications for internal reviews under the PIIP Act.

Government Information (Public Access) statistics

During the year 924 access applications were received, including withdrawn applications, but not including invalid applications.

There were 30 access applications refused, either wholly or in part, because the application was for disclosure of information for which there is conclusive presumption of overriding public interest against disclosure.

These figures are from the following DFSI divisions:

- Office of the Secretary
- Government and Corporate Services
- ICT and Digital Government (including the State Archives and Records Authority)
- Revenue NSW
- Property and Advisory Group
- Better Regulation Division (including NSW Fair Trading, SafeWork NSW, and the Office of the Registrar General)
- State Insurance Regulatory Authority

Please note: These figures include 675 applications regarding information held by SafeWork NSW that were processed by a dedicated Right to Information Unit in the Better Regulation Division.

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

Applicant	Access granted in full	Access granted in part	Access refused in full	Info not held	Info already available	Refuse to deal with app	Refuse to confirm/deny info held	App withdrawn
Media	5	7	1	3	0	0	0	1
Members of Parliament	17	20	0	5	4	3	0	6
Private sector business	11	15	4	5	2	1	0	3
Not-for-profit organisations or community groups	0	2	3	0	1	2	0	1
Members of the public (application by legal representative)	22	303	72	125	4	2	0	25
Members of the public (other)	46	205	39	38	9	6	0	14

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

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

Applicant	Access granted in full	Access granted in part	Access refused in full	Info not held	Info already available	Refuse to deal with app	Refuse to confirm/deny info held	App withdrawn
Personal information applications*	8	10	0	6	0	0	0	7
Access applications (other than personal information applications)	62	63	7	30	17	9	0	19
Access applications that are partly personal information applications and partly other	33	437	112	140	3	5	0	23

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

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	141
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	141
Invalid applications that subsequently became valid applications	102

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

Reason	Number of times consideration used
Overriding secrecy laws	2
Cabinet information	4
Executive Council information	1
Contempt	2
Legal professional privilege	23
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

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

Reason	Number of times application not successful
Responsible and effective government	127
Law enforcement and security	52
Individual rights, judicial processes and natural justice	581
Business interests of agencies and other persons	278
Environment, culture, economy and general matters	2
Secrecy provisions	5
Exempt documents under interstate Freedom of Information legislation	2

Table F: Timeliness

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	904
Decided after 35 days (by agreement with applicant)	40
Not decided within time (deemed refusal)	5
Total	949

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

Review type	Decision varied	Decision upheld	Total
Internal review	6	7	13
Review by Information Commissioner*	1	5	6
Internal review following recommendation under section 93 of Act	2	1	3
Review by Administrative Decisions Tribunal	4	4	8
Total	13	17	30

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

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

Applicant	Number of applications for review
Applications by access applicants	21
Applications by persons to whom information the subject of access applications relates (see section 54 of the Act)	4

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

Type of transfer	Number of applications for review
Agency-initiated transfers	29
Applicant-initiated transfers	1

Information in other annual reports

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

5. DFSI related entities' reports

5.1 Office of the Registrar General – the regulator

The Office of the Registrar General (ORG) oversees the performance of NSW Land Registry Services, which operates the NSW land titles registry. The ORG has controls and powers to ensure the ongoing integrity, security, performance and availability of registry core services and systems, and to make sure the registers are accurate and up-to-date.

ORG's regulatory controls and close oversight of the operator include comprehensive audit powers, real-time visibility of the register, legally-enforceable performance indicators with penalties attached, and powers to review decisions on customer complaints. ORG also oversees changes to the operator's technology that might affect the integrity or security of the register.

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

Strategic scanning project

ORG is digitising strategic record sets to make these records more available to customers. This project is part of a broader concession objective of promoting innovation and technological improvements at the land titles registry.

Titling and Registry Services business during 2017-18

The property market in NSW continued to experience high levels of activity in 2017-18. A total of 922,327 dealings were lodged for registration – a 2.5 per cent decrease from 2016-17. Discharge of mortgage continued to dominate the major types of dealings with 279,525 lodgements made.

Deposited plan lodgements increased by 5.9 per cent to 9,840 plans and strata plan lodgements increased by 5.2 per cent to 1693 plans. 71,726 new lots were created; 37,399 from deposited plans and 34,327 from strata plans. Although strata plans comprised 15 per cent of the total plans lodged, they created 47.9 per cent of all new titles.

National electronic conveyancing reform – Council of Australian Governments initiative

NSW was one of the leading states to introduce eConveyancing in 2013 due to the significant benefits it brings to consumers and businesses. eConveyancing is a more efficient and secure way of registering the transaction of documents, with quicker transmission of settlement funds through a protected Reserve Bank of Australia system. This results in fewer cases of fraud and errors and means there is no need for lawyers and conveyancers to physically attend settlements.

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

The reform made significant progress in 2017-18 with monthly e-lodgements making up around 45 per cent of all possible dealings by the end of the financial year. Subscriber numbers are increasing, and currently sit at approximately 3000.

The ORG partnered with the Australian Institute of Conveyancers (AIC) to run practical eConveyancing training workshops for lawyers and conveyancers. The ORG completed [65] workshops and trained close to 1,000 lawyers and conveyancers. Feedback from these workshops has been very positive.

The ORG also entered a new partnership with the Law Society of NSW to conduct regular Transition to eConveyancing workshops on the relevant legal framework, which also received very positive feedback.

The ORG website was substantially updated with new information on how to successfully make transactions electronically. This included a tailored package of information for lawyers and conveyancers to understand the legal framework and have access to frequently asked questions and other information to make the transition to digital smoother.

To further help prepare lawyers and conveyancers for the NSW eConveyancing mandates, the ORG, with representatives from Revenue NSW, presented across NSW at around 30 other PEXA, AIC and Law Society of NSW forums.

Torrens Assurance Fund claims

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

During 2017-18, 14 compensation claims were submitted to the Registrar General.

As at 30 June 2018, there were 18 current claims against TAF totalling approximately \$12.8 million. This contingent liability is an estimate based on the scenario of all fraud and error claims being paid. Actual payments are generally much lower.

The TAF has paid out a total of \$3,168,143 in compensation for the financial year 2017-18. A significant portion of the total payout was a settlement payment made in relation to one matter.

Strata reform

The Conveyancing (Sale of Land) Regulation 2017 commenced on 1 September 2017, following an extensive review conducted by the Office of the Registrar General.

The Regulation introduced changes to vendor disclosure obligations affecting contracts for the sale of land and options for the purchase of residential property. Existing provisions were simplified and updated, and new disclosure requirements were introduced to reflect recent legislative changes and current conveyancing practice. Key changes involved a new vendor warranty relating to the strata renewal process, a new prescribed statement warning purchasers to the possible presence of loose-fill asbestos in some properties, and the requirement for additional documents relating to sewer locations and strata by-laws to be annexed to sale contracts.

The Regulation provides the community with a transparent and efficient conveyancing process, enabling the early exchange of contracts and reducing the opportunity for gazumping.

Two further legislative reviews were commenced during the year with the publication of separate Discussion Papers. The first paper, titled 'Off-the-plan contracts for residential property' identified a set of reform proposals designed to strengthen protections for consumers buying property off-the-plan.

The second paper, titled 'Removing barriers to electronic land contracts', looked at the role of digital technology in conveyancing transactions. It sought to identify legal impediments for paper transactions to move efficiently to electronic platforms.

Boundary determinations and survey audits

ORG's cadastral integrity surveyors investigated, determined and resolved boundary disputes between land owners on behalf of the Registrar General in accordance with Part 14A of the *Real*

Property Act 1900. Thirteen boundary determinations were lodged with the Registrar General in 2017-18 – 12 in the Sydney metropolitan area and one in regional NSW.

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

In 2017-18, the ORG carried out 143 audits across NSW, 83 of which were in the Sydney metropolitan area and 60 in regional NSW. All audits carried out by the ORG are on registered plans.

Digital plan processing system

The NSW Land Registry Services (NSWLRS) continued to promote services to facilitate digital plan lodgements in XML format, which offers a streamlined and more efficient plan processing system for developers, surveyors and their clients. The benefits to industry include self-validation of plans and improved registration times.

The ePlan team assisted surveyors to implement digital plan data in LandXML format into their systems and processes. As of 30 April 2018, 1,292 LandXML plans have been lodged creating 22,501 new lots at an average of 17.5 lots per plan. A total of 276 surveyors, using six different survey software programs, have completed LPI training courses to learn how to create digital LandXML files. The number of surveyors submitting plans in LandXML format stands at 140 from 66 different companies.

The monthly lodgements of LandXML files have been doubling each year since 2014 and now average just under 50 per month, with 56 being lodged in April 2018. Currently 8 per cent of Deposited Plan lodgements are in LandXML format, which includes 30 per cent of new lots created. This generated 26 per cent of plan lodgement income for Deposited Plans.

Work is progressing on the implementation of LandXML for Strata Plans, with the first LandXML Strata Plan in Australia lodged in NSWLRS in September 2017.

5.2 Board of Surveying and Spatial Information's report

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

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

Key achievements

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

Highlights for the past year include:

- undertaking a review of the Board's operation, purpose and enabling legislation and consideration of potential options for the future administration of the Board and its activities
- assisting with the review and redrafting of the Surveying and Spatial Information Regulation which came into effect on 1 September 2017

- handling 31 complaints during 2017-18, of which seven involved advertising by non-registered persons, 12 concerned non-registered persons undertaking land surveys, 11 related to allegations of incompetence against registered surveyors and one was submitted by a landowner alleging his neighbour had removed survey marks defining their common boundary. The board currently has court action pending against seven non-registered persons. Of the 10 complaints against registered surveyors, five were not proven, two were proven and three are in the course of investigation.
- Review and update of the following BOSSI Determinations and publications:
 - BOSSI Charter
 - Registration Examinations: Guidelines for Land Surveying Assessments
 - Continuing Professional Development
 - development of new initiatives and procedures for registered surveyors to renew their annual registration on time and enable digital payments
 - presentations by the Surveyor-General or members of the Board at over 20 industry events

Mission

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

Aims and objectives

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

Qualifications

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

Education

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

Spatial information

- identify key spatial sector stakeholders and develop communication and promotion strategies as well as benefits for the Board, the public and private sectors
- advise the Minister on matters relating to spatial information

- develop policies, assess and recommend quality standards for collection, collation, management and dissemination of all identified types of spatial information relevant to the NSW Spatial Data Infrastructure.

Report on operations

Registrations

The register of surveyors contains the names of 1,063 registered surveyors who are considered competent by the Board to perform land and mining surveys in NSW. The total number of registrations included 34 new registrations either by competency or mutual recognition.

During 2017-18, the Board issued 20 letters of accreditation to interstate boards. These reciprocal arrangements between BOSSI and other jurisdictions are in accordance with National Competition Policy (NCP) Principles and the *Trans-Tasman Mutual Recognition (NSW) Act 1996*.

Qualifications

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

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

During the 2017-18 financial year, BOSSI reviewed 40 overseas academic qualifications. No requests for the assessment of interstate qualifications were received during 2017-18.

Examination

BOSSI met for a total of 12 working days during September-October 2017 and February-March 2018 for the purpose of assessing the professional competence of candidate surveyors through examinations. BOSSI had no candidate surveyors undertaking Professional Training Agreements in this reporting period. A total of 23 applicants were issued with certificates of competency.

Candidate training

To assist candidate surveyors attempting assessment, BOSSI conducts an annual candidate training workshop at Kurri Kurri TAFE. This year, 46 land and three mining candidate surveyors attended. In addition, five land supervising surveyors attended with their candidates.

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

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

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

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

Awards granted

BOSSI awards a number of prizes each year. These include BOSSI Medals for the most successful students in the final year of tertiary study and eight prizes to recipients of certificates of competency. BOSSI also provides sponsorship of the Surveyor General Scholarship for Women in Surveying, to

encourage women to undertake the surveying degree at the University of Newcastle and University of NSW.

The following awards and scholarships were granted during 2017-18.

The Board of Surveying and Spatial Information Medals

- Murray Ingram from the University of Newcastle
- Ahmed El-Kiki from the University of New South Wales

Surveyor General Scholarship for Women in Surveying

- Elizabeth Evans, who is undertaking the Bachelor of Engineering (Honours) (Surveying) degree at the University of Newcastle.

Anna Allen Consulting Surveyors Prize

- Greg Doherty for the best result in the strata and community titles assessments.

Augustus Alt Prize

- Joshua Ventura for the best result in the engineering assessments

Barr Prize

- Mitchell Warwick for the best result in the rural cadastral surveying assessments

Clarence Smith Jeffries Mining Award

- Andrew Smith for the best result in the mining surveying assessments

Harvey Prize

- Michael Stevens for the best result in the town planning assessments

Neil Ryan Memorial Award

- Ethan Bolstad for the best result in the urban cadastral surveying assessments

Staff Surveyors Association Award

- Peter Smith for the most innovative, technically difficult or diverse project presented at the Board's assessments

Surveyor General's Prize

- Vaughn Wady for the best overall candidate surveyor who received a Certificate of Competency in the calendar year

Surveyor registrations

Performance indicator	2013-14	2014-15	2015-16	2016-17	2017-18
Registered surveyors in NSW	1,060	1,042	1,039	1,030	1,036
New registrations					
By way of certificate of competency	19	17	23	23	24
By way of letter of accreditation from reciprocating boards	7	12	17	9	10
Removal of name from register					
Non-payment of annual roll fees	54	39	42	58	39
At own request	30	26	26	34	17
Deceased	1	3	4	2	4
Restoration of name to register	48	34	27	52	34
Letter of accreditation issued to reciprocating boards	22	13	17	28	20
Candidate enrolments	46	59	75	56	72
Total financial candidates	165	197	232	228	260
Assessment of overseas qualifications	25	25	32	28	40
Assessment of interstate qualifications	0	3	1	0	0
Meritorious certificates awarded	23	20	19	22	14

Stakeholder engagement

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

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

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

Continuing professional development

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

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

- University of Newcastle
- Surveying and Spatial Sciences Institute

BOSSI undertakes an audit of CPD compliance involving 30 per cent of surveyors renewing their annual registration, in accordance with the policy. During 2017-18, 308 surveyors were audited. As a result of the audit one surveyor was deemed not to have complied with the policy and was removed from the register of surveyors.

Governance

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

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

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

Board members

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

Board members and attendance

Members	Board meetings
Ms Narelle Underwood, President, Surveyor General of New South Wales, BE (SSIS) (HONS) (UNSW), MIS, Registered Land Surveyor Ex-officio position. Appointed October 2016	6
Mr David Job, B Surv (UNSW), MGeom (Melb), Registered Land Surveyor Nominee of Public Service Appointed November 2017 (term expires November 2019)	4
Mr Peter Baxter, B Surv (UNSW), Registered Land Surveyor Nominee of Institution of Surveyors NSW Inc. Appointed June 2016 (term expired June 2018)	6
Mr Robert Harrison OAM, B Surv (UNSW), Registered Land Surveyor Nominee of Institution of Surveyors NSW Inc.	4

Members	Board meetings
Appointed June 2016 (term expired June 2018) Reappointed June 2018 (term expires June 2020)	
Mr Christopher Abbott, B Surv (UNSW), Registered Land Surveyor Nominee of Institution of Surveyors NSW Inc Appointed July 2015 (term expired July 2017) Reappointed November 2017 (term expires November 2019)	5
Mr Christopher Moy, Registered Mining Surveyor Nominee of Australian Institute of Mine Surveyors Ltd Appointed June 2016 (term expired June 2018) Reappointed June 2018 (term expires June 2020)	4
Ms Liz Fulton, MGIS and Remote Sensing, GISP-AP Nominee of Surveying and Spatial Science Institute. Appointed June 2016 (term expired June 2018) Reappointed June 2018 (term expires June 2020)	3
Ms Mary-Ellen Feeney, BSc (Hons) Applied Physical Geography (UNSW), PhD Geomatic Engineering (UMELB) Nominee of Spatial Information Business Association. Appointed June 2016 (term expired June 2018) Reappointed June 2018 (term expires June 2020)	6
Mr Andrew Halmarick, BAppSc Surveying & Mapping, Grad Dip Urban Estate Management, MIS, Registered Land Surveyor Nominee of Association of Consulting Surveyors NSW Appointed June 2016 (term expired June 2018) Reappointed June 2018 (term expires June 2020)	5
Ms Janet Bailey, BA (MU), Dip Ed (MU) Nominee of Minister for Fair Trading. Appointed August 2017 (term expires August 2019)	4
Mr William Barraclough, Bachelor of Mining Engineering (Hons)(UOW) Nominee of the Minister for Industry, Resources and Energy. Appointed June 2016 (term expired June 2018)	4
Dr Craig Roberts, PhD (UNSW), B Surv (USA) Nominee of University of New South Wales Appointed July 2015 (term expired July 2017)	2
Dr Lloyd Pilgram, PhD (UON), B Surv (UON) Nominee of University of Newcastle Appointed November 2017 (term expires November 2019)	4
Mr Gary Parker, Chief Inspector of Mines, Grad Dip Mine Ventilation (UNSW) Nominee of the Minister for Industry, Resources and Energy. Appointed June 2018 (term expires June 2020)	0

Advisors and observers	Board meetings
Mr Michael Spiteri, Registrar	5
Mr Shane Oates, Registrar	0
Ms Margaret Hole AM, Dip Law, Barristers Admission Board Legal Advisor to the Board	4
Mr David Job, B Surv (UNSW), MGeom (Melb), Registered Land Surveyor Director Cadastral Integrity, Office of the Registrar General Chief Examiner and Advisor to the Board	2
Mr Jeff Brown, B Surv (UNSW), Registered Land Surveyor Surveyor-General of the ACT – Observer	5
Mr Ruiyan Li BE (SSIS) (HONS) (UNSW), Registered Land Surveyor Young Surveyor Advisor	4

Board meetings

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

Board committees

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

Administration

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

Future focus

The Board's main focus will be a review of its operations and strategic plan to maintain the high standards that the public expects of surveying and spatial information professionals and to investigate more efficient methods for maintaining these high standards.

5.3 Geographical Names Board of NSW report

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

- assigning and determining place names, and maintaining the state gazetteer of place names
- determining address locality (suburb) boundaries
- evaluating road name proposals and maintaining the state gazetteer of road names

- compiling and maintaining a vocabulary of Indigenous words suitable for use in geographical names
- supporting the production, aggregation, publication and usage of standardised address data across NSW

Functions of the GNB are undertaken by the Secretariat, a team of four within Spatial Services.

GNB's role

The most widely used way to identify a location is a place name. Place names are an essential element of effective communication worldwide, and support social economic development, conservation and national infrastructure.

GNB's role is to ensure there is an effective connection between people and place. This is achieved in a number of ways, such as preserving a local area's history through naming or ensuring the use of consistent place names to improve response times from emergency services.

Key achievements

GNB's focus this year has been on commencing its digital transformation, stakeholder management, policy and process improvement, and ongoing management of place name applications. Some of the applications received resulted in unprecedented feedback and widespread media coverage.

Specifically, this financial year GNB:

- started its digital transformation with all workflows now being electronic and business cases developed for underlying IT platforms
- attended meetings around the state to support place naming
- improved transparency by finalising and publishing its governance policy
- commenced revising the NSW Addressing User Manual
- commenced a program to better align the names and spatial location to the Digital Topographic Database
- completed its role in the ANZAC Soil Collection program as part of the ANZAC Memorial Centenary project
- assigned names for major NSW developments, including the City and South-East Light Rail network, eight new station names on the Sydney Metro Northwest project and created new suburbs in the Hills Shire
- evaluated 1,762 road names through its online road naming system
- administered 36 locality boundary amendments
- commenced creating address localities in NSW National Parks
- assigned 110 place names
- developed a strategic road map for the next 3-5 years

GNB Strategic Intent

A GNB strategic road map for 2018-2021 has been developed. This defines GNB's strategic purpose as delivering and enabling fit-for-purpose place naming for the people of NSW. It identifies the following four high level strategic challenges:

- Providing an authoritative custodian for place naming in NSW
 - Clear and trusted approach to place naming in NSW
 - Aligned and effective Board

- Effective consultative practices
- Efficient and consistent approval workflows and processes
- Building stronger relationships with stakeholders and the public
 - Proactive stakeholder engagement
 - Effective public communication
 - Targeted media relations
 - Outreach to regional locations
- Cultural alignment – respecting aboriginal, historical and multicultural dimensions to naming
 - Access to historical insights
 - Diversity proactively represented in the naming framework
 - Inclusive policy settings
- Digital transformation - ensuring a responsive, agile and digitally-proficient organisation
 - Contemporary technology tools and platforms
 - Spatial enablement of data and processes
 - Accessible digital communication channels

Report on operations

Consultation

Consultation with stakeholders is central to the creation of appropriate and consistent place names in NSW. As part of GNB's stakeholder management program it actively participated in a wide variety of forums. This included:

- coordinating and participating in this year's Permanent Committee on Place Names (PCPN) meeting in Sydney. This group provides a co-ordinating role in Australian place naming activities, and is sponsored by the Chair of the GNB
- presentation and discussions:
 - Urban Growth NSW
 - Mapped out Conference in Wagga Wagga
 - CRCSI conference
 - South Korean Ministry of Interior and Safety (MOIS) as part of bench marking study.
- participation at Local Government Working Group meetings
- meetings with first peoples' groups and representatives
- chairing NSW Addressing Committee, which meets on a fortnightly basis
- presentation on principles and practices with internal Spatial Services business units
- community meeting with Forbes Council
- media relations, including proactive media releases for all new naming proposals and interviews ranging from general interest stories on ABC Radio to print coverage in the Daily Telegraph

Consultation was supported by the development of underlying communication collateral, including fact sheets and infographics, which more simply describe the place naming process.

First peoples place naming

Recognising the importance of place naming to the first peoples, GNB is a member of the working group established to develop the strategy for NSW's new legislation, *Aboriginal Languages Act 2017*.

To support the adoption of first peoples place names at a high level, GNB is taking a lead role in updating PCPN's 'Guidelines for the Recording and Use of Aboriginal and Torres Strait Islander Place Names'.

At a local level GNB has been proactive, attending an Aboriginal place naming workshop in Griffith and met with Roads and Maritime Service's Senior Aboriginal Engagement Specialist, Western Region, to discuss how more names can be adopted. It is also supporting the The Real Secret River: Dyarubbin project. This involves re-allocating Aboriginal names to places along the Hawkesbury River, initially captured in 1829.

Digital Transformation

Since GNB's inception in 1966 it has relied heavily on paper for its place naming applications and processes. This stopped in 2018. Although GNB will still hold records in line with its obligations under the *Geographical Names Act 1966*, this is now being done electronically with a record management system in place to comply with the *State Records Act 1998*.

For all the 'paper-born' documents held by GNB, a digitisation plan and asset summary has been developed, with a plan to scan the records in 2018-19. This is all supporting GNB's transformation to a paperless office.

The other component of GNB's digital transformation is automating its manual workflows and updating its IT platforms. The two technology platforms supporting GNB include the:

- NSW Road Naming System (NORNS) for all road name evaluations
- Geographical Names Register for the end-to-end place name process

Business requirements for both systems have been documented, with the view to commence redevelopment in 2018-19. The aim is to utilise latest technological developments, automate existing manual workflows and improve the customer experience, while reducing the total cost of ownership.

Policy and process development

In addition to going digital, process development has been focussed on improving customer experience and aligning legislation with published policies.

One of the main tactics used to help customers, while improving the quality of applications, has been enhancing the GNB website content. This includes the development of:

- checklists for naming and suburb applications
- a specific application form for address localities (suburbs)
- additional fact sheets and infographic to better communicate place name process
- an easy to understand fact sheet on what happens when an address locality (suburb) is changed

GNB also worked on reducing grey areas between policy and legislation. For example, improvements have been made to how proposed road names are evaluated and more clarity provided on how to approach the naming of private roads.

GNB's role supporting NSW development

While there is a need to continually improve and develop supporting infrastructure and be proactive, the majority of GNB's capacity is taken up by incoming place name applications.

Some of the applications received this year highlight the important role the place naming process plays in the development pipeline. Early establishment of an official name lays the foundation for later

activities, whether it is to assign addresses for a new subdivision or enable appropriate wayfinding protocol for a new railway station.

Place naming work undertaken this year resulting from major developments in NSW included:

- working with The Hills Shire Council to create and amend existing suburbs as a result of expected growth and developing in Growth Centre Precincts. This will result in updating addresses for approximately 7,227 properties
- assigning 19 station names for the City and South-East Light Rail network
- commencing the process to determine eight new suburbs in the Blacktown Local Government Area affecting more than 15,000 residents
- assigning eight new station names on the \$8.3 billion Sydney Metro Northwest Project.

Due to these determinations GNB received a large amount of feedback from a variety of stakeholders including other government agencies, the media and the community.

ANZAC Soil Collection program

GNB's and Spatial Services' involvement in the ANZAC soil collection program was completed. It was a large project completed only through the generosity of numerous stakeholders, who offered their time, expertise and, in many cases, their own holidays to enable successful completion.

In summary, 1,701 soil samples were collected from all over NSW beginning on 27 March 2017, including:

- 280 by private surveyors in NSW, many of which were collected well outside their home areas
- 170 by schools across NSW, who held events and collections at their schools or local memorials
- 106 by local councils, who helped with events
- almost 800 by DFSI employees - particularly friends, family and staff of Spatial Services
- over 300 by Rural Fire Service, Returned Serviceman Leagues, historical societies, and members of the public

Production figures

The following table provides a breakdown of the place names that were formalised in the reporting year in comparison to previous years.

Designation	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Address locality (suburb) names and boundaries	19	24	11	92	64	36
Road names (evaluated)*	1,334	1,687	792	2,547	1,563	1,762*
Dual names	0	0	2	8	0	0
Place names	261	133	202	55	75	110

*The total of road names evaluated includes road names approved (and subsequently advertised and assigned), objected to and pre-approved. In 2017-18, 997 were approved; there were 128 objections and 434 were assessed for pre-approval.

GNB's aim in 2018-19 will be to revitalise Dual Naming in NSW. Through its involvement in developing the strategic plan for the *Aboriginal Languages Act 2017* GNB will aim to utilise associated resources to better facilitate the allocation of dual names. GNB will also work with other stakeholders, such as National Parks and Wildlife Services, to encourage applications.

Governance

Functions of the Board

Under the *Geographical Names Act 1966*, the Board has the following powers and functions:

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

The Board proactively seeks to abide by these statutory provisions by adopting nomenclature policies and procedures that are nationally and internationally recognised.

Board members and attendance

Members are appointed to the Board in accordance with the provisions set out in Section 3 of the *Geographical Names Act 1966*.

The table below shows the current Board members and the number of meetings attended:

Members of the Board	Board meetings (5 meetings)
Mrs Narelle Underwood Surveyor General of NSW Ex-officio position	5
Ms Laura Christie Nominee of the Department of Finance, Services and Innovation Ex-officio position	3
Mr Richard Neville Nominee of the State Librarian Ex-officio position	4
Mr Marcus Ray Nominee of the Department of Planning Ex-officio position. Term expires May 2020	4

Members of the Board	Board meetings (5 meetings)
Mr Terry Kass Nominee of the Royal Australian Historical Society Term expires May 2022	4
Cr Lesley Furneaux-Cook Nominee of the Local Government and Shires Association of NSW Term expires May 2022	4
Dr Robert Solomon Nominee of the Geographical Society of NSW Term expires September 2022	3
Mr Jonathon Captain-Webb Nominee of the NSW Aboriginal Land Council Term expires June 2021	2
Mr Felice Montrone Nominee of the Community Relations Commissioner Term expires December 2020	3

Councillors and attendance

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

Councillors	Board meetings (5 meetings)
Dr Peter Orlovich, Historical Advisor	4
Dr Jakelin Troy, Linguistic Advisor	3
Ms Julie Christie, Australia Post Addressing Advisor	4
Mr Graham Chapman, Fire & Rescue NSW Advisor	4
Mr Sam Stone, Urban Development Institute of Australia	2

Board meetings

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

Board committees

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

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

Administration

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

Future focus

GNB's focus for 2018-19 will be based on goals defined by its four strategic challenges:

- Providing an authoritative custodian for place naming in NSW, increasing the use of authoritative names
- Building stronger relationships with stakeholders and the public, delivering a clearer understanding by stakeholders of the significance and implications of place naming
- Cultural alignment, respecting aboriginal, historical and multicultural dimensions to naming, ensuring more diverse place names used in NSW.
- Digital transformation, ensuring a responsive, agile and digitally-proficient organisation by developing an end-to-end digital place name life cycle.

5.4 Surveyor General's report

The Office of the Surveyor General of NSW is part of DFSI Spatial Services and operates pursuant to *the Surveying and Spatial Information Act 2002* (the Act) and its regulation, *Surveying and Spatial Information Regulation 2017* (the regulation). The 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 and for the 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 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.

In 2017-18 staff within the Office of the Surveyor General:

- reviewed and remade the *Surveying and Spatial Information Regulation 2017* on 1 September 2017 in accordance with the *Subordinate Legislation Act 1989*. It is a requirement that each regulation is remade every five years to ensure modern, efficient and relevant regulations apply
- developed and published the Surveyor General's Direction No. 7 *Surveying and Spatial Information Regulation 2017 – Applications for surveyors and industry to better understand the requirements of the Regulation*
- continued to roll out the Continuously Operating Reference Station Network (CORSnet-NSW). Five new stations were built with a further 40 upgraded to multi-constellation receivers, bringing the total number of stations to 200
- continued to contribute to the development, adjustment and release of the national datum modernisation project for the Geocentric Datum of Australia (GDA2020) including AUSGeoid2020 and transformation tools such as NTV2 products
- maintained 12 regional Electronic Distance Measuring baselines to enable surveyors to calibrate their surveying instruments and ensure compliance with legislation

- won the 2017 NSW Excellence in Surveying and Spatial Information Awards (EISSI) under the Infrastructure and Construction category
- maintained National Association of Testing Authorities accreditation and National Measurement Institute appointment as a verifying authority under the provisions of the National Measurements Act 1960
- evaluated applications for survey mark removal under clause 90 of the Surveying and Spatial Information Regulation (section 24 of the Act)
- evaluated applications for exemption from the provisions of the SSI Regulation
- evaluated applications for proposed development at Trigonometrical Station sites
- represented the Surveyor General on the Preservation of Survey Infrastructure Collaborative Working Group with Roads and Maritime Services to maintain the integrity of the State Control Survey and the State Cadastre
- supported infrastructure projects including, Princes Highway upgrades, Western Sydney Infrastructure Plan, B-Line Northern Beaches, WestConnex, NorthConnex, Sydney CBD Light Rail, Newcastle CBD Light Rail, Wentworth to Broken Hill pipeline, ARTC Inland Rail Network and Western Sydney Airport
- ensured the state's positioning operation programs produced data that is authoritative, accurate, current and complete. Supported the propagation, sourcing and improvement of the state survey control network
- completed the survey control for the Light Detection and Ranging (LiDAR) component for the Surface Model Enhancement project along the east coast of NSW
- supported operations for the upgrade and update of the Digital Cadastral Database
- completed the transfer of over 300,000 locality sketch plans to State Archives
- upgraded CORSnet-NSW network software (two version upgrades)
- received and processed more than 2,500 locality sketch plans
- contributed to the Centenary of ANZAC Soil Collection program with over 700 collections being undertaken by Survey Operations staff.

CORSnet-NSW

- Upgraded CORSnet-NSW network software (two version upgrades)
- Successfully transitioned from activities spread across three business units to one business unit
- Income from subscriptions reached a milestone of over \$900,000.

Survey Control Information Management System (SCIMS)

- 3,152 marks were added to SCIMS
- Coordinates for a further 6,641 marks were updated in SCIMS and 1,690 heights were updated.

Number and type of Survey Marks issued during 2017-18:

SSM Type 1	SSM Type 2	SSM Type 15	PM Cover Box	PM Stainless Steel Pin	Brass Screws	Brass Number Plate	SSM Type 15 Pin Only
439	534	1,859	986	179	1,870	1,074	56

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

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

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

- presiding over the Board of Surveying and Spatial Information (BOSSI)
- reviewing the Surveying and Spatial Information Regulation 2012 through comprehensive consultation with the industry to draft and implement the new 2017 regulation
- releasing an updated version of Surveyor General's Directions No. 7 – Surveying and Spatial Information Regulation 2017 - Applications
- representing NSW on the Inter governmental Committee on Surveying and Mapping (ICSM)
- chairing the Surveying and Mapping Industry Council of NSW
- representing ICSM on the National Positioning Infrastructure Advisory Board
- representing NSW on the GDA Modernisation Implementation Working Group for the development and implementation of GDA2020
- surveying representative on UNSW School of Civil and Environmental Engineering Industry Advisory Committee
- representing on University of Newcastle Surveying Liaison and Program Advisory Committee
- chairing the Geographical Names Board
- focusing on increasing gender diversity in the surveying profession. As the first female Surveyor General of NSW, Mrs Underwood is committed to increasing the number of female surveying candidates raising interest in a historically male dominated profession. This includes giving presentations on how to raise the profile and diversity of the profession and also mentoring female surveyors

5.5 Valuer General

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

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

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

For 2017-18, IPART set the maximum prices to:

- residential land \$5.77
- non-residential land \$12.68

The Valuer General's charges for valuation services in 2017-18 were set in accordance with the maximum prices allowed under the IPART determination.

The overall average cost per valuation was \$19.04. In comparison, the cost per valuation for the 2016-17 reporting year was \$18.80.

Note: this is an extract from the 2017-18 NSW Valuer General Annual Report, which can be found at http://www.valuergeneral.nsw.gov.au/publications/annual_reports.

5.6 NSW Procurement Board Report

Legislation

The *Public Works and Procurement Act 1912* (the Act) sets out the government's procurement laws and establishes the NSW Procurement Board. The procurement laws and government procurement policies allow agencies to manage and be responsible for their own procurement activities. This devolution of responsibility is managed through the Agency Accreditation Framework for Procurement granted and managed by the Board.

The Act places obligations on agencies in relation to their procurement activities, including:

- exercising procurement functions in accordance with the board's policies and directions
- adhering to the principles of probity and fairness
- ensuring value for money is achieved in procurement
- providing information to the Board on procurement activities

Objectives and functions

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

The objectives of the Procurement Board, as specified in the Act, are to:

- develop and implement a government-wide strategic approach to procurement
- ensure best value for money in the procurement of goods and services by and for government agencies
- improve competition and facilitate access to government procurement business by the private sector, especially by small and medium enterprises and regional enterprises
- reduce administrative costs for government agencies
- simplify procurement processes while ensuring probity and fairness

The Act states specific functions for the Procurement Board, including oversight of procurement of goods and services by and for government agencies, and developing procurement policies.

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

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

Members and Deputies

All NSW Government clusters were represented on the Procurement Board through 2017-18. The following NSW Government officers were members of the Board through 2017-18:

- Secretary, Department of Finance, Services and Innovation (Procurement Board Chairperson)
- Secretary, Department of Premier and Cabinet
- Secretary, The Treasury
- Secretary, Department of Justice
- Secretary, Department of Education
- Secretary, Department of Family and Community Services
- Secretary, Ministry of Health
- Secretary, Department of Industry
- Secretary, Department of Planning and Environment
- Secretary, Department of Transport
- In December 2016, the Minister for Finance, Services and Property appointed deputies for each member of the Procurement Board under the Fifth Schedule of the Act. Board deputies assist with effective functioning of the Board by acting in the place of a member when the member is absent and while undertaking all the functions and responsibilities of the member.
- On 15 March 2018, the Minister for Finance, Services and Property approved new deputies for the Department of Industry and the Department of Justice (the new deputies having the roles Deputy Secretary, Corporate Service Partners and Deputy Secretary, Corporate Services respectively).

Meetings

The Procurement Board held four scheduled meetings in 2017-18: on 13 September 2017, 22 November 2017, 7 March 2018 and 6 June 2018. The Board conducted a workshop to discuss the Government's Major Procurement Reform Program on 11 January 2018. It also considered matters out of session (by email) on 11 occasions in 2017-18.

Administration

The Procurement Board's administrative support and its costs for 2017-18 were met by DFSI and the clusters represented on the board.

Work plan and priorities for 2017-18

In 2017-18 the Procurement Board focused on the outcomes and implementation of the Whole-of-Government Strategic Procurement Review (conducted between January-June 2017). Implementation of the procurement reform agenda from the recommendations accepted from the Review was initially through the Major Procurement Transformation Program (MPRP), between July 2017 and March 2018, and its successor the Procurement Transformation Program (PTP) since March 2018.

The Procurement Board and its sub-committees also closed off deliverables under the High-Level Work Plan for 2017 that were aligned with priorities of the Whole-of-Government Strategic Procurement Review (the High-Level Work Plan 2017 carried over deliverables under the Board's 2016 Work Plan, developed under the Procurement Strategic Directions Update 2015).

Major achievements by the Procurement Board in 2017-18 included:

- steering Whole-of-Government Strategic Procurement Review into its implementation phase, with the MPRP and then the PTP
- putting in place for agencies interim arrangements to transition their existing accreditations for procurement (for both the goods and services and the construction categories) to new agency accreditation processes being developed under the MPRP and the PTP
- putting in place a new Business Advisory Services Commercial Framework for agencies to procure professional services utilising capped rates from suppliers, and with data reporting and supporting tools
- approving the Aboriginal Procurement Policy
- approving amendments to the Aboriginal Participation in Construction Policy in line with the recommendations of its review report
- putting in place updated requirements for training and skills development through government construction projects
- approving the whole-of-government Core & Agreement for ICT goods and services
- putting in place strengthened requirements for agencies to ensure their suppliers comply with defined standards of behaviour.

Publication of APIC Report – Aboriginal Participation in Construction (APIC) Policy overview

The Aboriginal Participation in Construction (APIC) Policy was updated in 2016 to include mandatory targets and requirements for construction procurement commencing from 1 July 2016 and included a requirement for a yearly review of the Policy to be published in the Procurement Board's Annual Report. The APIC Policy was revised in line with the recommendations of the review and updated in June 2018.

The review was completed in October 2017. The report is available from the ProcurePoint website at <https://www.procurepoint.nsw.gov.au/policy-and-reform/construction-procurement-policy/aboriginal-participation-construction-policy>.

Procurement Policy Framework

The Procurement Policy Framework 2015 was issued by the Procurement Board to be the primary reference for government procurement policy in NSW. The Government's devolved model for procurement meant a less prescriptive and more principles based approach than previous frameworks. In 2017-18 the board started work on a new procurement policy framework under the MPRP and the PTP, which will replace the 2015 framework.

Agency Accreditation Scheme for Procurement

The Procurement Board continued to support the Agency Accreditation Schemes for Procurement (for both the goods and services, and construction categories), which has enabled the devolved model for government procurement in NSW since 2013. The scheme ensures procurement capability across government agencies, defines agency procurement needs and requirements across government, and provides visibility of procurement activities and capabilities at agencies and clusters.

