

NSW Telco Authority

# Annual Report 2021/22



## Acknowledgement of Country

This Annual Report was prepared by NSW Telco Authority on the traditional lands of the Gadigal people of the Eora Nation.

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past, present and emerging. We recognise Aboriginal and Torres Strait Islanders' continued custodianship of Country - land, seas and skies. We celebrate the continuing connection of Aboriginal and Torres Strait Islander peoples to Country, language and culture.

We acknowledge the historical stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies. We reflect on the continuing impact of policies of the past and recognise our responsibility to work with and for Aboriginal and Torres Strait Islander peoples, families and communities.

## Access

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The Hon. Victor Dominello, MP  
Minister for Customer Service and Digital Government  
Minister for Small Business  
Minister for Fair Trading

GPO Box 5341  
SYDNEY NSW 2001

**Annual Report for the year ending 30 June 2022**

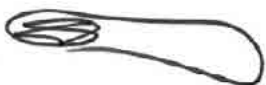
Dear Minister

We are pleased to submit the NSW Telco Authority Annual Report for the year ending 30 June 2022 for your information and presentation to the Parliament of New South Wales.

The Annual Report outlines the performance of NSW Telco Authority including our strategic priorities, key achievements, and regulatory obligations. The report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Government Sector Finance Act 2018* and the regulations under those Acts.

We acknowledge the work of our staff, customers, vendors and the Emergency Services Organisations we work with for their contribution to our achievements over the past 12 months.

Yours sincerely



Commissioner Shane Fitzsimmons AO, AFSM  
Chair



Kylie De Courteney  
Managing Director



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*NSW Telco Authority All Staff Conference May 2022.*



# Message from the Chair



NSW Telco Authority continued to demonstrate its commitment to customers and the citizens of NSW throughout 2021/22. Despite significant challenges resulting from COVID-19 and major flooding across many areas of the state, the Authority focused on maintaining critical communications for Emergency Services Organisations and essential service agencies to help them keep people and places safe.

As the Authority continues to build one of the largest public safety networks in the world, the agency reached a pivotal milestone in June this year under the \$1.4 billion Critical Communications Enhancement Program, with the delivery of the 250<sup>th</sup> site on the Public Safety Network. As a result, coverage now reaches 97 per cent of the NSW population and 44.5 per cent of the state's landmass. I'm pleased that the PSN rollout is almost 40 per cent complete.

Under the NSW Government's \$50 million Connecting Country Communities Fund, the Authority continued to reduce the digital divide and improve connectivity in regional areas by delivering 13 new mobile towers to boost mobile coverage and address black spots. To date, this initiative has delivered 142 new towers providing coverage to 23,000 premises and along 1,200 kilometres of transport routes.



Also under the Connecting Country Communities Fund, the Authority managed the rollout of 36 base stations to provide fixed wireless broadband internet access to 3,600 premises across Kangaroo Valley, the Southern Highlands and Southern Tablelands.

During the year, the Authority led the development of the state's first Connectivity Strategy – a major step forward in our journey to become the connectivity leader for NSW. The strategy, due to be published in late 2022, establishes a whole-of-government vision and direction for digital connectivity and sets aspirational connectivity outcomes for citizens, emergency services, businesses and government.

I am proud of the partnerships we have made across government to understand current and planned connectivity initiatives and to explore the potential opportunities for collaboration and optimised investment to ensure the best possible connectivity outcomes for NSW. The launch of the Connectivity Innovation Network in May is seeing the Authority partner with universities, researchers and industry to develop innovative solutions to connectivity problems facing our state.

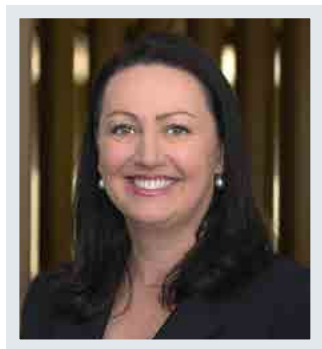
I also thank my fellow Board members for their contributions during the year. I would particularly like to thank outgoing Chair Beth Jackson for her five-year tenure as Chair of the NSW Telco Authority Advisory Board and especially for her commitment to expanding the organisation's profile, role and responsibilities. Beth helped the agency set a solid foundation that underpins the NSW Government's Operational Communications Strategy, which will deliver resilient public safety communications to ensure a safer NSW.

I would also acknowledge the contribution of Kylie De Courteney and her executive leadership team and staff for steering the organisation throughout a period of significant growth and change while navigating the challenges of the pandemic and supporting the NSW Government's response to the devastating flood emergency.



Commissioner Shane Fitzsimmons AO, AFSM  
Chair, NSW Telco Authority Advisory Board

# Message from the Managing Director



As communities across NSW recover and rebuild after the devastating floods and challenges of COVID-19, we continue to deliver resilient critical communications to support our emergency services customers on the frontline so they can keep communities safe.

The last 12 months have seen significant change and rapid growth for our organisation. As we continue our work to expand the Public Safety Network, adding 250 new and enhanced sites, we still have considerable work ahead to deliver the complete 675-site network – one of the world’s largest trunked radio networks.

To ensure we have the capacity and capability to sustain this level of growth and evolve our role as a whole-of-government connectivity leader, we implemented a new operating model in February 2022.

During the year, we experienced a 46 per cent increase in staff, bringing our total team to 215 full-time equivalent staff. We continued to meet and exceed NSW Public Service Commission diversity targets, with 44 per cent of staff identifying as culturally and linguistically diverse, while women make up 43 per cent of our workforce and 42 per cent of our executive leadership team.

We welcomed five new customers to the Public Safety Network, which again performed at an average availability of 99.98 per cent during the year.

In December 2021, we opened our new Telecommunications Operations Centre to support our response to emergencies and natural disasters. Using a new Joint Intelligence Management System, the centre provides a hub from which we can share real-time information on potential impacts to telecommunications infrastructure with emergency services organisations. The new facility was put to the test in February and March as we experienced the worst flooding events on record in NSW.

Our Telecommunications Emergency Management Unit and Network Operations team were deployed to flood-affected areas across the state, providing 46 days of 24/7 support to the flood response. We worked with emergency services, telecommunications carriers, the Australian Defence Force and energy providers to identify risks to infrastructure, protect critical communications assets and assist carriers to restore mobile, landline and internet services.

I'm pleased to report that the Public Safety Network remained operational and stable throughout the NSW floods. Ahead of the start of the adverse weather events and subsequent floods, the Critical Communications Enhancement Program delivered 115 new or enhanced sites in Northern NSW. This meant that in severely impacted communities such

as Lismore and Ballina, network coverage reached 97 per cent of the population, allowing emergency services to communicate reliably on a single, interoperable network.

We continue to work with the Commonwealth, states and territories to progress a Public Safety Mobile Broadband capability for frontline responders. We are driving the development of the NSW Connectivity Strategy to coordinate, prioritise and deliver connectivity solutions across government for better service delivery to citizens and businesses. I look forward to reporting on the strategy's success in the coming year.

I join Commissioner Fitzsimmons in acknowledging the significant contributions of outgoing Advisory Board Chair, Beth Jackson and her impact on our organisation's strategic direction. Finally, I'm particularly proud of our staff – and people leaders – for navigating a period of considerable change while continuing to put our customers first and delivering a \$1.5 billion portfolio of digital and infrastructure projects with the support of our customers, vendors and industry partners through a challenging but rewarding 12 months.



Kylie De Courteney  
Managing Director  
NSW Telco Authority

# About NSW Telco Authority

## Who we are

NSW Telco Authority (NSWTA) manages the Public Safety Network (PSN) to deliver mission-critical radio communications services for Emergency Services Organisations (ESOs) and essential service agencies. ESOs communicate using the PSN to coordinate responses to critical incidents and manage their day-to-day operations.

## What we do

We work with frontline services, essential services and telecommunications carriers during disasters to protect telecommunications assets used by emergency services and communities.

We coordinate whole-of-government connectivity to bridge the digital divide and deliver improved connectivity for citizens across our state, including supporting and managing major digital infrastructure programs for the NSW Government. We also play a central role in coordinating spectrum holdings on behalf of government.

## Our vision

**To be the connectivity leader for NSW Government.**

We do this by driving innovative and collaborative delivery of resilient communications to keep our customers and the communities they serve connected and safe.

## Our purpose

**Working together to keep people and places safe across NSW.**

We are driven to create a single, integrated telecommunications portfolio capable of delivering voice, video and data services to our customers, now and into the future.

## Our values

Our values are built on **Service, Integrity, Accountability and Trust.**

## Legislation and charter

We are a statutory body established under the former *Government Telecommunications Act 1991 (NSW)*, later replaced by the *Government Telecommunications Act 2018 (NSW)*.

We sit within the Department of Customer Service (DCS) under the portfolio of the NSW Minister for Customer Service and Digital Government, Minister for Fair Trading and Minister for Small Business. Our organisation operates under the guidance of the NSW Telco Authority Advisory Board.

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***We lead a \$1.5 billion portfolio of NSW Government digital and infrastructure projects to provide critical communications to help keep the community safe and address connectivity challenges across NSW.***



## Our accountabilities



### Connectivity leader for NSW Government

Leading the NSW Connectivity Strategy, bringing together whole-of-government connectivity initiatives and improving outcomes for citizens and businesses



### Service delivery

Operate and maintain the Public Safety Network, one of the world's largest trunked radio networks, for 61 customers



### Spectrum management

Oversee and coordinate use of spectrum and advocate for spectrum on behalf of the NSW Government



### Telecommunications emergency management

Coordinate emergency and incident telecommunications – providing a link between carriers and ESOs during emergencies

## Major programs



### Critical Communication Enhancement Program

Expanding the PSN to build a single network for first responders, with 85 per cent land coverage and 99.7 per cent population coverage



### Public Safety Mobile Broadband\*

Providing critical-service level mobile data communications capability for the exclusive use of emergency services



### Mobile Black Spot Program\*

Extending the coverage voice and mobile broadband services in regional and rural areas



### Connecting Country Communities

Delivering faster, more reliable broadband internet access for regional NSW

*\* Commonwealth and State funded program*

# Our role in emergency management

## NSW Emergency Management Framework

*The State Emergency and Rescue Management Act 1989* provides the legislative framework for the operation of our telecommunications emergency management activities.

We lead the state's Telecommunications Services Functional Area to coordinate support and resources for telecommunications during emergencies.

## Telecommunications Emergency Management Unit

Our Telecommunications Emergency Management Unit (TEMU) forms part of the State Emergency Management Committee. TEMU is responsible for coordinating functional area support and resources for emergency operations in all phases of emergency management involving telecommunications.

TEMU operates 24/7 and, during an emergency or public response, works with ESOs and carriers to safeguard telecommunications networks, including the PSN, to help protect the community.

## Public Safety Network

We are responsible for the network that delivers critical communications services for NSW. Next to Australia's triple zero emergency hotline, the PSN is the most important critical communications network in NSW and one of the largest of its type in the world.

The network provides the platform for two-way communications for frontline emergency services and other network users via radio handsets and other devices.

The PSN uses P25 radio technology – a global best practice standard – as a platform to host two-way radio handsets and other devices frontline ESOs depend upon. The PSN is designed to meet ESO mission-critical standards, providing 99.95 per cent network target availability.

Unlike commercial telecommunications networks, the PSN is a mission-critical radio communications service and is not accessible to the general public.

The PSN currently covers 44.5 per cent of NSW, reaching 97 per cent of the state's population.

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*During the year, 16.2 million calls were made over the network, comprising of 58,000 hours of traffic at an average of 4,900 hours per month. The PSN maintained an average of 99.98 per cent availability, exceeding target coverage.*

# Public Safety Network

**Average  
13 million  
calls/month**

**60+Customers**

**99.95%  
target availability**

**Currently  
covering almost  
45% of the NSW  
landmass**

**On completion,  
the PSN will  
be the world's  
largest trunked  
radio network**

*CCEP tower Mount Bocoble in NSW's Central West region*

# Our customers

Our customers require radio communications technology to deliver critical frontline services to support public safety, emergency management and other government services. Customers who use the PSN include ESOs, essential services and government agencies.

During the year, five new customers joined the network, bringing the total number of organisations that use the PSN to 61. A total of 53,650 registered radios now access the PSN.





## Our commitment to customer service

We adopt the NSW Government Customer Commitments as our promise to customers of what they should expect when receiving government services.

					
<p><b>Easy to engage</b></p> <p>Make it easy to access what I need</p> <p>Make it simple for me to understand</p>	<p><b>Act with empathy</b></p> <p>Show you understand my situation</p> <p>Treat me fairly &amp; with respect</p> <p>Provide service in my time of need</p>	<p><b>Respect my time</b></p> <p>Tell me what I need to know beforehand</p> <p>Minimise the need for me to repeat myself</p> <p>Make what I need to do straightforward</p>	<p><b>Explain what to expect</b></p> <p>Be clear about what steps are involved</p> <p>Contact me when I need to know something</p> <p>Let me know what the outcomes could be</p>	<p><b>Resolve the situation</b></p> <p>Be accountable for your actions</p> <p>Be clear in decision making</p> <p>Reach an outcome</p>	<p><b>Engage with the community</b></p> <p>Listen to the community to understand our needs</p> <p>Ask us how we want our services delivered</p>

## PSN user fees and charges

We operate the PSN on a full-cost recovery basis, which includes a return on capital for services provided by the network. ESO customers are charged a flat fee for PSN connectivity, irrespective of handset numbers or network usage.

Our non-ESO customers pay a fee-per-handset and a charge for each talk group.



NSWTA All Staff Conference May 2022

## Better meeting our customer's needs

In October 2020, we conducted research to better understand our customers' needs and priorities and identify opportunities to improve the customer experience.

Customers told us they wanted improved processes, better service levels and more meaningful engagement. As a result, we tailored a Customer Experience (CX) Strategy to embed a customer-centric culture, uplift our CX capability and develop products and services more closely aligned to customer needs.

## Putting our customers at the centre of everything we do

In October 2021, we established a dedicated CX team to roll out the DCS Centre of Excellence customer-led design approach across our programs, projects, strategies and business cases. The team has implemented initiatives delivering a customer satisfaction score of 78 per cent, including:

- a new Voice of Customer Program – a monthly customer survey to measure our performance
- a new CX Council to ensure executive support throughout the delivery of each phase of our CX strategy
- improved service delivery through stronger account management, shared technology and enhanced customer relationship management tools, including a new Customer Insights Hub
- co-design of products, projects and services with our customers

Results from our Voice of Customer Program to June 2022 saw the following rolling six-month average customer satisfaction scores:

- ✓ **78% Service and engagement**
- ✓ **72% PSN management**
- ✓ **72% Customer effort**

## CUSTOMER SPOTLIGHT



### Sydney Trains

Sydney Trains' 2,263 strong fleet manage 738,000 passenger journeys and 46,000 timetabled stops each day across the Sydney Rail Network, with 132 million+ annual patronage. Its 10,000+ workforce, from cleaners, Station Masters, track maintenance staff and rail crew use 889 handsets across 75 talk groups to help keep the network running and keep passengers safe.

## Our year at a glance



**5**  
new customers  
joined the PSN



**16.2M**  
calls across  
the PSN



**13**  
new base stations  
delivered under  
MBSP



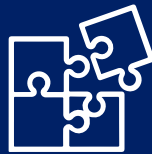
**0**  
lost time  
workplace injuries



**99.95%+**  
network reliability



**87**  
new and enhanced  
CCEP sites



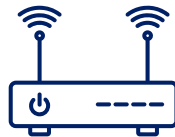
**First**  
Connectivity  
Innovation  
Network launch



**360**  
CCEP sites  
under  
construction



**Winner**  
International  
Critical  
Communications  
Awards



**Trials**  
continued for a  
national PSMB



**3,400+**  
households with  
improved broadband  
internet services



**74**  
mobile asset  
deployments to  
support flood  
response



**23%**  
more calls to the  
PSN during flood  
response




**46+ days**  
of 24/7 support to  
the State's flood  
response

# Our strategic direction

We share the DCS vision to be the world's most customer-centric government.

To help achieve this, we are responsible for delivering three of the NSW Government's state outcomes.

State outcomes	 <b>Excellence in customer service</b>	 <b>Digital leadership and innovation</b>	 <b>Competitive, fair and secure markets</b>
<p><b>Our strategic pillars</b></p>  <p></p> <p></p> <p></p> <p></p>	<p><b>Lead with one integrated portfolio</b> – Remove duplication and fragmentation by coordinating public safety telecommunications assets, resources, programs and services as a single, integrated, efficient portfolio</p> <p><b>Evolve critical communications</b> – Develop a resilient and secure communications capability to support mission-critical voice and data-enabled services for emergency services organisations, essential services and other customers</p> <p><b>Leverage the market for implementation and innovation</b> – Leverage industry expertise to achieve value for money and market contestability, and engage with industry partners to collaborate, innovate and solve problems</p> <p><b>Embed customer-centricity</b> – Build the consideration of the needs of our customers and stakeholders into our strategic decision-making processes</p> <p><b>Empower our people</b> – Drive an inclusive workplace culture with a shared purpose and build our capabilities to meet and exceed customer expectations</p>		

# Our corporate priorities

	Priorities	Customer outcomes
1	Deliver new Critical Communications Enhancement Program (CCEP) sites and progress customer migration	Increased Public Safety Network (PSN) coverage for customers
2	Deliver regional telecommunications coverage through Mobile Black Spot Program (MBSP), Connecting Country Communities (CCC) and Regional Digital Connectivity (RDC) program	Improved commercial mobile and fixed coverage in regional NSW Able to dial Triple zero in case of an emergency
3	Build emergency prevention, preparedness, response and recovery capabilities	Access to network and environmental data to support emergency responses
4	Deliver innovative technology solutions to meet customer needs	Uplift in people and capabilities to coordinate emergencies Additional voice and data services for Emergency Services Organisations (ESOs)
5	Deliver whole-of-government Connectivity Strategy	Connectivity requirements embedded into new infrastructure projects
6	Progress the Public Safety Mobile Broadband (PSMB) program, including the Proof-of-Concept and priorities, at a National and NSW level	PSMB use cases validated and incorporated into the technology roadmap
7	Engage with industry partners to accelerate innovative delivery of key programs	Faster delivery of programs at lower cost Support jobs in small and medium enterprises
8	Launch the Connectivity Innovation Network and initial pilots	Use emerging technologies as alternatives to traditional solutions
9	Build and embed customer-centricity through customer experience capabilities and metrics	Enhanced customer focus in prioritisation, decision making and delivery
10	Develop our culture and ways of working transformation strategy and roadmap	Continuous improvement across NSW Telco Authority (NSWTA) processes to improve customer outcomes

# Our new operating model

## Our growth

As our role and function evolved, we experienced significant growth during the year to support a rapidly expanding PSN and meet our commitments under the NSW Government's Operational Communications Strategy.

During the past 12 months, we continued to increase our resources and experienced a 46 per cent increase in full-time equivalent staff, bringing our total team to 215 full-time equivalent.

To support our growth, we introduced a new operating model, refreshed our culture and uplifted capability requirements to ensure our future success.

## Operating model review

Our evolving role as the whole-of-government connectivity leader and the rapid expansion of the PSN, led to a review of our operating model to ensure we can deliver our core responsibilities now and into the future.

In July 2021, we led a review of our operations and ways of working to examine whether we had the right resources, capabilities and structure in place to deliver at the required scale as our organisation continues to grow.

The review considered research undertaken with customers and staff, with support from an independent steering committee consisting of the NSWTA Chief Operating Officer, DCS Chief People Officer and DCS Chief Information and Digital Officer.

The review recommended our operating model should capture:

- an enhanced customer interaction model across customer journeys
- a product development capability
- a scalable, complex program management capability and approach
- an elevation of end-to-end operations to optimise commercial processes
- a digitally enabled, flexible organisation (including enhancing enterprise architecture)
- the new capabilities required to realise a whole-of-government connectivity leadership role, including asset management capability.

## New operating model

In February 2022, we implemented a new operating model, which features eight functional streams across our organisation (see functional structure on page 49).

We also expanded our leadership team to address the significant increase in staff. We established a new functional area to consolidate several enterprise-wide operational capabilities in a single division.

## New values

To implement the necessary cultural change to drive this transformation, we co-designed our organisational values and behaviours with our people to ensure they reflect our commitment to deliver better outcomes for our customers and our emerging connectivity leadership role across NSW Government.

# Operational performance

## New Telecommunications Operations Centre

In December 2021, we opened our Telecommunications Operations Centre (TOC) to support ESOs and carriers to significantly improve operational readiness and situational awareness during natural disasters and emergencies.

The TOC works with ESOs and carriers to identify potential risks to infrastructure so they can direct resources to protect critical communications assets.

The facility is equipped with innovative technology and software, enabling enhanced collaboration between NSW Government agencies and telecommunication carriers during an emergency.

## Network Operations Control Centre

Our Network Operations Control Centre (NOCC) monitors the Public Safety Network 24/7. The NOCC acts as an interagency 'hub' to coordinate critical communications during emergencies in real-time and supports co-location opportunities for ESO liaison officers.

## New Joint Intelligence Management System

NSW Spatial Services provides the TOC with a Spatial Information Management System allowing operational access to all hazard and asset data.

The Joint Intelligence Management System (JIMS) allows the TOC to provide geo-spatial intelligence information and real-time data to identify hazards and risks to telecommunications infrastructure within NSW and across neighbouring states.



NSW Telco Authority Telecommunications Operations Centre

# Flooding in NSW

## Our role in the NSW Government's flood response

The recent flooding and severe weather events in NSW underscore the importance of reliable communications during the height of a disaster and into the recovery phase.

While radio communications services for first responders proved highly reliable during the crisis, public telecommunications systems such as mobile broadband experienced significant outages from the flooding and extreme weather.

## Network performance

At the height of the flood crisis (between February and March) PSN availability remained stable at 99.92 per cent. We managed around 4.5 million calls – an increase of about 23 per cent in March alone.

We deployed mobile assets across 14 regions in NSW, including the North Coast, Hunter, Orana, Northern Rivers, South Coast, Southern Highlands and New England.

To maintain network coverage, we managed 58 generator deployments, six Very Small Aperture Terminals (VSAT) – satellite ground stations, deployments and 10 Cell on Wheel deployments to provide backup for PSN sites threatened by flood damage along the coastline and across Northern NSW.

There were 111 mains power issues, 26 link issues and 14 PSN site outages. While three sites – Point Lookout, Pee Dee and Dorrigo – were offline for between four and six hours, these sites were not in major flood areas and had no impact on ESO communication in flood zones.









*NSWTA staff member deployed to the DCS Flood Recovery Centre in Northern NSW*

### Flood support snapshot

- 46 days of 24/7 support for State and Regional Emergency Management Controllers and telecommunications carriers
- Fast-tracked operation of one new PSN site at Yabba in Northern NSW
- Deployed 12 liaison officers across NSW, including NSW State Emergency Service (NSW SES) Headquarters in Wollongong, State Emergency Operations Centre, Regional Emergency Operations Centre at Coffs Harbour and the North Coast Regional Recovery Operations Centre in Lismore
- Undertook aerial reconnaissance of PSN and carrier sites with Spatial Services

### NSW Spatial Digital Twin

The NSW Spatial Digital Twin provides a secure, centralised platform for NSW Government spatial datasets, including a 3D spatial dataset of PSN sites and telecommunications assets.

Spatial Digital Twin data is used to assess risks to assets, help agencies coordinate and prioritise responses and provide a reliable source of information about potential communication outages for ESOs and communities.

The NSW Spatial Digital Twin also stores Emergency Services Spatial Information Library (ESSIL) data, which incorporates data from more than 200 agencies across all areas of emergency planning, response and recovery.

