



Department of Customer Service Annual Report **2019/2020**

**NSW Department of Customer Service
Annual Report 2019/20**

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Author

Department of Customer Service

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Office of the Secretary

The Hon Victor Dominello MP
Minister for Customer Service
GPO Box 5341
SYDNEY NSW 2001

The Hon Kevin Anderson MP
Minister for Better Regulation and Innovation
GPO Box 5341
SYDNEY NSW 2001

Dear Ministers

I am pleased to submit the annual report for the NSW Department of Customer Service for the year ended 30 June 2020 for presentation to Parliament.

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

The report also includes annual reports for the:

- Registrar General
- Surveyor General
- Geographical Names Board
- Building Professionals Board.

The annual report of the Surveyor General was prepared in accordance with section 33 of the *Surveying and Spatial Information Act 2002*. The annual report of the Geographical Names Board was prepared in accordance with section 16 of the *Geographical Names Act 1966*. The annual report of the Building Professionals Board was prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983* and the regulations under those Acts.

Yours sincerely

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

Emma Hogan
Secretary

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About this report

This report covers the Department of Customer Service (DCS) and cluster agencies from 1 July 2019 to 30 June 2020.

Revenue NSW became a stand alone division of DCS from July 2020, however for the purposes of this report, Revenue NSW was within the Customer, Delivery and Transformation division.

Chapter 5 of this report, titled 'DCS-related entities' reports', contains annual reports for the:

- Registrar General
- Surveyor General
- Geographical Names Board
- Building Professionals Board

The DCS annual report is available at <https://www.customerservice.nsw.gov.au/about-us/publications-and-reports/annual-reports> and www.opengov.nsw.gov.au/about.

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

- Board of Surveying and Spatial Information: <https://www.bossi.nsw.gov.au>
- Greyhound Racing NSW: <https://www.grnsw.com.au>
- Greyhound Welfare and Integrity Commission: <https://www.gwic.nsw.gov.au>
- Harness Racing NSW: <https://www.hrnsw.com.au>
- Independent Liquor and Gaming Authority: <https://www.liquorandgaming.nsw.gov.au/independent-liquor-and-gaming-authority>
- Independent Pricing and Regulatory Tribunal: <https://www.ipart.nsw.gov.au/Home/About-IPART/Governance/Annual-Reports/List-of-Annual-Reports>
- Information and Privacy Commission: <https://www.ipc.nsw.gov.au/about-us/our-corporate-information/annual-and-quarterly-reports>
- Long Service Corporation: <http://www.longservice.nsw.gov.au>
- NSW Architects Registration Board: <http://www.architects.nsw.gov.au/publications>
- NSW Government Telecommunications Authority: <https://www.telco.nsw.gov.au>
- Professional Standards Council: <https://www.psc.gov.au/news-and-publications/publications>
- Racing NSW: <https://www.racingnsw.com.au>
- Rental Bond Board: http://www.fairtrading.nsw.gov.au/ftw/About_us/Publications/Annual_reports.page
- Service NSW: <https://www.service.nsw.gov.au/about-us/annual-reports>
- State Insurance Regulatory Authority: <https://www.sira.nsw.gov.au/corporate-information/annual-reports>
- Workers Compensation Commission: <https://www.wcc.nsw.gov.au/publications/annual-review>
- Workers Compensation Independent Review Officer (WIRO): <http://wiro.nsw.gov.au/publications>

The total external cost of producing this report was \$3,020.49.

Functional structure*

Customer Service Cluster				
Office of the Secretary				
Better Regulation	Customer Delivery & Transformation	Digital.NSW	Corporate Services / People & Culture	Service NSW
One stop shop for regulation	Revenue NSW**	Government Chief Information and Digital Officer	Cluster Finance and Procurement	Customer service channels for all NSW Government agencies and transactions
Fair Trading	NSW Registry of Births Deaths and Marriages	Whole of Government ICT investment prioritisation, coordination and assurance processes	Legal	One stop shop for citizens and businesses across Service Centres, mobile, digital, contact centre
Liquor and Gaming NSW	Premier Priorities	Government Technology Platforms	Audit and Risk	Transformation of customer service delivery channels
Long Service Corporation	Whole of Government customer, behavioural insights and data analytics	Cyber Security NSW	Governance	MyServiceNSW
Office of Racing	Accelerating customer and digital transformation	NSW Telco Authority	Workplace and Facilities	
Office of the Registrar General	NSW Government brand, advertising communications, nsw.gov.au	Spatial Services and Surveyor General	Corporate Planning & Performance	
Office of Responsible Gambling	Customer Service Cluster Delivery Unit		Cluster ICT and CTO	
Professional Standards Authority			GovConnect SMO	
SafeWork				
Subsidence Advisory NSW				

Other Cluster Functions and Entities*							
Office of the NSW Building Commissioner	State Insurance Regulatory Authority (SIRA)	Workers Compensation Commission (WCC)	Workers Compensation Independent Review Office (WIRO)	Independent Liquor & Gaming Authority (ILGA)	Information & Privacy Commission (IPC)	Independent Pricing and Regulatory Tribunal (IPART)	Greyhound Welfare & Integrity Commission (GWIC)

* Includes major DCS entities only

** Revenue NSW became a stand alone division reporting directly to the Secretary from July 2020

Secretary's message



The Department of Customer Service (DCS) was established on 1 July 2019. As DCS Secretary, I am pleased to provide the Department's inaugural Annual Report. I would also acknowledge Mr Glenn King who served in the role of Secretary until October 2019 and led the Department's initial formation.

Since its establishment, the DCS cluster has made significant progress as a central Government agency against NSW Government's key priorities: delivering excellence in customer service, driving digital leadership and innovation in government services, and providing regulatory and other services to both citizens and businesses across NSW.

The cluster's highlights and achievements for 2019/20 are outlined on pages 22 to 49 of this Annual Report. They reflect the ongoing transformation in how NSW supports and delivers to the citizens and businesses of NSW and track progress to becoming the world's most customer-centric government.

It has been a significant year with many achievements to be recognised during the cluster's first 12 months of operation. I particularly want to recognise the team across all of DCS who have not only delivered their regular programs of work but have done so through the extraordinary circumstances of the bushfires and other devastating environmental events as well as the significant impacts of the COVID-19 pandemic .

The Office of the Building Commissioner was formed in August 2019 to oversee major reforms in the regulation of building and construction. The *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020* came into effect on 1 September 2020, directing compliance and enforcement powers to the Building Commissioner and DCS has supported the Commissioner in developing and implementing the six-pillar strategy of work (see pages 41 and 42).

In November 2019, the Department launched the new NSW Customer & Digital Strategy, 'Beyond Digital'. The strategy recognises opportunities to improve customer service through enhanced utilisation of technology and to go beyond by adopting a whole-of-government view of service delivery, driving a culture of continuous improvement, and setting strong security and privacy foundations to allow for the effective use of emerging technologies like Artificial Intelligence.

DCS celebrated Service NSW's milestone achievement of reaching over 1 million Digital Drivers licences in December 2019. The overwhelming success of this launch saw the Department exceed its target number of licences issued within just a matter of days.

Service NSW and our Better Regulation Division successfully collaborated to lead the Department's response to the State's unprecedented bushfire crisis with the establishment of the Bushfire Customer Care initiative in January 2020, providing much needed support and relief to people and businesses across the state.

DCS continued its important work in the months following in response to the COVID-19 pandemic through Customer Delivery & Transformation, Service NSW, and Better Regulation partnership and the launch of the 'COVID Safe for business' initiative and 'Help us save lives' campaign. DCS also provided significant enablement to the state during COVID-19 with other initiatives such as the digital distribution of grants and NSW/VIC border permits.

Secretary's message

Australia now boasts one of the world's largest digital twin virtual models thanks to the launch of the 'NSW Spatial Digital Twin' delivered through our regional Spatial Services team in February 2020. The Digital Twin enables both government and industry to test or simulate in the digital world before building, resulting in improved planning of infrastructure, precincts and communities and ensuring better use of resources.

With the incidence and sophistication of cybercrime steadily increasing in Australia and around the world, it has never been more important to build defences, capability and resilience to combat cyberattacks and protect the information and privacy of NSW citizens relying on NSW Government services. In response to increasing cyberattacks, DCS has worked closely with State and Federal agencies and relevant privacy and security authorities to maintain and strengthen the Department's cyber security resilience and ensure there are robust and effective support services in place for DCS customers impacted by cyber-attack incidents.

The Department's digital success was recognised with the establishment of the \$1.6bn 'Digital Restart Fund' to support digital, information and communications technology initiatives across the government sector.

Despite the many changes and considerable uncertainty as a result of the ongoing health pandemic experienced worldwide, DCS has successfully managed to maintain people engagement results of 68%, the same level as last year.

Thank you to everyone who contributed to driving the Department's mission in its first year to position NSW as a world-leading customer, citizen and digitally centric government. Your ideas, passion and hard work helped to deliver the many achievements realised through DCS during 2019/20 and we should be very proud of what has been achieved.



Emma Hogan
Secretary

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About Customer Service



Who we are

The Department of Customer Service (DCS) was established on 1 July 2019 as the world's first government department with the mandate to improve customer service.

With the mission to position NSW as a world-leading customer, citizen and digitally centric government, DCS is responsible for delivering the Premier's *Government Made Easy and World Class Public Service* (jointly with the Public Service Commission) priorities, as well as three State Outcomes:

- Excellence in Customer Service
- Digital leadership and innovation in public services
- Fair, secure and efficient markets.

The vision of DCS is for NSW to be the world's most customer centric government where customers and communities can expect government services to be trustworthy, effective and easy no matter who they are, where they are or what they need.

DCS is responsible for leadership, policy and practice, transformation and capacity building across government and for a diverse range of customer

service delivery and regulatory activities. As a NSW public sector organisation, DCS upholds the sector values of integrity, trust, service and accountability.

The NSW Government Customer Commitments are our promise to customers of what they should expect when receiving government services.

DCS works with other government agencies to embed these Customer Commitments into the delivery of all government services in NSW as well as across its own service delivery. In doing this, DCS is working to:

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

Customer commitments

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

The DCS cluster brings together transactional services; digital, data and design; regulatory and compliance activities; and a whole-of-government view of customer service across 4 broad functions:

Regulation oversees regulating, educating, and delivering services directly to citizens and businesses. Its focus is to create a responsive regulatory environment that makes NSW safe, fair and competitive for consumers, business and workers.

Customer, Delivery & Transformation is responsible for leading transformation in customer-focused service delivery across NSW government. It provides best practice insights, data-led analytics and advisory support to drive a customer-centred culture across sector services and improved user experience for customers. It is also home to two customer-facing units; NSW Registry of Births, Deaths & Marriages whose role is to register NSW life events accurately and securely for all time and Revenue NSW, NSW's principal revenue management agency.

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

Service NSW delivers 'one-stop' access for citizens and businesses to NSW Government's services and transactions. Service NSW offers customers access to services via a multi-channel network for a range of transactional and community support services.

Changes during the reporting period

The following entities and business units were transferred to the Customer Service cluster from 1 July 2019:

Customer Service portfolio

- Liquor & Gaming NSW
- Office of Responsible Gambling
- NSW Registry of Births, Deaths & Marriages
- Behavioural Insights Unit
- Data Analytics Centre
- Digital, Content and Sponsorships Branch
- Office of the Customer Service Commissioner
- Government Communications Branch
- Independent Liquor and Gaming Authority
- Independent Pricing and Regulatory Tribunal
- Information and Privacy Commission.

Better Regulation and Innovation portfolio

- Office of Racing
- Greyhound Welfare and Integrity Commission.

The following entities and business units were transferred to other clusters from 1 July 2019:

- Heritage Stoneworks
- Luna Park Reserve Trust
- Manly Hydraulics Laboratory
- NSW Procurement
- New South Wales Procurement Board
- Office of the Valuer General
- Place Management NSW
- Property NSW
- Public Works Advisory
- Teacher Housing Authority of New South Wales
- Waste Assets Management Corporation.

Additionally, on 1 August 2019, David Chandler OAM was appointed as the NSW Building Commissioner. The NSW Building Commissioner is responsible for providing strategic oversight of building regulation and regulatory changes and acting as an advocate for building industry policy reform. He is supported by the Office of the Building Commissioner, a business unit with the Department.

DCS related entities

The following related entities, which were

Who we are

established pursuant to legislation, existed outside the principal office's administrative body but formed part of the cluster.

Customer Service portfolio:

- New South Wales Government Telecommunications Authority
- Service NSW
- State Insurance Regulatory Authority
- Geographical Names Board of New South Wales
- Board of Surveying and Spatial Information
- Independent Liquor and Gaming Authority
- Independent Pricing and Regulatory Tribunal
- Information and Privacy Commission
- Workers Compensation Commission
- Workers Compensation Independent Review Officer.

Better Regulation and Innovation portfolio:

- Building Professionals Board
- Greyhound Welfare and Integrity Commission
- Long Service Corporation
- NSW Architects Registration Board
- Professional Standards Council
- Rental Bond Board.

Changes after the reporting period

The Building Professionals Board was dissolved with the repeal of the *Building Professionals Act 2005*, with effect from 1 July 2020.

The Emergency Services Levy Insurance Monitor ceased functioning with the repeal of the *Emergency Services Levy Insurance Monitor Act 2016* on 1 July 2020.

The Personal Injury Commission will be established and will formally commence operations on 1 March 2021. It will be established pursuant to the *Personal Injury Commission Act 2020*, which was assented to on 1 August 2020. The new Commission will have both workers compensation and motor accident jurisdiction. It will replace the current Workers Compensation Commission and also carry out the dispute resolution functions currently carried out by SIRA's Motor Accident Claims Assessment and Resolution Service, Motor Accident Medical Assessment Service and Dispute Resolution Service.

On 6 July 2020, Revenue NSW was subject to a functional and reporting line change, becoming a stand alone Division with the responsible Deputy Secretary reporting directly to the Secretary.

What we do

Better Regulation Division

Better Regulation Division protects the NSW community through innovative regulatory services to ensure fair, secure and efficient markets.

NSW Fair Trading

NSW Fair Trading is the state's consumer protection agency. It safeguards the rights of all consumers, advises business and traders on fair and ethical practice and delivers a wide range of regulatory services to protect the community and businesses throughout NSW.

Fair Trading regulatory activities include complaint handling, licensing, compliance, inspections and investigations with the aim that businesses comply with fair trading requirements, that the products sold in NSW are safe and that consumers are protected from harm.

SafeWork NSW

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

SafeWork focuses on preventing harm and improving the health and safety landscape in NSW workplaces through the provision of advice, information and education on work health and safety; and providing licensing, registration and testing for potentially dangerous work and plant items. It also conducts inspections and investigations following alleged contraventions of work health and safety requirements, and, if appropriate, takes regulatory action.

Liquor & Gaming NSW

Liquor & Gaming NSW regulates the liquor, gaming, wagering, casino and registered clubs sectors in NSW and provides policy advice to government in these areas.

Liquor & Gaming NSW also provides secretariat support to the Independent Liquor & Gaming Authority, the statutory decision-maker responsible for a range of casino, liquor, registered club and gaming machine regulatory functions.

Office of Responsible Gambling

The Office of Responsible Gambling leads the development of responsible gambling strategies and public policy advice to the NSW Government, and manages programs and initiatives to prevent and reduce gambling harm in the community.

The Office is funded through the Responsible Gambling Fund, which is overseen by Trustees who provide independent advice to the Minister.

Office of Racing

The Office of Racing provides policy advice and manages legislation to support the effective oversight and economic viability of racing in NSW. It also manages relations with the organisations responsible for the three racing codes.

Subsidence Advisory NSW

Subsidence Advisory NSW supports NSW communities living in areas where there is the possibility of mine subsidence. It manages compensation claims for damage arising from subsidence from historical or current underground coal mining. Subsidence Advisory NSW also regulates development in Mine Subsidence Districts to help reduce potential damage from subsidence.

What we do

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

Office of the Registrar General

The Office of the Registrar General is an independent regulator overseeing the performance of the land title registry operator (NSW Land Registry Services) and Electronic Lodgement Network Operators. It also provides legal and policy advice on land title policy, is an independent arbitrator of disputed title boundaries and administers the Torrens Assurance Fund (TAF). The TAF is a statutory compensation scheme designed to compensate people who, through no fault of their own, suffer loss or damage as a result of the operation of the *Real Property Act 1900*.

Long Service Corporation

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

Professional Standards Authority

The Professional Standards Authority is the national regulatory agency hosted by NSW Government supporting the Professional Standards Councils in regulating occupational associations to facilitate and promote consumer protection across Australia.

The Authority does this by working with occupational associations in the regulation of their members to continuously improve professional standards under approved professional standards schemes.

Emergency Services Levy Insurance Monitor

The Insurance Monitor was an independent statutory officer who worked to detect and prevent prohibited conduct associated with the emergency services levy reform, in line with the *Emergency Services Levy Insurance Monitor Act 2016*.

As at 30 June 2020 the Emergency Services Levy Insurance Monitor ceased functioning.

Corporate Services

Corporate Services supports DCS in achieving its goals by providing strategic and operational policy, advisory, transaction and assurance services to support and enable the work of the Department. Delivering centre-led customer and client focused support services, Corporate Services binds together the divisions and business units of DCS and is comprised of 6 major business functions for the cluster:

- Legal Services
- Finance
- Procurement
- Workplace Services & Property
- Governance Risk & Performance
- Information Communications and Technology.

Corporate Services also oversees the delivery of shared services by GovConnect to DCS and other GovConnect client agencies.

What we do

Customer, Delivery and Transformation

Customer, Delivery and Transformation (CDT) leads transformation in customer-focused service delivery across government and the Department with the expertise of the Customer Experience Unit (formerly the Customer Service Commission), the Behavioural Insights Unit, the NSW Data Analytics Centre, and data.nsw. It provides best practice insights and analytics support to transform customer outcomes across the cluster and the sector.

As custodian of the NSW Government brand, advertising, communications and digital areas, CDT's aim is to ensure better customer engagement on key customer priorities. The Department's Delivery Unit is also part of the CDT group, overseeing delivery of departmental and Premier's Priorities.

In 2019/20, CDT was home to two customer facing units:

Births Deaths & Marriages

The role of Births Deaths & Marriages (BDM) is to register NSW life events accurately and securely for all time, ensuring their integrity and confidentiality. This includes the registration of births, deaths, marriages, relationships and official changes of name and sex.

BDM meet the varied and valid needs of its customers by providing a range of certificates, products and information services that help establish a range of legal entitlements.

Revenue NSW

Revenue NSW is NSW's principal revenue collection authority and collected \$27.9 billion during 2019/20, providing over one-third of the State budget to fund and deliver essential core services for NSW citizens.

Revenue NSW provides grants, manages unclaimed money, and offers socially responsible ways for vulnerable customers to satisfy their debts. Revenue NSW's objectives are to collect revenue due to the State efficiently and provide the best possible experience for customers and staff.

Digital.NSW

Led by the Government Chief Information and Digital Officer (GCIDO), Digital.NSW is the home of technology, responsible for driving digital transformation and developing digital capacity within the NSW Government through collaboration across clusters. Digital.NSW accelerates digital transformation to quickly deliver service improvements for all customers.