The Agency Accreditation Scheme's objectives are to:

- deliver best procurement practice and continuous improvement
- reduce costs to government in agency procurement
- establish effective category management
- provide visibility to the Procurement Board of agency procurement activity

By 30 June 2018, 22 government entities were accredited under the Accreditation Scheme for goods and services procurement, and 12 under the Scheme for construction procurement.

Statutory reporting requirements

The Procurement Board has a statutory requirement to report details of any direction given to it by the Minister for Finance, Services and Property. The Minister did not give the board any directions during 2017-18.

Procurement Board subcommittees and advisory groups

The Act allows the Procurement Board to establish sub-committees and advisory groups to assist its work. The board is supported by the Procurement Leadership Group (PLG), the Construction Leadership Group (CLG), the Construction Leadership Group Subcommittee and the International Procurement Agreements Steering Committee (IPASC). Whole-of-government Category Management Working Groups have been established under the PLG.

Procurement Leadership Group

In 2012, the Procurement Board established the Procurement Leadership Group (PLG) to be its primary advisory body on goods and services procurement, and to maintain consistent approaches to procurement across agencies. In 2017-18, the PLG met 11 times (every month except for January 2018).

In September 2018, the Procurement Board approved new interim Terms of Reference for the PLG while noting possible changes to governance under the Board from the Major Procurement Reform program. The key changes in the revised interim Terms of Reference confirmed the strategic role of the PLG and defined responsibilities of members, and updated its operating arrangements.

In April 2018, the PLG agreed to a new composition and operating arrangements, with each cluster being represented on the PLG by only one member, with a focus on decision making (approvals, or endorsement of matters for Board approval), and for a procurement collaboration and networking forum with a wider membership of senior government procurement executives to follow each PLG meeting (with implementation to follow later in 2018).

Construction Leadership Group

In 2013, the Procurement Board established a governance framework for government construction procurement policy, with the Construction Leadership Group (CLG) to be its primary advisor on procurement and wider issues in construction, building and infrastructure. Its membership is comprised of senior construction and infrastructure executives from across the NSW public sector.

Cabinet's decision on the Major Procurement Reform Program in September 2017 reallocated responsibility for construction procurement policy, including secretariat support for the CLG, to Infrastructure NSW (INSW), also allowing it autonomy from the Procurement Board. The new CLG (and the CLG Subcommittee) commenced operation autonomously from the Procurement Board in April 2018.

The CLG confirmed to the Procurement Board in June 2018 that it recognises the role of the Board in developing and promulgating procurement policies across the sector, and that the CLG will refer whole-of-government procurement policy matters to the Board, for noting and endorsement, when necessary and when in support of the objectives of the CLG and its agency members.

The pre-reconstituted CLG met five times in 2017-18 (monthly between July and November 2017); the reconstituted CLG met three times in 2018 (monthly between April and June).

International Procurement Agreements Steering Committee

The International Procurement Agreements Steering Committee (IPASC) is the primary advisor to the Procurement Board on procurement requirements relevant to international procurement agreements.

Its membership is comprised of representatives from Department of Education, Department of Transport, Department of Justice, Ministry of Health, Treasury, Department of Finance, Services and Innovation, and Department of Industry. The IPASC met seven times in 2017-18.

Procurement Board directions

The Act gives the Procurement Board the authority to issue directions to agencies. During 2017-18, the Board issued seven directions, covering whole-of-government contracts for ICT goods and services, construction procurement, standards of conduct by suppliers, and new arrangements for the procurement of professional services. Board Direction 2018-01 Engagement of professional services suppliers was initially issued as an updated version Direction 2015-04 Engagement of major suppliers of consultancy and other services (updated 31/01/18).

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

Complaints

Under the Act the Procurement Board manages complaints about government procurements in NSW, including tendering and contracts. In 2017-18 the Board received one procurement complaint, about the aspects of the new Business Advisory Services Commercial Framework (BASCF). NSW Procurement at DFSI responded to the complainant on behalf of the Board to advise that the BASCF is not discriminatory to some suppliers of professional services, as alleged, and clarified the intended expansion of the framework from its initial configuration to include more suppliers.

Risk management

Part of the Board's strategic function is to consider and address risks arising from government procurement, including corporate, financial and reputational risks. The Procurement Policy Framework 2015 sets out possible risks in procurement in a range of different contexts, and includes the requirements and guidance to agencies on how to manage these risks.

Agencies are required to manage their procurement related risks and alert the Procurement Board to systemic or widespread risks if they arise. In November 2017, the Board approved Board Direction 2017-07 Conduct by suppliers (replacing Direction 2014-01) to strengthen existing standards of behaviours for suppliers, and enhance reporting by agencies of unacceptable conduct by suppliers to the Board.

The government's devolved procurement system means agencies have significant responsibilities to identify and manage risks associated with their procurements under their accreditations for procurement.

Insurance activities

Insurance requirements for suppliers supplying goods or services to government agencies are established by the contracting agency as appropriate to each contract.

6. Appendices

6.1 Accounts payable performance

For the principal Department of Finance, Services and Innovation, including: Better Regulation Division, Revenue NSW, ICT and Digital Government, Government and Corporate Services and the Office of the Secretary.

Aged analysis at the end of each quarter

Quarter	Current \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days overdue \$'000	More than 90 days overdue \$'000	Total \$'000
All suppliers						
Sep-17	48,919	0	0	350	139	47,489
Dec-17	45,847	1,545	0	234	0	43,889
Mar-18	43,491	161	0	189	0	41,642
Jun-18	59,282	1,565	732	0	1,382	62,890
Small business suppliers						
Sep-17	30	0	0	0	0	30
Dec-17	14	2	0	0	0	16
Mar-18	97	7	26	0	0	130
Jun-18	74	0	0	0	0	74

Note: Small business registration with the department began in January 2012. A small business is defined as an Australian or New Zealand business with an annual turnover of less than \$2 million.

Accounts due or paid within each quarter:

Measure	Sep-17	Dec-17	Mar-18	Jun-18
All suppliers				
Invoices due for payment (#)	10,361	8,167	8,206	10,139
Invoices paid on time (#)	9,248	7,692	7,509	9,552
Actual percentage of invoices paid on time (based on number of invoices)	89.26%	94.18%	91.51%	94.21%
Amount due for payment (\$'000)	331,719,606	251,136,287	270,624,009	349,273,585
Amount paid on time (\$'000)	321,474,164	244,579,865	227,493,237	329,274,231
Actual percentage of accounts paid on time (based on \$)	96.91%	97.39%	84.06%	94.27%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on late accounts (\$)	0	0	0	0

Measure	Sep-17	Dec-17	Mar-18	Jun-18
All suppliers				
Small business suppliers				
Invoices due for payment received from small businesses (#)	131	80	70	86
Invoices from small businesses paid on time (#)	107	80	69	86
Actual percentage of small business invoices paid on time (based on number of invoices)	81.68%	100.00%	98.57%	100.00%
Amount due for payment to small businesses (\$'000)	732,965	200,198	170,197	158,353
Amount due to small businesses paid on time (\$'000)	636,398	200,198	170,098	158,353
Actual percentage of small business accounts paid on time (based on \$)	86.83%	100.00%	99.94%	100.00%
Number of payments to small business for interest on overdue accounts (#)	0	0	0	0
Interest paid to small businesses on late accounts (\$)	0	0	0	0

Note: The report does not include payments made to employees, payments related to payroll and super. Small business registration began in January 2012. All numbers are reported from 30 days from receipt of a correctly rendered invoice.

6.2 Annual report preparation

The cost of preparation for the Annual Report was \$1,800.00.

6.3 Consultants

Engagements over \$50,000

Consultant	Business Unit	Category	Purpose	Amount
Deloitte	Government and Corporate Services	Management Service	Strategic review of NSW Government Procurement reforms and analysis of the current condition of government procurement, benchmarking against peer organisation and improvement recommendations including increased efficiency and cost savings.	\$274,000
Third Horizon				\$177,238
KPMG				\$433,014
Ernst & Young				\$126,427
McKinsey & Company				\$1,051,379
CapGemini Australia Pty Ltd	Government and Corporate Services	Information Technology	Reform of the <i>Compulsory Third Party (CTP) Green Slip Scheme</i> to meet the Motor Accident Injuries Bill 2017 to improve claims and dispute experience and transparency for NSW vehicle owners by enabling online claim and dispute submissions, reducing CTP Green slip costs.	\$5,885,383
NSW Crown Solicitor's Office	NSW Fair Trading	Legal advice	To address the RSL inquiry (under the <i>Charitable Fundraising Act</i> relating to fundraising activities of RSL entities)	\$2,359,623
Deloitte	Government and Corporate Services	Information Technology	Implementation of Blackline reconciliation tool for accounting purpose to improve financial management within DFSI.	\$340,240
Deloitte	Revenue NSW	Management Service	Advice on training needs and development of training programs due to relocation of staff	\$153,231
Deloitte	Government and Corporate Services	Management Service	Advice on 'Get Healthy at Work' Service Delivery contract.	\$144,750
KPMG	Office of the Registrar General	Management Service	Strategic assessment of the technological roadmaps relating to the changes for sustainable arrangements of the Land Titles Office Concession.	\$151,892
KPMG	DFSI Valuation Services	Management Service	To redesign the Quality Assurance process to improve accuracy of valuations.	\$130,890
Ernst & Young	ICT & Digital Government	Management Service	Cost savings analysis for NSW government if DFSI acts as software license broker.	\$51,535
Gilbert & Tobin	Office of the Registrar General	Legal Advice	Legal advice on drafting legal documents with NSW agencies and commercial clients with regards to the Land Titles Office Concession Deed.	\$164,906
Gilbert & Tobin	Office of the Registrar General	Legal Advice	Advice on the legal implications of the technological roadmaps relating to the Land Titles Office Concession involving data in the Cloud.	\$62,355
Gilbert & Tobin	Office of the Registrar General	Legal Advice	Legal advice on an appropriate legal framework for releasing national eConveyancing data standards (NECDS) to new electronic lodgement network operators as part of an eConveyancing lodgement network to benefit other states.	\$70,150

Consultant	Business Unit	Category	Purpose	Amount
Gilbert & Tobin	Office of the Registrar General	Legal Advice	Legal advice towards setting up a governance body to develop the National Electronic Conveyancing Data Standards - contributing to the national regulator, Australian Registrars for National Electronic Conveyancing Council (ARNECC) - to facilitate fair competition in Australia by removing barriers to entry for new competitors in eConveyancing.	\$146,186
Energetics Pty Ltd	Government and Corporate Services	Management Service	Provide strategic advice to Energy Procurement Committee for contract 777 - Retail Supply of Electricity to government offices across NSW.	\$58,640
Essential Utilities Corporation	ICT & Digital Government	Management Service	Cost savings analysis for NSW government for telecommunication services.	\$98,850
Doll Martin Mgmt Consultants	Revenue NSW	Management Service	Development of Future Revenue System to update the legacy systems and related architecture for future sustainability.	\$115,350
Popet Pty Ltd	Government and Corporate Services	Information Technology	Automation of internal processes and identifying gaps and duplication in service delivery and programs for Safework NSW and NSW Fair Trading	\$221,850
Thoughtworks Australia Pty Ltd	Government and Corporate Services	Information Technology	To develop prototype solution for NSW government for better visibility of Property Information System to enable strategic decision making on real property assets.	\$125,125
Articulate Consulting Pty Ltd	Government and Corporate Services	Information Technology	Strategic advice on training requirements for the implementation of SAP Connect	\$283,880
Hypothesis Consulting Pty Ltd	Government and Corporate Services	Information Technology	Strategic advice on Agile management practices for Regulators' Platform	\$178,400
Subtotal engagements over \$50,000:				\$12,805,294

Engagements under \$50,000

Category	Number of engagements	Amount
Finance and accounting/tax	2	\$59,196
Legal	6	\$94,627
Management service	38	\$745,235
Subtotal engagements under \$50,000:	46	\$899,058
Total expenditure on consultants:		\$13,704,352

6.4 Consumer response

Property and Advisory Group

The Property and Advisory Group (PAG) responded efficiently and effectively to feedback from customers, tenants and visitors to its precincts.

Our primary channel of feedback was through the Customer Request Management System (CRMS).

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

Property NSW received an average of 1,480 complaints, comments and queries per month during the reporting period. Correspondence related to a range of matters, including cleanliness, maintenance and access. PNSW responded quickly and equitably to CRMS complaints, completing an average of 98 per cent of all requests on time.

Additionally, Property NSW encourages feedback from the general public via an email address on its corporate website. We received 733 compliments, complaints and enquiries through this channel during the reporting period.

Further, in line with the Premier's Priority to improve government services, Property NSW introduced a Complaint Handling Improvement Program (CHIP) widget on its website.

During the reporting period, PNSW received 14 complaints, 16 suggestions and 12 compliments. The average time to resolve and close complaints was five working days.

Feedback is also received via PNSW's precinct channels. In 2017-18, Property NSW captured 8,398 posts on the Darling Harbour Facebook page and 8,578 posts on The Rocks Facebook page. It also actioned 559 enquiries via the Darling Harbour website and 309 enquiries via The Rocks website. In addition, PNSW meets face-to-face with tenants across The Rocks and Darling Harbour.

Additionally, PNSW has mechanisms in place for its government agency clients to provide feedback relating to base building issues via the Property NSW Customer Service Request Centre at: <https://jll-property.nsw.corrigo.com/Customer/Home>.

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

Government and Corporate Services

NSW Procurement Service Centre statistics

The NSW Procurement Service Centre responds to over 23,000 queries annually. The Service Centre continues to support the NSW Premier's Priority of 'Improving Government Services' by achieving the following results. In financial year 2017-18, the Service Centre was the first point of contact for the launch of the Standard Commercial Framework, ICT end-user devices and services, Human Services Agreement, Free Trade Agreements and buy.nsw along with multiple other contracts, schemes and policy queries which are resolved at the first level nearly 90 per cent of the time.

The Service Centre has an exceptional track record, resolving over 95 per cent of calls within two days and holds a Net Promoter Score (NPS) of +59 across 560 surveys since the launch of NPS surveys in September 2017.

Categorised Service Centre statistics					
	2017-18	percentage of Total	2016-17	percentage of Total	2015-16
Contracts and schemes	3,151	13.5%	3,861	27%	6,055
Tendering	2,235	9.6%	4,399	31%	6,551
Purchasing	42	0.2%	1,625	8%	2,691
Policy	254	1.1%	570	4%	1,268
Construction	116	0.5%	1,026	7%	674
Other issues	2,587	11.1%	2,501	23%	1,226
CC Supervision Delta (Total incidents-all the above)	14,947	64.1%			
Total	23,332	100%	13,982	100%	18,465

Service Centre statistics					
	2017-18	2016-17	2015-16	2014-15	2013-14
Total number of incidents	23,332	25,635	17,557	13,982	18,468
LiveChat	775	1315	868		
Total number resolved first level	20,565	22,831	16,182	12,584	15,645
percentage first level	88%	89%	92%	91%	86%
Total number resolved in Service Level Agreement	22,401	24,679	16,126	12,786	17,887
percentage calls resolved in Service Level Agreement	96%	96%	92%	95.7%	91%
Compliments	40		90	32	38
Complaints	1		9	3	1

Better Regulation

The [Licence Check](#) portal was developed this year. It enables businesses and consumers to validate the details of both Fair Trading and SafeWork licence holders in one convenient place. It does this by combining Fair Trading licence information with the newly developed SafeWork licence register. This portal will continue to be developed in 2018-19 to ensure greater availability of licence information so that businesses and consumers can make informed decisions about the tradespeople they engage.

NSW Fair Trading

Fair Trading publishes customer satisfaction scores that outline the delivery of customer service standards expected by the people of NSW. During 2017-18, Fair Trading received 6.55 million service requests. This included 4.99 million website visits, 719,423 telephone enquiries with additional requests for service comprising complaints, applications, rental bond lodgements and renewals for licences and registrations.

In 2017-18, Fair Trading supported the community through:

- 47,983 enquiries for assistance

- 43,198 customer and trader complaints with 94 per cent received electronically, making the internet the preferred channel for complaint lodgements
- 562,097 calls answered by Fair Trading's call centre
- 57,560 calls answered by regional Fair Trading offices
- 8,660 calls answered by Registry Services (Bathurst) relating to co-operatives and associations
- 69,577 calls answered by the Plumbing Inspection and Assurance Service
- participation in 166 activities, reaching over 3,130 multicultural consumers through our Informed Choices program
- 275 information sessions to senior groups
- 163 events with over 3,152 participants in the Youth Informed Choices program
- information sessions to over 6,000 vulnerable consumers and their families
- 335,700 Rental Bonds lodged and receipted, of which 51 per cent were lodged fully through Rental Bonds Online
- 407,004 applications and renewals for licences and registrations

Fair Trading encouraged consumers and traders to provide feedback on their experience. This feedback is captured and provided back to the business area for response and appropriate service improvements where required.

In 2017-18, Fair Trading received 602 customer feedback responses from consumers and traders, comprising:

- 160 (27 per cent) compliments
- 68 (11 per cent) suggestions
- 374 (62 per cent) complaints

Of those complaints:

- 55 per cent were deemed to be unjustified complaints
- 24 per cent were deemed to be justified
- 21 per cent had some substance requiring remedial action

Of the complaints received:

- 23 per cent alleged failure to deal appropriately with a complaint
- 20 per cent related to the Fair Trading website
- 11 per cent alleged inaccurate information/wrong decisions
- 11 per cent were concerned with lack of response or feedback

There was a 15 per cent increase in the number of complaints generated from 2016-17.

Of the compliments received:

- 90 per cent related to customer service, especially service quality
- 6 per cent involved staff actions
- 3 per cent related to the NSW Fair Trading website

Fair Trading issued:

- 239 Court Attendance Notices

- 436 Trader Warnings
- 195 Trader Cautions
- 1,481 Penalty Infringement Notices
- \$1,626,225 worth of Penalty Infringement Notice fines.

There were also:

- 5,853 Trader Inspections completed, with a total of 52,430 products inspected
- 66,699 Compliance Information Requests processed
- 56 Enforcement Actions undertaken resulting in various disciplinary actions such as licence suspensions, disqualifications and cancellations

During 2017-18, 1,139 traders were actively managed, which included the new appointment of a specific case manager to 235 new traders. Several key Fair Trading operational initiatives have also been delivered:

- greater coverage of qualitative compliance activity in NSW using targeted data for regional compliance operations and proactive inspections.
- Increase in proactive operations over the 12-month period, carried out based on data-driven intelligence, such as:
 - review of the second-hand marine vessels market resulted in 543 inspections by 19 officers
 - analysis of cyclical data about consumer complaint trends across the motor vehicle industry
 - strategic assessment of charitable fundraising activity to provide targeted inspection opportunities and education packages
 - 1,100 inspections for the motor vehicle industry in Wollongong, Tweed Heads, Central Coast, Broken Hill, Queanbeyan, Hunter region, Albury and Murray region, Nowra, Deniliquin, Cronulla, Armidale and Port Stephens
- Fair Trading staff undertook 1,329 unique location inspections for the annual toy survey in October 2017, using intelligence-driven data and technology.
- several joint operations on the motor vehicle industry were carried out with New South Wales Police Force (NSWPF) over 12 months based on intelligence shared by Fair Trading with NSWPF has resulted in:
 - large scale fines for non-compliant traders
 - suspended/cancelled licences of non-compliant traders
 - illegal firearms, illicit substances and drug houses; charges laid by NSWPF
- established several new initiatives with other agencies for receiving/sending intelligence briefings to initiate investigations, including Environmental Protection Authority (EPA), AUSTRAC, Australian Taxation Office (ATO)
- implementation of the Digital Marketplace Surveillance program (Watchlist) to enable intelligence monitoring of high-risk entities for investigation or compliance and enforcement. It also allows an entity to be monitored for changes to itself or entities connected to it

Building Business Expo

Fair Trading has held 95 building expos since 2009 with approximately 14,000 people attending. The expos form part of Fair Trading's industry education strategy that takes a balanced and integrated approach to promoting compliance with the law. A one-stop shop is provided to builders, tradespeople

and their business partners for accessing relevant information and practical advice on running their small business in the NSW residential building industry.

The annual Building Business Expo Program was held between August and November 2017 and eight evening Continued Professional Development (CPD) seminars, attracting 992 attendees, were provided.

SafeWork NSW

Customer suggestions have driven changes to the variety of eligible safety solutions included in the Small Business Rebate program:

- Tree work industry – chainsaw Kevlar trousers, extension poles for chainsaws
- Crystalline Silica – eye wash stations, fit test units
- Falls from height – agriculture – specific design orchard ladders, ground opening silo lids, silo inspection panes
- Horse safety – mounting steps, safety breakaway stirrups.

SafeWork NSW webinars feedback is received through post webinar surveys. In response, the program has focused webinar design on short sessions with extended webinars delivered as modules to make WHS easy for business.

Continual improvement for the SafeWork Mentor program has been achieved based on the experiences of mentors, mentees, staff and stakeholders. Feedback surveys, interviews and meetings have led to a better understanding of customer needs and expectations. A regional program was introduced in 2018 for rural business to get involved.

The Pocket Guide to Construction Safety has been well received by industry and puts simple safety solutions in the palm of the builders/supervisor's hand. SafeWork anticipates building on this product by creating online tools to help builders identify and control common construction risks.

Stakeholder engagement conducted as part of the At Risk Workers program identified young workers receive inadequate supervision and training whilst having a limited understanding of their work health and safety rights and responsibilities. Feedback from culturally diverse backgrounds identified language and literacy barriers when accessing safety information. To address these issues, a 'Young Worker Toolkit' has been developed and launched, whilst a targeted At Risk Workers website landing page has been created, along with the translation of WHS related documents into several languages.

Office of the Registrar General

- Reviewed 24 Torrens Assurance Fund (TAF) claims valued at around \$12 million
- Reviewed 13 boundary disputes between adjoining property owners and carried out 143 audits across NSW, 83 of which were in the Sydney metropolitan area and 60 in regional NSW.

6.5 Corporate credit card use

As required by *Treasury Policy Paper TPP05-1 Credit Card Use Best Practice Guide*, I certify that corporate credit card use in the Department of Finance, Services and Innovation during 2017-18 has been in accordance with Premier's Memorandum and the Treasurer's directions

Martin Hoffman

Secretary, Department of Finance, Services and Innovation

Date: 12 September 2018

6.6 Disclosure of controlled entities

For the purposes of financial reporting, DFSI had no controlled entities for the 2017-18 financial year.

6.7 Diversity and inclusion policies and services

The Diversity and inclusion @ DFSI Strategy and Action Plan 2018-20 outlines DFSI's commitment to the NSW Government's key targets:

- increase the proportion of women in senior leadership roles in the NSW government sector from 33 to 50 per cent by 2025
- double the number of Aboriginal and Torres Strait Islander people in senior leadership roles in the NSW government sector, from 57 to 114 by 2025
- ensure representation of Aboriginal and Torres Strait Islander people reaches 1.8% in all salary bands by 2021
- increase representation of people with a Disability from 2.7% to 5.6% by 2027

Diversity Advisory Council

The Diversity Advisory Council was established in 2017 and continued through 2018. Its purpose is to:

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

The Council is sponsored by the Secretary, Martin Hoffman, and the inaugural Chair is Deputy Secretary, Stephen Brady (Deputy Secretary – Revenue NSW). Other members include senior divisional members and representatives from the Employee Resource Groups. Council meetings are held quarterly.

Employee Resource Groups

In conjunction with the Diversity Advisory Council, in July 2017 eight Employee Resource Groups (ERGs) were established to increase awareness, share DFSI's aspirations and values, and make a positive contribution to DFSI's culture. ERGs focus on the following diversity areas:

- Ability – people with a disability
- Aboriginal and Torres Strait Islander
- Culturally and Linguistically Diverse (CALD)
- Carers
- Mature Aged Professionals
- Pride - lesbian, gay, bisexual, transgender, intersex, queer (LGBTIQ)
- Women
- Young Professionals Network

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

Forward planning diversity and inclusion

To support DFSI's commitment to employment opportunities for people from diverse groups, a Diversity and Inclusion Strategy has been developed for 2018-20, which includes four focus areas:

- Community and Culture
- Celebration and Awareness
- Attraction and Retention
- Our Leadership.

DFSI is committed to integrating diversity across the employee lifecycle, embedding diversity and inclusion in all that we do, whether it be our recruitment processes, workplace culture, career development programs, customer service or policies and procedures. The focus of the Strategy is to take practical action to:

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

Women in leadership

The Secretary has committed to achieving government employment targets for women in senior positions by investing in initiatives that attract female talent and build on internal capability for leadership, resilience and responsiveness to change. These include a robust talent Management and mobility process, targeted recruitment processes and campaigns, mentoring and networking opportunities and participation in leadership development programs. Forty-eight senior female leaders have participated in the Department's Leadership Excellence program to date.

Leadership and Inclusion programs – Women in Leadership

A number of programs have been established that are designed to develop a pipeline of high potential female employees and increase inclusiveness. Recognising the gap between men and women in leadership roles, the programs are targeted to aspiring female leaders at Grades 7/8, 9/10 and 11/12.

Each program includes a range of delivery modes, including online learning, residential workshops, coaching and mentoring. Topics broadly focus on developing career plans, transitioning to managerial roles, and developing skills and confidence in specific areas.

Aboriginal and Torres Strait Islander employment

Pipeline programs

DFSI will take a significant number of participants from the PSC's Aboriginal Career and Development program. Up to 10 participants of the program will be employed across the Agency with many in regional locations.

Aboriginal and Torres Strait Island networks

The Aboriginal and Torres Strait Islander ERG assists and informs the DFSI Diversity Advisory Council to build a culturally safe workforce that is better able to engage with and understand the needs and expectations of Aboriginal and Torres Strait Islander employees and customers. Other staff networks have also been established locally and priority areas include:

- Cultural safety
 - Conduct activities and events that assist Aboriginal and Torres Strait Islander employees to feel safe and respected in their place of work
- Accurate employment data

- Investigate and clarify data collection techniques to ensure data relating to Aboriginal employment in DFSI is correct
- Development and employment opportunities
 - Investigate development opportunities for existing Aboriginal and Torres Strait Islander employees
 - Increase employment opportunities for Aboriginal and Torres Strait Islander people and promote DFSI as a 'Great Place To Work'.

Service NSW Rural and Regional Aboriginal Employment Strategy

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

Work and Development Orders scheme supporting Indigenous communities

Revenue NSW assists people struggling to pay their fines debt by providing alternative arrangements through the Work and Development Orders (WDO) scheme. As one of the first approved sponsors to the WDO scheme, Aboriginal Customer Advisory Officers at The Glen Centre, a residential rehabilitation centre on the Central Coast, provided assistance to men receiving drug and alcohol treatment. A number of people who have gone through The Glen Programs, coupled with the WDO scheme, have been able to make positive changes in their lives.

Disability employment

Disability Inclusion Action Plan

In response to the NSW Government's commitment to breaking down barriers in the community through its *Disability Inclusion Act 2014*, DFSI developed a Disability Inclusion Action Plan (DIAP) 2015-2018. This Plan outlines DFSI's commitment to improving access to services and employment opportunities for People with Disability. Strategies and Initiatives in the Disability Inclusion Action Plan aim to:

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

A core priority for DFSI in 2018 is the review and re-development of the action plan. The aim is to expand the plan to better incorporate considerations for people with intellectual disability and mental health.

Pilot Initiative: SIRA Disability Confident Recruiter

The State Insurance Regulation Authority (SIRA) has commenced the accreditation process to become a Disability Confident Recruiter. SIRA's participation in this process is being used as an opportunity to pilot the benefits of this accreditation and to explore the potential for broader expansion across DFSI.

As part of SIRA becoming a Disability Confident Recruiter, as outlined in its 2018 Strategic Plan, Australian Network Disability (AND) conducted an audit of SIRA's recruitment processes. SIRA is in the process of addressing recommendations made by AND, before progressing to the next stage of the accreditation process. It is anticipated that AND will conduct a second audit following SIRA's implementation of their recommendations

Other support for Diversity and Inclusion

Multicultural Policies and Services Program (MPSP)

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

DFSI has a strong commitment to diversity and inclusion across all areas of business. We believe that the skills and talent of employees with diverse experiences and perspectives, unified by the core values outlined in our Corporate Plan and People Strategy, will ensure that DFSI continues to maintain its position as a leader within the Public Sector. The following highlights DFSI's commitment to People with Disability, Settlement Services and those whose first language is not English.

Service NSW

The Service NSW Multicultural plan outlines its commitment to delivering products and services to a culturally and linguistically diverse NSW.

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

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

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

Celebration and Awareness

DFSI facilitates and promotes a range of recognised events and celebrations to empower all DFSI staff to feel a continued sense of belonging through their personal stories and promote DFSI as a great place to work that values, respects and leverages diversity. These have included:

- International Women's Day – events were held in city and regional locations, with inspirational stories about brave women who stepped up and challenged social norms, aligned with the 2018 theme "Press For Progress"
- National Reconciliation Week – events were held in May 2018 to promote the theme 'Don't Keep History A Mystery: Learn. Share. Grow.' These events promoted Aboriginal & Torres Strait Islander histories, cultures and achievements
- NAIDOC Week celebrations – various DFSI-wide events were held in Sydney and regional locations in July 2018 to celebrate NAIDOC Week and its theme 'Because of her, we can'. These events included traditional Aboriginal dance and didgeridoo performances with several hundred

attendees. Divisions also hosted local NAIDOC events within their workplaces and local communities across NSW

- Harmony Day celebrations – an annual celebration of cultural diversity that coincides with the United Nations’ International Day for the Elimination of Racial Discrimination. On 21 March 2018 DFSI celebrated by hosting a range of local team events providing an opportunity to promote DFSI’s values and respect for cultural diversity in the workplace.

Carers

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

Community Language Allowance Scheme

DFSI provides an in-house language aide service called the Community Language Allowance Scheme (CLAS). As of May 2018, the DFSI cluster had 50 people registered as language aides under the Community Language Allowance Scheme (CLAS). Most of the CLAS recipients were within the Better Regulation Division, either Fair Trading Special Services or Regulatory Services.

Between April and October 2018, the DFSI Diversity & Inclusion team received 14 requests for language services. Of these 14 requests, seven were fulfilled in-house through the CLAS, and the remaining 50% sought interpreting services through an external provider.

Settlement services – Refugee employment

The Refugee Employment Support Program (RESP) is a four-year \$22 million initiative by the NSW Government, managed by the NSW Department of Industry, RESP addresses the challenges that are experienced by refugees and asylum seekers in finding long term skilled employment opportunities.

In April 2016, the Secretary’s Board agreed to engage 100 refugees in the NSW public sector. NSW Government agencies have taken a range of approaches to meet this target. This includes engaging candidates using the ‘I Work for NSW’ talent pool, advertising general positions through the ‘I Work for NSW’ website for refugees, approaching candidates directly and engaging candidates through recruitment agencies specialising in refugee employment (such as Settlement Services International).

Each month the RESP, managed by Settlement Services International, profiles approximately 10 to 20 eligible refugee job seekers who are interested in working in the NSW public service. Placements through Settlement Services International incur no fee.

The ICT and Digital Government Division of DFSI has committed to placing five refugees in roles within Digital Government for six-month temporary assignments. DFSI has also committed to place two refugees across the remaining divisions.

To date, ICT and Digital Government has placed four refugees as a Policy Officer, Cyber Security Analyst, Web Developer and Quality Assurance Officer - one of these roles has been extended, while another has been offered on a permanent basis.

Service NSW and the ICT and Digital Government Division launched a Refugee Internship Program that provides opportunities for newly arrived refugees to gain experience in Australian workplaces. Refugees are supported through development and mentoring opportunities. Eleven refugees graduated from the program in early 2018, with future intakes in the planning stage.

NSW Fair Trading

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

- The Think Smart Partnership Program is an education program for culturally and linguistically diverse (CALD) communities. Since 2002, the program has delivered information and education directly to CALD groups through partnerships with CALD service providers, community organisations and multilingual media
- A NSW Fair Trading Think Smart Multicultural Education Strategy 2016-19 for CALD communities. The strategy outlines ways in which Fair Trading can provide tailored services to meet the needs of people from CALD backgrounds, especially refugees and humanitarian entrants
- Fair Trading conducts extensive community engagement programs providing free information seminars to consumers and businesses throughout NSW targeting newly arrived migrants and refugees
- The Informed Choices program aims to educate and empower vulnerable consumers by increasing their knowledge and understanding of the marketplace so they can make informed choices when buying goods and services and entering contracts
- Following reforms to underquoting laws, strata laws and incorporated associations laws, Fair Trading developed information resources and fact sheets to inform and help protect consumers from culturally diverse backgrounds. Such resources were translated into languages including Arabic, Chinese, Korean and Vietnamese
- Targeted information and education resources were produced and distributed to international students studying in NSW with the *Consumer guide for international students* brochure distributed to language, tertiary, high school and technical educational organisations across NSW. The guide was produced to help international students understand their consumer and renting rights while studying and living in NSW
- Fair Trading provides language assistance to clients from culturally diverse backgrounds through the Translating and Interpreting Service and assistance from bilingual staff
- Fair Trading uses a range of methods to seek feedback from CALD communities, including face-to-face consultation, surveys and its website.

Revenue NSW

Revenue NSW Collection Centre provides access to interpreters for their customers. In the 2017-18 period, 11,000 calls required the use of the Translating and Interpreting Service. The top languages requiring interpreting and translating services were:

- Arabic (33 per cent)
- Farsi (19 per cent)
- Mandarin (13 per cent)
- Korean (7 per cent)
- Vietnamese (6 per cent)
- Other (19 per cent)

Revenue NSW has also committed to improving the quality of services provided to customers from Culturally and Linguistically Diverse (CALD) backgrounds through the CALD Project. The CALD Project is being completed by three Revenue NSW employees as part of a development program.

This Project has been instigated by Revenue NSW to explore how a better quality and more efficient service can be delivered to CALD customers. For example, improved quality of service for CALD customers may help to reduce the cost of Translating and Interpreting services. It may also create opportunities to better capture data on service delivery for CALD customers.

The recommendations from the CALD project will be delivered in November 2018 and it is anticipated that these recommendations will be implemented by Revenue NSW.

Workforce Diversity stats

Trends in the Representation of Workforce Diversity Groups				
Workforce Diversity Group	Benchmark	2016 ^{1, 2}	2017 ^{1, 2}	2018 ¹
³ Women	50%	54.1%	55.9%	57.3%
⁴ Aboriginal People and/or Torres Strait Islander People	3.30% ⁸	1.8% ⁷	0.0% ⁷	2.40% ⁷
⁵ People whose First Language Spoken as a Child was not English	23.2%	21.0%	19.8%	20.3%
⁶ People with a Disability	5.6%	6.5%	7.6%	5.9%
⁶ People with a Disability Requiring Work-Related Adjustment	1.5%	2.2%	1.7%	1.9%

Notes:

- 1 Statistics are based on Workforce Profile census data as at 30 June 2016, 29 June 2017 and 28 June 2018.
- 2 Workforce diversity statistics for 2016 and 2017 reflect the current composition of the department and may vary from those reported in previous annual reports.
- 3 The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.
- 4 The NSW Public Sector Aboriginal Employment Strategy 2014–17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.
- 5 A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language spoken but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.
- 6 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.
- 7 During the publication 2016-17 annual report we published 4.10% for ATSI. This figure was incorrect due to a system error that incorrectly counted staff as identifying as ATSI that were not ATSI. We are unable to calculate the result for this year and will be reporting 0.0%.
- 8 During the publication of 2017-18 numbers the target was adjusted from 2.60% to 3.30% as the target is a sliding increase for Aboriginal staff in the sector provided by the PSC, the change from 2.6% to 3.3% took place at the end of 2016-17 year.

Trends in the Distribution of Workforce Diversity Groups				
Workforce Diversity Group	Benchmark ¹	2016	2017	2018
Women	100	92	93	93
Aboriginal People and/or Torres Strait Islander People	100	94	98	94
People whose First Language Spoken as a Child was not English	100	98	99	100
People with a Disability	100	92	94	93

People with a Disability Requiring Work-Related Adjustment	100	86	86	85
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Notes:

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

6.8 Employment and senior executive statistics

Employment Statistics and Senior Executives

Division	Full Time Equivalent (FTE) Headcount over time ³⁴			
	2015 ^{1,2}	2016 ^{1,2}	2017 ^{1,2}	2018 ^{1,2}
Better Regulation Division ^{3,9,13, 21, 29,31}		1,015.1	1,022.9	1,551.6
Government & Corporate Services ^{9, 17,18, 21, 22, 23, 26,32,33}	200.7	633.4	609.6	858.3
Government Services ¹⁸	553.3			
ICT & Digital Government ^{4,5, 21,22,33}	43.1	166.7	512.7	411.9
Land & Property Information ²⁵	828.5	768.2		
NSW Fair Trading ^{3,19}	701.9	522.0	559.8	
NSW Public Works ²³	749.6	567.5		
Office of The Secretary ^{6,15, 16, 24, 26,32}	15.7	34.4	116.9	83.8
Property & Advisory Group ^{7, 20, 21, 23}	146.3	294.2	663.9	659.2
Revenue NSW ³⁰	1,359.8	1,355.4	1,335.7	1,383.3
Safety Return to Work & Support ⁹	1,357.7			
SICorp ¹⁴	39.4			
State Insurance Regulatory Authority ^{28,29}				296.2
Subsidence Advisory NSW ^{8,10,24,31}		26.0		
Titling & Registry Services ^{21, 25, 27}			334.2	
Workers Compensation Independent Review Office ^{9,11}		29.0	27.0	27.4
Workers' Compensation Commission ^{9,12}		57.1	56.1	58.8
Total	5,996.1	5,469.1	5,238.8	5,330.4

Notes:

- 1 Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay).
- 2 Statistics are based on Workforce Profile census data as at 18 June 2015, 30 June 2016, 29 June 2017 and 28 June 2018.
- 3 In July 2017 NSW Fair Trading Division was abolished and all of NSW Fair Trading transferred to Better Regulation Division.
- 4 ICT & Digital Government was renamed from Services and Digital Innovation (formally Service Innovation and Strategy) in 2016. The division was established on 1 February 2014.
- 5 ICT & Digital Government includes NSW Procurement and ICT Strategic Delivery from former Government Services.
- 6 Office of The Secretary was renamed from Office the Chief Executive in July 2015.
- 7 Property & Housing Group includes Government Property NSW, Teacher Housing Authority of NSW, Waste Assets Management Corporation and Sydney Harbour Foreshore Authority that transferred to Property & Housing Group in 1 July 2015.
- 8 Mine Subsidence Board transferred into the Department 1 July 2015.

