

2022



23

NSW Telco Authority

Annual Report



Acknowledgement of Country

NSW Telco Authority acknowledges, respects and values Aboriginal peoples as the Traditional Custodians of the lands on which we live, walk and work. We pay our respects to Elders past and present.

We recognise and remain committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships, and continuing connection to their lands, waters and seas. We acknowledge their history here on these lands and their rich contribution to society.

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

NSW Telco Authority Annual Report 2022–23

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nsw.gov.au/customer-service

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More information

Information about NSW Telco Authority can be found at nsw.gov.au/telco-authority

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Letter to the Minister

The Hon. Jihad Dib MP
Minister for Customer Service and Digital Government
GPO Box 5341
SYDNEY NSW 2001

Dear Minister

Annual Report for the year ending 30 June 2023

We are pleased to submit the NSW Telco Authority Annual Report for the year ending 30 June 2023 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 Part 7 of the *Government Sector Finance Act 2018* and the regulations under this Act.

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

Sincerely

Shane Fitzsimmons AO, AFSM



Chair
NSW Telco Authority Advisory Board

Kylie De Courteney



Managing Director
NSW Telco Authority

Message from the Chair

On behalf of the NSW Government Telecommunications Advisory Board, I am pleased to present the 2022–23 NSW Telco Authority Annual Report.

The Board continued to contribute to the organisation’s strategic priorities and was proud to be a part of the significant achievements delivered by NSW Telco Authority (NSWTA) over the past 12 months.

Supporting our emergency and essential services agencies to help keep people and places safe remained our key priority throughout the year as the agency continued its journey to become the connectivity leader for NSW Government.

Under the Critical Communications Enhancement Program, we reached a key milestone with the delivery of 300 Public Safety Network sites in February 2023.

This is a major step forward in delivering a resilient statewide critical communications network for emergency and essential services to communicate with each other and coordinate responses to critical incidents and disasters.

In October 2022, we launched the state’s first NSW Connectivity Strategy designed to help align and optimise NSW Government programs, funding and opportunities to ensure modern, high-speed digital networks are available to everyone.

We also continued to work with industry and the Australian Government to advocate for reforms to improve emergency management, planning and response.

I would like to thank Kylie De Courteney and her Executive Leadership Team, management and staff for their important contribution and dedication throughout 2022–23.

I also thank my fellow Board members for their guidance and support. I acknowledge the commitment and contribution of Ms Emma Hogan, Mr Greg Wells and NSW Police Force Deputy Commissioner Paul Pisanos who finished serving on the Board during the year.

The Board looks forward to working closely with the NSWTA executive over the next 12 months to deliver our strategic priorities under the NSW Operational Communications Strategy, to achieve resilient connectivity outcomes for our customers and our communities.



Commissioner Shane Fitzsimmons
AO, AFSM

Chair

NSW Telco Authority Advisory Board

Message from the Managing Director

I am proud of NSW Telco Authority's key achievements over the past 12 months, accomplished in collaboration with our customers, government and industry.

As we continue to build one of the world's largest critical communications networks, I'm pleased to report the Public Safety Network (PSN) now covers 47 per cent of NSW, an area of approximately 384,000 square kilometres, reaching 97.5 per cent of the population.

More than 21 million calls were made across the network during 2022–23 with an average network availability of 99.96 per cent.

We delivered a further 83 sites under the Critical Communications Enhancement Program, a 33 per cent increase on the previous year when site access was heavily impacted by flooding. This brings the total number of operational sites to 337, representing the completion of more than 50 per cent of the network's rollout.

We are continuing to work with states, territories and the Australian Government to develop a national Public Safety Mobile Broadband (PSMB) solution to provide a mobile broadband capability to support emergency services communications across organisational and geographical boundaries. In December, we completed an 18-month proof-of-concept trial that demonstrated the technical viability of a national PSMB communications capability.

We also completed technology trials under the Next Generation Digital Connectivity initiative to test real-world solutions for

unique connectivity challenges faced by frontline responders. For example, we demonstrated the creation of temporary large area cellular, wi-fi and Land Mobile Radio networks using a combination of drone and satellite backhaul technology. This technology is a step towards the service we will provide as part of the evolving PSN into the future.

The launch of the inaugural NSW Connectivity Strategy in October ensures there is a coordinated statewide approach to delivering digital connectivity to help emergency services and communities stay better connected.

I am fortunate to be supported by a valued Advisory Board, an incredibly high quality Senior Leadership Team and passionate, dedicated staff. I thank them all for their commitment to putting our customers at the centre of everything we do to deliver improved connectivity and safety outcomes for NSW.



Kylie De Courteney
Managing Director
NSW Telco Authority

Overview



Year in review



21.3 million

calls across the PSN
↑ 30% on previous year

83



new and enhanced
**Public Safety
Network sites**

\$3.5 million

to fund the **Next Generation
Digital Connectivity initiative**



PSN now reaches
97.5%
of the state's
population

PSN average network
availability was
99.96%

Launched the state's first
**NSW Connectivity
Strategy**

Delivered **8**

Cells on Wheels

32 now in mobile radio asset pool



\$1.8 million
received for Disaster
Ready Funding

15% increase in
customer satisfaction
from 2021-22



Launched the
**Price Guide
for Satellite
Internet Services**

Progressing a
National PSMB Entity
with the Commonwealth



About NSW Telco Authority

NSW Telco Authority (NSWTA) leads a \$1.5 billion portfolio of NSW Government projects to provide critical communications for emergency services and essential service agencies and address connectivity challenges across NSW.

We manage the Public Safety Network (PSN) to deliver mission-critical radio communications for first responders and essential services. Emergency Services Organisations (ESOs) communicate using the PSN to coordinate responses to critical incidents and manage their day-to-day operations.

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

Our vision

To be the connectivity leader
for NSW Government.

Our values

Integrity, Trust, Service
and Accountability.

Our purpose

Working together to keep people and places safe and connected
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.

Connectivity leadership across NSW Government

We coordinate whole-of-government connectivity to bridge the digital divide and deliver improved connectivity for communities across NSW. This includes supporting major digital infrastructure programs for the NSW Government. We also help coordinate spectrum holdings on behalf of government.



Our role in emergency management

NSW Emergency Management Framework

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 coordinates 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 commercial carriers to safeguard telecommunications networks and 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 hotline, the PSN is the most important critical communications network in NSW, and one of the largest in the world.

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 47 per cent of NSW – an area of approximately 384,000 square kilometres – and reaches 97.5 per cent of the state's population.

Network technology

The PSN is designed to meet ESO mission-critical standards and uses P25 radio technology – a global best-practice standard – as a platform to host two-way radio handsets and other devices first responders depend upon.

Network performance

The PSN is designed to provide 99.95 per cent network target availability. A total of 21.32 million calls were made across the PSN during 2022–23, an increase of 30 per cent on the previous year. The average network availability was 99.96 per cent.

Network management

The PSN is managed by BAI Communications under a five-year Managed Network Agreement that commenced on 17 December 2022.

Our customers

More than **60** customers use the PSN, including all five ESOs, government and essential service agencies.

There are over **63,000** registered radios on the PSN with more than **41,000** of these used by ESOs.

We also represent **ESO public safety interests** in Australian Government engagements on spectrum, Public Safety Mobile Broadband and when advocating for reforms to improve emergency management.



Legislation

We are a Statutory Authority established under the former *Government Telecommunications Act 1991*, later replaced by the *Government Telecommunications Act 2018*, administered by the Minister for Customer Service and Digital Government.

Under the *State Emergency and Rescue Management Act 1989*, we lead the state's Telecommunications Services Functional Area to coordinate support and resources for telecommunications during emergencies. This Act is administered by the Minister for Emergency Services.

Department and staffing

We are a Statutory Authority within Digital.NSW under the Department of Customer Service (DCS), which provides our organisation with personnel services.

Funding

We are primarily funded by revenue from contracts with customers, including PSN user charges. We also receive grants and contributions from DCS and other state and federal agencies.

We operate the PSN on a partial-cost recovery basis. Four core ESOs are charged a flat fee based on costs incurred by NSWTA, irrespective of the number of radio handsets or network usage. The charges reflect the costs incurred in supplying the service, excluding depreciation costs. Other essential service organisations and customers pay fees per handset and are charged for talk groups as a proxy for usage.

Activities unrelated to the day-to-day operation of the PSN that require grants and contributions from government agencies are subject to regular budgetary and governance processes including:

- Critical Communications Enhancement Program
- Connecting Country Communities Fund (including Mobile Black Spot Program)
- Public Safety Mobile Broadband
- Mission-Critical Messaging Program

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

Advisory Board

The NSW Government Telecommunications Authority Advisory Board (Advisory Board) is established under the *Government Telecommunications Act 2018*.

At 30 June, the Advisory Board had nine members represented by government, industry and emergency services, who provide advice and industry expertise to help drive our strategic objectives.

During 2022–23, the Board held six meetings and met a quorum at each meeting.

Advisory Board membership changes

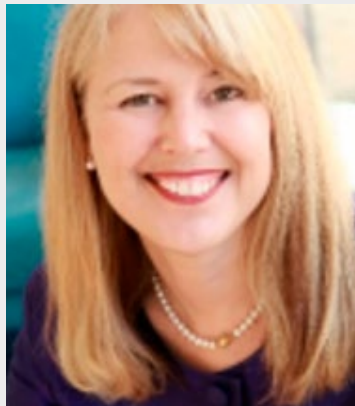
The Advisory Board welcomed two new members during 2022–23 following the resignations of Ms Emma Hogan and Mr Greg Wells. Both Ms Laura Christie PSM and Mr Grant Stepa joined the Advisory Board in February.

Deputy Commissioner Paul Pisanos, NSW Police Force, resigned from the Advisory Board in March and, as at 30 June, a replacement NSW Police Force representative was under recruitment.

Advisory Board membership at 30 June



Shane Fitzsimmons OAM, AFSM
Chair
30/04/2022 to 14/07/2023
Attended 6 meetings



Kaaren Koomen AM
BA LLB, LLM, GAICD
Deputy Chair
15/07/2020 to 14/07/2023
Attended 5 meetings



Laura Christie PSM
BSocSc (Hons)
Deputy Secretary Digital.NSW
15/02/2023 to 14/02/2026
Attended 2 meetings



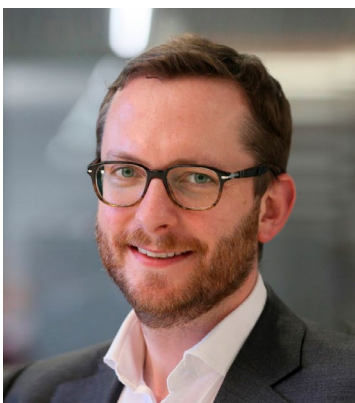
Kylie De Courteney
BCom
Managing Director
NSW Telco Authority
Attended 6 meetings



Ric Oldham
BEng Registered Building
Practitioner
15/07/2020 to 14/07/2023
Attended 4 meetings



Fiona Dewar
BAComms, GradCert Pub Pol
Deputy Secretary Department
of Regional NSW
30/03/2022 to 29/03/2025
Attended 6 meetings



Samuel Walker
BAHist, MEcon [IA], CIMA Mgt
Executive Director Budget Division,
NSW Treasury
30/03/2022 to 29/03/2025
Attended 4 meetings



Grant Stepa
FAICD, FAIE, FGIA, GIA (Cert),
BEng
15/02/2023 to 14/02/2026
Attended 2 meetings



Commissioner Rob Rogers AFSM
NSW Rural Fire Service
15/07/2020 to 14/07/2023
Attended 3 meetings

Leadership team



Kylie De Courteney
BCom
Managing Director



Kirsty McKinnon
BPES
Executive Director
Program Delivery

- End-to-end delivery of major programs
- Program management office
- Delivery of digital infrastructure and minor programs



Peter Hukins
BASC, MBA
Chief Operating Officer

- Performance oversight and planning
- Work health and safety
- Risk management, compliance, assurance and business continuity
- Asset management
- Program pipeline management



Aled Jones
BA (Hons)
Chief Commercial Officer

- Partner in delivery of commercial customer-focused results
- Category and vendor relationship management
- Property strategy and management



Rania Wannous
BSSc (Hons)
Chief Customer Officer

- Customer services and relationship management
- Intergovernmental, stakeholder and community engagement
- Customer experience
- Communications and ministerial services



Zhi Soon
BA, LLB
Chief Strategy and Innovation Officer

- Customer-led strategy and execution
- Integrated portfolio of connectivity initiatives
- Iterative product development and innovation



James Pickens
DipE
Chief Digital and Technology Officer

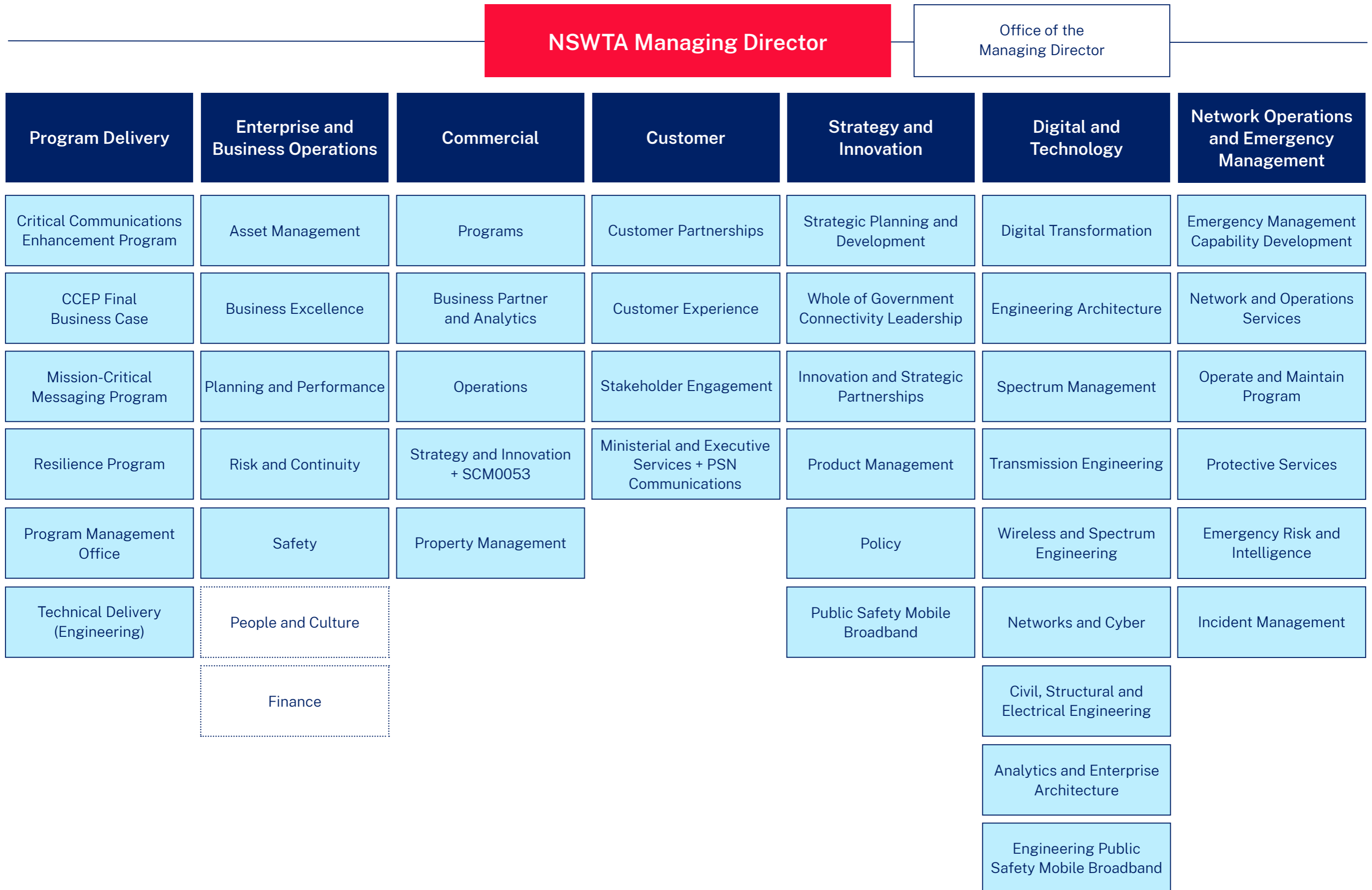
- Centralised end-to-end engineering
- Network performance and optimisation
- Enterprise architecture and ICT
- Spectrum management
- Data analytics
- Cyber security
- Digital transformation



Jim Henry
BEd, MDefSt
Head of Network Operations & Emergency Management

- Telecommunications Functional Area coordination
- Telecommunications emergency management and support
- Public Safety Network operation and maintenance
- Protective security

Functional structure



Strategy



Our strategy

Our strategic direction

Our work is guided by five strategic pillars supported by key initiatives in the NSW Government Operational Communications Strategy 2020, with our [2022–23 Corporate Plan](#) setting out our strategic direction and key performance indicators.