Digital.NSW provides strategic governance, advisory, assurance functions and digital platforms to support NSW Government clusters and the citizens of NSW. This includes Government Data Centres (GovDC), Government Radio Network (GRN) services, ICT and Digital Sourcing and Cyber Security. Digital.NSW is the key provider of spatial information services, surveying and mapping information and land and property services to the people, businesses and Government of NSW, and interjurisdictional agencies.

Office of the Building Commissioner

The Office of the Building Commissioner (OBC) was established to implement the NSW Government reform program, 'Construct NSW'. The program will help transform the building and construction industry, and the regulator, into a modernised sector that is more capable, accountable, quality-focused and innovative and which places the customer at the heart. The ultimate goal is to produce trustworthy buildings and restore public confidence in the NSW construction industry, particularly for multi-storey residential apartments.

The Construct NSW strategy is centred around six intertwined pillars of reform:

- customer-focused regulatory framework
- risk profiles and rating systems
- lifting skills and capability
- strengthening contracts and standards
- using digital platforms to drive accountability
- data and research.

What we do

The strategy and each of the pillars is supported by a working group who share ownership of its delivery. Each working group is made up of a broad representation of industry stakeholders (including consumers, builders, insurers, manufacturers and designers) with knowledge, experience, customer-centricity and a genuine interest in the subject area. There is also representation from students to ensure that the strategy considers the perspectives of young constructors who will inherit the sector in the future.

The OBC is working closely with the building regulator within the Better Regulation Division, to alter its regulatory approach to the administration of requirements created by legislative reforms and is becoming more proactive in how it applies its resources to building and construction. The introduction of the *Design and Building Practitioners Act 2020* and the *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020* will support the transformation of the regulator and the building and construction industry.

People and Culture

People and Culture provides a range of people-related advice and services to support our people to deliver on the Department of Customer Service's strategic objectives, and to deliver efficient and customer-focused services. Services and advice provided by People and Culture relates to HR policies, safety and wellbeing, pay and conditions, recruitment, diversity and inclusion, conduct and behaviour, learning and development, and workforce strategy.

Service NSW

Service NSW offers one-stop-shop access to NSW Government services for individuals and businesses via an omni-channel network made up of Service NSW centres, mobile service centres, contact centres, a website and the MyService NSW app. It also provides a business concierge service for metro and regional areas and a dedicated business digital platform. Service NSW prides itself on delivering world-class customer service. It has a wide reach, covering 99% of NSW (sourced by Local Government Area) and a customer satisfaction score of over 98%.

State Insurance Regulatory Authority

The State Insurance Regulatory Authority (SIRA) is an independent agency within the DCS Cluster. SIRA regulates three statutory insurance schemes in NSW - workers compensation, compulsory third party (CTP) and home building compensation. In establishing SIRA, the Government's intention was to "create a consistent and robust framework to monitor and enforce insurance and compensation legislation in NSW, and to ensure that public outcomes are achieved in relation to injured people, policy affordability and scheme sustainability" (from the second reading speech of the *State Insurance and Care Governance Act 2015*). SIRA's role is to ensure that the schemes it regulates are fair, effective and affordable for policy holders, and for people that make a claim for compensation today, or in the future.

Office of the Secretary

The Office of the Secretary provides ministerial and executive support services, including strategic policy advice for the cluster. In 2019/20, the Office of the Secretary was comprised of the following business units:

- Cabinet and Policy
- Ministerial Services
- Strategy and Policy.

Principal officers

Emma Hogan

Secretary, Department of Customer Service

(October 2019 – current)

Emma Hogan became the Secretary of the Department of Customer Service on 18 October 2019, after serving as the NSW Public Service Commissioner from May 2018. Prior to joining the NSW Public Service, Emma had an accomplished extensive c-suite career in the private sector, working with iconic Australian brands across hospitality, retail, aviation, media and entertainment.

Emma's career spans executive leadership roles in customer, digital, people, communications and transformation. Emma has worked in environments that have included start-up, growth, acquisition, disruption, maturation and divestment and has led teams both in Australia and overseas. Emma holds post-graduate qualifications in HR & Business Management and is a graduate of the Stanford University Executive Program. Emma is on the Board of the NSW Telco Authority and is also a member of Chief Executive Women.

Dawn Routledge

Executive Director, Office of the Secretary

Dawn Routledge is the Executive Director of the Office of the Secretary. Dawn is the policy lead for the Department's customer, ICT and digital reform agenda, and leads the provision of ministerial and executive support services. Dawn holds Masters degrees in Arts and Law from University College London and the University of Northumbria. She is a graduate of the Australian Institute of Company Directors and a professional member of the Institute of Public Administration Australia.

Belinda Lawn

Chief People Officer

Belinda joined the former Department of Finance, Services and Innovation, now Department of Customer Service, on 5 February 2018 in the position of Chief People Officer. Belinda is a graduate of the Australian Institute of Company Directors and holds a Master of Economics and Bachelor of Economics (Hons) with a Diploma of Education from Macquarie University.

Damon Rees

Chief Executive Officer, Service NSW

Damon Rees was appointed Chief Executive Officer of Service NSW in November 2017. Damon holds an Executive Master of Business Administration from the University of Sydney.

Damon's current focus is on ensuring that Service NSW provides easy access to a broad range of services for individuals and businesses, and that it is a global leader in customer service excellence.

Previously, as the NSW Government's first Chief Information and Digital Officer, Damon advocated for digital adoption across the NSW public sector, defined the long-term vision for ICT and digital technologies, implemented the NSW Open Data Policy and improved integration across government agencies.

Stephen Brady

Chief Operating Officer

(March 2020 – current)

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

(June 2019 – March 2020)

Stephen Brady was appointed as the Chief Operating Officer for the Department of Customer Service on 9 March 2020.

Prior to this, Stephen spent almost five years as the Deputy Secretary, Revenue NSW; Chief Commissioner of State Revenue; and Commissioner of Fines Administration. Stephen has also held Deputy Secretary roles in both the NSW Department of Premier and Cabinet and NSW Treasury.

In addition to 17 years' experience in NSW Government, he has 15 years' experience in investment banking and corporate management. Stephen holds honours degrees in Commerce and Law from the University of Queensland.

Principal officers

Rose Webb

Deputy Secretary, Better Regulation, Commissioner for NSW Fair Trading

Rose Webb was appointed as Deputy Secretary, Better Regulation, and Commissioner for NSW Fair Trading on 6 November 2017. Before joining the Better Regulation Division, Rose worked as the Chief Executive Officer of the Hong Kong Competition Commission. Prior to this, Rose served in leadership roles at the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission. Rose holds a double degree in Economics and Law from the Australian National University and a Master of Law from the University of Sydney.

Carmel Donnelly

Chief Executive, State Insurance Regulatory Authority

Carmel Donnelly has been the Chief Executive of SIRA since March 2017. Carmel has extensive experience as a senior executive in NSW Government including as an Executive Director in SIRA, General Manager of the Motor Accidents Authority of NSW and Director of Strategy and Planning with Fire and Rescue NSW. She has also been a Review Director in the NSW Department of Premier and Cabinet and an Associate Director in NSW Health.

Carmel holds an Executive Master of Business Administration from the Australian Graduate School of Management, a Master of Public Health from the Faculty of Medicine at Sydney University, and a Bachelor of Arts (Honours Psychology) from Sydney University. She is a Graduate Member of the Australian Institute of Company Directors and an Associate Fellow of the Australasian College of Health Service Management.

Greg Wells

Government Chief Information and Digital Officer

As Government Chief Information and Digital Officer, Greg advocates for technology that enables the NSW Government's objectives and fosters sector-wide collaboration on a digital agenda aimed at transforming the state into a global technology leader. He is responsible for building digital capacity and integration across the public sector, and over the last 12 months, implementing the 'Beyond Digital' strategy and adoption of the Digital Restart Fund.

Greg's extensive career in government technology has included leading the delivery of a multi-agency platform to help protect children at risk with the NSW Department of Family and Community Services, and running NSW Health's ICT strategy, policy governance and operations as the Chief Information Officer, where he was recognised with the Australian Healthcare CIO of the Year award in 2014.

Greg holds a Bachelor of Electrical Engineering (Hons) from the University of NSW.

Scott Johnston

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

(April 2020 – current)

Scott Johnston was appointed as the Deputy Secretary of Revenue NSW, Chief Commissioner of State Revenue and Commissioner of Fines Administration on 28 April 2020. Prior to joining Revenue NSW, Scott was Acting Commissioner at the NSW Public Service Commission. Scott is a highly experienced senior leader with a career spanning the Australian and United Kingdom public sectors. Scott is passionate about shaping future workforce strategy through evidence-based decision making, driving innovation, inclusion and building digital capability.

Scott holds an Executive Masters of Public Administration from ANZSOG and the University of Sydney, a Graduate Diploma of Statistics from Victoria University and a Bachelor of Commerce from the University of Newcastle.

Principal officers

William Murphy

Deputy Secretary, Customer, Delivery and Transformation

William Murphy was appointed Deputy Secretary of Customer, Delivery and Transformation in June 2019. Prior to joining DCS, William led the Premier's Implementation Unit at the Department of Premier and Cabinet, where his focus was to improve outcomes for customers through the delivery of the 12 Premier's Priorities, including improving customer satisfaction with government services, reducing domestic violence reoffending, improving education outcomes, reducing litter, and delivering better outcomes for children at risk of significant harm. William has previously held several senior roles in government focusing on transformation to digital government, better use of public sector data, and driving better outcomes for customers.

William is a graduate of the Executive Fellows and Executive Masters of Public Administration programs from the Australian New Zealand School of Government, University of Sydney, and holds a Masters of Management (Industry Strategy) from the Australian National University, and a Bachelor of Commerce (Economics and Finance) from Curtin University, Western Australia.

David Chandler OAM

Building Commissioner

(August 2019 – current)

David Chandler OAM has over 50 years' experience in the building and construction industry. He has delivered several major infrastructure and urban renewal projects including the new Parliament House in Canberra, and performed a leading role in inquiries into the performance of the building industry, including the Building Education Revolution Taskforce review. As Adjunct Professor at Western Sydney University (2017 to 2019), David helped shape the next generation of construction professionals. He also helped establish the Centre for Smart Modern to invest in new academic and research capabilities for the construction sector. David was awarded an Order of Australia Medal in 1989 for his services to the construction industry. David holds a Bachelor of Building from the University of NSW.

Glenn King

Secretary, Department of Customer Service

(July 2019 – October 2019)

Glenn King has an extensive background in customer service, distribution, operations, digital, employee development and organisational change. He was previously a Deputy Secretary within Premier and Cabinet, where he led the Premier's Priorities. As the NSW Customer Service Commissioner, he led initiatives such as Active Kids, Return and Earn, and Cost of Living. Prior to the NSW Public Service, he held numerous executive roles in banking both domestically and internationally and in the not-for-profit sector.

Jeannine Biviano

Deputy Secretary, Government and Corporate Services

(July 2019 – February 2020)

Jeannine Biviano joined the former Department of Finance, Services & Innovation as Deputy Secretary Government & Corporate Services on 3 April 2017 and continued in this role within the Department of Customer Service, until her departure on 28 February 2020.

Jeannine is a Fellow of the Institute of Chartered Accountants, a graduate of the Australian Institute of Company Directors and holds a Master of Economics from Macquarie University and Bachelor of Business from the University of Technology Sydney.

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Highlights and achievements



Better Regulation Division

Fair Trading NSW

The *NSW Fair Trading Roadmap 2019-2022* guides the strategic priorities and activities of Fair Trading and Fair Trading's interaction with consumers, businesses, tradespeople, industry, associations and community leaders. In 2019/20 Fair Trading delivered the following key initiatives:

- managed the high profile major structural defect buildings at Opal Tower, Sydney Olympic Park and Mascot Towers, Mascot. In June 2019, the NSW Government announced a temporary accommodation assistance package to assist Mascot Tower residents whose homes were temporarily unsafe to occupy. Over \$3.8 million has been paid out to 80 claimants in rental assistance under an accommodation assistance package for affected residents. Support was also provided for an independent engineering peer review.
- launched the new Auditors Report Online tool as part of improvements in real estate regulation. It allows audits of trust accounts managed by real estate agents and conveyancers to be lodged with Fair Trading online, rather than paper-based audits having to be submitted.
- introduced a new information standard for funeral goods and services. Under the new standard all funeral directors are required to display the itemised price of goods and services they offer relating to burial and cremations. This information must be displayed at each place of business and on any public website maintained by the funeral director.

SafeWork NSW

The *Work Health and Safety Roadmap for NSW 2022* (the WHS Roadmap) outlines a strategic approach to reducing workplace harm by focusing on priority high risk sectors, workplaces and workers. In 2019/20 SafeWork NSW delivered the following key initiatives aligned to the WHS Roadmap:

- made it easier to report dangerous work practices and risks to workers' safety via a digital product called the 'Speak Up app'. This free app includes a GPS locator and allows workers or others in the community to submit a request for service and upload three photos that show unsafe work practices or situations.
- implemented a plan to reduce cases of the deadly lung disease silicosis, caused by inhaling dust when dry-cutting manufactured stone. Under the plan, NSW workers are better protected by the introduction of on the spot fines for those who engage in unsafe dry-cutting practices and the creation of a Silicosis Health Register.
- implemented 'Operation Scaff Safe', a targeted compliance campaign, to address unacceptable levels of non-compliant scaffolds. During the campaign SafeWork inspectors visited 727 construction sites and issued 855 notices, including 33 falls-related on-the-spot fines totalling \$113,040.
- continued to implement the 'Quad Bike Safety Improvement Program' which aims to decrease the unacceptable quad bike-related fatalities and serious injuries in NSW. The program provides eligible farmers with up to \$2,000 towards the purchase of safer vehicles or safety solutions on-farm. The program also delivers free quad bike and side by side vehicle training to farmers and their workers. In 2019/20, over \$780,000 was provided in rebates and farmers have invested \$7.6 million in safety solutions. Around 160 participants have completed the quad bike training course, and 36 participants have completed the side by side vehicle training module.
- delivered the PErforM (Participative Ergonomics for Manual Tasks) training online in English and Mandarin. This training provides an opportunity to learn how to manage hazardous manual tasks.
- launched the 'Health Care and Social Assistance Work Health and Safety Sector Plan'. The aim of the plan is to eliminate and reduce exposures to hazards that can arise from physical, psychosocial and organisational risk factors.

Better Regulation Division

- continued delivery of the 'Mentally Healthy Workplaces in NSW Strategy 2022' which aims to support more than 90,000 NSW businesses taking effective action to create mentally healthy workplaces by 2022.
- launched the Health Care and Social Assistance Work Health and Safety Sector Plan. The aim of the plan is to eliminate and reduce exposures to hazards that can arise from physical, psychosocial and organisational risk factors.
- continued delivery of the Mentally Healthy Workplaces in NSW Strategy 2022 which aims to support more than 90,000 NSW businesses taking effective action to create mentally healthy workplaces by 2022.

Centre for Work Health and Safety

The aim of the Centre for Work Health and Safety is to leverage cutting edge research and data to create awareness, suggest smarter approaches and bring about behaviour change in work health and safety in NSW. In 2019/20, the Centre delivered the following key initiatives aligned to the Centre's strategic plan:

- developed predictive modelling to forecast future outcomes based on patterns and trends identified from past events. Using this innovative technique, SafeWork NSW has developed a risk ratings system to identify businesses that are likely to have an incident in the near future. The accuracy of the predictive model was tested against 2018 data and showed an overall accuracy of 80% in identifying high-risk businesses. This new data-based intelligence will enable SafeWork to direct resources toward high risk workplaces to take the necessary action to secure workers' health and safety.
- released a crowdsourcing campaign seeking creative research proposals to aid the prevention of workplace harm in the future world of work. The campaign awarded 4 research partnerships to identify and reduce the psychological barriers to accepting advice from advanced technology 'thinking' machines.
- developed a framework for the ethical deployment of Artificial Intelligence in the workplace.
- identified psychosocial risks of flexible, remote and telecommuting work arrangements.
- investigated the fourth dimension of mental health, spirituality, in addition to psychological, biological and social factors for frontline emergency workers.

Liquor & Gaming NSW

Liquor & Gaming NSW takes an intelligence-led and risk-based approach to setting regulatory priorities. These regulatory priorities are operationally focused help target compliance and enforcement activities. In 2019/20, Liquor & Gaming NSW delivered the following key initiative:

- released a discussion paper on same day liquor delivery services to address risks around the responsible service of alcohol, service of liquor to minors and intoxicated persons. A legislative response has been developed and released for public and industry consultation.
- supported the NSW night-time economy by undertaking a review of onerous and outdated licence conditions including restrictions on live music, resulting in 33 venues having their live entertainment conditions removed and activated the Sydney@Night Grants program. Fourteen projects supported new opportunities for people to enjoy vibrant nightlife in key centres including the Sydney CBD, Parramatta, Liverpool and Newtown with a commitment of \$779,420.
- implemented a Liquor Licence Manager customer dashboard pilot involving 1,500 licences and over 50% of licences where fees were payable in 2019/20, increased the uptake of digital forms to 82%, released enhancements to existing online forms, digitised the Responsible Service of Alcohol bridging course and enhanced the existing Responsible Service of Alcohol refresher course.
- held the first Music Festival Roundtable. Established by the Minister under the *Music Festivals Act 2019*, the Roundtable's purpose is to support the growth of the music festival industry, to support the safety of patrons of music festivals, and to provide advice to government and industry about best practice in relation to the safe operation of music festivals.

Better Regulation Division

Office of Racing

The Office of Racing introduced the *Racing Legislation Amendment Act 2019*, including a number of important measures to strengthen the integrity of the NSW racing industry such as:

- giving Racing NSW and Harness Racing NSW stronger powers to investigate integrity breaches through compelling people to cooperate with inquiries by answering questions and handing over information and empowering the NSW Police Commissioner to exclude persons from entering any NSW racecourses.
- providing greater flexibility to the Racing Appeals Tribunal to distribute cases and modernise its processes.

Office of Responsible Gambling

In 2019/20, the Office of Responsible Gambling delivered the following key initiatives, in support of the Responsible Gambling Fund's key priorities of research, partnerships, education & awareness, support services and technology:

- published several commissioned research reports including *Responsible Conduct of Gambling*, *Shutdown periods for electronic gaming machines* and the *2019 NSW Gambling Survey* to support the development of policy and programs.
- developed and awarded two post-doctoral fellowships and three PhD scholarships to build capacity and capability for academic gambling research by supporting early career researchers.
- collaborated with a range of industry and community service partners to deliver Responsible Gambling Awareness Week 2019, co-designed the new gambling support and service delivery model with a broad range of stakeholders and piloted new training for community workers and GPs to support problem-gambling screening and referral.
- repeated the successful Betiquette campaign aimed at empowering young men to remain in control when betting on sports and racing, and commenced development of a campaign aimed at reducing stigma associated with help seeking for CALD communities.

- awarded \$1.5 million in local partnership and prevention grants to fourteen projects that will support diverse communities across Sydney and regional NSW make informed decisions about gambling, break down stigma and encourage people to seek advice and support.
- designed and implemented the youth education program Odds on Youth in Inner West Sydney and Fairfield aimed at training youth workers to target vulnerable young people who are more susceptible to gambling harm.
- commenced implementation of a major reform to the gambling support and service delivery model to offer stepped care options, enable the digital delivery of services, enhance the client experience and support more people in NSW experiencing gambling harm.
- continued to manage the current Gambling Help services to provide counselling support for over 15,800 people experiencing gambling harm, face to face, via telephone and online.
- completed an Australian and international scan of gambling harm minimisation technology to inform future investment by the Responsible Gambling Fund.