- 9 Safety Return to Work & Support was dissolved September 2015 with staff transferred to Better Regulation, Government & Corporate Services and icare. WorkCover Independent Review Office, Workers Compensation Commission have been split out and reported separately
- 10 Subsidence Advisory NSW was renamed from Mine Subsidence Board in January 2018.
- 11 Workers Compensation Independent Review Office previously reported in Safety Return to Work & Support which has been dissolved and was renamed from WorkCover Independent Review Officer.
- 12 Workers' Compensation Commission previously reported in Safety Return to Work & Support which has been dissolved.
- 13 Better Regulation was established September 2015.
- 14 SICorp transferred to Icare September 2015.
- 15 Office the Secretary staff from Ministerial Services and Corporate Affairs transferred to Corporate Services November 2015.
- 16 In 2016 and 2017 Office of the Secretary included the Change Management Office that transferred from Government and Corporate Services June 2016. Central Policy Office and Strategic Program & Performance Management Office were newly created branches in December 2015.
- 17 Government & Corporate Services was renamed from Corporate Services in January 2016.
- 18 Government Services staff from ServiceFirst, State Records Authority and Statefleet transferred to Government and Corporate Services January 2016.
- 19 NSW Fair Trading staff from the Contact Centre and Licensing transferred to Better Regulation February 2016.
- 20 Property & Advisory Group was renamed from Property & Housing Group in July 2016.
- 21 Land and Property Information was dissolved in July 2016 with staff transferred to Better Regulation Division, Government & Corporate Services, ICT & Digital Information, Property & Advisory Group and Titling and Registry Services.
- 22 State Archives and Records Authority transferred to ICT & Digital Government July 2016.
- 23 NSW Public Works was dissolved in August 2016 with staff transferred to Government & Corporate Services, Property & Advisory Group or the private sector.
- 24 In 2017, Mine Subsidence Board numbers were reported under the Office of the Secretary.
- 25 Titling & Registry Services was created in October 2016.
- 26 Ministerial Services staff transferred from Government & Corporate Services to the Office of the Secretary in March 2017.
- 27 Titling & Registry Services Privatised 30 June 2017.
- 28 State Insurance Regulatory Authority (SIRA) created as its own Division 1 July 2017
- 29 State Insurance Regulatory Authority transferred from Better Regulation Division to SIRA
- 30 Revenue NSW was renamed from Office of State Revenue in July 2017.
- 31 From 2018, Subsidence Advisory NSW employees reported under Better Regulation Division.
- 32 Changed Management Office transferred from Office of the Secretary to Government & Corporate Services October 2017.
- 33 State Archives and Records Authority transferred from ICT & Digital Government to Government & Corporate Services February 2018.
- 34 The FTE equivalent headcount is the total employee headcount based on the number of hours a person works where a full-time employee is equal to 1 FTE.

Adjusting for machinery of government changes there has been a 1.7 per cent increase in FTE in the Department over the last 12 months and a 11.1 per cent decrease over the last 3 years.

Senior Executive Band	2017 ^{1,2,3}				2018 ^{1,2,3}			
	Female	Male	Total	% Representation by Women	Female	Male	Total	% Representation by Women
Band 4 (Secretary)	0	1	1	0%	0	1	1	0%
Band 3 ⁴ (Deputy Secretary)	1	5	6	16.7%	3	4	7	42.9%
Band 2 (Executive Director)	13	30	43	30.2%	16	28	44	36.4%
Band 1 (Director)	77	106	183	42.1%	87	105	193	45.1%
Total	91	142	233	39.1%	107	137	245	43.7%

Senior Executive Band	2017 ⁵		2018 ⁵	
	Range \$	Average Remuneration \$	Range \$	Average Remuneration \$
Band 4 (Secretary)	452,250 – 522,500	507,350	463,551 – 535,550	520,034
Band 3 (Deputy Secretary)	320,901 - 452,250	414,823	328,901 – 463,550	409,550
Band 2 (Executive Director)	255,051- 320,900	282,563	261,451 - 328,900	282,322
Band 1 (Director)	178,850 - 255,050	206,045	183,300 - 261,450	214,661

Notes:

- 1 Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.
- 2 Statistics are based on Workforce Profile census data as at 29 June 2017 and 28 June 2018.
- 3 All employees reported in 2017 and 2018 are appointed under the Government Sector Employment Act. Salary band based on current assignment including those on a temporary above level assignment for more than two months.
- 4 Includes one male employee active in the 2018 Workforce Profile but on extended leave leading up to retirement.
- 5 Salary ranges effective at the Workforce Profile census dates of 29 June 2017 and 28 June 2018.

In 2018, 10.2 per cent of the department's employee related expenditure were for senior executives, this is unchanged from 2017 which was also 10.2 per cent.

6.9 Employment relations policies and practices

DFSI Positive and Productive Workplace policy

DFSI released the Positive and Productive Workplace policy in July 2017 to assist employees to manage conflicts and grievances in the workplace. The policy focuses on maintaining a harmonious workplace by addressing conflicts as quickly and as close to the source as possible by utilising three separate pathways from informal through to formal processes.

Managing for Improvement framework

The Managing for Improvement framework was released in January 2018 to provide managers and employees with appropriate support and resources to enable them to work together to improve performance.

Employee Relations investigation matters

Fifty-four employee relations matters were investigated, encompassing conduct, performance, probationary performance, bullying, harassment, discrimination, abandonment of employment and medical retirements.

Industrial Relations matters

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

Award matters	2
Unfair dismissal	4
General disputes	11

The following types of matters were dealt with at the Australian Human Rights Commission and NSW Anti-Discrimination Board:

Discrimination matters	4
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All matters were resolved without arbitration.

6.10 Funds granted to non-government community organisations

During the 2017-18 financial year, Fair Trading administered grants to:

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

The Aged Care Supported Accommodation Service

The Aged Care Supported Accommodation program funds the Seniors Rights Service. The service provides advocacy, information and education services for older residents living in supported accommodation, such as retirement villages, nursing homes, hostels and boarding houses. Funding for 2017-18 was \$509,618 (plus GST), and sourced from the Rental Bond Board Interest Account (100 per cent).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Seniors Rights Service Inc.	Seniors Rights Service (SRS)	\$509,618.00	Statewide – All NSW
Total		\$509,618.00	

Home Building Advice and Advocacy Service (HoBAS)

Fair Trading funds the Western Sydney Community Legal Centre to provide advice and assistance to NSW residential home building consumers on their rights and responsibilities. This includes advocacy services, negotiation of disputes between consumers and builders, assistance to prepare cases for NCAT hearings and representation at hearings when appropriate. Funding for 2017-18 was \$265,892.36 (plus GST), and sourced from Fair Trading's revenue (100 per cent).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Western Sydney Community Legal Centre	Home Building Advocacy Service (HoBAS)	\$265,892.36	Statewide – All NSW
Total		\$265,892.36	

Strata Collective Sales Advocacy Service

The Strata Collective Sales Advocacy Service funds the provision of legal advice, advocacy services, assistance, or representation for NSW strata residential consumers before the NSW Civil and Administrative Tribunal (NCAT), and the Land and Environment Court (the court), regarding the strata schemes collective sales and renewals scheme under the *Strata Schemes Development Act 2015*. Funding for 2017-18 was \$420,250.00 (plus GST), and sourced from NSW Fair Trading (100 per cent).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Seniors Rights Service Inc.	Strata Collective Sales Advocacy Service	\$210,125.00	Statewide – All NSW
Marrickville Legal Centre	Strata Collective Sales Advocacy Service	\$210,125.00	
Total		\$420,250.00	

Tenants' Advice and Advocacy Program

This program is fully funded by Fair Trading to deliver advocacy, information and education services for tenants. Funding for 2017-18 was \$10,573,593.64 (plus GST), and is sourced from the Rental Bond Board Interest Account (50 per cent) and the Property Services Statutory Interest Account (50 per cent).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Redfern Legal Centre	Inner Sydney Tenants Advice & Advocacy Service (ISTAAS)	\$438,986.39	Inner Sydney
Eastern Area Tenants Service Incorporated	Eastern Area Tenants Service Inc (EATS)	\$329,239.79	Eastern Sydney
Marrickville Legal Centre	Inner West Tenants Advice and Advocacy Service (IWTAAS)	\$329,239.79	Inner-Western Sydney
Marrickville Legal Centre	Northern Sydney Area Tenants Service (NSATS)	\$438,986.39	Northern Sydney

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Metro Assist	Southern Sydney Tenants Advice & Advocacy Service (SSTAAS)	\$493,859.68	Southern Sydney
Macarthur Legal Centre	South West Sydney Tenants Advice and Advocacy Service (SWSTAAS)	\$438,986.39	South Western Sydney
Elizabeth Evatt Community Legal Centre	Blue Mountains Tenants Service	\$109,746.60	Blue Mountains
Western Sydney Community Legal Centre (WSCLC)	Western & North Western Tenants Service	\$713,352.88	Western & North Western Sydney
Central Coast Tenants Advice and Advocacy Service Inc.	Central Coast Tenants Advice and Advocacy Service (CCTAAS)	\$329,239.79	Central Coast
Hunter Regional Neighbourhood Centre Forum Inc.	Hunter Tenants Advice & Advocacy Service (HTAAS)	\$502,910.95	Hunter Region
Illawarra Legal Centre	Illawarra Tenants Service	\$393,164.35	Illawarra/South Coast
Port Macquarie Neighbourhood Centre Inc.	Mid Coast Tenants Advice and Advocacy Service	\$338,291.06	Mid North Coast
Northern Rivers Community Legal Centre Inc.	Northern Rivers Tenants Advice and Advocacy Service (NORTAAS)	\$338,291.06	Far North Coast
VERTO Ltd	South Western NSW Tenants Service	\$906,257.98	South Western NSW
New England and Western Tenants Advice and Advocacy Service Incorporated	New England and Western Tenants Advice and Advocacy Service (NEWTAAS)	\$522,144.89	North Western NSW
Aboriginal Legal Service (NSW/ACT) Limited	Greater Sydney Aboriginal Tenants Service (GSATS)	\$472,431.92	Greater Sydney ATSI
Management and Advisory Services Aboriginal Corporation	Murra Mia Tenants Advice and Advocacy Service	\$681,673.45	South Eastern NSW ATSI
Northern NSW Aboriginal Tenants Advice and Advocacy Service Inc.	Northern NSW Aboriginal Tenants Advice and Advocacy Service (NATAAS)	\$622,274.52	Northern NSW ATSI
Aboriginal Legal Service (NSW/ACT) Limited	Western Aboriginal Tenants Advice and Advocacy Service (WATAAS)	\$607,097.09	Western NSW ATSI
Tenants Union of NSW Co-operative Limited	Statewide Tenants Advice & Advocacy Program Resource Service	\$1,278,332.88	Statewide TAAP Resource Service
Dtarawarra Pty Ltd	Aboriginal Resource Unit (ARU)	\$193,915.45	ATSI Resource Service
TAAP Special Purpose Fund		\$95,170.36	
Total		\$10,573,593.64	

Financial Counselling Services program

The Financial Counselling Services program provides free financial counselling from accredited counsellors. Funding for 2017-18 was \$7,021,338.29 (plus GST), and sourced from the Rental Bond

Board Interest (53 per cent), Financial Counselling Trust Fund (24 per cent) and Fair Trading (23 per cent).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare South Western Sydney Financial Counselling Service	\$614,283.81	South Western Sydney
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Southern Sydney Financial Counselling Service	\$328,995.75	Southern Sydney
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Western Sydney Financial Counselling Service	\$654,304.83	Western Sydney
Wesley Community Services Limited	Wesley Mission Credit Line Financial Counselling Services North Western Sydney	\$391,591.36	North Western Sydney
The Trustee of the Roman Catholic Church for the Diocese of Broken Bay	CatholicCare Diocese of Broken Bay Northern Sydney Financial Counselling Service	\$280,251.51	Northern Sydney
Metro Assist	Inner Western Sydney Financial Counselling Service	\$315,651.15	Inner Western Sydney
Wesley Community Services Limited	Wesley Mission Credit Line Financial Counselling Services Inner Sydney	\$299,749.44	Inner Sydney
Lismore & District Financial Counselling Services Inc.	Far North Coast Region Financial Counselling Network	\$274,182.84	Far North Coast
Kempsey Neighbourhood Centre	Mid North Coast Region Financial Counselling Service	\$399,676.74	Mid North Coast
Financial Counselling Hunter Valley Project Inc.	Lower Hunter Region Financial Counselling Service	\$487,125.74	Newcastle/Lower Hunter
Financial Counselling Hunter Valley Project Inc.	Upper Hunter Region Financial Counselling Service	\$101,779.33	Upper Hunter
Gosford City & Community Information Service Ltd	Central Coast Region Financial Counselling Service	\$241,255.66	Central Coast
Illawarra Legal Centre Inc	Illawarra Region Financial Counselling Service	\$287,430.01	Illawarra
Eurobodalla Family Support Service Inc.	Far South Coast Region Financial Counselling Service	\$65,776.65	Far South Coast
Anglicare NSW South, NSW West & ACT	Anglicare Riverina Lower South Western Regional Financial Counselling Service	\$148,375.81	Lower South Western
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Goulburn Region Financial Counselling Service	\$107,329.63	Goulburn
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Murray Region Financial Counselling Service	\$66,801.82	Murray
Lifeline Central West Inc.	Lifeline Dubbo/Mid West Region Financial Counselling Service	\$80,653.20	Dubbo/Mid West
Lifeline Central West Inc.	Lifeline Central West Region Financial Counselling Service	\$107,848.01	Central West

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
The Trustee of the Roman Catholic Church for the Diocese of Wilcannia-Forbes trading as CentaCare Wilcannia-Forbes	Centacare Forbes and Parkes Region Financial Counselling Service	\$51,369.78	Parkes/Forbes
Lifeline Broken Hill Inc	Lifeline Broken Hill Region Financial Counselling Service	\$76,303.19	Broken Hill
The Trustee of the Roman Catholic Church for the Diocese of Wilcannia-Forbes trading as CentaCare Wilcannia-Forbes	Centacare Far West Region Financial Counselling Service	\$76,303.19	Far West
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Tamworth/Northern Plains Region Financial Counselling Service	\$101,176.29	Tamworth/Northern Plains
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Armidale Region Financial Counselling Service	\$51,369.78	Armidale
Muru Mittigar Ltd	Muru Mittigar Community Finance Hub Campbelltown Aboriginal and Torres Strait Islander Financial Counselling Service	\$21,291.97	Campbelltown
Muru Mittigar Ltd	Muru Mittigar Community Finance Hub Penrith Aboriginal and Torres Strait Islander Financial Counselling Service	\$42,583.94	Penrith
Muru Mittigar Ltd	Muru Mittigar Community Finance Hub Blacktown Aboriginal and Torres Strait Islander Financial Counselling Service	\$63,875.91	Blacktown
Financial Counselling Hunter Valley Project Inc.	Newcastle Aboriginal and Torres Strait Islander Financial Counselling Service	\$42,583.94	Newcastle
Illawarra Legal Centre Inc.	Illawarra Aboriginal and Torres Strait Islander Financial Counselling Service	\$21,291.97	Illawarra
Lifeline Central West Inc.	Lifeline Dubbo Aboriginal and Torres Strait Islander Financial Counselling Service	\$63,875.91	Dubbo
Lifeline Broken Hill Inc.	Lifeline Broken Hill Aboriginal and Torres Strait Islander Financial Counselling Service	\$21,291.97	Broken Hill
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Moree Aboriginal and Torres Strait Islander Financial Counselling Service	\$21,291.97	Moree
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Tamworth Aboriginal and Torres Strait Islander Financial Counselling Service	\$21,291.97	Tamworth
Financial Rights Legal Centre Inc.	Financial Rights Legal Centre – Hotline 1800 007 007	\$414,773.63	All NSW
Financial Rights Legal Centre Inc.	Financial Rights Legal Centre – Legal Service	\$337,505.58	All NSW
Financial Counsellors Association of NSW (FCAN)	Financial Counsellors' Association of NSW – Indigenous Training Course	\$49,467.88	All NSW
Financial Counsellors Association of NSW (FCAN)	State-Wide Financial Counsellor Training Program	\$123,670.87	All NSW

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Financial Counsellors Association of NSW (FCAN)	Executive Officer Position: Manager Administration	\$166,955.26	All NSW
Total		\$7,021,338.29	

No Interest Loan Scheme (NILS)

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

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

Fair Trading funds salaries, salary-related on-costs associated with the operation of NILS in NSW, including the salary and operational costs of an 1800 phone number and a Financial Inclusion Coordinator position. Funding for 2017-18 was \$2,692,160.92 (plus GST), and sourced from the Rental Bond Board Interest Account (90 per cent) and Fair Trading revenue (10 per cent).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Anglican Community Services (t/as Anglicare)	Anglicare Western Sydney NILS	\$29,285.42	Blacktown, Penrith & Hawkesbury
Muru Mittigar Ltd	Muru Mittigar NILS Loans Scheme	\$80,534.90	Penrith
Bridging the Gap Sydney West Inc.	Bridging the Gap Sydney West Inc NILS Loans Scheme	\$14,642.71	St Marys
St Vincent de Paul Society NSW	Macarthur NILS	\$102,498.97	Campbelltown, Camden & Wollondilly
St Vincent de Paul Society NSW	St Vincent de Paul Northern Beaches NILS	\$29,285.42	Manly, Warringah & Pittwater
St Vincent de Paul Society NSW	NILS Northern Sydney (St Ives)	\$21,964.06	Willoughby, Ku-ring-Gai, Lane Cove, Hornsby, Ryde
St Vincent de Paul Society NSW	Newcastle NILS	\$14,642.71	Newcastle, Shortland, Callaghan, Taro
St Vincent de Paul Society NSW	St Vincent de Paul Society NILS – Wagga Wagga	\$58,570.84	Wagga Wagga
The Hills Community Aid and Information Service Inc.	North West NILS	\$65,892.19	Hornsby, Parramatta Blacktown, Baulkham Hills, Hawkesbury
The Hills Community Aid and Information Service Inc.	North West NILS – Riverstone Outreach	\$7,321.35	Blacktown, Baulkham Hills, Hawkesbury
The Hills Community Aid and Information Service Inc.	North West NILS – Toongabbie Outreach	\$7,321.35	Parramatta & Blacktown
The Parks Community Network Inc.	Fairfield NILS	\$51,249.48	Fairfield, Holroyd, Bankstown
Hope Connect Incorporated	Hope Connect NILS	\$21,964.06	Parramatta LGA & part Holroyd (East Merrylands & East Guildford)
Break the Cycle No Interest Loans Scheme Inc.	Break the Cycle NILS	\$29,285.42	Glenfield, Macquarie Fields

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
C 3 Community Services Ltd	C3CS NILS	\$43,928.13	Campbelltown, Camden & Wollondilly
Macarthur Diversity Services Initiative Ltd	Macarthur Diversity Services NILS	\$43,928.13	Campbelltown, Camden & Wollondilly
Inspire Community Services Incorporated	Inspire NILS	\$36,606.77	Liverpool
Uniting Church in Australia	Jubilee Resources NILS	\$43,928.13	Botany, Randwick, Waverley, Woollahra, City of Sydney
Metro Assist	Metro Assist NILS	\$21,964.06	Canterbury, Strathfield, Burwood
MTC Australia Limited	Marrickville NILS	\$29,285.42	Marrickville (South & North), Dulwich Hill, Lewisham, Petersham, St Peters, Stanmore, Sydenham, Tempe, Enmore, Rockdale, parts of Newtown and Camperdown (Also 2008, 2016-2017, 2038, 2040, 2042-2044, 2048-2050, 2130, 2131, 2203, 2204)
Hunter Region No Interest Loans Scheme Inc.	Hunter Region NILS	\$109,820.32	Newcastle, Lake Macquarie, Maitland, Cessnock, Singleton, Muswellbrook, Gloucester, Upper Hunter, Port Stephens, Greater Taree, Great Lakes, Dungog
Manning Support Services Inc.	Manning NILS (Taree and Gloucester)	\$58,570.84	Greater Taree, Great Lakes, Gloucester
Forster Neighbourhood Centre Inc.	Great Lakes NILS	\$43,928.13	Great Lakes
Bellingen Neighbourhood Centre Inc.	The Bellingen Neighbourhood Centre NILS	\$29,285.42	Bellingen
Kempsey Neighbourhood Centre Inc.	Macleay Valley NILS	\$43,928.13	Kempsey
Manning Support Services Inc.	Hastings NILS	\$43,928.13	Hastings
Lifetime Connect Inc.	Nambucca Valley NILS	\$14,642.71	Nambucca Shire
Lifetime Connect Inc.	Nambucca Valley Inc NILS – Coffs Harbour Outreach	\$43,928.13	Coffs Harbour
Anglican Community Services (t/as Anglicare)	Anglicare Shoalhaven NILS	\$29,285.42	Shoalhaven
BaptistCare NSW & ACT	BaptistCare NILS – Newcastle	\$43,928.13	Newcastle, Lake Macquarie, Port

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
			Stephens and Maitland
BaptistCare NSW & ACT	BaptistCare NILS – Warilla	\$43,928.13	Shellharbour, Albion Park, Barrack Heights, Lake Illawarra, Warilla, Mt Warrigal, Windang, Oak Flats, Flinders, Blackbutt, Shellharbour
BaptistCare NSW & ACT	BaptistCare NILS – Broken Hill & Wilcannia	\$43,928.13	Broken Hill, Wilcannia, Central Darling
BaptistCare NSW & ACT	BaptistCare NILS – Sutherland	\$29,285.42	Sutherland
Our Community Project Inc. (Previously Port Kembla Community Project Inc.)	Community Loan Scheme – Southern NILS Program	\$73,213.55	Wollongong
Northern Illawarra Community Connection Inc.	NICCI NILS	\$58,570.84	Wollongong and Sutherland
Highlands Community Centres Inc.	Highlands Community Centre NILS	\$36,606.77	Wingecarribee, Mulwaree
Northern Rivers Community Gateway Incorporated	Northern Rivers NILS	\$73,213.55	Richmond Valley, Lismore, Kyogle, Tweed, Ballina
Toukley Neighbourhood Centre Inc.	Wyong Shire NILS	\$51,249.48	Wyong
Winmalee Neighbourhood Centre Inc.	Winmalee Neighbourhood Centre NILS	\$21,964.06	Blue Mountains City (2776 & 2777)
Mid Mountains Neighbourhood Centre Inc.	Mid Mountains NILS	\$21,964.06	Blue Mountains
Blackheath Area Neighbourhood Centre Inc.	Blackheath Area Neighbourhood Centre NILS	\$43,928.13	Blue Mountains & Greater Lithgow
Gosford City Community Information Service Ltd	Gosford City NILS	\$43,928.13	Outer Gosford & Surrounds
Central Coast Emergency Accommodation Services Ltd (Coast Shelter)	Coast Shelter NILS	\$36,606.77	Gosford City
Armidale Neighbourhood Centre Inc.	Armidale Neighbourhood Centre NILS	\$29,285.42	Armidale, Dumaresq, Uralla, Guyra, Walcha
Anglicare NSW South, NSW West & ACT	Anglicare Goulburn NILS	\$14,642.71	Goulburn
Anglicare NSW South, NSW West & ACT	Anglicare Eurobodalla NILS	\$14,642.71	Eurobodalla
Anglicare NSW South, NSW West & ACT	Anglicare Bega Valley NILS	\$21,964.06	Bega Valley Shire
Anglicare NSW South, NSW West & ACT	Anglicare Western NSW Orange NILS	\$43,928.13	Orange, Milthorpe
Anglicare NSW South, NSW West & ACT	Anglicare Western NSW Gilgandra NILS	\$29,285.42	Gilgandra, Coonamble
Anglicare NSW South, NSW West & ACT	Western NSW Forbes NILS	\$29,285.42	Forbes
Anglicare NSW South, NSW West & ACT	Western NSW Mudgee NILS	\$29,285.42	Mudgee, Kandos, Rylstone

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
The Mary MacKillop Foundation Limited	Lithgow NILS	\$29,285.42	Lithgow
The Mary MacKillop Foundation Limited	Bathurst NILS	\$80,534.90	Bathurst, Blayney, Oberon
The Mary MacKillop Foundation Limited	Cowra NILS	\$29,285.42	Cowra & Cabonne
The Mary MacKillop Foundation Limited	Young NILS	\$43,928.13	Young, Boorowa, Cootamundra, Harden, Temora and Weddin
Local Global Care – Dubbo	Global Care NILS – Dubbo	\$73,213.55	Dubbo, Walgett, Lightning Ridge, Bourke, Brewarrina, Collarenebri
Wiradjuri Aboriginal Corporation	Wiradjuri NILS	\$21,964.06	Wagga Wagga
Anglicare Victoria	St Lukes Albury NILS	\$29,285.42	
The Salvation Army (NSW) Property Trust	Salvos NILS – Inverell	\$29,285.42	Inverell
The Salvation Army (NSW) Property Trust	Salvos NILS – Gunnedah & Tamworth	\$36,606.77	Tamworth, Gunnedah
The Salvation Army (NSW) Property Trust	Salvos NILS – Moree	\$21,964.06	Moree
Metro Assist Limited	Metro MRC (South Western Sydney)	\$36,606.77	
BaptistCare NSW & ACT	BaptistCare Western NSW NILS	\$43,928.13	
Northern Rivers Community Gateway	NILS NSW Financial Inclusion CoOrdinator	\$116,785.37	All NSW
Winmalee Neighbourhood Centre Inc. (1800 Freecall Service)	NSW NILS 1800 Freecall Service – 1800 50 9994	\$93,436.27	All NSW
Total		\$2,692,160.92	

6.11 Land disposal

No properties with a value greater than \$5 million were disposed of during 2017-18 without going to public auction or tender.

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

An application for access to documents concerning details of properties disposed of during the reporting year may be made in accordance with the *Government Information (Public Access) Act 2009*.

6.12 Legislation administered

DFSI administered the following Acts on behalf of the **Minister for Finance, Services and Property** for the 2017-18 financial year:

- *Access to Neighboring Land Act 2000* [No 2](#)
- *Associated General Contractors Insurance Company Limited Act 1980* [No 38](#)

- *Betting Tax Act 2001* [No 43](#), (jointly with the Treasurer)
- *Bishopsgate Insurance Australia Limited Act 1983* [No 81](#)
- *Border Railways Act 1922* [No 16](#)
- *Coal Mine Subsidence Compensation Act 2017* [No 37](#) (which replaced the Mine Subsidence Compensation Act 1961 effective from 1 January 2018)
- *Commonwealth Places (Mirror Taxes Administration) Act 1998* [No 100](#)
- *Community Land Development Act 1989* [No 201](#)
- *Contractors Debts Act 1997* [No 110](#)
- *Conveyancing Act 1919* [No 6](#)
- *Conveyancing and Law of Property Act 1898* [No 17](#)
- *Crown Lands Act 1989* [No 6](#), so far as it relates to the Luna Park Reserve (within the meaning of the *Luna Park Site Act 1990*), jointly with the Minister for Innovation and Better Regulation (remainder, parts, the Premier, the Minister for Lands and Forestry and the Minister for Sport)
- *Data Sharing (Government Sector) Act 2015* [No 60](#) (which is now within the portfolio responsibility of the Treasurer effective from 1 January 2018)
- *Duties Act 1997* [No 123](#) (jointly with the Treasurer)
- *Electronic Conveyancing (Adoption of National Law) Act 2012* [No 88](#)
- *Encroachment of Buildings Act 1922* [No 23](#)
- *Fines Act 1996* [No 99](#) (except parts, the Attorney General)
- *First Home Owner Grant (New Homes) Act 2000* [No 21](#)
- *Gaming Machine Tax Act 2001* [No 72](#), Part 3, jointly with the Treasurer (remainder, jointly with the Treasurer and the Minister for Racing, except Part 4 and Schedule 1, the Minister for Racing)
- *Geographical Names Act 1966* [No 13](#)
- *Government Telecommunications Act 1991* [No 77](#)
- *Health Insurance Levies Act 1982* [No 159](#) (jointly with the Treasurer)
- *Home Building Act 1989* [No 147](#), Part 6, 6B and 6C (remainder, the Treasurer and the Minister for Innovation and Better Regulation)
- *Insurance Protection Tax Act 2001* [No 40](#), (jointly with the Treasurer)
- *Land Acquisition (Just Terms Compensation) Act 1991* [No 22](#)
- *Land Sales Act 1964* [No 12](#)
- *Land Tax Act 1956* [No 27](#), (jointly with the Treasurer)
- *Land Tax Management Act 1956* [No 26](#), (jointly with the Treasurer)
- *Loan Fund Companies Act 1976* [No 94](#)
- *Luna Park Site Act 1990* [No 59](#), (jointly with the Minister for Innovation and Better Regulation)
- *Mine Subsidence Compensation Act 1961* [No 22](#) (which has been repealed and replaced by the *Coal Mine Subsidence Compensation Act 2017* effective from 1 January 2018)
- *Motor Accident Injuries Act 2017* [No 10](#) (which commenced on 8 September 2017)
- *Motor Accidents Act 1988* [No 102](#)
- *Motor Accidents Compensation Act 1999* [No 41](#)

- *Motor Vehicles (Third Party Insurance) Act 1942* [No 15](#)
- *Payroll Tax Act 2007* [No 21](#), (jointly with the Treasurer)
- *Payroll Tax Deferral (BlueScope Steel) Act 2015* [No 68](#), (jointly with the Treasurer)
- *Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011* [No 19](#)
- *Perpetuities Act 1984* [No 43](#)
- *Place Management NSW Act 1998* [No 170](#) (previously known as the *Sydney Harbour Foreshore Authority Act 1998* until 25 October 2016)
- *Powers of Attorney Act 2003* [No 53](#)
- *Property NSW Act 2006* [No 40](#)
- *Public Works and Procurement Act 1912* [No 45](#) (except section 34 (3) and (4), the Minister for Regional Water)
- *Real Property Act 1900* [No 25](#)
- *Regional Relocation Grants (Skills Incentive) Act 2011* [No 26](#) (except section 26A, the Minister for Regional New South Wales)
- *Service NSW (One-stop Access to Government Services) Act 2013* [No 39](#)
- *Small Business Grants (Employment Incentive) Act 2015* [No 14](#)
- *Sporting Injuries Insurance Act 1978* [No 141](#) (which is now within the portfolio responsibility of the Treasurer)
- *State Insurance and Care Governance Act 2015* [No 19](#) (except parts, the Treasurer)
- *State Records Act 1998* [No 17](#)
- *Strata Schemes Development Act 2015* [No 51](#) (except Part 10 and Schedule 7, jointly with the Minister for Innovation and Better Regulation)
- *Surveying and Spatial Information Act 2002* [No 83](#) (except parts, the Minister for Innovation and Better Regulation)
- *Taxation Administration Act 1996* [No 97](#) (jointly with the Treasurer)
- *Teacher Housing Authority Act 1975* [No 27](#)
- *Trades Hall (Transfer of Land) Act 1970* [No 54](#)
- *Unclaimed Money Act 1995* [No 75](#)
- *Valuation of Land Act 1916* [No 2](#)
- *Voluntary Workers (Soldiers' Holdings) Act 1917* [No 25](#)
- *Workers Compensation Act 1987* [No 70](#) (except Part 4 and Division 1A of Part 7, the Treasurer)
- *Workplace Injury Management and Workers Compensation Act 1998* [No 86](#) (except parts, the Attorney General)

DFSI administered the following Acts on behalf of the **Minister for Innovation and Better Regulation** for the 2017-18 financial year:

- *Agricultural Tenancies Act 1990* [No 64](#)
- *Architects Act 2003* [No 89](#)
- *Associations Incorporation Act 2009* [No 7](#)
- *Biofuels Act 2007* [No 23](#)

- *Boarding Houses Act 2012* [No 74](#) (except parts, jointly with the Minister for Family and Community Services and parts, the Minister for Family and Community Services)
- *Building and Construction Industry Long Service Payments Act 1986* [No 19](#) (which was transferred from the Treasurer effective 1 January 2018)
- *Building and Construction Industry Security of Payment Act 1999* [No 46](#)
- *Building Products (Safety) Act 2017* [No 69](#) (effective from 1 January 2018)
- *Building Professionals Act 2005* [No 115](#)
- *Business Names (Commonwealth Powers) Act 2011* [No 44](#)
- *Charitable Fundraising Act 1991* [No 69](#)
- *Community Land Management Act 1989* [No 202](#)
- *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010* [No 122](#) (which was transferred from the Treasurer effective 1 January 2018)
- *Contracts Review Act 1980* [No 16](#)
- *Conveyancers Licensing Act 2003* [No 3](#)
- *Co-operative Housing and Starr-Bowkett Societies Act 1998* [No 11](#)
- *Co-operatives (Adoption of National Law) Act 2012* [No 29](#)
- *Credit (Commonwealth Powers) Act 2010* [No 6](#)
- *Crown Lands Act 1989* [No 6](#), so far as it relates to the Luna Park Reserve (within the meaning of the *Luna Park Site Act 1990*), jointly with the Minister for Finance, Services and Property (remainder, parts, the Premier, the Minister for Lands and Forestry and the Minister for Sport)
- *Dangerous Goods (Road and Rail Transport) Act 2008* [No 95](#) (except parts, the Minister for the Environment)
- *Electricity (Consumer Safety) Act 2004* [No 4](#)
- *Explosives Act 2003* [No 39](#)
- *Fair Trading Act 1987* [No 68](#)
- *Funeral Funds Act 1979* [No 106](#)
- *Gas and Electricity (Consumer Safety) Act 2017* [No 15](#)
- *Gas Supply Act 1996* [No 38](#), section 83A (remainder, the Minister for Energy and Utilities)
- *Government Insurance Office (Privatisation) Act 1991* [No 38](#), sections 26 and 27, jointly with the Treasurer (remainder, the Treasurer)
- *Hairdressers Act 2003* [No 62](#)
- *Holiday Parks (Long-term Casual Occupation) Act 2002* [No 88](#)
- *Home Building Act 1989* [No 147](#) (except Part 6A, the Treasurer and Part 6, the Minister for Finance, Services and Property)
- *Innkeepers Act 1968* [No 24](#)
- *Landlord and Tenant Act 1899* [No 18](#)
- *Landlord and Tenant (Amendment) Act 1948* [No 25](#)
- *Long Service Corporation Act 2010* [No 123](#) (which was transferred from the Treasurer effective 1 January 2018)

- *Lotteries and Art Unions Act 1901* [No 34](#) (which was transferred from the Minister for Racing effective 1 January 2018)
- *Luna Park Site Act 1990* [No 59](#), (jointly with the Minister for Finance, Services and Property)
- *Motor Dealers and Repairers Act 2013* [No 107](#)
- *Mutual Recognition (Automatic Licensed Occupations Recognition) Act 2014* [No 51](#)
- *Partnership Act 1892* [55 Vic No 12](#), so far as it relates to the functions of the Registrar of the register of limited partnerships and incorporated limited partnerships and to the setting of fees to be charged for maintaining that register, jointly with the Attorney General (remainder, the Attorney General)
- *Pawnbrokers and Second-hand Dealers Act 1996* [No 13](#)
- *Personal Property Securities (Commonwealth Powers) Act 2009* [No 35](#), Division 2 of Part 2 of Schedule 1 and clause 24 of Schedule 1, jointly with the Attorney General (remainder, the Attorney General)
- *Plumbing and Drainage Act 2011* [No 59](#)
- *Prices Regulation Act 1948* [No 26](#)
- *Professional Standards Act 1994* [No 81](#)
- *Property, Stock and Business Agents Act 2002* [No 66](#)
- *Residential (Land Lease) Communities Act 2013* [No 97](#)
- *Residential Tenancies Act 2010* [No 42](#) (except Part 7, jointly with the Minister for Social Housing)
- *Retirement Villages Act 1999* [No 81](#)
- *Rural Workers Accommodation Act 1969* [No 34](#)
- *Storage Liens Act 1935* [No 19](#)
- *Strata Schemes Development Act 2015* [No 51](#), Part 10 and Schedule 7, jointly with the Minister for Finance, Services and Property (remainder, the Minister for Finance, Services and Property)
- *Strata Schemes Management Act 1996* [No 138](#) (which has been repealed effective from 30 November 2016)
- *Strata Schemes Management Act 2015* [No 50](#)
- *Surveying and Spatial Information Act 2002* [No 83](#), Part 3 and sections 21–22A (and Part 1, sections 28–32 and Part 7 so far as they relate to the registration of surveyors under Part 3) (remainder, the Minister for Finance, Services and Property)
- *Swimming Pools Act 1992* [No 49](#) (which was transferred from the Minister for Local Government effective 1 January 2018)
- *Tattoo Parlours Act 2012* [No 32](#), jointly with the Minister for Police
- *Tow Truck Industry Act 1998* [No 111](#)
- *Uncollected Goods Act 1995* [No 68](#)
- *Work Health and Safety Act 2011* [No 10](#)

6.13 Legislation changes

LEGISLATIVE INSTRUMENT	BRIEF EXPLANATION OF LEGISLATIVE CHANGE
DFSI LEGAL	
<i>Road Transport and Other Legislation Amendment (Digital Driver Licences and Photo Cards) Act 2018</i>	The Act amends the <i>Road Transport Act 2013</i> , <i>Photo Card Act 2005</i> and other legislation to enable the digitisation of the NSW driver licence and the NSW Photo Card. It is intended for a digital driver licence to be used as a valid evidence of authority to drive and for a digital photo card to be used in the gaming and liquor industry, for example, for entry into pubs and clubs, and for any other purpose prescribed by regulation. The amendments to the relevant legislation are to occur by proclamation.
Road Transport (Vehicle Registration) Amendment (Toll Relief Scheme) Regulation 2018; Motor Vehicles Taxation Amendment (Toll Relief Scheme) Regulation 2018; Roads Amendment (Toll Relief Scheme) Regulation 2018; Road Transport (Minimum Toll Expenditure Calculation) Order 2018	The Regulations and Order enable the NSW Government's initiative to provide free car registration as a part of the Government's commitment to tackle cost of living pressures in NSW. The legislation provides an exemption for NSW citizens from paying the vehicle registration and motor vehicle tax fees incurred on an eligible motor vehicle provided they spend at least \$1,300 on eligible toll roads in any financial year. Service NSW is working with Roads and Maritime Services and toll service providers to deliver this service to NSW citizens. The toll relief scheme commenced on 1 July 2018.
Service NSW (One-stop Access to Government Services) Amendment (NRMA Services) Regulation 2017	The Regulation amends the Service NSW (One-stop Access to Government Services) Regulation 2013 to enable Service NSW to exercise certain customer service functions on behalf of the National Roads and Motorists' Association Ltd (NRMA). The Regulation commenced on 15 December 2017.
Service NSW (One-stop Access to Government Services) Regulation 2018	The 2018 Regulation remakes the Service NSW (One-stop Access to Government Services) Regulation 2013 (2013 Regulation) without material changes so that the 2013 Regulation is not repealed by automatic repeal provisions in the <i>Subordinate Legislation Act 1989</i> . The 2018 Regulation commenced on 22 June 2018.
<i>Statute Law (Miscellaneous Provisions) Act 2018</i>	The Act amends various pieces of legislation across the NSW statute book to enable the online publication of government notices. The intent of the amendments is to enable digital processes and transactions between the government and citizens, businesses or other organisations. The various amendments to legislation as a part of the Act commence on assent or at some later time as indicated in the Act.
Valuation of Land Regulation 2018	The 2018 Regulation remakes the Valuation of Land Regulation 2012 (2012 Regulation) with minor changes that update the 2018 Regulation and clarify provisions in the <i>Valuation of Land Act 1916</i> . The amendments to the 2018 Regulation ensure that the 2012 Regulation is not repealed by automatic repeal provisions in the <i>Subordinate Legislation Act 1989</i> . The 2018 Regulation commenced on 22 June 2018.
BETTER REGULATION (INCLUDES LONG SERVICE CORPORATION, NSW FAIR TRADING, OFFICE OF THE REGISTRAR GENERAL AND SAFEWORK NSW)	