Our strategic focus from now to 2030 is to build and strengthen our role in delivering critical communications to Emergency Services Organisations (ESOs) and essential services to keep people and places in NSW safe and connected, while evolving to be the connectivity leader for NSW Government.

We are increasing access to connectivity and new technologies to enhance safety, efficiency and inclusion. We support infrastructure resilience to ensure our customers and communities stay connected.

Case study: Marine Rescue NSW

Marine Rescue NSW is a volunteer marine rescue service, with 45 units across NSW and more than 3,000 volunteers committed to saving lives on the water. Volunteers are embedded in their local community and are equipped with a world-class fleet. Backed by state-of-the-art technology and training, volunteers made almost 9,000 water rescues during 2022–23.

Marine Rescue NSW joined the PSN in June 2022 and uses 32 handsets across eight talk groups for their search and rescue efforts, making more than 1,550 calls across the network in the past 12 months. With enhanced PSN interoperability, volunteers are now able to directly communicate with ESOs across the network.



Our strategic pillars



Lead with one integrated portfolio

Remove duplication and fragmentation by coordinating public safety telecommunications assets, resources, programs and services as a single, integrated, efficient portfolio.



Evolve critical communications

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.



Leverage the market for implementation and innovation

Leverage industry expertise to achieve value for money and market contestability and engage with industry partners to collaborate, innovate and solve problems.



Embed customer centricity

Build consideration of the needs of our customers and stakeholders into our strategic decision-making processes.



Empower our people

Drive an inclusive workplace culture with a shared purpose and build our capabilities to meet and exceed customer expectations.

Our strategic objectives

Strategic objectives		Outcomes
1	Deliver new Critical Communications Enhancement Program (CCEP) sites and progress customer migration	Increased PSN coverage for customers.
2	Deliver regional telecommunications coverage in regional and peri-urban areas through Mobile Black Spot Program (MBSP) and Connecting Country Communities (CCC)	Improved commercial mobile and fixed coverage in regional NSW. Able to dial Triple Zero in case of an emergency. Areas in regional NSW able to access the same internet speeds as metropolitan areas (50/10 Mbps).
3	Build emergency prevention, preparedness, response and recovery capabilities	Access to network and environmental data to support emergency responses. Recommendations from the NSW Bushfire Inquiry and Royal Commission into Natural Disasters implemented.
4	Deliver innovative new products and services to meet customer operational needs	Enhanced product and service offerings with a clear link to operational value. Enhanced voice and data user experience for frontline staff.
5	Progress Public Safety Mobile Broadband (PSMB), including proof-of-concept and priorities, at a national and NSW level	National: validate PSMB use cases and incorporate into the technology roadmap. Enhance customer participation during proof-of-concept testing phases. NSW: Customer co-design approach to develop PSMB practices, using agile, customer-led design methodology.
6	Deliver an asset management framework aligned to industry standards to support our growing asset portfolio	Confidence that the asset portfolio will fulfil its intended purpose.
7	Build and embed customer centricity through customer experience capabilities and metrics	Enhanced customer focus in prioritisation, decision-making and delivery.
8	Develop our culture and ways of working transformation strategy and roadmap	Improved customer interactions. Processes are improved and designed to keep the customer at the centre. Improved collaboration internally and externally.
9	Deliver NSW Connectivity Strategy	Improved connectivity through innovative and coordinated investment in connectivity infrastructure for citizens, business and emergency services across NSW.

NSW Connectivity Strategy

We coordinate and align whole-of-government connectivity programs and priorities to solve complex connectivity challenges. We do this by focusing on innovation and industry collaboration to ensure government agencies secure value for money technology that meets their needs now and in the future.

Strategic objective 9

Deliver NSW Connectivity Strategy

Outcomes

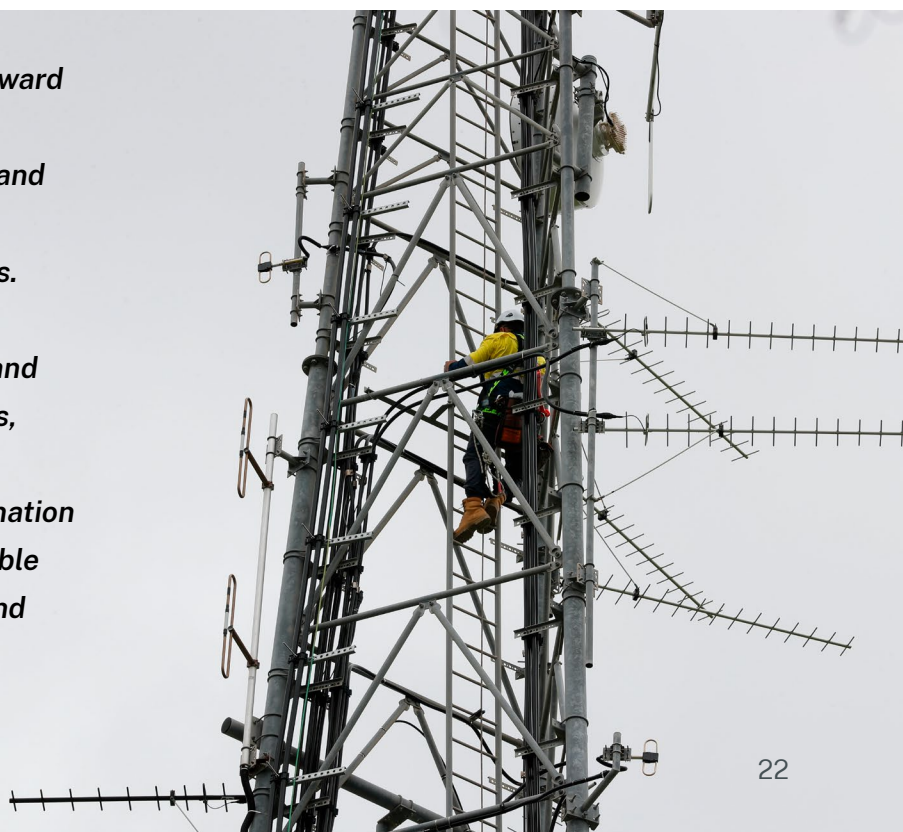
Improved connectivity through innovative and coordinated investment in connectivity infrastructure for citizens, businesses and emergency services across NSW.

The state's first [NSW Connectivity Strategy](#) was launched in October. The Strategy aligns and optimises NSW Government programs, funding and opportunities to ensure modern, high-speed digital networks are available to all.

The Strategy delivers a whole-of-government commitment and focus on ensuring communities, particularly the most vulnerable, have affordable digital connectivity that meets their needs. It also helps to ensure greater safety for first responders and the communities they serve during natural disasters.

As part of the Strategy, we are developing new digital tools that enable agencies to measure and monitor levels of digital connectivity at a suburb level, including mobile and fixed coverage, affordability and demographics.

The Strategy is an important step forward to align with world's best practice, accelerate access to digital services and close the digital divide between metropolitan, rural and regional areas. It has been designed to deliver meaningful, world-class, affordable and resilient connectivity for communities, businesses, emergency services and government. It aims to ensure coordination across government agencies and enable full participation in digital services and systems anywhere, anytime.



In developing the NSW Connectivity Strategy, we also identified several priority connectivity initiatives to help deliver improved social, economic and safety outcomes for NSW. These include:

- delivering tailored, affordable and community-developed connectivity solutions for Aboriginal and Torres Strait Islander communities to support increased digital inclusion, including in both remote NSW and peri-urban areas with high Aboriginal and Torres Strait Islander populations such as Western Sydney and the Central Coast
- leveraging the planned Renewable Energy Zones infrastructure to deliver high-speed, metropolitan-equivalent connectivity for communities within Central West Orana, New England, Hunter, Central Coast and South West NSW zones by 2030
- establishing a comprehensive evidence base for how communities are affected by loss of digital connectivity in times of disaster to optimise investment decisions for digital connectivity
- ensuring seamless digital connectivity across the Six Cities and regions in NSW, to facilitate economic growth, particularly across Western Sydney, the Central Coast and the north–south corridors to the Hunter and Illawarra
- making digital connectivity a standard service that is available at all high-use evacuation and recovery centres
- using evidence to advocate for better digital connectivity on rail and road corridors.

Case study: Improving connectivity in rail corridors

Under the Regional Rail Digital Connectivity project, we worked with Transport for NSW by providing them a ‘find and fix’ report containing digital connectivity data across more than 4,200km of regional rail network.

The analysis found patchy connectivity from within regional trains, along many segments of the rail network and on nearby major roads.

In May, Transport for NSW commenced trialling free wi-fi at Nambucca Heads railway station powered by Low Earth Orbit satellites, giving passengers up to an hour of connectivity each day.

This initiative was also recognised when it won the Partner Collaboration at its Best: Leading the Way Network Leader Award in the annual DCS Secretary’s Awards.

Internal and external performance reviews

Funding, Pricing and Efficiency Review

In August, NSW Treasury recommended NSWTA undertake an independent review of our efficiency, funding, and pricing model to ensure we could support a rapidly expanding Public Safety Network (PSN) and meet our commitments under the NSW Government's Operational Communications Strategy.

The independent review took information from comparable emergency services communications providers, domestically and globally, and used inputs from 25 current and prospective PSN customers as well as NSW Treasury, Independent Pricing and Regulatory Tribunal (IPART) and NSWTA.

At 30 June, NSW Treasury was examining the review recommendations to support significant network growth and the transition of government agencies to the PSN.

Critical Communications Enhancement Program Performance Audit

During 2022–23, the Audit Office of NSW conducted a performance audit of the Critical Communications Enhancement Program (CCEP). Performance audits review whether public money is spent effectively, economically and within the law. The report was tabled in the Parliament of NSW on 23 June and found that we are delivering a PSN that meets the needs of ESOs.

The audit acknowledged that the expanding PSN performed effectively and met the requirements of ESOs during the 2021 and 2022 floods.

We are working to implement all recommendations outlined in the report, which identifies evolving policy issues such as in-building coverage as well as governance requirements of an expanding PSN across NSW.



Critical Communications Enhancement Program iNSW Health Check

In February, an Infrastructure NSW (iNSW) Health Check was conducted on the CCEP, which yielded a medium confidence rating.

A total of 20 recommendations were provided, highlighting areas such as scheduling, cost control and risk management where improvements could be made. We addressed these recommendations throughout 2023.

Asset management

Strategic objective 6

Deliver an asset management framework aligned to industry standards to support our growing asset portfolio

Outcomes

Confidence that the asset portfolio will fulfill its intended propose.

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

Asset management maturity

We achieved an average maturity score of 74 per cent against the NSW Asset Management Policy maturity assessment, representing an 11 per cent improvement from June 2022. This included a total uplift of 44 per cent from our baseline result of 30 per cent in June 2021.

Asset Management Capability Program

Phase two of the Asset Management Capability Program (AMCap) was reset during 2022–23 to ensure NSWTA is both sufficiently mature and achieves compliance with the NSW Asset Management Policy (TPP19-07) prior to 30 June 2024. Our maturity score of 74 per cent confirms the program's progress and trajectory year on year.

Asset management effectiveness

An iNSW assessment returned an asset management effectiveness score of 3.5 (5 being a perfect score) and an asset management risk-based rating of 3 (4 being the lowest risk rating).

Asset technical and financial data quality

A stocktake was completed on the PSN's technical and financial asset data and submitted to NSW Treasury. The asset management Technical Asset Register (TAR) is currently at approximately 90 per cent accuracy in terms of data quality, increasing from less than 10 per cent two years ago.

Asset Information Strategy

We have developed an Asset Information Strategy to ensure information remains consistent and secure across the organisation.

Records management

In March, a new Records Management Assessment Tool (RMAT) was introduced across government to ensure compliance with the State Records Act 1998. To increase our maturity rating, we conducted a compliance gap analysis, decommissioned noncompliant record-keeping platforms, delivered records management training to all staff and developed a Compliance Maturity Matrix.

Major problems or issues

No major problems or issues arose during the reporting period. Information on program delays can be found under **Economic and other factors** on page 52.



Operations and Performance



Public Safety Network resilience, emergency planning and response

Strategic objective 3

Build emergency prevention, preparedness, response and recovery capabilities

Outcomes

Access to network and environmental data to support emergency responses. Recommendations for the NSW Bushfire Inquiry and Royal Commission into Natural Disaster Arrangements implemented.

NSW Telco Authority (NSWTA) continued improving Public Safety Network (PSN) resilience through the delivery of more mobile radio assets and generators, including:

- battery back up at 36 of 75 planned high-risk PSN sites
- 10 mobile satellite solutions and backhaul redundancy
- rapid response kits for deployment officers with the ability to support 40 PSN sites
- two muster trucks with onboard connectivity for the rapid deployment of staff
- 12 generators (with 18 more to be delivered) to support power outages.

The delivery of eight Cells on Wheels (COWs) during 2022–23 brought the total mobile radio asset pool supporting the PSN to 32. An additional five COWs are in procurement, to be built in 2023–24 to further support radio communications for emergency services.

The receipt of a \$1.8 million grant from the Australian Government Disaster Ready Fund will be used for two initiatives to improve digital connectivity and address safety and wellbeing risks for communities impacted by natural disasters (see **Bridging the connectivity gap for communities impacted by natural disasters** on page 36 for more information).



The Interstate Roaming Service was launched in early 2023, providing Emergency Services Organisations (ESOs) crossing the border between Queensland and NSW seamless radio communications roaming between the PSN and the Government Wireless Network in Queensland. We are also working with Victoria and South Australia to extend critical communications interoperability across those state borders.

We continue to advocate for Australian Government reforms that would enhance disaster response, including mandating the provision of critical asset data from telecommunications carriers and emergency, cross-carrier roaming as part of the recommendations from the 2020 NSW Bushfire Inquiry and 2020 Royal Commission into Natural Disaster Arrangements.

We are also contributing to the NSW Government's response and implementation plans to both the 2022 Independent Flood Inquiry and the Parliament Select Committee's response to major flooding across NSW in 2022.

2022 Australian Competition and Consumer Commission Regional Mobile Infrastructure Inquiry

In 2022, the Australian Competition and Consumer Commission (ACCC) conducted a public inquiry into the access to towers and associated infrastructure in regional, rural, remote and peri-urban Australia and the feasibility of temporary mobile roaming during natural disasters and emergencies.

The NSW Government provided a submission to the ACCC that strongly supports the implementation of mandatory domestic roaming on commercial mobile networks for emergency-related communications from within affected communities and areas.

Emergency roaming would complement other initiatives such as the expansion of the PSN through the Critical Communications Enhancement Program (CCEP) and investment in Public Safety Mobile Broadband (PSMB) would improve public safety and community resilience through improved access and connectivity for emergency services.



Major programs

Strategic objective 1

Deliver new Critical Communications Enhancement Program (CCEP) sites and progress customer migration

Outcomes

Increase PSN coverage for customers.