Better Regulation Division

Subsidence Advisory NSW

Subsidence Advisory NSW supports communities living in areas of New South Wales where there is the possibility of mine subsidence by helping keep communities safe, managing compensation claims for subsidence damage to improvements and regulating development in mine subsidence districts to help reduce potential damage. In 2019/20, Subsidence Advisory NSW delivered the following key initiatives:

- released a new digital spatial layer on the NSW Planning Portal showing areas where underground coal mining has occurred in NSW. Published in December 2019, the spatial layer provides an easy to use tool for communities to find out areas where coal has been extracted and where there may be potential for mine subsidence to occur. All underground coal mining records across the State were mapped to create the layer, including historical records dating back to the 1800s.
- certificates under the *Mine Subsidence Compensation Act 1961* (repealed) were discontinued in September 2019 marking the final phase of the reforms to the mine subsidence compensation system. This strengthens Subsidence Advisory NSW's regulatory functions and builds on other legislative improvements introduced over the last two years. The changes followed a wholesale legislative review in 2016 which found the process for checking building compliance prior to issuing a certificate for properties in subsidence risk areas was inadequate and created a risk of incorrectly certifying a non-compliant structure. Previous improvements included measures to make mine operators more accountable for the cost of damage they cause and improvements to the compensation claim process for property owners.
- introduced new digital alternatives and delivered an extensive stakeholder engagement strategy to achieve a seamless transition from the 90-year-old certification system which had become embedded in the NSW conveyancing process.

Office of the Registrar General

The Office of the Registrar General manages the concession to ensure integrity, security, performance and availability of the NSW land titles system through a range of oversights, rules and directions, quality assurance and strong engagement with stakeholders. In 2019/20, the Office of the Registrar General delivered the following key initiatives:

- significant off-the-plan reforms - the *Conveyancing (Sale of Land) Amendment Regulation 2019* commenced on 1 December 2019, together with amendments to the *Conveyancing Act 1919*, to transform consumer protections under off-the-plan contracts. The legislation creates a more transparent contractual process, setting minimum standards of disclosure and providing statutory remedies where the final property differs from what was promised.
- Strategic Scanning Project – the Office of the Registrar General established a project to digitise important land titling records to make them more easily available to customers. The records have significant historical value and date back to the first land grants in NSW (and Australia) in the late 1780s. Spatial Services managed the project which was funded by NSW Land Registry Services (NSW LRS) under the LPI Concession Deed. This is part of a broader objective to promote innovation and technology improvements for the land titles registry. Customers can now access at no cost an additional 3 million images online using the Historical Land Records Viewer available via the NSW LRS website.

Long Service Corporation

The Long Service Corporation administers portable long service schemes for the building and construction and contract cleaning industries in NSW. In 2019/20, the Long Service Corporation delivered the following key initiatives:

- implemented digital enhancements to improve customer experience and operational efficiency, for example by enabling workers to view their full service history at any time using the Long Service Corporation worker portal and enhancing cyber security of customer information. The Long Service Corporation is also building an online claim service for workers.

Better Regulation Division

- amended the Long Service Corporation Scheme Funds investment strategy to reduce the risk profile of the Strategic Asset Allocation and align the forecast market expectations with the Long Service Corporation investment horizon which has contributed to a better than expected return during the unprecedented economic conditions late in the financial year.

Supporting the State's response to COVID-19 and natural disasters

The Better Regulation Division managed a number of key initiatives as part of the response to COVID-19:

- NSW Fair Trading managed the NSW Government's measures to assist landlords and tenants who were financially disadvantaged by the COVID-19 pandemic. The support package included a six-month moratorium on landlords making applications for forced evictions due to rental arrears for tenants financially disadvantaged by COVID-19. Landlords and tenants were encouraged to negotiate alternate rent arrangements in good faith, or apply to Fair Trading for assistance in negotiating a resolution if parties could not reach an agreement.
- SafeWork NSW has a dedicated page on its website, and information on the nsw.gov.au portal, providing guidance to businesses and workers on their obligations in relation to COVID-19 controls in the workplace.
- SafeWork NSW is working to support small businesses that are beginning to come back to work with the aim of simplifying advice to reduce confusion around what is needed to manage the risks of COVID-19.
- SafeWork NSW has provided workplace specific advice to industry proportional to the level of risk/exposure within the community in the event that the situation escalates in NSW. This may include guidance on the need to avoid travel to high risk areas, social distancing and/or the use of personal protective equipment (PPE) in the workplace.
- On 14 May 2020, the *COVID-19 Legislation Amendment (Emergency Measures – Miscellaneous) Act 2020* commenced. This legislation was part of the NSW Government's effort to address COVID-19 in the community and included increased emergency measures that support retirement villages during the COVID-19 pandemic. These measures included exemptions to the *Retirement Villages Act 1999* (RV Act) exempting retirement villages, operators, residents, or the Secretary of DCS from certain requirements of the RV Act during the COVID-19 pandemic. This ensured that these persons could put measures in place, in accordance with the Public Health Orders, without being in breach of the RV Act.
- Liquor & Gaming NSW implemented several initiatives to help protect the NSW community. In June 2020, 27 Liquor & Gaming NSW inspectors were appointed as authorised officers under the *Public Health Act 2010*. These appointments allow inspectors to exercise certain powers such as enforcing Public Health Orders related to COVID-19. Inspectors from Liquor & Gaming NSW have taken a lead role in providing education and advice to pubs and clubs across NSW. A number of inspections were conducted in June 2020 with 919 venues visited.
- In April 2020, the Office of the Registrar General updated the Conveyancing Rules to temporarily allow paper land dealings, plans and instruments to be signed electronically during COVID-19 restrictions. The new requirements also allow witnessing obligations to be satisfied electronically using an audio-visual link under the *Electronic Transactions Amendment (COVID-19 Witnessing of Documents) Regulation 2020*. The Office of the Registrar General worked closely with the Department of Communities and Justice to develop this Regulation, which commenced on 22 April 2020.
- The Long Service Corporation provided financial relief to NSW citizens affected by the 2019/20 bushfires and the COVID-19 crisis by introducing a bushfire levy exemption (81 requests for the Long Service Corporation levy exemption in the financial year resulted in \$88,443 in savings); and reducing the time taken to assess and pay long service claims from 6 weeks to 2 weeks.

Corporate Services

2019 Machinery of Government organisational change

Supporting the creation of DCS, Corporate Services led the 2019/20 change implementation program for the cluster following the 2019 Machinery of Government changes. The program transferred 14 entities and business units to the new Customer Service cluster (including the Department of Finance, Services & Innovation) and 11 to other clusters. It also delivered the business consolidation program to support and enable DCS to best deliver its customer, digital and service agenda. This significant organisational change program leveraged the expertise of all DCS Corporate Services functions.

With the objectives of integration, alignment, and system harmonisation, milestone activities included:

- the consolidation of cluster corporate service functions
- on-boarding of entities and agencies to the Cluster Human Resources and Finance SAP Solution
- aligning corporate policies and procedures to DCS
- creating and migrating to the @customerservice domain name
- establishing network trust and connectivity between multiple agencies
- on-boarding of entities and agencies to the DCS Office 365 tenant.

Relocation to 4 Parramatta Square

Led by Corporate Services Workplace & Property, DCS transitioned 1,850 Better Regulation and Revenue NSW staff from multiple sites across Parramatta, Baulkham Hills and Sydney Central Business District into 4 Parramatta Square (4PSQ) between January and March 2020.

Occupying 8.25 floors of 4PSQ, a multi-tenancy Government Hub, the move enabled cost savings for the Department through the consolidation of multiple property leases and the transition of staff to activity-based workspaces with access to the latest office technology. These changes plus greater flexibility and collaboration across teams and the opportunity to build stronger working relationships with other co-located government departments will contribute to delivering improved services to the citizens of NSW.

Cluster Procurement savings

During 2019/20 DCS Procurement ran several procurement initiatives, including implementing a new office supply agreement across the cluster with an Aboriginal supplier, delivering significant savings from Fleet Services through consolidation and renegotiation of lease terms and increasing the percentage of hybrid/electric vehicles to 14%, tendering and awarding Employee Assistance Program services to a new supplier, tendering and awarding cluster wide document management services and delivered a consolidated master contract and supply model for Corporate Wardrobe and uniform requirements across the cluster, resulting in total savings of \$1,403,491 per annum from these initiatives alone.

DCS State Outcome Business Plan

Led by the Corporate Services Finance and Governance, Risk and Performance teams, DCS delivered its first State Outcome Business Plan (OBP) in March 2020. A 4 year Business Plan and a living document, the OBP is a detailed document setting out how DCS is working towards making NSW the world's most customer-centric government.

Underpinned by performance metrics, the work of the cluster is organised into high-level programs that captures DCS's collective responsibilities and total expenditure demonstrating how the cluster's programs of work, and investment and financial management disciplines contribute to delivering the State Outcomes for which DCS is responsible.

The DCS OBP will continue to be updated to reflect the Government's priorities for the Department, its delivery record against the State Outcomes, and organisational changes. It will continue to be informed by feedback from NSW Citizens, stakeholders and partners within and outside government.

Corporate Services

Supporting the legislative and regulatory reform agenda

DCS Legal continued to support the legislative and regulatory reform agenda of the Minister for Customer Service and the Minister for Better Regulation and Innovation including:

- reforms to enable Bushfire Relief and COVID-19 Relief measures and their implementation
- facilitating the commencement of the second phase of the Government's toll relief program
- commencement of the digital driver licence legislative reforms to enable the full state-wide rollout of the Digital Driver Licence in NSW from the end of October 2019.

DCS Legal also continued to support the DCS digital journey through:

- the development of a new Cloud Purchasing Agreement and strategy, resulting in the execution of whole of government agreements
- agile and fast track development of a new ICT/ Digital Sourcing Contracting Framework to replace Procure IT version 3.2 which is the mandated contracting framework for high risk and complex ICT procurements for NSW Government
- Government Licensing Services replacement by a new NSW Government licensing platform (Licence. NSW), streamlining processes and improving customer experience.

GovConnect Chief Technology Office (CTO)

The CTO had two major programs of work during the 2019/20 Financial Year resulting in the modernisation and remediation of major ICT infrastructure for DCS and more broadly GovConnect. These Programs of Work resulted in an 86% reduction in major outages, a 51% reduction in overall outages and a 93% reduction in average outage length.

In addition, the extensive amount of effort invested into the modernisation of our ICT infrastructure provided DCS with the capability to quickly address the challenges faced as a result of COVID-19 and to mobilise the DCS workforce to be able to work remotely and securely.

COVID-19 response

Led by Corporate Services and People & Culture, the DCS workplace response to COVID-19 ensured the swift transition to remote working for many cluster staff. A range of measures were implemented to support and guide our employees to navigate COVID-19, while continuing to deliver services to our customers. These measures included:

- a widely adopted move to remote working where possible, including equipping employees with the technology and hardware to enable them to work remotely and securely wherever possible including through Office 365 collaboration; increased Virtual Private Network (VPN) capacity; and multi-factor authentication (MFA). Ergonomic chairs and monitors were also provided to employees on request.
- increased cleaning of our worksites and additional hygiene measures including providing hand sanitiser. Updating risk assessments and signage in workplaces regarding safe staff numbers in workspaces, exit and entry changes, signage for customers, and the deployment of safety equipment where appropriate (such as screens).
- a dedicated COVID-19 intranet page for employees to access key information on hygiene, travel and illness prevention, flexible working and leave arrangements, IT support, and advice for frontline employees.

Customer, Delivery and Transformation

nsw.gov.au relaunched

The NSW Government website, nsw.gov.au, was relaunched focusing on a more customer-centric information architecture. More than 500 government websites will be consolidated into nsw.gov.au so that citizens can find information about NSW Government programs and initiatives in one place including COVID-19 information for NSW. The website had 488,000 users over 7 days in early June compared to 79,000 the same time last year, representing a 513% increase in people visiting nsw.gov.au.

Customer care on social media

New technology has enhanced customer care on social media and allows social media officers to better triage customer responses, monitor emerging issues of concern, tag enquiries so that customer resolution is more efficient, and provide more granular and useful reporting. The social media teams have monitored, reviewed or responded to more than 200,000 customer comments and enquiries.

Click & Collect

Births Deaths & Marriages introduced a new Click & Collect online service to make it easier for citizens to access a wider range of transactions more conveniently. Going live on 18 April 2020, over 1,313 certificates have been ordered online and collected as at 30 June 2020.

Behavioural Insights

The Behavioural Insights Unit (BIU) provided specialised behavioural insights expertise to all Government clusters, including working on 8 of the Premier's Priorities and providing training to over 1,500 NSW public servants. The resulting simple, cost-effective interventions have had significant impacts across a range of complex issues, such as reducing the gender gap in public sector leadership, encouraging flexible work, increasing the number of rural and remote teacher placements and reducing missed hospital appointments.

The BIU delivered research findings on 6 key projects this year. BIU partnered with the Public Service Commission and the Customer Service, Stronger Communities and Transport clusters to develop behaviour change solutions that could lead to an increase in the number of women in senior leadership roles in the public service. They tested the impact of changing the feedback provided to unsuccessful male and female job candidates and found that simply changing the wording of an email and phone call reduced the gender gap between men and women reapplying for senior roles from 45% to just 4%.

Delivery of the Customer Satisfaction Measurement Survey

The NSW Government's Customer Satisfaction Measurement Survey, delivered by the Customer Experience Unit (CEU), provides insight into customer satisfaction with NSW Government services at a whole-of-government level and reveals opportunities to drive service improvements. In 2019 customers' perception of NSW Government services increased, with the Customer Satisfaction Index increasing to 80.6 (from 78.9), the highest it has been since the survey commenced in 2015.

Customer, Delivery and Transformation

Government Made Easy

The CEU has driven strong progress towards the target of ensuring that by 2023, customers can access at least 60 services by only needing to “tell us once”. As at 30 June 2020 there were 17 such services, ranging from everyday digital transactions where customers can choose to securely save and reuse their personal details, to situations where customers with more complex needs can access the support they need without having to requalify or repeat their story.

Australian Death Notification Service

The Customer Experience Unit and BDM developed and launched the Australian Death Notification Service in May 2020. This is a cross-jurisdictional project delivered by NSW on behalf of the nation that will enable citizens to notify multiple institutions of a death through a single secure online environment. The service launched with the 4 major banks (ANZ, Westpac, NAB and Commonwealth Bank) with NSW Government agencies, telecommunications and utilities joining in the coming months. This service takes approximately 10 minutes to complete in an online, secure environment. With privacy front of mind and security by design, the service truly puts the customer at the centre by allowing them to conduct just one transaction which then links to multiple private sector and government organisations and eliminates the need to update them all separately and reduces the number of times a death certificate is required to be produced.

Revenue NSW

Strong Economy

Efficient administration of revenues

Revenue NSW provides services to over three million customers each year across various taxes, fines, fees, debts and grants products. In 2019/20 Revenue NSW collected revenue of \$27.9 billion and identified tax compliance revenue of \$456.8 million.

Amendments to the legislative portfolio provided improvements to both customer experience and efficient administration:

- The *Fines Amendment Act 2019* was passed by the Parliament in late 2019 and parts of it commenced on 1 July 2020. The Act contains various provisions to assist customers experiencing hardship to deal with their penalty notices.
- *State Revenue Legislation Further Amendment Act 2020*, which commenced on 24 June 2020, enhances the integrity of the landholder duty provisions and clarifies foreign person surcharge provisions for discretionary trusts.

Housing affordability

On 4 June 2020, the Australian Government announced HomeBuilder to provide eligible owner-occupiers (including first home buyers) with a grant of \$25,000 to build a new home, substantially renovate an existing home or buy an off the plan home or new home. Homebuilder is a National Partnership Agreement which has established a time-limited grant to support the residential construction sector respond to falling demand and to recover from the COVID-19 pandemic.

The Australian Government HomeBuilder Grant is subject to the provisions of the National Partnership Agreement between the New South Wales Government and Australian Government.

HomeBuilder complements Revenue NSW existing First Home Owners Grant (New Home) Scheme and First Home Buyers Assistance Scheme.

Customer, Delivery and Transformation

First homebuyers are being encouraged to return to the NSW housing market, and Revenue NSW supported this important NSW Government priority in 2019/20 by:

- granting 29,394 First Home Buyers Assistance Scheme concessions and exemptions for buying their first home or vacant land, totalling \$446 million
- paying 7,994 First Home Owners Grants to build a new home, totalling \$86.7 million
- identifying and assessing \$265.9 million in revenue from foreign persons resulting from surcharges for duties of \$166.3 million and land tax of \$99.5 million.

Central government debt agency

The passing of the *State Debt Recovery Act 2018* enabled state and local government authorities to partner with Revenue NSW to deliver community outcomes for all sectors of society and special provision for collections activity for vulnerable people.

Revenue NSW signed 10 authorities as clients consisting of Ambulance NSW, State Insurance Regulatory Authority, SafeWork, NSW Fair Trading including Professional Standards & Bonds, Burwood Council, Mosman Council, IPART, Point to Point Commission, Water NSW and Fire & Rescue NSW. Revenue NSW also signed Armidale Regional Council as the first local council for collection of overdue rates.

In working toward becoming the NSW Government central debt agency, Revenue NSW increased its debt recovery services to one further agency. Due to the COVID-19 pandemic, 7 of its new client agency partners deferred their commencement dates for debt collection with Revenue NSW.

Breaking the cycle of disadvantage

Fairer Fines and First Nations People work

The NSW Government committed to building a Fairer Fines System for the people of NSW in 2019/20 to ease the impact of the fines system on vulnerable First Nations People and young people.

Impacts include:

- increased debt stress
- difficulty gaining or maintaining employment because of licence suspensions
- social exclusion because of licence suspensions, particularly in remote areas
- secondary offending which occurs when people whose licence has been suspended due to non-payment of fines continue to drive
- young people accumulating debts which cause problems when they turn 18.

Revenue NSW worked with community groups and customers in Bourke, Brewarrina, Walgett and Coonamble to seek their views on the problems the fines system causes for vulnerable First Nations People and workshopped some possible solutions. The project is ongoing.

Further support for Fairer Fines has been realised through the *Fines Amendment Act 2019*, passed in late 2019. These amendments have provisions to help customers experiencing hardship to deal with their penalty notices by means other than payment in full. The Commissioner of Fines Administration may now reduce the penalty notice amount by 50% having regard to Ministerial Guidelines.

Customer, Delivery and Transformation

Better Customer Service

Government Made Easy - putting customers at the centre of everything we do

Revenue NSW focused on putting customers at the centre of all its efforts during the bushfire emergencies and COVID-19.

It implemented five stimulus measures:

1. introduced payroll tax stimulus measures to 51,917 registered payroll tax customers including:

- a 6 month deferral period for all payroll tax customers until October 2020. In May 2020 17,791 customers took advantage of the deferral option
- a 25% reduction of tax liability for customers with group wages of no more than \$10 million in 2019/20
- after lodgment of the annual reconciliation, providing an option to customers with an outstanding liability for the 2019/20 financial year or for the July, August and September return periods to pay in full or enter into an instalment plan.