LEGISLATIVE INSTRUMENT	BRIEF EXPLANATION OF LEGISLATIVE CHANGE
Architects Regulation 2017	<p>The Regulation was remade on 1 September 2017 in accordance with the staged repeal provisions of the <i>Subordinate Legislation Act 1989</i>.</p> <p>The new Regulation added options to enable the election of architects to the Architects Registration Board through electronic ballot processes, including email or voting websites. The qualifications for registration as an architect in NSW were updated and the Architects Code of Professional Conduct was revised and modernised.</p>
Associations Incorporation Amendment (Fees) Regulation 2017	<p>The Association Incorporation Regulation 2016 was amended to increase fees in line with the Consumer Price Index and to introduce a fee unit scheme to enable automatic indexation in future years.</p> <p>The Regulation commenced on 1 July 2017.</p>
Building Products (Safety) Act 2017	<p>A new Act introduced to provide additional powers to help the NSW Government respond to the use of unsafe building products.</p> <p>The Act was passed by the Parliament on 22 November 2017 and commenced on 18 December 2017.</p>
Building Professionals Amendment (Information) Act 2016	<p>The <i>Building Professionals Act 2005</i> was amended to introduce data reporting requirements and provide for greater information sharing.</p> <p>The Act commenced on 18 October 2016.</p>
Charitable Fundraising Amendment (Inquiries) Act 2017	<p>The Act amended the <i>Charitable Fundraising Act 1991</i> to enable public inquiries to be held into the conduct of individuals or organisations under the Act.</p> <p>The Act commenced on 14 August 2017.</p>
Conveyancers Licensing Amendment (Fees) Regulation 2017	<p>The Conveyancers Licensing Regulation 2015 was amended to increase fees in line with the Consumer Price Index and to introduce a fee unit scheme to enable automatic indexation in future years.</p> <p>The Regulation commenced on 1 July 2017.</p>
Conveyancing (Sale of Land) Regulation 2017	<p>The Conveyancing (Sale of Land) Regulation 2017 commenced on 1 September 2017, following an extensive review conducted by the Office of the Registrar General.</p> <p>The Regulation introduced changes to vendor disclosure obligations affecting contracts for the sale of land and options for the purchase of residential property. Existing provisions were simplified and updated, and new disclosure requirements were introduced to reflect recent legislative changes and current conveyancing practice. Key changes involved a new vendor warranty relating to the strata renewal process, a new prescribed statement warning purchasers to the possible presence of loose-fill asbestos in some properties, and the requirement for additional documents relating to sewer locations and strata by-laws to be annexed to sale contracts.</p> <p>The Regulation provides the community with a transparent and efficient conveyancing process, enabling the early exchange of contracts and reducing the opportunity for gazumping.</p>

LEGISLATIVE INSTRUMENT	BRIEF EXPLANATION OF LEGISLATIVE CHANGE
Co-operative Housing and Starr-Bowkett Societies Amendment (Fees) Regulation 2017	<p>The Co-operative Housing and Starr-Bowkett Societies Regulation 2015 was amended to increase fees in line with the Consumer Price Index and to introduce a fee unit scheme to enable automatic indexation in future years.</p> <p>The Regulation commenced on 1 July 2017.</p>
Co-operatives (New South Wales) Amendment (Fees) Regulation 2017	<p>The Co-operatives (New South Wales) Regulation 2014 was amended to increase fees in line with the Consumer Price Index and to introduce a fee unit scheme to enable automatic indexation in future years.</p> <p>The Regulation commenced on 1 July 2017.</p>
Fair Trading Amendment (Code of Conduct) Regulation 2017	<p>The Regulation was amended to declare a new version of the 'Motor Vehicle Insurance and Repair Industry Code of Conduct' to be an applicable industry code of conduct.</p> <p>The Regulation commenced on 29 September 2017.</p>
Fair Trading Amendment (Short-term Rental Accommodation) Bill 2018	<p>The Bill:</p> <ul style="list-style-type: none"> ▫ amends the <i>Fair Trading Act 1987</i> to authorise the declaration of a code of conduct applying to participants in the short-term rental accommodation industry ▫ amends the <i>Strata Schemes Management Act 2015</i> to allow the by-laws for a strata scheme to prohibit short-term rental accommodation in premises that are not the host's principal place of residence.
Fair Trading Amendment (Ticket Scalping and Gift Cards) Act 2017	<p>The Act amends the <i>Fair Trading Act 1987</i> to:</p> <ul style="list-style-type: none"> ▫ provide that gift cards must be sold with a minimum expiry period of three years to a consumer in NSW and any expiry period of under three years will be void ▫ prohibit the use of post-purchase fees that reduce the value of a gift card ▫ prohibit the resale of tickets for an amount that exceeds the original ticket cost plus transaction costs, with transaction costs capped at 10 per cent of the ticket cost ▫ protect the legitimate resale of tickets by voiding any ticketing condition that prevents resale for no more than 100 per cent of the original ticket cost ▫ increase transparency in the secondary market by requiring that ticket resale advertisements provide information about the original ticket cost and seating information ▫ prohibit the use of 'ticket bots' to buy up large numbers of tickets ▫ give the responsible Minister the power to order the event organiser to publish the number of tickets that are available for general public sale for an event <p>The amendments to the Act relating to Gift Cards commenced on 31 March 2018.</p> <p>The amendments to the Act relating to Ticket Scalping commenced on 1 June 2018.</p>
Fair Trading Amendment (Ticket Scalping and Gift Cards) Regulation 2018	<p>The Fair Trading Amendment (Ticket Scalping and Gift Cards) Regulation 2018 commenced on 1 June 2018 and prescribes the following matters consequent to the enactment of the <i>Fair Trading Amendment (Ticket Scalping and Gift Cards) Act 2017</i> including:</p> <ul style="list-style-type: none"> ▫ exceptions to offences relating to the sale of gift cards; ▫ offences relating to ticket scalping for which penalty notices may be issued, and

LEGISLATIVE INSTRUMENT	BRIEF EXPLANATION OF LEGISLATIVE CHANGE
	<p>□ specifies penalty amounts for breaches of the <i>Fair Trading Amendment (Ticket Scalping and Gift Cards) Act 2017</i>.</p> <p>The Gift Cards Regulation commenced on 31 March 2018.</p> <p>The Ticket Scalping Regulation commenced on 1 June 2018.</p>
Funeral Funds Amendment (Fees) Regulation 2017	<p>The Funeral Funds Regulation 2016 was amended to increase fees in line with the Consumer Price Index and to introduce a fee unit scheme to enable automatic indexation in future years.</p> <p>The Regulation commenced on 1 July 2017.</p>
Home Building Amendment (Cladding) Regulation 2018	<p>The Regulation was amended to include external cladding in the definition of a major defect for residential building work.</p> <p>The Regulation commenced on 20 April 2018.</p>
Home Building Amendment (Fees) Regulation 2017	<p>The Home Building Regulation 2014 was amended to increase fees in line with the Consumer Price Index and to introduce a fee unit scheme to enable automatic indexation in future years.</p> <p>The Regulation commenced on 1 July 2017.</p>
Landlord and Tenant Amendment (Fees) Regulation 2017	<p>The Landlord and Tenant Regulation 2015 was amended to increase fees in line with the Consumer Price Index and to introduce a fee unit scheme to enable automatic indexation in future years.</p> <p>The Regulation commenced on 1 July 2017.</p>
<i>Long Service Corporation Act 2010; Building and Construction Industry Long Service Payments Act 1986; Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010</i>	<p>The Acts were transferred to the Minister for Innovation and Better Regulation effective 1 January 2017. A number of minor administrative amendments were made to reflect the transfer between agencies.</p>
<i>Lotteries and Art Unions Act 1901</i>	<p>The Act was transferred to the Minister for Innovation and Better Regulation on 1 January 2018 and is managed by NSW Fair Trading.</p>
Motor Dealers and Repairers Amendment (Exemption for Certain Trade Shows) Regulation 2018	<p>The Regulation was amended to exempt persons from the need to hold a NSW motor dealer's licence in order to offer or display a motor vehicle for sale at a trade show approved by the Minister.</p> <p>The Regulation commenced on 13 April 2018.</p>
Motor Dealers and Repairers Amendment (Fees) Regulation 2017	<p>The Motor Dealers and Repairers Regulation 2014 was amended to increase fees in line with the Consumer Price Index and to introduce a fee unit scheme to enable automatic indexation in future years.</p> <p>The Regulation commenced on 1 July 2017.</p>
Motor Dealers and Repairers Amendment (Miscellaneous) Regulation 2017	<p>The Regulation was amended to introduce reforms such as: amend the limitation period for a dealer guarantee, prescribe certain offences as penalty notice offences and to increase the penalty notice amount for certain offences and change the content of certain forms.</p>

LEGISLATIVE INSTRUMENT	BRIEF EXPLANATION OF LEGISLATIVE CHANGE
	The Regulation commenced on 29 September 2017.
Pawnbrokers and Second-hand Dealers Amendment (Fees) Regulation 2017	<p>The Pawnbrokers and Second-hand Dealers Regulation 2015 was amended to increase fees in line with the Consumer Price Index and to introduce a fee unit scheme to enable automatic indexation in future years.</p> <p>The Regulation commenced on 1 July 2017.</p>
Plumbing and Drainage Regulation 2017	<p>The 2017 Regulation replaced the Plumbing and Drainage Regulation 2012 which was automatically repealed on 1 September 2017 under the <i>Subordinate Legislation Act 1989</i>. The 2017 Regulation introduced reforms such as a new fee structure and reduced the maximum penalty payable for certain offences.</p>
Property, Stock and Business Agents Amendment (Property Industry Reform) Bill 2017	<p>The Bill has passed through parliament but has not yet commenced. On commencement, it will amend the <i>Property, Stock and Business Agents Act 2002</i> to provide for the introduction of measures that aim to:</p> <ul style="list-style-type: none"> ▫ improve skills, raise professional and educational standards across the industry ▫ facilitate more effective enforcement of applicable law ▫ prevent receipt of gifts and benefits that cause a conflict of interest ▫ deliver better consumer outcomes <p>The Bill passed Parliament on 7 March 2018 and was assented on 21 March 2018.</p>
Property, Stock and Business Agents Amendment (Fees and Contributions) Regulation 2017	<p>The Property, Stock and Business Agents Regulation 2014 was amended to increase fees in line with the Consumer Price Index and to introduce a fee unit scheme to enable the automatic indexation in future years.</p> <p>The Regulation commenced on 1 July 2017.</p>
Retirement Villages Regulation 2017	<p>The 2017 Regulation replaced the Retirement Villages Regulation 2009, which was automatically repealed on 1 September 2017 under the <i>Subordinate Legislation Act 1989</i>. The 2017 Regulation introduced a number of reforms such as mandating a new 'average resident comparison figure' and requirements related to expenses.</p>
Swimming Pools Act 1992	<p>The Act was transferred to the Minister for Innovation and Better Regulation on 1 January 2017 and is managed by NSW Fair Trading.</p>
Tattoo Parlours Amendment (Fees) Regulation 2017	<p>The Tattoo Parlours Regulation 2013 was amended to increase fees in line with the Consumer Price Index and to introduce a fee unit scheme to enable automatic indexation in future years.</p> <p>The Regulation commenced on 1 July 2017.</p>
Tow Truck Industry Act 1998; Tow Truck Industry Regulation 2008	<p>The Act was transferred to the Minister for Innovation and Better Regulation on 1 July 2017 and is managed by NSW Fair Trading. A number of minor administrative amendments were made to reflect the transfer between agencies.</p>
Work Health and Safety Amendment Act 2018	<p>The Act amended the <i>Work Health and Safety Act 2011</i> to:</p> <ul style="list-style-type: none"> ▫ exempt members of the Police Force from prosecution for WHS breaches committed while dealing with an "active armed offender incident"

LEGISLATIVE INSTRUMENT	BRIEF EXPLANATION OF LEGISLATIVE CHANGE
	<p>To make miscellaneous amendments as a result of a statutory review of that Act which:</p> <ul style="list-style-type: none"> ▫ allow for inspectors to record interviews without seeking the interviewee's consent ▫ allow Inspectors to serve section 155 notices outside of NSW ▫ clarifies that the Attorney-General has the power to commence WHS prosecutions ▫ provide that certificate evidence may be used as prima facie evidence of the validity of appointments and delegations by NSW WHS Regulators <p>The Act commenced on 21 March 2018.</p>
<p>Work Health and Safety Amendment (Licence Register) Regulation 2017</p>	<p>The Regulation requires SafeWork to keep a register of the holders of certain licences and general construction induction training cards under that Act.</p> <p>The Regulation commenced on 29 January 2018.</p>
<p>Work Health and Safety Amendment (Miscellaneous) Regulation 2017</p>	<p>The Regulation extended the application of the plant item registration requirements of the former Occupational Health and Safety Regulation 2001 until 1 January 2020 to:</p> <ul style="list-style-type: none"> ▫ remove the registration requirement for passenger ropeways and water slides ▫ amend the definition of the Australian Code for the Transport of Dangerous Goods by Road and Rail to align with model WHS Regulations ▫ enable information sharing between the NSW WHS Regulators and relevant rail safety authorities <p>The Regulation commenced on 1 January 2018.</p>
<p>Work Health and Safety Amendment (Penalty Notices) Regulation 2017</p>	<p>The Regulation prescribes:</p> <ul style="list-style-type: none"> ▫ offences for which a penalty notice may be issued ▫ offences of carrying out (or directing or allowing a worker to carry out) work at a workplace when not authorised/licenced ▫ offences relating to the management of the risk of falls and fall-related emergency procedures <p>The Regulation commenced on 1 November 2017.</p>
<p>Work Health and Safety Regulation 2017</p>	<p>The Regulation remade the Work Health and Safety Regulation 2011 as part of the staged repeal process. Minor amendments were implemented, including removing Schedule 18B Savings and transitional provisions (a person will now need to refer to the repealed <i>WHS Regulation 2011</i> for those provisions).</p> <p>The Regulation commenced on 1 September 2017.</p>
<p>Work Health and Safety Amendment (Fees) Regulation 2017</p>	<p>The Regulation increased certain fees and provided for a lower fee for certain applications that are lodged and paid for online.</p> <p>The Regulation commenced on 1 July 2017.</p>
<p>PROPERTY AND ADVISORY GROUP</p>	

LEGISLATIVE INSTRUMENT	BRIEF EXPLANATION OF LEGISLATIVE CHANGE
Place Management NSW Regulation 2017	<p>The 2017 regulation replaced the Sydney Harbour Foreshore Authority Regulation 2011, repealed on 1 September 2017 by Section 10 (2) of the <i>Subordinate Legislation Act 1989</i>.</p> <p>The new Regulation expands on the repealed one and still protects natural features and artificial structures in public areas of the foreshore area managed by Place Management NSW, prohibits certain unsafe and commercial activities, and restricts certain activities such as bringing animals into a public area.</p>
REVENUE NSW	
Land Tax Management (Transitional) Regulation 2018	The regulation allows a refund of surcharge land tax for Australian developers to apply retrospectively for the 2017 land tax year following changes announced in the 2017-18 State Budget.
Point to Point Transport (Taxis and Hire Vehicles) Act 2016	Provisions relating to the Passenger Service Levy were proclaimed to commence on 1 February 2018.
State Revenue Legislation Amendment (Surcharge) Act 2017	<p>The Act amends the <i>Duties Act 1997</i>, the <i>Land Tax Act 1956</i> and the <i>Land Tax Management Act 1956</i> to:</p> <ul style="list-style-type: none"> a) provide for an exemption from surcharge purchaser duty and surcharge land tax for foreign-owned Australian based corporations when the land is used for the construction of new homes b) simplify the requirements for the declaration required for the small business exemption from insurance duty
State Debt Recovery Act 2018	<p>The Act authorises the Chief Commissioner to take debt recovery action to recover State Debt, including debt owed to public authorities, and debts owed to councils for rates or charges.</p> <p>This Act has not yet commenced.</p>
State Revenue Legislation Amendment Act 2018	<p>The Act enacts revenue initiatives announced in the State Budget 2018-19 by increasing the payroll tax threshold progressively over the next four financial years from \$750,000 to \$1,000,000.</p> <p>Makes a minor amendment to the <i>Emergency Services Levy Act 2017</i> to clarify when the emergency services insurance contribution must be included on an insurance invoice or quote.</p>

6.14 Major works

New major works in 2017-18

Project name and location	Total expenditure to 30 June 2018 (\$'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

					<ul style="list-style-type: none"> ▪ Deferrals ▪ Cancellations
Digital Driver's Licence Rapid Deployment Project - 2017-18, Haymarket	3,921	5,000	2017	2018	
Implementing ERP System Reform, Haymarket	10,560	12,820	2017	2020	ERP project completed early and under budget

Continuing major works

Project name and location	Total expenditure to 30 June 2018 (\$'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 ▪ Deferrals ▪ Cancellations
Accelerating Digital Alignment OneGov, Haymarket	6,840	6,840	2014	2018	
Accommodation Strategy, Parramatta	5,371	37,586	2011	2026	
Commerce Regulator, Various	5,925	7,500	2016	2018	
Data Analytics Centre, Haymarket	1,153	3,892	2016	2026	
Data Centre Consolidation Acceleration Program, Various	12,010	21,852	2013	2026	
Data Conversion and Cleansing, Bathurst	8,351	33,152	2013	2026	
Foreign Owner Surcharge, Parramatta	3,293	3,000	2016	2017	A number of rounds of clarification required with Treasury in scoping project resulted in ~10% overspend
Future Business Development Program, Haymarket	1,476	2,864	2013	2020	

Project name and location	Total expenditure to 30 June 2018 (\$'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 ▪ Deferrals ▪ Cancellations
ICT Development Program, Various	19,279	114,893	2014	2026	
ICT Projects, Various	63,933	105,746	2004	2026	
Information System Enhancements, Haymarket	160,861	215,807	2001	2026	
Office Refurbishment and Rationalisation, Various	93,258	195,964	2005	2026	
OneGov Digital Services Gateway, Haymarket	5,436	13,444	2013	2026	
Public Works ICT, Haymarket	10,707	11,200	2015	2018	
Spatial Data Infrastructure Program, Bathurst	11,270	45,920	2014	2026	
Staff Relocation, Gosford	6,798	13,172	2016	2019	
Technology Asset Replacement Program, Parramatta	11,996	14,208	2014	2020	
Transition to Cloud Based Corporate and Shared Services, Haymarket	4,811	4,811	2015	2018	

6.15 Overseas travel

Name and Division	Travel Dates	Destination, purpose and benefits	Total cost	Net cost to DFSI	Note
Matthew Barrett <i>WorkCover NSW</i>	22 July 2017 to 29 July 2017	Singapore, Singapore NSW 2016 EMPA student	\$1060.69	\$1060.69	
Roberto Caboteja <i>BRD – Better Regulation</i>	04 August 2017 to 23 August 2017	Manila, Philippines Bocaz trial	\$4441.06	\$4441.06	
Gerardo Gonzalez <i>BRD – Better Regulation</i>	28 August 2017 to 31 August 2017	Christchurch, New Zealand To conduct quality assessment for Testsafe clients	\$1429.01	\$0.00	1
Vincenzo Dichiaro <i>Deputy Secretary's Office</i>	27 August 2017 to 03 Sep 2017	Frankfurt and Berlin, Germany Meeting with SAP to understand the significance and requirement of Future Revenue System (FRS)	\$7505.53	\$7505.53	
Anthony Williams <i>BRD – Better Regulation</i>	02 Sep 2017 to 07 Sep 2017	Singapore, Singapore Attend XXI World Congress of Safety and Health to present on NSW initiatives to reduce quad bike fatalities and serious accidents	\$1116.47	\$1116.47	
Theadoora Knill <i>ICT & Digital Government</i>	02 Sep 2017 to 09 Sep 2017	Tel Aviv, Israel Lead a delegation of cutting edge start-ups and advance bilateral relations.	\$2436.31	\$2436.31	
Martin Hoffman <i>Office of the Secretary</i>	06 Sep 2017 to 09 Sep 2017	Tel Aviv, Israel Lead a delegation of cutting edge start-ups and advance bilateral relations.	\$11679.28	\$1239.18	4
Stephen Brady <i>Deputy Secretary's Office</i>	27 August 2017 to 17 Sep 2017	Frankfurt, Germany and Geneva, Switzerland Attend IMD's Breakthrough Program and meeting with SAP to understand the significance and requirement of Future Revenue System (FRS)	\$8526.51	\$8526.51	
Gerardo Gonzalez <i>BRD – Better Regulation</i>	21 Sep 2017 to 29 Sep 2017	Singapore, Singapore To conduct quality assessment for Testsafe clients	\$3383.84	\$0.00	1
Martin Hoffman <i>OTS – Office of The Secretary</i>	30 Sep 2017 to 08 October 2017	Amsterdam, Estonia & London Lead delegation startups to the Austrade Tel-Aviv Landing Pad and advance bilateral relations	\$9715.80	\$0.00	3
Danusia Cameron <i>BRD – Better Regulation</i>	21 October 2017 to 05 November 2017	Edinburgh, Britain Attend the Registrars of Title 2017	\$8929.37	\$5603.37	2
Jennifer Lipperts	21 October 2017 to	Berlin to Sydney	\$4042.08	\$4042.08	

Name and Division	Travel Dates	Destination, purpose and benefits	Total cost	Net cost to DFSI	Note
<i>BRD – Better Regulation</i>	28 October 2017	Financial Support Scheme			
Changwoo Lee <i>BRD – Better Regulation</i>	13 Nov 2017 to 19 Nov 2017	Seoul, South Korea To conduct quality assessment for Testsafe clients	\$1659.08	\$0.00	1
Samira Kamandi <i>SIRA – State Insurance Regulatory Authority</i>	25 Nov 2017 to 29 Nov 2017	Wellington, New Zealand NSW 2016 EMPA student	\$1002.61	\$1002.61	
Jodie Varnai <i>IDG – ICT and Digital Government</i>	26 Nov 2017 to 29 Nov 2017	Wellington, New Zealand NSW 2016 EMPA student	\$589.88	\$589.88	
Dennis Clarke <i>BRD – Better Regulation</i>	27 Nov 2017 to 29 Nov 2017	Christchurch, New Zealand To conduct quality assessment for Testsafe clients	\$919.64	\$0.00	1
Gordona Ostojic <i>BRD – Better Regulation</i>	14 October 2017 to 19 October 2017	Beijing, China To conduct quality assessment for Testsafe clients	\$2079.41	\$0.00	1
Gordona Ostojic <i>BRD – Better Regulation</i>	18 Nov 2017 to 24 Nov 2017	Seoul, South Korea To conduct quality assessment for Testsafe clients	\$1074.27	\$0.00	1
Wayne Patterson <i>IDG – ICT and Digital Government</i>	27 Nov 2017 to 01 December 2017	Wellington, New Zealand Attend ANZLIC's quarterly meeting	\$1963.96	\$1963.96	
Dawn Routledge <i>IDG – ICT and Digital Government</i>	04 January 2018 to 14 January 2018	New York, Washington DC, Silicon Valley, Seattle, United States Accompany Minister Dominello to the USA to gain insights into the world's best practice for evidence-based public policy and digital delivery of government services	\$6899.65	\$6899.65	
Gerardo Gonzalez <i>BRD – Better Regulation</i>	29 January 2018 to 02 February 2018	Christchurch, Palmerston North, and Auckland, New Zealand To conduct quality assessment for Testsafe clients	\$4133.31	\$0.00	1
William Crothers <i>IDG – ICT and Digital Government</i>	30 January 2018 to 08 February 2018	Zurich, Switzerland FMA Partners – Work on ICT Procurement Project	\$9322.05	\$9322.05	
Vaiala Alaia	21 Febr 2018 to	Wellington, New Zealand	\$1208.37	\$1208.37	

Name and Division	Travel Dates	Destination, purpose and benefits	Total cost	Net cost to DFSI	Note
<i>BRD – Better Regulation</i>	25 Feb 2018	Attend Standards Australia Gas Appliances AG-001 Committee meeting			
Glenn Toole <i>BRD – Better Regulation</i>	19 Feb2018 to 23 Feb 2018	Wellington, New Zealand Attend ERAC WG and EL-002 meetings	\$1491.39	\$1491.39	
James Jing Zhao <i>BRD – Better Regulation</i>	18 March 2018 to 25 March 2018	Taiwan, Shanghai, Shenzhen City, China To conduct quality assessment for Testsafe clients	\$1589.48	\$0.00	1
Gordana Ostojic <i>BRD – Better Regulation</i>	08 April 2018 to 15 April 2018	Split, Croatia Attend International Electrotechnical Commission (IECEX) TC31 Standards Committees and Working Groups/Maintenance Team Meetings for the Standards relating to equipment for use in Explosive Atmospheres	\$2662.61	\$2662.61	
Roshana May <i>SIRA – State Insurance Regulatory Authority</i>	15 April 2018 to 19 April 2018	Georgia, USA Attend International Association of Industrial Accidents Boards and Commissions (IAIABC) Forum	\$7619.30	\$7619.30	
Takeyoshi Tsukamoto <i>BRD – Better Regulation</i>	08 May 2018 to 10 May 2018	Auckland, New Zealand Complete an annual audit of a Recognised External Approval Scheme (REAS)	\$1020.73	\$1020.73	
James Corkill <i>IDG – ICT and Digital Government</i>	12 May 2018 to 19 May 2018	Berlin, Germany Attend the Critical Communications World 2018 Conference	\$3792.21	\$3792.21	
Gerardo Gonzalez <i>BRD – Better Regulation</i>	28 May 2018 to 30 May2018	Christchurch, New Zealand To conduct quality assessment for Testsafe clients	\$1238.16	\$0.00	1
Total:			\$114,532.06	\$73,543.96	

6.16 Public interest disclosure

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

PID resources were available to staff on the DFSI intranet and highlighted during induction training. A refresh of the DFSI Fraud and Corruption Control Framework was completed in May 2018 and included in a review of PID reporting arrangements, updates to resources and awareness notifications.

	Public interest disclosures made by public officials in performing day to day functions	Public interest disclosures not covered by (1) that are made under a statutory or other legal obligation	All other public interest disclosures
Number of public officials who made PIDs	5	0	0
Number of PID received	5	0	0
Of PIDs received, number primarily about:			
Corrupt conduct	5	0	0
Maladministration	0	0	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
Numbers of PIDs finalised	5	0	0

6.17 Research and development

High Availability Data project

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

Applications of the High Availability Data portal have been successfully implemented to provide live data for MHLFIT (Flood and Coastal Intelligence Tools) for specific local government areas. Further future enhancements are proposed providing automated failover and upscaling during high usage times, with linkages to the dMarketplace, as per the NSW Government [Open Data Action Plan](#).

6.18 Risk management, attestation and insurance activities

Risk and resilience framework

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

- the Secretary, the DFSI Executive and all managers could confidently make informed business decisions

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

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

Internal Audit and Risk Management Attestation Statement for the 2017-2018 Financial Year for **Department of Finance, Services and Innovation**

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

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

Membership

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

- Carol Holley, Independent Chair, from 2 December 2015 to 1 December 2020
- Dianne Hill, Independent Member, from 1 February 2016 to 31 January 2019
- Nirmal Hansra, Independent Member, from 20 December 2017 to 19 December 2020

- Bruce Turner AM, Independent Member, from 22 January 2016 to 21 January 2019.

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

- Department of Finance, Services and Innovation
- Rental Bond Board
- Fair Trading Administration Corporation
- Building Professionals Board
- Subsidence Advisory
- NSW Government Telecommunications Authority
- State Archives and Records Authority

Martin Hoffman
Secretary, Department of Finance, Services and Innovation
Date: 11/09/18

Agency Contact Officer

Geoff Campbell
 Chief Audit Executive, 9372 8040
geoff.campbell@finance.nsw.gov.au

Business risk insurance

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

Claims performance

Claims performance for 2017-18 saw a reduction in claims across all lines when compared to the previous year with the exception of liability claims due to the Central Register of Restrictions error.

Number of claims

	2013-14	2014-15	2015-16	2016-17	2017-18
Workers Compensation	79	120	64	82	69
Motor Vehicle	103	90	93	171	126
Property	5	13	5	11	3
Liability	6	4	-	48	106
Other	1	3	-	-	-
Total	193	229	162	312	304

Net incurred claims cost (\$)

The large reduction in general liability net incurred cost is due to the costs incurred in relation to the Central Register of Restrictions error reducing in 2017-18.

	2013-14	2014-15	2015-16	2016-17	2017-18
Workers Compensation	\$702,517.00	\$781,887.00	\$884,236.00	\$1,136,270.00	\$1,223,598.00
Motor Vehicle	\$416,485.00	\$306,185.00	\$240,014.00	\$541,551.91	\$494,476.00
Property	\$125,534.00	\$3,316,330.00	\$49,293.00	\$237,268.00	\$5,085.00
Liability	\$261,915.00	\$719,630.00	-	\$7,424,766.00	\$2,107,610.00
Other	\$610.00	2,932.00	-	-	-
Total	\$1,504,452.00	\$5,126,964.00	\$1,173,543.00	\$9,339,855.00	\$3,830,769.00

All incurred claims and relevant costs were sourced from TMF database. They are based on the claims lodged and relevant assessment to date. The final costs and claim numbers may vary due to the timing of loss incurred, claims reported, and the outcome of negotiated settlement.

NSW Government Digital Information Security Policy

Digital Information Security Annual Attestation Statement for the 207-2018 Financial Year, for Department of Finance, Services and Innovation (DFSI)

I, Martin Hoffman, am of the opinion that DFSI had an Information Security Management System (ISMS) in place during the 2017-2018 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of the Department of Finance, Services and Innovation are adequate, subject to the deficiencies in identified controls and procedures of the ICT shared service provider. This ICT shared service provider has taken steps to remediate the control environment, with remaining deficiencies to be addressed in consultation with other GovConnect customers.

Risks to the digital information and digital information system of Government Technology Platforms, Better Regulation Division, State Insurance Regulatory Authority, State Archives Records Authority and Telco Authority have been assessed with an independent ISMS developed in accordance with the NSW Government Digital Information Security Policy.

Revenue NSW, Spatial Services, GovDC, Service NSW and DFSI's shared service providers, Unisys and Infosys, have maintained certified compliance with *ISO 27001 Information technology – Security techniques – Information security management systems – Requirements* by an Accredited Third Party during the 2017-2018 financial year.

Martin Hoffman
Secretary, Department of Finance, Services and Innovation
Date: 12/09/18

NSW Government Digital Information Security Policy

Digital Information Security Annual Attestation Statement for the 2017-2018 Financial Year, for Department of Finance, Services and Innovation (DFSI)

I, Martin Hoffman, am of the opinion that DFSI had an Information Security Management System (ISMS) in place during the 2017-2018 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of the Department of Finance, Services and Innovation are adequate, subject to the deficiencies in identified controls and procedures of the ICT shared service provider. This ICT shared

service provider has taken steps to remediate the control environment, with remaining deficiencies to be addressed in consultation with other GovConnect customers.

Risks to the digital information and digital information system of Government Technology Platforms, Better Regulation Division, State Insurance Regulatory Authority, State Archives and Records Authority and Telco Authority have been assessed with an independent ISMS developed in accordance with the NSW Government Digital Information Security Policy.

Revenue NSW, Spatial Services, GovDC, Service NSW and DFSI's shared service providers, Unisys and Infosys, have maintained certified compliance with *ISO 27001 Information technology – Security techniques – Information security management systems – Requirements* by an Accredited Third Party during the 2017-2018 financial year.

Martin Hoffman
Secretary, Department of Finance, Services and Innovation
Date: 12/09/18

6.19 Significant judicial decisions

DECISION	BRIEF EXPLANATION OF DECISION
DFSI LEGAL	
<i>Desane Properties Pty Limited v State of New South Wales and Others</i> [2018] NSWSC 553	On 1 May 2018, Justice Hammerschlag of the Supreme Court decided that the proposed acquisition notice (PAN) issued by Roads and Maritime Services to the applicant to acquire its development site was of no statutory effect. The consequence of the decision is that every PAN issued by acquiring authorities of the State of New South Wales using the PAN forms gazetted in June 1992 and March 2018 are of no statutory effect and are invalid. The decision was appealed by the State of New South Wales before the Court of Appeal and a decision on the appeal is pending.
BETTER REGULATION (INCLUDES NSW FAIR TRADING, OFFICE OF THE REGISTRAR GENERAL AND SAFEWORK NSW)	
<i>Michelangelo Alfredo Mascarello and Anor v Registrar-General of New South Wales</i> [2018] NSWSC 805 (6 June 2018)	<p>The proceedings arose out of a claim by a retired couple, Mr Michelangelo Mascarello and Mrs Maria Mascarello, for compensation from the NSW Torrens Assurance Fund (TAF) from the Registrar General (RG) in March 2014.</p> <p>The Mascarellos were the victims of fraudulent conduct by their eldest son with the assistance of unidentified imposters.</p> <p>The Registrar General settled their claim on 7 February 2018 for an amount of \$3,000,050.00. This was a case in which all the forensic evidence and facts clearly supported the Mascarellos' claim.</p> <p>The decision by the RG reinforces the strength of the State Title of Guarantee (which is underpinned by the TAF) and instils great community confidence in the integrity of the land titling system in NSW.</p>
<i>NSW Fair Trading matter of 'Brett Maxwell Smith'</i>	Mr Smith, director of Stargazer Motorhome Conversions Pty Ltd, was prosecuted in Parramatta Local Court under the <i>Crimes Act (NSW)</i> , <i>Bankruptcy Act (Cth)</i> and <i>Australian</i>

DECISION	BRIEF EXPLANATION OF DECISION
	<p><i>Consumer Law (NSW)</i> for fraudulently obtaining benefits by deception, accepting money whilst bankrupt and taking more than \$165,000 from consumers to build motorhomes that were never delivered. On 17 January 2018 the Court convicted Mr Smith of seven offences, ordered him to pay \$2,400.00 in fines and serve a sentence of 15 months home detention with a nine-month non-parole period.</p>
<p><i>NSW Fair Trading matter of 'David Tang'</i></p>	<p>Mr David Tang was prosecuted in the Parramatta Local Court under the <i>Property, Stock and Business Agents Act 2002</i> for fraudulently converting \$283,836.63 from the trust account of his real estate agency, DT 1628 Pty Ltd ACN 165 915 131 trading as Ray White Canley Heights and Best Choice Realty. On 26 April 2018, Mr Tang was convicted and sentenced to 12 months imprisonment, to be served by Intensive Correction Order. Mr Tang was also ordered to pay compensation in the amount of \$75,005.55 to the NSW Property Services Compensation fund, as well as \$213.75 in professional costs.</p>
<p><i>NSW Fair Trading matter of 'Matthew Geoffrey Rixon'</i></p>	<p>In 2013, a Supreme Court injunction was obtained prohibiting Mr Rixon from conducting, being engaged in, or being involved in, any residential building work or specialist work. As an unlicensed builder, Mr Rixon contracted with resident consumers to undertake work on their homes. He would receive payment and then often fail to perform the work he had been paid to undertake. In 2014, he was found guilty of contempt of court for breaching those orders and given a suspended sentence of imprisonment. Mr Rixon continued to breach those orders so further contempt proceedings were brought in 2015. On 2 March 2018, Mr Rixon was dealt with by the Supreme Court and sentenced to 18 months imprisonment with a non-parole period of 12 months.</p>
<p><i>NSW Fair Trading matter of 'Moamen Tahan and Samantha Marie Hassan'</i></p>	<p>Mr Moamen Tahan and Ms Samantha Marie Hassan were prosecuted under the <i>Crimes Act 1900 (NSW)</i> for fraudulently obtaining benefits by deception in the sale of motor vehicles with tampered odometers and under the <i>Motor Dealers Act (NSW)</i> for unlicensed motor dealing. On 8 November 2017 the Court convicted Mr Tahan and Ms Hassan of four fraud offences.</p> <p>Another eight fraud offences and the unlicensed motor dealing offence for both Mr Tahan and Ms Hassan were taken into account in sentencing. The Court sentenced Ms Hassan to an 18-month Intensive Corrections Order and ordered that she pay consumers \$78,000 in compensation. The Court sentenced Mr Tahan to 21 months full-time imprisonment with a non-parole period of four months and ordered that he pay consumers \$78,000 in compensation. Mr Tahan made a severity appeal application to the District Court. The Court dismissed his appeal and confirmed the Local Court order that Mr Tahan be sentenced to 21 months full-time imprisonment with a non-parole period of four months.</p>
<p><i>NSW Fair Trading matter of 'Tashfique Un-Nabi'</i></p>	<p>Mr Un-Nabi was prosecuted in the Parramatta Local Court under the <i>Crimes Act 1900</i> for fraud for stealing three rental bonds totalling \$4,302.01 whilst employed as a Property Manager at Linkers Real Estate Pty Ltd. On 7 November 2017, Mr Un-Nabi was convicted of each offence and ordered to perform 100 hours community service work (concurrent). He was also ordered to pay \$500.00 in professional costs.</p>
<p><i>SafeWork NSW v Broadspectrum (Australia) Pty Ltd</i></p>	<p>Broadspectrum (Australia) Pty Ltd was prosecuted in the District Court under section 32 of the <i>Work Health and Safety Act 2011</i>. On 29 January 2015, a worker suffered fatal injuries when a corroded storage rack collapsed towards him while he was attempting to access materials from the storage rack.</p>