TEMU’s JIMS platform draws information from NSW Spatial Digital Twin and ESSIL to analyse real-time information on potential impacts to telecommunications infrastructure for ESOs and carriers.

The JIMS platform can also accurately identify any damage to telecommunications infrastructure, helping network carriers identify areas needing urgent repair.

By deploying our team across the Far North Coast of NSW, we provided intelligence and real-time data updates to response agencies to facilitate restorative work and recovery of critical infrastructure.



*Spatial Services’ Environmental Spatial Programs team flew over the flood zones in the Northern Rivers and Sydney areas capturing detailed imagery used by agencies as part of the flood response.*

## Case studies

### **Supporting ESOs and commercial carriers**

Our staff worked 24/7 to support ESOs and assist commercial carriers in accessing damaged sites to enable their technicians to restore telecommunications services as soon as it was safe.

During the floods, the TOC used information, data and intelligence from multiple sources to produce real-time mapping data to provide situational updates on potential impacts on telecommunications infrastructure for ESOs and carriers. Our NOCC also provided an interagency hub to coordinate the pre-staging and deployment of mobile assets and generators.

### **Parrots Nest**

After a PSN site at Parrots Nest was impacted by a mains power failure on 28 February, placing flood rescue response within Lismore at risk, we worked with NSW Police Force technicians to attempt to deploy a generator by road, but were prevented by the flood waters.

In response, we relocated a staged Cell on Wheels at Goonelebah to Lismore Heights, restoring services within 30 minutes of the power failure and ensuring the continued delivery of critical handheld grade services in the East Lismore area.

### **Mount Nardi**

After a mains power failure, onsite generators at Mount Nardi exhausted fuel supplies – impacting services for NSW Police Force, NSW Rural Fire Service, NSW Ambulance and Essential Energy – technicians could not access the site due to four landslides.

On 3 March, we coordinated a multi-agency response to deploy one of our generators to the site – with the help of a NSW Rural Fire Service helicopter. This action prevented the failure of Essential Energy’s grid control Supervisory Control and Data Acquisition (SCADA) system and restored power to the affected agency’s equipment.

### **Woodburn**

Our Woodburn site, critical for the PSN and ESO operations, was impacted by a mains power failure. Floodwaters prevented site access and affected the site condition which made it unsuitable for a standard generator.

On 5 March, with the help of a NSW Rural Fire Service helicopter, we deployed an innovative multi-mini generator to the site and restored operations. Without this generator, the site would have been down for four days until the mains power was restored.

## Enhancing disaster preparedness and building resilience

### NSW Bushfire Inquiry 2020

Under the coordination of Resilience NSW, we are one of several agencies responsible for leading the implementation of specific recommendations made by the NSW Bushfire Inquiry.

We are the lead agency for four recommendations (30, 55, 57, 71) covering operational communications focussed on minimising communication outages and ensuring sufficient redundancy options are available. We are engaging with ESOs, Commonwealth, state and territory agencies, the telecommunications industry and stakeholders to address these recommendations.

The implementation status of each recommendation is reported in the quarterly NSW Bushfire Inquiry 2020 Progress Reports to the NSW Parliament under the *Rural Fires Act 1997*.

During the reporting period, we continued to procure services and solutions to provide sufficient resilient measures and redundancy options for the PSN, including:

- two muster trucks with sufficient power and autonomy to support regional deployment
- 21 fixed advanced diesel generators for reliable supply of power to high-risk PSN sites
- six VSAT – a satellite connectivity solution to provide on-the-go communications during disasters
- additional battery infrastructure to extend average power from 13 hours to 40 hours for high-risk PSN sites (20 of 75 identified sites completed)

- commenced procurement for a new fleet of mobile radio assets and generators, including:
  - 11 Cells on Wheels (three built, a further eight to be operational in late 2023)
  - 18 trailered generators able to be helicoptered into disaster locations

### Royal Commission into National Natural Disaster Arrangements

The NSW Government welcomed the *Final Report of the Royal Commission into National Natural Disaster Arrangements*, following the devastating 2019-2020 bushfire season. The Final Report made a number of recommendations, including developing a national Public Safety Mobile Broadband capability, which was also a recommendation in the NSW Bushfire Inquiry 2020. The status of our implementation of this recommendation is included in the quarterly NSW Bushfire Inquiry 2020 Progress Reports.

### Public Safety Mobile Broadband

Public Safety Mobile Broadband (PSMB) is a joint Commonwealth, state and territory initiative that will deliver a national, mission-critical mobile broadband capability that will provide a single, interoperable platform to enhance communication between ESOs during an emergency.

Currently, ESOs use ultra-high frequency radio to communicate and, while this technology is robust and reliable, it cannot support heavy data traffic and web-based applications. Some emergency services also use consumer-grade commercial mobile broadband networks to transmit data and supplement existing systems. These networks do not meet mission-critical standards.

PSMB will provide first-responders with access to data-rich applications that improve operational efficiency, such as video, images, personal location tracking body camera live streams, and bushfire and flood monitoring drones.

### **Trialling PSMB technology**

NSW is leading a Proof-of-Concept to test PSMB concepts and technologies on behalf of all states and territories, in partnership with Nokia, Optus and TPG.

Expected to be complete by the end of 2022, the trial's findings will help shape the design of the national PSMB.

During the reporting period, lab testing continued with successful PSMB core and radio network capabilities testing.

In July 2022, testing in commercial, real-life environments will commence and include multi-carrier roaming, group communication, ESO priority and active radio access network sharing in regional Western Australia and South Australia.

### **PSMB in NSW**

The NSW Government has invested \$7.6 million in the development of PSMB, and we are responsible for leading key workstreams in the development of a national capability.

We are also working with ESOs to design a PSMB for NSW, building on the results of the Proof-of-Concept trials and helping to inform the national rollout.

### **Public Safety Mobile Broadband Strategic Review**

We continue our work with the Department of Infrastructure, Transport, Regional Development, Communications and the Arts on the National PSMB program review, which is expected to be completed in October 2022.

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*A national PSMB capability will deliver the 21st-century, mission-critical communications needed to ensure ESOs can continue to keep Australians safe.*

## **CUSTOMER SPOTLIGHT**



**Health**  
Murrumbidgee  
Local Health District

### **Griffith Base Hospital**

Griffith Base Hospital joined the PSN in August 2021 and is a 119-bed facility that supports 19,500 emergency presentations, 2,500 operations and 600 births each year.

The facility uses the Push-to-Talk service across six accounts and a single talk group to ensure effective emergency and disaster management across the hospital campus.

## Critical Communications Enhancement Program

The \$1.4 billion Critical Communications Enhancement Program (CCEP) will deliver a single, interoperable network for ESOs to communicate with each other and coordinate responses to critical incidents and disasters.

Once complete, the PSN will feature more than 675 sites, providing land coverage across 85 per cent of NSW and reaching 99.7 per cent of the state’s population. Before the CCEP commenced, PSN coverage reached around 86 per cent of the state’s population and less than 31 per cent of our landmass.

During the reporting period, 87 new sites were added to the network taking the total number of sites delivered under the CCEP to 254, an increase of 52 per cent from the previous year.

These new sites have increased PSN coverage from 42.4 per cent of the state’s landmass to 44.5 per cent and increased population coverage from 95.9 per cent to 97 per cent.

With NSW covering around 801 square kilometres, much of it comprising of rugged terrain, the CCEP has grown the network’s coverage by more than 16,000 square kilometres in the past 12 months to help ESOs keep people and places safe.



## CCEP activity during 2021/22

**467**

sites designed and ready for construction



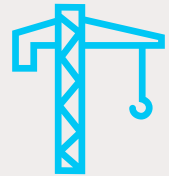
**360**

construction started



**316**

construction completed



**254**

operational acceptance complete

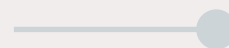


**Pre-CCEP**



**150**  
PSN sites

**2022 June**



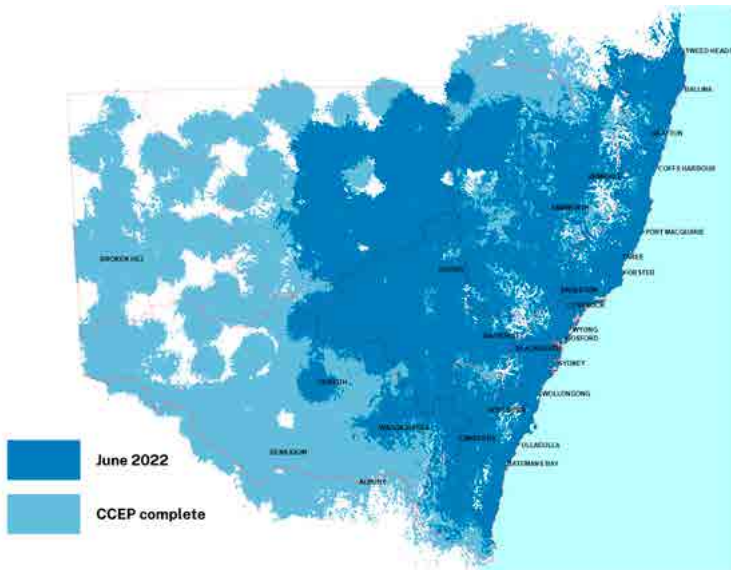
**254**  
PSN sites

**Post-CCEP**



**675**  
PSN sites

## PSN expansion across NSW



### PSN expansion in flood zones

Since 2017, 105 new and enhanced sites have been added to the network across the North Coast and New England regions.

In severely impacted communities in Northern NSW, such as Lismore and Ballina, the PSN has more than 90 per cent land coverage and reaches approximately 97 per cent of the population.

Since 2020, the NSW SES migrated to the PSN on the Far North Coast and their radio communications land coverage has increased from 69 per cent to 91 per cent, and their frontline staff have access to in-vehicle coverage for the first time.

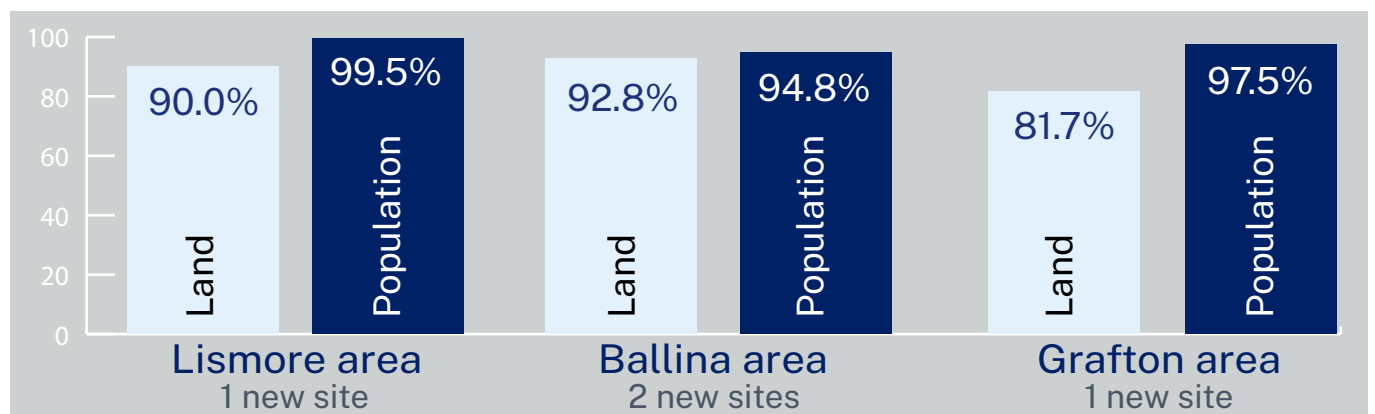
### Funding

The CCEP is fully funded, with \$1.4 billion funding earmarked to deliver 675 new and enhanced sites.

### NSW Sustainability Bond Programme

In January 2022, the CCEP was accepted into the NSW Sustainability Bond Programme, which enables the NSW Government (via the NSW Treasury Corporation) to issue green, social or sustainability bonds. This provides a mechanism for investors to contribute capital to accomplish positive environmental and social outcomes.

### NSW SES coverage increases in the Northern Rivers include:



## Operational Communications Strategy

We lead the NSW Government Operational Communications Strategy (OCS), to deliver resilient public safety telecommunications services to help make NSW safer.

As well as coordinating public safety telecommunications programs, the OCS charts a ten-year technology roadmap to deliver mission-critical voice and data-enabled services to meet growing customer needs.

The OCS will be delivered in three phases, focussing on:



Delivery of mission-critical voice services through a statewide P25 network and the phased rollout of PS-LTE for voice and broadband services



Evolution of our role in driving statewide consolidation and coordination of connectivity programs



New products and services to be provided to our customers, beyond mission-critical voice services

## Next generation connectivity

To ensure we meet the demands of first responders and network users well into the future, we need to increase the diversity of technology we use. While Long-Term Evolution (LTE), non-terrestrial and emerging connectivity solutions could provide greater coverage without heavy infrastructure rollout, they have challenges relating to interoperability, latency, capacity, cost and reliability.

During the year, we implemented a framework to trial 'next generation' connectivity initiatives, including non-terrestrial connectivity options, Wi-Fi-enabled coverage augmentation, LTE (4G/5G) Cells on Wheels and Mission Critical Messaging (MCM) over LTE (4G/5G).

## CUSTOMER SPOTLIGHT

### Transdev Sydney Ferries

Transdev Sydney Ferries employs more than 650 staff and operates 170,000 ferry services each year across Sydney Harbour and its related waterways.

Communication over the PSN ensures reliable communication between Controlling Officers based at Circular Quay and each vessel in the fleet for their 226 radio users operating across ten talk groups.





## Leading the inaugural NSW Connectivity Strategy

We developed the state's first Connectivity Strategy to align and optimise digital infrastructure and programs across NSW Government to improve connectivity outcomes for citizens, emergency services, business and government.

Due to be launched in late 2022, the strategy has been developed in consultation with industry and government to identify current and planned connectivity initiatives suitable for whole-of-government investment, coordination and prioritisation.

This includes developing new tools and output measures, such as Australia's first Connectivity Index and creating minimum connectivity standards for new government infrastructure.

Our vision is to enable meaningful digital connectivity across NSW that is world-class, affordable and resilient.

We are building a connected NSW to enable:

1. Active participation in a digital society
2. A modern and smart government
3. Strong economic recovery and growth
4. Resilient and safe communities

### Connectivity Standards Committee

In February 2022, we established the Connectivity Standards Committee to develop connectivity standards to meet the coverage and capacity requirements for all NSW and future-proof government infrastructure.

The Committee comprises of representatives from government, research and industry, including telecommunications service providers.

### Australia's first connectivity index

We are developing a statewide connectivity index with a visualisation tool to identify gaps, set aspirational fixed and mobile connectivity targets and prioritise cluster connectivity investments via a Connectivity Benefits Estimator.

We are trialling a pilot tool with key agencies, with plans to release the tool for whole-of-government use in late 2022.

### Embedding connectivity into future infrastructure

We have worked with the Greater Cities Commission and Infrastructure NSW to support the development of digital connectivity themes in the State Infrastructure Strategy and the Six Cities Vision.

### Closing mobile coverage gaps along regional rail corridors

We partnered with Transport for NSW on a Regional Rail Connectivity project to explore options for improving connectivity along regional transport corridors. We mapped out more than 4,200 kilometres of the rail network to identify mobile black spots and opportunities to keep passengers better connected while travelling.

The project has developed a strategic roadmap for in-train connectivity for regional railway routes. We are producing datasets on mobile coverage and fixed-digital connectivity across the state, particularly where there are coverage gaps.

When combined with other infrastructure, social and environment data from the NSW Spatial Digital Twin, we will be able to target opportunities for cross-government and evidence-based connectivity improvements. This will help us to prioritise the delivery of state and federal connectivity programs to communities that need them the most.

## Supporting small business innovation

As part of the launch of the Small Business Innovation Research Program, we sponsored a connectivity challenge for small businesses to identify innovative connectivity solutions for rural and remote areas.

After completing a feasibility study, we selected three solutions to progress to Proof-of-Concept trials over the next 18 months. The proposed solutions use innovative technologies not yet commercially available, including:

- **Zetifi** – a distributed network of off-grid small cells that can be rapidly deployed on existing power poles or as standalone pods to provide resilient long-range Wi-Fi and radio communications
- **Innovations for Humanity** – a high-performance, satellite terminal antenna system prototype with potential to be powered off-grid using sustainable power sources
- **Dandelions** – an unpowered air-to-ground vehicle integrated with a communications payload to provide on-demand communication networks in emergencies

After the trials, successful technologies may attract government investment to develop further.

## Connectivity Innovation Network

In May, we launched the Connectivity Innovation Network to find innovative solutions to connectivity challenges faced by the NSW Government. The Network promotes greater collaboration between government, industry and research organisations.

Following a Request for Proposal, the University of Technology Sydney and the University of Sydney were selected to lead the network. The Network comprises of seven university members and representatives from across government and industry – including a range of small, medium and large businesses.

The Network held two workshops during the reporting period and prioritised four key focus areas:

- **Ubiquitous connectivity** – How might we leverage non-terrestrial connectivity technologies to achieve ubiquitous statewide connectivity?
- **Network and cyber automation** – How might we use AI and data analytics to improve the performance of our network?
- **Sensors** – How might we provide real-time data using sensors so that first responders can make better informed decisions in emergencies?
- **Power resilience** – How might we use alternative power and backhaul technologies to enable first responders and communities to stay connected?



*Connectivity Innovation Network Launch at UTS Tech Lab*

## Case study

### Network upgrade to help volunteer lifesavers connect with emergency services.

During the year, Surf Life Saving NSW (SLS) received an \$800,000 upgrade to their radio network that services the Hunter and Lower North Coast regions.

We worked with Resilience NSW to migrate 50-year-old technology to an upgraded digital radio network as part of the PSN.

The radio network stretches across more than 270 kilometres, from Camden Haven to Catherine Hill Bay, and will be crucial to ensuring volunteer safety and an integrated ESO response to incidents along the coast.

The upgrade will mean less downtime and disruption to communications between patrolling lifesavers, the SLS State Operations Centre and emergency services.



## Reducing the digital divide between regional and metropolitan NSW

### Connecting Country Communities Fund

The COVID-19 pandemic has demonstrated that mobile voice and data connectivity is fundamental to keeping communities safe, socially connected and informed.

The devastating 2019/20 Black Summer bushfires and 2021 and 2022 flood events have shown the increasing level of community reliance on connectivity to save lives, and access online services such as the Fire Nears Me app, evacuation alerts and the Triple zero network.

The NSW Government's \$50 million Connecting Country Communities Fund (CCC) has invested in communications infrastructure to improve voice and data connectivity in regional NSW.

We deliver the program in partnership with the Department of Regional NSW. CCC invests:

- \$39 million as part of the Commonwealth's Mobile Black Spot Program
- \$11.5 million to improve broadband internet in Southern NSW



## Mobile Black Spot Program

NSW has co-invested with the Commonwealth and telecommunication carriers to reduce mobile black spots and extend mobile phone coverage in regional areas.

Locations with little or no mobile coverage, prone to natural disasters and along remote transport corridors were prioritised for new mobile base station sites.

### Delivery status:

The NSW investment has delivered 142 of 150 planned new or enhanced mobile base stations across the state, expanding coverage to 41,500 people across 1,200 kilometres of major transport routes.

During the reporting period, we delivered 13 base stations to address black spots and provide mobile coverage to more than 3,900 premises and along 580 kilometres of transport routes.

The program's rollout is expected to be completed by June 2023. It will provide coverage along more than 1,800 kilometres of transport routes, resulting in 57,000 residents across 28,000 premises having access to more reliable mobile reception.

**142 of 150**  
planned mobile base  
stations delivered



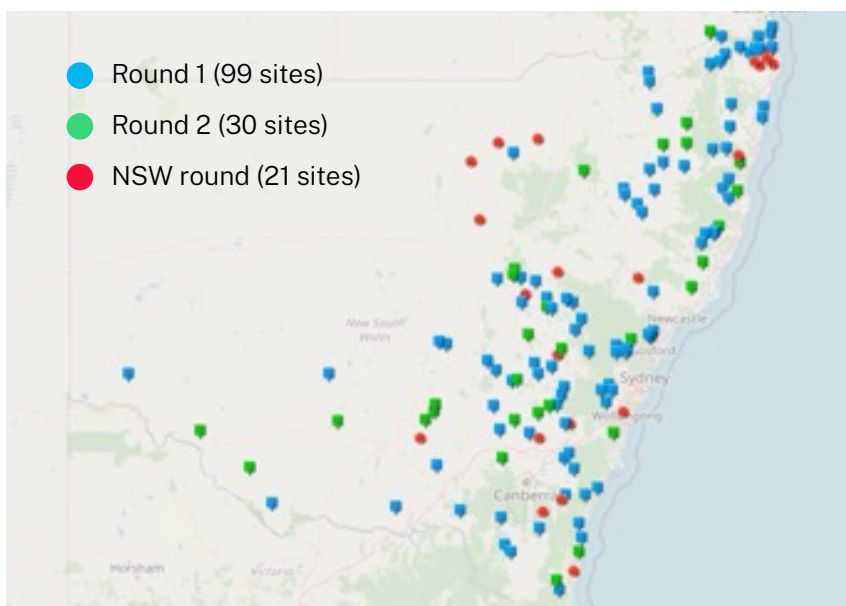
**8**  
base stations under  
construction



**41,500**  
people able to access  
more reliable mobile  
coverage



**1,200kms**  
of transport routes  
covered



New or enhanced mobile base stations co-funded by the NSW Government under the Mobile Black Spot Program.

*Since 2017 more than 18,000 calls have been made to triple zero using mobile base stations delivered in regional areas under NSW-funded MBSP towers.*

## Improving mobile coverage in the Northern Rivers

Since 2016, the NSW Government has delivered 26 of 27 planned mobile base stations across the Northern Rivers in Tweed, Byron, Clarence Valley, Lismore and Ballina. An additional site at South Cryon is due to become operational by March 2023.

A total of 13 MSBP sites in the Northern Rivers provided complete continuity of coverage during the March floods, with no outages reported. Network outages experienced by telecommunications carriers during the 2022 floods were primarily the result of electricity outages.

## Expanding Broadband Internet access across Southern NSW

CCC has invested \$11.5 million to deliver fixed-wireless broadband internet to communities across the Southern Highlands and Southern Tablelands, providing coverage to thousands of premises – many of which, until now, relied on expensive and less reliable satellite services.

Two local service providers YLess4U Pty Ltd and Kangaroo Valley Broadband Network (KVBN) Pty Ltd, are delivering faster, more reliable broadband connectivity, comparable to the quality of services available in metropolitan locations.

Already 3,400 households and businesses in ten towns across Southern NSW – from Bungendore to Murrumbateman – can now access faster, more reliable broadband internet from 36 new base stations that form part of the Yless4U Network.

We have also expanded coverage across Kangaroo Valley, where more than 600 premises will soon have access to high-speed coverage from ten new base stations delivered by KVBN Pty Ltd.

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*Communities will experience significant improvements in upload and download speeds, incrementally increasing from 25/5Mbps to 50/10Mbps by April 2025.*

### Delivery status:

During the reporting period, 41 of 46 new or enhanced base stations were delivered.

- **Kangaroo Valley** – KVBN Pty Ltd have delivered five out of 10 planned base stations providing coverage to 500 premises across the Valley, with a further 100 expected to receive coverage by November 2022.

Coverage speeds are now at 50/10Mbps.

- **Southern Tablelands** – YLess4U Pty Ltd has delivered 36 of 36 planned base stations providing coverage to 3,400 premises across ten towns, including Gundaroo, Murrumbateman, Royalla, Collector, Googong, Michelago and Wallaroo, Tarago, Bungendore and Carwoola.