2. Introduced land tax stimulus measures:

- relief of up to 25% of 2020 land tax payable for landowners who provide a rent reduction to:
 - a tenant who is experiencing financial distress resulting from the COVID-19 pandemic
 - business tenants with a turnover of less than \$50 million that experience a reduction in revenue of at least 30% as a result of the COVID-19 pandemic
- deferral of outstanding land tax payments by up to 3 months for landowners eligible for the reduction. Revenue NSW received 5,300 applications, 34% from residential properties and 66% for commercial properties.

3. deferred Gaming tax assessment periods normally paid between 1 March 2020 and 31 August 2020, to 1 September 2020 for Clubs and 1 October 2020 for Hotels. The total amount of outstanding Gaming tax deferred for Hotels and Clubs is \$486,075,276.

4. deferred Lotteries and Keno assessment periods normally paid between 1 April 2020 and 30 September 2020 to 1 October 2020. Total of \$149 million in NSW Lotteries duty and over \$1 million in Keno duty was deferred.

5. deferred parking space levy (PSL) payments from the end of March until 30 September 2020 to provide cash flow relief to businesses.

6. Electronic lodgment of duties

Revenue NSW fulfilled the NSW Government priority of establishing competition in the marketplace for property transfers by successfully implementing a second Electronic Lodgment Network Operator (ELNO), removing barriers to entry for new ELNO applicants. This was a contributing factor to increasing the duties digital payments to more than 92%, increasing from 6% in 4 years.

Customer, Delivery and Transformation

World class public service

The calibre of the world class public service at Revenue NSW was again reinforced with a number of awards:

- *Premiers Award in the Tackling Longstanding Social Challenges* with the Work and Development Order program.
- *Industry wide CX Award for Best Employee Experience* for the Collection Centre, in conjunction with the Service Excellence Team, for the Collection Centre Lifeline Training Program. In collaboration with Lifeline, a package was developed to train the Collection Centre staff who deal with a range of customers daily to be suicide aware.
- *Blue Prism* industry award for the 'Highest Project Return on Investment' was won by the Automation team for process automation.

Automation

Revenue's sector-leading automation team delivered many improvements to processes and is currently leading the development of automation capabilities for the Department of Customer Service. Revenue NSW realised process efficiencies which saved 78,000 hours of processing time, and which saw its automation bots process over 1 million transactions. Its automation programs have identified over \$110 million of additional potential revenue recovery through improved client matching.

Business Process Excellence (BPE) team progressed to Business Process Maturity

The BPE team deployed Signavio software, an all-in-one platform that enables users to model, analyse and optimise business processes, to all Revenue NSW staff and also established a tiered training program for business process management practice.

More than 100 Revenue NSW staff were trained and upskilled with business process mapping methodology and Signavio software and enabled product subject matter experts to proactively interact with their business process models.

Supporting the State's response to COVID-19 and natural disasters

Bushfire recovery support

CDT delivered a geo-targeted marketing campaign to drive awareness of the Bushfire Customer Care program for those impacted by the bushfires across NSW. Personalised bushfire recovery updates were emailed to customers who registered for Bushfire Customer Care with information on clean up and new support services available.

BDM offered free replacement certificates to the victims of the bushfires to assist in the bushfire recovery. At 30 June 2020, a total of 1,808 replacement certificates had been processed with 85% certificates originally issued by NSW and the remainder issued by other Registries in Australia and New Zealand. BDM NSW is coordinating the replacement of certificates across Australia and New Zealand.

The Brand Digital and Communications (BDC) team implemented various COVID-19 campaigns and communications to the state, including the fully integrated NSW Government COVID-19 campaign to encourage and support everyone in NSW to help save lives and protect themselves against COVID-19. This was supported by a range of other communications services including a COVID-Safe business campaign, regular electronic direct mail to 5 million NSW customers and 1.2 million NSW businesses with the latest advice, guidance and regulations to help stay safe during the COVID-19 pandemic.

The Data Analytics Centre (DAC) played a key support role by centralising data from Health, Education and Transport among others, to create a single portal, ensuring the most up-to-date information and insights are available to the State Emergency Operations Centre to support key decisions and supporting NSW Health.

Customer, Delivery and Transformation

Revenue NSW also proactively sought opportunities to support customers through the challenging times. To support customers during the pandemic, Revenue NSW adjusted its practices to:

- defer legal debt recovery actions
- provide increased flexibility in payment plan negotiations based on individual customer or company circumstances
- provide increased flexibility in payment plan negotiations
- pause the application of new licence, registration or business restriction sanctions via Transport for NSW for some individuals
- pause garnishee and property seizure orders.
- provide additional training and support to staff to assist them with customers impacted by COVID-19 and related requests for hardship assistance and re-prioritised staff as required to meet customer needs.

Several Acts containing emergency measures relating to COVID-19 were passed by Parliament to support Revenue's work:

- The *Treasury Legislation Amendment (COVID-19) Act 2020*, received assent on 25 March 2020. The Act amends the *Payroll Tax Act 2007* to:
 - provide that an employer is only required to pay 75% of the payroll tax on wages for the financial year commencing on 1 July 2019 if all Australian wages paid or payable are \$10,000,000 or less.
 - increase the threshold amount for payroll tax liability for the financial year commencing on 1 July 2020 and subsequent financial years to \$1,000,000. This brings forward the threshold increase which had been previously legislated to occur on 1 July 2021 by one year.

The *COVID-19 Legislation Amendment (Emergency Measures – Treasurer) Act 2020* which received assent on 13 May 2020 amends the *Payroll Tax Act 2007* to provide that certain wages paid to employees subsidised by the Commonwealth Jobkeeper scheme are exempt from payroll tax. This applies from 30 March 2020 until the date the Jobkeeper scheme ends.

Natural disasters proved to be difficult during 2019/20 with the bushfires prompting a state of emergency to be declared throughout many areas in NSW. During that time, Revenue NSW offered support through bushfire relief based on principles of a state-wide response from mid-December until mid-January to assist all NSW residents and provide a targeted response for bushfire affected areas. A range of options to assist individuals and businesses affected by the bushfires were offered, such as:

- providing more time to pay
- waiving or remitting interest
- providing additional time to lodge documents or returns
- placing a hold on enforcement action.

Revenue NSW continues to work closely with Service NSW to ensure a coordinated response to NSW residents about the services and support available.

Government technology platforms

OneGov

OneGov is an e-Government platform within the Digital.NSW division and supports the Government's commitment to provide simpler services to the people of NSW.

During 2019/20 the OneGov Government Licensing System (GLS) managed over 13 million licence, permit and registration records across 154 different licence and service types.

During the period OneGov enabled the following initiatives:

- developed and delivered the Park'nPay mobile app; enabling motorists to find, navigate and pay for parking from their smart device. This is currently available in The Rocks precinct, parts of Barangaroo and Darling Harbour, Liverpool City Council, Hunters Hill Council, Central Coast Council, Burwood Council and Mosman Council areas, plus Transport for NSW owned commuter car parks in Ashfield, Kogarah, Manly Vale and Seven Hills.
- maintained and supported 2 additional mobile apps NSW FuelCheck and CertAbility which recorded combined website visits of over 3.5 million during the reporting year. Notably, FuelCheck achieved 1 million downloads since launch in 2017.
- partnered with agencies across the sector to deliver digital transformation including regulatory and legislative changes in Liquor, Gaming and Racing, GWIC, NSW Police, Security Licensing and Enforcement Directorate (SLED), BRD and migrated the BOSSI registration system to GLS.
- developed feedback and complaints management system for the Department of Education including an automated chatbot service to answer 85% of queries received by Education and a chatbot to assist with purchase card processing.

API.NSW

API.NSW in alignment with the Government's Open Data policy was relaunched in May 2020 as a self-service developer and provider portal, enabling developers to browse, consume, build and test application programming interfaces (APIs). There are currently 2,125 users and 14 public APIs. Since the launch, there have been 106 new registrations consuming fuel and licensing data.

Digital.NSW Accelerator - online enrolments

DCS has partnered with the Department of Education to deliver the online school enrolment program that delivers an improved experience for both family and schools. As at 30 June 2020, the service is available in 70 schools.

Platforms

- the Government Data Centre (GovDC) program, in partnership with agencies, has made significant progress in developing capabilities to match the modern needs of agencies and public bodies, including better support for cloud deployments and higher levels of digital security. Colocation services continue to be a critical capability of GovDC, providing sovereignty, security and reliability for the digital assets of the NSW government.
- the Customer Payments Platform is a platform that services payments and refunds made through Service NSW, and processed approximately \$1 billion in the 2019/20 financial year.
- the Virtual Contact Centre telephony platform handled in excess of 7.5 million calls in the 2019/20 financial year.

Digital sourcing

buy.nsw – NSW Government digital procurement transformation program

buy.nsw has developed an anchor view of procurement that reflects a customer journey map and describes the end to end journey buyers and sellers go through in order to buy for and sell to NSW Government. Using this model buy.nsw has continued to evolve and create solutions for all types of procurement. Stage one Guided Buying is now in place and provides procurement information and advice, based on where a buyer is in their procurement journey, that is easy to find, understand and share. Supplier Hub MVP enables ICT suppliers to register to sell to government, manage their profile and find and respond to opportunities. Integrated with eTenders suppliers tell us once key information about themselves and their businesses.

New initiatives include a click-to-buy platform for transactional purchases, scaling of supplier hub to all NSW Government sellers, SimpleQuote for low risk and low value procurement and a guided buying decision tree that surfaces information based on the goods or services being purchased, the agency and the procurement value.

e-Invoicing

e-Invoicing has been identified as an enabler for faster invoice payment as per the NSW Government Faster Payment Terms Policy. The e-Invoicing initiative was established as a whole of government service funded through the Digital Restart Fund to facilitate the electronic exchange of invoices between Supplier and Buyers Accounting / Financial Management systems to deliver process efficiencies to both suppliers and buyers and to enable the faster payment of invoices. Through the two Minimal Viable Products that were delivered between January and June 2020, an e-Invoicing solution was implemented and 26 agencies across the three clusters of DCS, the Department of Premier and Cabinet and NSW Treasury have been enabled for e-Invoicing. A small number of suppliers have been on-boarded and have been using the e-Invoicing channel and have noticed improvements in their invoice payment timeframes.

ICT procurement savings program

The ICT procurement savings program was established to generate benefits through a whole of government approach to ICT and digital sourcing. This has included establishment of whole of government panels and agreements across telecommunications, software and cloud categories, coordinated procurements under whole of government ICT contracts and spend optimisation activities with government buyers. At 30 June 2020, the program had \$298 million benefits secured with \$114.3 million of this in cash savings over the 4 years from 2019/20 to 2022/23.

Spatial Services

Digital Twin

Spatial Services achieved a key milestone with the launch of a Spatial Digital Twin proof of concept to capture and display real-time 3D and 4D spatial data to model the built and natural environment. The release of the Proof of Concept in February 2020 provided coverage of the Western Sydney City Deal area and the Greater Parramatta and Olympic Park precinct. This real-world interactive digital model of NSW communities will facilitate better planning, design and modelling and support better evidence-based decision making for NSW's future needs.

GDA2020 (Geocentric Datum of Australia 2020)

Spatial Services' GDA2020 project achieved two key milestones towards implementing the new national geocentric datum GDA2020 as the official horizontal datum for NSW. GDA2020 data is available through CORSnet-NSW, Australia's largest Global Navigation Satellite System and SCIMS online (NSW's Survey Control Infrastructure Management System). The Datum modernisation from GDA94 to GDA2020 is required to accommodate the increasing accuracy and improved spatial resolution available from modern positioning technologies and account for the continuous shift of the tectonic plate of the Australian continent (7cm/year to the north-east, about 1.8m since the last datum update). It will also ensure high-accuracy and nationally consistent data capabilities.

Cyber Security NSW

Cyber Security NSW provides an integrated approach to preventing and responding to cyber security threats across NSW, safeguarding our information, assets and services. Reporting against the NSW Government Cyber Security Policy occurred for the first time on 31 August 2019 and identified a need to uplift cyber security maturity across the sector. Cyber Security NSW has collaborated with clusters to strengthen whole-of-government cyber security as well as expanding the centralised function to address this uplift requirement. The Bathurst Vulnerability Management Centre (VMC) was established on 24 June 2020. The VMC is the first of its kind in the NSW Government and is promoting jobs growth in regional NSW.

The VMC provides NSW Government with ongoing and automated vulnerability scanning across departments and agencies, and as capability develops, other services will be introduced. Cyber security awareness and capability has grown through the delivery of cyber security risk management training to executives, facilitating access to a training platform provided for cyber security and IT professionals, and the creation and delivery of general awareness training 'The Essentials', with feedback from participants averaging 4.9 out of 5. Cyber security incidents reported to Cyber Security NSW have increased by 50% in comparison with the previous financial year. Cyber Security NSW has issued a total of 160 intelligence reports across the sector, delivering vital actionable information agencies and departments use to protect their digital systems and services.

Digital Investment and Assurance

Digital Restart Fund

The Digital Restart Fund (DRF) was created to accelerate digital transformation while providing stimulus support and improving efficiencies across whole of government, advancing digital transformation and enabling iterative, multi-disciplinary approaches to Digital/ICT planning, development and service provision. The DRF complements existing investment approaches in the Digital/ICT enabled Sector in order to meet customers' rising expectations, to support front-line staff and to mitigate risks. The DRF provides a funding path to be drawn down throughout the year as opposed to annual budgets cycles, enabling faster delivery of digital solutions to customers.

So far in excess of 50 initiatives have accessed DRF funding since August 2018.

Beyond Digital strategy

NSW Customer & Digital Strategy (Beyond Digital) explains NSW government commitments to customers and sets the strategic direction and plans for delivering smart, simple and seamless personalised services. Beyond Digital embeds customer commitments and outcomes into the heart of a digital strategy to go beyond digital and to deliver a customer driven strategy.

Digital Design System

The Digital Design System was developed to support better digital service design and delivery across NSW Government through a common Digital Design Standard, a reusable components library, code library, guidance and reference implementations of great services using human centered design and digital public infrastructure.

NSW Telco Authority

The NSW Telco Authority is a statutory authority established under the *Government Telecommunications Act 1991* (NSW) (now the *Government Telecommunications Act 2018* (NSW)) which sits within Digital.NSW.

It owns and manages the Public Safety Network (PSN) to deliver critical communications to frontline responders and essential services to keep people and places in NSW safe. Under the state's Emergency Management Framework, the NSW Telco Authority has responsibility for coordinating functional area support and resources for emergency operations in all phases of emergency management involving telecommunications.

The NSW Telco Authority is rolling out the Critical Communications Enhancement Program (CCEP) that will significantly expand the PSN coverage across NSW. During 2019/20 an additional 31 sites were added to the network taking the total number of sites delivered under CCEP to 66. The current phase of CCEP is scheduled for completion by December 2022 and will deliver PSN land coverage of 53% of NSW and achieve 97% state population coverage.

Further information on the NSW Telco Authority's achievements can be found in its 2019/20 Annual Report.

Supporting the state's response to COVID-19 and natural disasters

Bushfire response

Spatial Services provided a significant contribution throughout the 2019/20 NSW bushfire crisis by contributing data and expertise to ensure effective recovery efforts. Bushfires ravaged NSW throughout the summer of 2019/20, beginning in September, 2 months earlier than the normal fire season. Spatial Services teams worked to provide up-to-date spatial data and infrastructure to help with efforts to rebuild communities.

The Emergency Information Coordination Unit (EICU) provided emergency response and recovery support to both the State Emergency Operations Centre and Government Coordination Centre. EICU took on the role as the central hub for emergency data sharing across NSW Government, sourced intelligence and imagery as required by decision makers and supported the State Emergency Recovery Controller with intelligence regarding recovery operations.

The Office of the Surveyor General worked to restore survey marks infrastructure that were damaged or destroyed as well as updating survey control in affected areas. Cadastral Spatial Programs accelerated update processes in priority bushfire areas to ensure spatial accuracy. Environmental Spatial Programs captured 50,000 square kilometres of airborne Light Detections and Ranging (LiDAR) and imagery for fire affected areas in Northern NSW. Aerial LiDAR is a remote sensing method that uses light in the form of a pulsed laser to measure ranges to the Earth which generate precise, three-dimensional information about the shape of the Earth and its surface characteristics.

Recovery teams from the Department of Planning, Industry and Environment, NSW Rural Fire Service and Local Governments, along with other state and federal agencies, used the imagery to make informed assessments about where and how the fires affected communities, infrastructure and the environment. The imagery will have an extended role in assisting those communities impacted by the devastating fires to recover more efficiently.

Administrative Spatial Programs supported Service NSW to help small businesses impacted by bushfire to get back on their feet.

The NSW Point product (an address management service) validated addresses entered by applicants applying for the Small Business Bushfire Support Grant, and the NSW bushfire clean up service. The Service Point interactive dashboards enabled Service NSW to spatially analyse the areas where registrations were being made and prioritise services in these areas.

During the 2019/20 bushfires, the NSW Telco Authority provided 24-hour emergency coordination of telecommunications support for frontline responders to maintain radio coverage and network capacity by restoring and expanding critical communications for those involved in fire-fighting efforts, where existing infrastructure was destroyed, or mains power supply was not available.

COVID-19 response

Spatial Services played a key role in mapping the Border Regions for the closure of the Victoria-New South Wales border. The two key roles were:

- developing and mapping, on behalf of Ministry of Health, the sequence of border region and zones
- geo-coding millions of border permit applications. By accurately identifying origin and destination address location for each border permit application in real time and eligibility for various permit types, permits were able to be assessed, approved and issued promptly. Several million permits were issued over the border closure period.

Spatial Services also assisted in the identification of and planning for border closure points.

The NSW Telco Authority provided a liaison officer to the State Emergency Operations Centre from 17 March to 8 May 2020 to support the whole-of-government response to the pandemic, and continues to provide support to the State Emergency Operations Centre and the Health response team on an as needed basis.

The NSW Telco Authority is engaging with other jurisdictions regarding travel restrictions and is advocating on behalf of the industry to allow cross-border movement of essential workers. It is also assisting Service NSW process travel exemption requests from members of the telecommunications and broadcasting industries.

The NSW Telco Authority is working closely with the emergency service organisations to plan and prepare for the upcoming bushfire and storm season while maintaining COVID safe practice principles.

Office of the Building Commissioner

The Office of the Building Commissioner (OBC) was established in August 2019 to implement the Construct NSW strategy. The new team consists of 12 staff drawing from experience across the public and private sectors.

Pillar 1 – customer focused regulatory framework

Developed a Certifiers Practice Standard, a statutory document that outlines the unique role of certifiers as public officials and highlights practical requirements to fulfil their professional obligations to independently assess the safety and amenity of construction work. This will support the *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020* which establishes a new proactive inspection regime – occupation certificate audits. The Standard will initially apply to class 2 buildings (residential high-rise).

Pillar 2 – ratings systems to provide greater information transparency

The OBC released an expression of interest on 30 June 2020 seeking responses by regulated ratings providers for the supply of risk rating information on developers, builders and certifiers. The objective of the ratings information is to ensure that trustworthy project teams can be recognised in financial, insurance and consumer markets, as well as better identifying risky players. It is intended that the first versions of newly developed products would be used exclusively by the building regulator and help to establish a mature market that is available to other parties (such as consumers, insurers).