DECISION	BRIEF EXPLANATION OF DECISION
	<p>On 2 February 2018, the defendant was convicted by the District Court and fined \$240,000. In the Court's view, whilst the defendant had a system for checking the plant, that system had failed to identify the corrosion of the rack. In those circumstances, the Court found that the offence was at the lower end of the mid-range of objective seriousness.</p>
<p><i>SafeWork NSW v Co-Wyn Building Contractors Pty Ltd</i></p>	<p>Co-Wyn Building Contractors Pty Ltd was prosecuted in the District Court under section 32 of the <i>Work Health and Safety Act 2011</i>. On 30 June 2015, a 19-year-old worker suffered fatal injuries when he fell approximately three metres while installing a work platform between roof trusses.</p> <p>On 26 March 2018, the defendant was convicted by the District Court and fined \$405,000. In sentencing the defendant, the Court noted that the risk of falling from height was obvious and that the failure to take precautions is a notorious and serious risk on building sites. The Court also acknowledged the tragedy of the death of a young worker and that he was vulnerable by reason of his lack of experience.</p>
<p><i>SafeWork NSW v CRS (NSW) Pty Ltd and Mr Jay McGeachie Jenkins</i></p>	<p>CRS (NSW) Pty Ltd and its director Mr Jay McGeachie Jenkins were each prosecuted in District Court under section 32 of the <i>Work Health and Safety Act 2011</i>. On 1 July 2015, a 47-year-old visitor to a residential property suffered serious burns when an explosion and fireball occurred as a result of bitumen laying works conducted by CRS (NSW) Pty Ltd.</p> <p>On 3 November 2017, the defendants were convicted by the District Court. The corporate defendant was fined \$160,000 and Mr Jenkins was fined \$40,000. In sentencing the defendants, the Court noted the corporate defendant could have ensured the health and safety of the visitor by ensuring that its workers were adequately trained and the plant was safe to operate.</p>
<p><i>SafeWork NSW v H & F Mechanical Pty Ltd; Laurence Hoffman; Max Hoffman</i></p>	<p>H & F Mechanical Pty Ltd, Laurence Hoffman and Max Hoffman were each prosecuted in the District Court under section 32 of the <i>Work Health and Safety Act 2011</i>. Between 1 February 2014 and 16 May 2014, a worker was exposed to a risk of serious injury while using a wood splitting machine which had been modified to remove safety features in order to allow the machine to be used one-handed.</p> <p>On 2 February 2018, the defendants were convicted by the District Court. The corporate defendant was fined \$160,000 and the personal defendants were fined \$32,000 each. In sentencing the defendants, the Court noted that: the timber industry is notoriously dangerous; the case involved a manufacturer's built-in safety device being removed and replaced with a system that had a built-in risk; and, the risk created was obvious and the foreseeability of possible injury was clear.</p>
<p><i>SafeWork NSW v Harris Holdings Pty Ltd and Harry Zizikas</i></p>	<p>Harris Holdings Pty Ltd and its director Harry Zizikas were each prosecuted in the District Court under section 32 of the <i>Work Health and Safety Act 2011</i>. On 26 November 2015, a worker was fatally injured when he came into contact with the tracks of an excavator at a waste sorting facility.</p> <p>On 2 November 2017, the defendants were convicted by the District Court. The corporate defendant was fined \$300,000 and Mr Zizikas was fined \$60,000. In sentencing the defendants, the Court noted it was reasonably practicable for the defendants to ensure an exclusion zone was in place around the excavator, the risk of this accident happening was an obvious risk.</p>
<p><i>SafeWork NSW v Macleay River Protein Pty Limited</i></p>	<p>Macleay River Protein Pty Limited was prosecuted in the District Court under section 32 of the <i>Work Health and Safety Act 2011</i>. On 4 August 2015, a worker employed as a renderer at a meat processing plant, was fatally injured when he was crushed between the 300-400kg load of a forklift</p>

DECISION	BRIEF EXPLANATION OF DECISION
	<p>resting on an incline and a wall after he tried to adjust the load and the forklift suddenly moved forward.</p> <p>On 11 August 2017, the defendant was convicted by the District Court and fined \$375,000. The Court was of the view the risk was obvious, that this was not a case where there was a momentary lapse in ensuring that safe work methods were followed, and there was no adequate system of work requiring wheels to be chocked on an incline.</p>
<i>SafeWork NSW v Morris McMahon & Co Pty Ltd</i>	<p>Morris McMahon & Co Pty Ltd was prosecuted in the District Court under section 32 of the <i>Work Health and Safety Act 2011</i>. On 21 April 2015, a worker was injured when her hand was caught in a power clenching press.</p> <p>On 11 December 2017, the defendant was convicted by the District Court and fined \$180,000. In the Court's view, the risk of a worker operating a press being struck, crushed or otherwise injured was obvious and simple remedial steps were available which would have completely avoided the risk.</p>
<i>SafeWork NSW v Render Texture Cladding Pty Ltd and Abbas Tawil</i>	<p>Render Texture Cladding Pty Ltd and its director were prosecuted in the Local Court under section 155(5) of the <i>Work Health and Safety Act 2011</i>. The defendants had failed to comply with notices issued upon them under section 155 seeking information and documentation in relation to a workplace incident on 4 January 2017.</p> <p>On 22 May 2018, the corporate defendant was convicted of two offences and fined a total of \$20,000 by the Local Court. The director was convicted and fined \$5,000.</p>
<i>SafeWork NSW v Travis Brown</i>	<p>Travis Brown was prosecuted in the District Court under sections 32 and 38 of the <i>Work Health and Safety Act 2011</i>. On 11 February 2015, a steel fabricator employed by the defendant suffered serious injuries when he fell approximately 3.8 metres while installing roof sheeting on a roof of a workshop.</p> <p>On 24 November 2017, the defendant was convicted by the District Court and fined \$60,000 in relation to the section 32 offence and \$1,500 in respect of the section 38 offence. In sentencing the defendant, the Court noted the risk of a fall from height was obvious, identifiable and foreseeable and could have been easily overcome by engaging an appropriately qualified roofing contractor to undertake the task.</p>
PROPERTY AND ADVISORY GROUP	
<i>Millers Point Community Association Incorporated v Property NSW [2017] NSWLEC 92</i>	<p>Millers Point Community Association Incorporated argued that the <i>Heritage Act</i> does not allow for the Minister to consider a potential loss of funds to the NSW Government or foregone funds for social housing as justification for not listing a building on the State Heritage Register.</p> <p>The Land and Environment Court declared the Minister's July 2016 decision not to list the building invalid, ordered the Minister to decision in accordance with the law. The NSW Government has been ordered to pay the Millers Point Community Association's legal costs.</p>
REVENUE NSW	
<i>Chief Commissioner of State Revenue v Smeaton Grange Holdings Pty Ltd [2017] 28 July 2017</i>	<p>The Court of Appeal allowed an appeal by the Chief Commissioner of State Revenue against a decision of the Equity Division of the NSW Supreme Court which held that the grouping provisions of the <i>Payroll Tax Act 2007</i> did not apply to the first respondent (Smeaton).</p>

DECISION	BRIEF EXPLANATION OF DECISION
	<p>On appeal, the Court held that the application of the grouping provisions had to depend upon the terms of the <i>Payroll Tax Act</i> itself. Whatever the effect the disclaimer might have had between Mr Gerace and Smeaton, the determination of group membership had to be made by reference to the legal relationships that existed at the time of liability to payroll tax arose. The subsequent alteration of Mr Gerace's rights under the discretionary trust could not affect the operation of the legislation at the time liability to payroll tax arose.</p> <p>A decision against the Chief Commissioner would have had negative impact on the tax regime into the future. The Australian Tax Office was keenly following the outcome of this appeal.</p>
<p><i>Chrissie Group Pty Ltd atf All Angels Family Trust v Chief Commissioner of State Revenue [2018] NSWCATAD 77</i></p>	<p>Where the named Transferee on a Transfer is different from the Purchaser on the Contract, ad valorem duty is payable on the Transfer in addition to ad valorem duty on the Contract, unless a concession applies. On 9 April 2018, Senior Member Hamilton SC affirmed the Chief Commissioner's decision to assess a real property transfer to ad valorem duty, and to not apply the concession in s.18(3) of the <i>Duties Act 1997</i>. The s.18(3) duty concession was held not to apply on the basis that the purchaser named in the contract and the transferee named on the transfer form were not "related persons" within the specific limb (paragraph (d)) of the definition of "related person" which specifically referred to trustees, notwithstanding that they met the literal test set out in the more general limb (paragraph (c)) of the definition.</p>
<p><i>JP Property Services Pty Ltd v Chief Commissioner of State Revenue [2017] NSWSC 1391</i></p>	<p>The Supreme Court determined that contracts between JP Property Services and Franklins Pty Ltd were not subject to the employment agency contract provisions in Division 8 of Part 3 of the <i>Payroll Tax Act 2007</i> (the <i>Act</i>).</p> <p>JP Property Services Pty Ltd provided 'out of hours' cleaning services to around 75 Franklins supermarkets and various other hotels, taverns and childcare centres. They provided these services to the specifications of Franklins and their other clients and based the prices on the estimated number of hours required to complete the work. JP Property Services provided the expensive machinery and cleaning products and were also responsible for taking employees and subcontractor personnel through an induction program.</p> <p>The Court determined that a contract to procure results may also be a contract for services to produce a result, and that JP Property Services Pty Ltd could procure services for both itself and its clients at the same time.</p> <p>However, the Court adopted Justice White's analysis of section 37 of the <i>Act</i> from <i>UNSW Global Pty Ltd v Chief Commissioner of State Revenue [2016] NSWSC 1852</i>, and considered whether the individual's services were provided to help the client conduct its business in the much same way as it would through an employee, or whether the service provider was not working in the client's business and the services were simply provided for the client's benefit.</p> <p>The Court determined that the cleaning services were not provided <i>in and for the conduct of the business</i> of Franklins', primarily because they were provided out of operating hours. In making this decision the Court noted that if JP Property Services Pty Ltd had contracts to supply cleaning services during the hours Franklins was open to the public then the employment agency provisions would apply.</p>

DECISION	BRIEF EXPLANATION OF DECISION
<p><i>Knight Watch Security Services Pty Ltd v Chief Commissioner of State Revenue</i> [2017] NSWCATAD 223</p>	<p>The Tribunal confirmed the decision of the Chief Commissioner to assess Knight Watch Security Services Pty Ltd as liable to payroll tax on the basis that it was an employment agent for the purposes of Division 8 of Part 3 of the <i>Payroll Tax Act 2007</i>.</p> <p>Knight Watch Security Services Pty Ltd submitted that the legislation should be interpreted as only imposing liability on the employment agent closest to the service provider. In the alternative, Knight Watch Security Services Pty Ltd also submitted that it was not the closest to the end user, and therefore not liable as per Revenue NSW's Revenue Ruling No. PTA 027.</p> <p>The Tribunal rejected both submissions, noting that the Revenue Ruling does not have the force of law and Division 8 of Part 3 of the <i>Act</i> imposes a payroll tax liability on each employment agent in a chain of multiple employment agents, although section 41 of the <i>Act</i> is designed to avoid double taxation in these instances. Penalty tax and market rate of interest imposed on the assessments were also upheld.</p>

6.20 Work health and safety and injury management

DFSI is committed to providing a healthy and safe workplace for all employees, including contractors, agency staff and volunteers. We continued to work on initiatives in 2017-18 to contribute to the prevention of injuries and illnesses and to promoting a timely, sustainable and early return to work for injured workers.

Workers compensation

Deposit premium contributions

The deposit premium across the cluster has seen positive reduction each year since a contribution high in 2012-13 with an overall reduction of 51 per cent by the 2014-15 financial year. A further reduction of 19.7 per cent was experienced from 2014-15 to 2015-16. In 2016-17 the premium calculation changed to include all polices and claims in the cluster. An increase in wages resulted in a 10.4 per cent rise in premiums from the 2016-17 to 2017-18 financial year.

Litigated claims

Across 2017-18 DFSI experienced four claims listed in the Workers Compensation Commission:

- one claimant was awarded settlement for whole person impairment
- one claimant was awarded payment for medical expenses only
- one matter is under appeal or in dispute
- one matter was withdrawn

Claims data

DFSI cluster has seen a consistent decrease in claims lodged across the last six financial years with 73 workers compensation claims reported in 2017-18 financial year. This is a 50 per cent decrease in the number of workers compensation claims reported since 2012-13, when 146 claims were lodged.

Across DFSI the following functions experienced increases in workers compensation claims during 2017-18:

- Government and Corporate Services

- Property NSW
- SafeWork NSW
- SIRA
- WIRO
- The cluster has seen a 22 per cent reduction in the number of claims (experiencing lost time of one day or more) since 2012-13.

Workers compensation claims

Business areas by workers compensation policy capture	No. of injuries resulting in claims 2, 6						No. of injuries resulting in lost time 3, 6	Total lost time due to injuries (in days) 3, 6	Average time lost per injury (in days) 3, 6, 7, 8
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18			
NSW Fair Trading	29	14	11	32	13	9	1	206	206
NSW Procurement	0	1	0	0	0	0	0	0	0
ServiceFirst	7	3	2	2	n/a	n/a	0	0	0
Public Works and others ¹	23	8	8	27	7	30	3	69.95	23.32
Government Corporate Services	0	0	0	0	4	15	11	231	21.0
Construction Services Group	14	14	16	16	1	n/a	0	0	0
Revenue NSW	23	19	19	23	26	16	8	194.47	24.31
Land and Property Information	24	10	10	11	8	6	1	41.41	47.41
Waste Assets Management Corporation	3	5	4	1	1	1	0	0	0
Housing and Property Group	22	2	2	0	4	0	0	0	0
State Archives and Records Authority	5	3	2	6	2	4	1	28.57	28.57
Teacher Housing Authority	0	0	0	1	0	1	0	0	0
Telco ⁴	0	1	0	0	0	2	1	42.71	42.71
NSW Water Solutions	0	0	0	0	0	1	0	0	0
SafeWork NSW	n/a	n/a	n/a	n/a	11	20	1	57.14	57.14
SIRA	n/a	n/a	n/a	n/a	7	6	2	93.29	46.64
WorkCover Independent Review Office (WIRO)	n/a	n/a	n/a	n/a	1	3	0	0	0
Workers Compensation Commission (WCC)	n/a	n/a	n/a	n/a	3	4	1	303	303
Govt cleaning service	1	0	0	0	0	0	0	0	0
Total:	151	80	74	119	88	118	30	1036.54	779.1

Notes

- 1 NSW Public Works and others include all other divisions within the agency not specifically itemised in this table.

- 2 Public Works and others consist of Public Works, ICT & Digital, Government and Corporate Services, NSW Water Solutions and Valuation services policies.
- 3 Claim numbers and claim totals may change between annual reporting periods due to late notification of injury or movements within the agency.
- 4 Time lost data will continue to change as claims mature and data is updated by the insurer with payment of wage reimbursement schedule.
- 5 Data for previous years not available. Data is updated as agencies join/exit the agency.
- 6 Total 2014-15 average time lost per injury (total lost time in hours / 7 (7.6 for Construction Services Group and WAMC) to show lost time in days) represents the average time lost per injury across the agency. Data source: Allianz TMF 3 July 2015.
- 7 Injuries include illnesses.
- 8 Figure is calculated by dividing total time lost due to injuries (in days) by total number of injuries resulting in lost time.

6.21 Access to DFSI and related entities' offices

Department of Finance, Services and Innovation

McKell Building, 2-24 Rawson Place,

Sydney NSW 2000

T: 02 9372 8877

www.finance.nsw.gov.au

Hours: 8:30am – 5:00pm

Better Regulation Division

Better Regulation

McKell Building, 2-24 Rawson Place,

Sydney NSW 2000

T: 02 9372 8738 | TTY: 1300 301 181

www.finance.nsw.gov.au

Hours: 8:30am – 5:00pm

SafeWork NSW

92-100 Donnison Street, Gosford NSW 2250

Locked Bag 2906, Lisarow NSW 2252

T: 02 4321 5000

www.safework.nsw.gov.au

Hours: 8:30am – 4:30pm

NSW Fair Trading

The Eclipse Building

Level 11, 60 Station Street,

Parramatta NSW 2150

PO Box 972, Parramatta NSW 2124

T: 02 9895 0111 | TTY: 1300 723 404

www.fairtrading.nsw.gov.au

Hours: 8:30am – 5:00pm

Office of the Registrar General

McKell Building, 2-24 Rawson Place,

Sydney NSW 2000

T: 1300 318 998

www.registrargeneral.nsw.gov.au

Hours: 8:30am – 5:00pm

Long Service Corporation

Level 1, 19-21 Watt St Gosford NSW 2250

T: 131 441

www.longservice.nsw.gov.au

Hours: 8:30am – 5:00pm

ICT and Digital Government

IDG

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

T: 02 9372 8278 | TTY: 1300 301 181

www.finance.nsw.gov.au

Hours: 8:30am – 5:00pm

Government and Corporate Services

State Archives and Records Authority

143 O'Connell Street, Kingswood NSW 2747

PO Box 516, Kingswood NSW 2747

T: 02 9673 1788

www.records.nsw.gov.au

Hours: 9:00am – 5:00pm

Manly Hydraulics Laboratory

110B King Street

Manly Vale NSW 2093

T: 02 9949 0200

www.new.mhl.nsw.gov.au

Hours: 9:00am – 5:00pm

Property and Advisory Group

Property NSW

66 Harrington Street, The Rocks NSW 2000

GPO Box 4081, Sydney NSW 2001

T: 02 9273 3950

www.property.nsw.gov.au

Hours: 8:30am – 5:00pm

DFSI Valuation Services

1 Prince Albert Road, Queens Square,
Sydney NSW 2000

PO Box 745, Bathurst NSW 2795

T: 1800 110 038

www.valuergeneral.nsw.gov.au

Hours: 8:30am – 5:00pm

Telco Authority

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

T: 02 9372 7088 | TTY: 1300 301 181

www.telco.nsw.gov.au

Hours: 9:00am – 5:00pm

Heritage Stoneworks

92 Burrows Road, Alexandria NSW 2015

T: 02 9565 9025

<https://www.finance.nsw.gov.au/heritage/heritage-stoneworks>

Hours: 9:00am – 5:00pm

Public Works Advisory

McKell Building, Level 20, 2–24 Rawson
Place, Sydney NSW 2000

T: 02 9372 8877

www.publicworksadvisory.nsw.gov.au

Hours: 8:30am – 4:30pm

Waste Assets Management Corporation

Level 2, 10 Valentine Avenue,
Parramatta NSW 2150

PO Box 3366, Parramatta NSW 2124

T: 02 9685 4960

www.wamc.nsw.gov.au

Hours: 8:30am – 5:00pm

Teacher Housing Authority

Level 3, 66 Harrington Street,

The Rocks NSW 2000

PO Box N408, Grosvenor Place, NSW 1220

T: 02 8276 8000

www.tha.nsw.gov.au

Hours: 8:30am – 4:30pm

Revenue NSW

132 Marsden St, Parramatta

GPO Box 4042, Sydney NSW 2001

T: 02 9689 6200 | TTY: 1300 301 181

www.revenue.nsw.gov.au

Hours: 8:30am – 4:30pm

Service NSW

McKell Building, 2-24 Rawson Place,

Sydney NSW 2000

T: 13 77 88

www.service.nsw.gov.au

Details of Service Centres and opening hours
can be found on the Service NSW website

State Insurance Regulatory Authority

McKell Building, 2-24 Rawson Place,

Sydney NSW 2000

T: 02 8267 1900 | TTY: 02 8268 1450

www.sira.nsw.gov.au

Hours: 8:30am – 5:00pm

7. Financial statements

Department of Finance, Services and Innovation

BOSSI

Financial Counselling Trust Fund



INDEPENDENT AUDITOR'S REPORT

Department of Finance, Services and Innovation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Department of Finance, Services and Innovation (the Department), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Department as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Department in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

Other information comprises the information included in the Department's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Secretary of the Department is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Statement by the Secretary.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

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 and the PF&A Act, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary 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 except where the Department's operations will cease as a result of an administrative restructure.

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/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

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



Margaret Crawford
Auditor-General of NSW

27 September 2018
SYDNEY

DEPARTMENT OF FINANCE, SERVICES AND INNOVATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2018 STATEMENT BY THE SECRETARY

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

- a) the accompanying financial statements and notes thereto exhibit a true and fair view of the financial position of the Department of Finance, Services and Innovation as at 30 June 2018 and its financial performance for the year then ended
- b) the accompanying financial statements and notes thereto have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer
- c) I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.


Secretary
Department of Finance, Services and Innovation

Date: 25 September 2018

START OF AUDITED FINANCIAL STATEMENTS

DEPARTMENT OF FINANCE, SERVICES AND INNOVATION STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018				
	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
Continuing Operations				
Expenses excluding losses				
Operating Expenses				
Employee related	2(a)	656,164	745,156	614,510
Other operating expenses	2(b)	487,656	314,759	403,919
Depreciation and amortisation	2(c)	141,685	139,905	167,828
Grants and subsidies	2(d)	510,257	699,504	822,379
Finance costs	2(e)	17,789	21,569	28,890
Book value of motor vehicles sold	2(f)	84,795	60,718	77,250
Other expenses	2(g)	2,943	5,020	1,226
Total Expenses excluding losses		1,901,289	1,986,631	2,116,002
Revenue				
Appropriations	3(a)	1,041,078	1,119,502	1,324,503
(Transfers to the Crown Entity)	3(b)	(33,686)	-	(18,089)
Sale of goods and services	3(c)	357,519	407,243	382,447
Personnel services revenue	3(d)	135,293	140,331	121,532
Investment revenue	3(e)	5,753	5,541	5,423
Retained taxes, fees and fines	3(f)	102,127	131,425	83,220
Grants and contributions	3(g)	171,653	3,773	171,462
Acceptance by the Crown Entity of employee benefits and other liabilities	3(h)	24,506	14,298	12,778
Proceeds from sale of motor vehicle inventory	3(i)	107,442	64,072	93,952
Other revenue	3(j)	133,717	155,285	25,568
Total Revenue		2,045,402	2,041,470	2,202,796
Gain/(loss) on disposal	4(a)	(9,258)	-	(14,570)
Other gains/(losses)	4(b)	(338)	(1,238)	(7,043)
		(9,596)	(1,238)	(21,613)
Profit from continuing operations		134,517	53,601	65,181
Discontinued Operations				
Profit from discontinued operations	21	-	-	13,383
NET RESULT		134,517	53,601	78,564
Other comprehensive income				
<i>Items that will not be reclassified to net result</i>				
Remeasurement of defined benefits superannuation liability	20	1,778	-	-
<i>Items that may be reclassified to net result in subsequent periods</i>				
Net increase in available-for-sale financial assets		1,783	-	31,289
Total other comprehensive income/(loss)		3,561	-	31,289
TOTAL COMPREHENSIVE INCOME/(LOSS)		138,078	53,601	109,853

The accompanying notes form part of these financial statements.

DEPARTMENT OF FINANCE, SERVICES AND INNOVATION

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	6	496,835	340,251	537,322
Receivables	8	256,629	214,192	299,354
Inventories	9	2,389	3,849	2,851
Non-Current assets held for sale	10	7,410	-	-
Total Current Assets		763,263	558,292	839,527
Non-Current Assets				
Receivables	8	1,420	637	-
Inventories	9	6,424	1,840	1,628
<i>Property, plant and equipment</i>				
Land and Buildings	12	46,300	44,783	42,802
Plant and Equipment	12	46,143	75,605	34,791
Motor Vehicles	12	176,251	191,828	334,278
Leasehold Improvements	12	52,707	-	42,526
<i>Total property, plant and equipment</i>		<i>321,401</i>	<i>312,216</i>	<i>454,397</i>
Intangible assets	13	149,821	193,789	136,663
Other financial assets	11	42,705	62,608	40,922
Total Non-Current Assets		521,771	571,090	633,610
Total Assets		1,285,034	1,129,382	1,473,137
LIABILITIES				
Current Liabilities				
Payables	15	261,170	192,396	235,268
Borrowings	16	135,927	51,993	153,991
Provisions	17	132,914	329,738	167,647
Service Concession	18	77,221	74,914	77,145
Other	19	54,478	6,455	148,740
Total Current Liabilities		661,710	655,496	782,791
Non-Current Liabilities				
Borrowings	16	69,615	134,109	215,211
Provisions	17	24,357	6,870	14,801
Service Concession	18	2,548,284	2,472,172	2,622,961
Other	19	3,616	3,438	4,607
Total Non-Current Liabilities		2,645,872	2,616,589	2,857,580
Total Liabilities		3,307,582	3,272,085	3,640,371
Net Assets / (Liabilities)		(2,022,548)	(2,142,703)	(2,167,234)
EQUITY				
Reserves		36,969	3,897	35,186
Accumulated funds		(2,059,517)	(2,146,600)	(2,202,420)
Total Equity		(2,022,548)	(2,142,703)	(2,167,234)

The accompanying notes form part of these financial statements.

**DEPARTMENT OF FINANCE, SERVICES AND INNOVATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	Accumulated Funds \$'000	Available for Sale Reserve \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2017		(2,202,420)	31,289	3,897	(2,167,234)
Net Result for the year		134,517	-	-	134,517
Other comprehensive income					
Remeasurement of defined benefits superannuation liability	20	1,778	-	-	1,778
Net increase/(decrease) in available for sale financial assets	11	-	1,783	-	1,783
Total comprehensive income for the year		136,295	1,783	-	138,078
Transactions with owners in their capacity as owners					
Increase in net assets from equity transfers	22	6,608	-	-	6,608
Balance at 30 June 2018		(2,059,517)	33,072	3,897	(2,022,548)
Balance at 1 July 2016		404,832	-	3,897	408,729
Net Result for the year		78,564	-	-	78,564
Other comprehensive income					
Net increase/(decrease) in available for sale financial assets	11	-	31,289	-	31,289
Total comprehensive income for the year		78,564	31,289	-	109,853
Transactions with owners in their capacity as owners					
Decrease in net assets from equity transfers	22	(2,685,816)	-	-	(2,685,816)
Balance at 30 June 2017		(2,202,420)	31,289	3,897	(2,167,234)

The accompanying notes form part of these financial statements.

DEPARTMENT OF FINANCE, SERVICES AND INNOVATION				
STATEMENT OF CASH FLOWS				
FOR THE YEAR ENDED 30 JUNE 2018				
	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		604,119	726,068	665,357
Grants and subsidies		510,257	699,504	822,379
Finance costs		17,789	21,569	28,890
Purchase of motor vehicles held for resale		-	-	6,307
Other		632,146	578,285	621,816
Total Payments		1,764,311	2,025,426	2,144,749
Receipts				
Appropriations (excluding equity appropriations) (Transfers to the Crown Entity)		1,041,078 (105,083)	1,119,502 (5,127)	1,336,554 (109,103)
Sale of goods and services		634,686	549,086	791,679
Retained taxes, fees and fines		119,146	130,187	82,226
Interest received		8,220	5,499	6,260
Grants and contributions		171,653	3,773	171,462
Proceeds from sale of motor vehicle inventory		107,442	64,072	93,952
Other		28,873	350,050	55,493
Total Receipts		2,006,015	2,217,042	2,428,523
NET CASH FLOWS FROM OPERATING ACTIVITIES	27	241,704	191,616	283,774
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of land and buildings, plant and equipment and infrastructure systems		(68,480)	(29,026)	(60,427)
Purchases of intangibles		(58,758)	(70,299)	(31,519)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(127,238)	(99,325)	(91,946)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings and advances		-	-	37,157
Repayment of borrowings and advances		(163,661)	(168,533)	(195,486)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(163,661)	(168,533)	(158,329)
NET INCREASE/(DECREASE) IN CASH		(49,195)	(76,242)	33,499
Opening cash and cash equivalents		537,322	416,494	503,823
Cash transferred in/(out) as a result of administrative restructuring	22	8,708	-	-
CLOSING CASH AND CASH EQUIVALENTS	6	496,835	340,252	537,322

Cash flows of discontinued operations 21

The accompanying notes form part of these financial statements.

DEPARTMENT OF FINANCE, SERVICES AND INNOVATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

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

DFSI as a reporting entity comprises the following major Divisions / Program groups:

- NSW Public Works Advisory
- NSW Fair Trading
- Revenue NSW
- Better Regulation
- ICT, Digital & Innovation
- Valuation Services
- Spatial Services
- Office of the Valuer General
- Office of the Registrar General
- Government Services
- Personnel Services

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

The financial statements for the year ended 30 June 2018 have been authorised for issue by the Secretary on 25 September 2018.

(b) Basis of Preparation

DFSI 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 *Public Finance and Audit Act 1983* (PF&A) and Public Finance and Audit Regulation 2015
- the Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment and financial assets at “fair value through profit or loss” and “available-for-sale” are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is DFSI's presentation and functional currency.

(c) Statement of Compliance

DFSI's financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Administered Activities

DFSI administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion to deploy the resources for the achievement of the entity's own objectives.

Transactions and balances relating to the administered activities are not recognised as DFSI's incomes, expenses, assets and liabilities, but are disclosed in the accompanying schedules as "Administered Revenues", "Administered Expenses", "Administered Assets" and "Administered Liabilities".

The accrual basis of accounting and applicable accounting standards have been adopted.

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

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

amount of GST incurred by DFSI as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense

receivables and payables are stated with the amount of GST included.

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

Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous reporting period, 30 June 2017, for all amounts reported in the financial statements.

(g) Changes in Accounting Policy, Including New or Revised Australian Accounting Standards

(i) Effective for the first time in 2018

The accounting policies applied in 2018 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2018:

- *AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*

This standard amends *AASB 112 Income Taxes* to clarify the recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.

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

The amendments to *AASB 107 Statement of Cash Flows* are part of the IASBs Disclosure Initiative and help users of financial statements better understanding of changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

- *AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*

This standard amends *AASB 136 Impairment of Assets* to:

- Remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities
- Clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under *AASB 13 Fair Value Measurement*. Consequently:
 - *AASB 136* does not apply to such assets that are regularly revalued to fair value under the revaluation model in *AASB 116 Property, Plant and Equipment* and *AASB 138 Intangible Assets*
 - *AASB 136* applies to such assets accounted for under the cost model in *AASB 116* and *AASB 138*.
- *AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 Revenue from Contracts with Customers* for Not-for-Profit Entities

This standard amends the mandatory effective date (application date) of *AASB 15* for not-for-profit entities so that *AASB 15* is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018.

Accordingly, DFSI as a NSW not-for-profit public sector entity, will apply *AASB 15* from financial year 2019-20.

- *AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*

This standard clarifies the scope of *AASB 12 Disclosure of Interests in Other Entities* by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with *AASB 5 Non-current Assets Held-for-Sale and Discontinued Operations*.

The implementation of the above standards did not have a material impact on DFSI's financial statements.

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Accounting Standards/Interpretations have been issued but are not yet effective:

- *AASB 9 Financial Instruments*
- *AASB 15*, *AASB 2014-5*, *AASB 2015-8* and *2016-3* regarding Revenue from Contracts with Customers
- *AASB 16 Leases*
- *AASB 17 Insurance Contracts*
- *AASB 1058 Income of Not-for-profit Entities*
- *AASB 1059 Service Concession Arrangements: Grantors*
- *AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*
- *AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 with AASB 4 Insurance Contracts*
- *AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*

- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfer of investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-3 Amendments to Australian Accounting Standards – Clarification to AASB 4
- AASB 2017-4 Amendments to Australian Standards – Uncertainty over Income Tax Treatments
- AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2017-6 Amendments to Australian Accounting Standards – Long-term Interests in Associated and Joint Ventures
- Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Interpretation 23 Uncertainty over Income Tax Treatment.

The implementation of AASB 16 *Leases* and AASB 1059 *Service Concession Arrangements: Grantors*, are currently being assessed as they are expected to have an impact on the financial statements due to the operating leases with underlying assets which will be capitalised as 'Right of Use' assets and the NSW Land Registry identified as a service concession asset. Due to the method of application of these new standards, DFSI is also required to recognise a liability for their respective contractual obligations, which in turn will reduce its overall impact on the net asset position of DFSI.

The implementation of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not-for-profit entities* are currently being assessed, it is difficult to determine at this time, whether these standards will have an impact on DFSI's reporting.

Other than these mentioned, the rest of these Standards will not have a material impact on DFSI's financial statements.

2. EXPENSES EXCLUDING LOSSES

(a) Employee Related Expenses

	2018	2017
	\$'000	\$'000
Salaries and wages (including annual leave)	536,016	489,895
Superannuation - defined benefit plans	11,010	12,178
Superannuation - defined contribution plans	38,483	33,867
Long service leave	26,933	3,257
Workers' compensation insurance	3,257	1,295
Payroll tax and fringe benefits tax	33,373	32,787
Voluntary redundancy	7,092	41,231
	656,164	614,510

Employee related expenses of \$0.106 million (2017: \$2.85 million) have been capitalised in various capital works and therefore are excluded from the above.

(b) Other Operating Expenses

	2018	2017
	\$'000	\$'000
Auditor's remuneration		
- audit of the financial statements	1,189	1,270
Cost of sales	26,792	26,252
Advertising	5,921	5,265
Bad debt expense	592	779
Operating lease rental expense - minimum lease payments	37,614	37,369
Maintenance	9,315	7,966
Insurance	2,452	7
Valuation services contractors	26,539	29,332
Fees and charges	142,208	102,918
Postage and telephone	6,769	10,120
Printing, stationery and stores	11,343	11,714
Consultants	4,480	4,874
Other contractors	115,307	89,800
Books and periodicals	1,689	877
Travel and motor vehicle expenses	8,873	7,430
Computer expenses	41,536	45,051
Minor equipment	1,193	1,152
Training	7,493	6,179
Other	36,351	15,564
	487,656	403,919

Reconciliation - Total Maintenance

Maintenance expenses - contracted labour and other (non-employee related), as above	9,315	7,966
Employee related maintenance expense included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	9,315	7,966

Recognition and Measurement***Operating leases***

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

Maintenance expense

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

Insurance

DFSI's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

(c) Depreciation and Amortisation Expense

	2018	2017
	\$'000	\$'000
Depreciation		
- Buildings	602	602
- Plant and equipment	16,466	16,125
- Motor vehicles	69,625	110,251
- Leasehold improvements	9,392	7,717
	96,085	134,695
Amortisation		
- Intangible assets	45,600	33,133
Total depreciation and amortisation	141,685	167,828

Refer to Note 12 and 13 for recognition and measurement policies on depreciation and amortisation.

(d) Grants and Subsidies

	2018	2017
	\$'000	\$'000
Tenancy Advice and Advocacy Program	6,427	5,016
Grants to Property NSW	97,414	177,660
Grants to Teacher Housing Authority	-	6,015
Grants to State Archives and Records Authority	5,806	6,410
Grants to Service NSW	65,389	337,754
Grants to Place Management NSW	96,004	52,427
Grants to NSW Government Telecommunications Authority	50,084	34,960
Jobs Action Plan Payroll Tax Rebates	134,685	161,160
Heritage Building Program Grant	6,699	6,551
Natural Disaster Relief Grant	12,619	8,939
Consumer Trader & Tenancy Tribunal	9,618	25,301
Active Kids Grants	9,200	-
Job Lodgement Grants	6,086	-
Contribution to Safework Australia	3,436	-
Rural Fire Service for Stay Safe grant	2,500	-
Credit Counselling Program	1,389	-
Other Grants	2,901	186
	510,257	822,379

(e) Finance Costs

	2018	2017
	\$'000	\$'000
Interest on borrowings	17,789	28,890

Recognition and Measurement

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with NSW Treasury's mandate to not-for profit NSW General Government Sector Entities.

(f) Book Value of Motor Vehicles Sold

	2018	2017
	\$'000	\$'000
Book value of StateFleet motor vehicles sold	84,795	77,250

(g) Other Expenses

	2018	2017
	\$'000	\$'000
Compensation fund payments	2,943	1,226
	2,943	1,226

3. REVENUE**Recognition and Measurement**

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

(a) Appropriations and Transfers to the Crown Entity

Summary of Compliance	2018		2017	
	\$'000		\$'000	
	Appropriation	Expenditure	Appropriation	Expenditure
Original Budget Appropriation				
• Appropriation Act	1,119,502	1,036,078	1,463,763	1,324,503
Other Appropriations / Expenditure				
• Additional appropriations				
• Section 24 PFAA - transfers of functions between entities	(2,551)			
• Transfer from another entity (per section 27 of the Appropriation Act)	5,000	5,000		
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	1,121,951	1,041,078	1,463,763	1,324,503
Appropriation drawn down *		1,041,078		1,336,554
Liability to Consolidated Fund		-		12,051
* Comprising:				
Appropriations (per Statement of Comprehensive Income)		1,041,078		1,324,503
Liability to Consolidated Fund		-		12,051
		1,041,078		1,336,554

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

The "Liability to Consolidated Fund" is the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund" including transfer payments.

Recognition and Measurement**Parliamentary Appropriations and Contributions**

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenue when DFSI obtains control

over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

Appropriations are not recognised as income in the following circumstances:

- “Equity appropriations” to fund payments to adjust a for-profit entity’s capital structure are recognised as equity injections (i.e. contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity. The reconciliation between the Statement of Comprehensive Income, Statement of Summary of Compliance with Financial Directives and the total appropriations is disclosed in Note 3(a).
- Unspent appropriations are recognised as liabilities rather than revenue, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.
- The liability is disclosed in Note 19 as part of “Current/Non-Current Liabilities - Other”. The amount will be repaid and the liability will be extinguished next financial year. Any liability in respect of transfer payments is disclosed in Note 30 “Administered Assets and Liabilities”.

(b) Transfers to Crown Entity

	2018	2017
	\$'000	\$'000
StateFleet Motor Vehicle Reserve	(24,966)	(18,089)
Net proceeds from sale of CRR Program assets	(8,720)	-
	(33,686)	(18,089)

A contribution of nil (2017: \$114.072 million) from the operating surpluses of non-budget funded business units of DFSI for the current financial year has been agreed with the Crown Entity.

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

	2018	2017
	\$'000	\$'000
Mapping, spatial, surveying and related services	2,885	2,901
Project and asset management services	78,160	74,184
Valuation	21,865	21,549
Facilities Management Fee	7,391	24,730
Penalty notice fees	28,880	27,517
Business services fee	53,637	32,608
Motor vehicle leasing	94,836	142,263
Administrative assistance	26,479	27,229
Other goods and services	43,386	29,466
	357,519	382,447

Recognition and Measurement

Sale of Goods

Revenue from the sale of goods is recognised as revenue when DFSI transfers the significant risks and rewards of ownership of the goods, usually on delivery of the goods.

Rendering of Services

Revenue from rendering of services is recognised when the service is provided or by reference to the stage of completion.

Project and asset management fee revenue earned from the management and delivery of client funded building, engineering, maintenance and other service projects, has historically been recognised over the duration of the project, based on the progressive value of fee funded hours charged to the project by DFSI resources.

Fee income from property valuations and the supply of property information is recognised on completion of the service.

Motor vehicle leasing income includes lease fee and fleet management fee and is invoiced to client agencies on a monthly basis and is recognised as revenue in DFSI's Statement of Comprehensive Income.