Coverage speeds are now at 25/5 Mbps, gradually increasing to 50/10Mbps by April 2025.

## Supporting Rural Fire Service stations in the Southern Tablelands

With infrastructure funded under CCC and grant support from the Black Summer Bushfire Recovery Grants Program, YLess4U Pty Ltd can now provide free high-speed, low latency, full duplex communications to more than 10 Rural Fire Service stations across the Southern Tablelands.

These stations now have expanded radio capability, providing 500 Mbps internet, battery backup, Voice over Internet Protocol and managed Wi-Fi to maintain continuity of telecommunications coverage during an emergency.

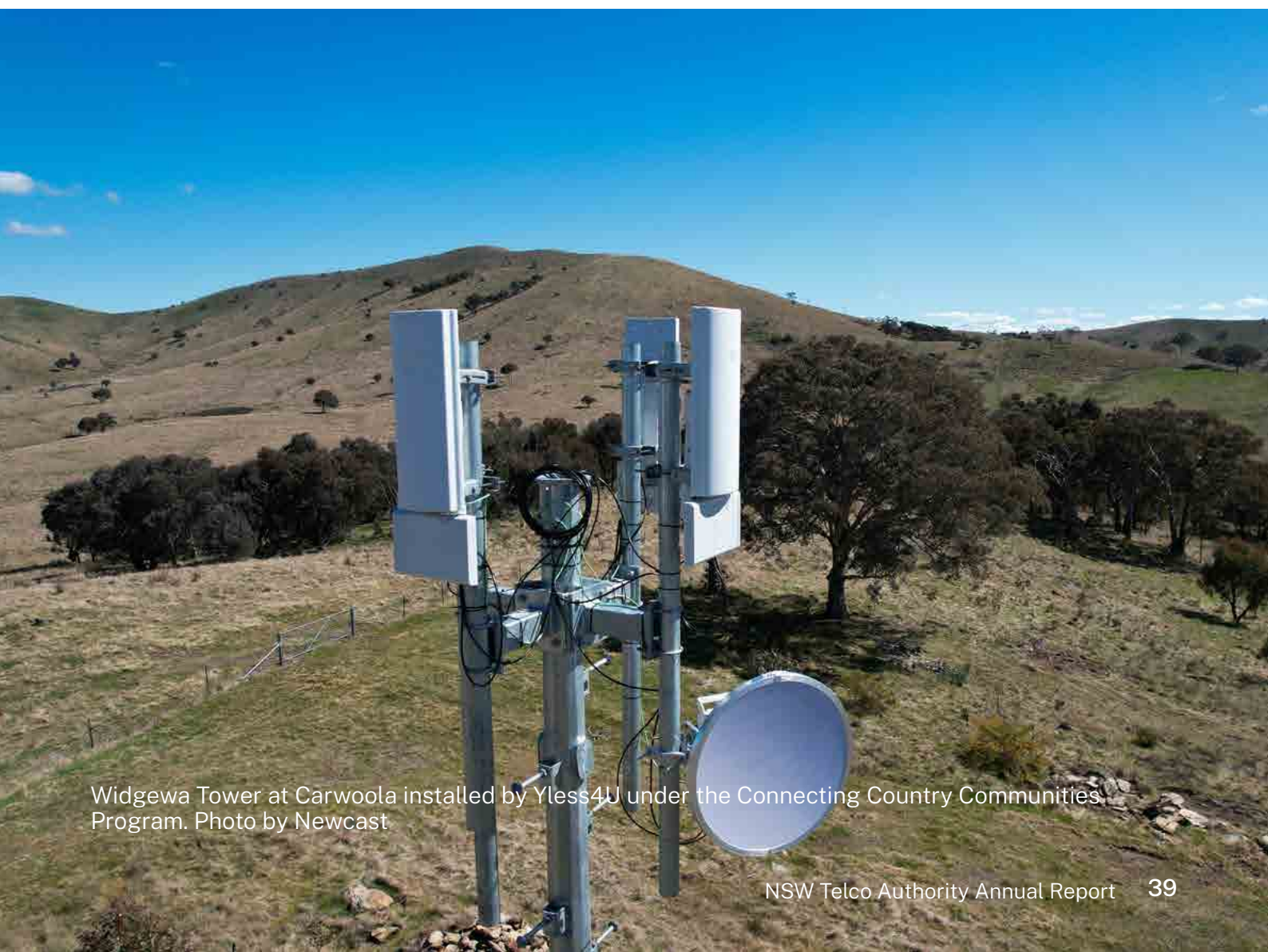
## CUSTOMER SPOTLIGHT

### Blue Mountains City Council



The Blue Mountains is one of only two cities in the world surrounded by a World Heritage Area and services 1.7 million people. The Council joined the PSN in June 2022 and have 28 radio users operating across 14 talk groups.

Communication over the PSN ensures reliable communication between Emergency Management staff across one of the state's largest LGAs.



Widgewa Tower at Carwoola installed by Yless4U under the Connecting Country Communities Program. Photo by Newcastle

# Engaging with industry and the community



## New website

In May 2022, we launched our new website on the nsw.gov platform ([www.nsw.gov.au](http://www.nsw.gov.au)). The new website meets accessibility standards, has simplified information and removed unnecessary technical jargon. We also made it easier to contact us through a new online enquiry form.

## Growing our social media presence

Social media is one of the communication tools we use to have greater community and industry reach as the connectivity leader for the NSW Government.

We continued to focus on LinkedIn to inform the community about our major programs and promote recruitment opportunities and customer highlights.

During the year, LinkedIn followers increased by 20 per cent – from 8,965 followers in July 2021 to nearly 10,800 on 30 June 2022. The page attracted more than 27,300 views and about 9,600 unique visitors.



## Royal Easter Show

In April 2022, we shared an exhibit with Service NSW at the 2022 Sydney Royal Easter Show, reaching more than 500 people and distributing 300 show bags. Visitors to the stand were keen to learn about who we are, how we help ESOs and our efforts to improve connectivity in regional NSW.



*NSWTA staff members on our stand at the Royal Easter Show*

## Technology Innovation Forums

We continued to host Technology Innovation Forums, inviting industry to present the latest technology to help customers better understand how technology can support public safety.

Two forums were hosted during the year, attracting 570 virtual participants. Forums focussed on enabling technologies to solve connectivity challenges as well as use of satellites to assist with coordination and planning.

## International Critical Communications Conference

In June 2022, we participated in the Critical Communications World Conference in Austria – the world’s largest public safety communication conference.

The conference was attended by government agencies, carriers, vendors and research institutions and showcased global best practice in critical communications.

The event provided an opportunity to share learnings with our international counterparts about the use of technology, research and applications in the operations and upgrades of communications networks.

## Critical Communications Association Membership

This year we became a member of The Critical Communications Association (TCCA), the global representative body for the critical communications ecosystem.

Membership enables us to join a global network dedicated to developing critical communications solutions, sharing knowledge and developing partnerships with other TCCA members and supports our vision to be the connectivity leader for NSW Government.

# We are a great place to work

## Our culture

Our values and behaviours align to ensure our customers are at the centre of everything we do.

More than 70 per cent of our staff report they are satisfied with their work and 84 per cent feel we embrace diversity and inclusion. More than 90 per cent are satisfied with the flexible work arrangements we have in place.

Our FlexReady™ Certification recognises our commitment to our people, flexibility and the future of work.

*“I feel privileged helping deliver vital communications for our customers and also working to ensure that our staff and vendor partners return home safely to their families every day,” Emma Fairbairn, Safety Manager.*

*“It’s incredibly rewarding to use your skills and capabilities on a project that is expanding critical connectivity services to both our customers and the community across NSW,” Haiming Wang, Principal Electrical Engineer.*

## Listening to our people

The NSW People Matter Employee Survey, a NSW public sector-wide survey, provides a significant opportunity for almost 400,000 employees to have their say about experiences with their work and working with their team, managers and the organisation.

Our agency performed well, with 88 per cent of our people completing the survey – 21 per cent above the public sector average. Staff told us they would like improved cooperation between teams, improved change management, regular feedback and performance assessment against more precise criteria.

To address this, our new operating model introduces agile ways of working, refreshed customer-centric values, a focus on learning and development and wellbeing, support and training for change management and enhanced leadership coaching.

## 2021 NSWTA Employee Engagement Score (PMES)



- ✓ Recommend as a great place to work
- ✓ Proud to tell others
- ✓ Strong personal attachments
- ✓ Motivated to achieve goals
- ✓ Inspired to do my best

## CUSTOMER SPOTLIGHT

### Building the tallest PSN site



At 120 metres high, this guyed mast under construction in Brewarrina is one of the largest Public Safety Network sites being delivered as part of the Critical Communications Enhancement Program.

## Developing our people

We strive to deliver the best development opportunities for our people to create a culture of continuous improvement. Our development programs are designed to enhance the skills and capabilities to meet our present and future needs.

We have partnered with the Institute of Public Administration Australia, the Australian Institute of Management and Women and Leadership Australia to develop a comprehensive training catalogue which attracted more than 290 enrolments in 80 professional short courses and face-to-face sessions. These ranged from management, communications, finance, risk management, leadership, project delivery and marketing.

During the year, three senior leadership team members enrolled in the Australian Major Projects Leadership Academy, which focuses on the public sector's capability to manage and deliver the nation's large-scale and increasingly complex pipeline of major infrastructure projects.

## Recognising our people

### iTnews Benchmark Australia Awards

In June, we won the national iTnews Benchmark Award in the Talent Management category in recognition for our organisational growth through training and development.

### National Emergency Medals

In June, twelve TEMU and Network Operations staff were awarded National Emergency Medals for their unwavering commitment to serving and protecting the people of NSW during the 2019/20 Black Summer Bushfires.

The National Emergency Medals are awarded to those who provide sustained service during nationally significant emergencies.

## Department of Customer Service Secretary Awards



In December 2021, we won the 'Excellence in Digital Innovation Award' for 'Protecting border communities: Public Safety Network expansion into Queensland', for successfully delivering the first interstate shared PSN inter-connectivity project.

We delivered essential infrastructure to enable interstate radio roaming capability, extending coverage beyond the NSW border into Queensland to provide seamless coverage for ESOs and first responders when they undertake mission-critical cross-border operations such as natural disasters and emergencies.

## International Critical Communications Awards

- Winner – Young Engineer of the year
- Winner – Champion for Equality, Diversity and Inclusion Award

In June 2022, Associate Spectrum Engineer, Shaunak Patel, won the Young Engineer of the Year Award at the 2022 International Critical Communications Awards. We were also recognised for our commitment to fostering a diverse and inclusive culture.



# Appendices

## Consumer response

NSWTA received no complaints during the reporting period. NSWTA manages all complaints in line with the DCS Complaints Handling Policy.

## Disclosure of controlled entities and subsidiaries

NSWTA does not hold shares in any public-sector subsidiary.

NSWTA receives personnel services from DCS. The Department is not a Special Purpose Service Entity and does not control NSWTA under this arrangement.

## Economic and other factors

### COVID-19 response

NSWTA provided liaison officers to the State Emergency Operations Centre and the Dubbo Regional Operations Centre to support the whole-of-government response to the pandemic. Liaison officers worked with NSW Health, the Department of Defence and carriers to ensure telecommunications infrastructure remained stable.

NSWTA worked with other jurisdictions on travel restrictions and advocated on behalf of industry to allow cross-border movement for essential workers. It also assisted Service NSW process around 5,000 travel exemption requests and cross-border permits from members of the telecommunications and broadcasting industries.

NSWTA also worked with Vocus Pty Ltd, NSW Health and NSW Rural Fire Service to arrange telecommunications resources to support requests for increased data requirements for remote communities in Wilcannia and Wreck Bay.

## Program delays

The Black Summer bushfires, COVID-19, and floods in 2021 and 2022 have impacted the CCEP. The program continues to build momentum despite the continual weather challenges. Significant rain and flooding in February and March 2022 introduced a new requirement to repair access tracks to sites. Expected completion is in 2027.

## Executive Leadership Team (at 30 June 2022)



**Kylie De Courteney**

(BCom)

**Managing Director**

Kylie De Courteney joined NSWTA in 2019 and is a senior executive with expertise in complex program delivery and organisational transformation in private and public sector roles, including Telstra, Energy Australia and Service NSW. Kylie is passionate about driving digital transformation and customer-centric service.



**Jim Henry**

(MDS, BEd)

**Director of Telecommunications Emergencies**

Jim Henry joined NSWTA in 2019 and has more than two decades' experience in emergency management focussing on protective security, disaster preparedness, incident management and building resilience including roles across three jurisdictions and the private sector.



**Kristie Clarke**

(BBus)

**A/Chief Operating Officer**

Kristie Clarke joined NSWTA in 2020 and is a specialist in change, complex stakeholder engagement, strategy and program delivery. Kristie has led multiple cross-government transformation programs delivering significant improvements for customers, including roles at Service NSW and Railcorp.



**Aled Jones**

(BA ssc (Hons, MCIPS))

**Chief Commercial Officer**

Aled Jones joined NSWTA in 2022 and has 20-years' experience in executive leadership and delivering outstanding commercial and contractual outcomes in Australia and internationally. Aled has worked across diverse industries, including rail, heavy manufacturing, construction, aviation, and financial services.



**Alanna Linn**

BSc (Hons) MPhil

**A/Chief Strategy and Innovation Officer**

Alanna Linn joined NSWTA in 2022 and has more than 18-years' experience in government policy, strategy and transformation across diverse portfolios, including energy, water, health, utilities and housing.



**David Marrant**

(Grad Cert PSM)

**A/Chief Customer Officer**

David Marrant joined NSWTA in February 2021 and has extensive experience delivering customer and stakeholder outcomes for a wide range of complex NSW Government programs, including roles in Service NSW, NSW Department of Education and the NSW Department of Industry.



**Kirsty McKinnon**

(BPSS)

**Executive Director, Program Delivery**

Kirsty McKinnon joined NSWTA in 2019 and has extensive experience delivering large-scale programs and commercial contracts across the government and telecommunications sectors, including roles at Service NSW and Vodafone.



**Mario Zullo**

(MIT, BCom)

**A/Chief Digital and Technology Officer**

Mario Zullo joined NSWTA on secondment from Fire and Rescue NSW from October 2021 to July 2022. Mario is a senior IT executive with international experience in financial services, insurance, gaming, entertainment, technology and manufacturing.

## Functional structure (at 30 June 2022)

NSWTA Managing

Enterprise and Business Operations	Strategy and Innovation	Customer	Program Delivery
Planning and Performance	Strategy, Planning and Development	Stakeholder Engagement	PMO
Communications	Whole of Govt Connectivity	Customer Engagement	CCEP
Risk and Continuity	Innovation and Strategic Partnerships	Customer Experience	Projects
Safety	Product		Digital Infrastructure
Board Secretariat	Policy		
Asset Management	Transformation		
People and Culture			
Finance			



**Director**

**Office of the MD**

<b>Operations and Emergency Management</b>	<b>Commercial</b>	<b>Digital and Technology</b>	
PSN Operations	Business Partner and Analytics	Digital Transformation	Networks and Cyber
Incident Management	Strategy and Innovation	Engineering Architecture	Site Design CCEP
Emergency Mgt Capability Development	Programs	Spectrum Management	Civil, Structural and Electrical Eng
Emergency Risk and Intelligence	Operations	Transmission Engineering	Analytics and Enterprise Architecture
Cyber Operations	Property Management	Wireless and Spectrum Engineering	Engineering PSMB
Protective Security			

# Governance

## NSW Telco Authority Advisory Board

### Role

The NSWTA Advisory Board is established under the *Government Telecommunications Act 2018*. It provides policy advice to drive the strategic direction of the organisation.

### Appointments

The Commissioner for Resilience NSW, Shane Fitzsimmons, OM AFSM, was appointed as Chair on 30 April 2022 following the resignation of outgoing Chair Beth Jackson. Two new members, Mr Samuel Walker and Ms Fiona Dewar were appointed on 30 March 2022.

### Resignations

Deputy Commissioner Malcolm Lanyon resigned on 15 October 2021, and Dr Vinita Deodhar resigned on 29 March 2022. Chair Beth Jackson resigned on 29 April 2022.

### Meetings

The Board held three meetings in between 1 July 2021 and 30 June 2022. (A further three meetings were cancelled due to COVID-19 and operational reasons).

## Members



**Commissioner  
Shane Fitzsimmons**  
OAM AFSM (Mgt)

### Chair

Current appointment:  
30/04/2022 to 14/07/2023

Attended three Board meetings

Commissioner Fitzsimmons is the Head of Resilience NSW and Deputy Secretary of Emergency Management and previously served as NSW Rural Fire Service Commissioner between 2007 and 2020.



**Kaaren Koomen AM**  
(BA LLB, LLM, GAICD)

### Deputy Chair

Current appointment:  
15/07/2020 to 14/07/2023

Attended three Board meetings

Kaaren Koomen is an Executive Director with IBM Australia and New Zealand and has more than 25-years' experience in leadership in senior executive roles in the private and public sectors.



**Beth Jackson**

(BA, Dip LAw, MAICD)

**Former Chair**

Current appointment:  
15/07/2020 to 14/07/2023  
(resigned 29 April 2022)

Attended three Board meetings

Beth Jackson has held senior management and executive roles in federal and state government and worked across the legal, technology and telecommunications sectors in Australia and overseas.



**Greg Wells**

(BEng Hons)

**Member**

Current appointment:  
15/07/2020 to 14/07/2023

Attended two Board meetings

Greg Wells is the NSW Government Chief Information and Digital Officer and Deputy Secretary of Digital.NSW in the Department of Customer Service.



**Kylie De Courteney**

(BCom)

**Managing Director**

Current appointment: ex-officio

Attended three Board meetings

Kylie De Courteney is a senior executive with extensive public sector expertise in complex program delivery and organisational transformation and is passionate about driving digital transformation and customer-centric service.



**Ric Oldham**

(BEng, Registered Building Practitioner)

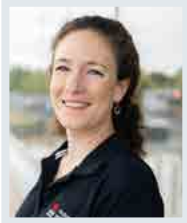
**Member**

Current appointment:  
15/07/2020 to 14/07/2023

Attended two Board meetings

Ric Oldham has more than four decades of experience in the transport, telecommunications and engineering sectors, including managing large public infrastructure projects in Australia and abroad.

## Members



### **Fiona Dewar**

(BAComms, GradCert Pub Pol)

#### **Member**

Current appointment:  
30/03/2022 to 30/03/2025

Attended no Board meetings

Fiona Dewar is the Deputy Secretary – Strategy, Corporate and Performance at the Department of Regional NSW with experience in the public and private sectors.



### **Emma Hogan**

(GDipHRM)

#### **Member**

Current appointment:  
15/07/2020 to 14/07/2023

Attended three Board meetings

Emma Hogan is the Secretary of the Department of Customer Service and has worked in executive leadership roles across people and culture, customer experience, digital and transformation.



### **Samuel Walker**

(BAHist, MEcon [IA], CIMA Mgt)

#### **Member**

Current appointment:

30/03/2022 to 30/03/2025

Attended no Board meetings

Samuel Walker is a senior executive at NSW Treasury, where he has led the State Budget function since 2018. He is a public finance specialist with significant experience advising senior decision-makers on complex policy and operational funding issues.



### **Dr Vinita Deodhar**

(PhDEcon, MBusEcon, BAEcon[Hons])

#### **Member**

Current appointment:  
04/09/2019 to 03/09/2022  
(resigned 29/03/2022)

Attended one Board meetings

Dr Deodhar is an Executive Director at NSW Treasury and advises NSW Government agencies on risk management, governance, public policy, and economic and customer-centric reforms.



**Deputy Commissioner  
Malcolm Lanyon APM**

(BSSc, ADipCrimJus, ANZSOG  
Executive Fellow, NZPLS)

**Member**

Current appointment:  
04/09/2019 to 03/09/2022  
(resigned 15/10/2021)

Attended no Board meetings

Deputy Commissioner Lanyon  
has worked as a detective  
and Special Services Group  
Commander and is the recipient  
of the Australian Police Medal,  
National Police Medal and NSW  
Police Medal.

# Human resources

## DCS People and Culture

All staff are employed directly by DCS, with the department charging NSWTA for personnel services.

DCS People and Culture helps attract and retain talented people and enables agencies across the cluster to deliver success and adopt new ways of working to improve customer outcomes and productivity.

DCS People and Culture provide services and advice on human resources policies, industrial relations (including pay and conditions), recruitment, diversity and inclusion, safety and wellbeing, conduct and behaviour, learning and development, analytics and workforce strategy.

NSWTA's personnel policies are based on DCS policies. The 2021/22 Department of Customer Service Annual Report details human resources and industrial relations policies and practices, which apply to NSWTA staff.

## Workplace profile

### Total staff

On 23 June 2022, 214.4 full-time equivalent staff (permanent, temporary and contractors) were employed to enable NSWTA to carry out its functions, an increase of 46 per cent from the previous year.

During the reporting period, there were no exceptional movements in wages, salaries, or allowances for NSWTA staff.

**Table 1: Workplace profile**

Division	2020 <sub>1,2</sub>	2021 <sub>1,2</sub>	2022 <sub>1,2</sub>
Senior Executive	7.7	8.9	16.0
Ongoing	81.5	110.4	173.3
Temporary	12.6	26.4	24.1
Graduate	1.0	1.0	1.0
<b>Total</b>	<b>102.8</b>	<b>146.8</b>	<b>214.4</b>

Note 1: Full-time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long-term leave without pay).

Note 2: Statistics are based on workforce profile census data as of 25 June 2020, 24 June 2021 and 23 June 2022.

**Table 2: Employee related costs**

Employee related costs 2021/22	Amount
Executive	2,847,315
Non-Executive	22,060,141
Total	24,907,456
Ratio Senior Executive	11%

**Table 3: Senior executives**

Senior Executive Band	2021 <sup>1,2,3</sup>				2022 <sup>1,2,3</sup>			
	F	M	Total	% Representation by Women	F	M	Total	% Representation by Women
Band 4 (Secretary)	0	0	0	0%	0	0	0	0
Band 3 (Deputy Secretary)	0	0	0	0%	0	0	0	0
Band 2 (Executive Director)	1	0	1	100%	2	0	2	100%
Band 1 (Director)	4	4	8	50%	6	8	14	42.9%
Total	5	4	9	55.6%	8	8	16	50%

**Table 4: Senior executive remuneration**

Senior Executive Band	2021 <sup>4</sup>		2022 <sup>4</sup>	
	Range \$	Average Remuneration \$	Range \$	Average Remuneration \$
Band 4 (Secretary)	487,051-562,650	0	499,251-576,700	0
Band 3 (Deputy Secretary)	345,551-487,050	0	354,201-499,250	0
Band 2 (Executive Director)	274,701-345,550	345,550	281,551-354,200	339,146
Band 1 (Director)	192,600-274,700	228,976	197,400-281,550	233,375

Note 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.

Note 2: Statistics are based on workforce profile census data as of 24 June 2021 and 23 June 2022.

Note 3: All employees reported in 2021 and 2022 are appointed under the Government Sector Employment Act 2013. Salary band based on current assignment, including those on a temporary above-level assignment for more than two months.

Note 4: Salary ranges effective at the Workforce Profile census dates of 24 June 2021 and 23 June 2022.

## DCS Care and Belonging Strategy 2022–2025

The DCS Care and Belonging Strategy 2022–2025 is a commitment to ensure workplace culture makes all 12,000+ employees feel included, respected and uplifted to deliver their best work.

The Care and Belonging Strategy celebrates DCS' diversity and inclusion across DCS and its commitment to building a culture of care and wellbeing in which diversity of experience, skill set, background and perspective is sought to help meet the needs of the Department's eight million+ customers.