Critical Communications Enhancement Program

The CCEP will deliver a statewide PSN for ESOs, essential services and government agencies to communicate with each other and coordinate responses to critical incidents and disasters.

The program will deliver 669 new or enhanced sites to provide land coverage across 85 per cent of NSW and reach 99.7 per cent of the population.

Program status

The CCEP delivery schedule was re-baselined from June 2026 to August 2027 following the impact of bushfires, COVID-19 and flood events over the past three years.

With 337 sites delivered at 30 June, the PSN has a footprint of more than 384,000 square kilometres. This provides land coverage to 47 per cent of NSW and reaches 97.5 per cent of the state's population.

Prior to the commencement of the program, PSN land coverage was less than 35 per cent and reached 80 per cent of the population.

A total of 83 sites were delivered during 2022–23, a 33 per cent increase on the previous reporting period.

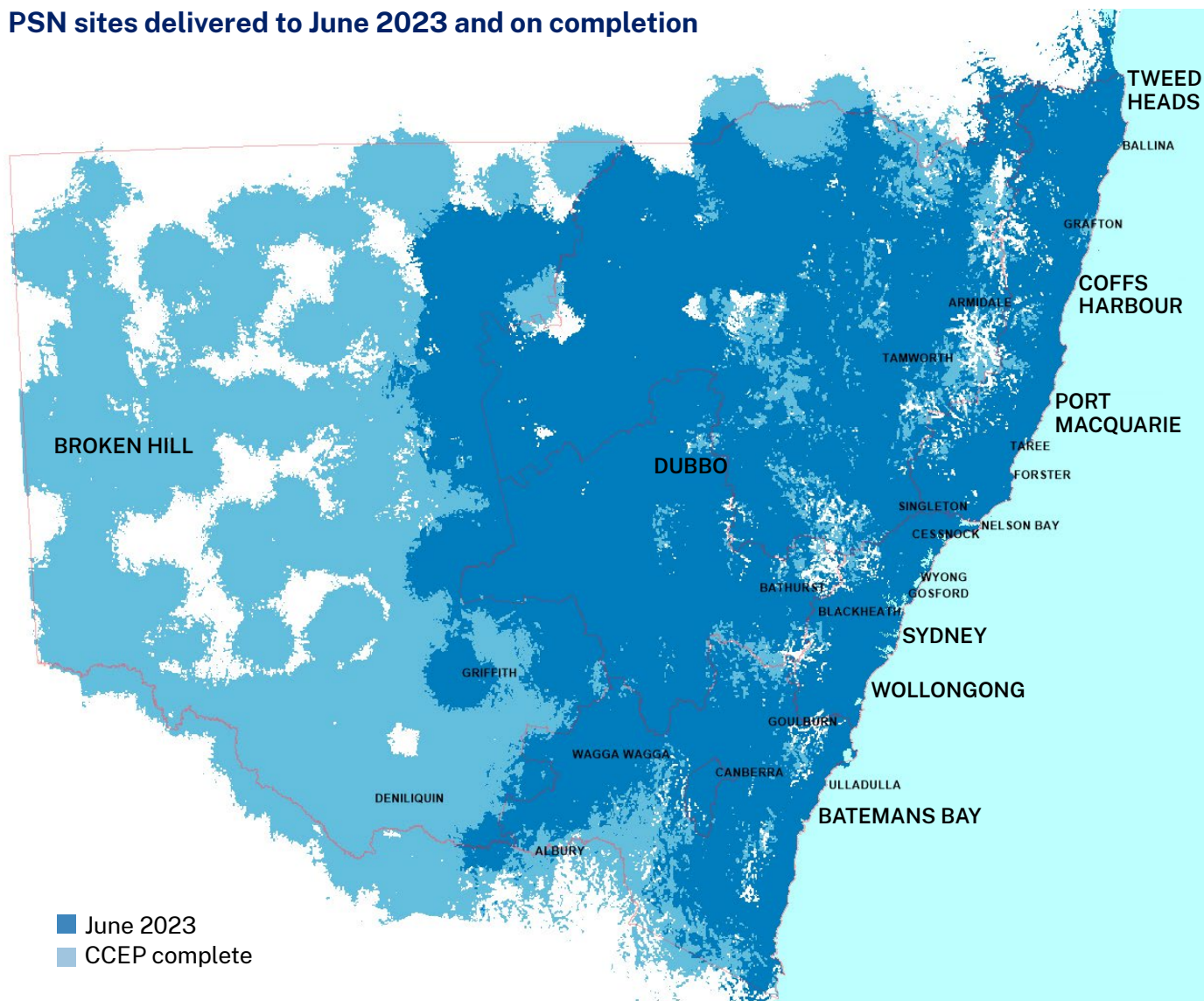
Case study: PSN Zone 6

To support the continued growth of the PSN in both the number of sites and call volumes, a sixth zone (Zone 6) was added to the PSN Core in April, which provides significant capacity uplift, enabling the continued rollout of CCEP.

This new zone can support up to 150 new sites or up to 1,000 channels and has contributed to the PSN being one of the world's largest P25 trunked radio networks.

PSN Coverage	Prior to CCEP	30 June 2023	2027 Completion
Sites	150	337	669
Population	80%	97.5%	99.7%
Landmass	less than 35%	47%	85%

PSN sites delivered to June 2023 and on completion



Mission-Critical Messaging Program

The \$111 million NSW Government investment in the Mission-Critical Messaging Program (MCMP) will consolidate, upgrade and construct a centralised mission-critical emergency services paging network for ESOs. A tender for the supply of equipment was released during the reporting period, with the remainder of commercial activity planned for 2023–24.

Strategic objective 2

Deliver regional telecommunications coverage in regional and peri-urban areas through the Mobile Black Spot Program and Connecting Country Communities

Outcomes

Improved commercial mobile and fixed coverage in regional NSW. Able to dial Triple Zero in case of an emergency. Areas in regional NSW able to access the same internet speeds as metropolitan areas (50/10 MPS).

Connecting Country Communities Fund

The \$50 million Connecting Country Communities Fund invests in telecommunications infrastructure to improve connectivity across NSW.

Delivered in partnership with the Department of Regional NSW, the Australian Government and telecommunication carriers, the program provides funding across two key programs.

Mobile Black Spot Program

The \$39 million Mobile Black Spot Program extends mobile coverage along major transport routes, isolated communities and locations prone to natural disasters across regional NSW through the delivery of 150 new or enhanced mobile base stations.

Three new base stations were built during 2022–23, bringing the total number of base stations delivered to 145. This provides coverage to more than 20,000 premises and along 1,300 kilometres of major transport routes.

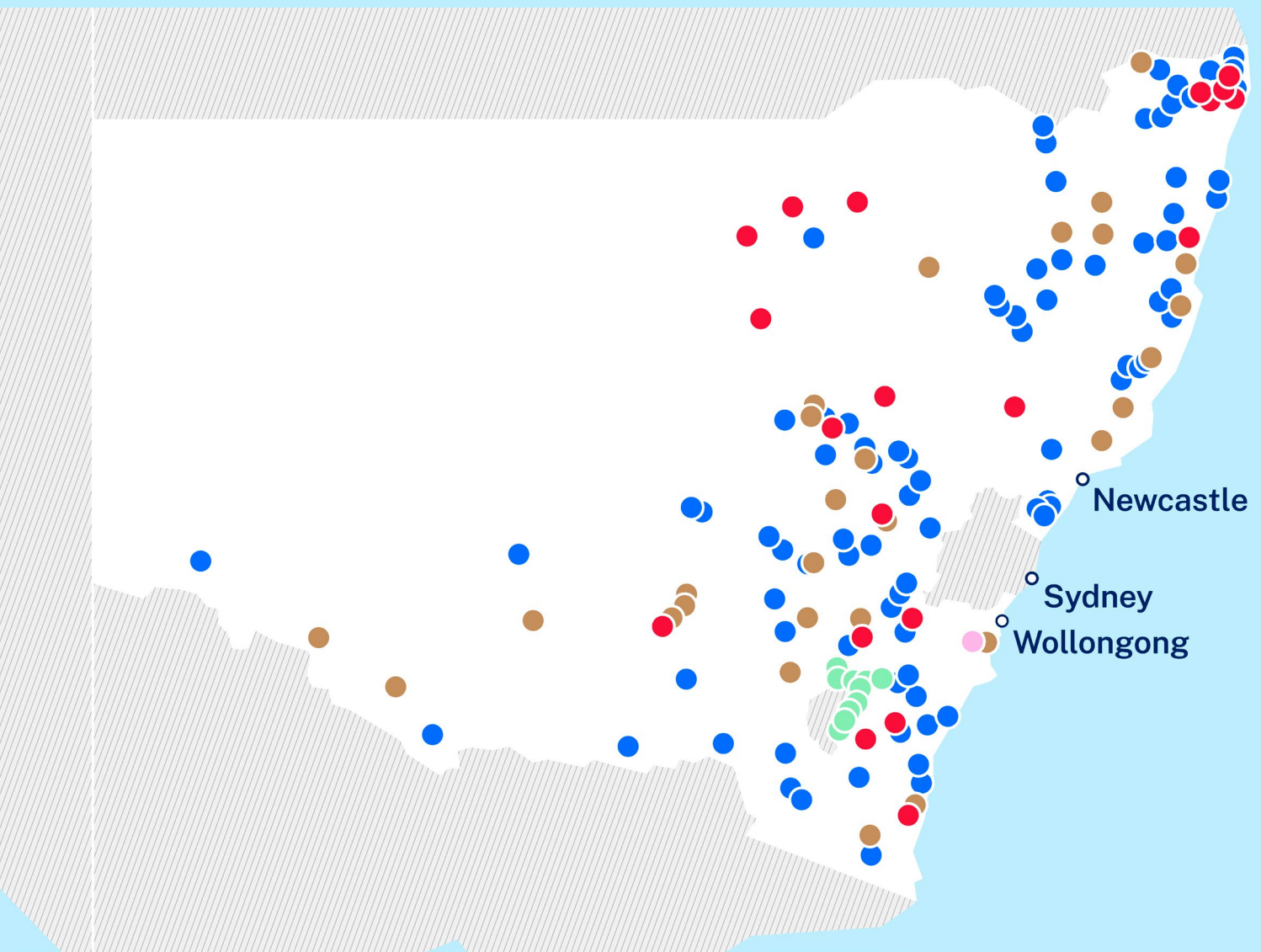
Since 2017, more than 20,000 calls have been made to Triple Zero using mobile base stations delivered under this program.

Connecting Country Communities Program

The \$11.5 million Connecting Country Communities Program improves fixed wireless broadband internet in southern NSW.

The program, delivered by local regional telecommunications providers, has delivered 44 out of 46 base stations, providing high-speed fixed wireless broadband to around 4,000 households and businesses in the Monaro region and Kangaroo Valley. Many of these premises are receiving internet for the first time or previously had to rely on expensive satellite services.

Voice and data coverage delivered under the Connecting Country Communities Fund



- Connecting Country Communities Program, Kangaroo Valley
- Connecting Country Communities Program, Monaro and Goulburn
- Mobile Black Spot Program Round 1
- Mobile Black Spot Program Round 2
- Mobile Black Spot Program NSW Round

Public Safety Mobile Broadband

Strategic objective 5

Progress Public Safety Mobile Broadband (PSMB), including proof-of-concept and priorities, at a national and NSW level

Outcomes

National: Validate PSMB test cases and incorporate the technology roadmap. Enhance customer participation in testing.
NSW: Customer co-design approach to develop PSMB practices, using agile customer-led design methodologies.

National PSMB

We are working with states, territories and the Australian Government to develop a national PSMB solution to provide a mobile broadband capability to support ESO communications across organisational and geographical boundaries.

PSMB will provide a single, interoperable platform for public safety agencies to coordinate multi-agency and cross-jurisdictional events, where a single platform of information and data sharing is critical.

Australia's first PSMB trial

We led a PSMB proof-of-concept trial on behalf of all jurisdictions – the first of its kind in Australia – to determine the feasibility of the proposed delivery models for a national PSMB.

Completed in December, the trials tested four delivery approaches including a Fully Dedicated Network, Radio Access Network (RAN) Sharing, Multi-Carrier Roaming and Deployable.

The trials were conducted in partnership with Nokia, TPG Telecom and Optus across four phases through 300 test scenarios with an 80 per cent success rate over a period of 20 months. The trials showed an Australian PSMB is technically viable.



PSMB National Review

The Australian Government commissioned a strategic review of PSMB with the final report delivered in October. It found the current delivery approach lacked the structure, resources, funding, alignment and governance required to deliver a program with the scale and complexity of a national PSMB.

We provided significant input to the review including technical delivery options and next steps for a national PSMB. The final review report acknowledged our leadership and expertise and recommended the Australian Government work closely with NSWTA to develop a roadmap and timeline for a National PSMB Entity.

On 2 May, the Australian Government announced that the 2023–24 Federal Budget will commit \$10.1 million to establish a central Taskforce to drive the delivery of a national PSMB capability.

At June 30, the National Emergency Management Agency was establishing a National PSMB Taskforce and an Intergovernmental Agreement between the states and territories. The Taskforce will examine issues, cost and service delivery models.



Case study: 5G Lab

In partnership with NEC, we created a 5G ‘innovation lab’ to investigate the feasibility of a 5G Core Network Function deployed in Public Cloud and supported by OpenRAN. The PSMB proof-of-concept trial proved the viability of this technology.

This new technology would allow for the rapid deployment of private 5G networks that could provide a high-speed network for ESOs, allowing for the rapid transmission of location data, video content and situational analytics to help improve public safety.

Future-proofing connectivity

Bridging the connectivity gap for communities impacted by natural disasters

In June 2022, we secured \$1.8 million under the Australian Government Disaster Ready Fund for two initiatives to improve digital connectivity and address safety and wellbeing risks for communities impacted by natural disasters.

One initiative will provide a qualitative evidence-based research study to help inform long-term investment in digital connectivity. The other initiative will develop 20 scalable solutions in the form of ‘connectivity first-aid kits’, which can be deployed quickly during and after disasters to provide immediate community support.

This will also help address recommendations from the 2022 Independent Flood Inquiry and 2020 NSW Bushfire Inquiry.



Connectivity Innovation Network

Launched in 2022, the Connectivity Innovation Network (CIN) is a groundbreaking NSW Government initiative developed by NSW Telco Authority and the Office of the NSW Chief Scientist and Engineer.

Jointly led by the University of Technology Sydney (UTS) and the University of Sydney (USYD), the CIN brings together national and globally recognised expertise, researchers and industry to solve connectivity challenges and deliver improved digital outcomes for NSW.

During 2022–23 the CIN:

- awarded PhD scholarships to seven universities for research focused on rural technology, disaster-resilient energy, sensing, data sharing and cyber security
- held four symposiums on data sharing, ubiquitous connectivity, power resilience and cyber security
- held a 5G Summit with the Australian Trade and Investment Commission and UTS that explored how research and development collaborations between Australia and global mobile communications companies can realise connectivity and public safety outputs.

To date the network has awarded \$500,000 in grant funding for two pilot projects aimed at solving critical connectivity challenges for emergency services and remote communities.

This includes:

- a project led by UTS and Australian Data Exchange to develop and test a secure platform for trusted and privacy-preserving communal data sharing between government agencies and emergency services
- a partnership between USYD, UTS, Pivotal Pty Ltd and NBN Co to develop and trial an innovative solution for large-scale wi-fi deployment across regional NSW.

Results are expected to be published in 2023–24.

Case study: Endeavour Energy

Endeavour Energy operates an electrical distribution network to over 2.7 million people living and working across Sydney's Greater West, Blue Mountains, Southern Highlands, Illawarra and South Coast of NSW.

Field staff across the state use 500 registered radios to access the PSN and communicate with ESOs and the Energy and Utility Services Functional Area during emergencies and natural disasters. An average of 35,000 calls are made across the network each year.