(d) **Personnel Services Revenue**

	2018	2017
	\$'000	\$'000
NSW Government Telecommunications Authority	10,481	6,011
Teacher Housing Authority	-	1,135
State Archives and Records Authority	15,604	15,530
Property NSW	44,926	38,741
State Insurance Regulatory Authority	50,445	34,360
Board of Surveying and Spatial Information	306	309
Waste Assets Management Corporation	3,551	5,762
Place Management NSW	-	11,630
Building Professionals Board	2,707	2,585
Subsidence Advisory NSW	5,369	5,454
NSW Self Insurance Corporation	-	15
Long Service Corporation	1,904	-
	135,293	121,532

(e) Investment Revenue

	2018	2017
	\$'000	\$'000
Interest on investments	526	357
Interest on bank accounts	5,227	5,066
	5,753	5,423

Recognition and Measurement

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

(f) Retained Taxes, Fees and Fines

	2018	2017
	\$'000	\$'000
Statutory Interest	43,099	40,608
Building Licensing Fees	20,452	23,465
Owner Builder Permit Fees	1,567	1,448
Plumbing Inspection Fees	11,250	8,722
Motor Dealers Compensation Fees	1,844	1,558
Other fees, fines and penalties	23,915	7,419
	102,127	83,220

(g) Grants and Contributions

	2018	2017
	\$'000	\$'000
Voluntary Redundancy Grants (i)	1,525	17,181
Grants from State Insurance Regulatory Authority (ii)	122,847	112,105
Natural Disaster Relief Grants	12,619	8,939
Loose Fill Asbestos Grants (iii)	9,205	18,632
Central Register of Restrictions Program (CRR) (iv)	21,297	-
Other	4,160	14,605
	171,653	171,462

- (i) Treasury funding for DFSI voluntary redundancies.
- (ii) The operations of SafeWork are principally funded by the State Insurance Regulatory Authority. Each year, under Section 35 (1)(a1) of the *Workplace Injury Management and Workers Compensation Act 1998*, the Minister approves the payment of amounts from the Workers Compensation Insurance Fund to the Workers Compensation Operational Fund having regard to the budget of SafeWork. This payment is made monthly to reflect cash requirements of SafeWork provided the approved amount is not exceeded.
- (iii) Treasury funding for Loose Fill Asbestos Program.
- (iv) Treasury funding for the acquisition of properties by Property NSW for the Central Register of Restrictions Program (CRR).

Recognition and Measurement

Income from grants (other than contribution by owners) is recognised when the entity obtains control over the contribution. The entity is deemed to have assumed control when the grant is received or receivable.

Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

(h) Acceptance by the Crown Entity of Employee Benefits and Other Liabilities

The following liabilities and/or expenses have been assumed by the Crown Entity or other government entities:

	2018	2017
	\$'000	\$'000
Superannuation - defined benefit	11,215	8,315
Long service leave	12,956	4,044
Payroll tax	335	419
	24,506	12,778

(i) Proceeds of Sale of Motor Vehicle Inventory

	2018	2017
	\$'000	\$'000
Gross proceeds of sale of motor vehicles	109,790	96,237
Less: Disposal costs	(2,348)	(2,285)
	107,442	93,952

(j) Other Revenue

	2018	2017
	\$'000	\$'000
Commissions on payroll deductions collected	6	9
Bad debts recovered	28	-
Titling & Registration Services Service Concession	77,183	-
Other	56,500	25,559
	133,717	25,568

Recognition and Measurement

Service Concession Arrangement

On 12 April 2017, the NSW State government entered into a 35 year concession with the private sector to facilitate the provision of land titling and registry services. Under the concession, the State received an up-front contribution of \$2,622 million, which was repatriated to the Restart NSW Fund, and transferred employee liabilities to the private sector operator.

ICT and other assets necessary to operate the concession have legally transferred to the private sector operator and legal ownership of these assets reverts to the State at the end of the concession. The State continues to own all existing and underlying data, information and intellectual property related to titling and registry services and provides access to these assets to the operator.

The concession is classified as a service concession arrangement. As the grantor of the service concession, DFSI recognises the up-front contribution provided by the operator as revenue progressively over the concession term. Assets legally transferred to the operator are treated as controlled for accounting purposes by DFSI and recorded at their carrying values immediately prior to the concession commencement. These service concession assets are depreciated or amortised over their useful lives.

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

	2018	2017
	\$'000	\$'000
Gain/(loss) on disposal of property, plant & equipment and intangibles (other than StateFleet Motor Vehicles):		
Written down value of assets disposed/write off	(9,258)	(14,570)
Net gain/(loss) on disposal of property, plant & equipment and intangibles (other than StateFleet Motor Vehicles)	(9,258)	(14,570)

(b) OTHER GAINS/(LOSSES)

	2018	2017
	\$'000	\$'000
Increase/decrease in allowance for impairment		
Sale of goods and services	732	(6,423)
Retained taxes, fees, fines and Other	(1,070)	(620)
Net other gains/(losses)	(338)	(7,043)

Recognition and Measurement

Impairment losses

Impairment losses may arise on assets held by DFSI 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:

- Receivables – Note 8
- Other financial assets – Note 11
- Property, plant and equipment – Note 12
- Intangible assets – Note 13.

5. PROGRAM GROUP STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

EXPENSES AND INCOME	Property & Advisory ⁽¹⁾		Revenue Administration ⁽¹⁾		Regulation ⁽¹⁾		ICT, Digital and Innovation ⁽¹⁾	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Expenses excluding losses								
Operating Expenses								
• Employee related	59,865	69,215	165,996	143,543	201,033	196,091	57,420	45,988
• Other operating expenses	78,451	65,612	75,192	55,270	164,628	107,499	116,525	86,425
Depreciation and amortisation	1,381	1,219	23,640	19,943	25,190	16,387	14,571	11,693
Grants and subsidies	13,211	9,351	142,993	166,552	28,512	30,609	5,107	876
Finance costs	-	-	-	64	-	-	-	-
Book value of motor vehicles sold	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	2,943	1,226	-	-
Total Expenses excluding losses	152,908	145,397	407,821	385,372	422,306	351,812	193,623	144,982
Revenue ⁽⁴⁾								
Appropriations	-	-	-	-	-	-	-	-
Transfers to Crown Entity	-	-	-	-	-	-	-	-
Sale of goods and services	80,591	92,471	47,765	33,882	45,657	48,591	59,306	40,316
Personnel services revenue	-	-	-	-	-	-	-	-
Investment revenue	-	-	228	226	5,000	4,840	-	-
Retained taxes, fees and fines	-	-	153	126	101,970	83,092	1	-
Grants and contributions	13,737	21,455	-	151	130,419	143,846	6,025	1,236
Acceptance by the Crown Entity of employee benefits and other liabilities	5,597	335	6,366	4,143	4,838	110	1,347	973
Proceeds from sale of motor vehicles	-	-	-	-	-	-	-	-
Other revenue	1,699	1,515	9,767	3,945	99,323	15,515	5,612	3,279
Total Revenue	101,624	115,776	64,279	42,473	387,207	295,994	72,291	45,804
Gain/(loss) on disposal	(39)	67	(2,785)	(1,676)	(1,400)	(12,935)	(4,128)	(17)
Other gains/(losses)	482	(5,890)	-	(87)	(820)	(1,014)	-	(23)
	443	(5,823)	(2,785)	(1,763)	(2,220)	(13,949)	(4,128)	(40)
Profit/(loss) from continuing operations	(50,841)	(35,444)	(346,327)	(344,662)	(37,319)	(69,767)	(125,460)	(99,218)
Discontinued operations								
Profit from discontinued operations	-	-	-	-	-	13,383	-	-

NET RESULT	(50,841)	(35,444)	(346,327)	(344,662)	(37,319)	(56,384)	(125,460)	(99,218)
Other comprehensive income								
Net increase in investments	-	-	-	-	1,783	31,289	-	-
Total other comprehensive income	-	-	-	-	1,783	31,289	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS)	(50,841)	(35,444)	(346,327)	(344,662)	(35,536)	(25,095)	(125,460)	(99,218)

The names and purposes of each program group are summarised below. The former Fair Trading Service Group is now part of the Regulation Program, the comparatives have been restated to reflect this change. The former Land and Property Information Program has been split following the Sale of Titling and Registration Services, the remaining areas of the former Land and Property Information Program have been absorbed within Property and Advisory, Regulation and IDG, Digital and Innovation, the comparatives have been restated to reflect this change.

EXPENSES AND INCOME (Continued)	Government Services ⁽¹⁾		Personnel Services ⁽¹⁾		Not Attributable		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Expenses excluding losses								
Operating Expenses								
• Employee related	44,694	30,008	127,156	129,665	-	-	656,164	614,510
• Other operating expenses	36,781	77,495	16,079	11,617	-	-	487,656	403,919
Depreciation and amortisation	76,903	118,587	-	-	-	-	141,685	167,828
Grants and subsidies	5,737	359	-	-	314,697	614,632	510,257	822,379
Finance costs	17,789	28,826	-	-	-	-	17,789	28,890
Book value of motor vehicles sold	84,795	77,250	-	-	-	-	84,795	77,250
Other expenses	-	-	-	-	-	-	2,943	1,226
Total Expenses excluding losses	266,699	332,525	143,235	141,282	314,697	614,632	1,901,289	2,116,002
Revenue ⁽⁴⁾								
Appropriations	-	-	-	-	1,041,078	1,324,503	1,041,078	1,324,503
(Transfers to the Crown Entity)	(33,686)	(18,089)	-	-	-	-	(33,686)	(18,089)
Sale of goods and services	124,200	167,187	-	-	-	-	357,519	382,447
Personnel services revenue	-	-	135,293	121,532	-	-	135,293	121,532
Investment revenue	525	357	-	-	-	-	5,753	5,423
Retained taxes, fees and fines	3	2	-	-	-	-	102,127	83,220
Grants and contributions	21,430	4,774	42	-	-	-	171,653	171,462
Acceptance by the Crown Entity of employee benefits and other liabilities	1,996	287	-	-	4,362	6,930	24,506	12,778
Proceeds from sale of motor vehicles	107,442	93,952	-	-	-	-	107,442	93,952
Other revenue	17,293	1,314	23	-	-	-	133,717	25,568
Total Revenue	239,203	249,784	135,358	121,532	1,045,440	1,331,433	2,045,402	2,202,796
Gain/(loss) on disposal	(906)	(9)	-	-	-	-	(9,258)	(14,570)
Other gains/(losses)	-	(29)	-	-	-	-	(338)	(7,043)
	(906)	(38)	-	-	-	-	(9,596)	(21,613)
Profit/(loss) from continuing operations	(28,402)	(82,779)	(7,877)	(19,750)	730,743	716,801	134,517	65,181
Discontinued operations								
Profit from discontinued operations	-	-	-	-	-	-	-	13,383
NET RESULT	(28,402)	(82,779)	(7,877)	(19,750)	730,743	716,801	134,517	78,564
Other comprehensive income								
Net increase in investments	-	-	-	-	-	-	1,783	31,289

Remeasurement of defined benefits superannuation liability	-	-	1,778	-	-	-	1,778	-
Total other comprehensive income	-	-	1,778	-	-	-	3,561	31,289
TOTAL COMPREHENSIVE INCOME/(LOSS)	(28,402)	(82,779)	(6,099)	(19,750)	730,743	716,801	138,078	109,853

⁽¹⁾ The names and purposes of each program group are summarised below. The former Fair Trading Service Group is now part of the Regulation Program, the comparatives have been restated to reflect this change. The former Land and Property Information Program has been split following the Sale of Titling and Registration Services, the remaining areas of the former Land and Property Information Program have been absorbed within Property and Advisory, Regulation and IDG, Digital and Innovation, the comparatives have been restated to reflect this change.

ASSETS AND LIABILITIES	Property & Advisory ⁽¹⁾		Revenue Administration ⁽¹⁾		Regulation ⁽¹⁾		ICT, Digital and Innovation ⁽¹⁾	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current Assets								
Cash and cash equivalents	3,461	5,063	68,209	39,929	371,836	426,340	17,801	30,393
Receivables	53,316	70,954	35,387	13,022	56,490	112,271	31,194	25,158
Inventories	-	-	-	-	-	-	51	87
Non-Current Assets Held for sale	-	-	-	-	-	-	-	-
Total Current Assets	56,777	76,017	103,596	52,951	428,326	538,611	49,046	55,638
Non Current Assets								
Receivables	-	-	-	-	-	-	-	-
Inventories	-	75	-	198	-	891	109	398
Property, plant and equipment	3,815	4,950	18,806	19,175	65,251	75,070	21,609	11,226
Intangible assets	3,583	1,200	47,634	55,433	41,699	42,792	35,379	34,814
Other	-	-	-	-	42,705	40,922	-	-
Total Non Current Assets	7,398	6,225	66,440	74,806	149,655	159,675	57,097	46,438
TOTAL ASSETS	64,175	82,242	170,036	127,757	577,981	698,286	106,143	102,076
Current Liabilities								
Payables	51,596	72,156	45,620	12,605	106,189	75,303	38,173	33,694
Borrowings	-	-	-	-	-	-	-	-
Provisions	9,000	24,313	17,862	19,176	54,446	62,458	17,274	18,646
Service Concession Liability	-	-	-	-	77,221	77,145	-	-
Other	1,133	2,110	6,992	19,251	20,355	110,754	3,389	1,376
Total Current Liabilities	61,729	98,579	70,474	51,032	258,211	325,660	58,836	53,716
Non Current Liabilities								
Borrowings	-	-	-	-	-	-	-	-
Provisions	722	1,947	3,846	1,200	3,015	5,950	5,933	4,322
Service Concession Liability	-	-	-	-	2,548,284	2,622,961	-	-
Other	123	205	527	586	1,212	3,129	496	221
Total Non Current Liabilities	845	2,152	4,373	1,786	2,552,511	2,632,040	6,429	4,543
TOTAL LIABILITIES	62,574	100,731	74,847	52,818	2,810,722	2,957,700	65,265	58,259
NET ASSETS	1,601	(18,489)	95,189	74,939	(2,232,741)	(2,259,414)	40,878	43,817

⁽¹⁾ The names and purposes of each program group are summarised below. The former Fair Trading Service Group is now part of the Regulation Program, the comparatives have been restated to reflect this change.

The former Land and Property Information Program has been split following the Sale of Titling and Registration Services, the remaining areas of the former Land and Property Information Program have been absorbed within Property and Advisory, Regulation and IDG, Digital and Innovation, the comparatives have been restated to reflect this change.

	Government Services ⁽¹⁾		Personnel Services ⁽¹⁾		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
ASSETS AND LIABILITIES (Continued)						
Current Assets						
Cash and cash equivalents	34,775	34,388	753	1,209	496,835	537,322
Receivables	37,499	34,455	42,743	43,494	256,629	299,354
Inventories	2,338	2,764	-	-	2,389	2,851
Assets Held for sale	7,410	-	-	-	7,410	-
Total Current Assets	82,022	71,607	43,496	44,703	763,263	839,527
Non Current Assets						
Receivables	-	-	1,420	-	1,420	-
Inventories	6,315	66	-	-	6,424	1,628
Property, plant and equipment	211,920	343,976	-	-	321,401	454,397
Intangible assets	21,526	2,424	-	-	149,821	136,663
Other	-	-	-	-	42,705	40,922
Total Non Current Assets	239,761	346,466	1,420	-	521,771	633,610
TOTAL ASSETS	321,783	418,073	44,916	44,703	1,285,034	1,473,137
Current Liabilities						
Payables	12,599	38,094	6,993	3,416	261,170	235,268
Borrowings	135,927	153,991	-	-	135,927	153,991
Provisions	6,139	7,274	28,193	35,780	132,914	167,647
Service Concession Liability	-	-	-	-	77,221	77,145
Other	22,412	15,052	197	197	54,478	148,740
Total Current Liabilities	177,077	214,411	35,383	39,393	661,710	782,791
Non Current Liabilities						
Borrowings	69,615	215,211	-	-	69,615	215,211
Provisions	2,642	744	8,199	638	24,357	14,801
Service Concession Liability	-	-	-	-	2,548,284	2,622,961
Other	1,258	179	-	287	3,616	4,607
Total Non Current Liabilities	73,515	216,134	8,199	925	2,645,872	2,857,580
TOTAL LIABILITIES	250,592	430,545	43,582	40,318	3,307,582	3,640,371
NET ASSETS	71,191	(12,472)	1,334	4,385	(2,022,548)	(2,167,234)

⁽¹⁾ The names and purposes of each program group are summarised below. The former Fair Trading Service Group is now part of the Regulation Program, the comparatives have been restated to reflect this change.

The former Land and Property Information Program has been split following the Sale of Titling and Registration Services, the remaining areas of the former Land and Property Information Program have been absorbed within Property and Advisory, Regulation and IDG, Digital and Innovation, the comparatives have been restated to reflect this change.

	Revenue Administration ⁽¹⁾		Regulation ⁽¹⁾		Total	
ADMINISTERED EXPENSES AND INCOME	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Expenses	317,702	430,914	-	-	317,702	430,914
Total Administered Expenses	317,702	430,914	-	-	317,702	430,914
Administered Revenues						
Consolidated Fund						
Licences, taxes, fees and fines	27,339,667	27,680,041	-	-	27,339,667	27,680,041
Other	3,111,171	2,292,089	41,437	26,619	3,152,608	2,318,708
Total Administered Revenues	30,450,838	29,972,130	41,437	26,619	30,492,275	29,998,749
Administered Revenues less Expenses	30,133,136	29,541,216	41,437	26,619	30,174,573	29,567,835

Administered Expenses and Revenues are disclosed in detail in Note 31 and 32 respectively.

Administered Assets and Liabilities are disclosed in Note 30.

Program Group Descriptions

(i) Property and advisory

This program group provides property and advisory services for the Government and Local Government throughout the State of NSW. This program includes commercial property and precinct management, valuation services, as well as project and contract management.

(ii) Revenue administration

This program group manages the collection of revenue on behalf of the people of New South Wales including managing fines, overdue tax and civil debt. The Revenue administration group also includes managing and assessing eligibility for grants and benefits.

(iii) Regulation

This program group includes maintaining fair trading and safe work regulatory regimes through market engagement and education, policy and legislation, licencing and authorisations, investigations, enforcement and interventions.

(iv) ICT, digital and innovation

The ICT, digital and innovation program group includes the provision of services related to whole-of-government strategies to achieve improved value in service delivery from ICT, collaboration and digital transformation in New South Wales.

(v) Government Services

The government services program group includes the provision of whole-of-government procurement improvements, corporate and shared services on behalf of multiple agencies, maintenance of sandstone heritage works and hydraulic laboratory services for the New South Wales water industry and related sectors.

(vi) Personnel Services

This program group provides personnel services to agencies within the Finance, Services and Innovation Cluster.

6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2018	2017
	\$'000	\$'000
Cash at bank and on hand	149,451	224,757
Motor vehicle reserve (refer Note 7)	31,892	29,965
Special purpose funds (refer Note 29)	315,492	282,600
	496,835	537,322

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:

	2018	2017
	\$'000	\$'000
Cash and cash equivalents (per Statement of Financial Position)	496,835	537,322
Closing cash and cash equivalents (per Statement of Cash Flows)	496,835	537,322

Refer to Note 34 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. RESTRICTED ASSETS

	2018	2017
	\$'000	\$'000
Motor vehicle reserve	31,892	29,965

The purpose of Motor vehicle reserve is to manage the residual risk of the fleet. The deposits from StateFleet are generally risk fees, overdue penalties and excess kilometre charges from client agencies. The Reserve Account target balance is \$10 million with an operating range of plus or minus \$10 million. Any Reserve Account funds in excess of \$20 million as at 31 December and 30 June are paid to Crown Entity. DFSI recognised a liability of \$11.9m million as at 30 June 2018 (30 June 2017: \$9.9 million).

8. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

	2018	2017
	\$'000	\$'000
Current		
Accrued bank interest	20	2,487
Long service leave reimbursable by the Crown Entity	56	44,000
Work in Progress (i)	9,949	3,636
Employee provisions recoverable from other government agencies	9,168	16,177
Accrued income	54,824	36,810
Prepayments	14,400	12,129
Other	13,587	10,826
	102,004	126,065
Sale of goods and services	164,463	166,524
Less: Allowance for impairment	(12,077)	(12,493)
	152,386	154,031
Retained taxes, fees and fines	23,955	39,685
Less: Allowance for impairment	(21,716)	(20,427)
	2,239	19,258
Total Current Receivables	256,629	299,354
Non-Current		
Defined Benefit Super Schemes (Note 20)	1,420	-
Total Non-Current Receivables	1,420	-
<i>Movement in the allowance for impairment</i>		
	2018	2017
	\$'000	\$'000
<u>Sale of goods and services - allowance for impairment</u>		
Balance at beginning of year	12,493	6,036
Amounts written off	(10)	(330)
Amounts recovered	28	1
Increase/(decrease) in allowance recognised in profit or loss	(434)	6,786
Balance at end of year	12,077	12,493
<u>Retained taxes, fees and fines - allowance for impairment</u>		
Balance at beginning of year	20,427	19,093
Amounts transferred in due to administrative restructure	-	-
Amounts written off	-	-
Increase/(decrease) in allowance recognised in profit or loss	1,289	1,334
Balance at end of year	21,716	20,427

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 34.

Recognition and Measurement

Receivables

Receivables, including trade receivables, prepayments etc. are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Impairment

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

DFSI first assesses whether impairment exists individually for receivables that are individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

The amount of the allowance is the difference between the asset's carrying amount and the present value estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

Work in Progress

The amounts due from customers for contract work are disclosed as an asset and the amount due to customers for contract work as a liability. Accordingly, amounts due from customers is shown as Work in Progress in Current Assets and amount due to customers is shown as Advance Claims in Current Liabilities.

(i) Work in Progress

DFSI acts as the principal in contracts for construction works undertaken for clients. The role of DFSI includes the payment of contractors on the clients' behalf.

Work in Progress represents the cost of all works in progress less progress billings to clients and is net of a provision for uncollectable work in progress of \$2.505 million (30 June 2017: \$7.273 million). At 30 June 2018, work in the ground was valued at \$8.003 million (30 June 2017: \$10.347 million) and this accrual is reflected in current liabilities (refer Note 15).

The contract conditions allow DFSI to require performance bonds from the contractors in the form of cash deposit, unconditional bank guarantee or insurance bonds to cover DFSI against losses that may arise from uncompleted or faulty jobs.

The amounts due from customers for contract work are disclosed as an asset (Work in Progress) and the amount due to customers for contract work as a liability (Advance Claim). Gross Work in Progress and billings to date are as follows:

	2018	2017
	\$'000	\$'000
Net work in progress	12,454	10,908
Allowance for uncollectable work in progress	(2,505)	(7,272)
Work in progress as per Statement of Financial Position	9,949	3,636

Under the security of payment legislation, General Conditions of Contract AS 2124 and GC21 contracts, there are specific conditions relating to the payment of contractor claims for work completed. Penalties for failure to adhere to these conditions include payment of interest. To ensure contractual payment obligations are met, agreements have been made for major clients to pay according to a monthly cash flow determined on the basis of client funds being lodged in DFSI's bank account to facilitate the payment of contractors' claims. The advances received from clients are disclosed as a liability. Cash received against advance claims is \$8.256 million for 2018 (2017: \$3.650 million).

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

	2018	2017
	\$'000	\$'000
Advance Claims as per Statement of Financial Position (refer Note 15)	8,256	3,650

9. CURRENT / NON-CURRENT ASSETS - INVENTORIES

	2018	2017
	\$'000	\$'000
Current		
Finished goods held for distribution - at cost	50	86
Motor vehicle inventory held for resale	2,339	2,765
	2,389	2,851
Non-current		
Finished goods held for distribution - at cost	6,424	1,628

Recognition and Measurement

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost DFSI would incur to acquire the asset as at the end of the reporting period. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

10. **NON-CURRENT ASSETS HELD FOR SALE**

	2018	2017
	\$'000	\$'000
Current		
Central Register of Restrictions Land Assets	7,410	-
	7,410	-

Central Register of Restrictions (CRR) Land Assets are acquired via Treasury Grant funding, under the CRR repatriation scheme, and are held for immediate resale. The full proceeds of the sale, net of selling costs are returned to the Crown entity.

Recognition and Measurement

DFSI 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.

11. **NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS**

	2018	2017
	\$'000	\$'000
Non-Current Assets		
Available-for-sale investments (i) & (ii)	42,705	40,922

- (i) DFSI represents the NSW Government on the Board of Public Sector Mapping Authority Ltd (PSMA). DFSI holds one share, but does not have control or significant influence on the policy and operations of PSMA Ltd. The Investment is disclosed at the cost of one dollar.
- (ii) DFSI holds 8,915,423 (30 June 2017: 8,915,423) ordinary shares in the capital of Property Exchange Australia Limited (formerly known as National E Conveyancing Development Limited) on behalf of the State of New South Wales, but does not have control or significant influence on the policy and operations of Property Exchange Australia Limited. The investment of \$42.7 million was last re-measured at fair value as at 30 June 2018.

Recognition and Measurement

Financial Assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the net result.

DFSI determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end. The classification depends on the nature and purpose of the financial assets.

- **Financial assets at fair value through profit or loss** - DFSI subsequently measures financial assets classified as “held for trading” or designated upon initial recognition “at fair value through profit or loss” at fair value. Gains or losses on these assets are recognised in the net result for the year. Financial assets are classified as “held for trading” if they are acquired for the purpose of selling in the near term.
- **Held to maturity investments** - Non-derivative financial assets with fixed or determinable payments and fixed maturity that DFSI has the positive intention and ability to hold to maturity are classified as “held to maturity”. These investments are measured at amortised cost using the effective interest method. Changes are recognised in the Statement of Comprehensive Income when impaired, derecognised or through the amortisation process.
- **Available-for-sale financial assets** - Any financial assets that do not fall into any other category are accounted for as available-for-sale financial assets and measured at fair value. Gains or losses on available-for-sale financial assets are recognised in other comprehensive income until disposed or impaired, at which time

the cumulative gain or loss previously recognised in other comprehensive income is recognised in the net result for the year. However, interest calculated using the effective interest method and dividends are recognised in the net result for the year.

- **Loans and Receivables** - Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date i.e. the date the entity commits itself to purchase or sell the asset.

Impairment of Financial Assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

When an available-for-sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the net result for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as "available-for-sale" must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

Derecognition of Financial Assets

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

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

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

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

	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Total \$'000
Fair value					
At 1 July 2017					
Gross carrying amount	44,712	138,984	560,633	84,033	828,362
Accumulated depreciation and impairment	(1,910)	(104,193)	(226,355)	(41,507)	(373,965)
Net carrying amount	42,802	34,791	334,278	42,526	454,397
30 June 2018					
Gross carrying amount	48,812	155,167	349,505	98,869	652,353
Accumulated depreciation and impairment	(2,512)	(109,024)	(173,254)	(46,162)	(330,952)
Net carrying amount	46,300	46,143	176,251	52,707	321,401

Reconciliation

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

30 June 2018	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Total \$'000
Net carrying amount at beginning of year	42,802	34,791	334,278	42,526	454,397
Additions	5,484	31,008	-	19,728	56,220
Transfers to Motor Vehicle Inventory	-	-	(88,402)	-	(88,402)
Reclassification	-	(1,912)	-	(77)	(1,989)
Depreciation expense	(602)	(16,466)	(69,625)	(9,392)	(96,085)
Disposals/Write-offs	(1,384)	(1,278)	-	(78)	(2,740)
Net carrying amount at end of year	46,300	46,143	176,251	52,707	321,401
	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Total \$'000
Fair value					
At 1 July 2016					
Gross carrying amount	38,337	130,586	735,456	68,425	972,804
Accumulated depreciation and impairment	(1,308)	(98,182)	(216,643)	(36,911)	(353,044)
Net carrying amount	37,029	32,404	518,813	31,514	619,760
At 30 June 2017					
Gross carrying amount	44,712	138,984	560,633	84,033	828,362
Accumulated depreciation and impairment	(1,910)	(104,193)	(226,355)	(41,507)	(373,965)
Net carrying amount	42,802	34,791	334,278	42,526	454,397

30 June 2017	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Total \$'000
Net carrying amount at beginning of year	37,029	32,404	518,813	31,514	619,760
Additions	6,375	41,686	6,306	3,021	57,388
Transfers to Motor Vehicle Inventory	-	-	(80,590)	-	(80,590)
Reclassification	-	(21,301)	-	16,609	(4,692)
Depreciation expense	(602)	(17,630)	(110,251)	(7,733)	(136,216)
Disposals/Write-offs	-	(368)	-	(885)	(1,253)
Net carrying amount at end of year	42,802	34,791	334,278	42,526	454,397

The net carrying amount of Service Concession plant and equipment assets at 30 June 2018 is \$2.32m (2017: \$2.91m).

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 14.

Recognition and Measurement

Acquisitions of Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

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 (see also assets transferred as a result of an administrative restructure - Note 22).

Capitalisation Thresholds

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

Major Inspection Costs

When a major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

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 of Property, Plant and Equipment

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to DFSI.

All material identifiable components of assets are depreciated separately over their useful lives. Land is not a depreciable asset.

The depreciation rates used for 2017/18 for each class of assets are:

<i>Land and Buildings</i>	
Buildings and improvements	2.5% to 3.8%
<i>Plant and Equipment</i>	
Mainframe computers and major computer systems	25.0%
Computer equipment - portable	33.0%
Furniture and fittings	10.0%
Office equipment	10.0% to 20.0%
Motor vehicles	20.0%
Leasehold improvements	5.0% to 33.3%

Finance leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and rewards.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Property, plant and equipment acquired under finance leases are depreciated over the asset's useful life. However, if there is no reasonable certainty that the lessee entity will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

DFSI's fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach and income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 13 for further information regarding fair value.

Revaluation shall be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. DFSI conducts a comprehensive revaluation of land and buildings every three years. The last comprehensive revaluation was completed on 30 June 2016 and was based on an independent assessment. Other non-current assets are assessed by management to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the end of the reporting period.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. DFSI used an external professionally qualified valuer to conduct the interim revaluation at 30 June 2018. The interim revaluation did not result in a material change in the fair value of the land and buildings.

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

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result. Revaluation decrements are recognised immediately as a loss in the net result, except 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.

Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

DFSI assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, DFSI estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset. 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 net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in the net result, a reversal of that impairment loss is also recognised in net result.

13. INTANGIBLE ASSETS

	2018 \$'000	2017 \$'000
Software		
Cost (gross carrying amount)	477,484	437,193
Accumulated amortisation and impairment	(327,663)	(300,530)
Net carrying amount 30 June	149,821	136,663

Reconciliation

A reconciliation of the cost of each class of intangible assets at the beginning and end of the current and previous reporting period is set out below:

Software	30 June 2018 \$'000	30 June 2017 \$'000
Net carrying amount at beginning of year	136,663	145,901
Additions – Internally generated	55,780	26,301
Additions – Externally acquired	9,321	5,120
Disposals/Write-offs	(4,452)	(4,257)
Amortisation	(45,600)	(40,757)
Reclassification	(1,891)	4,355
Net carrying amount at end of year	149,821	136,663

The net carrying amount of Service Concession intangible assets at 30 June 2018 is \$8.74m (2017: \$10.94m).

Recognition and Measurement

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

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

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

DFSI's intangible assets (computer software) are amortised using the straight-line method over a period of four to 10 years. These rates remain unchanged from the previous year. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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

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*, DFSI 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 the entity can access at the measurement date
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

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

(a) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2018				
Land	-	33,601	-	33,601
Buildings	-	12,699	-	12,699
Net carrying amount	-	46,300	-	46,300
30 June 2017				
Land	-	32,776	-	32,776
Buildings	-	10,026	-	10,026
Net carrying amount	-	42,802	-	42,802

There were no transfers between Level 1 or 2 during the year (2017: Nil).

(b) Valuation techniques, inputs and processes used to determine Level 2 and Level 3 Fair Values

DFSI obtains independent valuations for its land and buildings every three years. The last revaluation was completed on 30 June 2016.

At the end of each reporting period, DFSI updates its assessment of the fair value of its land and buildings, taking into account the most recent independent valuation.

The fair value of DFSI's land and buildings is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where such information is not available, the asset's fair value is measured at the market buying price, the best indicator of which is depreciated replacement cost. The level 2 fair value of land and buildings has been derived using the market approach. The key inputs under this approach are from the sales of comparable land and buildings in the area.

15. **CURRENT LIABILITIES - PAYABLES**

	2018	2017
	\$'000	\$'000
Accrued salaries, wages and on-costs	10,601	6,982
Creditors	187,041	153,901
Advance claims (refer Note 8(i))	8,256	3,650
Amounts due to contractors for work in progress (refer Note 8(i))	8,003	10,347
Prepaid income	36,239	43,440
Other	11,030	16,948
	261,170	235,268

Refer Note 34 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 DFSI 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.

Work in Progress

The amounts due from customers for contract work are disclosed as an asset and the amount due to customers for contract work as a liability. Accordingly, amounts due from customers is shown as Work in Progress in Current Assets and amount due to customers is shown as Advance Claims in Current Liabilities.

16. **CURRENT / NON-CURRENT LIABILITIES - BORROWINGS**

	2018	2017
	\$'000	\$'000
Current Liabilities		
TCorp borrowings	135,927	153,991
Non-Current Liabilities		
TCorp borrowings	69,615	215,211
Total Borrowings	205,542	369,202

DFSI has a loan facility with TCorp with a limit of \$650 million (30 June 2017: \$650 million) to fund the StateFleet Leasing Arrangement. Each month funds are drawn from this facility to cover the purchase price of motor vehicles purchased during the previous month. Monthly settlement of principal and interest are made in respect of loan funds drawn down in prior months based on repayment schedules calculated according to individual vehicle lease terms, residuals and capital costs. The monthly settlement also includes repayment of outstanding principal for vehicles disposed of during the preceding month. Borrowings are recognised at amortised cost using the effective interest method in AASB 139 *Financial Instruments: Recognition and Measurement*.

On 1 July 2016, StateFleet was decommissioned and replaced with a new fleet supply model. The new model consists of a panel of private sector fleet management providers and a separate panel of lessors. Since the decommissioning of StateFleet, the new panel of lessors provide the capital funding to purchase new vehicles for each agency. The existing government owned fleet is being retained and, as the leases underpinning the motor vehicles expire over a five-year period, the fleet is being sold down over that time. Accordingly, the T-Corp borrowings will decline as the motor vehicle fleet is run down.

Out of this facility, \$205.5 million was utilised as at 30 June 2018 (30 June 2017: \$369 million).

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 34.

Recognition and Measurement

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest method. Gains or losses are recognised in the net result for the year on de-recognition.

Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially recognised at fair value plus, in the case of financial guarantees not at fair value through profit or loss, directly attributable transaction costs, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised, less accumulated amortisation, where appropriate.

The entity has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2018 and as at 30 June 2017. However, refer to Note 25 regarding disclosures on contingent liabilities.

17. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

	2018	2017
	\$'000	\$'000
Current		
Employee benefits and related on-costs		
Annual leave	45,855	41,523
Long service leave (i)	43,760	88,073
Other on-costs	31,707	26,551
	121,322	156,147
Other Provisions		
Provision for outstanding claims	9,349	4,661
Make good provisions	1,687	5,054
Other	556	1,785
	11,592	11,500
Total Current Provisions	132,914	167,647
Non-Current		
Long service leave (i)	2,019	3,545
Defined Benefit Super Schemes (Note 20)	6,759	-
Make good provisions	11,782	7,456
Other	3,797	3,800
Total Non-Current Provisions	24,357	14,801
Total Provisions	157,271	182,448

	2018	2017
	\$'000	\$'000
Aggregate employee benefits and related on-costs		
Provisions	130,100	159,692
Accrued salaries, wages and on-costs (Note 15)	10,601	6,982
	140,701	166,674
Employee benefits expected to be settled within 12 months from reporting date		
Annual leave	41,270	37,478
Long service leave	3,937	8,283
	45,207	45,761
Employee benefits expected to be settled in more than 12 months from reporting date		
Annual leave	4,585	4,045
Long service leave	39,823	79,790
	44,408	83,835
Movements in provisions (other than employee benefits)		
Movements in each class of provision during the year, other than employee benefits, are set out below:		
Provision for outstanding claims		
Carrying amount as at beginning of year	4,661	4,661
Increase/(decrease) in provision from remeasurement	4,688	-
Carrying amount at end of year	9,349	4,661
Make good provisions		
Carrying amount as at beginning of year	12,510	14,188
Increase/(decrease) in provision from remeasurement	959	(1,678)
Carrying amount at end of year	13,469	12,510
Other provisions		
Carrying amount as at beginning of year	5,585	-
Increase/(decrease) in provision from remeasurement	(1,232)	5,585
Carrying amount at end of year	4,353	5,585

(i) In June 2018, The Treasurer approved \$31.95 million, nominal value, of DFSI employee liabilities to be transferred to the Crown, effective 1 March 2018. The Present value of the liabilities shift to Treasury is equal to \$44.06 million.

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 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. DFSI has assessed the actuarial advice based on the DFSI'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 DFSI does not expect to settle the liability within 12 months, as DFSI does not have an unconditional right to defer settlement.

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

Long Service Leave and Superannuation

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, in accordance with *AASB 119 Employee Benefits*. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of services (specified in NSWTC 15/09) to employees with five or more years of service, using current rates of pay. Expected future payments are discounted using Commonwealth government bond rate at the reporting date. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

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

Long Service Leave and Superannuation Liabilities Assumed by the Crown Entity

DFSI's liabilities for long service leave are assumed by the Crown Entity, except for Long Service Corporation, Subsidence Advisory NSW and SIRA.

DFSI's liabilities for defined benefit superannuation for all entities are assumed by the Crown Entity, except for Long Service Corporation.

DFSI accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long Service Leave Funded by DFSI

Long service leave for the commercial activities of DFSI are funded by DFSI and are not assumed by the Crown Entity.

The cost of employee entitlements for long service leave, relating to the commercial operations of DFSI, with the exception of the remaining functions of the former Land and Property Information, is met by the payment of a contribution based on salaries and wages to the Crown Entity. The payment is made into the "Non-Budget Sector Long Service Leave Pool Scheme" and leave taken is reimbursed from the Scheme.

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.

Other Provisions

Provisions are recognised when DFSI has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When DFSI 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 DFSI 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.

18. SERVICE CONCESSION LIABILITIES

	2018	2017
	\$'000	\$'000
Current		
Deferred Revenue – Service Concession	77,221	77,145
	77,221	77,145
Non-Current		
Deferred Revenue – Service Concession	2,548,284	2,622,961
	2,548,284	2,622,961

Recognition and Measurement

Service Concession Arrangement

On 12 April 2017, the State entered into a 35 year concession with the private sector to facilitate the provision of land titling and registry services. Under the concession, the State received an up-front contribution of \$2,622 million, which was repatriated to the Restart NSW Fund, and transferred employee liabilities to the private sector operator.

ICT and other assets necessary to operate the concession have legally transferred to the private sector operator and legal ownership of these assets reverts to the State at the end of the concession. The State continues to own all existing and underlying data, information and intellectual property related to titling and registry services and provides access to these assets to the operator.

The concession is classified as a service concession arrangement. As the grantor of the service concession, DFSI recognises the up-front contribution provided by the operator as revenue progressively over the concession term. Assets legally transferred to the operator are treated as controlled for accounting purposes by DFSI and recorded at their carrying values immediately prior to the concession commencement. Asset additions and disposals, recognised by the operator, following concession commencement, are recognised by DFSI as assets and deferred revenue liability, over the remaining concession period. These service concession assets are depreciated or amortised over their useful lives.