Pillar 3 – lifting skills and capabilities

Site visits conducted by the Building Commissioner have revealed gaps in capabilities and skills that directly affect the trustworthiness of building. The OBC entered into a partnership with TAFE NSW to deliver a new Digital Learning Platform 'Construct NSW' that will transform the supply and consumption of education for the building industry. It will be used to address skills gaps and ensure that the curriculum offerings reflect modern requirements accessible to all practitioners and businesses. An innovative feature of the platform is that it will allow both publication of content produced by Construct NSW as well as other entities.

The building regulator will be able to use the platform to apply education as a compliance response to non-complaint work (e.g. via undertakings with licence holders or formal directions). It will also allow for more efficient regulation of compulsory professional development (CPD) requirements. The platform will provide granular reporting including metrics that highlight the quality of education units (e.g. customer satisfaction, usage, outcomes) and allow the building regulator to identify how the consumption of education is delivering compliance benefits.

Pillar 4 – strengthening contracts and standards

Contracts underpin service delivery, formalising, and giving greater clarity to, the relationship between suppliers and beneficiaries by outlining on roles, responsibilities and liabilities and most importantly, allocating risk between the parties involved. Developers, designers and builders will have to put in place contracts that are necessary to reflect the requirements of the *Design and Building Practitioners Act 2020* and *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020*, the new legislation. The OBC is working with lawyers and building practitioners to reframe build only and design and construct contracts to produce modern templates that are customer and future-facing, recognising new roles and responsibilities created by legislative reforms and digitisation. The OBC has also engaged with Standards Australia and peak bodies to improve the application of Standards in construction work, particularly in relation to key building elements.

Office of the Building Commissioner

Pillar 5 – using digital platforms to drive enhanced accountability

The OBC is leading the development of digital platforms that will allow the building sector to move from analogue record keeping into a digitised quality assurance framework.

The initial focus is to leverage from the ePlanning portal to transform it into a digital system that captures regulatory information throughout the entire building lifecycle from approval through construction and into the occupation phase – the ‘eConstruction’ program. This work will establish single sources of information throughout the building lifecycle by leveraging existing government platforms, consolidating and breaking down legacy silos.

In partnership with the Department of Planning, Industry and Environment, much preparation is being done to evolve the ePlanning portal so that it can deliver the following:

- support implementation of the *Design and Building Practitioners Act 2020*, including lodgement of declared documents (designs, drawings, manuals) and registration of practitioners (designers, builders, engineers),
- support implementation of the *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020* by capturing regulatory notifications and required documentation
- replace existing ICT infrastructure and become the portal used by the Better Regulation Division to administer strata building bonds lodged under the *Strata Schemes Management Act 2015* and certification records required by the *Building and Development Certifiers Act 2018*.

A request for tender was released in May 2020 for the development of a building assurance solution. While the outcomes are yet to be decided, the product is intended to create a complete record of where a product was made, who made it, to what standards it was made, who installed it, when it was installed and when it was last maintained. Digitising information throughout the entire supply chain will ensure clear accountability at each handover. The building assurance solution would enable the original and potential owners, as well as the regulator, to access information about their building and to ensure custodianship of the maintenance of the building continues. Other beneficiaries of this source of building assurance would be insurers, financiers, subsequent purchasers and first responders in the event of a building crisis. It is envisaged the solution would enable an assurance rating for each building to be determined.

Pillar 6 – using data and research to drive continual improvement

Quality information and data is an important enabler for growth, innovation and improvement. The OBC has commenced research in the areas of consumer confidence, digital capabilities and the establishment of a decennial liability insurance product in NSW. This work will establish NSW as the national leader for research into the performance of the building and construction industry. Research outcomes will be published to maximise the value of the data. Insights into non-compliances will be shared directly with practitioners, educators and regulators to inform response strategies by Construct NSW and the industry.

The Building Commissioner has undertaken field-based research projects to gather information on the health of the sector through a combination of randomised and selected site inspections. Information captured will include data that measures regulatory compliance as well as the quality and safety of work practices.

People and Culture

Machinery of Government change program

Over the course of the 2019/20 financial year, People and Culture managed a significant change program of over 18 business realignments impacting more than 5,000 employees. These realignments focused on improving customer service overall, as well as the business operating model. The change program was underpinned by the Machinery of Government changes which saw over 1,000 employees transferred to other agencies and approximately 800 new staff transitioning in from other agencies.

Key deliverables

People and Culture introduced a Manager Dashboard in the human resource management system to improve compliance with mandatory training and performance planning, as well as electronic forms and clear escalation processes for payroll, significantly improving the employee experience.

The Safety and Wellbeing team was recognised for their best practice approach in the safe return to work of injured employees (both work and non-work-related injuries, including physical and psychological). The team was awarded the 2019 Customer Service Champions (internal team) Secretary's Award for its extensive collaboration and successful engagement with key stakeholders across the cluster and consultation with employees.

Talent

There were significant recruitment drives in the 2019/20 financial year including 1,000 temporary roles that were recruited in Service NSW as part of DCS's response to the COVID-19 pandemic. The rapid implementation of digital recruitment and onboarding technology was required to support the hire and placement of new employees in a short timeframe, while providing a positive candidate experience. This technology transformed traditional recruitment processes to automated, digital experiences, significantly speeding up the process, and removing administrative challenges through video interviewing and online assessments. The onboarding platform enabled bespoke processes to support new employees and their managers prior to their commencement.

COVID-19 response

People and Culture also provided significant support in a very short timeframe to staff and leaders in response to the COVID-19 pandemic, to ensure a smoother transition to working remotely and from home. A range of initiatives were implemented in response, with mental health and the psychological wellbeing of employees being a clear focus. Initiatives included:

- a dedicated COVID-19 intranet page for employees to access with key information on hygiene, travel and illness prevention, flexible working and leave arrangements, IT support, and advice for frontline employees
- a range of resources to ensure employees continue to be supported and connected while working from home. Using the existing myLearning platform, wellbeing has been promoted and delivered through online playlists and modules, and with a focus on working remotely, time management while working from home, and building resilience
- #Helpingyou campaign with key themes such as 'Helping you stay safe', 'Helping you adapt', 'Helping you lead', and 'Helping you balance', and delivered through employee videos to support working differently
- an employee social health program through connection on social channels (Yammer and Workplace) through sharing insights, tips, photos and more
- support to employee physical health while working from home during COVID-19. This included initiating a strategy to prevent muscular skeletal disorders through good ergonomics principles. Chairs and monitors were provided to all employees who requested equipment, and a best practice 'Working from home ergonomics guide' was developed. The guide provides a whole person considered approach with clear graphics and simple practical tips on both ergonomic and wellbeing principles, which could be accessed via the 'Ergonomics' intranet page.

Service NSW

Helping millions of customers

Service NSW is now accessible to more citizens than ever before, with 153 points of presence including Service Centres, council agencies, digital self-serve kiosks, and Mobile Service Centres, covering 99% of NSW Local Government Areas. Service NSW assisted over 61 million interactions in 2019/20.

Helping the people of NSW with their Cost of Living

Service NSW provides a Cost of Living program allowing customers to view, access and apply for more than 60 rebates and savings available through the NSW Government. As at 30 June 2020, over 52,332 specialist appointments had been completed saving customers an average of \$570, while over 1.8 million people had accessed the online Savings Finder tool. Through Cost of Living rebates and savings, the people of NSW saved more than \$3 billion.

In January 2020, the Regional Seniors Travel Card was launched in partnership with Transport for New South Wales to provide regional age pensioners who hold a valid Pensioner Concession Card or Commonwealth Seniors Health Card with \$250 to access essential travel services. In April 2020, eligibility was extended to Department of Veterans' Affairs customers of pension age.

Supporting the drought response

Service NSW has contributed to a NSW Government-wide response to assist drought-affected communities and was instrumental in delivering a DCS response to provide Cost of Living style appointments to people living in drought affected areas. The program produced a consolidated overview of all available Government and NGO drought support and utilised the Service NSW network to communicate all available savings, services and support in a rapid timeframe to impacted communities. In the first month of the program, drought-affected customers saw a 13% increase in claimed or anticipated Cost of Living savings totalling more than \$754,000 and over \$866,000 in drought-specific anticipated or potential claims.

Service NSW for Business

The provision of grants and financial assistance for small businesses from State and Federal Governments has been a central focus for businesses needing information and case management support. Business Concierge staff have also assisted customers with information and referrals on other government support such as that relating to mental health and commercial leasing mediation. The state-wide service provides support to regional areas with localised Business Concierge staff providing case management support to regional business customers and related associations. There are 119 councils signed up to the program, covering 95% of the NSW population.

Mobile Service Centres

Four Mobile Service Centres (MSCs) have been out across the state providing services to regional and remote locations and providing crisis support when required. The MSCs have been instrumental in providing Bushfire support to impacted communities attending evacuation centres.

Digital Driver Licence

After successful trials, the Digital Driver Licence (DDL) rolled out across NSW in October 2019. As at 30 June 2020 more than 28% of NSW drivers have a DDL. Customers are giving the DDL the 'thumbs up' with customer satisfaction consistently tracking over 95%.

Helping the community respond to COVID-19

Service NSW has been instrumental in supporting the NSW Government's response to COVID-19. Service NSW has worked closely with colleagues across DCS, other parts of the NSW Government (notably NSW Health), local councils, NSW Police, and businesses to deliver a number of vital COVID-19 initiatives since March 2020. Service NSW has expanded its disaster recovery support capacity through onboarding 1,000 new staff members and the Contact Centre Service expanded to provide a 24/7 hotline. New Security Officers and Hygiene Officers have helped to keep staff and customers safe in Service Centres. Service NSW established the COVID-19 Assistance Finder which allows customers to quickly access online information on what services were available to them based on their situation.

Supporting the response to the bushfires

In December 2019, Service NSW started mobilising to assist in the Bushfire Recovery Response. Service NSW was asked to be the first point of contact for NSW residents seeking government services due to being affected by the bushfire disaster in our state. Service NSW also worked with numerous government, non government and not for profit agencies, as well as local councils to provide support and deliver various grants and initiatives.

Further information on Service NSW's achievements can be found in its 2019/20 Annual Report.

State Insurance Regulatory Authority

Healthcare review

SIRA initiated a comprehensive Review of Regulatory Requirements for Healthcare Arrangements within SIRA's personal injury schemes. The review will ultimately result in improved regulatory and fee setting approaches to ensure injured people have access to the right healthcare at the right time for optimal recovery and return to work, and so the schemes provide value-based care.

Compliance and enforcement activity

SIRA maintained targeted compliance and enforcement activity in order to deliver on its strategic goals of improving customer experience and results, maintaining scheme and policy affordability, and building public trust. Publishing the Independent Compliance and Performance Review of the Nominal Insurer (managed by icare) and SIRA's 21-Point Action Plan to drive fact-based and steady improvements in the Nominal Insurer were key milestones.

More affordable CTP premiums

The new CTP insurance scheme has delivered substantially cheaper CTP premiums for most motorists in NSW during 2019/20. Before the scheme was reformed, the average CTP premium was \$635. The average CTP premium for all vehicles is \$487 for the period 15 January 2019 to 28 June 2020.

Greenslip refund

The Greenslip refund program returned over \$215 million in refunds to NSW policy holders. Over a 24-month period from 15 January 2020, \$38 million in unclaimed refunds and administrative fee savings will be returned to motorists through a reduced levy that forms part of the price of a CTP Green Slip.

Customer service conduct principles

In 2019/20, SIRA prioritised its customer experience. Insurers were put on notice of SIRA's expectations through the publication of new Customer Service Conduct Principles. The 5 principles make all insurers in the SIRA-regulated schemes more accountable when it comes to customer service.

Open data portals

SIRA has created new interactive open data portals that publish claims, payments and performance data for the workers compensation and CTP schemes. These portals improve accountability and provide transparency into the performance of the schemes.

Electronic dispute management

SIRA introduced its new digital disputes portal for personal injury disputes, making dispute resolution easier and more efficient for all parties involved in a dispute.

Mentally healthy workplaces programs

This year SIRA continued its work to support mental health recovery at work through its partnership with the NSW Mentally Healthy Workplaces Strategy. SIRA introduced \$50,000 Recovery Boost grants for individuals and organisations that come up with innovative solutions to improve mental health at work.

In response to COVID-19

The impacts of COVID-19 on the schemes may be potentially significant, including risks associated with changed return to work opportunities and patterns of work, insurer investment returns, wages and premiums, disruption to medical and care services, and claim impacts.

SIRA rapidly adapted its policies and services in response to the pandemic. SIRA implemented amendments to legislation, accelerated the delivery of telehealth services and prepared the workers compensation system to respond to COVID-19 claims.

SIRA focused on providing support for injured people and employers through dedicated information hubs on the SIRA website, a telephone Recovery Advisory Service and financial incentives for helping workers to continue their recovery at work.

SIRA also amended its workers compensation and motor accidents guidelines to provide regulatory relief and took a risk-based approach to advisory, compliance and enforcement activities to focus on the COVID-19 response and matters that present potential or actual harm.

Further information on SIRA's achievements and COVID-19 response can be found in the SIRA 2019/20 Annual Report.

Office of the Secretary

Internet of Things policy

The Office of the Secretary, with the support of Digital.NSW and Data.NSW, published the whole of Government Internet of Things (IoT) Policy which provides practical guidance and tools to support agencies when implementing IoT enabled projects and solutions.

The Policy was developed in line with recommendations from the *NSW State Infrastructure Strategy 2018-2038* and has important linkages with other Government initiatives such as the *Smart Places Strategy* and the *Beyond Digital Strategy*, which seek to realise the potential benefits of smart places and technology as digital and infrastructure converge.

Smart Infrastructure policy

The Office of the Secretary developed the Smart Infrastructure Policy, which sets the minimum requirement for smart technology to be embedded in all new and upgraded infrastructure from 2020. The Policy is an important part of the Government's Smart Places Strategy, which sets out the building blocks necessary to realise smart places that link digital and physical infrastructure to better manage public spaces and assets, improving service delivery and customer experience.

AI summit

In November 2019 the Office of the Secretary, which is leading the development of the NSW Government Artificial Intelligence Strategy, brought together experts in AI from academia, government, the private sector, and NGOs to inform Strategy development. The summit provided an opportunity for attendees to make recommendations to government on AI policy and strategy.

DCS Proof of Identity policy

This policy sets out a streamlined approach to identity proofing that will allow customers to reuse identity documents that have been verified. This is a key enabler for the Government Made Easy Premier's Priority and improves customer experience whilst promoting increased security and trust in identity information.

Personal Injury Commission

The Office of the Secretary, with the support of SIRA, developed the policy and legislation to establish NSW's first Personal Injury Commission. This was part of the NSW Government's response to the Standing Committee on Law and Justice's recommendation in its 2018 review into the workers compensation scheme to consolidate workers compensation and CTP dispute resolution systems into a single commission. The *Personal Injury Commission Act 2020* creates a personal injury tribunal with separate workers compensation and CTP insurance divisions. The Act was assented to after the reporting period on 11 August 2020.

Financial highlights

Net result

The net loss for 2019/20 was \$100.2 million compared to a budgeted net surplus of \$122.7 million. The unfavourable variance of \$223 million is predominantly due to total revenues being \$169.9 million lower than budgeted, while total expenses (excluding Other Gains/Losses) was higher than budgeted by \$3.8 million.

Expenditure for the year was slightly higher than budgeted:

- an increase in other operating expenses arising from COVID-19, bushfires, impact from the new accounting standard on leases
- increased expenditure on platform harmonisation and IT security project costs during the year
- partially offset by underspend in Subsidence Advisory NSW for insurance claims paid, transfer of the Creative Kids program to another cluster, and reduced employee expenditure.

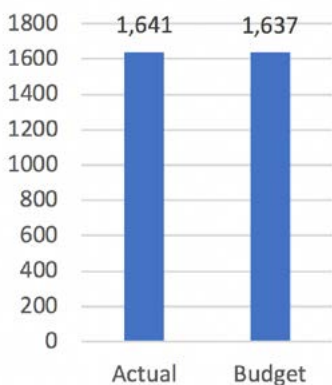
Revenue for the year was lower than budgeted:

- decreased funding provided by NSW Treasury relating to a delay in the telecommunications programs and a range of IT projects
- transfer of the Creative Kids program to the Department of Premier and Cabinet
- lower revenue as a result of COVID-19 impacting penalty notices, registry of births commemorative certificates and state debt processing.

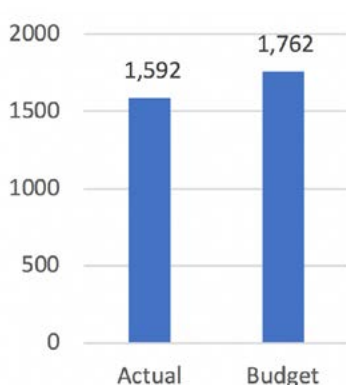
Gain on disposal and 'other' losses was \$49.2 million higher than budgeted primarily due to the following:

- recognition of an impairment loss on the right-of-use assets was not budgeted for (\$53 million).

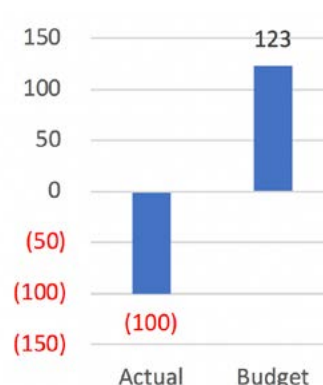
Total expenses



Total revenue

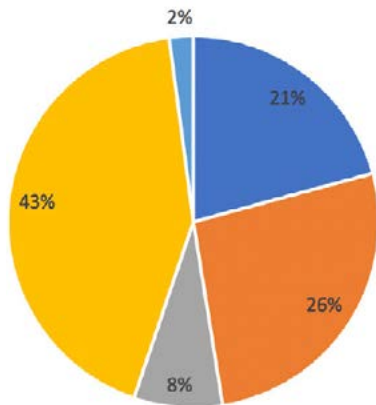


Net result



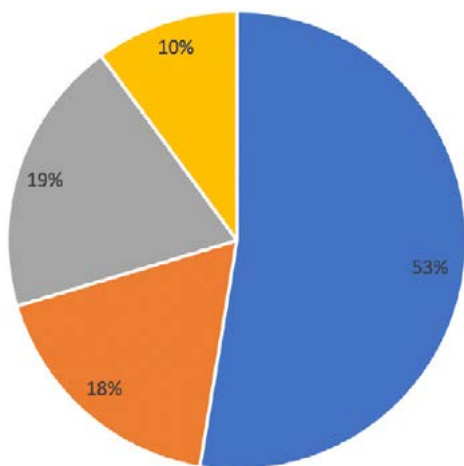
Financial highlights

DCS expense by major categories



- Payments to other government agencies
- Other operating expenses
- Depreciation & amortisation
- Employee costs
- Accommodation, maintenance and finance costs

DCS revenue by major categories



- Revenue from state budget
- Revenue from government agencies
- Revenue from citizens and business
- Other revenue

3

Corporate performance



Strategic priorities

DCS takes its strategic cues and specific priorities from the NSW Government. The NSW Government's strategic priorities are broad ranging and stem from various sources including Premier's Priorities, Election Commitments, Portfolio Priorities and Ministerial Charter letter commitments.