Strategic objective 4

Deliver innovative new products and services to meet customer operational needs

Outcomes

Enhanced product and service offerings with a clear link to operational value.
Enhanced voice and data user experience for frontline staff.

Next Generation Digital Connectivity

The Digital Restart Fund has invested \$3.5 million in the Next Generation Digital Connectivity initiative, which aims to solve unique connectivity issues for frontline responders and help keep communities connected.

During 2022–23, we partnered with industry to trial a range of different connectivity solutions for emergency services, government agencies and the community. Vendors chosen to partner with the initiative were Wireless Innovation, Av-Comm, Vocus, Optus and Field Solutions Group following a Request for Proposal.

The solutions used in the experiments included connecting fixed remote offices to enable mobile remote working; providing connectivity through technologies such as mesh wi-fi; transmitting real-time transactional and high-definition data; and capturing and transporting Internet of Things sensing and telemetry data. Findings from the trials are expected to be published in 2023–24.

NSW Government agencies that took part in the trials to test and find real-world solutions for connectivity challenges included the NSW Rural Fire Service (RFS), NSW State Emergency Service, Service NSW, Department of Planning and Environment, and NSW Reconstruction Authority.

Price Guide for Satellite Internet Services

As part of the Next Generation Digital Connectivity initiative, we released the Price Guide for Satellite Internet Services in June. The resource provides ESOs and government agencies with an overview and indicative pricing of the latest satellite connectivity solutions available on the market.

The Price Guide includes a comprehensive review of satellite solutions that are at the forefront of connectivity innovation and can deliver reliable, wide-reaching and resilient communications to ESOs during emergencies or in remote areas where connectivity is limited.

The Price Guide will also assist government agencies to select, buy and implement the most suitable Low Earth Orbit (LEO) satellite solutions for their organisation by offering a simplified procurement process and an extensive range of options with pricing for more than 120 satellite services and 200 data plans.

Case study: Next Generation wireless innovation for better operational intelligence

We conducted a series of controlled experiments with NSW RFS and Wireless Innovation as part of the Next Generation Digital Connectivity initiative. The experiments leveraged emerging LEO satellite connectivity to provide ‘on the move’ connectivity to vehicles and personnel as well as mesh networking capability.

These experiments aim to increase the safety of first responders, enable better two-way operational intelligence and help keep communities safe, targeting environments where it can be difficult for NSW RFS to provide operational connectivity to its firefighters. These included areas with no or low long-term evolution (LTE) coverage and locations, such as access tracks that pass under tree canopies or along cliff faces where connectivity may prove difficult with traditional geostationary satellites.





Case study: Next Generation LTE coverage

As part of the Next Generation Digital Connectivity initiative, we partnered with Vocus, the ACT Emergency Services Agency and NSW RFS to hold a series of demonstrations at the RFS Eurobodalla Hot Fire Training Facility in Bimbimbie. We tested the creation of temporary large area cellular, wi-fi and Land Mobile Radio (LMR) networks using a combination of drone and LEO satellite backhaul technology.

The solution used a tethered drone carrying LTE equipment and connected to a base station on the ground, allowing the creation of a canopy of wireless connectivity quickly and flexibly. Coverage was able to be maintained continuously across 26 square kilometres of heavy bushland and for many hours because power is sourced from a generator, providing connectivity in areas where power is also typically hard to provide.

These solutions could be used to help ESOs in activities, such as missing persons searches, where terrain or distance from existing telecommunications networks presents challenges.

Case study: Next Generation Office in a Box

Office in a Box technology provides a streamlined hardware solution enabling seamless connectivity within an office environment. It also facilitates the use of essential office tools such as Microsoft Teams, SharePoint and Outlook.

We trialled an Office in a Box solution in the Bents Basin State Conservation Area in Western Sydney with Optus and NSW National Parks and Wildlife Service. As part of the Next Generation Connectivity initiative, the aim was to create a functional office setup for staff within the State Conservation Area. The trial used preconfigured software and hardware, such as a computer, cellular modem, satellite terminals, wi-fi access point, printer, scanner, phone system and tools such as Microsoft applications.



Putting customers at the centre of everything we do

Strategic objective 7

Build and embed customer centricity through customer experience and capability metrics

Outcomes

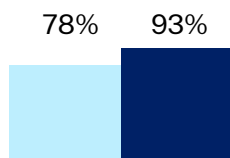
Enhanced customer focus in prioritisation, decision-making and delivery.

Improving customer experience

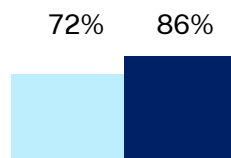
Our Voice of Customer Program provides insights into the way our customers experience working with us and their satisfaction with the management of the PSN.

Voice of Customer survey results

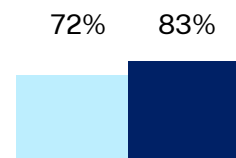
June 2022 June 2023



Overall satisfaction with NSWTA



Management of PSN



Customer effort

Results from our Voice of Customer Program have shown that we continued to maintain high customer satisfaction results across all three metrics (overall satisfaction, management of the PSN and customer effort) throughout 2022–23.

Since 30 June 2022, customer satisfaction with NSWTA rose by 15 percentage points to reach 93 per cent, PSN management rose by 14 percentage points to reach 86 per cent, and customer effort rose by 11 percentage points to reach 83 per cent.

Drivers for achieving these results include improving our customer relationships through the establishment and operationalisation of strategic account management plans and increasing our adoption of agile, customer-led, co-designed project methodologies.

New customer-centric service delivery model

The PSN is managed by BAI Communications under a Managed Network Agreement as part of a new service delivery model that commenced on 17 December.

The new service delivery model supports our rapidly expanding PSN and is designed to improve customer experience through more streamlined and efficient systems and processes, automation of service requests such as our new customer self-service portal, and greater uplift in service level agreements and key performance indicators.

Strategic objective 8

Develop our culture and ways of working transformation strategy and roadmap

Outcomes

Improved customer interactions. Processes are improved and designed to keep the customer at the centre. Improved collaboration, internally and externally.

Engaging with our customers and the community

Events and conferences

We continued our Technology Innovation Forum series, hosting a virtual event in November with over 180 participants. The forum presented technology developments and solutions to our customers and showcased how these advancements can assist in public safety planning.

We highlighted our programs and initiatives at the 2022 Digital.NSW Showcase, hosted a workshop for our CCEP vendor partners and held an industry briefing for more than 145 stakeholders as part of the launch of the Next Generation Digital Connectivity initiative.

We launched the Executive Customer Forum (ECF) in November to provide our emergency services customers an executive-level setting where we can share updates and progress on strategic initiatives. The ECF meets quarterly and is held in addition to formal project governance meetings.

Social media engagement

We continued to grow our presence on social media, increasing our reach on LinkedIn by 349 per cent on the previous year. During the reporting period, our net follower growth increased by 540 per cent with almost 2,300 new followers.

We provided insights about our major programs, customer highlights and promoted recruitment opportunities on our LinkedIn page. Across the platform we had significant industry, customer and community engagement with a 17.8 per cent increase in our engagement rate. The page attracted more than 22,000 views, 8,500 unique visitors and about 67,500 clicks.

 **540%**
net follower growth

 **22,000**
views

 **67,500**
clicks

Land disposal

NSWTA does not own any land. No properties were disposed of during the reporting period.

Management and accountability



Legal change

No amendments were made to the Government Telecommunications Act 2018 during the reporting period.

There were no significant judicial decisions affecting NSW Telco Authority (NSWTA) or the users of our services during the reporting period.

Human resources

Requirements arising from employment arrangements

NSWTA does not directly employ staff. All personnel are employed by the Department of Customer Services (DCS), which charges NSWTA for personnel services. Personnel policies are based on those used by DCS. Details of human resources policies and practice are in the DCS Annual Report 2022–23.

Workplace profile

Total staff

Division	2019 ^{1,2}	2020 ^{1,2}	2021 ^{1,2}	2022 ^{1,2}	2023 ^{1,2}
Senior Executive	7.0	7.7	8.9	16.0	19.2
Ongoing	33.0	81.5	110.4	173.3	241.7
Temporary	6.0	12.6	26.4	24.1	39.4
Graduate	5.0	1.0	1.0	1.0	0.0
Total	51.0	102.8	146.7	214.4	300.3

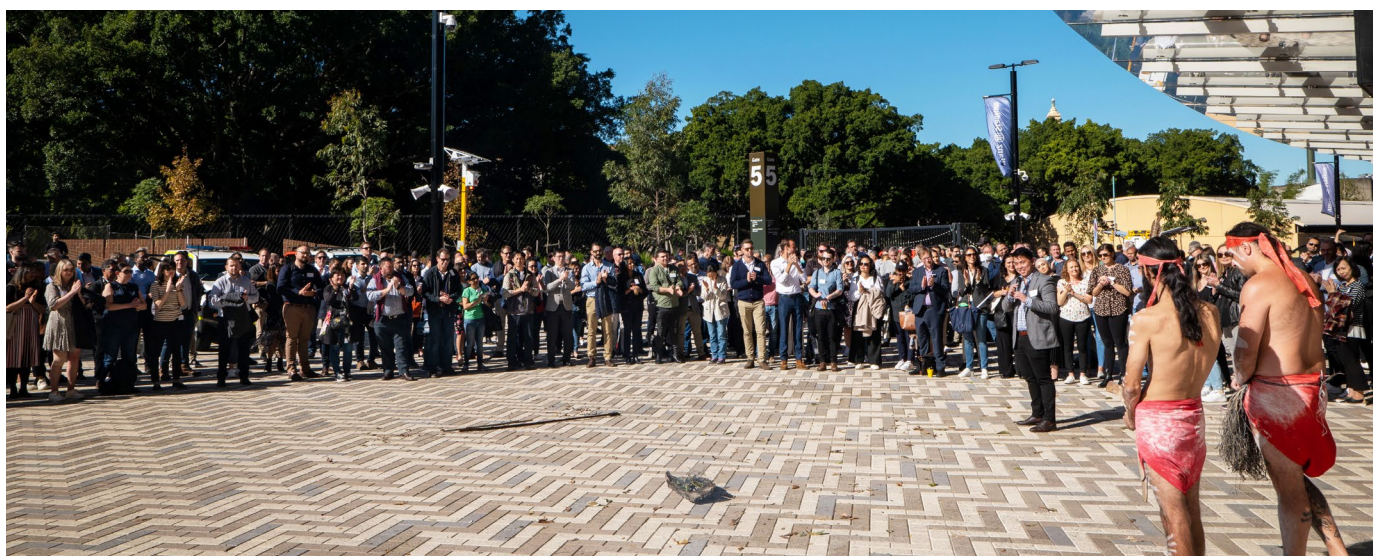
Note 1: Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay).

Note 2: Statistics are based on Workforce Profile census data as at 27 June 2019, 25 June 2020, 24 June 2021, 23 June 2022 and 22 June 2023.



Employee related costs

Employee related costs 2022–23	Amount
Executive	\$4,293,368
Non-Executive	\$33,712,444
Total	\$38,005,812
Ratio Senior Executive	11%



Senior executives

Senior Executive Band	2022 ^{1,2,3}				2023 ^{1,2,3}			
	Female	Male	Total	Representation by Women	Female	Male	Total	Representation by Women
Band 4 (Secretary)	0	0	0	0.0%	0	0	0	0.0%
Band 3 (Deputy Secretary)	0	0	0	0.0%	0	0	0	0.0%
Band 2 (Executive Director)	2	0	2	100.0%	2	0	2	100.0%
Band 1 (Director)	6	8	14	42.9%	7	11	18	38.9%
Total	8	8	16	50.0%	9	11	20	45.0%

Senior executive remuneration

	2022 ⁴		2023 ⁴	
Senior Executive Band	Range \$	Average remuneration \$	Range \$	Average remuneration \$
Band 4 (Secretary)	499,251 – 576,700	0	509,251 – 588,250	0
Band 3 (Deputy Secretary)	354,201 – 499,250	0	361,301 – 509,250	0
Band 2 (Executive Director)	281,551 – 354,200	339,146	287,201 – 361,300	345,929
Band 1 (Director)	197,400 – 281,550	233,375	201,350 – 287,200	244,778

Note 1: Senior Executive Band 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 at 23 June 2022 and 22 June 2023.

Note 3: All employees reported in 2022 and 2023 are appointed under the Government Sector Employment Act. Salary band based on current assignment, including those on a temporary above-level assignment for more than two months.

Note 4: Salary ranges effective at the Workforce Profile census dates of 23 June 2022 and 22 June 2023.

Our people

Investing in our talent

We continuously improved mandatory training available to all staff to ensure they have the skills and knowledge they need to operate with integrity and make informed decisions in line with effective governance principles.

During 2022–23, our staff undertook training modules focused on maintaining and promoting ethical conduct in working relations; employee responsibilities in maintaining cyber security; and the laws, regulations, and internal policies that support and maintain integrity across the organisation.

A total of 31 people leaders across bands 9/10 and 11/12 in NSWTA participated in the DCS signature leadership development program, Elevate. The 19-week program focused on creating world-class leaders who create impact while building leadership practices that drive outcomes and deliver services to our communities.

We also partnered with the Institute of Public Administration Australia and the Australian Institute of Management to develop a comprehensive training catalogue of professional short courses and ace-to-ace sessions in management, finance, risk management, leadership and project delivery.

Recognising our people

During the reporting period, we were shortlisted for seven industry and critical communications awards. Our work was recognised within DCS when we won two awards as part of the 2022 Secretary's Awards for Partner Collaboration at its Best and People and Inclusion at the Heart: Living Our Values.

Listening to our people

The People Matter Employee Survey (PMES) is a NSW public sector-wide employee satisfaction survey that allows staff to provide feedback on their role, work environment and leadership.

In the 2022 PMES, 82 per cent of our people completed the survey. Our wellbeing score increased by five percentage points compared to 2021 and is 12 percentage points above the sector average.

Our ways of working

Our new operating model, introduced in 2021, continued to evolve throughout 2022–23. It brought to life agile ways of working; refreshed customer-centric values; focused on learning, development and wellbeing; and enhanced leadership coaching.

74% of staff stated they enjoy the work they do

Staff reported they feel supported through:

- sense of wellbeing
- flexible working
- inclusivity and diversity
- role clarity and support
- learning and development
- commitment to customer service



Consultants

We engage external consultants to support specific projects when required to draw on specialist expertise from the private sector.

Engagements above \$50,000

Consultant	Category	Description	Amount (ex GST)
Deloitte Touche Tohmatsu Limited	Professional services – PSN Funding, Efficiency and Pricing Model Review	NSW Treasury recommended an independent review of PSN funding, efficiency and pricing to ensure NSWTA could support a rapidly expanding network and to build a new pricing methodology.	\$326,258.00
Total			\$326,258.00

Engagements below \$50,000

No consultants were engaged.



Promotion and overseas travel

Overseas travel was undertaken by two of our executives during 2022–23 at a total cost of \$61,446.69. The purpose of the travel was to attend:

- the Global Public Safety Operators Conference in the Netherlands in October
- the Critical Communications World Conference in Helsinki, Finland and industry stakeholder meetings in the United States during May.

Risk management and insurance activities

Risk management

We follow the DCS Risk Management Framework DP2031 in accordance with NSW Treasury requirements, as set out in the *Internal Audit and Risk Management Policy for the General Public Sector*, TPP20-28 Treasury Policy Papers.

The DCS Internal Audit function undertakes periodic internal audits on our systems of internal controls. We also regularly report to the DCS Audit and Risk Committee.

Insurance

We comply with all relevant insurance requirements, including workers compensation, motor vehicles, public liability, property and miscellaneous items. NSWTA paid \$627,978.27 (excluding GST) in insurance premiums during 2022–23.