19. CURRENT / NON-CURRENT LIABILITIES - OTHER

	2018	2017
	\$'000	\$'000
Current		
Contribution to Crown Entity	38,332	97,678
Liability to Consolidated Fund	-	12,051
Lease Incentive Liability	2,719	2,712
Torrens Assurance Fund and Ad Valorem Levy	10,218	9,873
Other	3,209	26,426
	54,478	148,740
Non-Current		
Lease Incentive Liability	3,525	3,745
Other	91	862
	3,616	4,607

20. DEFINED BENEFIT SUPERANNUATION SCHEMES

Following changes to Administrative Arrangements of Government, effective 1 January 2018, DFSI is responsible for superannuation payments of the staff that perform the functions of the Long Service Corporation.

An actuarial investigation of the Defined Benefits Superannuation is performed every three years, the most recent being performed as at 30 June 2018. The next actuarial investigation will be performed at 30 June 2021.

Following is the 30 June 2018 superannuation position of Long Service Corporation's defined benefits superannuation based on AASB 119:

	SASS 30-Jun-18	SANCS 30-Jun-18	SSS 30-Jun-18	TOTAL 30-Jun-18
Member Numbers				
Contributors	3	6	3	
Deferred benefits	-	-	2	
Pensioners	-	-	15	
Pensions fully commuted	-	-	6	
Superannuation Position for AASB 119 purposes	\$'000	\$'000	\$'000	\$'000
Accrued liability (Note 1)	1,766	432	22,052	24,250
Estimated reserve account balance	(2,933)	(685)	(15,293)	(18,911)
1. Deficit/(surplus)	(1,167)	(253)	6,759	5,339
2. Future Service Liability (Note 2)	196	61	84	341
3. Surplus in excess of recovery available from schemes (- 1. - 2. and subject to a minimum of zero)	-	-	-	-
4. Net (asset)/liability to be recognised in statement of financial position (1. + 3.)	(1,167)	(253)	6,759	5,339

Note 1: The accrued liability includes a contribution tax provision. This is calculated based on grossing up the deficit/(surplus) less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%.

Note 2: The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119 para 64). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed. (Note: this also includes a contribution tax provision).

Nature of the benefits provided by the fund – Para 139(a)(i)

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the Schemes are closed to new members.

Description of the regulatory framework - Para 139(a)(ii)

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *Police Regulation (Superannuation) Act 1906*, *State Authorities Non-Contributory Superannuation Act 1987*, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the *Commonwealth Superannuation Industry (Supervision) Act 1993* (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The most recent investigation was performed as at 30 June 2015. The actuary has commenced work on the 30 June 2018 investigation. Once completed, the report will be available on the Fund's website.

Description of other entities' responsibilities for the governance of the fund - Para 139(a)(iii)

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules
- Management and investment of the fund assets
- Compliance with other applicable regulations.

Description of risks - Para 139(b)

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- Investment risk - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- Longevity risk – The risk that pensioners live longer than assumed, increasing future pensions.
- Pension indexation risk – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit Fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Description of significant events - Para 139(c)

There were no fund amendments, curtailments or settlements during the year.

Reconciliation of the Net Defined Benefit Liability/(Asset) - Para 140(a)

	SASS Financial Year to 30 June 2018 \$'000	SANCS Financial Year to 30 June 2018 \$'000	SSS Financial Year to 30 June 2018 \$'000	Total Financial Year to 30 June 2018 \$'000
<i>Net Defined Benefit Liability/(Asset) at start of year</i>	(913)	(211)	8,094	6,970
Current service cost	97	22	69	188
Net Interest on the net defined benefit liability/(asset)	(25)	(6)	211	180
Past service cost	-	-	-	-
(Gains)/losses arising from settlements	-	-	-	-
Actual return on Fund assets less Interest income	(187)	(40)	(853)	(1,080)
Actuarial (gains)/losses arising from changes in demographic assumptions	(9)	(2)	139	128
Actuarial (gains)/losses arising from changes in financial assumptions	4	1	(101)	(96)
Actuarial (gains)/losses arising from liability experience	(8)	2	(724)	(730)
Adjustment for effect of asset ceiling	-	-	-	-
Employer contributions	(126)	(19)	(76)	(221)
Effects of transfers in/out due to business combinations and disposals	-	-	-	-
<i>Net Defined Benefit Liability/(Asset) at end of year</i>	(1,167)	(253)	6,759	5,339

Reconciliation of the Fair Value of Fund Assets – Para 140(a)(i)

	SASS Financial Year to 30 June 2018 \$'000	SANCS Financial Year to 30 June 2018 \$'000	SSS Financial Year to 30 June 2018 \$'000	Total Financial Year to 30 June 2018 \$'000
<i>Fair value of Fund assets at beginning of year</i>	3,330	722	14,885	18,937
Interest income	85	18	381	484
Actual return on Fund assets less Interest income	187	40	853	1,080
Employer contributions	126	19	76	221
Contributions by participants	38	-	33	71
Benefits paid	(813)	(97)	(1,015)	(1,925)
Taxes, premiums & expenses paid	(20)	(17)	80	43
Transfers in/out due to business combinations and disposals	-	-	-	-
Contributions to accumulation section	-	-	-	-
Settlements	-	-	-	-
Exchange rate changes	-	-	-	-
<i>Fair value of Fund assets at end of year</i>	2,933	685	15,293	18,911

Reconciliation of the Defined Benefit Obligation – Para 140(a)(ii)

	SASS Financial Year to 30 June 2018 \$'000	SANCS Financial Year to 30 June 2018 \$'000	SSS Financial Year to 30 June 2018 \$'000	Total Financial Year to 30 June 2018 \$'000
<i>Present value of defined benefit obligations at beginning of year</i>	2,417	511	22,979	25,907
Current service cost	97	22	69	188
Interest cost	60	12	592	664
Contributions by participants	38	-	33	71
Actuarial (gains)/losses arising from changes in demographic assumptions	(9)	(2)	139	128
Actuarial (gains)/losses arising from changes in financial assumptions	4	1	(101)	(96)
Actuarial (gains)/losses arising from liability experience	(8)	2	(724)	(730)
Benefits paid	(813)	(97)	(1,015)	(1,925)
Taxes, premiums & expenses paid	(20)	(17)	80	43
Transfers in/out due to business combinations and disposals	-	-	-	-
Contributions to accumulation section	-	-	-	-
Past service cost	-	-	-	-
Settlements	-	-	-	-
Exchange rate changes	-	-	-	-
<i>Present value of defined benefit obligations at end of year</i>	1,766	432	22,052	24,250

Reconciliation of the effect of the Asset Ceiling - Para 140(a)(iii)

	SASS Financial Year to 30 June 2018 \$'000	SANCS Financial Year to 30 June 2018 \$'000	SSS Financial Year to 30 June 2018 \$'000	Total Financial Year to 30 June 2018 \$'000
Adjustment for effect of asset ceiling at beginning of year	-	-	-	-
Interest on the effect of asset ceiling	-	-	-	-
Change in the effect of asset ceiling	-	-	-	-
Adjustment for effect of asset ceiling at end of year	-	-	-	-

The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to the entity in the form of reductions in future employer contributions.

Fair value of Fund assets - Para 142

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

As at 30 June 2018

Asset category	Total (\$'000)	Quoted prices in active markets for identical assets		
		Level 1 (\$'000)	Significant observable inputs Level 2 (\$'000)	Unobservable inputs Level 3 (\$'000)
Short Term Securities	4,401,164	2,185,469	2,215,695	-
Australian Fixed Interest	2,234,921	41,854	2,193,068	-
International Fixed Interest	1,396,107	8,116	1,387,991	-
Australian Equities	9,271,405	8,719,442	548,908	3,055
International Equities	10,891,350	8,499,476	2,391,501	373
Property	3,711,287	788,018	608,934	2,314,335
Alternatives	9,894,829	420,897	5,332,818	4,141,113
Total	41,801,063	20,663,272	14,678,915	6,458,876

The percentage invested in each asset class at the reporting date is:

As at	30 June 18
Short Term Securities	10.5%
Australian Fixed Interest	5.3%
International Fixed Interest	3.3%
Australian Equities	22.2%
International Equities	26.1%
Property	8.9%
Alternatives	23.7%
Total	100.0%

- Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.
- Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.
- Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such, managers make limited use of derivatives.

Fair value of entity's own financial instruments - Para 143

The disclosures below relate to total assets of the Pooled Fund.

The fair value of the Pooled Fund assets as at 30 June 2018 includes \$97.7 million in NSW government bonds.

Of the direct properties owned by the Pooled Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Pooled Fund with a fair value of \$280 million (30 June 2017: \$250 million)
- Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value (100% interest) of \$287 million (30 June 2017: \$261 million).

Significant Actuarial Assumptions at the Reporting Date - Para 144

As at	30 June 18
Discount rate	2.65%
Salary increase rate (excluding promotional increases)	2.7% pa for 2018/19; 3.2% pa thereafter.
Rate of CPI increase	2.25% pa for 2018/19 and 2019/20; 2.5% pa thereafter.
Pensioner mortality	The pensioner mortality assumptions are those to be used for the 2018 actuarial investigation of the Pooled Fund. These assumptions will be disclosed in the actuarial investigation report which will be available on the Trustee's website when the investigation is complete. The report will show the pension mortality rates for each age. Alternatively, the assumptions are available on request from the Trustee.

Sensitivity Analysis - Para 145

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2018.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

	Base Case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	as above	as above -1.0% pa	as above +1.0% pa
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	24,249	28,064	21,150

	Base Case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	24,249	25,996	22,659

	Base Case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation (\$'000)	24,249	24,317	24,180

	Base Case	Scenario G Lower Mortality*	Scenario H Higher Mortality**
Defined benefit obligation (\$'000)	24,249	24,629	23,982

*Assumes the short term pensioner mortality improvement factors for years 2018-2023 also apply for years after 2023.

**Assumes the long term pensioner mortality improvement factors for years post 2023 also apply for the years 2018 to 2023.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability matching strategies - Para 146

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Funding arrangements - Para 147(a)

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

Surplus/deficit

The following is a summary of the 30 June 2018 financial position of the Fund calculated in accordance with AASB 1056 Accounting Standard "Superannuation Entities":

	SASS	SANCS	SSS	Total
	30-Jun-18	30-Jun-18	30-Jun-18	30-Jun-18
	\$'000	\$'000	\$'000	\$'000
Accrued benefits*	1,785	434	11,820	14,039
Net market value of Fund assets	(2,933)	(685)	(15,293)	(18,911)
<i>Net (surplus)/deficit</i>	<i>(1,148)</i>	<i>(251)</i>	<i>(3,473)</i>	<i>(4,872)</i>

*There is no allowance for a contribution tax provision within the Accrued Benefits figure for AASB 1056. Allowance for contributions tax is made when setting the contribution rates.

Contribution recommendations

	SASS	SANCS	SSS
	Multiple of Member Contributions	% of Member Salary	Multiple of Member Contributions
Recommended contribution rates for the entity are	2.1	2.5	2.1

Economic assumptions

The economic assumptions adopted for 30 June 2018 AASB 1056 Accounting Standard "Superannuation Entities" are (these assumptions are consistent with the assumptions to be used for the 2018 actuarial investigation of the Pooled Fund):

Weighted-Average Assumptions	
Expected rate of return on Fund assets backing current pension liabilities	7.4% pa
Expected rate of return on Fund assets backing other liabilities	6.4% pa
Expected salary increase rate (excluding promotional salary increases)	2.7% pa for 2018/19; 3.2% pa thereafter
Expected rate of CPI increase	2.2% pa

Expected contributions - Para 147(b)

	SASS	SANCS	SSS	Total
	Financial Year to 30 June 2019	Financial Year to 30 June 2019	Financial Year to 30 June 2019	Financial Year to 30 June 2019
	\$'000	\$'000	\$'000	\$'000
Expected employer contributions	55	14	63	132

Maturity profile of defined benefit obligation - Para 147(c)

The weighted average duration of the defined benefit obligation is 13.2 years.

Appendix 3
Additional Information 30 June 2018

Profit or Loss Impact

	SASS Financial Year to 30 June 2018 \$'000	SANCS Financial Year to 30 June 2018 \$'000	SSS Financial Year to 30 June 2018 \$'000	Total Financial Year to 30 June 2018 \$'000
Current service cost	97	22	69	188
Net interest	(26)	(6)	212	180
Past service cost	-	-	-	-
(Gains)/Loss on settlement	-	-	-	-
<i>Profit or loss component of the Defined Benefit Cost</i>	71	16	281	368

Other Comprehensive Income

	SASS Financial Year to 30 June 2018 \$'000	SANCS Financial Year to 30 June 2018 \$'000	SSS Financial Year to 30 June 2018 \$'000	Total Financial Year to 30 June 2018 \$'000
Actuarial (gains) losses on liabilities	(13)	2	(685)	(696)
Actual return on Fund assets less Interest income	(187)	(40)	(855)	(1,082)
Change in the effect of asset ceiling	0	0	0	0
<i>Total remeasurement in Other Comprehensive Income</i>	(200)	(38)	(1,540)	(1,778)

As at 30 June 2017

Nil balance, all transferred out 29 June 2015

As part of the 2016 budget process NSW Treasury and DFSI agreed to the transfer of the net liability of defined benefit superannuation schemes held as at 1 July 2015. The value of the liability that was transferred was \$856 million. The proposed transfer of liability is consistent with current policy to consolidate and centrally manage General Government sector employee liabilities within the Crown and was approved by the Treasurer on 29 June 2015.

21. DISCONTINUED OPERATIONS

Year ended 30 June 2018

There were no discontinued operations during the 2018 financial year.

Year ended 30 June 2017

The discontinued operations during the 2017 financial year are as follows:

(a) Description

On 12 April 2017, the State entered into a 35 year concession with the private sector to facilitate the provision of land titling and registry services. Under the concession, the State received an up-front contribution of \$2,622 million, which was repatriated to the Restart NSW Fund, and transferred employee liabilities to the private sector operator. As a result, the existing Titling & Registry Services (TRS) business has been reported as a discontinued operation. However, assets legally transferred to the operator are treated as controlled for accounting purposes by DFSI and accordingly, are recorded in the Department's balance sheet at their carrying values immediately prior to the concession commencement. Movements in the carrying balance of assets, following the transfer to the operator, are reflected in DFSI asset values. DFSI's reflection of the operator's asset values, includes a reflection of the additions, disposals and the depreciation and amortisation of assets.

The results of the existing TRS business have been separately disclosed and the comparative financial information in the Statement of Comprehensive Income has been restated to present the TRS business as a discontinued operation.

(b) Financial performance and cashflow information

	<u>2017</u> <u>\$'000</u>
Expenses excluding losses	
Operating Expenses	
Employee related	40,012
Other operating expenses	24,760
Depreciation and amortisation	9,145
Grants and subsidies	-
Total Expenses excluding losses	<u>73,917</u>
Revenue	
Transfers to the Crown Entity	(114,072)
Sale of goods and services	200,496
Acceptance by the Crown Entity of employee benefits and other liabilities	2,049
Other revenue	173
Total Revenue	<u>88,646</u>
Gain/(loss) on disposal	(980)
Other gains/(losses)	(366)
	<u>(1,346)</u>
Profit/(loss) from discontinued operations	<u>13,383</u>
Cash flows from Discontinued Operations	
Net cash inflow from operating activities	23,508
Net cash inflow from investing activities	(10,125)
	<u>13,383</u>

22. INCREASE/DECREASE IN NET ASSETS FROM EQUITY TRANSFERS

Year ended 30 June 2018

	Data Analytics Centre transfer to Treasury	Tow Trucks Industry Fund	Long Service Corporation	Total
	(a) \$'000	(b) \$'000	(c) \$'000	\$'000
Current Assets				
Cash and cash equivalents	-	8,708	-	8,708
Receivables	(1,722)	-	3,351	1,629
Total Current Assets	(1,722)	8,708	3,351	10,337
Non Current Assets				
Receivables	-	-	5,844	5,844
Property, plant and equipment	(744)	-	-	(744)
Total Non Current Assets	(744)	-	5,844	5,100
TOTAL ASSETS	(2,466)	8,708	9,195	15,437
Current Liabilities				
Provisions	366	-	(3,351)	(2,985)
Total Current Liabilities	366	-	(3,351)	(2,985)
Non Current Liabilities				
Provisions	-	-	(5,844)	(5,844)
Total Non Current Liabilities	-	-	(5,844)	(5,844)
TOTAL LIABILITIES	366	-	(9,195)	(8,829)
Increase/(Decrease) in Net Assets from Equity Transfer	(2,100)	8,708	-	6,608

- (a) Transfer of Data Analytics Centre to Treasury effective 1 January 2018, by Order of; *Administrative Arrangements (Administration Changes – Miscellaneous) Order 2017* Published 22 December 2017.
- (b) Tow Trucks Industry Fund from Roads and Maritime Services to Fair Trading, effective 1 January 2018 by Order of; *Administrative Arrangements (Administration Changes – Miscellaneous) Order 2017* Published 22 December 2017.
- (c) Transfer in of Long Service Corporation Personnel Services from Treasury, effective 1 January 2018 by Order of; *Administrative Arrangements (Administration Changes – Miscellaneous) Order 2017* Published 22 December 2017.

Year ended 30 June 2017

	Titling and Registry Services Service Concession Arrangement (a)	Transfer of Plant and Equipment to Office of Environment and Heritage (b)	Total
	\$'000	\$'000	\$'000
Current Assets			
Cash and cash equivalents	(2,622,822)	-	(2,622,822)
Total Current Assets	(2,622,822)	-	(2,622,822)
Non Current Assets			
Property, plant and equipment	-	(3,517)	(3,517)
Total Non Current Assets	-	(3,517)	(3,517)
TOTAL ASSETS	(2,622,822)	(3,517)	(2,626,339)
Current Liabilities			
Provisions	(59,477)	-	(59,477)
Total Current Liabilities	(59,477)	-	(59,477)
TOTAL LIABILITIES	(59,477)		(59,477)
Increase/(Decrease) in Net Assets from Equity Transfer	(2,682,299)	(3,517)	(2,685,816)

- (a) Transfer of defined benefit superannuation liabilities from the Crown Entity and repatriation of upfront cash concession contribution to Treasury, which was paid directly to Restart NSW.
- (b) Transfer of constructed asset paid for by agency outside of consolidated group.

Recognition and Measurement

Revaluation Surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the agency's policy on the revaluation of property, plant and equipment as discussed in Note 12 – Non-current Assets – Property, plant and equipment

Accumulated Funds

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

Reserves

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

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, DFSI

recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, DFSI does not recognise that asset.

Negative Equity

The 30 June 2018 net liabilities are \$2,014 million (30 June 2017: net liabilities of \$2,167 million). The negative equity is only considered to be a balance sheet issue and has no cash impact on the operations of DFSI. The reason for the significant negative equity is due to the 35 year concession with the private sector entered into on 30 June 2017 so as to facilitate the provision of land titling and registry services occurring on 30 June 2017. The transaction resulted in unearned revenue of \$2,700 million being recognised as a liability and an equity transfer to Treasury of \$2,622 million (refer Note 3(j)) for the repatriation of cash concession contribution to Treasury. There is no going concern issue arising from the negative equity balance as DFSI is funded by Treasury to meet all and any of its obligations due and payable.

23. COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

	2018	2017
	\$'000	\$'000
Aggregate capital expenditure for the acquisition of information technology equipment and other equipment contracted for at balance date and not provided for:		
Not later than one year	18,871	5,553
Later than one year and not later than five years	94	-
Total (including GST)	18,965	5,553

(b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	60,144	54,979
Later than one year and not later than five years	189,129	187,311
Later than five years	66,329	115,453
Total (including GST)	315,602	357,743

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

Property Leases

Accommodation leases are entered into with Property NSW (formerly known as Government Property NSW). The term of accommodation leases range from two to ten years with the option for renewal for further terms. The lease agreement allows the lessor to review rents on specified dates. There is no option for the purchase of buildings at the expiry of the lease term. Recurrent outgoings including cleaning, electricity, rates, management fees and public liability insurance is the responsibility of DFSI and all repairs and maintenance of a structural or capital nature is the responsibility of the lessor.

Equipment Leases

DFSI leases equipment, including document reproduction machines and scanning machines, from private sector companies. The lease term is generally five years with the option for renewal for a further term. An early termination fee is applicable for termination of the contract before the expiry of the contract term. There is no option for the purchase of equipment at the expiry of the lease term.

Data Centre Lease

As part of the Data Centre Reform Project the NSW Government entered into an Agreement for Lease and Service Deed with a third party contractor on 25 May 2012 to provide data capacity across the government sector. The lease term is 10 years and DFSI will manage this lease commitment on behalf of the State government. The cost of this commitment will be offset by Fees for Service recovered from other government agencies mandated to utilise the load capacity of the Data Centres.

24. LEASE REVENUE COMMITMENTS

	<u>2018</u>	<u>2017</u>
	<u>\$'000</u>	<u>\$'000</u>
Aggregate lease revenue for StateFleet motor vehicles:		
Not later than one year	39,080	92,690
Later than one year and not later than five years	12,444	52,010
Later than five years	-	-
Total (including GST)	<u>51,524</u>	<u>144,700</u>

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

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

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

25. CONTINGENT ASSETS AND LIABILITIES

(a) Contingent Assets

Shared Services contracts

DFSI may be entitled to a refund if it is determined that the services it receives during the assessment period were lower than the estimated volumes outlined in the contracts. The amounts cannot be accurately determined as the assessment period is based on the calendar year.

DFSI is not aware of any further contingent assets as at reporting date.

(b) Contingent Liabilities

Shared Services contracts

DFSI may be liable for additional payments if it is determined that the services it receives during the assessment period exceed the estimated volumes outlined in the contracts. The amounts cannot be accurately determined as the assessment period is based on the calendar year.

Insurance Claims

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

DFSI 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 DFSI (refer Note 29). There are 18 claims against the Torrens Assurance Fund which are estimated to be \$12.773 million.

DFSI is not aware of any further contingent liabilities as at reporting date.

26. BUDGET REVIEW

Net result

The actual net result for DFSI for 2018 is a surplus of \$134.5 million (2017: \$78.6 million surplus) which was favourable to the budgeted net result by \$80.9 million. The major variations to budgets are:

Total Revenue was \$3.9 million favourable to budget, mainly in grants and contributions and proceeds from sale of motor vehicles.

Appropriations decrease of \$78.4 million mostly due to Critical Communication Enhancement Program carry forward to 2018-19. The grants and contributions increase of \$167.9 million was largely due to a reclassification amount received from SIRA where the budget includes \$121 million in retained taxes while the actual amount is in grants and contributions.

Total Expenses were \$85.3 million favourable to budget, primarily due to reduced costs associated with particular grants, for example the Jobs Action Plan Payroll Tax Rebate and lower employee related costs.

Assets and liabilities

Net Liabilities: The actual net liability of \$2,022.5 million (2017: \$2,167.2 million net liabilities) was favourable to budget by \$120.1 million and was due to the transfer of employee liabilities to the Crown, effective 1 March 2018 and repayment of LPI dividend following Titling & Registry Services concession arrangement which was budgeted but not payable to the discontinued operations (refer to Note 21).

Total Assets were favourable to budget by \$155.7 million mainly due to increases in cash balances due to proactive collections of outstanding debts and recognition of assets held for sale relating to Central Register of Restrictions (refer to Note 10).

Total Liabilities were higher than budget by \$35.5 million due to the higher borrowings driven by timing differences in the wind down of Statefleet and higher payables, offset by transfer of employee liabilities to the Crown, effective 1 March 2018 and non payment of budgeted LPI dividend following Titling & Registry Services concession arrangement which was budgeted but not payable to the discontinued operations (refer to Note 21).

Cash flows

Net decrease in cash during the year is \$49.2 million compared to a budgeted net decrease in cash of \$76.2 million. The favourable variance of \$27.0 million driven by increased net cash inflows from operating activities.

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

	2018	2017
	\$'000	\$'000
Net cash used on operating activities	241,704	283,774
Depreciation and amortisation	(141,685)	(176,973)
Net gain/(loss) on sale of plant and equipment	(9,258)	(15,550)
Increase/(decrease) in receivables	(41,305)	15,959
(Increase)/decrease in inventories	(84,068)	(71,310)
(Increase)/decrease in payables	(25,902)	76,526
(Increase)/decrease in provisions	25,177	27,655
(Increase)/decrease in service concession liabilities	74,601	-
(Increase)/decrease in other liabilities	95,253	(61,517)
Net result	134,517	78,564

28. TRUST FUNDS

DFSI receives monies in a trustee capacity for various trusts. As DFSI performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of DFSI's own objectives, these funds are not recognised in the financial statements but are disclosed in as follows:

(a) Unclaimed Money Trust Accounts

30 June 2018

	Testamentary & Trust Common Fund	Testamentary & Trust Interest	Total
	\$'000	\$'000	\$'000
Cash balance at beginning of year	4,374	11,458	15,832
Add: Receipts	-	356	356
Less: Transfers to Crown	(11)	-	(11)
Cash balance at end of year	4,363	11,814	16,177

30 June 2017

	Testamentary & Trust Common Fund	Testamentary & Trust Interest	Total
	\$'000	\$'000	\$'000
Cash balance at beginning of year	4,345	11,189	15,534
Add: Receipts	29	269	298
Less: Transfers to Crown	-	-	-
Cash balance at end of year	4,374	11,458	15,832

Under Section 26 of the *Trustee Companies Act 1964* unclaimed monies are paid into the testamentary and trust common fund held by Revenue NSW. Interest received from investments from the common fund is credited to the interest account.

Companies liquidation represents amounts received from the disposal of property under Section 462 of the *Companies (New South Wales) Code*.

(b) State Debt Recovery (SDR) Client Funds Account - Fines

	2018	2017
	\$'000	\$'000
Cash balance at beginning of year	18,840	18,014
Add: Receipts	166,272	159,123
Less: Payments	(165,486)	(158,297)
Cash balance at end of year	19,626	18,840

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

(c) SDR Public Monies Accounts - Fines

	2018	2017
	\$'000	\$'000
Cash balance at beginning of year	30,687	27,692
Add: Receipts	354,762	322,591
Less: Payments	(356,632)	(319,596)
Cash balance at end of year	28,817	30,687

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

(d) SDR Civil Debt

	2018	2017
	\$'000	\$'000
Cash balance at beginning of year	392	574
Add: Receipts	18,297	18,198
Less: Payments	(18,477)	(18,380)
Cash balance at end of year	212	392

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

29. SPECIAL PURPOSE FUNDS ADMINISTERED BY THE DEPARTMENT OF FINANCE, SERVICES AND INNOVATION

These funds are included within DFSI's Statement of Financial Position.

	Motor Dealers Compensation Fund \$'000	Property Services Compensation Fund \$'000	Property Statutory Interest Account \$'000	Home Building Administration Fund \$'000	Torrens Assurance Fund \$'000	Tow Truck Industry Fund \$'000	NSW Consumer Law Fund \$'000	Total \$'000
2018								
Balance at beginning of year	16,698	9,622	225,055	21,352	9,873	-	60	282,660
Balance transferred in	-	-	-	-	-	8,708	-	8,708
Receipts	2,264	2,959	48,160	23,102	3,712	345	12	80,554
Expenditure	(1,451)	(3,962)	(33,988)	(13,662)	(3,367)	-	-	(56,430)
Balance at end of year	17,511	8,619	239,227	30,792	10,218	9,053	72	315,492
2017								
Balance at beginning of year	14,878	9,206	209,779	4,360	6,105	-	1	244,329
Receipts	1,820	3,120	44,880	35,647	3,831	-	59	89,357
Expenditure	-	(2,704)	(29,604)	(18,655)	(63)	-	-	(51,026)
Balance at end of year	16,698	9,622	225,055	21,352	9,873	-	60	282,660

The *Motor Dealers Act 1974* was repealed on 1 December 2014 and was replaced by the *Motor Dealers and Repairers Act 2013*. The *Motor Dealers and Repairers Act 2013* established the **Motor Dealers and Repairers Compensation Fund** to provide protection to persons who have suffered a loss in connection with a motor vehicle through their dealings with a motor dealer or a car-market operator. Licensing fees paid by full dealers and car-market operators finance the fund. Claims are usually made on the fund when a motor dealer ceases to trade either on a voluntary basis or a forced closure.

The *Property, Stock and Business Agents Act 2002* established the **Property Services Compensation Fund** which is supported by:

- (i) investment income earned on the investments of the fund
- (ii) contributions or levies paid by licensee
- (iii) other lawful receipts.

The money in the Compensation Fund is applied to:

- (i) payment of claims, as provided by the Act
- (ii) legal expenses in relation to claims, licensing objections and complaints for cancellation, incurred in relation to the Fund
- (iii) the expense involved in the administration of the Fund
- (iv) other lawful expenses.

The **Property Statutory Interest Account** is supported by interest earned on trust money held by real estate agents and investments made by DFSI.

The account is used to meet the costs of administering the *Property, Stock and Business Agents Act 2002* and various other Acts, supplement the Compensation Fund when required, pay grants to various government and non-government agencies and invest in schemes to provide residential accommodation.

The Home Building Administration Fund is supported by:

- (i) prescribed fees for contractor licences, registration certificates, owner-builder permits and building consultancy licences;
- (ii) investment income earned on the investments of the Fund; and
- (iii) other lawful receipts.

The money in the Home Building Administration Fund is applied to:

- (i) meeting the costs of operating the scheme;
- (ii) meeting the costs of administering the *Home Building Act 1989*; and
- (iii) the making of any authorised investments.

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

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 Fund 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:

- (i) all money received by or on account of the Secretary under this Act
- (ii) 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
- (iii) 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
- (iv) the proceeds of the investment of money in the Fund
- (v) 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:

- (i) all amounts required to meet expenditure incurred in the administration or execution of this Act and the regulations
- (ii) 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
- (iii) 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:

- (i) in such manner as may be authorised by the *Public Authorities (Financial Arrangements) Act 1987*, or
- (ii) 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.

The NSW Consumer Law Fund is supported by:

The *Fair Trading Act 1987* – Sect 79Y established the NSW Consumer Law Fund. The NSW Consumer Law Fund is to receive:

- (i) any pecuniary penalty ordered by a court under section 224 of the ACL to be paid to the State
- (ii) any amount ordered by a court under section 239 (1) of the ACL to be paid into the Fund
- (iii) the proceeds of the investment of money in the Fund
- (iv) 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:

- (i) money to non-party consumers in accordance with an order under section 239 (1) of the ACL
- (ii) special purpose grants for improving consumer well-being, consumer protection or fair trading
- (iii) administrative expenses incurred in relation to the Fund
- (iv) 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 *Public Authorities (Financial Arrangements) Act 1987*.

30. ADMINISTERED ASSETS AND LIABILITIES

	2018 \$'000	2017 \$'000
Administered Assets		
Licensing Fees	-	412
Taxes and fines receivable (i)	1,680,907	1,652,359
	<u>1,680,907</u>	<u>1,652,771</u>
Less:		
Allowance for impairment – taxes and fines (ii)	(298,316)	(305,783)
Amounts not meeting asset recognition criteria - fines	(26,232)	(48,173)
	<u>(324,548)</u>	<u>(353,956)</u>
Total Administered Assets	<u>1,356,359</u>	<u>1,298,815</u>
Administered Liabilities		
Penalties and Unclaimed Monies	-	651
Taxes and fines paid in advance / overpayments	36,942	40,864
Other (iii)	13,792	13,800
Total Administered Liabilities	<u>50,734</u>	<u>55,315</u>

(i) Taxes and fines receivable at 30 June 2018 includes \$132.1 million (30 June 2017: \$135.3 million) in time to pay arrangements with a finalisation date extending beyond 12 months.

(ii) *Movement in the allowance for impairment*

	2018	2017
	\$'000	\$'000
<u>Taxes and Fines</u>		
Balance at beginning of year	305,783	255,073
Increase in provisions	85,326	126,972
Amounts used during year	(92,793)	(76,262)
Balance at end of year	298,316	305,783

Taxes and fines are recognised and carried at the original levied amount less an allowance for impairment.

(iii) Certificate and Licences income includes income received in advance of \$13.792 million as at 30 June 2018 (2017: \$13.800 million) due to the introduction of three year home building licences.

31. ADMINISTERED EXPENSES - OTHER

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

	2018	2017
	\$'000	\$'000
Act of Grace payments	899	1,650
Court imposed interest payments	11,761	3,125
Unclaimed money refund - s14 <i>Public Finance and Audit Act 1983</i>	36	181
Bad debts expense (i)	85,326	126,972
Land tax discounts (ii)	35,909	27,387
GST rebate - Clubs (iii)	15,060	15,291
First Home Owner Grant scheme (FHOGS) (iv)	105,511	120,268
First Home - New Home/First Home Buyers Assistance scheme (v)	27,745	80,120
Regional relocation grant (vi)	80	2,380
Solatium payments (vii)	849	15,581
Remissions (viii)	34,526	37,959
Total administered expenses	317,702	430,914

(i) **Bad debts expense** – This includes \$19.6 million (2017: \$15.2 million) in Work Development Orders (WDO's). WDO's allow customers to clear their fines through unpaid work, courses and treatment programs with approved WDO sponsors.

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

(iii) **GST rebate to clubs** - the GST rebate is paid to clubs to compensate for the impact of the GST. It is based on gaming profits and is paid quarterly.

(iv) **First Home Owner Grant scheme (FHOGS)** – The first home owner grant eligibility criteria changed in October 2012 to assist eligible first home buyers to purchase or build a new home. Prior to the change, the grant was also payable in respect to existing dwellings. The grant amount is determined by the date of the transaction. From 1 July 2017, to be eligible for the grant, there is a cap of \$600 000 for new home purchases and for owner builder or contract to build, the value cannot exceed \$750 000.

(v) **First Home - New Home/First Home Buyers Assistance scheme** – The First Home/New Home scheme provides exemption or concession on transfer duty to eligible purchasers of new homes valued up to \$650,000 and to eligible purchasers of vacant land that is intended to be the site of a new home valued up to \$450,000.

On 1 July 2017, this scheme was replaced by the First Home Buyers Assistance scheme. This scheme provides exemption or concessions on transfer duty to eligible purchasers of new and existing homes valued up to \$800,000 and to eligible purchasers of vacant land that is intended to be the site of a new home valued up to \$450,000.

- (vi) **Regional Relocation grant** - The grant assists applicants with the cost of relocating from their metropolitan home. The Regional Relocation Home Buyers Grant closed on 30 September 2014. The Skilled Regional Relocation Incentive closed on 31 March 2015.
- (vii) **Solatium payments** - Compensation paid to applicants whose property was acquired by a NSW government authority. To be eligible for payment, the date of exchange of contracts in relation to an agreed land acquisition, or the date of gazettal of notice of compulsory acquisition, must be on or after 26 February 2014 and before or on 17 October 2016.
- (viii) **Remissions** - in accordance with the *Taxation Administration (Act) 1996* administered by Revenue NSW, the Chief Commissioner or his delegate has the discretionary power to remit partially or wholly a statutory penalty and/or interest.

32. ADMINISTERED INCOME - CROWN ENTITY

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

(a) Revenue earned

	2018 \$'000	2017 \$'000
Taxes, penalties and interest		
Duties (i)	10,488,178	12,193,845
Parking space levy (i)	106,743	105,675
Payroll tax (i)	10,023,556	9,390,285
Land tax (i)	3,809,130	3,233,798
Health insurance levy (i)	204,472	198,520
Sub total	24,632,079	25,122,123
Gaming and racing		
Lotteries	367,987	346,223
Keno tax	15,739	16,762
Totalizator tax on and off course totes	65,972	69,750
Fixed odds sports betting	11,150	10,417
Fixed odds racing betting	30,477	26,746
Footy TAB	423	483
Club gaming devices (i) (iii)	779,561	772,584
Hotel gaming devices (i) (iii)	793,254	730,315
Total gaming and racing	2,064,563	1,973,280
Total taxes, penalties and interest	26,696,642	27,095,403
Fines (ii)		
Motor traffic fines	488,910	466,933
Fees	81,242	68,953
Court fines	49,408	42,152
Other fines	23,464	6,600
Total fines	643,024	584,638
Total taxes, fines, penalties and interest	27,339,667	27,680,041
Other		
Tax equivalents (i)	400,432	556,381
Mineral royalties (i)	1,761,103	1,587,750
Emergency Services Levy (iv)	917,358	127,122
Certificate and licences	33,437	26,619
Passenger services levy (v)	17,212	-
Torrens Assurance Fund and Ad Valorem Levy	-	18
Unclaimed money	15,286	20,149

Service concession regulation fee	8,000	-
Other revenue (vi)	(220)	669
Total other	3,152,608	2,318,708
Total revenue earned	30,492,275	29,998,749

Revenues from taxes and fines are recognised as follows:

- government assessed revenue (primarily land tax and gaming) is recognised when assessments are issued
- taxpayer assessed revenues (including payroll tax, duties and lotteries) is recognised when funds are received. Additional revenue is recognised for assessments subsequently issued following the review of returns lodged
- fines revenue is recognised when payments are received or when they become overdue and enforcement activity commences. Court fines and additional income from overdue fines referred for further enforcement action is recognised when issued.

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

	2018	2017
	\$'000	\$'000
Duties	31,685	45,393
Parking space levy	2,300	2,545
Payroll tax	54,866	65,641
Land tax	20,627	17,746
Fixed odds sports betting	80	-
Fixed odds racing betting	2	-
Health insurance levy	6	26
Club gaming devices	212	251
Hotel gaming devices	290	448
Mineral royalties	434	633
Total	110,502	132,683

- (ii) An amount of \$12.8 million (2017: \$4.8 million) has been recovered in fines revenue for the current year previously considered unrecoverable in prior years.
- (iii) Approved clubs and hotels can pay their quarterly gaming machine tax in three equal instalments without being charged interest for the late payment. The scheme aims to assist those demonstrating financial hardship.
- (iv) Collection of Emergency Services Levy (ESL) for council contributions transferred to Revenue NSW from the Department of Justice Office of Emergency Management (OEM) in 2017. The administrative responsibilities still remain with OEM. ESL for insurers contribution was introduced in July 2017 and is entirely administered by Revenue NSW. All contribution assessments must be issued by 30 April for the following financial year.
- (v) Revenue NSW commenced collection of the Passenger Service Levy on behalf of the Point to Point Transport Commissioner in April 2018. The levy is to be paid by authorised taxi and booking service providers and will be in place for up to five years.
- (vi) Includes \$0.4 million (2017: \$1.2 million) monies returned or transferred due to payment errors relating to prior financial years.