### Workforce diversity and inclusion

NSWTA contributed to the DCS Diversity and Inclusion Strategy and Action Plan 2020-25, which outlines the Department's commitment to the Premier's Priorities which aim to:

- increase the proportion of women in senior leadership roles to 50 per cent by 2025
- increase the number of Aboriginal people in senior leadership roles
- increase representation of people with disability from 2.7 per cent to 5.6 per cent by 2025

The Strategy also:

- supports the Diversity Inclusion Advisory Council, Disability Inclusion Steering Committee and Employee Resource Groups to update practical actions
- implements the Aboriginal Workforce Strategy, the Disability Inclusion Action Plan, and programs to increase the visibility and career progression of people from culturally and linguistically diverse backgrounds

As of 23 June 2022, 42.7 per cent of NSWTA ongoing and temporary staff are females, an increase from 41.7 per cent in June 2021.

In partnership with Service NSW, Revenue NSW and Digital.NSW, NSWTA initiated funding for three positions within DCS People and Culture to support diversity. NSWTA will continue to implement the DCS Diversity and Inclusion Strategy and Action Plan in the following year.

### Disability Inclusion Action Plan

NSWTA adopts the DCS 2020-2025 Disability Inclusion Action Plan, which outlines the Department's commitment to improving accessibility and inclusion for our customers, people and suppliers with disability.

On June 2022, 4.7 per cent of NSWTA staff had a disability, with 0.5 per cent of staff requiring workplace adjustment.

NSWTA's support for disability inclusion in 2021/22 included:

- participating in the 'Stepping Into' program, a paid internship scheme that matches talented university students with disabilities with roles in leading Australian businesses (DCS-led)
- providing staff with compulsory online training modules on disability awareness and confidence for both managers and staff, which were developed by both the Public Service Commission and the Australian Network on Disability
- continuing participation in the NSW Public Sector Jobs for People with Disability Implementation Committee, led by the Public Service Commission.

### Multicultural policies and services

NSWTA supports and participates in DCS initiatives, policies and programs committed to multiculturalism and will continue to do so in the following year. At 23 June 2022, 44 per cent of NSWTA staff identified as culturally and linguistically diverse, exceeding the NSW Public Service Commission target by more than 20 per cent.



DCS uses external interpreting and translation services, including the Service NSW online – Auslan-English interpreting service providing access to services, programs, and opportunities across the state. The DCS Diversity and Inclusion team works with NSWTA and agencies across the department to enhance awareness and use of these services.

NSWTA did not enter into any agreements with Multicultural NSW under the *Multicultural NSW Act 2000* during the reporting period.

The 2021/22 Department of Customer Service Annual Report provides more information on DCS multicultural policies and service programs.

### **Aboriginal Employment Strategy**

The DCS Aboriginal Employment Strategy (AES) 2020–2025 is designed to move Aboriginal employment forward in a meaningful and holistic way, growing and developing career paths for Aboriginal employees.

The 2021/22 Department of Customer Service Annual Report provides more information on the AES.

### **Employee resource groups**

In conjunction with the Diversity Inclusion Advisory Council, NSWTA staff may participate in 11 Employee Resource Groups to increase awareness and make a positive contribution to DCS culture:

- Ability DCS (people with disability)
- Aboriginal
- Culturally and Linguistically Diverse (CALD)
- Carers
- Generations (for people aged 45+)
- Pride DCS (lesbian, gay, bisexual, transgender, intersex, queer, asexual and aromantic)
- Leading Women
- Young Professionals Network (YPN)
- MENergy
- Regional
- Parents ERG

**Table 5: Trends in the representation of workforce diversity groups**

Workforce Diversity Group	Benchmark	2020 <sup>1</sup>	2021 <sup>1</sup>	2022 <sup>1</sup>
Women <sup>3</sup>	50%	45.0%	41.7%	42.7%
Aboriginal People and/or Torres Strait Islander People <sup>4</sup>	3.3%	4.7%	2.4%	3.2%
People whose First Language Spoken as a Child was not English <sup>5</sup>	23.2%	42.1%	45.2%	44.0%
People with a Disability <sup>6</sup>	5.6%	6.0%	6.3%	4.7%
People with a Disability Requiring Work-Related Adjustment <sup>6</sup>	N/A	1.2%	0.8%	0.5%

Note 1: Statistics are based on workforce profile census data as of 25 June 2020, 24 June 2021 and 23 June 2022.

Note 2: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 3: The NSW Public Sector Aboriginal Employment Strategy 2014–17 introduced an aspirational target of 1.8% to be reached by 2021 for each salary band. 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%.

Note 4: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for people whose first language spoken as a child was not English. While the ABS Census does not provide information about first language, it does give information on country of birth. The benchmark of 23.2% reflects the percentage of the NSW general population born in a country where English is not the predominant language.

Note 5: In December 2017, the NSW Government announced doubling the target 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<sup>6</sup> was not updated.

**Table 6: Trends in the Distribution Index for Workforce Diversity Groups**

Workforce Diversity Group	Benchmark <sup>6,7</sup>	2020	2021	2022
Women	100	96	93	95
Aboriginal People and/or Torres Strait Islander People	100	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	100	94	94	95
People with a Disability	100	N/A	N/A	N/A
People with a Disability Requiring work-related adjustment	100	N/A	N/A	N/A

Note 6: 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 a workforce diversity group tend to be more concentrated in lower salary bands than 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 a workforce diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

Note 7: The Distribution Index is not calculated when the number of employees in the workforce diversity group is less than 20 or when the number of other employees is less than 20.

## Industrial relations

### COVID-19 related policy

DCS COVID-19 related policies apply to all employees, including NSWTA staff.

After significant consultation, multiple risk assessments and in line with NSW Health advice, DCS implemented a mandatory vaccination policy in November 2021 in order to protect the safety and wellbeing of staff, other workers and customers who interact with employees.

DCS People and Culture provided staff support with individual case management throughout this process with a dedicated Hypercare team and a department-wide support hub providing guidance and resources. In June 2022, a review of the risk assessment framework, further consultation, revised health advice and a focus on the DCS Illness Prevention Strategy allowed the policy to be lifted from 1 July 2022.

DCS adopted the Public Sector Policy and Principles to apply Pandemic Special Leave during the COVID-19 response.

### Flexible working

In March 2020, the DCS Flexible Working Hours Agreement was varied to provide extended bandwidth and suspension of core working hours. This change continued throughout 2021/22 financial year and allowed staff to work their hours more flexibly over a longer time band of time, to help balance organisational needs with career and other responsibilities.

## Implementation of Price Determination

NSWTA was not the subject of a determination or recommendation of the Independent Pricing and Regulatory Tribunal during the reporting period.

## Land disposal

No properties were disposed of during the reporting period.

## Legal change

### Amendments to the Government Telecommunications Act 2018 (NSW)

The *Government Telecommunications Amendment Act 2022* commenced on assent on 6 June 2022. The amendments introduce new powers of entry to land and are designed to support the timely rollout of the CCEP.

The new powers of entry enable authorised persons from NSWTA and certain ESOs to access public and private property for specified operational purposes, including inspection and installation, maintenance, repair and decommissioning of communications infrastructure.

### Carrier licence

On 13 December 2021, the Australian Communications and Media Authority granted NSWTA a carrier licence. The licence permits NSWTA to continue to provide PSN services to entities that are not NSW government agencies while maintaining compliance with the *Telecommunications Act 1997* (Cth).

Before this, NSWTA operated the PSN under carrier licence exemption determinations made by the Commonwealth Minister for Communications and the Arts.

## Telecommunications (Participating Person Exemption – Public Safety) Determination 2022

On 24 June 2022, the federal Minister for Communications made the *Telecommunications (Participating Person Exemption – Public Safety) Determination 2022*. The determination applies to certain entities operating a telecommunications network for a permitted purpose, being any voice or data communications necessary or desirable to facilitate the exercise of functions in connection with:

- a. preventing, preparing for, responding to or recovering from, an emergency, public safety incident or other incident posing a risk of harm to any person or property (including training activities in relation to the exercise of those functions); or
- b. law enforcement and compliance; or
- c. national security

NSWTA falls within this exemption and, as a result, is not required to contribute to the Telecommunications Industry Levy administered under the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (Cth) or Annual Carrier Licence Charge imposed by the *Telecommunications (Carrier Licence Charges) Act 1997* (Cth). The determination is scheduled to be repealed on 1 July 2024.

### Significant judicial decision

There were no significant judicial decisions affecting NSWTA or its customers during the reporting period.

## Operational reviews

### Pricing and Efficiency Review

In November 2021, NSW Treasury requested that NSWTA conduct a comprehensive independent review of its funding, efficiency and pricing model to enable a new model to be in place for the 2023/24 budget.

At the time of publishing this report, NSWTA was procuring an independent firm to conduct the review, which is expected to occur by the end of the year.

### Asset Management Review

NSWTA must comply with the Asset Management Policy for NSW Public Sector (TPP19-07), with an annual policy attestation process established by NSW Treasury and assured by Infrastructure NSW (iNSW).

Attestation of compliance with the Policy is required by June 2024. In June 2021, NSWTA sought an exemption to the Policy, with a commitment to comply by June 2024.

NSWTA's asset management maturity was externally assessed in May 2021 at 30 per cent of the required standard (using the iNSW maturity assessment tool).

In July 2021, NSWTA implemented an Asset Management Capability Program designed to transform asset management capability through a two-year program that will establish an Asset Management Framework aligned to the International Standard for Asset Management (ISO55001), in line with the Policy (TPP19-07).

A recent assessment found that NSWTA has more than doubled its maturity score in the past 12 months to meet the required standard of 63 per cent.

NSWTA has also developed an Asset Information Strategy, which has significantly uplifted data quality across its technical asset

register, with data sets improving from ten per cent accuracy and completeness to almost 90 per cent.

### **iNSW CCEP Health Check**

In May 2022, iNSW conducted an independent peer review of the CCEP to assess the development and delivery of the program and to provide recommendations for improvement, as required.

The iNSW CCEP Health Check indicated a 'medium' overall confidence in the delivery of the program in line with the NSW Government's objectives. A total of 20 recommendations were made, four of which were 'critical', requiring 'immediate action'.

The critical recommendations relate to budget (cost and contingency), risk management and integration with budget and schedule, and a review of project tools and governance. NSWTA has selected an appropriately qualified supplier for an independent review of the schedule and contingency, project tools and governance process to recommend actions for uplift.

## **Participation in industry consultations**

### **NSW flood inquiries**

NSWTA provided submissions to the NSW Parliament Legislative *Council Select Committee on the Response to Major Flooding across New South Wales in 2022* and the NSW Government's *2022 Flood Inquiry*.

NSWTA outlined its critical role during the floods to maintain the reliability of the PSN and advocated for key telecommunications reforms, including:

- compelling critical infrastructure owners to share information about the location and criticality of infrastructure and plans in place to manage natural disasters, including onsite power backup in the event

of mains power loss and alternative sources of network coverage

- introducing priority and pre-emption for emergency services organisations to access commercial telecommunications networks for PSMB
- mandating emergency roaming arrangements between carriers to provide basic voice, text and data services to the public during emergencies, irrespective of their carrier network
- compelling telecommunications carriers to provide the State Emergency Operations Centre with live reporting of network performance, including current and impending outages
- Commonwealth action to expedite implementation of PSMB to ensure ESOs have access to mission-critical broadband data technologies to protect NSW citizens

### **Regional Telecommunications Review 2021**

In August 2021, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDC) released the 2021 Regional Telecommunications Review Issues Paper for consultation.

In September 2021, NSWTA and the Department of Regional NSW provided a joint submission on behalf of the NSW Government. The submission advocated for improved connectivity in regional areas and more resilient critical communications during emergencies and natural disasters. Key recommendations included:

- a national approach to telecommunications service planning
- improved coordination during natural disasters
- expanded mobile coverage in regional Australia

- continuation of the National Broadband Network rollout
- future-proofing regional Australia with emerging technologies

### **Consultation on the Telecommunications (Participating Person Exemption – Public Safety) Determination 2022**

In June 2022, DITRDC held a public consultation on the draft Telecommunications (Participating Person Exemption – Public Safety) Determination 2022 to prescribe the kind of persons who is determined to be exempt from section 44 of the Telecommunications (Consumer Protection and Service Standards) Act 1999.

### **Commonwealth Public Safety Mobile Broadband strategic review**

In April 2022, the Commonwealth initiated an independent review into the delivery model for a national PSMB capability, including a series of workshops with all jurisdictions and the release of a Discussion Paper.

NSWTA lodged a submission to the review’s discussion paper addressing our work to progress implementation, including leading a PSMB Proof-of-Concept on behalf of the Commonwealth and all states and territories.

### **Five-year spectrum outlook 2022-27 and 2022/23 work program**

In March 2022, the Australian Communications and Media Authority released its Five-year Spectrum Outlook 2022-27 and its 2022/23 work program draft for consultation.

NSWTA’s submission addressed issues relating to ESOs and NSW Government agency’s use of spectrum, such as:

- the availability of dedicated spectrum for PSMB

- potential amendments to the Radiocommunications (*Public Safety and Emergency Response*) Class Licence 2013 to support 5G PSMB deployments
- potential future use of 400 MHz Harmonised Government Spectrum for 3GPP LTE purposes
- requirements for alternative spectrum for point-to-point services if 13 GHz is re-farmed
- supporting the introduction of licensing solutions for radio navigation satellite service repeaters for GPS location services in tunnels

## **Privacy and Personal Information**

NSWTA follows the DCS Privacy Management Plan, which complies with the *Privacy and Personal Information Protection Act 1998* (PPIPA).

No reviews were conducted by or on behalf of NSWTA under Part 5 of the PPIPA. The 2021/22 Department of Customer Service Annual Report contains information about privacy reviews, access applications or enquiries by individuals requesting their personal information under the PPIPA.

## **Government Information (Public Access)**

NSWTA is regarded as part of DCS for the purposes of the *Government Information (Public Access) Act 2009* (GIPA Act). Applications made under the GIPA Act involving NSWTA are centrally coordinated within DCS.

The 2021/22 Department of Customer Service Annual Report contains information about access applications received relating to NSWTA.

# Procurement

NSWTA follows the NSW Procurement Policy Framework, which ensures that government procurement activities achieve best value for money for government. This is accomplished through fair, transparent and streamlined processes that encourage competition, such as:

- managing procurement through government procurement schemes, including:
  - ITS 2573 Operational Telecommunications Equipment Infrastructure and Services
  - ICT Services SCM0020 Prequalification Schemes
  - PMS0005 Professional and Management Services Scheme
  - Construction Scheme (minor works and consultants)

The majority of commercial engagements in the reporting period relate to CCEP and the Operate and Maintain Program, including:

- management of design contracts for ~220 sites with four suppliers at a total contract value of ~\$50 million
- awarding construction for 154 CCEP sites at a cost of more than \$45 million, including remediation works for tracks damaged due to extreme weather events
- revised core support and maintenance contract with Motorola incorporating new service level agreements and better performance management measures. The contract is worth ~\$60 million over five years
- two major service contracts for engineering and stakeholder services to support CCEP delivery. These contracts aim to reduce program risk and provide a flexible resource profile to improve program momentum

- 122 engagements with small and medium enterprises valuing ~\$37M, including two engagements awarded to Indigenous firms at ~\$215K value
- \$1 million per year for the Connectivity Innovation Network in partnership with the University of Technology Sydney and the University of Sydney, in bringing together government, academia and industry to solve connectivity challenges and deliver improved outcomes for the people of NSW

NSWTA works with NSW Public Works on assurance reviews for construction procurements and has received positive feedback that its end-to-end procurement is of a high standard, with a solid evaluation process aligned to NSW Procurement Policy standards.

## Research and development

NSWTA did not commission formal research with external research institutions during the reporting period.

In May, NSWTA launched the Connectivity Innovation Network to find innovative solutions to connectivity challenges faced by the NSW Government. The Network promotes greater collaboration between Government, industry and research organisations (see page 40).

## Public Interest Disclosures

As NSWTA staff are employed by DCS, the agency adopts the DCS Fraud and Corruption Control Policy, which forms part of the Code of Conduct.

NSWTA also adopts the DCS Report Wrongdoing and Public Interest Disclosures Policy, which outlines the support and

protections available under the *Public Interest Disclosures Act 1994* for an employee making a public interest disclosure (PID). The policy is widely available on the DCS intranet and includes details of the nominated officers who are authorised to receive a PID. PID training and resources are available to staff on the DCS intranet and is highlighted during induction training.

**Table 7: Public Interest Disclosures**

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



## Work Health and Safety performance

NSWTA continued to implement its Work Health and Safety (WHS) management system, which meets the requirements of AS/NZS ISO 45001:2018 *Occupational health and safety management systems – Requirements with guidance for use*. The system highlights our ongoing commitment to reducing the occurrence and severity of workplace incidents and injuries.

NSWTA continued to achieve high levels of assurance inspections over the period, with 996 inspections completed with a 97 per cent compliance rate across 300 sites.

### Real-time site-based WHS reporting

NSWTA continues to use the digital platform iAuditor to allow real-time reporting of inspections, incidents and hazards.

The platform can also send safety alerts directly to our workers and vendor partner mobile devices, with 53 alerts issued during the reporting period.

Twenty-seven leadership walks (site visits) were conducted during the year.

### Workplace injuries

NSWTA staff are employed by DCS. Further workplace injury data is available in the 2021/22 Department of Customer Service Annual Report.

During the year, one workplace injury was reported but resulted in zero lost time.

NSWTA had no prosecutions under the *Work Health and Safety Act 2011* during the reporting period.



# Cyber Security Attestation 2021-2022

Statement for the 2021-2022 Financial Year for NSW Telco Authority

I, Kylie De Courteney, am of the opinion that NSW Government Telecommunications Authority have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cyber security maturity and initiatives of NSW Government Telecommunications Authority.

Risks to the information and systems of NSW Government Telecommunications Authority have been assessed and are managed.

There exists a current cyber incident response plan for NSW Government Telecommunications Authority which has been tested during the reporting period.

NSW Government Telecommunications Authority has an Information Security Management System (ISMS), in place, that has been externally accredited and has been ISO:2007:2013 Certified.

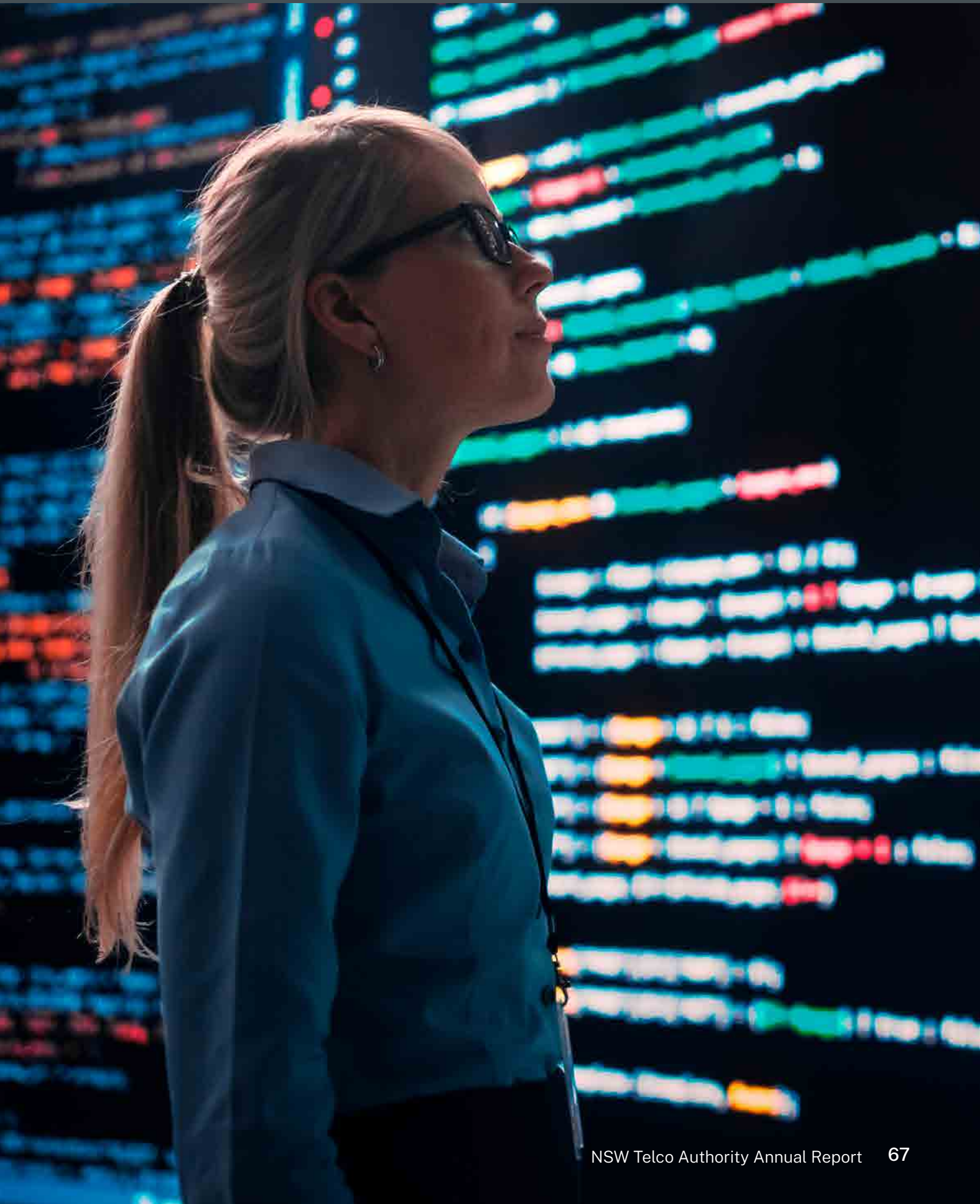
NSW Government Telecommunications Authority is doing the following to continuously improve the management of cyber security governance and resilience:

- Quarterly ISMS Management Meetings
- Monthly Risk Management meetings
- Annual Penetration Testing
- Annual Incident Response plan testing
- Annual internal/external auditing for ISO 27001:2013 accreditation
- Continuous monitoring of Public Safety Network (PSN):
  - Vulnerabilities
  - External Threats/Attacks
- Continual Cyber Security Awareness
- Continual System, hardening and patch management to ensure the attack surface is reduced from internal/external threats.

This attestation covers the following agencies: NSW Government Telecommunications Authority.



**Kylie De Courteney**  
Managing Director  
NSW Telco Authority



# Payment of accounts and operating budgets

**Table 8: Payment of accounts**

<b>Aged analysis at the end of each quarter</b>					
<b>Quarters</b>	<b>Total</b>	<b>Current within due date</b>	<b>30-60 days overdue</b>	<b>61-90 days overdue</b>	<b>90+ days overdue</b>
<b>All suppliers</b>					
September	\$3,520,769.71	\$3,369,424.92	\$9,403.4	\$139,115.64	\$2,825.75
December	\$2,175,859.73	\$2,164,080.58	\$2,375.75	\$-	\$9,403.40
March	\$9,261,366.62	\$9,249,696.72	\$11,669.90	\$-	\$-
June	\$2,292,942.37	\$2,241,972.47	\$-	\$-	\$50,969.90
<b>Small business suppliers</b>					
September	\$-	\$-	\$-	\$-	\$-
December	\$-	\$-	\$-	\$-	\$-
March	\$-	\$-	\$-	\$-	\$-
June	\$-	\$-	\$-	\$-	\$-

Notes: Negative values relate to uncleared credit notes including credit card transactions.