General ledger account	Description	FY 2022–23
4102061	Insurance - Managed (NSW Telco Authority)	\$409,453.65
4102061	Insurance - Managed (CCEP)	\$72,724.62
4102062	Insurance - Not Managed (CCEP)	\$145,800.00
Total excluding GST		\$627,978.27

Internal Audit and Risk Management Attestation

Statement for the 2022-2023 Financial Year for New South Wales Government Telecommunications Authority

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 compliant with the seven (7) Core Requirements set out in the Internal Audit and Risk Management Policy for the General Government Sector, specifically:

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

Membership

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

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

Shared Arrangements

I, 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



Kylie De Courteney

Managing Director

NSW Government Telecommunications Authority

Date: 21/09/2023

Agency Contact Officer

Tracy Piscopo

DCS Chief Audit Executive (+61 2 9372 7852)

cae@customerservice.nsw.gov.au

Economic and other factors

Severe weather events such as bushfires and floods, labour shortages and increased costs of equipment pose a risk to the delivery of major programs.

Impact of environmental events on CCEP

In the past 12 months, 70 planned PSN sites have been affected by environmental events, specifically extended rain. These events restrict construction activities, hinder access to locations and increase delivery costs.

To offset the impacts, we introduced alternative site access options, including helicopter, Unimog trucks and spider cranes to enable building to continue where conditions allowed. New technology is monitored on an ongoing basis for inclusion in the program in the future.

Events arising after the end of the annual reporting period

There were no events having a significant effect on our financial or other operations or our customers (see **Financial statements** on page 63).



Public Interest Disclosures

There were no Public Interest Disclosures (PIDs) disclosed that related to our staff during the reporting period.

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

We adopt 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 PID. Training and resources for PIDs are available to all staff and are highlighted during induction training.

Government Information (Public Access)

Our agency 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 DCS Annual Report 2022–23 contains information about access applications received relating to us.

Privacy and Personal Information

We follow 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 DCS Annual Report 2022–23 contains information about privacy reviews, access applications or enquiries by individuals requesting their personal information under the PPIPA.

Exemptions

There were no exemptions applicable to NSWTA under the Government Sector Finance Act 2018 and the regulations under this Act.

Cyber Security Annual Attestation

Statement for the 2022–2023 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
- Annual Phishing Campaign
- Annual Essential 8 Audits
- Continual System, hardening and patch management to ensure the attack surface is reduced from internal and external threats

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



Kylie De Courteney
Managing Director
NSW Telco Authority

Sustainability



Our sustainability commitments

NSW Telco Authority (NSWTA) follows the Department of Customer Service (DCS) Environment and Sustainability Statement, which gives greater visibility to and aligns DCS with the NSW Government Resource Efficiency Policy (GREP).

Our Environmental Sustainability Policy promotes risk management of environmental impacts that seek the residual risk to be as low as reasonably practical.

The policy promotes sustainable practices and aims for continual improvement in environmental management and performance.

Building a sustainable PSN

We are committed to operating a resilient, resource-efficient Public Safety Network (PSN) that mitigates impact to the natural environment and areas of cultural heritage and significance.

Approximately 75 per cent of the PSN is anticipated to co-locate equipment on existing infrastructure.

The PSN design and site planning under the Critical Communications Enhancement Program (CCEP) takes into consideration a multi-criteria sustainability assessment, including factors such as coverage, cost, constructability, property and environmental planning constraints.

Environmental matters

We are reporting greenhouse gas (GHG) emissions through annual reporting to the GREP. We have made substantial improvements in data collection and quality since reporting commenced in 2018–19.

Annual energy consumption data across the organisation is derived from radio communications sites, in-building coverage sites, data centres, storage and buildings. We aim to extend the data collection to include the GHG emissions from construction activities.

We continuously seek to improve sustainability performance in the key areas of energy consumption and material use, including assessing the viability of replacing lead acid batteries at PSN sites with lithium batteries. Lithium batteries are considered to reduce fuel consumption and have a longer lifespan.

We are participating in the sustainable government network of agencies collaborating in opportunities to progress towards the net zero target.

To align with the NSW Government's transition plans for a lower carbon economy, our staff have participated in climate change risk and adaption training.

We also encourage a circular economy as part of the installation of new infrastructure and the decommissioning of redundant infrastructure. For example, Commtel shelters are used as shipping containers during transportation to Australia and then converted back into shelters for PSN radio sites.



Supply chain and procurement

We follow the NSW Procurement Policy Framework, which ensures procurement activities achieve the best value for money for government.

This is accomplished through fair, transparent and streamlined processes that encourage competition. This includes managing procurement through schemes including:

- SCM0053 Operational Telecommunications Equipment Infrastructure and Services
- ICT Services SCM0020 Prequalification Schemes
- SCM0005 Performance and Management Services Scheme
- Consultants in Construction up to \$9 million Scheme
- Consultants in Construction above \$9 million Procurement List.

As part of our procurement practices, suppliers are requested to provide evidence of their organisation's Environmental Management System including any ISO14001, ISO20400 or equivalent certifications.

To reduce supply chain risks, lead-time considerations are factored into decisions regarding sourcing activities and the timing of go-to-market activities to help ensure any supply chain disruptions do not impact operations.

Our procurement systems facilitate the sustainable use of resources under the CCEP. The supply chain is secured by maintaining 12 months of stock to minimise the need to remobilise and by installing prefabricated shelters with equipment to minimise time onsite.

Indigenous suppliers

We comply with the NSW Government Aboriginal Procurement Policy along with related DCS policies and aim to increase participation by Aboriginal suppliers in the whole-of-government Scheme (SCM0053).

Work Health and Safety

We continued to implement our Work Health and Safety (WHS) management system while introducing proactive measures to increase safety performance across the organisation. These measures include real-time safety messages, Safe Work Month activities and safety training.

WHS Assurance

We continued our onsite WHS assurance program, which targets both construction activities and operational sites. We achieved a high level of inspections over the reporting period with 1,535 inspections completed with a 98 per cent compliance rate across 362 sites. A total of 23 leadership walks (site visits) were conducted during 2022–23.

Injuries

During 2022–23, four workplace injuries were reported. Three of these were reportable, with workers compensation claims paid.

As our staff are employed by DCS, further workplace injury data is available in the DCS Annual Report 2022–23.

Prosecutions

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



Modern Slavery Act

NSWTA follows DCS Corporate Procurement policies and was not the subject of any issues raised by the Anti-Slavery Commissioner during the reporting period.

We promote a rigorous and transparent supplier selection process and there has been no indication that any of the engagements during the reporting period would contravene the Modern Slavery Act 2018.

DCS has taken the following steps to ensure that goods and services procured by and for the Department during 2022–23 were not the product of modern slavery within the meaning of the Modern Slavery Act 2018:

- all tenders require respondents to comply with the Modern Slavery Act 2018
- all tender responses require respondents to confirm their compliance with the Modern Slavery Act 2018
- responses are reviewed in the evaluation phase of the procurement process and if the risks are too high or risk reduction is not sufficient, the tender submission is rejected.

All DCS contracts contain a modern slavery clause in accordance with the Modern Slavery Act 2018.

Workforce diversity and inclusion

Information on our workforce diversity is provided in the following pages. Further key workforce diversity strategies and achievements are reported in the DCS Annual Report 2022–23.

Trends in the representation of Workforce Diversity Groups

Workforce Diversity Group	Benchmark	2021 ¹	2022 ¹	2023 ¹
Women ²	50%	41.7%	42.7%	43.7%
Aboriginal People and/or Torres Strait Islander People ³	3.3%	2.4%	3.2%	2.4%
People whose First Language Spoken as a Child was not English ⁴	23.2%	45.2%	44.0%	42.3%
People with a Disability ⁵	5.6%	6.3%	4.7%	7.2%
People with a Disability Requiring Work-Related Adjustment ⁵	N/A	0.8%	0.5%	1.4%

Note 1: Statistics are based on Workforce Profile census data as at 24 June 2021, 23 June 2022 and 22 June 2023.

Note 2: The benchmark of 50 per cent 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 per cent by 2021 for each of the sector’s salary bands. If the aspirational target of 1.8 per cent is achieved in salary bands not currently at or above 1.8 per cent, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3 per cent.

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. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2 per cent is 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 the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7 per cent to 5.6 per cent by 2027. More information can be found at Jobs for People with Disability: A plan for the NSW Public Sector. The benchmark for ‘People with Disability Requiring Work-Related Adjustment’ was not updated.

Trends in the Distribution Index for Workforce Diversity Groups

Workforce Diversity Group	Benchmark ^{6,7}	2021	2022	2023
Women	100	93	95	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	95	101
People with a Disability	100	N/A	N/A	95
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 the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

Note 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.

Diversity and inclusion achievements

In partnership with DCS People and Culture, we supported our staff with a multi-faceted, Department-wide approach to diversity and inclusion, underpinned by the NSW public service values of Integrity, Trust, Service and Accountability.

Key inclusion commitments were embedded through the DCS Care and Belonging Strategy 2022–2025, providing a framework to further elevate the DCS culture of care.

The strategy's six focus areas emphasise the critical cultural pillars upon which to build a culture of care and belonging at DCS. Each focus area has detailed commitments for delivery over three time horizons up to the end of 2025.

Disability inclusion plan

We are committed to the DCS Disability Inclusion Action Plan 2020–25 (DIAP) which is mapped to the NSW Government's Disability Inclusion Plan.

The DIAP uses 10 key areas of access and inclusion to ensure that DCS considers and includes all our customers, people and suppliers with disability. As well as publishing the DIAP, DCS provides public summaries in Auslan and Easy English. The Plan is governed by the Disability Inclusion Steering Committee with representatives from across the Department and supported by the Ability DCS Employee Resource Group (ERG).

DCS recognises the importance of intersectionality and the DIAP and Aboriginal Employment Strategy have actions for Aboriginal people with disability. The DIAP also includes actions for people with disability of Culturally and Linguistically Diverse (CALD) and other diverse backgrounds.

Veterans Strategy

We proudly have an ongoing commitment to supporting veterans as part of our strategic workforce planning. This includes exploring opportunities to build partnerships with the Australian Defence Force and Emergency Services Organisations (ESOs) to provide opportunities for veterans seeking to explore alternate career opportunities.

We employed 15 veterans during the reporting period and had a strong representation in the DCS Veterans ERG, which was launched in June 2023. The ERG aims to celebrate the skills and diversity that veterans bring, providing support and creating a sense of community within NSWTA and DCS. This includes those who served in the Army, Navy, Air Force, Emergency Services, Police and their families and allies.



Code of Ethics and Conduct

Our staff are employed by DCS and are required to follow the DCS Code of Ethics and Conduct (the Code).

The Code aligns with the NSW public service values of Integrity, Trust, Service and Accountability, and the Public Service Commission's Code of Ethics and Conduct.

All staff are required to make an annual declaration to ensure they have read and understood the Code.

Financial



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 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

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

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

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

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. 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

3 October 2023
SYDNEY

Financial statements

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT BY THE MANAGING DIRECTOR

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 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

29 September 2023

START OF AUDITED FINANCIAL STATEMENTS

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Budget 2023 \$'000	Actual 2023 \$'000	Restated actual 2022* \$'000
Expenses excluding losses				
Personnel expenses	2(a)	44,687	38,007	24,907
Other operating expenses	2(b)	137,968	101,170	86,201
Depreciation and amortisation	2(c)	50,783	48,468	43,282
Grants and subsidies	2(d)	9,720	8,220	14,676
Finance costs	2(e)	3,064	3,862	2,548
Total expenses excluding losses		246,222	199,727	171,614
Revenue				
Revenue from contracts with customers	3(b)	149,819	146,333	119,883
Grants with specific performance obligations	3(c)	56,354	19,096	30,438
Grants to construct non-financial assets	3(c)	275,815	153,057	141,657
Other income	3(d)	114	6,824	1,769
Total revenue		482,102	325,310	293,747
Operating result		235,880	125,583	122,133
Net gains / (losses) on disposal	4	-	37	(3,871)
Other (losses)	5	-	(1,277)	(1,063)
Net result from continuing operations		235,880	124,343	117,199
Other comprehensive income				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Changes in revaluation reserve of property, plant, and equipment	10	-	18,926	11,181
Total other comprehensive income		-	18,926	11,181
Total comprehensive Income		235,880	143,269	128,380

The accompanying notes form part of these Financial Statements.

**The comparative periods are prepared based on restated amounts. Refer to note 1(k) for further details.*

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Budget 2023	Actual 2023	Restated actual 2022*	Restated actual 1 July 2021*
	Notes	\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	6	118,145	163,464	128,622	80,404
Receivables	7	28,211	3,320	2,926	10,417
Contract assets	8	-	6,723	5,884	5,540
Inventories		789	-	-	-
Other current assets	9	-	2,614	1,743	1,413
Total current assets		147,145	176,121	139,175	97,774
Non-current assets					
Receivables	7	-	1,393	1,505	2,018
Property, plant and equipment	10	758,109	663,222	511,338	389,924
Right-of-use assets	11	81,265	149,616	131,369	85,968
Intangible assets	12	12,835	12,821	11,142	13,084
Total non-current assets		852,209	827,052	655,354	490,994
Total assets		999,354	1,003,173	794,529	588,768
LIABILITIES					
Current liabilities					
Payables	14	83,328	56,219	40,683	42,961
Contract liabilities	8	55,889	3,102	4,779	14,529
Borrowings	15	5,978	9,129	8,397	5,895
Provisions	16	-	164	2,296	230
Other current liabilities	17	-	19,810	40,094	9,077
Total current liabilities		145,195	88,424	96,249	72,692
Non-current liabilities					
Borrowings	15	78,863	119,707	105,639	72,824
Provisions	16	8,577	32,870	23,775	13,820
Other non-current liabilities	17	-	57,907	9,077	-
Total non-current liabilities		87,440	210,484	138,491	86,644
Total liabilities		232,635	298,908	234,740	159,336
Net assets		766,719	704,265	559,789	429,432
EQUITY					
Accumulated funds	18	766,719	665,626	540,076	420,900
Reserves	18	-	38,639	19,713	8,532
Total equity		766,719	704,265	559,789	429,432

The accompanying notes form part of these Financial Statements.

*The comparative periods are prepared based on restated amounts. Refer to note 1(k) for further details.

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Accumulated funds \$'000	Asset revaluation reserve \$'000	Total \$'000
Restated balance at 1 July 2022	1(k)	540,076	19,713	559,789
Net result from continuing operations		124,343	-	124,343
Other comprehensive income				
Net change in revaluation reserve of property, plant and equipment		-	18,926	18,926
Total comprehensive income		124,343	18,926	143,269
Transactions with owners in their capacity as owners				
Increase in net assets from equity transfers	18	1,207	-	1,207
Balance at 30 June 2023		665,626	38,639	704,265
Balance at 1 July 2021		434,523	9,418	443,941
Correction of errors	1(k)	(13,623)	(886)	(14,509)
Restated balance at 1 July 2021		420,900	8,532	429,432
Restated net result from continuing operations		117,199	-	117,199
Other comprehensive income				
Restated net change in revaluation reserve of property, plant and equipment		-	11,181	11,181
Restated total comprehensive income		117,199	11,181	128,380
Transactions with owners in their capacity as owners				
Increase in net assets from equity transfers	18	1,977	-	1,977
Restated balance at 30 June 2022		540,076	19,713	559,789

The accompanying notes form part of these Financial Statements.