The department's budget process, like that of other clusters across the sector, is driven through an outcomes-based approach whereby funding is directed towards State Outcomes. This in turn drives the delivery of various programs and initiatives, including the department's strategic priorities.

In the reporting period, DCS had lead responsibility for the Government Made Easy Premier's Priority which is to increase the number of government services where citizens of NSW only need to "Tell us once" by 2023.

Additionally, DCS has a contributing role in the delivery of the World Class Public Service Premier's Priority to implement best practice productivity and digital capability and drive public sector diversity by 2025.

The DCS *2019/20 Delivery Plan* supports the delivery of numerous strategic and department-specific priorities through its three State Outcomes:

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

Strategic planning and performance framework

The department's strategic planning and performance framework broadly aligns the NSW government's strategic priorities with various corporate and internal planning and reporting mechanisms. These encompass the following:

- *Department of Customer Service 2019/20 Delivery Plan*
- divisional and business unit plans
- strategic corporate functional plans to manage corporate service delivery
- individual work plans and performance and development plans.

DCS monitored and reported performance through the following mechanisms:

- regular external reporting to NSW government agencies and the public on governance, financial services and project delivery
- operational and strategic reporting to DCS Executive
- reporting to specific internal governance bodies, including the Audit and Risk Committee and the Finance, People, Customer and Management Assurance Committees
- monitoring of Senior Executive's performance agreements
- individual performance and goals and achievement via the myCareer and my Performance platforms.

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

- internal and external audit recommendations, including Audit Office Management Letter recommendations and performance audits.
- other recommendations made to the Department from external bodies, including parliamentary committees, the NSW Audit Office, the Independent Commission Against Corruption, the Coroner, and reviews by external consultants.

Performance review

DCS State Outcome indicators

The Customer Service cluster is responsible for 8 Outcome Indicators (refer table below), which track the progress being made towards each State Outcome.

Outcome Indicator	Narrative	Measure	Prior year	Actual 2019/20	Target
Digital leadership and innovation in government services					
NSW digital government readiness	The measure reflects progress in end-to-end digital activities spanning strategy, planning, funding, design, delivery and sustainability. ICT is inherently an enabler of many customer facing services and therefore this metric broadly supports DCS's State Outcome of Digital leadership and innovation in government services and Excellence in customer service.	NSW digital government readiness indicator	9.4/10 #1 ranked State or Territory	9.7/10 #1 ranked State or Territory	≥ previous year's result, and NSW is the number one ranked jurisdiction for digital readiness.
Public safety coverage and operations of the CCEP	The Government Radio Network is providing a critical communications network across the state for emergency services.	Geographic coverage	31%	40%	Maintain current levels
		Operational coverage	99.95%	99.95%	Maintain current levels
		Population coverage	87%	93%	Maintain current levels
Excellence in Customer Service					
Customer satisfaction with services across government	Tracking customer satisfaction with Government services provides insights that help the Government understand where it needs to improve customer service.	NSW Consumer Satisfaction Score	7.8 Ranked first among Australian jurisdictions	8.0 Ranked first among Australian jurisdictions	Maintain rank of top two Australian jurisdictions for customer satisfaction
Increase the number of government services where customers only have to "Tell government once"	This outcome indicator is a Premier Priority. Annual with real-time check in reporting. Customer satisfaction and trust in Government is increased when unnecessary time and effort is avoided.	The number of government services where customers only have to "Tell government once"	0	25	60 by 2023

Performance review

Outcome Indicator	Narrative	Measure	Prior year	Actual 2019/20	Target
Percentage of transactions available digitally through Service NSW	This indicator measures the percentage of Service NSW services that are available via digital channels. It recognises that convenience and accessibility of services are key drivers underpinning customer satisfaction with government services and aligns to the NSW Government's commitment to digital service delivery.	Percentage of transactions available digitally through Service NSW	69.8%	75.4%	80% by 2023
Fair, secure and efficient markets					
Compliance rate of selected regulatory activities	This indicator measures the proportion of regulated entities found compliant with the laws and regulations which govern their operations in selected regulated activities across regulators.	Compliance rate of selected regulatory activities	89%	91%	> 90%
Reduced rate of work-related traumatic injury fatalities (worker fatalities per 100,000 employees)	This indicator highlights how effective regulatory and legislative efforts are in reducing workplace fatalities caused by traumatic injuries. It measures the fatality rate per 100,000 employed persons as caused by traumatic injuries (fatalities sustained in the course of a work activity and as a result of someone else's work activity, ie bystander fatality).	Fatality rate per 100,000 employed persons - Traumatic worker fatalities	1.44	1.42	1.34 by 2022

4

Corporate governance



Governance principles and framework

DCS has a well-defined governance and accountability framework that provided broad corporate oversight across the cluster and adhered to the following principles:

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

The DCS governance model included:

- Independent Audit and Risk Committees for DCS and other cluster entities as appropriate
- DCS Executive Board
- Agency Boards and Committees
- decision-making Executive subcommittees for Finance, People and Management Assurance

The model was further supported through a central governance, risk and performance team to provide a stronger capability in governance, audit, risk, compliance, privacy, strategic planning, performance reporting and customer feedback, across the cluster. The central team works to provide support services to DCS and its businesses according to a three-lines of defence model.

The primary governance body for DCS was the Executive Board, which met regularly during 2019/20. The following units provided additional oversight of corporate governance functions:

- Governance, Risk & Performance including:
 - Privacy & Compliance
 - Risk and Opportunity Management
 - Internal Audit
 - Corporate Planning & Performance
- Information Communications Technology
- Legal Services
- Corporate Finance
- People & Culture.

There were also a number of key governance support initiatives:

- DCS Risk and Compliance Partners Community of Practice
- DCS Business Continuity Management Community of Practice
- DCS Information Governance Forum
- a network of project and program management offices.

Audit

DCS Audit and Risk Committee

During 2019/20, DCS had an Audit and Risk Committee (ARC) in place, compliant with Treasury Circular TPP 15-03 – Internal Audit and Risk Management Policy for the NSW Public Sector. DCS's Internal Audit and Risk Management Attestation Statement is provided at Chapter 6 Risk management, insurance activities and attestation.

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

Internal Audit

DCS Internal Audit (IA) provides independent and objective assurance and consulting advice to management. The Chief Audit Executive reports to the Secretary and the ARC quarterly on the risk-based IA work plan, and progress towards completion of the plan, as well as implementation of audit issues and recommendations.

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

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

Governance principles and framework

IA reviewed and updated, where necessary the following policies and frameworks:

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

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

External Audit

The Audit Office of NSW has audited DCS' financial statements as at 30 June 2020 and issued an Independent Audit Report with an unqualified audit opinion in early October 2020. The audit report did not highlight any significant governance matters but did highlight the following key audit matters which were identified by audit as having the most significance on the audit of the financial statements for the year ended 30 June 2020:

- implementation of AASB 16 Leases
- recognition and measurement of administered taxation revenue and receivable

Both matters were audited as part of the overall DCS audit.

Accessing DCS information

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

The GIPA Act requires NSW Government agencies to make mandatory disclosures of information, encourages proactive release of information and provides mechanisms for individuals to apply to access government information. More information on how to access departmental information is available at www.customerservice.nsw.gov.au/right-to-information

Review of proactive release program

During 2019/20, DCS proactively released information about programs and initiatives, updated answers to frequently asked questions based on community feedback, listed policy documents for public access, and provided statistical information about business operations.

Several DCS divisions/business units maintained branded websites with targeted information for the people of NSW. These included SafeWork, Fair Trading, Revenue NSW, SIRA, Telco Authority, and Liquor & Gaming. DCS divisions routinely used these branded websites to release information free of charge when considered to be in the public interest, such as codes, guides, policies, procedures, reports and statistical information. Other documents are accessible by contacting the relevant area via the contact details on the website.

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

DCS continues to review new records, policies, statistical information and other documents to determine what can be made publicly available.

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

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

DCS, as the Principal Department, has established mechanisms in place to support all staff to understand their privacy obligations. DCS has a Privacy Management Plan in place, that outlines how it complies with the provisions of the PIIP Act and the HRIP Act.

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

- Risk and Opportunity Management Policy
- Information Security Policy
- Records Management Policy.

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

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

Accessing DCS information

Access request applications under section 14 of the PPIP Act

In 2019/20, DCS received 4 formal access applications by individuals requesting their personal information under the PPIP Act. DCS also dealt with numerous informal requests by individuals requesting their personal information. These informal requests are led by nominated Privacy Officers embedded within DCS business units with support and guidance from the central Governance, Risk and Performance team.

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

In 2019/20, DCS received 5 valid applications for internal reviews under the PPIP Act.

These figures are the numbers from the divisions of the Principal Department. Some DCS Cluster agencies are required to publish their own annual reports. Further information about how those agencies handle privacy, as well as statistical information about matters under the PPIP and HRIP Acts, can be found in their annual reports.

Government Information (Public Access) statistics

During the 2019/20 year 1,170 access applications were received, including withdrawn applications, but not including invalid applications.

There were 11 access applications refused, either wholly or in part, because the application was for disclosure of information for which there is conclusive presumption of overriding public interest against disclosure.

These figures are from the following DCS divisions:

- Office of the Secretary
- Corporate Services
- Digital.NSW
- Customer, Delivery and Transformation (including Revenue NSW)
- Better Regulation Division (including NSW Fair Trading, SafeWork NSW, Liquor Gaming and Racing, and the Office of the Registrar General)

Please note: These figures include 896 applications regarding information held by SafeWork NSW that were processed by a dedicated Right to Information Unit in the Better Regulation Division.

Accessing DCS information

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

Applicant type	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny information held	Application withdrawn
Media	10	2	0	6	2	1	0	0
Members of Parliament	6	11	4	6	3	3	0	3
Private sector business	13	85	27	28	2	1	0	12
Not-for-profit organisations or community groups	2	4	3	1	0	2	0	1
Members of the public (application by legal representative)	23	362	86	116	4	1	0	35
Members of the public (other)	42	93	27	31	8	3	1	36

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

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

Application type	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny information held	Application withdrawn
Personal information applications ²	10	46	7	6	0	0	0	15
Access applications (other than personal information applications)	48	25	13	23	8	6	1	33
Access applications that are partly personal information applications and partly other	38	486	127	159	11	5	0	39

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

Accessing DCS information

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	94
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	1
Total number of invalid applications received	95
Invalid applications that subsequently became valid applications	66

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

Reason	Number of times consideration used ³
Overriding secrecy laws	0
Cabinet information	2
Executive Council information	1
Contempt	0
Legal professional privilege	8
Excluded information	1
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under Electricity Network Assets (Authorised Transactions) Act 2015	0
Information about authorised transactions under Land and Property Information NSW (Authorised Transaction) Act 2016	0

³ More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Accessing DCS information

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

Reason	Number of occasions when application not successful
Responsible and effective government	155
Law enforcement and security	79
Individual rights, judicial processes and natural justice	646
Business interests of agencies and other persons	294
Environment, culture, economy and general matters	2
Secrecy provisions	107
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	958
Decided after 35 days (by agreement with applicant)	99
Not decided within time (deemed refusal)	5
Total	1062

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

Review type	Decision varied	Decision upheld	Total
Internal review	5	9	14
Review by Information Commissioner ⁴	6	8	14
Internal review following recommendation under section 93 of Act	1	4	5
Review by NCAT (NSW Civil and Administrative Tribunal)	0	1	1
Total	12	22	34

⁴ The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Accessing DCS information

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

Applicant	Number of applications for review
Applications by access applicants	32
Applications by persons to whom information the subject of access applications relates (see section 54 of the Act)	5

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

Type of transfer	Number of applications transferred
Agency-initiated transfers	41
Applicant-initiated transfers	3

Information in other annual reports

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

5

DCS-related entities' annual reports



Office of the Registrar General

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

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

ORG regulates to ensure the ongoing integrity, security, performance and availability of the land title registry, and to make sure the registers are accurate and up to date.

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

Strategic scanning project

ORG established a project to digitise important land titling records to make them more easily available to customers. The records reach back to the first land grants in NSW (and Australia) in the late 1780s. The project was sponsored by ORG, managed by Spatial Services and funded by NSW LRS under the LPI Concession Deed. This is part of a broader objective to promote innovation and technology improvements for the land titles registry.

Customers can now access an additional 3 million images remotely without the need to visit NSW LRS offices in Sydney CBD to get a copy. Originals of the digitised records sets have been transferred to State Archives and Records Authority. The free records can be viewed and downloaded from NSW LRS' Historical Land Records Viewer, <https://hlrv.nswlrs.com.au/>. Chargeable records are accessed via information brokers, <https://www.nswlrs.com.au/Information-Brokers>. Historians and professional searchers are among the customer groups particularly interested in these records. In addition, conveyancers and lawyers acting on behalf of those transacting in land may still require records on 'live title'.

Titling and Registry Services business during 2019/20

The property market in NSW continued to experience high levels of activity in 2019/20. A total of 845,125 dealings were lodged for registration which was a 0.09% increase from 2018/19. Discharges of Mortgage continued to dominate with 263,747 lodged in 2019/20.

Deposited plan lodgments increased by 7.3% to 10,961 and strata plan lodgments increased 0.5% to 1,791. There were 71,501 new lots created, 38,636 from deposited plans and 32,865 from strata plans. Strata plans represented 14% of all plans lodged and 46% of all lots.

Torrens Assurance Fund claims

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

During 2019/20, 10 compensation claims were submitted to the Registrar General.

As at 30 June 2020, there were 15 current claims against the TAF totaling approximately \$21 million. This estimate of liability is based on the scenario of all fraud and error claims being paid. Actual payments are generally much lower.

The TAF has paid out a total of \$1,090,013.57 in compensation for the financial year 2019/20.

Office of the Registrar General

Legislative reform projects

Commencement of off-the-plan reforms

The *Conveyancing (Sale of Land) Amendment Regulation 2019* commenced, in part, on 1 December 2019, together with amendments to the *Conveyancing Act 1919*, to bring significant reform to off-the-plan contracts.

The legislation introduced a new mandatory disclosure regime specific to off-the-plan sales, requiring vendors to provide key information about the development in the contract for sale. Vendors must notify purchasers of any changes to what was disclosed, and new statutory remedies allow purchasers to rescind the contract or claim compensation where they are materially impacted by the change. The legislation also extends the cooling off period for off-the-plan contracts to 10 business days (rather than 5, for other residential contracts).

Community Land Development Bill 2019

An exposure draft of the *Community Land Development Bill 2019* was released for public consultation in December 2019, together with a draft *Community Land Management Bill 2019* (led by NSW Fair Trading). The proposed legislation completely rewrites existing community schemes legislation and aligns with the major reforms that were incorporated into the strata schemes laws in 2015. The Development Bill modernises provisions and aims to provide schemes with greater flexibility to deal with association property.

This legislation is expected to be introduced into Parliament in late 2020.

Certificates of Title reform

In December 2019, the Office of the Registrar General released a position paper in response to the discussion paper entitled 'Certificates of title: the next evolution' that outlined the next steps for certificates of title. This reform will provide efficiency within a secure and reliable electronic conveyancing environment that is supported by strong requirements for verification of identity, right to deal and retention of evidence. Legislative amendments to implement this reform are expected to be introduced to Parliament in late 2020.

Powers of Attorney

The Office of the Registrar General, together with relevant agencies from state and national levels, is reviewing ways to strengthen protections for vulnerable people against misuse of enduring powers of attorney. The review arises from the National Plan to Respond to the Abuse of Older Australians and considers improved outcomes for attorneys and the third parties with whom they interact, through a potential national register of enduring instruments.

Boundary determinations and survey audits

ORG's cadastral integrity surveyors investigated, determined and resolved boundary disputes between land owners on behalf of the Registrar General in accordance with Part 14A of the *Real Property Act 1900*. A total of 19 boundary determinations were lodged with the Registrar General in 2019/20, 16 in Sydney metropolitan area and 3 in regional NSW.

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

In 2019/20 ORG conducted 263 audits across NSW, 196 of which were in the Sydney metropolitan area and 67 in regional NSW. All audits performed by ORG are on plans registered with NSW LRS.

Digital plan processing system

During 2019/20, 3.84% of Deposited Plan lodgments included a LandXML file, approximately 1% lower than 2018/19. In response to the low uptake of digital plan lodgments, DCS undertook a strategic review of the approach taken to date to identify what changes are required to completely transition from paper to digital plans in NSW. The review found that the current approach did not sufficiently consider the views of the surveying industry and did not provide sufficient incentives to drive greater adoption.

As a result, DCS and NSW LRS have commenced extensive engagement with the surveying industry to co-design a revised approach, with implementation to commence in the second half of 2020. In addition, several digital plan initiatives designed to deliver immediate benefits to industry have been introduced during 2019/20:

- smart forms have been introduced by NSW LRS to help industry reduce errors made on plan administration sheets as associated documents. Further improvements are planned for 2020/21.
- the Hybrid Capture-on-Demand project commenced in December 2019 and facilitates the capture of intelligent digital plan data prior to plan examination, ensuring geometric plan errors are identified prior to registration. Of the 687 plans captured through this process, 13% have been found to contain errors that may have otherwise required surveyors to correct via plan amendment after registration.
- interim arrangements for the LandXML Channel back to industry were introduced in April 2020, allowing industry to access digital plan data via their preferred NSW LRS Information Broker. Further enhancements to automate the LandXML request and delivery process are planned for release in September 2020.

Office of the Surveyor General

The Office of the Surveyor General (OSG) is part of DCS Spatial Services and operates pursuant to the *Surveying and Spatial Information Act 2002* (S&SI Act) and its regulation, *Surveying and Spatial Information Regulation 2017* (S&SI Regulation). The S&SI Act provides for the coordination, evaluation and maintenance of certain state cadastral information; qualification, registration, regulation and integrity of land and mining surveyors; co-ordination of surveys carried out by public authorities and for the establishment of a state control survey and advice to the Government relating to the collection, collation and dissemination of spatial information other than surveys.

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

In 2019/20 staff within the Office of the Surveyor General:

- revised the following Surveyor-General's Directions to ensure consistency and quality of practice across the surveying industry:
 - SGD2 Preparation of Locality Sketch Plans
 - SGD4 Interpreting the Survey Control Information Management System (SCIMS)
 - SGD5 Calibration of Electronic Distance Measuring (EDM) Equipment
 - SGD7 Surveying and Spatial Information Regulation 2017 – Applications
 - SGD10 Surveys of Crown Land (retired)
 - SGD11 Preservation of Survey Infrastructure
 - Survey and Drafting Directions for Mining Surveyors 2020 (NSW Mines)
- maintained 12 regional Electronic Distance Measuring baselines to enable surveyors to calibrate their surveying instruments and ensure compliance with legislation
- maintained National Association of Testing Authorities accreditation and National Measurement Institute appointment as a verifying authority under the provisions of the *National Measurements Act 1960*
- approved the Official Survey for Norfolk Island
- created a digital workflow between OSG and Norfolk Island allowing for digital submission and signatures for Norfolk Island Survey Plans (negating the need for hardcopy survey plans to be sent by mail)
- evaluated applications for survey mark removal under clause 90 of the S&SI Regulation (Section 24 S&SI Act)
- evaluated applications for exemption from the provisions of the S&SI Regulation
- evaluated applications for proposed development at Trigonometrical Station sites
- chaired the Preservation of Survey Infrastructure Collaborative Working Group with Roads and Maritime Services to maintain the integrity of the State Control Survey and the State Cadastre
- ensured the State's control survey is authoritative, accurate, current and complete. Supported the propagation, sourcing and improvement of the State control survey
- provided survey control for government aerial imagery and LiDAR capture programs
- provided survey control for the upgrade and update of the Digital Cadastral DataBase (DCDB)
- presented at over 25 industry events / seminars / webinars on a wide range of topics to contribute to the ongoing development of skills and knowledge of surveyors and the community.