**Table 9: Accounts due or paid within each quarter**

<b>Measure</b>	<b>September</b>	<b>December</b>	<b>March</b>	<b>June</b>
<b>All suppliers</b>				
Number of accounts due for payment	1,669	1,080	1,042	891
Number of accounts paid on time	738	441	352	842
Actual percentage of accounts paid on time (based on number of accounts)	44%	41%	34%	95%
Dollar amount of accounts due for payment	\$ 56,108,397.00	\$ 62,103,604.39	\$ 64,119,875.09	\$ 44,446,333.95
Dollar amount of accounts paid on time	\$ 28,622,224.17	\$ 25,239,146.15	\$ 17,401,237.61	\$ 40,099,668.16

Measure	September	December	March	June
<b>All suppliers</b>				
Actual percentage of accounts paid on time (based on \$)	51%	41%	27%	90%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	\$-	\$-	\$-	\$-
<b>Small business suppliers</b>				
Number of accounts due for payment	17	15	15	30
Number of accounts paid on time	-	1	1	26
Actual percentage of accounts paid on time (based on number of accounts)	0%	7%	7%	87%
Dollar amount of accounts due for payment	\$ 1,701,418.00	\$ 361,885.00	\$ 362,746.00	\$ 334,676.00
Dollar amount of accounts paid on time	\$ -	\$ 45,393.00	\$ 28,809.00	\$ 243,933.00
Actual percentage of accounts paid on time (based on \$)	0%	13%	8%	73%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	\$-	\$-	\$-	\$-

**Notes:**

Payment performance impacted due to settlement negotiations, incorrectly rendered invoices, and invoices submitted prior to completion of work.

NSWTA continues to work with suppliers and staff to reduce impacts and improve performance where possible. There were new registered small business supplier accounts during the year.

## Credit cards on issue and combined limit of credit cards issued

Credit card use by officers is compliant. Reviewed expenses each month are included in the 2021/22 DCS Annual Report Attestation.

## Credit card certification

In line with the Treasurer's Directions 205.01-205.08, NSWTA certifies that corporate credit card use by its officers are done so within the established government requirements, Premier's Memorandum and NSW Treasury Directions.

## Consultants

NSWTA engages external consultants to support specific projects and workload peaks as required to draw on specialist expertise from the private sector.

**Table 10: Engagements above \$50,000**

Consultant	Category	Description	Amount (ex GST)
Endpoint Consulting Pty Ltd	Development of management process	Discovery phase of Operation and Maintenance ("O&M") transformation program.	\$91,129.00
<b>Total</b>			<b>\$91,129.00</b>

### Engagements below \$50,000

No consultants were engaged and all were disclosed appropriately.

## Investment performance

The NSWTA Westpac Banking Corporation investment, as part of the Treasury Banking System, was the primary source of interest revenue for the reporting period.

**Table 11: Investment performance**

Category	Weighted portfolio composition	Revenue	Annual rate of return
Bank interest	100%	\$ 200,386.30	0.15%

## Operating Budget

The following is a summary of the Authority's budgeted revenue and expenditure for 2021/22:

	<b>FY 2021/22 Forecast \$'000</b>	<b>FY 2022/23 Budget \$'000</b>
<b>Revenue</b>		
Network Services Revenue	121,692	142,171
Grants (Cluster)	213,329	298,255
Grants (Government Agencies)	22,907	4,770
Investment Revenue	825	840
Other Income	1,031	1,252
<b>Total Revenue</b>	<b>359,784</b>	<b>447,288</b>
<b>Expenses</b>		
Network Operation Expenses	47,011	61,882
Personnel Services Expenses	28,587	27,408
Other	59,417	44,467
CCEP Operating Expenses	24,850	24,179
<b>Total expenses (excl depn)</b>	<b>159,865</b>	<b>157,936</b>
<b>Surplus/(deficit) (excl depn)</b>	<b>199,919</b>	<b>289,352</b>
Depreciation	50,051	114,668
<b>Total expenses (incl depn)</b>	<b>209,916</b>	<b>272,604</b>
<b>Surplus/(deficit) (incl depn)</b>	<b>149,868</b>	<b>174,684</b>

NB: Budget 2021/22 reflects CCEP reprofile PTA yet to be approved by the Treasury.  
Budget 2022/23 excludes PSN funding request yet to be approved by the Treasury.

## Budget Outline for 2022/23

	<b>Budget FY2023 \$'000</b>
<b>Expenses excluding losses</b>	
Personnel Services/Employee Related	27,408
Other Operating Expenses	130,528
Depreciation and Amortisation	114,668
Finance cost	-
<b>Total expenses excluding losses</b>	<b>272,604</b>
<b>Revenue</b>	
Sale of Goods and Services	142,171
Grants (TSY)	303,025
Other Revenue	2,092
<b>Total revenue</b>	<b>447,288</b>
<b>Total comprehensive income for the year</b>	<b>174,684</b>

### Promotion and overseas travel

Overseas travel was undertaken by two staff members during the reporting period to attend The Critical Communication Association conference. This overseas travel cost of \$20,790 has incurred in 2021/22.

### Funds granted to non-government organisations

No funds were granted to non-government community organisations during the reporting period.



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# Internal Audit and Risk Management Attestation

I, Kylie De Courteney, Managing Director, am of the opinion that the NSW Government Telecommunications Authority has internal audit and risk management processes in operation that are, excluding the exemptions described below, compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
<b>Risk Management Framework</b>		
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	<b>Compliant</b>
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	<b>Compliant</b>
<b>Internal Audit Function</b>		
2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	<b>Compliant</b>
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	<b>Compliant</b>
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	<b>Compliant</b>
<b>Audit and Risk Committee</b>		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	<b>Compliant</b> except 3.1.16 Non-compliant as subject to Ministerial Exemption
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	<b>Compliant</b>

## Membership

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

- Independent Chair, Carol Holley, 1 November 2019 to 31 October 2022
- Independent Member, Nancy Milne OAM, 1 November 2019 to 31 October 2022
- Independent Member, Bruce Turner AM, 1 November 2019 to 31 October 2022 (resigned November 2021)
- Independent Member, Ken Barker PSM (replacement for Bruce Turner), 1 March 2022 to 1 March 2025

## Shared Arrangements

I, Kylie De Courteney, Managing Director, advise that the NSW Government Telecommunications Authority has entered into an approved shared arrangement with the following Department/agencies:

- Department of Customer Service
- Rental Bond Board
- Independent Liquor and Gaming Authority
- Greyhound Welfare and Integrity Commission.

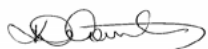
## Departures from Core Requirements

I, Kylie De Courteney, Managing Director, advise that the internal audit and risk management processes for the NSW Government Telecommunications Authority **did depart** from the Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*:

The circumstances giving rise to these departures have been determined by the Responsible Minister and NSW Government Telecommunications Authority has implemented, or is implementing, the following practicable alternative measures to meet the Core Requirements:

Departure	Reason for departure and description of practicable alternatives measures implemented/being implemented
<b>Non-Compliance</b>	
3.1.16	Chair appointed for 3 years as Chair of Shared Arrangement ARC, but also served as Chair under former Department of Finance, Service and Innovation (DFS) Shared arrangement which included the Rental Bond Board – so total tenure exceeds 5 years as chair across both shared arrangements – permitted under ministerial exemption, in order to retain institutional knowledge and on proviso that total term of Chair on committee will not be further extended beyond the initial three year engagement for this shared arrangement and total service in respect of both shared arrangements will not exceed eight year maximum.

These processes, including the practicable alternative measures being implemented, demonstrate that the NSW Government Telecommunications Authority has established and maintained frameworks, including systems, processes, and procedures for appropriately managing audit and risk within the NSW Government Telecommunications Authority.



Kylie De Courteney  
Managing Director  
NSW Government Telecommunications Authority

Date: 05/10/22

Agency Contact Officer  
Effie Chen  
DCS Chief Audit Executive (+61 2 8575 1248)  
[cae@customerservice.nsw.gov.au](mailto:cae@customerservice.nsw.gov.au)

## Risk Management and Insurance

NSWTA aligns with the DCS Enterprise Risk and Resilience Framework in accordance with NSW Treasury requirements, as set out in Treasury Policy and Guidelines Paper TPP 15-03: Internal Audit and Risk Management Policy for the NSW Public Sector.

NSWTA complies with all relevant insurance requirements including workers' compensation, motor vehicles, public liability, property and miscellaneous items. During the 2021/22 financial year, NSWTA paid \$541,544.89 (excluding GST) in insurance premiums.

**Table 12: Risk Management and Insurance**

General ledger account	Description	YTD amount 2021-22
4102061	Insurance – Managed (NSW Telco Authority)	\$ 320,817.43
4102061	Insurance – Managed (CCEP)	\$ 86,517.28
4102062	Insurance - Not Managed (CCEP)	\$ 134,210.18
Total		\$ 541,544.89
	Excluding GST	\$ 541,544.89

## Exemptions

There were no exemptions applicable to NSWTA under clause 17 of the *Annual Reports (Statutory Bodies) Regulation 2015*.

## Annual Report Production

The 2021/22 NSW Telco Authority Annual Report was produced within DCS, with no external costs incurred. An electronic copy of the report is available at [www.customerservice.nsw.gov.au](http://www.customerservice.nsw.gov.au).

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# Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

### New South Wales Government Telecommunications Authority

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of New South Wales Government Telecommunications Authority (the Authority), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Authority's financial position, financial performance and cash flows.

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

#### Basis for Opinion

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

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

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

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.

## **Managing Director's Responsibilities for the Financial Statements**

The Managing Director is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Managing Director's responsibility also includes such internal control as the Managing Director 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 Managing Director is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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



Weini Liao  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

14 October 2022  
SYDNEY

# Financial statements

**NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**  
**STATEMENT BY THE MANAGING DIRECTOR**

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Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* (“the Act”), I state that these financial statements:

- a) have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer’s directions, and
- b) present fairly the NSW Government Telecommunications Authority’s financial position, financial performance and cash flows.



**Kylie De Courteney**  
**Managing Director**  
**NSW Government Telecommunications Authority**

**Date: 12 October 2022**



# Start of audited financial statements

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY				
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022				
	Notes	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000
<b>Expenses excluding losses</b>				
Operating Expenses				
Personnel services expenses	2(a)	24,907	28,837	20,626
Other operating expenses	2(b)	86,201	140,379	58,685
Depreciation and amortisation	2(c)	50,878	66,689	31,069
Grants and subsidies	2(d)	14,676	-	11,530
Finance costs	2(e)	2,548	1,362	1,757
<b>Total Expenses excluding losses</b>		<b>179,210</b>	<b>237,267</b>	<b>123,667</b>
<b>Revenue</b>				
Revenue from contracts with customers	3(b)	119,883	122,723	92,022
Grants and other contributions	3(c)	172,095	472,286	156,365
Other income	3(d)	1,769	825	796
<b>Total Revenue</b>		<b>293,747</b>	<b>595,834</b>	<b>249,183</b>
Other gains/(losses)	4	(2,059)	-	(970)
<b>Net result from continuing operations</b>		<b>112,478</b>	<b>358,567</b>	<b>124,546</b>
<b>Other comprehensive income</b>				
Changes in revaluation surplus/(loss) of property, plant and equipment		11,550	-	9,418
<b>Total other comprehensive income</b>		<b>11,550</b>	<b>-</b>	<b>9,418</b>
<b>Total Comprehensive Income</b>		<b>124,028</b>	<b>358,567</b>	<b>133,964</b>

*The accompanying notes form part of these financial statements.*

<b>NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY</b>				
<b>STATEMENT OF FINANCIAL POSITION</b>				
<b>AS AT 30 JUNE 2022</b>				
	<b>Notes</b>	<b>Actual 2022 \$'000</b>	<b>Budget 2022 \$'000</b>	<b>Actual 2021 \$'000</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	5	128,622	73,083	80,404
Receivables	6	2,926	26,869	10,417
Contract asset	7	5,884	-	5,540
Inventories		-	1,171	-
Other current assets	8	1,743	-	1,413
<b>Total Current Assets</b>		<b>139,175</b>	<b>101,123</b>	<b>97,774</b>
<b>Non-Current Assets</b>				
Receivables	6	1,505	-	2,018
<i>Property, plant and equipment</i>				
Land	9	335	320	320
Plant and equipment	9	517,646	752,363	401,887
Leasehold improvements	9	3,514	-	2,226
<i>Total property, plant and equipment</i>		<b>521,495</b>	<b>752,683</b>	<b>404,433</b>
Right of use assets	10	131,369	55,144	85,968
Intangible assets	11	11,142	13,726	13,084
<b>Total Non-Current Assets</b>		<b>665,511</b>	<b>821,553</b>	<b>505,503</b>
<b>Total Assets</b>		<b>804,686</b>	<b>922,676</b>	<b>603,277</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	13	40,683	51,743	42,961
Contract liabilities	7	4,779	-	14,529
Borrowings	14	8,397	-	5,895
Provisions	15	2,296	-	230
Other current liabilities	16	40,094	-	9,077
<b>Total Current Liabilities</b>		<b>96,249</b>	<b>51,743</b>	<b>72,692</b>
<b>Non-Current Liabilities</b>				
Borrowings	14	105,639	69,604	72,824
Provisions	15	23,775	8,577	13,820
Other non-current liabilities	16	9,077	-	-
<b>Total Non-Current Liabilities</b>		<b>138,491</b>	<b>78,181</b>	<b>86,644</b>
<b>Total Liabilities</b>		<b>234,740</b>	<b>129,924</b>	<b>159,336</b>
<b>Net Assets</b>		<b>569,946</b>	<b>792,752</b>	<b>443,941</b>
<b>EQUITY</b>				
Accumulated funds		548,978	792,752	434,523
Reserves		20,968	-	9,418
<b>Total Equity</b>		<b>569,946</b>	<b>792,752</b>	<b>443,941</b>

*The accompanying notes form part of these financial statements.*

## NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Accumulated Funds 2021/2022 \$'000	Asset Revaluation Surplus 2021/2022 \$'000	Total 2021/2022 \$'000
<b>Balance at 1 July 2021</b>		<b>434,523</b>	<b>9,418</b>	<b>443,941</b>
<b>Net Result for the year</b>		<b>112,478</b>	-	<b>112,478</b>
<b>Other comprehensive income</b>				
Net change in revaluation surplus of property, plant and equipment		-	11,550	<b>11,550</b>
<b>Total comprehensive income for the year</b>		<b>112,478</b>	<b>11,550</b>	<b>124,028</b>
<b>Transactions with owners in their capacity as owners</b>				
Increase in net assets from equity transfers	17	1,977	-	1,977
<b>Balance at 30 June 2022</b>		<b>548,978</b>	<b>20,968</b>	<b>569,946</b>
<b>Balance at 1 July 2020</b>		<b>315,608</b>	-	<b>315,608</b>
Due to change in accounting policy		(5,844)	-	(5,844)
<b>Restated balance at 1 July 2020</b>		<b>309,764</b>	-	<b>309,764</b>
<b>Net Result for the year</b>		<b>124,546</b>	-	<b>124,546</b>
<b>Other comprehensive income</b>				
Net change in revaluation surplus of property, plant and equipment		-	9,418	9,418
<b>Total comprehensive income for the year</b>		<b>124,546</b>	<b>9,418</b>	<b>133,964</b>
<b>Transactions with owners in their capacity as owners</b>				
Increase in net assets from equity transfers	17	213	-	213
<b>Balance at 30 June 2021</b>		<b>434,523</b>	<b>9,418</b>	<b>443,941</b>

The accompanying notes form part of these financial statements.

<b>NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY</b>				
<b>STATEMENT OF CASH FLOWS</b>				
<b>FOR THE YEAR ENDED 30 JUNE 2022</b>				
	<b>Notes</b>	<b>Actual 2022 \$'000</b>	<b>Budget 2022 \$'000</b>	<b>Actual 2021 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Suppliers and personnel		(136,177)	(169,229)	(95,246)
Grants and subsidies		(14,676)	-	(11,530)
Payment of interest on lease liabilities		(2,548)	(1,362)	(1,757)
<b>Total Payments</b>		<b>(153,401)</b>	<b>(170,591)</b>	<b>(108,533)</b>
<b>Receipts</b>				
Sale of goods and services from contracts with customers		151,942	122,723	106,409
Grants and other contributions		202,439	472,286	167,047
Interest received		200	825	135
Insurance claims		902	-	99
<b>Total Receipts</b>		<b>355,483</b>	<b>595,834</b>	<b>273,690</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	21	<b>202,082</b>	<b>425,243</b>	<b>165,157</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment		(143,336)	(426,741)	(140,086)
Purchase of intangible assets		(1,461)	-	(1,743)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(144,797)</b>	<b>(426,741)</b>	<b>(141,829)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment of principal portion of lease liabilities		(9,067)	(1,331)	(7,016)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>(9,067)</b>	<b>(1,331)</b>	<b>(7,016)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>48,218</b>	<b>(2,829)</b>	<b>16,312</b>
Opening cash and cash equivalents		80,404	75,284	64,092
Cash transferred in (out) as a Result of Administrative Restructuring		-	628	-
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	5	<b>128,622</b>	<b>73,083</b>	<b>80,404</b>

The accompanying notes form part of these financial statements.

**NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Reporting Entity**

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

The NSW Government Telecommunications Authority as a reporting entity comprises of the following major activities:

i. Public Safety Network

The Authority operates and maintains the Public Safety Network (“PSN”). The PSN provides a common platform for government agencies and authorities who use mobile radio communications, including as a ‘mission-critical’ tool for the 4 NSW emergency services organisations (“ESOs”) and 40+ essential services and Government Agencies. The PSN is owned by the NSW Government and managed on its behalf by a private sector network manager with oversight and assurance provided by the Authority. User charges are based on the Government approved full cost recovery Independent Pricing and Regulatory Tribunal (“IPART”) funding methodology.

ii. Critical Communications Enhancement Program

The Authority is currently undertaking a transformation program of operational communications for NSW Government Agencies through the delivery of the Critical Communications Enhancement Program (“CCEP”). The CCEP aims to deliver greater access to public safety standard radio communications for the State’s first responders and essential service agencies. This will be achieved by consolidating the large number of separate radio networks that are owned and operated by various NSW Government Agencies to enhance the state’s existing shared PSN. The program will also deliver increased PSN coverage throughout NSW.

iii. Public Safety Mobile Network

The Authority is currently participating the Public Safety Mobile Broadband (“PSMB”) program, which will create a telecommunications network for exclusive and prioritised use by public safety agencies. It is a national program that will deliver 21st century mission-critical communications technology for emergency service organisations and will be the most significant advancement in public safety communications in decades. The Authority has been engaged by the Federal Government to manage the Proof of Concept (“POC”) trial of the PSMB program. This involves the process for receiving and managing funds from each stakeholder in the performance of the POC between FY21 and FY22. The POC will enable the government to subsequently decide and commence the PSMB Program in FY23.

v. Emergency Management

The Telecommunications Services Functional Area forms part of the NSW Government’s emergency management arrangements, and acts to ensure the integrity of telecommunications services is maintained during critical incidents and natural disasters. The Authority provides coordination of the Functional Area through the statutory role of the Functional Area Coordinator. This role provides the link between telecommunications carriers and emergency services agencies ensuring the protection of telecommunications infrastructure relied upon by both government workers and the general public for communications.

These financial statements for the year ended 30 June 2022 have been authorised for issue by the Managing Director on 12 October 2022.

**(b) Basis of Preparation**

The Authority's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018* (the GSF Act) and the *Government Sector Finance Regulation 2018*; and
- the Treasurers Directions issued under the GSF Act.

**(c) Historical cost convention**

These financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities and classes of Property, plant and equipment, which are measured at fair value.

**(d) Significant estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the accounting policies.

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

**(e) Rounding of amounts**

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

**(f) Statement of Compliance**

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

**(g) Accounting for the Goods and Services Tax (GST)**

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

- amount of GST incurred by the Authority 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; and
- receivables and payables are stated with the amount of GST included.

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

**(h) Comparative Information**

Except when an AAS permits or requires otherwise, comparative information is disclosed in respect of the previous reporting period, 30 June 2021, for all amounts reported in the financial statements.

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

- (i) Effective for the first time in FY2021-22

The accounting policies applied in 2021-22 are consistent with those of the previous financial year except as a result of the following new or revised AAS that have been applied for the first time in 2021-22:

- *AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2*
- *AASB 2021 - 3 Amendments to Australian Accounting Standards - Covid 19 related Rent Concessions beyond 30 June 2021*

These Standards do not have a material impact on the Authority's financial statements.

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards (“AAS”), unless NSW Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period.

The following new AAS have not been applied and are not yet effective.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-7a *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-7b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

These Standards will not have a material impact on the Authority’s financial statements.

**(j) Impact of COVID-19 and climate related matters on Financial Reporting for 2021-22**

The natural disasters in the financial year, primarily floods and the coronavirus (“COVID-19”) pandemic, have had a major impact on individuals, businesses and the government sector.

The primary area of heightened risk from COVID-19 is to the Authority’s workforce, in both public-facing and office based roles. As a result, significant focus has been placed on managing work health and safety (WHS) risks, physical, mental and social. Most office-based staff have moved to working from home arrangements, and the Authority has acted to reduce any adverse impact on staff arising from these work arrangements. Frontline staff have also been provided with guidance in relation to hygiene, travel, illness prevention, and flexible working. The Authority continues to support the health and safety of its staff.

For the financial year ended 30 June 2022, The Authority has experienced delays to on site construction activities due to torrential rain and flooding events in NSW with damaged access track, delayed construction activities on sites. The Impact is on both ongoing and planned construction activities. The repairing work of the damaged access track is in progress and the Authority is actively engaging 3<sup>rd</sup> party vendors for the remediation. The Authority has also deployed temporary operations to ensure the availability of the Public Safety Network for the customers during the torrential rain and flooding events.

The Authority has identified and quantified, where possible, the impact and reported this in the financial statements for the financial year ended 30 June 2022. The following table shows the finance impact and the disclosure notes for the COVID-19 and flooding events:

<b>Nature of impacts</b>	<b>Amount \$’000</b>	<b>Financial statement notes</b>
COVID-19 delay claim	561	2(b). Other operating expense: network operating expenses
Access repairs – flood impact	1,301	2(b). Other operating expenses: maintenance
Network operations – flood impact	826	2(b). Other operating expense: network operating expenses

There is no uncertainty about the Authority’s ability to continue as a going concern at 30 June 2022 as liquidity and credit risk are not significant areas of risk for the Authority. There has been no impact on the Authority’s liquidity or credit risk profiles as a result of natural disasters.

## 2. EXPENSES EXCLUDING LOSSES

### (a) Personnel Services Expenses

	2022	2021
	\$'000	\$'000
Salaries and wages (including annual leave)*	20,995	17,808
Superannuation	2,182	1,396
Long service leave	36	67
Workers' compensation insurance	48	26
Payroll tax and fringe benefits tax	1,383	931
Redundancy expense	263	398
	<b>24,907</b>	<b>20,626</b>

### (b) Other Operating Expenses include the following:

	2022	2021
	\$'000	\$'000
Auditor's remuneration		
- audit of the financial statements	226	206
Network operating expenses	41,619	29,328
Rental payments for licenses	2,893	2,308
Short-term leases	58	149
Maintenance	2,513	1,483
Legal Fees	962	1,130
Consultants	91	26
Other contractors*	20,944	6,537
Power	821	673
Service management	1,982	2,533
Corporate services	4,692	4,358
Minor equipment	183	76
Insurance	542	265
Software expenses	6,708	4,327
Other	1,967	5,286
	<b>86,201</b>	<b>58,685</b>

\* Salaries and wages expense exclude the costs of \$5,979,000 for ongoing staff and other contractors' expenses exclude the cost of \$12,698,000 for contractors both capitalised into projects for the financial year ended 30 June 2022. For the financial year ended 30 June 2021, the total capitalised employee and contractors' costs were \$14,658,000. The amount is excluded from other contractors' expenses.