**The comparative periods are prepared based on restated amounts. Refer to note 1(k) for further details.*

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Budget 2023 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
<i>Cash flows from operating activities</i>				
Payments				
Suppliers and personnel		(185,362)	(154,101)	(136,177)
Grants and subsidies		(9,720)	(8,220)	(14,676)
Payment of interest on lease liabilities		(3,064)	(2,960)	(2,548)
Total payments		(198,146)	(165,281)	(153,401)
Receipts				
Sale of goods and services from contracts with customers		149,819	174,166	151,942
Grants and other contributions		332,169	199,022	202,439
Interest received		114	3,464	200
Insurance claims received		-	1,823	902
Total receipts		482,102	378,475	355,483
Net cash flows from operating activities	22	283,956	213,194	202,082
<i>Cash flows from investing activities</i>				
Purchase of property, plant and equipment		(291,352)	(163,584)	(143,336)
Purchase of intangible assets		-	(6,428)	(1,461)
Net cash flows from investing activities		(291,352)	(170,012)	(144,797)
<i>Cash flows from financing activities</i>				
Payment of principal on lease liabilities		(1,306)	(8,340)	(9,067)
Net cash flows from financing activities		(1,306)	(8,340)	(9,067)
Net increase / (decrease) in cash		(8,702)	34,842	48,218
Opening cash and cash equivalents		126,141	128,622	80,404
Cash transferred in as a result of administrative restructuring		706	-	-
Closing cash and cash equivalents	6	118,145	163,464	128,622

The accompanying notes form part of these Financial Statements.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The NSW Government Telecommunications Authority (the Authority) is an entity owned and controlled by the NSW Government. The Authority is a not-for-profit entity and has no cash-generating units.

The Authority as a reporting entity comprises the following major activities:

i. Public Safety Network

The Authority owns, operates and maintains the Public Safety Network (PSN), supported by a private sector network operator. The PSN is one of the world's largest trunked radio networks serving over 52 emergency services organisations (ESOs) and agencies with almost 60,000 registered radios making an average of 1.47 million radio calls per month. It is crucial to ensuring ESOs have the communications infrastructure required to protect NSW communities now and into the future. User charges to access and use the PSN are determined using a NSW Government-approved cost recovery methodology.

ii. Critical Communications Enhancement Program

The Government is investing over one billion dollars in the Critical Communications Enhancement Program (CCEP). It is a transformational capital program that will deliver greater network coverage for public safety radio communications to be used by the State's ESOs and frontline responders. This is being achieved by enhancing the PSN to enable the ESOs to migrate from existing individual networks to one single network. The program will increase coverage from 80.0 per cent of the State's population to 99.7 per cent at completion.

iii. Public Safety Mobile Broadband

The Authority is a key participant in the Public Safety Mobile Broadband (PSMB) National Program. Its main contribution to the program is to manage the proof-of-concept (PoC) trial to help inform the future PSMB solution for the country. Such a solution would create a broadband telecommunications network for exclusive and prioritised use by public safety agencies. The Federal Government has committed \$10.1 million to set up a central taskforce to deliver a nation-wide PSMB solution. The Authority will support the taskforce and continue to engage in inter-governmental working groups.

iv. Emergency management

The Authority 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. The Telecommunications Emergency Management Unit within the Authority acts to ensure the integrity of telecommunications services is maintained during critical incidents and natural disasters.

v. Mission Critical Messaging Program

The Mission Critical Messaging Program will deploy a centralised, mission-critical emergency services paging network as part of an overarching state-wide emergency services

communications strategy. The business case has been approved and procurement activities have begun. This program will leverage the PSN to ensure optimisation of the Government's investment in this program.

(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 (AASs) (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018* (the GSF Act) and the *Government Sector Finance Regulation 2018*
- the Treasurer's Directions issued under the GSF Act.

(c) Historical cost convention

These Financial Statements have been prepared on an 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 need to exercise judgement in applying its accounting policies.

Judgements, key assumptions and estimations management have made are disclosed in the relevant notes to these 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 AASs, which include Australian Accounting Interpretations.

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

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

- where GST incurred by the Authority as a purchaser is not recoverable from the Australian Taxation Office (ATO); it is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- receivables and payables, which are stated with 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 2022) for all amounts reported in the Financial Statements.

(i) Changes in accounting policy, including new or revised AASs

New or revised AASs

The accounting policies applied in 2022/23 are consistent with those of the previous financial year except as a result of the following new or revised AASs that have been applied for the first time in 2022/23:

- *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.*

These standards do not have a material impact on the Authority's Financial Statements.

AASs issued but not yet effective

NSW public sector entities are not permitted to adopt early new AASs unless NSW Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period ended 30 June 2023.

The following new AAS has not been applied and is not yet effective:

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates.*

This standard is not expected to have a material impact on the Authority's Financial Statements.

(j) Impact of Covid-19 and climate-related matters

During 2022/23, Covid-19 has had a significantly reduced impact on the Authority compared to previous years. Previous responses and risk mitigations have been reviewed. The current approach to managing risks associated with Covid-19 and other respiratory viruses is to allow office-based staff to have flexible working arrangements.

As there were no significant Covid-19 restrictions in place during 2022/23, the Authority has not received Covid-19-related delay claims for the year ended 30 June 2023 (2021/22: \$0.6 million).

In relation to prior year flood impacts, the provision of \$1.3 million has been fully utilised during 2022/23 to remediate flood-damaged access tracks. The Authority has not incurred additional network operation costs due to flood events for the current reporting period (2021/22: \$0.8 million).

(k) Correction of prior period errors

Prior period errors have been corrected in the Financial Statements as follows:

Plant and equipment

Between February 2022 and June 2023, the Authority conducted a comprehensive stocktake of plant and equipment assets. This identified plant and equipment assets in the fixed asset register that could not be physically verified. This has resulted in an overstatement of plant and equipment assets and depreciation expense in prior periods.

To correct this error, plant and equipment assets at 1 July 2021 and 30 June 2022 have been decreased by \$14.5 million and \$10.2 million respectively. Depreciation expense for the year ended 30 June 2022 has been decreased by \$7.6 million. The decrease of \$14.5 million at 1 July 2021 has been recognised as an adjustment directly to accumulated funds, whereas the other adjustments have been recognised as restatements to prior year comparatives in the Statement of Comprehensive Income.

The following tables highlight the impact to each line item in the Financial Statements.

Table 1 – Impact of prior period errors on the Statement of Financial Position

	At 30 June 2022			At 1 July 2021		
	Original balance	(Decrease)	Restated balance	Original balance	(Decrease)	Restated balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	521,495	(10,157)	511,338	404,433	(14,509)	389,924
Total non-current assets	665,511	(10,157)	655,354	505,503	(14,509)	490,994
Total assets	804,686	(10,157)	794,529	603,277	(14,509)	588,768
Net assets	569,946	(10,157)	559,789	443,941	(14,509)	429,432
Accumulated funds	548,978	(8,902)	540,076	434,523	(13,623)	420,900
Reserves	20,968	(1,255)	19,713	9,418	(886)	8,532
Total equity	569,946	(10,157)	559,789	443,941	(14,509)	429,432

Table 2 – Impact of prior period errors on the Statement of Comprehensive Income

	For year ended 30 June 2022		
	Original amount	Increase/ (decrease)	Restated amount
	\$'000	\$'000	\$'000
Depreciation and amortisation	50,878	(7,596)	43,282
Total expenses excluding losses	179,210	(7,596)	171,614
Net (losses) / gains on disposal	-	3,871	(3,871)
Other (losses)	(2,059)	(996)	(1,063)
Net result from continuing operations	112,478	4,721	117,199
Changes in revaluation reserve of property, plant, and equipment	11,550	(369)	11,181
Total other comprehensive income	11,550	(369)	11,181
Total comprehensive income	124,028	4,352	128,380

2. EXPENSES EXCLUDING LOSSES

(a) Personnel expenses

	2023	2022
	\$'000	\$'000
Salaries and wages (including annual leave)	32,155	20,995
Superannuation	3,263	2,182
Long service leave	125	36
Workers' compensation insurance	255	48
Payroll tax and fringe benefits tax	2,209	1,383
Redundancy expense	-	263
	38,007	24,907

Recognition and measurement of key personnel expenses

Salaries and wages (including annual leave)

Salaries and wages are recognised when incurred, excluding \$5,695,000 (2022: \$5,979,000) for labour costs capitalised directly on to the Authority's projects.

(b) Other operating expenses

	2023	2022
	\$'000	\$'000
Network operating expenses	47,407	41,619
Contractors	25,684	20,944
Corporate services	5,936	4,692
Software expenses	6,420	6,708
Service management	2,952	1,982
Maintenance	2,034	2,513
Rental expense	1,411	2,006
Power	1,211	821
Site licence expense	700	887
Short-term leases	34	58
Insurance premiums	628	542
Legal fees	575	962
Auditor's remuneration	199	226
Consultants	326	91
Other	5,653	2,150
	101,170	86,201

Recognition and measurement of key other operating expenses

Network operating expenses

Network operating expenses represent the costs to operate and maintain the PSN, including deployment of mobile assets, network management fees, backhaul charges, spectrum operating expenses and cyber security costs. The network operating expenses are recognised when incurred.

Contractors

The Authority recognises contractor costs as the cost incurred based on approved timesheets, excluding \$8,978,000 (2022: \$12,698,000) for labour costs capitalised directly on to the Authority's projects.

Corporate services

The Department of Customer Service (DCS) provides corporate services to the Authority, including management of human resources, finances, procurement processes, information technology, governance, risk, legal and general office management. DCS charges the Authority the related cost for these services based on established and budgeted full-time equivalent roles. The Authority recognises the costs when incurred.

Service management

A NSW government service provider, GovConnect, provides specific information technology-related transactional services to the Authority. GovConnect charges the Authority based on service tickets lodged and the Authority recognises the expenses when incurred.

Site licence expense

The Authority recognises costs associated with accessing third-party property, where these do not meet the requirements of *AASB 16 Leases*, as licence payments. The licence payments are recorded as expenses when incurred.

Maintenance

Day-to-day servicing or maintenance costs are recognised as expenses when incurred, except where they relate to the replacement or enhancement of an asset, or part thereof, in which case the costs are capitalised.

Insurance premiums

The Authority's insurance activities are conducted through the NSW Treasury Managed Fund Scheme (icare™). The insurance premium is determined by the fund manager based on experience with past claims. Insurance costs are recognised when incurred.

Other

Other costs include costs related to investment in organisational capability uplift, staff training and development, domestic travel, cyber security and other general operating expenses.

(c) Depreciation and amortisation

	2023 \$'000	Restated 2022 \$'000
<i>Depreciation (property, plant and equipment)</i>		
Plant and equipment	31,004	29,284
Leasehold improvements	553	1,105
<i>Depreciation (right-of-use assets)</i>		
Telecommunication sites	11,630	8,964
Data centre	532	526
<i>Amortisation (intangible assets)</i>		
Software	2,007	1,809
Network licences	2,742	1,594
Total depreciation and amortisation	48,468	43,282

Recognition and measurement of depreciation and amortisation

Assets, other than land, are 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 the impact of potential ownership transfer at the end of the lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year.

A review of asset condition shows that there has been no change in the overall useful lives of the assets, therefore the remaining useful lives have reduced by one year since the prior reporting period. Refer to notes 10, 11 and 12 for further details.

(d) Grants and subsidies

	2023 \$'000	2022 \$'000
Mobile Black Spot Program	3,025	2,220
Connecting Country Communities	2,328	2,423
Public Safety Mobile Broadband	2,867	9,726
Public Safety Network Program	-	300
Critical Communications Enhancement Program	-	7
	8,220	14,676

Status update of key grants and subsidies programs

Mobile Black Spot Program

The NSW Government participated in the Australian Government's Mobile Black Spot Program (MBSP) and committed to co-contribute up to 150 new or improved mobile base stations in NSW. The Authority led the rollout of the program and has successfully delivered 145 sites. It has been agreed the remaining five sites will be managed by the Department of Regional NSW. The Authority is preparing to handover operations and transfer its budget by 31 July 2023.

Connecting Country Communities (previously called Regional Digital Connectivity)

The State Infrastructure Strategy 2018 (SIS) set 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 the CCC program, regional towns close to the Australian Capital Territory border and in Kangaroo Valley were upgraded to 25 mbps in 2022/23 and it is expected that they will reach speeds of 50 mbps during 2023/24. The program is 89 per cent complete and will be delivered earlier than planned.

Public Safety Mobile Broadband

The proof-of-concept trial completed in December 2022, with endorsement from the program's national committee. Use of the remaining \$1.9 million funding is expected to be determined at the national committee meeting in early 2023/24.

(e) Finance costs

	2023	2022
	\$'000	\$'000
Interest expense on lease liabilities	2,960	2,399
Unwinding of the make-good provision	902	149
	3,862	2,548

Recognition and measurement of finance costs

Interest expense on lease liabilities consists of the periodic unwinding of the discount rate embedded in the lease liability and is recognised as interest expense in the period in which it is incurred. The unwinding of the make-good provision is recognised as an expense in the period in which it is incurred to reflect the present value of the estimated future make-good costs.

3. REVENUE

(a) Appropriations received as cluster grants

Parliamentary appropriations

The *Appropriation Act 2022 (Appropriations Act)* appropriates the sum of \$3,053,934,000 (2022: \$2,309,462,000) to the Minister for Customer Service and Digital Government (the Minister) out of the Consolidated Fund for the services provided by the Department of Customer Service (DCS) for the financial year ended 30 June 2023. The spending authority of the Minister from the *Appropriations Act* has been delegated or sub-delegated to officers of DCS and entities that it is administratively responsible for, including the Authority.

The Treasury and Energy Legislation Amendment Act 2022 made some amendments to sections 4.7 and 4.9 of the *Government Sector Finance Act 2018* (the GSF Act). These amendments commenced on 14 November 2022 and are applied retrospectively. As a result, the lead Minister for the Authority, being the Minister for Customer Service and Digital Government, is taken to have been given an appropriation out of the Consolidated Fund under the authority of section 4.7 of the GSF Act, at the time the Authority receives or recovers any deemed appropriation money, for an amount equivalent to the money that is

received or recovered by the Authority. These deemed appropriations are taken to have been given for the services of DCS.

In addition, Government money that the Authority receives or recovers from another GSF agency, of a kind prescribed by the GSF regulations that forms part of the Consolidated Fund, is now capable of giving rise to deemed appropriations where the receiving agency has a different lead Minister to the agency making the payment, or one or both of the agencies is a special office (as defined in section 4.7(8)).

On 16 June 2023, the *GSF Amendment (Deemed Appropriations) Regulation 2023* was approved to bring the GSF regulations in line with the above deemed appropriation amendments to the GSF Act.

A summary of compliance is disclosed in the Financial Statements of DCS. It has been prepared by aggregating the spending authorities of the Minister for Customer Service for the services of DCS. It reflects the status at the point in time this disclosure statement is being made. The Authority's spending authority and expenditure is included in the summary of compliance.

The delegation / sub-delegations for the 2022 and 2023 financial years, authorising officers of the 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 DCS.

The Authority receives its funding under appropriations from the Consolidated Fund and grant funding from Department of Customer Service, which receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year. The State Budget and related 2023-24 Appropriation Bill has been delayed until September 2023. However, pursuant to section 4.10 of the *GSF Act*, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2023 until the earlier of 30 September 2023 or enactment of the *2023-24 Appropriation Act*.

(b) Revenue from contracts with customers

	2023	2022
	\$'000	\$'000
Rendering of services		
Radio network services – Core ⁱ		
NSW Ambulance	33,698	28,000
NSW Rural Fire Services	34,800	28,000
Fire and Rescue NSW	33,889	28,000
Office of the NSW State Emergency Services	34,843	28,000
Radio network services – Non-core	7,718	6,980
Cost recharges	1,385	903
	146,333	119,883

ⁱ The Authority's core customers receive funding from NSW Treasury to pay the Authority for these services.

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

Recognition and measurement of revenue

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.

Rendering of services

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

Table 3 – Revenue recognition policies

Service	Nature of timing of satisfaction of performance obligation, including significant payment terms	Revenue recognition policies
Radio network services – Core	<p>The performance obligation in relation to public safety network services for core users is satisfied when 24/7 network stability for the State’s first responders is provided. The timing of this is on-going.</p> <p>Invoices are raised monthly or quarterly in advance of service period on 30-day terms.</p>	<p>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 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, on average, no more than six months before the service is delivered.</p>
Radio network services – Non-core	<p>The performance obligation in relation to public safety network services for non-core users is typically satisfied as and when the network services are provided to the customers, or by reference to 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>Customers may request the Authority to procure a telecommunications carrier service on their behalf. The costs incurred for these procured services are charged back at no extra margin.</p> <p>The performance obligation in relation to these services is typically satisfied as and when they are provided to 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 price.</p> <p>Where there are multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone prices.</p>

Refer to note 8 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 Authority expects to recognise the unsatisfied portion as revenue.