Geocentric Datum of Australia 2020 (GDA2020)

In 2019/20, achievements included:

- upgrading the Survey Control Information Management System (SCIMS) Online portal to provide both GDA94 and GDA2020 coordinates for fundamental positioning infrastructure in NSW
- upgrading the SCIMS web and feature services to provide both GDA94 and GDA2020, to support legislative requirements of NSW LRS, and in preparation for the upgraded SCIMS app
- amending the S&SI Act and Regulation to require GDA2020 on Deposited Plans from 01 July 2020 and recommend GDA2020 for all other spatial information
- upgrading the new DCS Spatial Collaboration Portal to support GDA94 and GDA2020 downloads of FSDF data in line with the ANZLIC GDA2020 adoption date
- contributing significantly to the ICSM GMIWG national advisory on WGS84 and web mapping. On behalf of ICSM presented to the Open Geospatial Consortium (OGC) to advise on the urgent need to cater for dynamic coordinates, with immediate effect on related standards revision
- contributing significantly to the ANZLIC / ICSM metadata advisory on 'Preparing metadata for GDA2020 and the AGRS'
- submitting a significant revision proposal for the AS 5488 Subsurface Utility Standard to improve datum handling and cater for GDA2020
- the ongoing coordination of the implementation and adoption of GDA2020 across government, industry and academia through the work of state and national level working groups.

CORSnet-NSW – a network of Global Navigation Satellite System tracking stations

In 2019/20, achievements included:

- installing 187 high performance industrial modems as part of the telecommunications program to upgrade every modem and duplicate comms across the CORSnet-NSW network
- replacing of GNSS receivers at 39 CORSnet-NSW sites across NSW as part of the GNSS receiver replacement program (upgrading every CORS receiver in the network older than seven years)
- installing Lithium Phosphate batteries in both solar and mains supplied CORSnet-NSW sites at selected CORSnet-NSW sites across NSW
- conducting a successful Proof of Concept to evaluate a move to a cloud environment for the CORSnet-NSW network control software.

CORSnet-NSW continues to work closely with Geoscience Australia to refurbish every Geoscience Australia owned Tier 2 CORS in NSW

Survey Control Information Management System (SCIMS)

In 2019/20, achievements included:

- adding 2,021 new survey marks to SCIMS
- updating coordinates for a further 2,526 marks in SCIMS
- receiving and processing more than 2,237 locality sketch plans.

Number and type of Survey Marks issued during 2019/20:

SSM Type 1	SSM Type 2	SSM Type 15	SSM Type 16	PM Cover Box	PM Stainless Steel Pin	Brass Screws	Brass Number Plate	SSM Type 15 Pin Only
310	569	1,171	58	1,044	169	1,616	808	10

Office of the Surveyor General

Digital survey plans

A strategic review of digital survey plans in NSW was jointly funded by DCS Spatial Services and the Office of the Registrar General in 2019/20. The review highlighted that the current approach did not sufficiently consider the views of industry and did not provide sufficient incentives to drive further adoption.

Subsequently, DCS Spatial Services has continued to drive the development of a revised approach in collaboration with NSW LRS, through extensive and ongoing engagement with industry and other stakeholders.

Key achievements for 2019/20 include:

- undertaking a strategic review and reset for digital survey plans and securing industry support for a roadmap to develop a revised approach
- establishing the Hybrid Capture-on-Demand project with NSW LRS to support greater use of digital plan examination and minimise errors found in registered plans
- establishing a LandXML channel to industry, through an interim arrangement, to allow industry to access digital data along with the purchase of a registered plan image with the process to be automated in 2020/21.

Promotion of surveying and spatial industry

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

- the Surveyor General's Undergraduate Scholarship in Surveying which supports students entering their final year of the surveying degree program at the University of Newcastle and the University of NSW
- chairing the NSW Surveying Taskforce, tasked with marketing the surveying and spatial information profession to future generations of professionals. The Taskforce has seen a significant number of students commencing the university surveying degree programs and an increase in the number of candidate surveyors enrolled for registration as a result of their activities

- sponsorship of the NSW Excellence in Surveying and Spatial Information Awards, which recognises excellence in various categories including environment and sustainability, innovation and commercialisation, people and community, spatial enablement, technical excellence, export, cadastral surveying and land titling, and project management.

Leadership and strategic direction

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

- presiding over the Board of Surveying and Spatial Information (BOSSI)
- representing NSW on the Intergovernmental Committee on Surveying and Mapping (ICSM)
- chairing the Surveying and Mapping Industry Council of NSW (SMIC)
- surveying representative on UNSW School of Civil and Environmental Engineering Industry Advisory Committee
- representative on University of Newcastle Surveying Liaison and Program Advisory Committee
- chairing the Geographical Names Board (GNB)
- Focusing on increasing the diversity and inclusivity of the surveying profession.

As the first female Surveyor General, Mrs Underwood is committed to promoting women in STEM (Science Technology Engineering Maths) and women in leadership. This includes:

- delivering presentations to raise the profile and diversity of the surveying profession
- participation in Science & Technology Australia's Superstars of STEM program
- delivering presentations on women in leadership, mentoring, professional development
- mentoring young professionals across NSW, Australia and internationally.

Geographical Names Board

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

- assigning and determining place names, and maintaining the state gazetteer of place names
- determining address locality (suburb) boundaries
- evaluating road name proposals and maintaining the state gazetteer of road names
- compiling and maintaining a vocabulary of Aboriginal words suitable for use in geographical names
- supporting the production, aggregation, publication and usage of standardised address data across NSW.

GNB's role

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

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

Key achievements

GNB's focus this year has been on continuing its digital transformation journey, Aboriginal place naming, stakeholder engagement, policy and process improvement and ongoing management of place name applications.

Specifically, this financial year GNB:

- continued the Aboriginal Place Names project
- implemented the new NSW Place and Road Naming Proposal System - streamlining processes and improving customer experience
- revised the NSW Addressing Policy and User Manual
- continued to spatially enable the Geographic Names Register
- discontinued the name Blackfellows Hand Rock and officially renamed the feature as Maiyingu Marragu following consultation with the local community

- progressed an application to dual name the Darling River, Baaka
- evaluated 1,135 road names through its online road naming system
- administered 10 address locality (suburb) boundary amendments
- assigned 92 place names
- responded to 2,050 enquiries
- continued to create address localities and review dual naming opportunities with NSW National Parks and Wildlife Service
- commenced working on Aboriginal place names within the Western Sydney Aerotropolis Area in partnership with Department of Planning, Industry and Environment
- quickly responded to changes in working environment due to COVID-19.

GNB strategic intent

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

- Providing an authoritative custodian for place naming in NSW
- Building stronger relationships with stakeholders and the public
- Cultural alignment – respecting aboriginal, historical and multicultural dimensions to naming
- Digital transformation - ensuring a responsive, agile and digitally-proficient organisation.

Geographical Names Board

Report on operations

Consultation

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

- active participation in the Place Names Working Group (PNWG) which met in Wollongong this year. As a sub-committee of the Intergovernmental Committee on Surveying and Mapping (ICSM) this group provides a coordinating role in Australian place naming activities
- delivered presentations to forums at Tamworth, Wagga Wagga and Penrith
- participation in Local Government Addressing Working Group Meetings and Placenames Australia meetings
- engaged with stakeholders to support the Aboriginal Place Naming project through the Indigenous Mapping Capabilities Workshop and the Indigenous Mapping and Technology Conference
- engaged with other government agencies and local councils
- media relations, including proactive media releases for all new naming proposals and interviews ranging from general interest stories on radio to print coverage in a variety of publications
- commenced support for the Real Secret River Dyarubbin Project with Grace Karsens to map 180 known Aboriginal sites on the Hawkesbury and Macdonald Rivers.

Aboriginal place naming

The project aims to reawaken, promote and grow Aboriginal Languages in NSW through place names. The five objectives of this project are:

- expand the use of Aboriginal language through place names
- raise awareness and empower community to increase Aboriginal place name applications, including dual names
- provide the framework and support the management of offensive names

- capture Aboriginal place names within the Aboriginal place name network
- policy revision to support the awakening of Aboriginal place naming and reduce barriers.

The GNB continues to engage with community and a wide range of stakeholders to promote and support the use of traditional Aboriginal language in place names in NSW.

Offensive names

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

During 2019/20 there had been an increase in media attention for perceived offensive place names in NSW. The GNB has continued to work with stakeholders to advise community of the process regarding the renaming offensive place names in NSW.

Digital transformation

GNB is automating its manual workflows and updating its ICT platforms. The NSW Place and Road Naming Proposal System was launched in February 2020 and replaces the:

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

The NSW Place and Road Naming Proposal System Enhancement Project commenced in June 2020 and will further streamline processes and improve customer experience. The project will conclude in December 2020.

Policy and process development

Changes to newspaper printing due to COVID-19 has initiated discussions regarding the GNB's legislative requirements for advertising as per the *Geographical Names Act 1966*. The GNB is exploring long term options for more suitable alternatives such as using Council websites or possible amendments to the Act to change the advertising requirements.

Geographical Names Board

GNB's role supporting NSW development

The GNB plays a vital role in supporting development in NSW through providing a reliable, authoritative, source of truth for place naming. The GNB encourages establishment of an official name early in the process to provide the foundation to enable downstream activities.

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

- commenced working with Department of Planning, Industry and Environment, to provide guidance on the naming of reserves and other features within the Western Sydney Aerotropolis area, with a focus on Aboriginal place naming
- ongoing work with National Parks and Wildlife Services (NPWS) on dual naming three existing geographical features Montague Island, Mount Dromedary and Mumbulla Mountain.
- continued working with Blacktown City Council to determine eight new suburbs in the Blacktown Local Government Area
- commenced working with Camden Council to provide advice on new suburbs in its South Creek West growth area.

Production figures

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

Designation	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Address locality (suburb) names and boundaries	24	11	92	64	36	32	10
Road names (evaluated)	1,687	792	2,547	1,563	1,762	1,634	1,135
Dual names	0	2	8	0	0	0	1
Place names	133	202	55	75	110	84	92

It was hoped that dual naming applications would increase in 2019/20 as a result of the Aboriginal Place Names Project however this has not yet occurred. There has however been a noticeable increase in the number of place name applications using traditional language and also an increase in enquiries about the dual naming process from both the community and other NSW Government departments. It is expected that as the project matures and gains momentum with Aboriginal communities, there will be an increase in both Dual Naming and Aboriginal Place Naming of unnamed features.

Geographical Names Board

Governance

Board members, meetings and attendance

Members are appointed to the Board in accordance with the provisions set out in section 3 of the *Geographical Names Act 1966*. The Board met formally on five occasions during the year.

The table below shows the Board members during 2019/20 and the number of meetings attended by each:

Members of the Board	Board meetings
Mrs Narelle Underwood Surveyor-General of NSW. Ex-officio position. Chair of the Board	5
Ms Laura Christie Nominee of the Department of Customer Service. Ex-officio position (until November 2019)	1
Ms Dawn Routledge Nominee of the Department of Customer Service. Ex-officio position (commenced November 2019)	2
Mr Richard Neville Nominee of the State Librarian. Ex-officio position	4
Mr Marcus Ray Nominee of the Department of Planning, Industry and Environment. Ex-officio position (until July 2019)	1
Ms Monica Gibson Nominee of the Department of Planning, Industry and Environment. Ex-officio position (commenced August 2019)	3
Mr Terry Kass Nominee of the Royal Australian Historical Society. Term expires May 2022	4
Cr Lesley Furneaux-Cook Nominee of the Local Government and Shires Association of NSW. Term expires May 2022	5
Dr Robert Solomon Nominee of the Geographical Society of NSW. Resigned August 2019	1
Dr Alanna Kamp Nominee of the Geographical Society of NSW. Term expires September 2022	3
Mr Peter Gibbs Nominee of the NSW Aboriginal Land Council. Term expires June 2021	3
Mr Felice Montrone Nominee of Multicultural NSW. Term expires December 2020	5

Counsellors and attendance

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

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

Administration

DCS Spatial Services employs four staff under section 4 of the *Geographical Names Act 1966* to enable the Board to exercise its functions.

Building Professionals Board

Charter

The NSW Building Professionals Board (Board) was established under the *Building Professionals Act 2005* (BP Act) to accredit certifiers, investigate their conduct and promote the provision of reliable services by certifiers.

On 1 July 2020, the BP Act was repealed, and the Board was formally abolished. Functions of the Board are now carried out by NSW Fair Trading under the *Building and Development Certifiers Act 2018*, which commenced on 1 July 2020.

Contact details

PO Box 972, Parramatta NSW 2124
Phone: (02) 8522 7800 www.fairtrading.nsw.gov.au
Business hours: 8.30am – 4.30pm Monday – Friday

Aims and objectives

The objectives of the Board were to:

- be a high performing and delivery-focused organisation
- improve the certification system and confidence in it
- respond effectively to complaints against accredited certifiers
- increase the supply of accredited certifiers
- improve certifiers' competence and statutory compliance
- implement an audit and advisory regime for significant risks in certification.

Operations and achievements 2019/20

Building industry reforms and new legislation to regulate certifiers

The Board made critical contributions to developing regulations under the *Building and Development Certifiers Act 2018* and delivered training to help certifiers understand the new legislation.

Guidance and education

In consultation with an industry reference panel, the Board developed a Certifier Practice Standard (published September 2020). Certifiers will be required to work in accordance with the Standard. This fulfills a Government commitment arising out of the independent review of the BP Act. The Board also delivered mandatory training to all certifiers about their role as public officials.

Investigating building certifiers and Opal Tower certification

The Board cancelled the accreditation of 3 certifiers who engaged in professional misconduct. In addition, the accredited body corporate that certified the Opal Tower at Olympic Park was reprimanded and received a \$50,000 penalty.

Investigating swimming pool certifiers

The Board found that 3 swimming pool certifiers were not meeting their legislative duty to inform councils about non-compliant pools that were not being rectified by owners. Each certifier was issued with a fine up to \$25,000, ordered to retake an education course, and ordered to report each month to Fair Trading to show their ongoing compliance. Two of the certifiers chose to relinquish their accreditation and are no longer pool certifiers.

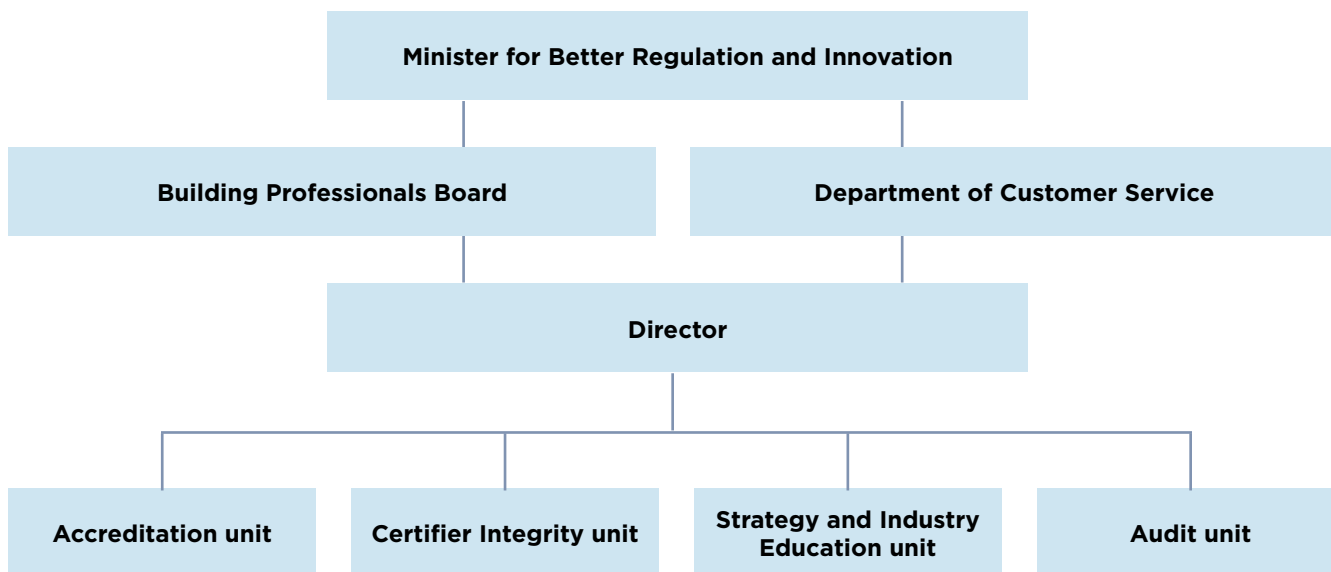
Audits of high-risk accredited certifiers

Audits of certifiers began in April 2019 to promote certifiers' compliance with regulatory requirements, ensure they modify their behaviour following disciplinary action, and inform better regulation of certifiers. In 2019/20, 259 audits were completed.

Building Professionals Board

Board membership, meetings and structure

Structure of the Board



Members of the Board during 2019/20:

Rose Webb

Deputy Secretary and
Commissioner for NSW Fair Trading (President)
(January 2018 – 30 June 2020)

Rose Webb was appointed as Deputy Secretary, Better Regulation and Commissioner for Fair Trading in November 2017. Before joining the Department, Rose was CEO of the Hong Kong Competition Commission. Prior to this, she served in leadership roles at the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission. Rose holds a double degree in Economics and Law from the Australian National University and has a Master of Laws from the University of Sydney.

Peter Dunphy

Executive Director,
Compliance and Dispute Resolution (Deputy President)
(November 2018 – 30 June 2020)

Peter Dunphy held executive positions at NSW Fair Trading, SafeWork NSW, the Dust Diseases Board and WorkCover NSW before being appointed as

the Executive Director, Compliance and Dispute Resolution, Better Regulation Division. Peter holds a BSc in environmental health from Griffith University, and a Master of Public Policy and a Master of Urban and Regional Planning from the University of Sydney. Peter was awarded the Public Service Medal in 2014.

John Tansey

Executive Director,
Regulatory Policy, Better Regulation Division
(September 2016 – 30 June 2020)

John Tansey served in management and executive positions at the Department of Premier and Cabinet, and the Department of Community Services before joining Fair Trading where he held the position of Executive Director, Building and Construction Service for six years. Since November 2019, John has been the NSW representative board member on the Australian Building Codes Board. John holds a BA in Government and Psychology from the University of Sydney.

The Board met in person (or via tele/videoconference) 4 times. All members attended each meeting.

Board members were appointed by the Minister under the BP Act. The Board's secretariat consisted of staff of DCS.

Building Professionals Board

Principal legislation

The BP Act, under which the Board previously operated, was repealed on 1 July 2020. The *Building and Development Certifiers Act 2018* and *Building and Development Certifiers Regulation 2020* commenced on 1 July 2020 as the new legislation to regulate accredited (registered) certifiers. The Fair Trading website summarises the changes to certifier regulation.