### Recognition and Measurement

#### **Network operating expenses**

Network operating expenses represent the costs to operate and maintain the Public Safety Network, including Links service fee, network management fee, backhaul and spectrum operating expenses and cyber security costs. The network operating expenses are recognised as incurred.

The increase of \$12.3mil in the network operation expenses for the financial year ended 30 June 2022 is due to 87 CCEP sites completed construction and fully operational during the period.

#### **Other contractors**

The Authority recognises the other contractor costs as the cost incurred based on the approved time sheet entry of the contractors. In the events of the costs directly contributed to capital project, the contractor costs are captured in the capital project asset under construction account and excluded from the expense disclosure.

The increase of other contractors' expenses represents the temporary engagement of contingency workforce during the current reporting period due to an immediate need to uplift capabilities as the Authority scales up specifically in areas of asset management, commercial and strategy.

#### **Corporate services**

Department of Customer Service ("DCS") directly provided corporate services to the Authority, including people & culture, finance, legal, procurement, governance, risk & performance, workplace and IT services. DCS charged the Authority the cost for the current financial period and the Authority recognises the costs as incurred.



### **Lease expense**

The Authority recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

### **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**

The Authority'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**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation charge (PP&E)		
- Plant and equipment	36,880	19,434
- Leasehold improvements	1,105	479
Depreciation charge (right-of-use assets)		
- Telecommunication sites	8,964	7,301
- Data centre	526	507
	<b>47,475</b>	<b>27,721</b>
Amortisation		
- Intangible assets	3,403	3,348
	<b>50,878</b>	<b>31,069</b>

Refer to Note 9, 10 and 11 for recognition and measurement policies on depreciation and amortisation.

### **Recognition and Measurement**

Assets must be depreciated or amortised over their useful lives and the depreciation or amortisation rate reviewed annually in accordance with AASB 116 and AASB 138. Land is not a depreciable asset. The same depreciation requirements apply to right-of-use assets, taking into account of the impact of the potential ownership transfer at the end of the lease.

The current year asset condition review shows the useful lives of property, plant and equipment remains the same as previous financial year. Refer to Note 9 for further details.

### **(d) Grants and Subsidies**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Mobile Black Spot Program	2,220	2,529
Connecting Country Communities	2,423	1,560
Public Safety Mobile Broadband	9,726	7,248
Public Safety Network Program	300	-
Critical Communications Enhancement Program	7	193
	<b>14,676</b>	<b>11,530</b>

### **Mobile Black Spot Program**

The NSW Government participated in the Australian Government's Mobile Black Spots Program ("MBSP") and has committed to co-contribute to 150 new or improved mobile base stations in NSW. The Authority was identified as being in the best position to lead the rollout of the Mobile Black Spot Program. This expenditure will be used to pay Subcontractors (Telco carriers e.g., Telstra) and resource costs incurred by NSW TA to deliver the program.

### **Connecting Country Communities (previously named as “Regional Digital Connectivity”)**

The State Infrastructure Strategy 2018 (SIS) sets a benchmark for state-wide internet connectivity of 25 megabits per second (mbps) download speeds by 2020, and 50 mbps by 2025. The Connecting Country Communities (“CCC”) program aims to provide upgraded internet services where required to meet SIS benchmarks. Under RDC program, regional towns close to the ACT border and in Kangaroo Valley will be upgraded to 25/5 Mbps in FY2023 and 50/10 Mbps in FY2025. This expenditure will be used to pay Subcontractors (Telco carriers e.g. YLess4U) and resource costs incurred by NSW TA to deliver the program.

### **Public Safety Mobile Broadband**

The Public Safety Mobile Broadband (“PSMB”) program will create a telecommunications network for exclusive and prioritised use by public safety agencies. It is a national program that will deliver 21st century mission-critical communications technology for emergency service organisations and will be the most significant advancement in public safety communications in decades. The PSMB will:

- improve mobile voice and data communications capability for emergency services
- improve access to information for emergency responders and provide real-time automated situational awareness
- improve operational responses by supporting data heavy applications and technologies, including access to video, images and location tracking

NSW TA has been engaged by the Federal Government and State Governments to manage the Proof of Concept (“POC”) trial of the PSMB program. This involves the process of receiving and managing funds from each stakeholder in the performance of the POC between FY2021 and FY2023. In addition, NSW TA will manage the delivery of the POC under its contract with the Vendor Nokia.

### **Public Safety Network Program**

During the year, it was agreed that the Authority would provide an expense contribution to NSW Fire & Rescue (“F&R”) for the additional costs to upgrade the antennas to be comply with PSN frequency Band 1-6. Bank 6 is required for F&R to communicate with other Emergency Services Suppliers (“ESOs”) within PSN network.

### **Critical Communications Enhancement Program**

During the year, the Authority contributed to Githabul Cultural Heritage in support of indigenous Australian culture. In the prior year, funding for the CCEP included contribution to NSW Police Force (“NSWPF”) for the additional costs to upgrade microwave hardware in accordance with CCEP requirements.

#### **(e) Finance Costs**

	<b>2022</b>	<b>2021</b>
	<b>\$’000</b>	<b>\$’000</b>
Interest expense from lease liabilities	2,399	1,657
Unwind discount on Leasehold Makegood Provisions	149	100
	<b>2,548</b>	<b>1,757</b>

### **Recognition and Measurement**

Finance costs consist of the periodic unwinding of the discount rate embedded in the Lease Liability are recognised as expenses in the period in which they are incurred.

## **3. REVENUE**

### **Recognition and Measurement**

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15. Commentary regarding the accounting policies for the recognition of income are discussed below.

#### **(a) Appropriations received via cluster grants**

##### **Parliamentary Appropriations**

Cluster agencies whose delegations/sub-delegations do not impose an overall spending limit specific to the entity.

The Appropriation Act 2021 (Appropriations Act) appropriates the sum of \$17,029,595,000 (2021: \$2,187,754,000) to the Minister for Customer Service out of the Consolidated Fund for the services of the Department of Customer

Service for the year 2021–22. The spending authority of the Minister from the Appropriations Act has been delegated or subdelegated to officers of the Department of Customer Service and entities that it is administratively responsible for, including the NSW Telco Authority.

The responsible Minister for each GSF agency is taken to have been given an appropriation out of the Consolidated Fund under the authority s4.7 of the Government Sector Finance Act, at the time the GSF agency receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the GSF agency. The spending authority of the responsible Minister(s) from deemed appropriation money has been delegated or sub-delegated to officers of the Authority for its own services.

A summary of compliance is disclosed in the financial statements of the Annual Report of the Department of Customer Service. It has been prepared on the basis of aggregating the spending authorities of both the Minister for Customer Service for the services of the Department of Customer Service and the responsible Ministers for the services of the entities the principal department is administratively responsible for that receives or recovers deemed appropriation money. It reflects the status at the point in time this disclosure statement is being made. The NSW Telco Authority's spending authority and expenditure is included in the summary of compliance.

The delegation/sub-delegations for FY21/22 and FY20/21, authorising officers of the NSW Telco Authority to spend Consolidated Fund money, impose limits to the amounts of individual transactions, but not the overall expenditure of the Authority. However, as it relates to expenditure in reliance on a sum appropriated through an annual Appropriations Act, the delegation/sub-delegations are referable to the overall authority to spend set out in the relevant Appropriations Act. The individual transaction limits have been properly observed. The information in relation to the limit from the Appropriations Act is disclosed in the summary of compliance table included in the financial statements of the Annual Report of the Department of Customer Service.

**(b) Revenue from contracts with customers**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Rendering of services</b>		
Radio Network Services – Core*		
NSW Ambulance	28,000	20,816
NSW Rural Fire Services	28,000	20,816
Fire and Rescue NSW	28,000	20,816
Office of the NSW State Emergency Services	28,000	20,816
Radio Network Services – Non-Core	6,980	6,232
Cost Recharges	903	2,526
	<b>119,883</b>	<b>92,022</b>

\*The Authority's core customers receive funding from NSW Treasury for the annual radio network services fees increase.

The Authority derives revenue from the transfer of goods and services over time and a point in time from the above-mentioned service lines. The Authority is domiciled in the state of NSW in Australia and all revenue from contracts with customers is derived from this geographical region.

**Recognition and Measurement**

**Rendering of Services**

Revenue from rendering of services is recognised when the Authority satisfies the performance obligation by transferring the promised services.

Type of Services	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Radio Network Service - Core	The performance obligations in relation to public safety radio network services for the core users are to provide on-going Public Safety Network stability for the State first	Revenue from providing such services is recognised in the accounting period in which the services are rendered and based on the actual service provided to the

	<p>responders. The network service is delivered 24/7. The performance obligation is satisfied at the on-going delivery of the service.</p> <p>Payments from customers are typically received after the invoices are issued. The invoices are raised monthly or quarterly in advance.</p>	<p>end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.</p> <p>Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.</p> <p>No significant element of financing is deemed present as payments are made no more than six months before the service delivery on average.</p>
Radio Network Services – Non-Core	<p>The performance obligations in relation to public safety radio network services for the non-core users are typically satisfied as the radio network services are provided to the customers or by reference to the stage of completion (based on handsets and data usage).</p> <p>Payments from customers are typically received either in advance or at the time of the service provision.</p>	<p>The revenue is recognised when the services are provided and measured at the agreed contract price.</p> <p>Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.</p> <p>If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed, and the customer has accepted the hardware.</p>
Cost recharges	<p>The Authority purchases network links service, normally at a volume discounted price. When customers request links service from the Authority, the costs incurred on the portion of links required are charged back at no extra margin. The performance obligation in relation to cost recharges are typically satisfied as the link service provided to the customers.</p> <p>Payments from customers are typically received either in advance or at the time of the service provision.</p>	<p>The revenue is recognised when the services are provided and measured at the agreed contract price.</p> <p>Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.</p>

Refer to Note 7 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when the entity expects to recognise the unsatisfied portion as revenue.

**(c) Grants and Other Contributions**

Grants with sufficiently specific performance obligations:

2022	2021
\$'000	\$'000

Mobile Blackspot Program (MBSP) (Restart Fund)	2,220	2,529
Connecting Country Communities (CCC) (Restart Fund)	2,423	1,559
Public Safety Mobile Broadband (PSMB)	9,726	4,835
Digital Restart Fund grant	-	800
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity:		
Grants received from DCS - Recurrent	16,069	9,300
Grants received from DCS - Capital	141,657	137,342
	<b>172,095</b>	<b>156,365</b>

#### Recognition and Measurement

Revenue from grants with sufficiently specific performance obligations is recognised as when the Authority satisfies a performance obligation by transferring the promised services. The Authority typically satisfies its performance obligations over time as per the contract with the customer.

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Authority, is recognised when the Authority satisfies its obligations under the transfer. During the delivery of CCEP program, the Authority receives capital grants to construct the non-financial asset as well as recurrent grant to cover the essential operational cost, such as warehouse cost, decommissioning cost during the construction of the non-financial asset. The Authority satisfies the performance obligations of the capital grant under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, and it most closely reflects the progress to completion. The Authority receives the recurrent grant as part of approved project budget spending and satisfies the performance obligation of the recurrent grant at the time of essential operational costs incurred simultaneously with the project progress to completion.

Refer to Note 7 for transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

#### (d) Other Income

	2022	2021
	\$'000	\$'000
Interest income	200	135
Rental income from sub-leases	176	108
Insurance recovery	902	99
Other income	491	454
	<b>1,769</b>	<b>796</b>

#### Recognition and Measurement

##### Interest Revenue

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

##### Insurance Recovery

Insurance recovery revenue is recognised when the cash compensation is received from the insurer, Icare. The Authority has incurred loss due to NSW bushfire events in the past financial years and had progressively received the insurance compensation in both financial years ended 30 June 2022 and 30 June 2021.

#### 4. OTHER (GAINS)/LOSSES

	2022	2021
	\$'000	\$'000
Loss on disposal of property, plant and equipment	3,485	501
Gain on disposal of ROU assets	(490)	-
Gain on revaluation of restoration costs	(936)	-
Impairment losses on Asset Under Construction account reassessment	-	469
	<b>2,059</b>	<b>970</b>

#### Recognition and Measurement

##### Impairment loss

Impairment losses may arise on non-financial assets held by the authority from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting for impairment losses in relation to property, plant and equipment is disclosed in note 9.

#### 5. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2022	2021
	\$'000	\$'000
Cash at bank and on hand*	128,622	80,404
	<b>128,622</b>	<b>80,404</b>

\*Included in the Authority's bank balance of \$128.6mil, there are \$4.8mil cash restricted for PSMB PoC trial (FY2021: \$12.1mil). The Authority has also retained \$9.1mil (FY2021: \$9.1mil) cash for CCEP program with the budgeted spending period carried forward to FY2024 and \$33.5mil cash for CCEP program FY2023 spending, refer to note 16 for further details on the funding arrangement.

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes 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 as shown to the Statement of Cash Flows as follows:

	2022	2021
	\$'000	\$'000
Cash and cash equivalents (per Statement of Financial Position)	128,622	80,404
Closing cash and cash equivalents (per Statement of Cash Flows)	<b>128,622</b>	<b>80,404</b>

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

#### 6. CURRENT / NON-CURRENT ASSETS – RECEIVABLES

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Trade receivables from contracts with customers	1,246	8,336
Less: Allowance for expected credit losses	-	-
Prepayments	1,673	2,074
Other Receivables	7	7
<b>Total Current Receivables</b>	<b>2,926</b>	<b>10,417</b>
<b>Non-Current</b>		
Prepayments	1,505	2,018
<b>Total Receivables</b>	<b>4,431</b>	<b>12,435</b>

There were no movements in the allowance for expected credit losses in 2022 and 2021.

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 22.

#### **Recognition and Measurement**

##### **Receivables**

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

##### **Subsequent measurement**

The Authority holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

##### **Impairment**

The Authority recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows that the Authority expects to receive, discounted at the original effective interest rate.

For trade receivables, the Authority applies a simplified approach in calculating ECLs. The Authority recognises a loss allowance based on lifetime ECLs at each reporting date. The Authority has established a provision matrix based on

its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable. The provision matrix has indicated that no ECLs were required for financial year ended June 2022.

## 7. CONTRACT ASSETS AND LIABILITIES

	2022 \$'000	2021 \$'000
Contract Assets - current	5,884	5,540
Contract liabilities - current	4,779	14,529

Contract assets relate to the Authority's right to consideration in exchange for service rendered to customers, but not billed at the reporting date in respect of government radio network services provided. In general, we invoice customers in advance for services provided under our prepaid or fixed (usually monthly) fee contracts and in arrears for usage-based contracts (e.g. handset usage).

Contract liabilities relates to consideration received in advance in respect of PSMB PoC program (\$4.7mil). The balance of contract liabilities represents the unspent grants received for the project. The Authority also received advanced payments on PSN Core and non-Core user charge.

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in the prior year:

	2022 \$'000	2021 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	14,529	21,760
Revenue recognised from performance obligations satisfied in the periods	(3,153)	(7,231)
Transaction price allocated to the remaining performance obligations from contracts with customers -PSN services	11,376	14,529

## 8. CURRENT ASSETS – OTHER

	2022 \$'000	2021 \$'000
Net GST recoverable	1,743	1,413

## 9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

### Total Property, Plant and Equipment

	Land \$'000	Plant and Equipment \$'000	Assets Under Construction \$'000	Leasehold Improvements \$'000	Total \$'000
<b>At 1 July 2020 – fair value</b>					
Gross carrying amount	320	178,725	185,073	8,543	372,661
Accumulated depreciation and impairment	-	(87,779)	-	(2,674)	(90,453)
<b>Net carrying amount</b>	<b>320</b>	<b>90,946</b>	<b>185,073</b>	<b>5,869</b>	<b>282,208</b>
<b>Year ended 30 June 2021</b>					
Net carrying amount at beginning of year	320	90,946	185,073	5,869	282,208
Additions	-	11,067	125,194	1,565	137,826
Transfers from/(to) Govt Agencies	-	213	-	-	213
Disposals	-	(121)	-	-	(121)

Reclassification to right-of-use assets	-	-	-	(4,729)	<b>(4,729)</b>
Transfers in/(out) of assets under construction	-	93,164	(93,164)	-	-
Revaluation	-	9,418	-	-	<b>9,418</b>
Impairment	-	-	(469)	-	<b>(469)</b>
Depreciation expense	-	(19,434)	-	(479)	<b>(19,913)</b>
<b>Net carrying amount at end of year</b>	<b>320</b>	<b>185,253</b>	<b>216,634</b>	<b>2,226</b>	<b>404,433</b>
<b>At 1 July 2021 – fair value</b>					
Gross carrying amount	320	332,833	216,634	2,816	<b>552,603</b>
Accumulated depreciation and impairment	-	(147,580)	-	(590)	<b>(148,170)</b>
<b>Net carrying amount</b>	<b>320</b>	<b>185,253</b>	<b>216,634</b>	<b>2,226</b>	<b>404,433</b>
<b>Year ended 30 June 2022</b>					
Net carrying amount at beginning of year	320	185,253	216,634	2,226	<b>404,433</b>
Additions	-	401	142,287	2,393	<b>145,081</b>
Transfers from/(to) Govt Agencies	-	1,977	-	-	<b>1,977</b>
Disposals	-	(2,498)	(1,063)	-	<b>(3,561)</b>
Transfers in/(out) of assets under construction	-	94,047	(94,047)	-	-
Revaluation	15	11,535	-	-	<b>11,550</b>
Depreciation expense	-	(36,880)	-	(1,105)	<b>(37,985)</b>
<b>Net carrying amount at end of year</b>	<b>335</b>	<b>253,835</b>	<b>263,811</b>	<b>3,514</b>	<b>521,495</b>
<b>At 30 June 2022 – fair value</b>					
Gross carrying amount	335	343,056	263,811	5,225	<b>612,427</b>
Accumulated depreciation and impairment	-	(89,221)	-	(1,711)	<b>(90,932)</b>
<b>Net carrying amount</b>	<b>335</b>	<b>253,835</b>	<b>263,811</b>	<b>3,514</b>	<b>521,495</b>

## 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 AAS.

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 equity transfer – Note 17).

Judgement is required in applying the unit of measure for Property, plant and equipment recognition. The Authority incurred costs on its plant and equipment as following:

- Costs to purchase the physical plant and equipment.
- Costs to design, install and construct the plant and equipment.
- Program management costs during the life of the project delivery.



Each cost forms part of the unit of measure. The Authority allocate the actual spending of costs to design, install and construct the assets to the physical plant and equipment on a pro rata basis. The Authority allocate the program management costs to each capitalised PSN site based on the best current estimation of the overall program costs, which is constantly monitored to be in line with the approved budget spending.

**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 to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority.

All material identifiable components of assets are depreciated separately over their useful lives. Land is not a depreciable asset.

The estimated useful lives of property, plant and equipment of each asset class as follows:

<i>Plant and Equipment</i>	Current estimated useful lives
Towers	50
Huts, Shelters and racks	40
Power Supply Generator	15
Data centres	12
Network equipment	12
Mobile assets	10
Air conditioner	7
NOCCs	5
Hand-held, portable and mobile radio sets	4
Computer equipment	4
Batteries	3

**Revaluation of Property, Plant and Equipment**

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP21-09) and Treasurer's Direction Valuation of Physical Non-Current Assets at Fair Value' (TD21-05). 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 on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Authority conducts a comprehensive revaluation of land and plant and equipment every three years and five years respectively. The Authority has engaged an independent external valuer and conducted a comprehensive revaluation of 2 parcels of land during the current financial year. The Authority has conducted an interim management assessment of plant and equipment. Published indices for each of the labour costs and the most recent material price for each of the material used in determining the current replacement cost. The interim management assessment demonstrated the fair value is \$12.1mil higher than the carrying amount of the plant and equipment and the incremental amount has been reflected in the Asset Revaluation Reserve.

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.

Management regularly assesses each class of property, plant and equipment to ensure that the carrying value of each asset in the class does not materially differ from its fair value at reporting date. If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which the asset belongs should be revalued.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation is separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the carrying amount of the asset and the net amount restated to the revalued amount of the asset.

The net asset accounts are then increased or decreased by the revaluation increments or decrements as follows:

- i) Revaluation increments are credited directly to the revaluation reserve, except 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.
- ii) Revaluation decrements are recognised immediately as a loss in 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 reserve in equity.
- iii) Revaluation increments and decrements are offset against one another within a class of non-current assets.
- iv) Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.
- v) 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. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

The Authority assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority 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. The Authority has written off \$1.06mil of its Property, Plant and Equipment during the financial year ended 30 June 2022 (30 June 2021: \$0.47mil). The impairment relates to damaged equipment as well as 2<sup>nd</sup> hand radio handset unfit for resale, for which the carrying amount of initial costs recorded in Asset Under Construction account exceeds its recoverable amount. The damaged and unfit for resale assets have been written off during the period.

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.

#### **Impact of Natural Disasters**

For the financial year ended 30 June 2022, The Authority has experienced delays to on site construction activities due to torrential rain and flooding events in NSW with damaged access track, delayed construction activities on sites. The Impact is on both ongoing and planned construction activities and the Authority has incurred operational expenses to remediate the damaged access track in the financial year ended 30 June 2022. There is no known damage to the Authority's physical Plant and Equipment.

The Authority has received further \$0.9mil insurance recoveries in the current financial year on the bushfires loss incurred in FY2020 on the delivery of the CCEP program (refer to note 3(d)).

## **10. NON-CURRENT ASSETS – LEASES**

### **(a) Entity as a Lessee**

The Authority has entered into lease agreements with government agencies and private companies for provision of accommodation and plant and equipment for the Authority's use. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Authority does not provide residual value guarantees in relation to leases.

#### **Telecommunication Sites Leases**

Telecommunications sites leases are entered into with multiple lessors. The term of these leases ranges from two to ten years with the option for renewal for further terms. Longer terms generally deliver more favourable rentals from Lessors but also have the ability to commit the Authority for a period which it may not require, therefore the term of any of these leases is dictated by the anticipated duration of the operational need of any given facility. The Authority also hold leases with private lessors for commercial and/or industrial facilities which have a term of five to ten years.

The lease agreements allow the lessor to review rents on specified dates. There is no option for the purchase of properties at the expiry of the lease term. Recurrent outgoings and fit outs are the responsibility of the Authority while all building repairs and maintenance are the responsibility of the lessor.

#### **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 initial lease term is 10 years and the cluster department DCS manages this lease commitment on behalf of the State government. In September 2021, the lease has been renegotiated and the lease term extended another 5 years. Telco is committed to pay Fees for Service to the other government agencies to utilise the load capacity of the Data Centres. The data centre lease remains as a right-of-use asset for the Authority and part of its lease portfolio under the extended lease arrangement.

From 1 July 2019, AASB 16 requires a lessee to recognise a right-of-use asset for most leases. The right-of-use asset and corresponding liability are initially measured at the depreciated historical cost less impairment.

#### **Right-of-use Assets Under Leases**

The following table presents right-of use assets that do not meet the definition of investment property.