(c) Grants and contributions

	2023 \$'000	2022 \$'000
Grants with sufficiently specific performance obligations		
Critical Communications Enhancement Program	9,451	16,069
Mobile Black Spot Program	3,025	2,220
Public Safety Mobile Broadband	2,867	9,726
Connecting Country Communities	2,328	2,423
Whole of Government Next Gen Digital Connectivity	1,320	-
Mission Critical Messaging Program	105	-
	19,096	30,438
Grants to construct a recognisable non-financial asset to be controlled by the Authority		
Critical Communications Enhancement Program	128,213	141,657
PSN Minor Capital Works Program	22,583	-
Mission Critical Messaging Program	1,642	-
Whole of Government Connectivity Strategy	520	-
Whole of Government Next Gen Digital Connectivity	99	-
	153,057	141,657
	172,153	172,095

Recognition and measurement of grants and contributions

Revenue from grants with sufficiently specific performance obligations is recognised as and 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 or construct a recognisable non-financial asset to be controlled by the Authority is recognised when the Authority satisfies its obligations under the transfer. The Authority satisfies the performance obligations of the 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 as it most closely reflects the progress to completion.

Refer to notes 8 and 17 for the transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when they are expected to be recognised as revenue.

(d) Other income

	2023	2022
	\$'000	\$'000
Interest income	3,463	200
Rental income from sub-leases	253	176
Insurance recovery	1,823	902
Other income	1,285	491
	6,824	1,769

Recognition and measurement of other income*Interest income*

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

Insurance recovery

Insurance recovery revenue is recognised when the cash compensation is received from the insurer. The Authority has incurred losses due to NSW bushfire events in previous financial years and has progressively received insurance compensation in the financial periods ending 30 June 2023 and 30 June 2022.

Other income

In the reporting period ended 30 June 2023, the Authority recognised other income in the form of gifted assets from third-party lessors with a fair value of \$971,179. The gifted assets are in-building coverage (IBC) equipment paid for by the third-party lessors with the Authority taking over ownership of the assets.

4. NET GAINS / (LOSSES) ON DISPOSAL

	2023	Restated
	\$'000	2022
	\$'000	\$'000
(Loss) on disposal of property, plant and equipment	(22)	(703)
(Loss) on plant and equipment stocktake write-off	(235)	(4,594)
Gain on disposal of right-of-use assets	130	490
Gain on disposal of make-good assets	164	936
	37	(3,871)

5. OTHER (LOSSES)

	2023	Restated
	\$'000	2022
	\$'000	\$'000
Assets under construction impairment losses	(1,277)	(1,063)

6. CASH AND CASH EQUIVALENTS

	2023 \$'000	2022 \$'000
Cash at bank and on hand	163,464	128,622

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and cash on hand.

Cash and cash equivalents recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

	2023 \$'000	2022 \$'000
Cash and cash equivalents (per Statement of Financial Position)	163,464	128,622
Closing cash and cash equivalents (per Statement of Cash Flows)	163,464	128,622

The Authority's bank balance of \$163.5 million includes cash that is restricted for use in the following programs:

- PSMB National Program – \$1.9 million (2022: \$4.8m).
- Whole of Government Next Gen Digital Connectivity – \$1.2 million (2022: nil).
- Whole of Government Connectivity Strategy – \$3.6 million (2022: nil).
- CCEP program – \$74.1 million (2022: \$42.6m).

Refer to notes 8 and 17 for further details relating to restricted cash.

Refer to note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. RECEIVABLES

	2023 \$'000	2022 \$'000
Current		
Trade receivables from contracts with customers	1,002	1,246
Less: allowance for expected credit losses	-	-
Prepayments	2,311	1,673
Other receivables	7	7
Total current receivables	3,320	2,926
Non-current		
Prepayments	1,393	1,505
Total non-current receivables	1,393	1,505
Total receivables	4,713	4,431

There were no movements in the allowance for expected credit losses in 2023 and 2022.

Details regarding credit risk of trade receivables that are neither past due nor impaired are disclosed in note 23.

Recognition and measurement of 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 rate 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 financial assets not held at fair value through its Statement of Comprehensive Income. 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 to calculating ECLs. 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 the financial year ended 30 June 2023 (2022: nil).

8. CONTRACT ASSETS AND LIABILITIES

	2023	2022
	\$'000	\$'000
Contract assets - current	6,723	5,884
Contract liabilities - current	3,102	4,779

Contract assets relate to the Authority's right to consideration in exchange for services rendered to customers, but not invoiced at the reporting date. In general, the Authority invoices customers in advance for services provided under its prepaid or fixed (usually monthly) fee contracts, and in arrears for usage-based contracts (for example, handset usage).

Contract liabilities relate to consideration received in advance in respect of the PSMB national program (\$1.9m) and Whole of Government Next Gen Digital Connectivity program (\$1.2m). The balance of contract liabilities represents the unspent grants received for these programs. The Authority also received advance payments from the 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:

	2023	2022
	\$'000	\$'000
Balance carried forward from prior financial year	4,779	14,529
Revenue recognised that was included in the contract liability balance at the beginning of the year	(2,867)	(3,153)
Additional contract liabilities during the year	2,608	-
Revenue recognised from additional contract liabilities during the year	(1,418)	(6,597)
Balance carried forward to future financial periods	3,102	4,779

9. OTHER CURRENT ASSETS

	2023	2022
	\$'000	\$'000
Net GST recoverable	2,614	1,743

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Plant and equipment	Assets under constr.	L'hold Impr'mnts	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Restated gross carrying amount at 30 June 2022	335	310,560	263,812	5,225	579,932
Restated accumulated depreciation at 30 June 2022	-	(66,883)	-	(1,711)	(68,594)
Net restated carrying amount at 30 June 2022	335	243,677	263,812	3,514	511,338
Additions	-	970	163,082	1,374	165,426
Transfers from government agencies	-	1,207	-	-	1,207
Disposals at net book value	-	(22)	-	(584)	(606)
Stocktake write-off at net book value	-	(235)	-	-	(235)
Impairment losses	-	-	(1,277)	-	(1,277)
Capitalisation of assets under construction	-	115,664	(115,664)	-	-
Revaluation increase	-	18,926	-	-	18,926
Depreciation	-	(31,004)	-	(553)	(31,557)
Net carrying amount at 30 June 2023	335	349,183	309,953	3,751	663,222
<i>Made up of:</i>					
Gross carrying amount	335	439,631	309,953	5,484	755,403
Accumulated depreciation	-	(90,448)	-	(1,733)	(92,181)
Net carrying amount at 30 June 2023	335	349,183	309,953	3,751	663,222
Restated gross carrying amount at 1 July 2021	320	303,581	216,634	2,816	523,351
Restated accumulated depreciation at 1 July 2021	-	(132,837)	-	(590)	(133,427)
Net restated carrying amount at 1 July 2021	320	170,744	216,634	2,226	389,924
Additions	-	401	142,288	2,393	145,082
Transfers from government agencies	-	1,977	-	-	1,977
Disposals at net book value	-	(780)	-	-	(780)
Stocktake write-off at net book value	-	(4,594)	-	-	(4,594)
Impairment losses	-	-	(1,063)	-	(1,063)
Capitalisation of assets under construction	-	94,047	(94,047)	-	-
Revaluation increase	15	11,166	-	-	11,181
Depreciation	-	(29,284)	-	(1,105)	(30,389)
Net restated carrying amount at 30 June 2022	335	243,677	263,812	3,514	511,338
<i>Made up of:</i>					
Restated gross carrying amount	335	310,560	263,812	5,225	579,932
Restated accumulated depreciation	-	(66,883)	-	(1,711)	(68,594)
Net restated carrying amount at 30 June 2022	335	243,677	263,812	3,514	511,338

Recognition and measurement of property, plant and equipment

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 AASs.

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 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 18, and from gifted assets – note 3(d)).

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 follows:

- 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.

The Authority allocates the actual spending of costs to design, install and construct the assets on a pro rata basis. The Authority allocates program management costs to each capitalised PSN site based on the best current estimation of the overall program costs, which is constantly monitored against the approved budget.

Capitalisation thresholds

Plant, 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 and maintenance costs are expensed as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised.

Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis to allocate the cost of depreciable assets over their useful lives. All material identifiable components of assets are depreciated separately. Land is not a depreciable asset.

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

Table 4 – Property, plant and equipment useful lives

Asset type	Current estimated useful life
Towers	50
Huts, shelters and racks	40
Power supply generators	15
Data centres	12
Network equipment	12
Mobile assets	10
Air conditioners	7
Network Operating Control Centre	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.

Fair value of property, plant and equipment is based on market participants’ perspective, using valuation techniques (market approach, cost approach, or 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 performed a comprehensive revaluation of its land in March 2022, and of its plant and equipment in March 2021. The Authority has conducted an interim management assessment of plant and equipment in the current financial year. An independent valuer has been engaged to provide forecasted indices on non-residential building construction in NSW as at 30 June 2023. The forecasted indices are applied to the labour cost and material cost components to determine the current replacement cost. The interim management review assessed the fair value at \$18.9 million higher than the carrying amount of the plant and equipment and the incremental amount has been recognised through 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:

- Revaluation increments are recognised directly in the asset revaluation reserve. However, where an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.
- Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is recognised directly in the asset revaluation reserve.
- Revaluation increments and decrements are offset against one another within a class of non-current assets.
- 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 directly to accumulated funds.

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 assessed its property, plant and equipment during the financial year ended 30 June 2023 and identified \$1.3 million impairment to assets under construction (30 June 2022: \$1.1 million).

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 the 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 the net result.

11. RIGHT-OF-USE ASSETS

(a) The Authority as a lessee

The Authority has entered into lease agreements with government agencies and private companies for the 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 site leases

Telecommunication site leases are entered into with multiple lessors. The terms of these leases range from two to ten years with the option for renewal for further terms. Longer terms generally enable the Authority to negotiate more favourable terms and conditions, but also commits the Authority for a potentially unnecessary period. Therefore, the term of these leases is determined by the anticipated duration of the operational need of any given facility. The Authority also holds leases with private lessors for commercial and industrial facilities which have terms of between five and 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. Site repairs and maintenance are the responsibility of the lessor. All other outgoings relating to the Authority's assets are the responsibility of the Authority.

Data centre lease

As part of the Data Centre Reform Project, the NSW Government entered into an agreement with a third-party contractor on 25 May 2012 to provide data capacity across the government sector. The initial lease term was ten years. In September 2021, the lease term was extended by a further five years. The Authority is committed to pay fees to 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.

Right-of-use assets under leases

Right-of use assets that do not meet the definition of investment property are as follows:

	Tele- communication sites \$'000	Data centre \$'000	Total \$'000
Gross carrying amount at 30 June 2022	144,897	4,784	149,681
Accumulated depreciation at 30 June 2022	(16,771)	(1,541)	(18,312)
Net carrying amount at 30 June 2022	128,126	3,243	131,369
Additions	28,989	-	28,989
Modifications	4,255	-	4,255
Disposals at net book value	(2,835)	-	(2,835)
Depreciation expense	(11,630)	(532)	(12,162)
Net carrying amount at 30 June 2023	146,905	2,711	149,616
<i>Made up of:</i>			
Gross carrying amount	173,166	4,784	177,950
Accumulated depreciation	(26,261)	(2,073)	(28,334)
Net carrying amount at 30 June 2023	146,905	2,711	149,616
Gross carrying amount at 1 July 2021	96,237	2,079	98,316
Accumulated depreciation at 1 July 2021	(11,333)	(1,015)	(12,348)
Net carrying amount at 1 July 2021	84,904	1,064	85,968
Additions	66,415	-	66,415
Modifications	(12,116)	2,705	(9,411)
Disposals at net book value	(2,113)	-	(2,113)
Depreciation expense	(8,964)	(526)	(9,490)
Net carrying amount at 30 June 2022	128,126	3,243	131,369
<i>Made up of:</i>			
Gross carrying amount	144,897	4,784	149,681
Accumulated depreciation	(16,771)	(1,541)	(18,312)
Net carrying amount at 30 June 2022	128,126	3,243	131,369

Recognition and measurement of leases as a lessee

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 Authority 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.

- 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. 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 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. 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 15 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 or 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 to the liability.

Critical judgements in determining impairment

In assessing whether a right-of-use asset is impaired, judgement is required to determine the recoverable value of the asset. The Authority assesses at the 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.

Leases at significantly below market value – peppercorn leases

The Authority has 37 leases (2022: 27 leases) at significantly below market value 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 Authority to further its objectives are treated the same as normal right-of-use assets. They are measured at cost, subject to impairment. The leases are from three to five year terms,

with options for renewal for further terms, and require payments of a maximum \$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.

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

(b) The Authority 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.

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 leases as at the end of the reporting period are (including GST):

	2023	2022
	\$'000	\$'000
Within one year	116	110
Later than one year and not later than five years	366	141
Later than five years	25	21
Total	507	272

Recognition and measurement of leases as a lessor

An operating lease is any 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.

12. INTANGIBLE ASSETS

	Software \$'000	Network licences \$'000	Total \$'000
Gross carrying amount at 30 June 2022	8,334	14,298	22,632
Accumulated amortisation at 30 June 2022	(6,629)	(4,861)	(11,490)
Net carrying amount at 30 June 2022	1,705	9,437	11,142
Additions	1,974	4,454	6,428
Disposal of gross carrying amount	(6,694)	(12)	(6,706)
Reversal of accumulated depreciation	6,694	12	6,706
Amortisation	(2,007)	(2,742)	(4,749)
Net carrying amount at 30 June 2023	1,672	11,149	12,821
<i>Made up of:</i>			
Gross carrying amount	3,614	18,740	22,354
Accumulated amortisation	(1,942)	(7,591)	(9,533)
Net carrying amount at 30 June 2023	1,672	11,149	12,821
Gross carrying amount at 1 July 2021	10,590	13,857	24,447
Accumulated amortisation at 1 July 2021	(8,096)	(3,267)	(11,363)
Net carrying amount at 1 July 2021	2,494	10,590	13,084
Additions	1,020	441	1,461
Disposal of gross carrying amount	(3,276)	-	(3,276)
Reversal of accumulated depreciation	3,276	-	3,276
Amortisation	(1,809)	(1,594)	(3,403)
Net carrying amount at 30 June 2022	1,705	9,437	11,142
<i>Made up of:</i>			
Gross carrying amount	8,334	14,298	22,632
Accumulated amortisation	(6,629)	(4,861)	(11,490)
Net carrying amount at 30 June 2022	1,705	9,437	11,142

Recognition and measurement of intangible assets

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 four years and network licences are straight-line amortised over the term of the licence. These rates remain unchanged from the previous period. 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.

13. 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 Authority 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 Authority 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

Table 5 – Fair value hierarchy

30 June 2023				
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Plant and equipment (note 10)	-	-	349,183	349,183
Land (note 10)	-	335	-	335
	-	335	349,183	349,518

30 June 2022				
	Level 1 \$'000	Level 2 \$'000	Restated level 3 \$'000	Total restated fair value \$'000
Plant and equipment (note 10) - restated	-	-	243,677	243,677
Land (note 10)	-	335	-	335
	-	335	243,677	244,012

(b) Valuation techniques, inputs and processes used

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 current 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

	Total recurring level 3 plant and equipment fair value \$'000
Restated fair value as at 1 July 2022	243,677
Additions	970
Revaluation increase of property, plant and equipment through the asset revaluation reserve	18,926
Transfers from government agencies	1,207
Capitalisation of assets under construction	115,664
Disposals	(22)
Stocktake write-offs	(235)
Depreciation	(31,004)
Fair value as at 30 June 2023	349,183

	Total recurring level 3 plant and equipment fair value \$'000
Restated fair value as at 1 July 2021	170,744
Additions	401
Revaluation increase of property, plant and equipment through the asset revaluation reserve	11,166
Transfers from government agencies	1,977
Capitalisation of assets under construction	94,047
Disposals	(780)
Stocktake write-offs	(4,594)
Depreciation	(29,284)
Restated fair value as at 30 June 2022	243,677

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

- The net book value of the material cost components of plant and equipment have been increased proportionally based on current replacement cost in line with existing vendor contracts.
- The labour cost components of plant and equipment have been increased in line with published Australian Bureau of Statistics (ABS) indices, except for the index relating to the quarter ended 30 June 2023. For the quarter ended 30 June 2023, an independent estimate has been adopted in advance of ABS publishing a final index for this quarter.
- The useful lives of plant and equipment are determined by the best and highest use of the asset.
- The infrastructure assets were 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.
- It is assumed that there is no obsolescence due to excess operating cost, overcapacity at site or overcapacity due to demand.