(b) Revenue collected

	2018	2017
	\$'000	\$'000
Taxes, penalties and interest		
Duties	10,538,538	12,055,624
Parking space levy (i)	106,294	107,433
Payroll tax	9,955,212	9,301,446
Land tax	3,737,940	3,134,357
Health insurance levy	204,408	198,514
Sub total	24,542,392	24,797,374
Gaming and racing		
Lotteries	367,339	346,871
Keno tax	15,739	16,762
Totalizator tax on and off course totes	65,972	69,750
Fixed odds sports betting	11,149	10,417
Fixed odds racing betting	30,478	26,746
Footy TAB	423	483
Club gaming devices	778,290	774,107
Hotel gaming devices	792,956	730,011
Total gaming and racing	2,062,346	1,975,147
Total taxes, penalties and interest	26,604,738	26,772,521
Fines		
Motor Traffic fines	434,602	418,994
Fees	53,373	47,115
Court fines	25,023	23,503
Other fines	7,364	4,013
Total fines	520,362	493,625
Total taxes, fines, penalties and interest	27,125,100	27,266,146
Other		
Tax equivalents	400,432	556,381
Mineral royalties	1,762,624	1,579,778
Emergency Services Levy	916,680	-
Passenger Services Levy	14,453	-
Certificate and licences (ii)	47,229	40,419
Torrens Assurance Fund and Ad Valorem Levy	-	18
Unclaimed money	15,286	20,149
Service Concession Regulation Fees	8,000	-
Other revenue (iii)	(220)	669
Total other	3,164,484	2,197,414
Total revenue collected (iv)	30,289,584	29,463,560

- (i) Revenue NSW collects parking space levy imposed under the *Parking Space Levy Act 2009* on behalf of Transport for NSW. Revenue NSW is reimbursed by Transport for NSW for refunds paid.
- (ii) Includes \$0.4 million (2017: \$1.2 million) monies returned or transferred due to payment errors relating to prior financial years.
- (iii) Amounts totalling \$65.8 million paid for 2018 (2017: \$46.6 million) and transferred to the Crown Entity in July 2018 are included in the above figures.

33. ADMINISTERED CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

34. FINANCIAL INSTRUMENTS

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

DFSI's main risks arising from financial instruments are outlined below, together with DFSI's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Secretary has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by DFSI, to set risk limits and controls and to monitor risks.

(a) Financial Instrument Categories

Financial Assets	Note	Category	2018	2017
			\$'000	\$'000
			Carrying Amount	Carrying Amount
Class:				
Cash and cash equivalents	6	Not applicable	496,835	537,322
Receivables(i)	8	Loans and receivables (at amortised cost)	229,628	220,660
Other financial assets	10	Available-for-sale financial assets (at fair value)	42,705	40,922
Financial Liabilities	Note	Category		
Class:				
Payables(ii)	14	Financial liabilities measured at amortised cost	215,011	185,751
Borrowings	15	Financial liabilities measured at amortised cost	205,542	369,202

- (i) Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)
- (ii) Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

(b) Credit Risk

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

Credit risk arises from the financial assets of DFSI, including cash, receivables, and authority deposits. No collateral is held by DFSI. DFSI has not granted any financial guarantees.

Credit risk associated with DFSI's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation ("TCorp") 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables - Trade Debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors; however, there is provision for interest to be charged on certain debtors. Sales are made on payment terms of up to 30 days.

DFSI is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2018: \$124.7 million; 2017: \$113.7 million) and less than three months past due (2018: \$14.0 million; 2017: \$40.6 million) are not considered impaired and together these represent 73.6% (2017: 69.9%) of the total trade debtors.

The only financial assets that are past due or impaired are "sales of goods and services" in the "receivables" category of the Statement of Financial Position.

	Total ^{1,2} \$'000	Past Due But Not Impaired ^{1,2} \$'000	Considered Impaired ^{1,2} \$'000
2018			
< 3 months overdue	14,011	14,011	-
3 months - 6 months overdue	6,118	5,982	134
> 6 months overdue	43,618	9,959	33,659
2017			
< 3 months overdue	40,611	40,231	380
3 months - 6 months overdue	5,461	4,934	527
> 6 months overdue	60,858	28,845	32,013

Notes:

- 1 Each column in the table reports "gross receivables".
- 2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 *Financial Instruments: Disclosure* and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the Statement of Financial Position.

(c) Liquidity Risk

Liquidity risk is the risk that DFSI will be unable to meet its payment obligations when they fall due. DFSI continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

DFSI has a loan facility with TCorp with a limit of \$650 million to fund the StateFleet Leasing Arrangement. Out of this facility \$205.5 million was utilised as at 30 June 2018 (30 June 2017: \$369 million).

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. DFSI's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in *Treasurer's Direction NSW TC 11/12*. For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For payments to other suppliers, the Head of an authority (or person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 9.73% (2017: 6.00%).

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

	%	\$'000 Nominal Amount (i)	\$'000 Interest Rate Exposure			\$'000 Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing	< 1 Year	1-5 Years	> 5 Years
2018								
Payables	0.00%	215,011	-	-	215,011	215,011	-	-
<i>Borrowings</i>								
TCorp borrowings	3.80%	237,006	228,078	8,928	-	17,186	209,426	10,574
		452,017	228,078	8,928	215,011	232,197	209,426	10,574
2017								
Payables	0.00%	185,751	-	-	185,751	185,751	-	-
<i>Borrowings</i>								
TCorp borrowings	6.33%	419,238	411,128	8,110	-	68,398	285,096	65,744
		604,989	411,128	8,110	185,751	245,149	285,096	65,744

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

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. DFSI's exposures to market risk are primarily through interest rate risk on DFSI's borrowings. DFSI has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which DFSI operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2017. The analysis assumes that all other variables remain constant.

Interest Rate Risk

Exposure to interest rate risk arises primarily through DFSI's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with TCorp. DFSI does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1.0% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. DFSI's exposure to interest rate risk is set out below.

	\$'000				
	Carrying Amount	Net Result -1.0%	Equity -1.0%	Net Result +1.0%	Equity +1.0%
2018 <i>Financial Assets (i)</i> Cash and cash equivalents	496,835	(4,968)	(4,968)	4,968	4,968

	\$'000				
	Carrying Amount	Net Result -1.0%	Equity -1.0%	Net Result +1.0%	Equity +1.0%
2017 <i>Financial Assets (i)</i> Cash and cash equivalents	537,322	(5,373)	(5,373)	5,373	5,373

(i) Both receivables and payables are excluded as DFSI deems there exists no interest exposure.

(e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost.

The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of many of the financial instruments, except for:

	2018		2017	
	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000
<i>Borrowings</i> TCorp borrowings	220,127	205,542	370,775	369,202

(f) Fair value recognised in the Statement of Financial Position

	Level 1 \$'000	Level 2 \$'000	Level 3 \$	Total
2018				
<i>Financial Assets (i)</i>				
Available-for-sale financial assets	-	42,705	-	42,705
	-	42,705	-	42,705
2017				
<i>Financial Assets (i)</i>				
Available-for-sale financial assets	-	40,922	-	40,922
	-	40,922	-	40,922

The table above only includes financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of the observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

35. RELATED PARTY DISCLOSURES

Key management personnel

The total remuneration of the key management personnel of DFSI are as follows:

	2018 \$'000	2017 \$'000
Short-term employee benefits:		
- Salaries	3,902	5,178
- Non-monetary benefits	7	28
Other long-term employee benefits	10	66
Post-employment benefits	261	314
Termination benefits	-	-
Total remuneration	4,180	5,586

Other related party transactions

During the year, DFSI entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions which are conducted as arm's length transactions are a significant portion of the entity's sale of goods/ rendering of services/ receiving of services, in aggregate are as follows:

Nature of transaction	2018 \$'000		2017 \$'000	
	Transaction value Income/(expense) \$'000	Net receivable/ (payable) \$'000	Transaction value Income/(expense) \$'000	Net receivable/ (payable) \$'000
Sales of goods/ services; grants and contributions, proceeds from borrowings and other receipts	541,202	91,498	614,236	60,177
Purchases of goods/ services; grants and subsidies, repayment of borrowings and other payments	(531,022)	(252,130)	(858,961)	(482,581)

36. EVENTS AFTER THE REPORTING PERIOD

(a) Adjusting Events

As a result of Administrative Arrangement Changes, in pursuance of part 7 of the *Constitution Act 1902*, State Archives and Records Authority will transfer from the Department of Finance, Services and Innovation to the Department of Planning and Environment ("DPE"), effective 1 July 2018. The transfer will shift Personnel Services employee provisions and outstanding debtors balances from DFSI to DPE.

As a result of Administrative Arrangement Changes, in pursuance of part 7 of the *Constitution Act 1902*, Subsidence Advisory Authority will be abolished as a Public Services Executive Agency, effective 1 July 2018. The activities of the former Subsidence Advisory Authority will become part of the Department of Finance, Services and Innovation.

(b) Non- Adjusting Events

There are no known events after the reporting period which would give rise to a material impact on the reported results or financial position of DFSI as at 30 June 2018.

END OF AUDITED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

Board of Surveying and Spatial Information

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Board of Surveying and Spatial Information (the Board), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Board in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

Other information comprises the information included in the Board's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The members of the Board are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Statement by Members of the Board.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Board are responsible for assessing the Board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Board will be dissolved by an Act of Parliament or otherwise cease operations.

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/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Board carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Nathan Carter
Director, Financial Audit Services

22 October 2018
SYDNEY

BOARD OF SURVEYING AND SPATIAL INFORMATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

STATEMENT BY MEMBERS OF THE BOARD

Pursuant to Section 41C of the *Public Finance and Audit Act 1983* and in accordance with a resolution of the members of the Board of Surveying and Spatial Information, we declare on behalf of the Board that in our opinion:

1. the accompanying financial statements and notes thereto exhibit a true and fair view of the financial position at 30 June 2018 and the financial performance for the year then ended; and
2. the accompanying financial statements and notes thereto have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

David Job

David Job
Board Member, BOSSI
Date: 19/10/18



Thomas Grinter
A/Surveyor General of NSW and President, BOSSI
Date: 19/10/18

START OF AUDITED FINANCIAL STATEMENTS

BOARD OF SURVEYING AND SPATIAL INFORMATION

Statement of comprehensive income for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Revenue			
Fees revenue	2(a)	637,758	613,625
Interest revenue	2(b)	19,076	15,512
Total Revenue		656,834	629,137
Expenses excluding losses			
Personnel services	3(a)	306,306	309,201
Other operating expenses	3(b)	363,915	254,854
Depreciation	3(c)	5,119	3,483
Total Expenses excluding losses		675,340	567,538
NET RESULT		(18,506)	61,599
Loss on Disposal of Assets		(230)	-
TOTAL COMPREHENSIVE INCOME / (LOSS)		(18,736)	61,599

The accompanying notes form part of these financial statements

BOARD OF SURVEYING AND SPATIAL INFORMATION

Statement of financial position as at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5(a)	795,452	1,045,449
Receivables	6	2,910	31,132
Total Current Assets		798,362	1,076,581
Non-Current assets			
Plant and equipment	7	8,952	13,937
Total Non-Current assets		8,952	13,937
TOTAL ASSETS		807,314	1,090,518
LIABILITIES			
Current Liabilities			
Payables	8	111,160	375,628
Total Current Liabilities		111,160	375,628
Non-Current Liabilities		-	-
TOTAL LIABILITIES		111,160	375,628
NET ASSETS		696,154	714,890
EQUITY			
Accumulated funds		696,154	714,890
TOTAL EQUITY		696,154	714,890

The accompanying notes form part of these financial statements

BOARD OF SURVEYING AND SPATIAL INFORMATION

Statement of changes in equity for the year ended 30 June 2018

	Accumulated Funds \$	Total Equity \$
	<u> </u>	<u> </u>
Balance at 1 July 2017	714,890	714,890
Net result for the year	(18,736)	(18,736)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(18,736)</u>	<u>(18,736)</u>
Balance at 30 June 2018	<u>696,154</u>	<u>696,154</u>
Balance at 1 July 2016	<u>653,291</u>	<u>653,291</u>
Net result for the year	61,599	61,599
Other comprehensive income	-	-
Total comprehensive income for the year	<u>61,599</u>	<u>61,599</u>
Balance at 30 June 2017	<u>741,890</u>	<u>741,890</u>

The accompanying notes form part of these financial statements

BOARD OF SURVEYING AND SPATIAL INFORMATION

Statement of cash flows for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from customers		657,365	597,061
Interest received		26,642	16,291
GST refund		9,685	10,644
Total Receipts		693,692	623,996
Payments			
Payments to suppliers		(943,325)	(315,516)
Total Payments		(943,325)	(315,516)
NET CASH FLOWS FROM OPERATING ACTIVITIES	5(b)	(249,633)	308,480
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of plant and equipment	7	(364)	(9,023)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(364)	(9,023)
NET INCREASE / (DECREASE) IN CASH		(249,997)	299,457
Opening cash and cash equivalents		1,045,449	745,992
CLOSING CASH AND CASH EQUIVALENTS	5(a)	795,452	1,045,449

The accompanying notes form part of these financial statements

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting entity

The Board of Surveying and Spatial Information (the Board), is constituted under the *Surveying and Spatial Information Act 2002* to provide for the registration of land and mining surveyors, to regulate the making of surveys and to advise the Government on Spatial Information. The Board is a not-for-profit entity and has no cash generating units.

These financial statements for the year ended 30 June 2018 were authorised for issue by the Board on the 19 October 2018.

The Board's registered office address is 346 Panorama Avenue, Bathurst, NSW.

b. Basis of preparation

The Board's financial statements are general purpose financial statements, which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations); and
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and the Financial Reporting Directions mandated by the Treasurer.

The financial statements have been prepared on an accrual basis.

All amounts are rounded to the nearest dollar, unless otherwise stated and are expressed in Australian currency.

c. Statement of compliance

The Board's financial statements and notes comply with Australian Accounting Standards (AAS), which include Australian Accounting Interpretations.

d. Changes in accounting policies, including new and revised AAS

Effective for the first time in 2017-18

The impact of the first time adopted standards is immaterial. The accounting policies applied in 2017-18 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2017-18:

- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*

The implementation of these standards did not have a material impact on the Board's financial statements.

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

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

- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 17 *Insurance Contracts*
- AASB 1058 *Income of Not-for-profit Entities*
- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards – Applying AASB 9 with AASB 4 Insurance Contracts*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfer of investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 2017-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 4*
- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments*
- AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*
- AASB 2017-7 *Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures*
- AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle*
- AASB 2018-2 *Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement*
- Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
- Interpretation 23 *Interpretation 23 Uncertainty over Income Tax Treatments*

It is considered that the implementation of these standards will not have a material impact on the Board's financial results.

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

e. Significant accounting judgements, estimates and assumptions

In preparation of the financial statements, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. If a revision affects only the period in which the estimates are revised, it is recognised in that period. If a revision affects both current and future periods, it is recognised in the period of the revision and future periods.

f. Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except for:

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

The net amount of GST recoverable from, or payable to the taxation authority, is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. However, the GST component of cash flows arising from investing activities, are also classified as operating cash flows.

g. Equity

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

h. Comparative information

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

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

2. REVENUE

Registration and other fees collected by the Board in accordance with the *Surveying and Spatial Information Act 2002* are retained by the Board to fund their operations. The Board does not receive any funding by way of grants from the Department or the NSW Treasury and its operating expenditure is mainly funded by revenue from registration and other fees.

	2018	2017
	\$	\$
a. Fees revenue		
- Annual registration fees	490,723	482,964
- Candidate fees	48,070	43,122
- Examination fees	61,584	40,670
- Registration restoration fees	17,226	20,649
- Miscellaneous fees	20,155	26,220
	637,758	613,625
b. Interest revenue	19,076	15,512

Recognition and Measurement

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

(i) Member fees and subscriptions

Registration revenue is recognised once the registration renewal applications and fees are received and the receipt is issued. Invoices are not raised prior to the renewal date as registration renewal is optional and cannot be reliably measured until applications are received.

(ii) Rendering of services

Revenue is recognised when services such as workshops or training are provided or by stage of completion.

(iii) Interest revenue

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

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

3. EXPENSES

	2018 \$	2017 \$
a. Personnel services		
- Salaries and wages (including recreation leave)	249,200	265,281
- Long service leave	(1,401)	(3,865)
- Superannuation	25,449	25,070
- Workers compensation insurance	4,340	4,225
- Payroll tax and fringe benefit tax	28,718	18,490
	306,306	309,201

Recognition and Measurement

The Board is an entity that does not directly employ staff. The Department employs staff on behalf of the Board within its personnel services division. As per the Service Level Agreement regarding Personnel Services, expenses relating to these employees are incurred by the Department and reimbursed by the Board on a monthly basis. The expenses include salaries, superannuation, leave entitlements, fringe benefit tax, payroll tax and worker's compensation insurance.

	2018 \$	2017 \$
b. Other operating expenses		
- Audit fees (audit of financial statements)	12,000	11,750
- Board/committee member fees	42,630	39,020
- Other fees	116,081	75,082
- Catering and venue hire	15,269	23,539
- Bank charges	3,047	3,615
- Administration fee ¹	50,000	50,000
- DFSI COM charge ¹	45,239	-
- Maintenance ²	1,256	442
- Postage, telephone and courier	2,492	3,371
- Stores and stationery	4,149	2,434
- Staff development	-	4,798
- Sponsorships	5,000	5,000
- Accommodation	72	1,472
- Computer expenses	(2,270)	7,073
- Contractors	30,984	-
- Travel and subsistence	37,966	27,258
	363,915	254,854

¹ Administration fee expense is Corporate Support by DFSI-Support Services for the Board of Surveying and Spatial Information which includes: Employee services, Financial services, Information and Communications Technology services, Accommodation, Transport and Enterprise Resource Planning. DFSI Corporate Operating Model (COM) charge applied from 1 July 2017 and is the recovery of corporate costs.

² All maintenance expenses are incurred by the Board. There are no personnel services related maintenance expenses

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

3. EXPENSES (continued)

b. Other operating expenses (continued)

Recognition and Measurement

Insurance

The Board's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund manager, based on past claim experience.

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.

c. Depreciation

- EDP equipment

5,119	3,483
<u>5,119</u>	<u>3,483</u>

Refer to Note 7 for Recognition and Measurement policies

d. Loss on disposal of assets

<u>230</u>	<u>-</u>
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4. Related Party Disclosures

The Board's key management personnel compensation are as follows;

	2018 \$	2017 \$
Short-term employee benefits	42,630	39,020
Post-employment benefits	4,343	3,413
	<u>46,973</u>	<u>42,433</u>

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

4. Related Party Disclosures (continued)

During the year, the Board has not entered into any arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

Other Related Party Transactions

During the year, the Board has entered into transactions with other entities that are controlled by NSW Government. These transactions in aggregate are a significant portion of the Board's operating expenses. Please refer below for details of these transactions.

Nature of Transaction	2018		2017	
	Transaction Value	Net Payable	Transaction Value	Net Payable
	\$	\$	\$	\$
Personnel services	306,306	62,338	309,201	201,389
Audit fee	12,000	12,000	11,750	11,750
Administration fee	50,000	4,167	50,000	25,000
DFSI corporate costs	45,239	10,972	-	-

5. CASH AND CASH EQUIVALENTS

a. Cash and cash equivalents

	2018 \$	2017 \$
Cash at bank and on hand	795,452	1,045,449
	795,452	1,045,449

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

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

5. CASH AND CASH EQUIVALENTS *(continued)*

a. Cash and cash equivalents *(continued)*

	2018 \$	2017 \$
Cash and cash equivalents (per statement of financial position)	795,452	1,045,449
Closing cash and cash equivalents (per statement of cash flows)	795,452	1,045,449

Refer to Note 11 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

b. Reconciliation of Net Cash Flows from Operating Activities to Net Result

	2018 \$	2017 \$
Net cash flows from operating activities	(249,633)	308,480
Depreciation	(5,119)	(3,483)
Loss on disposal of fixed assets	(230)	-
Changes in operating assets and liabilities		
Increase/(decrease) in trade and other receivables	(28,252)	16,975
(Increase)/decrease in trade and other payables	264,498	(260,373)
Net result	(18,736)	61,599

6. RECEIVABLES

	2018 \$	2017 \$
Accrued revenue	-	10,164
Accounts Receivable	-	9,864
Interest receivable	-	7,565
GST receivable	2,880	3,539
	2,880	31,132

Movement in the allowance for impairment		
Balance at 1 July	-	-
Increase/(decrease) in allowance recognised in profit or loss	-	-
Balance at 30 June	-	-

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

6. RECEIVABLES (continued)

Recognition and Measurement

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method less any allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

The Board's receivables include interest and GST receivables. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due, and is then recognised in the net result for the year. Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

7. PLANT AND EQUIPMENT

	Plant and Equipment \$	EDP Equipment \$	Total \$
At 1 July 2017 – fair value			
Gross carrying amount	8,181	33,736	41,917
Accumulated depreciation	(8,181)	(19,799)	(27,980)
Net carrying amount	<u>-</u>	<u>13,937</u>	<u>13,937</u>
At 30 June 2018 – fair value			
Gross carrying amount	8,181	20,166	28,347
Accumulated depreciation	(8,181)	(11,214)	(19,395)
Net carrying amount	<u>-</u>	<u>8,952</u>	<u>8,952</u>

Reconciliation

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

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

7. PLANT AND EQUIPMENT (continued)

	Plant and Equipment	EDP Equipment	Total
	\$	\$	\$
Year ended 30 June 2018			
Net carrying amount at start of year	-	13,937	13,937
Additions	-	364	364
Disposals		(230)	(230)
Depreciation expense	-	(5,119)	(5,119)
Net carrying amount at end of year		8,952	8,952

	Plant and Equipment	EDP Equipment	Total
	\$	\$	\$
At 1 July 2016 – fair value			
Gross carrying amount	8,181	29,693	37,874
Accumulated depreciation	(8,181)	(21,296)	(29,477)
Net carrying amount	-	8,397	8,397

At 30 June 2017 – fair value			
Gross carrying amount	8,181	33,736	41,917
Accumulated depreciation	(8,181)	(19,799)	(27,980)
Net carrying amount	-	13,937	13,937

Reconciliation

A reconciliation of the carrying amounts of each class of plant and equipment at the beginning and end of the previous reporting period is set out below:

	Plant and Equipment	EDP Equipment	Total
	\$	\$	\$
Year ended 30 June 2017			
Net carrying amount at start of year	-	8,397	8,397
Additions	-	9,023	9,023
Depreciation expense	-	(3,483)	(3,483)
Net carrying amount at end of year	-	13,937	13,937

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

7. PLANT AND EQUIPMENT (continued)

Fair value measurement

The Board's plant and equipment are measured at depreciated historical cost as an approximation of fair value.

Recognition and Measurement

Acquisition of assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition, or where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Revaluation of plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*. Fair value of plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. The Board has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

Capitalisation thresholds

Plant and equipment individually costing \$5,000 and above are capitalised. Individual items of computer equipment costing are capitalised when they form part of a network.

Impairment of plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material.

Specifically, impairment is unlikely given that AASB 136 modifies the recoverable amount test for non-cash generating units of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

Depreciation

Depreciation is provided for on a straight line basis against all depreciable assets, so as to write off the depreciable amount of each asset, as it is consumed over its useful life to the Board.

Depreciation rates:

Plant and equipment	20%
Electronic Data Processing (EDP) equipment	25%

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

8. PAYABLES

	2018	2017
	\$	\$
- Accrued expenses	32,007	16,015
- Personnel services	62,338	201,389
- Other creditors	16,785	158,224
	<u>111,130</u>	<u>375,628</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 11.

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the Board and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

9. COMMITMENTS FOR EXPENDITURE

a. Capital commitments

As at 30 June 2018, there were no capital commitments (2017 - nil).

b. Operating lease commitments

As at 30 June 2018, there were no operating lease commitments (2017 - nil).

c. Finance lease commitments

As at 30 June 2018, there were no finance lease commitments (2017 - nil).

10. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2018, there were no contingent assets or contingent liabilities (2017 - nil).

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

11. FINANCIAL INSTRUMENTS

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

The Board's main risks arising from financial instruments are outlined below, together with the Board's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Board, to set risk limits and controls and to monitor risks.

a. Financial instrument categories

Class:	Note	Category	2018 \$ Carrying amount	2017 \$ Carrying amount
Financial assets				
Cash and cash equivalents	5(a)	Cash at Bank	795,452	1,045,449
Receivables ¹	6	Loans and receivables (at amortised cost)	-	27,593
Financial liabilities				
Payables ²	8	Financial liabilities measured at amortised cost	111,130	375,628

Notes:

1. Excludes statutory receivables and prepayments (ie. not within scope of AASB 7)
2. Excludes statutory payables and prepaid enrolment fees (ie. not within scope of AASB 7).

b. Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets.

Credit risk arises from the financial assets of the Board, including cash and receivables. No collateral is held by the Board. The Board has not granted any financial guarantees. Credit risk associated with the Board's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalent

Cash comprises cash at bank and cash on hand and is considered to be at fair value.

Receivables

The interest receivable is recognised at fair value, usually based on the transaction cost or face value. The credit risk is the carrying amount.

The Board is not materially exposed to concentrations of credit risk from a single trade debtor or group of debtors. Based on past experience, debtors that are not past due and not more than 90 days past due are not considered impaired.

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

11. FINANCIAL INSTRUMENTS *(continued)*

c. *Liquidity risk*

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

During the current and prior years, there were no defaults of loans payable. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction NSW TC 11/12. For small business suppliers, where terms are not specified, payment is not made later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest.

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

	Interest Rate Exposure					Maturity Dates		
	Weighted Average Effective Interest Rate %	Nominal Amount \$	Fixed Interest Rate %	Variable interest Rate %	Non-Interest Bearing %	< 1 Year \$	1 – 5 Years \$	> 5 Years \$
2018								
Payables	-	111,130	-	-	-	111,130	-	-
Total financial liabilities 2018	-	111,130	-	-	-	111,130	-	-
2017								
Payables	-	375,628	-	-	-	375,628	-	-
Total financial liabilities 2017	-	375,628	-	-	-	375,628	-	-

Notes:

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables include both interest and principal cash flows.

d. *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Board has no exposure to foreign currency risk and does not enter into commodity contracts.

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements for the year ended 30 June 2018

11. FINANCIAL INSTRUMENTS *(continued)*

e. *Interest rate risk*

Exposure to interest rate risk arises primarily through cash facilities. The Board has no direct equity investments.

A reasonable possible change of +/- 0.5% is used, based on management's judgement. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Board's exposure to interest risk is set out below.

	Carrying Amount \$	-0.5%		+0.5%	
		Net Result \$	Equity \$	Net Result \$	Equity \$
2018					
Cash and cash equivalents	795,452	(3,977)	(3,977)	3,977	3,977
2017					
Cash and cash equivalents	1,045,449	(5,227)	(5,227)	5,227	5,277

f. *Fair value compared to carrying amount*

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value because of the short-term nature of the financial instruments.

12. AFTER BALANCE DATE EVENTS

There are no after balance date events.

END OF AUDITED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

Financial Counselling Trust Fund

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Financial Counselling Trust Fund (the Trust), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, 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:

- give a true and fair view of the financial position of the Trust as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Trust in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

Other information comprises the information included in the Trust's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Trustees of the Trust are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Trustees' Statement.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Trustees' Responsibilities for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Trust's operations will cease as a result of an administrative restructure.

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/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Trust carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Nathan Carter
Director, Financial Audit Services

24 September 2018
SYDNEY

FINANCIAL COUNSELLING TRUST FUND

TRUSTEES' STATEMENT

In accordance with section 45F of the *Public Finance and Audit Act 1983* I state that, in my opinion:

- (1) the accompanying financial statements exhibit a true and fair view of the financial position of the Financial Counselling Trust Fund as at 30 June 2018 and transactions for the year ended 30 June 2018;
- (2) the statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, Australian Accounting Standards and the Treasurer's Directions.

Further, I am not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the Trust.



Rose Webb
Chairperson
21 September 2018

FINANCIAL COUNSELLING TRUST FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Actual 2018 \$	Actual 2017 \$
Expenses excluding losses			
Grant and Subsidies	3	1,438,575	2,512,592
Fees paid to Trustees	4	4,234	927
Other Operating Expenses	5	88,108	51,268
Total Expenses excluding losses		1,530,917	2,564,787
Revenue			
Investment Revenue	2	89,323	58,313
Total Revenue		89,323	58,313
Net Result		(1,441,594)	(2,506,474)
Total Comprehensive Losses		(1,441,594)	(2,506,474)

The accompanying notes form part of these statements.

FINANCIAL COUNSELLING TRUST FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	Actual 2018 \$	Actual 2017 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	935,678	3,612,353
Other Financial Asset	7	1,200,000	-
Receivables	8	1,626	836
Total Current Assets		2,137,304	3,613,189
Total Assets		2,137,304	3,613,189
LIABILITIES			
Current Liabilities			
Payables	9	12,694	46,985
Total Current Liabilities		12,694	46,985
Total Liabilities		12,694	46,985
Net Assets		2,124,610	3,566,204
EQUITY			
Settled Funds		100	100
Accumulated Funds		2,124,510	3,566,104
Total Equity	1(j)	2,124,610	3,566,204

The accompanying notes form part of these statements.

FINANCIAL COUNSELLING TRUST FUND

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Equity \$
Balance at 1 July 2017		
Accumulated Funds		3,566,104
Settled Funds		100
Total equity at 1 July 2017		3,566,204
Net result for the year		(1,441,594)
Total Comprehensive Loss for the year		(1,441,594)
Accumulated Funds		2,124,510
Settled Funds		100
Balance at 30 June 2018	1(j)	2,124,610

	Notes	Equity \$
Balance at 1 July 2016		
Accumulated Funds		6,072,578
Settled Funds		100
Total equity at 1 July 2016		6,072,678
Net result for the year		(2,506,474)
Total Comprehensive Loss for the year		(2,506,474)
Accumulated Funds		3,566,104
Settled Funds		100
Balance at 30 June 2017	1(j)	3,566,204

The accompanying notes form part of these statements.

FINANCIAL COUNSELLING TRUST FUND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Actual 2018 \$	Actual 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payment to creditors		(126,633)	(20,054)
Payment of grants		(1,582,432)	(2,763,851)
Total Payments		(1,709,065)	(2,783,905)
Receipts			
Interest received		90,067	57,477
Other		142,323	251,446
Total Receipts		232,390	308,923
NET CASH FLOWS FROM OPERATING ACTIVITIES	12	(1,476,675)	(2,474,982)
INVESTING ACTIVITIES			
Purchase of Term Deposit Investments		(1,200,000)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,200,000)	-
NET DECREASE IN CASH		2,676,675	6,087,335
Opening cash and cash equivalents		3,612,353	6,087,335
CLOSING CASH AND CASH EQUIVALENTS	6	935,678	3,612,353

The accompanying notes form part of these statements.

FINANCIAL COUNSELLING TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Financial Counselling Trust Fund (Trust) as a Reporting Entity comprises all activities under its control. The Trust is a not-for-profit entity with no cash generating units. The administrative functions for the Trust are performed by the Department of Finance, Services and Innovation and a relevant administrative fee for 2017/18 has been recharged to the Trust.

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Trustees for the Financial Counselling Trust Fund on 21 September 2018.

(b) Basis of Preparation

The Trust's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- The requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- The Financial Reporting Directions mandated by the Treasurer.

Financial assets at "fair value through profit or loss" are measured at fair value. Other financial statements items are prepared in accordance with the historical cost convention.

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

All amounts are expressed in Australian currency.

(c) Statement of Compliance

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

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

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

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

Cash flows are included in the statement of cash flows on a gross basis. However, the GST component of cash flows arising from investing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(e) Revenue

Revenue is measured at the fair value of the consideration or contribution received or receivable to the extent it is probable that the economic benefits will flow to the Trust and the amount can be reliably measured.

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

(f) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(g) Payables

These amounts represent liabilities for goods and services provided to the Trust and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(h) Fair Value Hierarchy

A number of the Trust's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring

fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 Fair Value Measurement, the Trust categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

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

(i) Cash Flow

For the purpose of the statement of cash flows, cash and cash equivalents includes cash at bank and short-term deposits with a maturity of three months or less which are subject to insignificant risk of changes in value.

(j) Available Funds

Available funds as at 30 June 2018 are \$2,124,610 (available funds as at 30 June 2017 were \$3,566,204).

(k) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. There are no new or revised Australian Accounting Standards that have been applied for the first time in 2017-18.

(ii) Issued but not yet effective

The following new Australian Accounting Standards have not been applied and are not yet effective. These new Standards will not have any direct impact on the financial performance or position of the Authority.

- *AASB 9 Financial Instruments*
- *AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding Revenue from Contracts with Customers*
- *AASB 1058 Income for Not-for-profit Entities*
- *AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*

(l) Impairment of Financial Assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows that have affected.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence.

(m) Comparative Information

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

2. INVESTMENT REVENUE

	2018	2017
	\$	\$
Interest on Investment*	81,025	56,520
Interest - Bank	8,298	1,793
	<u>89,323</u>	<u>58,313</u>

*Investment Revenue of \$81,025 in 2017/18 is derived from interest received from the Treasury Managed Banking System and Term Deposit with Bank of Queensland.

3. GRANT AND SUBSIDIES

	2018	2017
	\$	\$
The Salvation Army (NSW)	447,492	306,237
Hunter Valley Financial Counselling	253,719	642,740
Wesley Mission	130,670	107,922
Financial Rights Legal Centre Inc.	125,675	64,748
Financial Counsellors Association (NSW)	85,894	346,153
Lifeline Central West Inc.	64,365	259,474
Gosford City Community Information	42,728	248,154
Kempsey Neighbourhood Centre (NSW)	39,402	62,392
Other	248,630	474,772
Total Grant and Subsidies paid	<u>1,438,575</u>	<u>2,512,592</u>

4. FEES PAID TO TRUSTEES

Fees for services relating to the period 1 July 2017 to 30 June 2018 were:

	2018	2017
	\$	\$
Mr James Walker	1,167	464
Mr John Kelly	1,522	463
Ms Elizabeth Koch	1,545	-
Total fees paid to Trustees by the Trust*	<u>4,234</u>	<u>927</u>

*Including Trust's meeting fees incurred in prior years.

The Chairperson of the Trust is an employee of DFSI and no additional fees were paid.

5. OTHER OPERATING EXPENSES

	2018	2017
	\$	\$
Auditors Remunerations	12,000	11,700
Investment Administration	-	4,984
Administrative Service Charge	70,000	34,584
Fees and Charges	6,108	-
	<u>88,108</u>	<u>51,268</u>

6. CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash at Bank	935,678	29,470
TCorp Investments at Call	-	1,082,883
Term Deposit invested for less than 90 Days	-	2,500,000
	<u>935,678</u>	<u>3,612,353</u>

Cash at bank is held with the Westpac Banking Corporation. Interest is earned on daily bank balances and calculated each month.

Refer to Note 13 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. OTHER FINANCIAL ASSET

	2018	2017
	\$	\$
Term Deposit invested for more than 90 Days	1,200,000	-
	<u>1,200,000</u>	<u>-</u>

Term deposit is held with the Bank of Queensland currently earning annual interest of 2.8% and maturing on 15 February 2019.

8. RECEIVABLES

	2018	2017
	\$	\$
Debtors	516	-
Accrued Interest Income	92	836
GST Receivable	1,018	-
	<u>1,626</u>	<u>836</u>

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 13.

9. PAYABLES

	2018	2017
	\$	\$
Accrued Expenses	12,694	46,985
	<u>12,694</u>	<u>46,985</u>

Details regarding credit risk, liquidity risk and market risk of the above payables are disclosed in Note 13.

10. COMMITMENTS FOR EXPENDITURE

There are no commitments for capital or commitments for leases at balance date.

11. CONTINGENT ASSETS & LIABILITIES

The Trust is not aware of any contingent assets or liabilities in existence at balance date which would materially impact on the financial statements of the Trust.

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

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	2018	2017
	\$	\$
Net cash used in operating activities	(1,476,675)	(2,474,982)
Increase/(Decrease) in receivables	790	649
(Increase)/Decrease in payables	34,291	(32,141)
Net result	<u>(1,441,594)</u>	<u>(2,506,474)</u>

13. FINANCIAL INSTRUMENTS

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

The Trust's financial instruments include cash, financial assets at fair value and payables.

The Trustees have overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Trust, to set risk limits and controls and to monitor risks.

a) Financial Instrument Categories

Financial Assets	Note	Category	Carrying Amount 2018 \$	Carrying Amount 2017 \$
Class: Cash and cash equivalents	6	Not applicable	935,678	3,612,353
Other Financial Asset	7	Held to Maturity	1,200,000	-
Receivables*	8	Loans and Receivables (at amortised cost)	608	836
Class: Payables**	9	Financial liabilities (at amortised cost)	12,694	46,985

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

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

b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Trust. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Trust, including cash and receivable. No collateral is held by the Trust. The Trust has not granted any financial guarantees.

Credit risk associated with the Trust's financial assets, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Cash comprises 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. For the term deposit held with Bank of Queensland, interest is received on maturity.

c) Liquidity Risk

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

No assets have been pledged as collateral. The Trust's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest.

d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on net result and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity operates and the time frame for the assessment (ie until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis as for 2017. The analysis assumes that all other variables remain constant.

Interest Rate Risk

Exposure to interest rate risk arises primarily through cash deposits held at financial institutions. The following table provides a sensitivity analysis of interest rate risks affecting applicable financial assets on the operating result and equity of the Trust. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates.

	\$				
2018 Financial assets	Carrying Amount	Profit -1.0%	Equity -1.0%	Profit +1.0%	Equity +1.0%
Cash & Cash Equivalents	935,678	-9,357	-9,357	9,357	9,357

	\$				
2017 Financial assets	Carrying Amount	Profit -1.0%	Equity -1.0%	Profit +1.0%	Equity +1.0%
Cash & Cash Equivalents	3,612,353	-36,124	-36,124	36,124	36,124

14. RELATED PARTY DISCLOSURES

The entity's key management personnel compensation are as follows:

	2018	2017
Short-term employee benefits:	\$	\$
Salaries	-	-
Other monetary allowances (refer to Note 4)	4,234	927
Non-monetary benefits	-	-
Other long-term employee benefits	-	-
Post-employment benefits	-	-
Termination benefits	-	-
Total remuneration	<u>4,234</u>	<u>927</u>

During the year, the Trust has not entered into any transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, the Trust entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions in aggregate are a significant portion of the entity's sale of goods/rendering of services/receiving of services.

Other related party transactions-2018

Nature of transaction	Transaction value \$	Net receivable/ (payable) \$
Administrative Services Charge - Fair Trading	70,000	-
Audit Fee – NSW Audit Office	12,000	(9,200)
	82,000	(9,200)

Other related party transactions-2017

Nature of transaction	Transaction value \$	Net receivable/ (payable) \$
Administrative Service Charge - Fair Trading	34,584	(34,584)
Investment Administration Fee- TCorp	4,984	-
Audit Fee – NSW Audit Office	11,700	(8,300)
	51,268	(42,884)

15. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

END OF AUDITED FINANCIAL STATEMENTS

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