	Telecommunication sites	Data Centre	Total
	\$'000	\$'000	\$'000
<b>Balance at 1 July 2021</b>	<b>84,904</b>	<b>1,064</b>	<b>85,968</b>
<b>Net carrying amount at beginning of year</b>	<b>84,904</b>	<b>1,064</b>	<b>85,968</b>
Additions	66,415	-	66,415
Modifications	(12,116)	2,705	(9,411)
Disposals	(2,113)	-	(2,113)
Depreciation expense	(8,964)	(526)	(9,490)
<b>Balance at 30 June 2022</b>	<b>128,126</b>	<b>3,243</b>	<b>131,369</b>
	<b>128,126</b>	<b>3,243</b>	<b>131,369</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2020</b>	<b>59,258</b>	<b>-</b>	<b>59,258</b>
Net carrying amount at beginning of year	59,258	-	59,258
Reclassification of Lease for Data Centre	(1,571)	1,571	0

Reclassification from Leasehold Improvements	4,729	-	<b>4,729</b>
Additions	29,691	-	<b>29,691</b>
Modifications	426	-	<b>426</b>
Disposals	(328)	-	<b>(328)</b>
Depreciation expense	(7,301)	(507)	<b>(7,808)</b>
<b>Balance at 30 June 2021</b>	<b>84,904</b>	<b>1,064</b>	<b>85,968</b>

### Recognition and Measurement

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- adjusted by any lease payments made at or before the commencement date and lease incentives
- any initial direct costs incurred, and
- estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If ownership of the leased asset transfers to the Authority at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Payments associated with short-term leases of telecommunication sites and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

The right-of-use assets are also subject to impairment. The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result. Refer to Note 14 for details regarding the Authority's lease liabilities.

Extension and termination options are included in a number of telecommunication sites leases. These are used to maximise operational flexibility in terms of managing the assets used in the Authority's operations. The majority of extension and termination options held are exercisable only by the Authority and not by the respective lessor.

#### *Critical judgements in determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

#### *Critical judgements in determining the useful lives*

The expected useful life of the asset includes a judgement as to whether available extension changes will be exercised. Changes to this assessment are reflected as a remeasurement, with a corresponding adjustment for the liability. In assessing whether a right-of-use asset is impaired, judgement is required to determine the recoverable value of the asset.

#### **Leases at significantly below market value – peppercorn leases**

The Authority has a total number of 27 leases (FY2021: 9 leases) at significantly below market for the provision of telecommunication sites for the Authority's use. The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the entity to further its objectives is same as normal right-of-use assets. They are measured at cost, subject to impairment. The leases are from three to five years term with the option for renewal for further terms and require payments of a maximum amount of \$10 per year. The use of the right-of-use asset is restricted by the lessors to specified purposes of providing and managing the radio communications coverage for Emergency Services and other government agencies, these permitted uses are detailed in the leases.

The Authority has assessed that none of the peppercorn leases in place is likely to be material.

**(b) Entity as a Lessor**

The Authority's properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Although the Authority is exposed to changes in the residual value at the end of current leases, the Authority typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June are, as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	110	143
Later than one year and not later than five years	141	236
Later than five years	21	20
<b>Total (including GST)</b>	<b>272</b>	<b>399</b>

**Recognition and Measurement – Lessor for Operating Leases**

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Comprehensive Income due to its operating nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**11. NON-CURRENT ASSETS – INTANGIBLE ASSETS**

	<b>Software</b>	<b>Network</b>	<b>Total</b>
	<b>\$'000</b>	<b>Licences</b>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 July 2020</b>			
Cost (gross carrying amount) - restated	9,060	14,943	<b>24,003</b>
Accumulated amortisation and impairment	(5,986)	(3,328)	<b>(9,314)</b>
<b>Net carrying amount</b>	<b>3,074</b>	<b>11,615</b>	<b>14,689</b>
<b>Year ended 30 June 2021</b>			
<b>Net carrying amount at beginning of year</b>	3,074	11,615	<b>14,689</b>
Additions	1,388	355	<b>1,743</b>
Amortisation (recognised in depreciation and amortisation)	(1,968)	(1,380)	<b>(3,348)</b>
<b>Net carrying amount at end of year</b>	<b>2,494</b>	<b>10,590</b>	<b>13,084</b>
<b>At 1 July 2021</b>			
Cost (gross carrying amount) - restated	10,590	13,857	<b>24,447</b>
Accumulated amortisation and impairment	(8,096)	(3,267)	<b>(11,363)</b>
<b>Net carrying amount</b>	<b>2,494</b>	<b>10,590</b>	<b>13,084</b>
<b>Year ended 30 June 2022</b>			
<b>Net carrying amount at beginning of year</b>	<b>2,494</b>	<b>10,590</b>	<b>13,084</b>
Additions	1,020	441	<b>1,461</b>
Amortisation (recognised in depreciation and amortisation)	(1,809)	(1,594)	<b>(3,403)</b>
<b>Net carrying amount at end of year</b>	<b>1,705</b>	<b>9,437</b>	<b>11,142</b>
<b>At 30 June 2022</b>			

Cost (gross carrying amount)	8,334	14,298	<b>22,632</b>
Accumulated amortisation and impairment	(6,629)	(4,861)	<b>(11,490)</b>
<b>Net carrying amount</b>	<b>1,705</b>	<b>9,437</b>	<b>11,142</b>

### Recognition and Measurement

The Authority recognises intangible assets only if it is probable that future economic benefits will flow to the Authority 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 the Authority'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.

The Authority's software intangible assets are amortised using the straight-line method over a period of 4 years and network licenses are straight-line amortised over the term over the license. 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.

## 12. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (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).

The Authority 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

Fair value hierarchy	30 June 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Plant and equipment (note 9)	-	-	253,835	253,835
Land (note 9)	-	335	-	335
	-	335	253,835	254,170

Fair value hierarchy	30 June 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Plant and equipment (note 9)	-	-	185,253	185,253
Land (note 9)	-	320	-	320
	-	320	185,253	185,573

(b) Valuation techniques, inputs and processes used

The Authority obtained independent comprehensive valuations for its land during the current financial year.

The Authority performed interim management assessment of its plant and equipment. Published indices for each of the labour costs and the most recent material price for each of the material used in determining the current replacement cost. At the end of the reporting period, the Authority updates its assessment of the fair value of its property, plant and equipment, taking into account the interim management valuation result.

The fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where 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. This reflects the amount that would be required currently to replace the service capacity of an asset, adjusted for obsolescence often referred to as current replacement cost of a modern equivalent asset.

(c) Reconciliation of recurring Level 3 fair value measurements

	<b>Plant and Equipment \$'000</b>	<b>Total Recurring Level 3 Fair Value \$'000</b>
Fair value as at 1 July 2021	185,253	<b>185,253</b>
Additions	401	<b>401</b>
Revaluation increments recognised in other comprehensive income – included in line item / Changes in revaluation surplus of property, plant and equipment'	11,535	<b>11,535</b>
Transfers from Govt Agencies	1,977	<b>1,977</b>
Transfers from assets under construction	94,047	<b>94,047</b>
Disposals	(2,498)	<b>(2,498)</b>
Depreciation expense	(36,880)	<b>(36,880)</b>
<b>Fair value as at 30 June 2022</b>	<b>253,835</b>	<b>253,835</b>
	<b>Plant and Equipment \$'000</b>	<b>Total Recurring Level 3 Fair Value \$'000</b>
Fair value as at 1 July 2020	90,946	<b>90,946</b>
Additions	11,067	<b>11,067</b>
Revaluation increments/ decrements recognised in other comprehensive income – included in line item / Changes in revaluation surplus of property, plant and equipment'	9,418	<b>9,418</b>
Transfers from/(to) Govt Agencies	213	<b>213</b>
Transfers in/(out) of assets under construction*	93,164	<b>93,164</b>
Disposals	(121)	<b>(121)</b>
Depreciation expense	(19,434)	<b>(19,434)</b>
<b>Fair value as at 30 June 2021</b>	<b>185,253</b>	<b>185,253</b>

\*The balance represents Intangibles capitalised from Asset Under Construction (see note 9).

Major assumption used in the latest plant and equipment valuation management assessment are:

- The unit costs of plant and equipment change in line with Australian Bureau of Statistics ("ABS") published applicable indexation.
- The final approved CCEP business case represents the best current estimate of program management costs and PSN site integration costs at the time of approval. The current year change is in line with Australian Bureau of Statistics ("ABS") published applicable indexation.
- The useful lives of plant and equipment are determined by the best and highest use of the asset.
- The infrastructure assets were valued on an "as-is, where is" basis and valued on the basis that they will continue to be used at their present location for the continuation of business operations for their useful life.
- No functional obsolescence or economic obsolescence due to excess operating cost, overcapacity at site or overcapacity due to demand were deemed applicable.
- To determine the asset condition and understand whether the assets were functional and able to operate, a check on a sample basis was performed during the site visit.

**13. CURRENT LIABILITIES – PAYABLES**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Accrued Personnel Services Expenses	716	398
Creditors*	3,165	4,377
Accrued Expenses	36,802	38,186
	<b>40,683</b>	<b>42,961</b>

\*Includes \$0.23mil personnel services expenses charged by Department of Customer Services (DCS) for June 2022 (June 2021 \$1.96m).

Refer to Note 22 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 the Authority 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.

**Accrued salaries, wages and on-costs**

The Authority receives personnel services from DCS. DCS is not a Special Purpose Service Entity and does not control the Authority under this arrangement.

In accordance with NSW Treasury Circular 15/07 “Financial and Annual Reporting Requirements Arising from Personnel Service Arrangements”, a liability representing the total amount payable to the Department of Customer Service is recognised in the Statement of Financial Position.

As the Authority is not an employer, the disclosure requirements of AASB 119 *Employee Benefits* in respect of employee benefits do not apply.

**14. CURRENT / NON-CURRENT LIABILITIES – BORROWINGS**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease liabilities	8,397	5,895
<b>Non-Current</b>		
Lease liabilities	105,639	72,824
<b>Total Borrowings</b>	<b>114,036</b>	<b>78,719</b>

**Lease liabilities**

The following table presents liabilities under leases:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at the beginning of the period	78,719	59,733
Additions	53,061	25,616
Modifications	(8,895)	(60)
Disposals	(2,080)	(259)
Interest expenses	2,399	1,657
Payments	(9,168)	(7,968)
<b>Balance at the end of the period</b>	<b>114,036</b>	<b>78,719</b>

The following amounts were recognised in the statement of comprehensive income for the financial year in respect of leases where the entity is the lessee:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation expense of right-of-use assets	9,490	7,808
Interest expense on lease liabilities	2,399	1,657
Expense relating to short-term leases	58	149
Expense relating to leases of low-value assets	-	-



Income from subleasing right-of-use assets	(176)	(108)
Total amount recognised in the statement of comprehensive income	<u>11,771</u>	<u>9,506</u>

The entity had total cash outflows for leases of \$9,226 million (FY21: \$8,117 million)

### Recognition and Measurement

The Authority's lease liabilities are included in borrowings. Refer to Note 10 for details regarding the Authority's lease assets.

#### Lease liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the Authority; and
- payments of penalties for terminating the lease, if the lease term reflects the Authority exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Authority's leases, the lessee's incremental borrowing rate is used, being the rate that the Authority would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Critical judgements in determining the incremental borrowing rate

In determining the present value of the future lease payments, the Authority discounts the lease payments using an incremental borrowing rate ("IBR"). The IBR used is based on NSW Treasury Corp ("TCorp") rate because the interest rate implicit in the leases are not readily determined and TCorp rate is the best estimation of the Authority's incremental IBR. Once a discount rate has been set for a leased asset (or portfolio of assets with similar characteristics), this rate will remain unchanged for the term of that lease. When a lease modification occurs, and it is not accounted for as a separate lease, a new IBR will be assigned to reflect the new characteristics of the lease.

### 15. CURRENT / NON-CURRENT LIABILITIES – PROVISIONS

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Flooding impact costs	1,270	-
Restoration costs	1,026	230
Total	2,296	230
<b>Non-Current</b>		
Restoration costs	23,775	13,820
<b>Total Provisions</b>	<b>26,071</b>	<b>14,050</b>
<b>Movements in provisions</b>		
Carrying amount as at beginning of year	14,050	28,924
Additional provisions recognised	12,909	6,178
Amounts utilised	-	(20,250)
Amounts reversed	-	24
Increase/(decrease) in provision from remeasurement	(1,037)	(926)
Unwinding at discount rate	149	100

Carrying amount at end of year

**26,071**      **14,050**

## Recognition and Measurement

### Provisions

Provisions are recognised when the Authority 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 the Authority expects some or all 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.

Flooding related costs provision in the current financial year represents the best estimation of the costs incurred on PSN access track repairs due to flooding damage. The damaged and eroded access tracks cause predominantly constructions delays. The Authority has assessed the impact of the rain and flooding events and has obtained repair costs quotations from 3<sup>rd</sup> party vendors. The costs estimated based on the quotation of the sites that have been remediated, taking into accounts of any expected reimbursement, represents the best assessment of the current obligation. The average costs per site based on the quotation has been used to estimate further costs to be provided for repairing the damaged sites that the Authority is currently rectifying.

Restoration provisions include restoration costs on leased telecommunication sites. The provision is calculated based on current cost estimates for future asset dismantling, removal and site restoration activities implicit in each lease agreement, which are then discounted to present value. The provisions are established by individual lease. The unamortised value of the obligation is recorded as an asset.

If the effect of the time value of money is material, provisions are discounted using the Commonwealth government bond rate between 0.045 and 4.280 (2020: between 0.175 and 1.01), which is a pre-tax rate that reflects the current market assessments of the time value of money. The future restoration cash flow has been indexed by Consumer Price Index ("CPI") and the risks to estimate the liability are not material, hence the risk-free Commonwealth government bond rate is appropriate to be used in the calculation. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

## 16. CURRENT / NON-CURRENT LIABILITIES – OTHER

	2022 \$'000	2021 \$'000
<b>Current</b>		
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	40,094	9,077
	<b>40,094</b>	<b>9,077</b>
<b>Non-Current</b>		
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	9,077	-
	<b>9,077</b>	-
<b>Total Other Liabilities</b>	<b>49,171</b>	<b>9,077</b>
<b>Reconciliation of financial assets and corresponding liabilities arising from transfers to acquire or construct non-financial assets to be controlled by the entity</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
Liabilities arising from transfers to acquire/construct non-financial assets to be controlled by the entity recognised upon initial application of AASB 1058	9,077	10,607
Add: receipt of cash during the financial year	197,817	135,763
Deduct: income recognised during the financial year	(157,723)	(137,293)
<b>Closing balance of liabilities arising from transfers to acquire/construct non-financial assets to be controlled by the entity</b>	<b>49,171</b>	<b>9,077</b>

The comparative amount represents the unspent CCEP project capital grant, which was disclosed as current liability in the previous financial year with the expectation to clear the funding to the grantor within 12-month period. The grantor, NSW Treasury, has advised during the current financial year for the Authority to retain the funds and carry forward the spending budget to FY2024. The Authority has submitted the Parameter and Technical Adjustments

("PTA") during the current year budget submission, which has been approved by NSW Treasury. Hence, the carry forward amount has been disclosed as non-current liabilities in FY2022 to be in line with the spending timeline of the grant funding.

## 17. EQUITY

### Recognition and Measurement

#### 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).

#### Equity transfers - Recognition and Measurement

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 AAS 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, the Authority recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the Authority does not recognise that asset.

During the year, a total of 51 equipment with a combined valuation of \$1,976,525 (2021: 4 equipment with combined valuation of \$212,722) were transferred from NSW Police Department to the Authority. The transferred equipment includes lattice Towers, Monopoles and Sandwich Panel Shelters. The transfer was approved by the respective Ministers.

## 18. COMMITMENTS

### Capital Commitments

Aggregate capital expenditure for the acquisition of information technology equipment and other equipment contracted for at balance date and not provided for:

	2022 \$'000	2021 \$'000
Within one year	162,752	102,602
Later than one year and not later than five years		-
Later than five years		-
<b>Total (including GST)</b>	<b>162,752</b>	<b>102,602</b>

## 19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Authority does not have contingent liabilities for the reporting period ended 30 June 2022.

The Authority has contingent assets for the reporting period ended 30 June 2022. The Authority is seeking an additional claim of \$1.7mil from insurance for Property site damage and delay on additional sites in CCEP projects due to FY2020 bushfire events. At the date of these financial statements, the management believes that a favourable outcome is possible. However, the contingent asset has not been recognised as a receivable on 30 June 2022 as receipt of the amount is dependent on the outcome of the finalisation of the claims.

## 20. BUDGET REVIEW

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

### Net result

The actual net result for the Authority for 2022 is a surplus of \$112.5 million (2021: \$124.5 million surplus) which was unfavourable to the budgeted net result by \$246.1 million. The major variations to budgets are:

Total Revenue was \$302.1 million unfavourable to budget, mainly in grants and contributions due to delay in CCEP project delivery. COVID-19 and torrential rain and flooding events have caused significant delay in CCEP project construction during the current financial year. The original budgeted CCEP spending has been carried forwards to FY2023 and beyond.

Total Expenses were \$179.2 million, favourable to budget by \$58.1 million. Other Operating expenses were \$54.2 million lower than budget, in which \$35.5 million in Fee for Service as a direct result of delays to CCEP program, the amounts were subsequently carried forward to future years. The Grants and Subsidies at \$14.7mil was originally budgeted as part of Other Operating Expenses. Depreciation was \$15.8 million lower than budget due to initial budget allocation being too high, Telco have worked with Treasury to reprofile into future years.

### Assets and liabilities

Net Assets: The actual net assets of \$570.0 million (2021: \$443.9 million net assets) were unfavourable to budget by \$222.8 million and was mainly due to the carry forward of elements of the CCEP construction phase to future budget years.

Total Assets were unfavourable to budget by \$118.0 million mainly due to delays in the construction of the CCEP and carried forward to future budget years, offset by increases in cash balances due to the unspent funding of the CCEP and increases in right of use assets, which are indicative of the business actively seeking and preparing for further CCEP leasing sites.

Total Liabilities were unfavourable to budget by \$104.8 million. Increase in other current liability relates to unspent CCEP funding of \$40.1mil and unfavourable contract liabilities relates to PSMB programs at \$4.8 million. Increase in Borrowings at \$44.4 million largely related to right of use assets due to ROUA term of recognition was shorter in the initial budget. Increase in Provisions at \$17.5 million is driven by higher restoration costs and flooding events impact across the Public Safety Network.

### Cash flows

Net increase in cash during the year is \$48.2 million compared to a budgeted net decrease in cash of \$2.8 million. The favourable variance of \$51 million was driven by higher receipt of cash associated with CCEP and PSMB programs.

## 21. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net cash from operating activities</b>	202,082	165,157
Depreciation and amortisation	(50,878)	(31,069)
Net loss on sale of plant and equipment	(2,059)	(970)
Increase/(decrease) in receivables	(8,005)	2,320
Increase in contract assets	344	4,420
Increase/(decrease) in other assets	330	(372)
(Increase)/decrease in payables	2,278	(1,941)
(Increase)/decrease in provision	(1,270)	-
(Increase)/decrease in contract liabilities	9,750	(14,529)
(Increase)/decrease in other liabilities	(40,094)	1,530
<b>Net result</b>	<b>112,478</b>	<b>124,546</b>

## 22. FINANCIAL INSTRUMENTS

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

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Managing Director 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 Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Authority on a continuous basis.

### (a) Financial Instrument Categories

Financial Assets	Note	Category	2022	2021
			\$'000	\$'000
			Carrying Amount	Carrying Amount
Class:				
Cash and cash equivalents	5	Amortised cost	128,622	80,404
Receivables <sup>(i)</sup>	6	Amortised cost	1,246	8,336
Contract assets <sup>(ii)</sup>	7	Amortised cost	5,884	5,540
<b>Financial Liabilities</b>	<b>Note</b>	<b>Category</b>		
Class:				
Payables <sup>(iii)</sup>	13	Financial liabilities measured at amortised cost	40,683	41,813
Borrowings	14	Financial liabilities measured at amortised cost	114,036	78,719

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

(ii) While contract assets are also not financial assets, they are explicitly included in the scope of AASB 7 for the purpose of the credit risk disclosures.

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

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

### (b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Authority transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Authority has transferred substantially all the risks and rewards of the asset; or
- the Authority has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When the Authority has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Authority 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 Authority's continuing involvement in the asset. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Authority could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the

derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

**(c) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**(d) Financial risks**

**i. Credit Risk**

Credit risk arises when there is the possibility of the Authority’s debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. 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 Authority, including cash, receivables, and authority deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

Credit risk associated with the Authority’s financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW Treasury Corporation (TCorp) are guaranteed by the State.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

**Accounting policy for impairment of trade receivables and other financial assets under AASB 9**

**Receivables - Trade Receivables**

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer’s Directions are followed to recover outstanding amounts, including letters of demand. The Authority applies the AASB9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets, have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Where the Authority has receivables from the Government and agencies or the Australian Government, no loss allowance is recorded for these receivables on the basis of materiality and zero risk of default. Where the Authority has receivables from the non-government entities, Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 30 days past due. Based on the Authority’s provision matrix from its historical credit loss experience for trade receivables, it has indicated that no ECLs were required for financial period ending June 2022.

The loss allowance for trade receivables as at 30 June 2022 and 30 June 2021 was determined as follows:

	30 June 2022					
	\$'000					
	Current	<30 days	30–60 days	61–90 days	>91 days	Total
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	
Estimated total gross carrying amount at default	915	94	79	48	110	1,246
Expected credit loss	-	-	-	-	-	-

<b>Total</b>	<b>915</b>	<b>94</b>	<b>79</b>	<b>48</b>	<b>110</b>	<b>1,246</b>
<b>Notes:</b> The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 6.						

	<b>30 June 2021</b>					
	<b>\$'000</b>					
	<b>Current</b>	<b>&lt;30 days</b>	<b>30–60 days</b>	<b>61–90 days</b>	<b>&gt;91 days</b>	<b>Total</b>
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	
Estimated total gross carrying amount at default	2,139	6,128	25	17	27	8,336
Expected credit loss	-	-	-	-	-	-
<b>Total</b>	<b>2,139</b>	<b>6,128</b>	<b>25</b>	<b>17</b>	<b>27</b>	<b>8,336</b>
<b>Notes:</b> The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 6.						

The Authority is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2022 and 30 June 2021. Most debtors have AAA credit rating.

## ii. Liquidity Risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior year, no assets have been pledged as collateral. The Authority'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. There was no interest applied to trade payables during the year.

The table below summarises the maturity profile of the Authority's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

	<b>30 June 2022</b>			
	<b>\$'000</b>			
	<b>&lt;1 year</b>	<b>1–5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Payables	40,683	-	-	<b>40,683</b>
Lease liabilities	9,576	49,503	72,799	<b>131,878</b>
<b>Total</b>	<b>50,259</b>	<b>49,503</b>	<b>72,799</b>	<b>172,561</b>

	<b>30 June 2021</b>			
	<b>\$'000</b>			
	<b>&lt;1 year</b>	<b>1–5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Payables	41,813	-	-	<b>41,813</b>
Lease liabilities	7,768	27,536	60,063	<b>95,367</b>
<b>Total</b>	<b>49,581</b>	<b>27,536</b>	<b>60,063</b>	<b>137,180</b>

## iii. 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 Authority 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. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority 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 FY2021. The analysis assumes that all other variables remain constant.