- 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.

14. PAYABLES

	2023	2022
	\$'000	\$'000
Accrued personnel expenses	1,757	716
Creditors	1,717	3,165
Accrued expenses	52,745	36,802
	56,219	40,683

Refer to note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Recognition and measurement of payables

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 DCS 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.

15. BORROWINGS

	2023 \$'000	2022 \$'000
Current lease liabilities	9,129	8,397
Non-current lease liabilities	119,707	105,639
Total borrowings	128,836	114,036

Movements in lease liabilities

	2023 \$'000	2022 \$'000
Opening balance	114,036	78,719
Additions	23,542	53,061
Modifications	2,173	(8,895)
Terminations	(2,639)	(2,080)
Interest expense	2,960	2,399
Lease payments	(11,236)	(9,168)
Closing balance	128,836	114,036

The following amounts were recognised in the Statement of Comprehensive Income for the financial year in respect of leases where the Authority is the lessee:

	2023 \$'000	2022 \$'000
Depreciation expense on right-of-use assets	12,162	9,490
Interest expense on lease liabilities	2,960	2,399
Expenses relating to short-term leases	34	58
Income from subleasing right-of-use assets	(253)	(176)
Total amount recognised in the Statement of Comprehensive Income	14,903	11,771

Recognition and measurement of borrowings

The Authority's lease liabilities are included in borrowings. Refer to note 11 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 purchase options reasonably certain to be exercised by the Authority
- 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 (for example, 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 the NSW Treasury Corp (TCorp) rate because the interest rate implicit in the leases are not readily determined and the 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.

16. PROVISIONS

	2023 \$'000	2022 \$'000
Current		
Flooding impact costs	-	1,270
Restoration costs	164	1,026
Total current provisions	164	2,296
Non-current		
Restoration costs	32,870	23,775
Total non-current provisions	32,870	23,775
Total provisions	33,034	26,071

Movement in provisions

	2023 \$'000	2022 \$'000
Opening balance	26,071	14,050
Additions	5,201	12,909
Expenses through the Statement of Comprehensive Income	(1,270)	-
Increase / (decrease) in provision from remeasurement	2,130	(1,037)
Unwinding of the make-good provision	902	149
Closing balance	33,034	26,071

Recognition and measurement of 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 of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

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 for each 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 3.92 and 4.24 per cent (2022: between 0.05 and 4.28 per cent), 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 (for example, unwinding of the discount rate) is recognised as a finance cost.

During the reporting period ended 30 June 2023, the inflation rate remains high. In order to provide the best estimation of the restoration liability, the Authority has engaged an independent valuer to assess

the forecasted CPI Sydney rate as at 30 June 2023. The forecasted CPI has been used to estimate the restoration provision.

Flood-related cost provisions in the comparative year represented the best estimation of the costs incurred in relation to access track repairs due to flood damage. The provision has been fully utilised in the current financial year.

17. OTHER LIABILITIES

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the Authority:

	2023	2022
	\$'000	\$'000
Current	19,810	40,094
Non-current	57,907	9,077
Total other liabilities	77,717	49,171

Reconciliation of financial assets and corresponding liabilities arising from transfers to acquire or construct non-financial assets to be controlled by the Authority.

	2023	2022
	\$'000	\$'000
Opening balance recognised upon application of AASB 1058	49,171	9,077
Add: receipt of cash during the financial year	166,730	197,817
Less: income recognised during the financial year	(138,184)	(157,723)
Closing balance	77,717	49,171

The balance of the current liabilities includes CCEP grant funding of \$16.2 million and the Whole of Government Connectivity Strategy grant funding of \$3.6 million to be utilised in the 2023/24 financial year.

The balance of the non-current liabilities includes CCEP grant funding of \$57.9 million to be utilised in the 2024/25 financial year and beyond.

18. EQUITY

Recognition and measurement of equity

Accumulated funds

Accumulated funds include 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 AASs.

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 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 25 items of equipment with a combined valuation of \$1,026,270 (2022: 51 items of equipment with a combined valuation of \$1,976,525) were transferred from NSW Police to the Authority and a total of four items of equipment with a combined valuation of \$180,875 (2022: nil) were transferred from Fire and Rescue NSW. The transferred equipment includes lattice towers, monopoles and sandwich panel shelters. The transfer was approved by the respective ministers.

19. 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:

	2023	2022
	\$'000	\$'000
Within one year	100,762	162,752
Later than one year and not later than five years	75,096	-
Total (including GST)	175,858	162,752

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no known contingent liabilities or assets as at 30 June 2023.

21. 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 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 2023 is a surplus of \$124.3 million (2022 restated: \$117.2 million) which is \$111.5 million less than the budgeted net result. The budget variance was primarily due to:

- \$134.8 million of CCEP capital expenditure related revenue carried forward into future financial years to match the CCEP capital expenditure profile
- \$11.0 million relating to Mission Critical Messaging Program capital grants carried forward into future financial years

offset by

- \$22.6 million unbudgeted capital revenue received for delivery of additional PSN minor capital works (corresponding to an approved increase to the Authority's capital allocation limit)
- \$6.9 million lower than expected CCEP depreciation
- \$3.3 million in additional interest income
- \$1.5 million underspend in general operating expenditure.

Current assets

Cash and cash equivalents are \$45.4 million higher than budget primarily due to CCEP funding received that remained unspent as at 30 June 2023 and improved collection of receivables.

Other non-cash current assets (\$12.7 million) were \$16.3 million lower than budget primarily due to improved collection of receivables (\$24.9 million) offset by non-budgeted increased in accrued revenue (contract assets) (\$6.7 million) and GST receivable (\$2.6 million).

Non-current assets

Total non-current assets were \$25.2 million less than budget. This is primarily due to the slower than anticipated progress on the CCEP program, offset by increased right-of-use assets resulting from active expedition of CCEP leasing sites in advance of construction activities.

Contract liabilities, other current liabilities, and other non-current liabilities

The combined 2023 actual balances for contract liabilities, other current liabilities, and other non-current liabilities (\$80.8 million) has increased by \$24.9 million over budget primarily due to increased cash received in advance for CCEP. Most of this has been re-classified as non-current to reflect the expected timing of the cash outflows.

Current and non-current borrowings

Total current and non-current borrowings have increased \$44 million, reflecting the Authority's active expedition of CCEP site leasing arrangements in advance of construction activities.

Net cash flows from operating and investing activities

Net cash inflows from operating activities were \$70.8 million less than budget, primarily due to reduced capital grant funding relating to the slower than anticipated progress on the CCEP capital program. This slower than anticipated progress on CCEP has also resulted in \$122.2 million lower net cash outflows from investing activities.

Net cash flows from financing activities

The \$7.9 million higher net cash outflows from financing activities is due to the expedited increase in the number of CCEP site leases.

22. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT FROM CONTINUING OPERATIONS

Reconciliation of cash flows from operating activities to the net result from continuing operations as reported in the Statement of Comprehensive Income is as follows:

	2023 \$'000	Restated 2022 \$'000
Net cash flows from operating activities	213,194	202,082
Depreciation and amortisation	(48,468)	(43,282)
Gains /(losses) on disposal	37	(3,871)
Other (losses)	(1,277)	(1,063)
Increase / (decrease) in receivables	282	(8,005)
Increase in contract assets	839	344
Increase in other assets	871	330
(Increase) / decrease in payables	(15,536)	2,278
Decrease / (increase) in provisions	1,270	(1,270)
Decrease in contract liabilities	1,677	9,750
(Increase) in other liabilities	(28,546)	(40,094)
Net result from continuing operations	124,343	117,199

23. 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

Table 6 – Financial instrument categories

			Carrying amount 2023 \$'000	Carrying amount 2022 \$'000
	Note	Category		
Financial assets				
Cash and cash equivalents	6	Amortised cost	163,464	128,622
Receivables ⁱⁱ	7	Amortised cost	1,002	1,246
Contract assets ⁱⁱⁱ	8	Amortised cost	6,723	5,884
Financial liabilities				
Payables ^{iv}	14	Financial liabilities measured at amortised cost	56,219	40,683
Borrowings	15	Financial liabilities measured at amortised cost	128,836	114,036

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

(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 pass-through 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.

ii Excludes statutory receivables and prepayments (not within scope of AASB 7)

iii While contract assets are not financial assets, they are explicitly included in the scope of AASB 7 for the purpose of credit risk disclosures

iv Excludes statutory payables and unearned revenue (not within scope of AASB 7)

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, 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 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.

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 AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets, 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 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 expected credit losses were required to be recognised as at 30 June 2023.

The loss allowance for trade receivables as at 30 June 2023 and 30 June 2022 were determined as follows:

Table 7 – Loss allowance for trade receivables as at 30 June 2023

	Current	<30 days	30–60 days	61–90 days	>91 days	Total
30 June 2023						
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	
Estimated total gross carrying amount at default (\$'000)	668	87	55	26	166	1,002
Expected credit loss (\$'000)	-	-	-	-	-	-
Total^v (\$'000)	668	87	55	26	166	1,002
30 June 2022						
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	
Estimated total gross carrying amount at default (\$'000)	915	94	79	48	110	1,246
Expected credit loss (\$'000)	-	-	-	-	-	-
Total^{vi} (\$'000)	915	94	79	48	110	1,246

The Authority is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2023 and 30 June 2022. Most debtors have AAA credit rating.

^v The analysis excludes statutory receivables and prepayments, as these are not within the scope of AASB 7. Therefore, the total will not reconcile to the receivables total in note 7.

^{vi} As per footnote v above.

(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.

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 comprised of undiscounted nominal principal payments and implied interest expense.

based on contractual undiscounted payments, together with the interest rate exposure.

Table 8 – Maturity profile of financial liabilities (\$'000)

	<1 year	1–5 years	> 5 years	Total
30 June 2023				
Payables	56,219	-	-	56,219
Lease liabilities	11,872	57,934	83,055	152,861
Total	68,091	57,934	83,055	209,080
30 June 2022				
Payables	40,683	-	-	40,683
Lease liabilities	9,576	49,503	72,799	131,878
Total	50,259	49,503	72,799	172,561

(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.

24. RELATED PARTY DISCLOSURES

Key management personnel

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

	2023 \$'000	2022 \$'000
Short-term employee benefits:		
- Salaries	335	333
- Non-monetary benefits	-	-
Other long-term employee benefits	-	-
Post-employment benefits	25	24
Termination benefits	-	-
Total remuneration	360	357

Other related party transactions

During the year, the Authority entered into transactions with other entities that are controlled, jointly controlled, or significantly influenced by the NSW Government. These transactions in aggregate are a significant portion of the Authority's sale and receiving of goods and services.

	2023 \$'000		2022 \$'000	
	Transaction value Income / (expense) \$'000	Net receivable / (payable) \$'000	Transaction value Income / (expense) \$'000	Net receivable / (payable) \$'000
Nature of transaction				
Sales of goods and services, grants and contributions, and other receipts	312,208	4,014	317,571	3,799
Purchases of goods and services, grants and subsidies paid, and other payments	(57,850)	(1,864)	(74,415)	(758)

The major related parties involved in the transactions for financial year ended 30 June 2023 are as follows:

Sales of goods and services, grants and contributions, and other receipts

Related parties	2023 \$'000	2022 \$'000
Department of Customer Service	162,457	197,818
Office of the NSW State Emergency Service	34,843	28,000
NSW Rural Fire Service	34,800	28,047
Ministry of Health (Includes NSW Ambulance)	34,115	28,330
Fire and Rescue NSW	33,889	28,000
Crown Finance Entity – Restart Fund	4,905	2,452
NSW Police Force	1,481	1,497
Digital Restart Fund	1,418	-
Other related parties	4,300	3,427
Total	312,208	317,571

Net receivables

Related parties	2023 \$'000	2022 \$'000
Ministry of Health (includes NSW Ambulance)	2,866	2,456
Transport for NSW	354	336
NSW Police Force	281	288
Department of Customer Service	67	117
Fire and Rescue NSW	26	202
Other related parties	420	400
Total	4,014	3,799

Purchases of goods and services, grants and subsidies, and other payments

Related parties	2023 \$'000	2022 \$'000
Department of Customer Service	(53,722)	(73,285)
Department of Planning and Environment	(1,419)	-
NSW Self Insurance Corporation	(883)	(589)
NSW Police Force	(744)	-
NSW Rural Fire Service	(378)	-
Ministry of Health (Includes NSW Ambulance)	(136)	-
Other related parties	(568)	(541)
Total	(57,850)	(74,415)

Net payables

	2023	2022
Related parties	\$'000	\$'000
Department of Customer Service	(1,864)	(758)
Total	(1,864)	(758)

Assets obtained through equity transfer

	2023	2022
Related parties	\$'000	\$'000
NSW Police Force	1,026	1,977
Fire and Rescue NSW	181	-
Total	1,207	1,977

25. 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 2023.

END OF AUDITED FINANCIAL STATEMENTS

Credit cards

Credit cards on issue and combined limit of credit cards issued

NSW Telco Authority (NSWTA) has 123 cards on issue with a combined limit of \$2,090,000.

Credit card use by officers is compliant. Reviewed expenses each month are included in the Department of Customer Service (DCS) Annual Report 2022–23 Attestation.

Credit card certification

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

Funds granted to non-government organisations

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

Investment performance

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

Category	Weighted portfolio composition	Revenue	Annual rate of return
Bank interest	100%	\$3,463,519.47	2.12%

2023–24 budget outline

Expenses excluding losses	FY 2023–24 \$'000
Personnel services/employee related	52,448
Other operating expenses	138,078
Depreciation and amortisation	67,005
Finance cost	3,408
Total expenses excluding losses	260,939
Revenue	FY 2023–24 \$'000
Sale of goods and services	190,679
Grants (TSY)	235,411
Other revenue	3,901
Total revenue	429,991
Total comprehensive income for the year	169,052

2023–24 operating budget

Budgeted revenue and expenditure in 2023–24.

Revenue	FY 2022–23 Forecast \$'000	FY 2023–24 Budget \$'000
Network Service Revenue	147,026	190,679
Grants (Cluster)	271,337	226,785
Grants (Government Agencies)	19,023	8,626
Investment Revenue	2,181	2,181
Other Income	3,192	1,720
Total Revenue	442,759	429,991
Expenses		
Network operating expenses	73,987	68,850
Personnel	52,853	52,448
Other	76,473	52,962
CCEP operating expenses	32,603	19,674
Total Expenses (excl depn)	235,916	193,934
Surplus/(Deficit) (excl depn)	206,843	236,057
Depreciation	47,363	67,005
Total Expenses (incl depn)	283,279	260,939
Surplus/(Deficit) (incl depn)	159,480	169,052

Notes: Budget FY2022-23 reflects CCEP reprofile PTAs yet to be approved by the Treasury.

Budget FY 2023-24 excludes PSN funding request yet to be approved by the Treasury.

Annual report production

The NSW Telco Authority Annual Report 2022–23 was produced within DCS with no external costs incurred. An electronic copy of the report is available at nsw.gov.au/telco-authority.