## 23. RELATED PARTY DISCLOSURES

### Key management personnel

The total remuneration of the key management personnel of the Authority are as follows:

	2022 \$'000	2021 \$'000
Short-term employee benefits:		
- Salaries	333	345
- Non-monetary benefits	-	-
Other long-term employee benefits	-	-
Post-employment benefits	24	22
Termination benefits	-	-
<b>Total remuneration</b>	<b>357</b>	<b>367</b>

### Other related party transactions

During the year, the Authority 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 Authority's sale of goods/rendering of services/receiving of services, in aggregate are as follows:

Nature of transaction	2022 \$'000			2021 \$'000	
	Transaction value income/(expense) \$'000	Net receivable/ (payable) \$'000	Net Asset \$'000	Transaction value income/(expense) \$'000	Net receivable/ (payable) \$'000
Sales of goods/services; grants and contributions and other receipts	317,571	3,799	-	245,718	13,121
Purchases of goods/services; grants and subsidies and other payments	(74,415)	(758)	-	(36,082)	(476)
Increase in net asset from equity transfer	-	-	1,977	-	-

The major related parties involved in the transactions for financial year ended 30 June 2022 are as following:

- Sales of goods/services; grants and contributions and other receipts

<b>Related parties</b>	<b>Amount \$'000</b>
Department of Customer Service	197,818
Ministry of Health	28,330
NSW Rural Fire Service	28,047
Fire and Rescue NSW	28,000



Office of the NSW State Emergency Service	28,000
Crown Finance Entity – Restart Fund	2,452
NSW Police Force	1,497
• Net receivable	
	<b>Amount</b>
<b>Related parties</b>	<b>\$'000</b>
Ministry of Health	2,456
• Purchases of goods/ services; grants and subsidies and other payments	
	<b>Amount</b>
<b>Related parties</b>	<b>\$'000</b>
Department of Customer Service	(73,285)
• Net payable	
	<b>Amount</b>
<b>Related parties</b>	<b>\$'000</b>
Department of Customer Service	(758)
• Assets obtained through equity transfer	
	<b>Amount</b>
<b>Related parties</b>	<b>\$'000</b>
NSW Police Force	1,977

#### 24. EVENTS AFTER THE REPORTING PERIOD

##### 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 the Authority as at 30 June 2022.

**END OF AUDITED FINANCIAL STATEMENTS**

# Annual Report Compliance Checklist

Requirement	Page	Statutory Bodies	
Letter of Submission	3	ARSBA s9A	<ul style="list-style-type: none"> <li>Stating report submitted to Minister for presentation to Parliament</li> <li>Provisions under which report prepared</li> <li>If applicable, length of lateness in submitting report and reasons</li> <li>If no application for extension, reasons for lateness and lack of application</li> <li>To be signed by 2 members of statutory body or, if without members, by the CEO</li> </ul>
Application for extension of time	NA	ARSBA s13(5)	<ul style="list-style-type: none"> <li>Where an extension of time has been granted, particulars of that extension</li> </ul>
Charter	12-13	ARSBR Sch.1	<ul style="list-style-type: none"> <li>Manner in which and purpose for which agency was established</li> <li>Principal legislation under which statutory body operates</li> </ul>
Aims and objectives	14-18	ARSBR Sch.1	<ul style="list-style-type: none"> <li>What statutory body sets out to do</li> <li>Range of services provided</li> <li>Clientele/community served</li> </ul>
Access	2	ARSBR Sch.1	<ul style="list-style-type: none"> <li>Address of principal office/s</li> <li>Telephone number of principal office/s</li> <li>Business &amp; service hours</li> </ul>
Management and structure	46-53	ARSBR Sch.1	<ul style="list-style-type: none"> <li>Names of members and their qualifications</li> <li>Method and term of appointment of board members</li> <li>Frequency of meetings and members' attendance at meetings</li> <li>Names, offices and qualifications of senior officers</li> <li>Organisation chart indicating functional responsibilities</li> </ul>
Summary review of operations	14-43	ARSBR Sch.1	<ul style="list-style-type: none"> <li>Narrative summary of significant operations</li> <li>Financial and other quantitative information for programs or operations</li> </ul>
Funds granted to non-government community organisations	72	ARSBR Sch.1	<ul style="list-style-type: none"> <li>Name of recipient organisation</li> <li>Amount of grant</li> <li>Program area as per Budget paper</li> <li>Program as per Budget paper</li> </ul>
Legal Change	59	ARSBR Sch.1; ARSBA s9(1)(f)	<ul style="list-style-type: none"> <li>Changes in Acts and subordinate legislation</li> <li>Significant judicial decisions affecting agency or users of its services</li> </ul>
Economic or other factors	45	ARSBR Sch.1	<ul style="list-style-type: none"> <li>Affecting achievement of operational objectives</li> </ul>
Management and activities	14-43	ARSBR Sch.1	<ul style="list-style-type: none"> <li>Describe nature and range of activities</li> <li>If practicable, qualitative and quantitative performance measures showing efficiency and effectiveness</li> <li>Nature and extent of internal and external performance reviews conducted and resulting improvements in achievements</li> <li>Benefits from mgt. and strategy reviews</li> <li>Management improvement plans and achievements reaching previous targets</li> <li>Major problems and issues which arose</li> <li>Major works in progress, cost to date, dates of completion, significant cost overruns or delays / amendments / deferments / cancellations</li> </ul>
Research and development	63	ARSBR Sch.1	<ul style="list-style-type: none"> <li>Completed and continuing research and developmental activities including resources allocated</li> <li>Unless will adversely affect business</li> </ul>
Human resources	54	ARSBR Sch.1	<ul style="list-style-type: none"> <li>Number of officers and employees by category &amp; compared to prior three years</li> <li>Exceptional movements in wages, salaries or allowances</li> <li>Personnel policies &amp; practices</li> <li>Industrial relations policies &amp; practices</li> </ul>
Consultants	70	ARSBR Sch.	<ul style="list-style-type: none"> <li>For each engagement costing equal to or greater than \$50,000: <ul style="list-style-type: none"> <li>Name of consultant</li> <li>Title of project (shown in a way that identifies the nature of the work)</li> <li>Actual costs</li> </ul> </li> <li>For engagements costing less than \$50,000: <ul style="list-style-type: none"> <li>Total number of engagements</li> <li>Total cost</li> </ul> </li> <li>Or a statement that no consultants used</li> </ul>

Requirement	Page	Statutory Bodies	
Workforce Diversity	56	PSC Circular 2014-09  ARSBR Sch.1	<ul style="list-style-type: none"> <li>Statutory bodies must report statistics for both the representation and distribution of employees in diversity groups, in the same format as the report provided to each agency by the Public Service Commission</li> <li>Additionally, statutory bodies must report on the workforce diversity achievements during the reporting year and the key workforce diversity strategies proposed for the following year</li> <li>Universities which are prescribed for the purposes of workforce diversity, under the Government Sector Employment Regulation 2014, are encouraged to continue to include workforce diversity information, in the same terms, in their annual reports</li> <li>Small statutory bodies need only report on a triennial basis</li> </ul> <p>For information on this requirement, please see <a href="https://arp.nsw.gov.au/assets/ars/eb555bc2bc/PSCC-2014-09-Updated-Changes-to-annual-reporting-for-senior-executives-and-workforce-diversity.pdf">https://arp.nsw.gov.au/assets/ars/eb555bc2bc/PSCC-2014-09-Updated-Changes-to-annual-reporting-for-senior-executives-and-workforce-diversity.pdf</a> For queries please contact the Public Service Commission (PSC) on 9272 6000</p>
Disability Inclusion Action Plans	56	DIA s12n and 13, ARSBR Sch.1  ARSBR c18 TC15-18	<ul style="list-style-type: none"> <li>If the statutory body is required to have a disability inclusion action plan under the Disability Inclusion Act 2014, a statement setting out the progress during the reporting year in implementing that plan</li> <li>Small statutory bodies need only report on a triennial basis</li> </ul> <p>See <a href="https://www.facs.nsw.gov.au/data/assets/file/0004/322366/NSW-DIAP-Guidelines.PDF">https://www.facs.nsw.gov.au/data/assets/file/0004/322366/NSW-DIAP-Guidelines.PDF</a> For queries please contact the Department of Family and Community Services directly (tel: 1800 782 306 or <a href="mailto:NSWDIP@facs.nsw.gov.au">NSWDIP@facs.nsw.gov.au</a>)</p>
Land Disposal	59	ARSBR Sch.1	<ul style="list-style-type: none"> <li>If value greater than \$5,000,000 &amp; not sold by public auction or tender                             <ul style="list-style-type: none"> <li>list of properties</li> <li>for each case, name of person who acquired the property &amp; proceeds</li> </ul> </li> <li>Details of family or business association between purchaser &amp; person responsible for approving disposal</li> <li>Reasons for the disposal</li> <li>Purpose/s for which proceeds were used</li> <li>Statement that access to documents relating to the disposal can be obtained under the <i>Government Information (Public Access) Act 2009</i></li> </ul>
Promotion	72	ARSBR Sch.1	Overseas visits by employees and officers with main purposes highlighted
Consumer Response	45	ARSBR Sch.1	<ul style="list-style-type: none"> <li>Extent and main features of complaints</li> <li>Services improved/changed in response to complaints/suggestions</li> </ul>
Payment of Accounts	68	TC 11/21 ARSBR Sch.1	<ul style="list-style-type: none"> <li>Details of performance in paying accounts for each quarter, from due dates:                             <ul style="list-style-type: none"> <li>Current, 0-30, 30-60, 60-90 and</li> <li>90+ \$ amounts</li> <li>Target %, actual % and \$ for on time</li> <li>Total dollar amount paid in quarter</li> <li>(Can use proper sampling techniques)</li> </ul> </li> </ul> <p>Details of accounts due or paid within each quarter – A schedule of the number and dollar amount of accounts/invoices due or paid within each quarter of the financial year as follows, separately disclosed for all suppliers and small business suppliers:</p> <ul style="list-style-type: none"> <li>Number of accounts due for payment</li> <li>Number of accounts paid on time</li> <li>Actual percentage of accounts paid on time (based on number of accounts)</li> <li>Dollar amount of accounts due for payment</li> <li>Dollar amount of accounts paid on time</li> <li>Actual percentage of accounts paid on time (based on dollar amount of accounts)</li> <li>Number of payments for interest on overdue accounts</li> <li>Interest paid on late accounts</li> </ul> <ul style="list-style-type: none"> <li>Commentary on problems affecting prompt processing of payments during the year and on initiatives implemented to improve payment performance</li> </ul>
Time for Payment of Accounts	68	ARSBR Sch.1; TC	Where interest was paid due to late payments, list of instances and reasons for delay which caused late payment

Requirement	Page	Statutory Bodies	
Risk management and insurance activities	76	ARSBR Sch.1	Report on the risk management & insurance arrangements and activities affecting the agency
Internal audit and risk management policy attestation	74	TPP 20-08	The governing board, or in the absence of a governing board, the Chief Executive Officer, must: <ul style="list-style-type: none"> <li>attest to compliance with the TPP's 'core requirements' in an attestation statement based on the relevant template at Annexure C of the TPP, and</li> <li>ensure that this Statement is published in the statutory body's Annual Report, adjacent to the requirement to disclose 'risk management and insurance activities'</li> </ul> The above requirement does not apply to SOCs
Disclosure of Controlled Entities	45	ARSBR Sch.1	For each controlled entity: <ul style="list-style-type: none"> <li>Name, objectives, operations, activities</li> <li>Performance targets and actual performance measures</li> </ul>
Disclosure of Subsidiaries	45	PM06-02	For each public sector subsidiary, the parent must: <ul style="list-style-type: none"> <li>Identify each subsidiary in which shares are held, and the number and % of shares held;</li> <li>Include key figures for each subsidiary (turnover, profit, assets) and their proportion to group totals</li> <li>Include detailed statement of objectives, activities and operations of each subsidiary, performance targets and measures and accounts; and</li> <li>Include description of nature and extent of involvement in any other companies, joint ventures, partnerships, trusts or other such associations (whether or not incorporated)</li> </ul> The above requirement does not apply to SOCs
Multicultural Policies and Services Program	56	ARSBR Sch.1 ARSBR c18 TC15-18	<ul style="list-style-type: none"> <li>Statement setting out the key multicultural strategies proposed for the following year</li> <li>Progress in implementing the statutory body's multicultural policies and services plan</li> <li>Information as to the multicultural policies and services plans of any bodies reporting to the agency</li> <li>Small statutory bodies need only report on a triennial basis</li> </ul>
Agreements with Multicultural NSW	56	ARSBR Sch.1	Description of any agreement entered into with Multicultural NSW under the <i>Multicultural NSW Act 2000</i> and statement setting out progress in implementing any agreement
Work Health and Safety (WHS)	65	ARSBR Sch.1 ARSBR c18 TC15-18	<ul style="list-style-type: none"> <li>Statement setting out WHS performance</li> <li>Details of injuries and prosecutions under the Work Health and Safety Act 2011</li> <li>Small statutory bodies need only report on a triennial basis</li> </ul>
Budgets	71-72	ARSBA s7(1) (a) (iii) ARSBR c7(1)	<ul style="list-style-type: none"> <li>Detailed budget for the year reported on, including details of: <ul style="list-style-type: none"> <li>If this is the first budget approved</li> <li>Adjustments to first budget approved</li> </ul> </li> <li>Outline budget for following year</li> </ul>
Financial Statements	80	ARSBA s7(1) (a) (i)-(ia)	<ul style="list-style-type: none"> <li>Inclusion of Financial Statements</li> <li>Controlled Entities' Financial statements</li> <li>Audit Opinion on Financial Statements</li> <li>Response to significant issues raised by Auditor-General</li> </ul>
Identification of audited financial statements	81-113	ARSBR c5	At start and finish
Inclusion of unaudited financial statements	NA Audited financial statements enclosed on page 81	ARSBR c6	Unaudited financial information to be distinguished by note or otherwise
Additional matters for inclusion in annual reports	-	ARSBR c8	<ul style="list-style-type: none"> <li>Statement of the action taken by the body in complying with the requirements of the <i>Privacy and Personal Information Protection Act 1998</i> (PPIPA) and statistical details of any review conducted by or on behalf of the body under Part 5 of the PPIPA. Does not apply to SOCs.</li> <li>After balance date events having a significant effect in succeeding year on: <ul style="list-style-type: none"> <li>Financial operations</li> <li>Other operations</li> <li>Clientele/community served</li> </ul> </li> <li>Total external costs (such as fees for consultants and printing costs) incurred in the production of the report.</li> <li>The website at which the report maybe accessed (or the statutory body's website)</li> </ul>

Requirement	Page	Statutory Bodies	
Investment performance	70	ARSBR c10; TC 17/02	<ul style="list-style-type: none"> <li>In the form of a comparison with a choice of Treasury Corporation investment facilities</li> <li>Choice of comparison based on nature and term of underlying liability</li> <li>Stated in terms of annual compound percentage rate of return</li> </ul>
Liability management performance	76	ARSBR c11; TC 17/02	<ul style="list-style-type: none"> <li>Only if debt is greater than \$20m</li> <li>In the form of a comparison, details of agency's liability portfolio performance versus benchmark</li> <li>Benchmark is notional portfolio constructed as risk neutral per Treasurer</li> </ul>
Exemptions	76	ARSBR c17(4)  ARSBR c18	<ul style="list-style-type: none"> <li>If applicable, section "Exemptions from the Reporting Provisions" including: <ul style="list-style-type: none"> <li>Details of exemptions</li> <li>Reasons for exemptions</li> </ul> </li> <li>Small statutory bodies need report on a triennial basis only in relation to: <ul style="list-style-type: none"> <li>workforce diversity</li> <li>disability inclusion action plans</li> <li>multicultural policies and services program</li> <li>work health and safety</li> </ul> </li> <li>triennial reporting of particulars in the report of the operations of a statutory body must relate not only to the reporting year for which the report is prepared (and the succeeding reporting year, if required by Schedule 1) but also to those of the 2 preceding reporting years in relation to which those particulars have not yet been reported in an annual report of the statutory body</li> </ul>
Numbers and remuneration of senior executives	54	ARSBR c12 PSC Circular 2014-09	<ul style="list-style-type: none"> <li>Number of senior executives employed at the end of the reporting year broke down by band and then gender within each band, compared with the numbers at the end of the previous reporting year</li> <li>Average total remuneration package of senior executives in each band at the end of the reporting year, compared with the average at the end of the previous reporting year</li> <li>The percentage of total employee-related expenditure in the reporting year that relates to senior executives, compared with the percentage at the end of the previous reporting year</li> </ul>
		SOORT determination	<ul style="list-style-type: none"> <li>The four senior executive bands that apply for financial years ended on or after 01 July 2020 are published in the Statutory and Other Officers Remuneration Tribunal (SOORT) 2020 Annual Determination - SOORT - Public Service Senior Executive dated 07 September 2020. Agencies must base their senior executive disclosures on those bands, which are set out in Treasury's Annual Report Frequently Asked Questions at <a href="http://www.treasury.nsw.gov.au">www.treasury.nsw.gov.au</a></li> </ul>
Implementation of Price Determination	59	IPARTAS 18(4)	<p>If agency subject to determination or recommendation of Tribunal then:</p> <ul style="list-style-type: none"> <li>Statement that it was implemented and details of implementation; or</li> <li>Reasons for not being implemented.</li> </ul>
Government Information (Public Access) Act 2009	62	GIPAA s125(4), (6) GIPAAR c8, Sch 2; c13, Sch 3	<ul style="list-style-type: none"> <li>Details of the agency's review under s7(3) of the Act during the year and details of any information made publicly available as a result of the review</li> <li>Total number of access applications received during the year (including with drawn applications but not including invalid applications)</li> <li>Total number of access applications received that agency 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</li> <li>Statistical information as described in Sch 2</li> <li>Each agency referred to in Sch 3 of the Regulation (subsidiary agency) is declared to be part of and included in the parent agency specified in Sch 3.</li> </ul>
Cyber Security Policy (CSP) attestation	66	DCS 2021-02	<p><a href="https://www.digital.nsw.gov.au/policy/cyber-security/cyber-security-policy">https://www.digital.nsw.gov.au/policy/cyber-security/cyber-security-policy</a></p> <p>Governing boards of statutory bodies must include an annual report attestation statement addressing the following:</p> <ul style="list-style-type: none"> <li>the Agency has assessed its cyber security risks,</li> <li>cyber security is appropriately addressed at Agency governance forums,</li> <li>the Agency has a cyber incident response plan, it is integrated with the security components of business continuity arrangements, and has been tested over the previous 12 months (involving senior business executives),</li> <li>confirmation of the agency's Information Security Management System/s (ISMS), Cyber Security Management Framework/s and/or Cyber Security Framework(CSF) including certifications or independent assessment where available, and</li> <li>what the agency is doing to continuously improve the management of cyber security governance and resilience</li> </ul> <p>See page 14 of the CSP for suggested wording.</p> <p>For queries please contact Cyber Security NSW at the Department of Customer Service - <a href="mailto:cybersecuritypolicy@customerservice.nsw.gov.au">cybersecuritypolicy@customerservice.nsw.gov.au</a> or telephone the Department of Customer Service on 13 77 88.</p>

Requirement	Page	Statutory Bodies	
Public Interest Disclosures (PID)	64	PIDA s31, PIDR c4,	<p>Separately report on:</p> <ul style="list-style-type: none"> <li>• PIDs made by public officials in performing their day to day functions as public officials</li> <li>• PIDs not covered above that are made under a statutory or other legal obligation</li> <li>• All other PIDs</li> </ul> <p>For each PID, a public authority should disclose the following information:</p> <ul style="list-style-type: none"> <li>• Number of public officials who have made a PID to the public authority</li> <li>• Number of PIDs received by the public authority in total and the number of PIDs received by the public authority relating to each of the following: <ul style="list-style-type: none"> <li>○ corrupt conduct</li> <li>○ maladministration</li> <li>○ serious and substantial waste of public or local government money</li> <li>○ government information contraventions</li> <li>○ local government pecuniary interest contraventions</li> </ul> </li> <li>• Number of PIDs finalised</li> <li>• Whether the public authority has a PID policy in place</li> <li>• Actions taken to ensure staff awareness responsibilities under s6E(1)(b) of the PIDA have been met.</li> </ul>
Requirements arising from employment arrangements	-	TC 15/07 ARSBA s15(1)	Additional requirements, where statutory body receives personnel services from a Department or special purpose service entity -- refer section 4 of TC15-07
Form of annual reports--generally	-	ARSBR c14	<ul style="list-style-type: none"> <li>• Material information reported</li> <li>• Logical sequence</li> <li>• Appropriate layout</li> <li>• Clear readable text</li> <li>• Appropriate captions for charts, diagrams, or photos</li> <li>• Index and table of contents to assist identifying reporting requirements</li> </ul>
Submission of annual report to appropriate Minister	-	ARSBA s10 PM2013- 09	<ul style="list-style-type: none"> <li>• Not later than four months after year end</li> <li>• Appropriate Ministers can decide whether their statutory bodies submit annual reports to that Minister in printed or electronic form.</li> </ul>
Submission of annual report to the Treasurer	-	ARSBA s10 PM201 3-09	<ul style="list-style-type: none"> <li>• Submit an electronic copy of annual report to the Treasurer (<a href="mailto:office@treasurer.nsw.gov.au">office@treasurer.nsw.gov.au</a>) at the same time it is submitted to the appropriate Minister</li> </ul>
Presentation of annual report to Parliament	-	ARSBA s11	<ul style="list-style-type: none"> <li>• The appropriate Minister must present a printed copy of a statutory body's annual report to each House of Parliament. To permit that Minister to meet this requirement, each statutory body must submit two printed copies of its annual report to that Minister.</li> <li>• The appropriate Minister must present that report within one month of receipt</li> <li>• If late, statement by Minister</li> </ul>
Annual reports size- presentation to Parliament	-	ARSBR c15(1)	<ul style="list-style-type: none"> <li>• Size –ISOA4</li> </ul>
Printing and distribution requirements	-	PC 00-68;PM 00-15 PM 2013-09	<p>All production costs must be kept to a minimum by:</p> <ul style="list-style-type: none"> <li>• Limiting content to recording performance and meeting statutory obligations</li> <li>• Printing hard copies in house in black and white</li> <li>• Not including unnecessary pictures and illustrations</li> </ul> <p>Eliminating external production costs</p> <p>Electronic copies of annual reports are to be sent to:</p> <ul style="list-style-type: none"> <li>• State Records (up load to <a href="http://OpenGovNSW">OpenGovNSW</a>)</li> <li>• National Library of Australia</li> <li>• UWS Library</li> <li>• State Library</li> <li>• Parliamentary Library</li> </ul>
Public availability of annual reports	-	ARSBA s12; ARSBR TC15- 19	<ul style="list-style-type: none"> <li>• A copy of the annual report must be made publicly available on the statutory body's website (or other relevant website) as soon as practicable after the hard copy report is presented to Parliament</li> </ul>
		PM 2013-09	<ul style="list-style-type: none"> <li>• A copy of the annual report must also be made available to Parliament in electronic form as soon as practicable after the hard copy is presented to Parliament</li> <li>• Available to others if required by the Treasurer</li> </ul>

**Key to References:**

ARDA	<i>Annual Reports (Departments) Act 1985</i>
ARDR	<i>Annual Reports (Departments) Regulation 2015</i>
ARSBA	<i>Annual Reports (Statutory Bodies) Act 1984</i>
ARSBR	<i>Annual Reports (Statutory Bodies) Regulation 2015</i>
CSP	<i>NSW Cyber Security Policy – Cyber Security NSW</i>
DIA	<i>Disability Inclusion Act 2014</i>
GIPAA	<i>Government Information (Public Access) Act 2009</i>
GIPAAR	<i>Government Information (Public Access) Regulation 2018</i>
GSEA	<i>Government Sector Employment Act 2013</i>
IPARTA	<i>Independent Pricing and Regulatory Tribunal Act 1992</i>
PIDA	<i>Public Interest Disclosures Act 1994</i>
PIDR	<i>Public Interest Disclosures Regulation 2011</i>
PC	Premier's Circular
PM	Premier's Memorandum
PSC	Public Service Commission
PPIPA	<i>Privacy and Personal Information Protection Act 1998</i>
TC:	Treasury Circular
TPP:	Treasury Policy Paper