Legislative changes - *Building Professionals Act 2005* and *Building Professionals Regulation 2007*

On 13 March 2020, the *Building Professionals Regulation 2007* (BP Regulation) was amended by the *Building Professionals Amendment (Subdivision Works Certificates) Regulation 2020*, to update terminology following amendments to the *Environmental Planning and Assessment Act 1979*.

On 25 March 2020, the BP Act and the BP Regulation were amended by the *Better Regulation and Customer Service Legislation Amendment (Bushfire Relief) Act 2020*, regarding Fair Trading's power to waive, reduce, postpone or fees payable under the BP Act.

On 1 July 2020, the BP Act and Regulation were repealed.

Significant judicial decisions

During 2019/20, the Board was a party to eight decisions of the NSW Civil and Administrative Tribunal. Two significant decisions are summarised below.

Boyce v Building Professionals Board (No 2) [2020] NSWCATOD 14

The Tribunal upheld the Board's decision to cancel the certifier's accreditation. The Board had found that the certifier, among other things, issued a complying development certificate that had confusing and misleading information, issued an occupation certificate for work that was inconsistent with the approved plans, and failed to take appropriate action in response to a complaint about non-compliant building work that he was certifying.

Lilli v Building Professionals Board [2019] NSWCATOD 193

The certifier applied for a stay of the Board's decision to cancel his accreditation, largely on the basis that the cancellation would lead to closure of his business. The Tribunal noted that the public interest in ensuring appropriate standards of building certification, as a matter of public safety, is more important than financial consequences to the certifier. The Board's decision was stayed subject to conditions that effectively prevent the certifier from carrying out certification work.

Building Professionals Board

Activities: investigating and auditing certifiers

Description	2015/16	2016/17	2017/18	2018/19	2019/20
Proactive investigations (initiated under s.46 BP Act)	0	10	5	15	35
Audits	0	0	3	5	259
Complaints received	145	113	150	245	174
% of complaints investigated	100%	100%	100%	100%	100%
Fine imposed	21	7	4	23	5
Fine (original \$ imposed by the Board)	\$253,500	\$66,500	\$47,000	\$443,500	\$140,000
Penalty infringement notice (PIN) issued	0	5	0	47	31
PIN \$ value	0	\$7,500	0	\$76,500	\$45,750
Accreditation cancelled	1	0	1	3	2
Accreditation holder disqualified from reapplying for a fixed period	1	0	0	3	2
Accreditation suspended	1	0	0	0	0
Certifier required to report on practice	4	0	0	0	3
Imposition of conditions on accreditation	5	0	1	6	5
Caution	5	3	0	1	0
Reprimand	26	9	5	34	7
Educational course order	11 (one order varied by NCAT)	0	1	10	3
Warning	69	120	64	176	93
Dismissal of complaint	87	25	35	47	47
Withdrawal of complaint	7	2	2	2	2

Activities: accreditation of certifiers

Application type	Applications received	Applications determined
New application	332	295
Renewal – council accreditation	629	594
Renewal – private accreditation	1150	1071
Renewal – body corporate accreditation	10	10

Building Professionals Board

Activities: communications and online services

Website and e-newsletter

The Board's stand-alone website has been decommissioned. Information about certifiers is available on the Fair Trading website.

The Board's website received 141,337 pageviews from 1 July 2019 to 3 October 2019. From 3 October 2019, visitors were redirected to the Fair Trading website.

The certifier e-newsletter, *Cert Alert*, had approximately 8,900 subscribers at 30 June 2020.

Swimming Pool Register

The NSW Swimming Pool Register at www.swimmingpoolregister.nsw.gov.au had a total of 380,241 recorded swimming pools and spa pools in NSW at 1 July 2020.

During 2019/20, 25,890 pools and spas were inspected. Of these 22,232 were found to be compliant and 3,658 non-compliant with legislative standards for swimming pool barriers. In total, 63,713 (106,599 if compliant certified expired records included) registered pools had been certified as compliant under the *Swimming Pools Act 1992*.

Other statutory reporting requirements

The *Annual Reports (Statutory Bodies) Act 1984* requires reporting as follows.

Consumer response

In 2019/20, most complaints about the Board were about two matters: the time to determine applications for accreditation, or difficulties experienced by certifiers in obtaining professional indemnity insurance that met the requirements set by the BP legislation.

Certifiers' concerns about insurance are being addressed at a national level and NSW Fair Trading is contributing to this work. Further, the new BDC legislation has slightly relaxed some insurance requirements to align with other Australian jurisdictions' requirements for certifiers.

Implementation of price determination

Some of the recommendations made in the *Licence Rationale and Design* review were considered during development of the *Building and Development Certifiers Act 2018* and the *Building and Development Certifiers Regulation 2020*.

Building Professionals Board

Building Professionals Board Budget for 2019/20

	2019/20 Budget
Employee-related expenses	
Salaries and wages	\$3,107,800
Superannuation	\$295,248
Payroll tax	\$202,487
Long service leave	\$108,892
Workers compensation	\$34,028
Voluntary redundancy	0
Total employee-related expenses	\$3,748,455
Other operating expenses	
Auditor's expenses	\$12,300
Bad debt expenses	0
Operating lease rental expenses (Office accommodation)	\$247,025
Fees for service	\$147,600
Staff training and conferences	\$11,275
Minor expenses	\$16,400
Total other operating expenses	\$434,600
Total expenses	\$4,183,055
Revenue	
Accreditation revenue	\$1,825,525
Other revenue	\$453,050
Grant revenue	0
Investment revenue	\$12,000
Total revenue	\$2,278,575
Crown acceptance liabilities	
Superannuation	\$17,425
Long service leave	\$184,500
Payroll tax	\$1,025
Total Crown acceptance liabilities	\$202,950
Total revenue (including Crown acceptance liabilities)	\$2,481,525
Net (surplus) / deficit	\$1,701,530

Building Professionals Board

Payment of accounts

Value of invoices paid	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Before due date	\$15,951.78	\$200.00		\$45,877.70	\$62,029.48
Sum 1-30 days	\$555.70	\$6,270.00	\$7,088.24		\$13,913.94
Sum 31-60 days	\$0.00		\$680.00		\$680.00
Sum 61-90 days	\$0.00				\$0.00
Sum 91-over days	\$0.00			\$833.80	\$833.80
Total value of invoices paid	\$16,507.48	\$6,470.00	\$7,768.24	\$46,711.50	\$77,457.22
% paid on time by value	100%	100%	91%	98%	98%
No of invoices paid	4	2	4	3	13
No paid before due date	4	2	3	2	11
No paid after due date	0	0	1	1	2
% paid on time by number	100%	100%	75%	67%	85%
Interest paid					
No of payments for interest on overdue invoices	0	0	0	0	0
Interest paid on overdue invoices	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Requirements arising from employment arrangements

The financial statements in this report provide information on salaries, wages, long service leave and superannuation.

Risk management and insurance liability

The Board's analysis of its key risks informed its business planning. In 2019/20, assets and risks were insured through the NSW Treasury Managed Fund.

Building Professionals Board

Reporting requirements covered by Department of Customer Service

For certain reporting requirements under the *Annual Reports (Statutory Bodies) Act 1984*, the Board was serviced or otherwise covered by DCS. As the Board has now been dissolved, some information related to the Board's activities is now provided by DCS. Please refer to chapters 4 and 6 of this report in regard to:

- cyber security policy attestation
- *Government Information (Public Access) Act 2009* (applications for information)
- human resources
- multicultural policies and services program
- numbers and remuneration of senior executives
- *Privacy and Personal Information Protection Act 1998*
- workforce diversity.

Reporting requirements with nil response

The Board reports a nil response, or as otherwise indicated, for the following reporting requirements under the *Annual Reports (Statutory Bodies) Act 1984*:

- after balance date events having a significant effect on operations and clientele – nil
- agreements with Multicultural NSW – nil
- consultants costing \$50,000 or more – nil
- consultants costing less than \$50,000 – nil
- disclosure of controlled entities and subsidiaries – n/a
- economic or other factors affecting operational performance – nil
- exemptions – as a small statutory body, the Board need only report on workforce diversity, disability inclusion action plans, multicultural policies and services program and work health and safety on a triennial basis
- external costs incurred in the production of this report – nil
- funds granted to non-government community organisations – nil
- investment performance – nil
- land disposal – nil
- liability management performance – n/a (debt is less than \$20 million)
- outline budget for 2020-21 – n/a (the Board is now abolished)
- promotion – nil
- public interest disclosures – nil
- research and development – nil
- work health and safety – nil reportable injuries or prosecutions.

Erratum – 2018/19 annual report

The Board's 2018/19 annual report indicated a nil response for 'consultants costing less than \$50,000'. This is incorrect. In 2018/19 the Board engaged a consultant for \$13,190 to provide actuarial advice regarding the professional indemnity insurance market for certifiers.

Building Professionals Board

Internal Audit and Risk Management Attestation Statement for the 2019-2020 Financial Year for Building Professionals Board

I, Rosemary Ann Webb, Commissioner for Fair Trading, am of the opinion that the **Building Professionals Board** had internal audit and risk management processes in operation that were compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Building Professionals Board

Membership

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

- Carol Holley, Independent Chair, from 1 November 2019 to 31 October 2022;
- Bruce Turner AM, Independent Member, from 1 November 2019 to 31 October 2022;
- Nancy Milne OAM, Independent Member, from 1 November 2019 to 31 October 2022.

The Committee only came into existence from 1 November 2019, after the DFSI Shared Arrangement ARC was dissolved on 31 October 2019, as a result of machinery of Government changes.

This Audit and Risk Committee was established under a Treasury approved shared arrangement with the following participating entities:

- Department of Customer Service
- Rental Bond Board
- Building Professionals Board (now dissolved)
- NSW Government Telecommunications Authority
- Greyhound Welfare and Integrity Commission
- Independent Liquor and Gaming Authority



Rosemary Ann Webb
Commissioner for Fair Trading
Building Professionals Board

28 September 2020

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6

Appendices

Accounts payable performance

For the principal Department of Customer Service. The Department aims to pay all its invoices within 30 days unless legislatively required to pay more quickly. The Department also adopted the use of purchase cards for the payment of low dollar-value transactions, using purchase cards for a number of expense categories where the transaction was \$10,000 or less in value and not subject to a contractual requirement for a Purchase Order.

The Department has also implemented the Faster Payment Terms (FPT) policy and aims to pay all registered small businesses within 5 business days of a correctly rendered invoice. This policy has been in place since 1 January 2020, reduced from a previous 20-day payment term. During COVID-19, the Department has further extended this policy aiming to pay all invoices within 5 days of receiving a correctly rendered invoice.

During 2019/20 there were no instances where penalty interest was paid for the late payment of invoices although not all payments were made on time. Factors affecting the timing of payments are largely due to manual error or process missteps and include errors in tax invoice information, tax invoices submitted incorrectly and part delivery of goods and services where it is necessary to wait for full delivery before payment can be made.

The Department continues to evaluate and where appropriate implement initiatives to improve payment performance. Such initiatives include; a continued focus on the transfer of suitable payments to purchase cards for low-value purchases, increasing automation to further reduce the volume of manual processes, and continued implementation of the new FPT policy.

Aged analysis at the end of each quarter:

Quarter	Current \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days overdue \$'000	More than 90 days overdue \$'000	Total \$'000
All suppliers						
Sep-19	2,447	23,050	211	345	377	26,430
Dec-19	696	5,751	395	631	20	7,493
Mar-20	6,676	1,044	690	71	(4)	8,477
Jun-20	1,535	14,911	274	252	238	17,210
Small business suppliers						
Sep-19	55	1,250	32	-	6	1,343
Dec-19	42	-	-	-	-	42
Mar-20	-	-	4	-	-	4
Jun-20	312	153	7	-	-	472

Note: Small business registration with the Department began in January 2012. A small business is defined as a NSW business with less than 20 employees that supply to participating NSW Government agencies. (www.smallbusiness.nsw.gov.au/what-we-do/our-work/faster-payment-terms)

Accounts payable performance

Accounts due or paid within each quarter:

Measure	Sep-19	Dec-19	Mar-20	Jun-20
All suppliers				
Invoices due for payment (#)	6,542	5,787	5,847	6,956
Invoices paid on time (#)	5,509	5,087	4,853	6,118
Actual percentage of invoices paid on time (based on number of invoices)	84.2%	87.9%	83.0%	88.0%
Amount due for payment (\$'000)	\$214,378	\$191,720	\$178,773	\$227,901
Amount paid on time (\$'000)	\$177,864	\$187,437	\$171,612	\$220,172
Actual percentage of accounts paid on time (based on \$)	83.0%	97.8%	96.0%	96.6%
Number of payments for interest on overdue accounts (#)	-	-	-	-
Interest paid on late accounts (\$)	-	-	-	-

Measure	Sep-19	Dec-19	Mar-20	Jun-20
Small business suppliers				
Invoices due for payment received from small businesses (#)	192	217	176	258
Invoices from small businesses paid on time (#)	189	213	168	248
Actual percentage of small business invoices paid on time (based on number of invoices)	98.4%	98.2%	95.5%	96.1%
Amount due for payment to small businesses (\$'000)	\$2,483	\$2,734	\$2,440	\$5,775
Amount due to small businesses paid on time (\$'000)	\$2,393	\$2,438	\$2,353	\$5,575
Actual percentage of small business accounts paid on time (based on \$)	96.3%	89.2%	96.4%	96.5%
Number of payments to small business for interest on overdue accounts (#)	-	-	-	-
Interest paid to small businesses on late accounts (\$)	-	-	-	-

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

Consultants

Engagements over \$50,000

Consultant	Business unit	Category	Purpose	Amount (\$)
Boston Consulting Group	Corporate Services	Management service	For advice on strategies on DCS' mission in playing a central part in NSW becoming the world's most customer centric government, in line with the deliverables of <i>Outcomes Based Budgeting</i> rolled out by NSW Treasury.	300,000
Boston Consulting Group	Corporate Services	Management service	To prepare the strategic narrative for DCS following the <i>Administrative Arrangements Order 2020</i> .	60,000
Deloitte Consulting	Information and Digital Government	Information technology	To develop a strategy to increase usage of cloud services within NSW State government.	338,901
Deloitte	Information and Digital Government	Management service	To develop an agile investment portfolio management process within NSW government.	149,000
Deloitte	Information and Digital Government	Information technology	To complete a business proposal for continued investment in cyber security to keep up with rapidly evolving cyber threats.	140,000
KPMG	Responsible Gambling Fund	Management service	Strategic assessment of global technology available for gambling harm minimisation and recommend investment in this area.	249,067
KPMG	Information and Digital Government	Information technology	To conduct a risk assessment of cyber security risks and incidents to facilitate management in decision making.	96,480
KPMG	Titling Registry Services	Accounting/ Tax	Valuation of the NSW Land Title database as an intangible asset in accordance with new accounting standard, AASB 1059.	110,000
Nous Group Pty Ltd	Responsible Gambling Fund	Management service	Review the NSW Gambling Help service delivery model to increase efficiency and coverage of services to diverse cultural, geographical and population groups across NSW to meet the needs for prevention, accessible support and treatment.	509,765
Dench McClean Carlson	Better Regulation	Management service	Review of the Inter-Governmental Agreement (IGA) for electronic conveyancing to facilitate, implement and manage a regulatory framework to enable a competitive operator market.	56,932
Kathryn Greiner	NSW Fair Trading	Management service	Engagement as the Retirement Village Ambassador to review and advise on matters of public interest following the 2017 Inquiry into the NSW Retirement Village Sector.	86,500
Woolcott, Colmar Brunton, Pirac Economics & others	NSW Fair Trading	Management service	Various consultancy advice under the provisions of the <i>Emergency Services Levy Insurance Monitor Act 2016 No 23</i> to facilitate the Emergency Services Levy (ESL) to monitor prices and produce guidelines so that insurers do not mislead policyholders.	321,126
Unisearch Expert Opinion Services	NSW Fair Trading	Management service	Independent expert review for <i>Mascot Towers Strata Committee</i> on rectification works on Mascot Towers	131,532
Subtotal engagements over \$50,000:				2,549,303

Consultants

Engagements under \$50,000

Category	Number of engagements	Amount (\$)
Information Technology	4	155,542
Legal	3	77,483
Management Service	20	505,340
Subtotal engagements under \$50,000		738,365
Total expenditure on consultants		\$3,287,668

Consumer response

DCS strives to make it easier for people to deal with government by promoting advancements in customer service to improve the lives of the people of NSW. DCS routinely reviews the feedback provided by members of the public and makes improvements to its processes where appropriate in response to the suggestions received. The following changes were made by DCS during the financial year.

Better Regulation Division

During 2019/20, across Better Regulation Division there were approximately 1 million service requests. There were also over 18 million unique webpage views, over 700,000 telephone enquiries and additional requests comprising requests for service, community events, complaints, applications, rental bond lodgements and refunds as well as renewals for licences and registrations.

NSW Fair Trading

In 2019/20 Fair Trading supported the community through:

- 377,987 enquiries for assistance
- 42,824 customer and trader complaints with 93% received electronically, making the internet the preferred channel for complaint lodgements
- 11.3 million unique webpage views
- 513,094 calls answered by Fair Trading's Contact Centre
- 40,246 calls answered by regional Fair Trading offices
- 8,348 calls answered by Registry Services relating to co-operatives and associations
- 17,130 calls answered by the Plumbing Inspection and Assurance Service relating to both plumbing inspection bookings and technical enquiries
- 84 calls answered by the Loose Fill Asbestos Implementation Task Force

- 457 community events delivered to over 11,548 consumers and their families, 63% of which were targeted to vulnerable groups:
 - participation in 21 community activities, reaching almost 746 multicultural consumers (includes CALD and indigenous) through the Informed Choices program
 - 50 events were targeted at senior groups
 - 40 events with over 930 participants in the Youth Informed Choices program
 - 34 events with 579 participants to people with disabilities
- Building Investigation Branch educated 716 traders through verbal and written communication
- 355,869 rental bonds were lodged and receipted, 71% of which were lodged fully online using the Rental Bonds Online portal
- 330,871 rental bond refunds were processed, 37% of which were processed fully online
- 225,353 applications and renewals of licences and registrations.

Note that there has been a reduction in the number of calls answered by Fair Trading in 2019/20 compared to previous years due to a transfer of this role to Service NSW. Community event numbers have been affected by COVID-19 and changes from face to face events to online channels.

Any business that is subject to multiple complaints is allocated a case manager. This officer maintains an overview of the complaints against that business and acts as a single point of contact for the trader. During 2019/2020, 942 traders were actively managed, which included the new appointment of a specific case manager to 241 new traders.

Fair Trading encourages consumers and traders to provide feedback on their experiences. This feedback is captured and provided back to the business area for response and appropriate service improvements where required. In 2019/2020, Fair Trading received 1,216 customer feedback responses from consumers and traders, comprising:

- 146 compliments (12.01% of all feedback)
- 143 suggestions (11.76%)
- 178 enquiries (14.64%)
- 749 complaints (61.60%), 93.19% of which were completed within service standards.

Consumer response

Fair Trading issued:

- 160 Court Attendance Notices
- 732 Trader Warnings
- 173 Trader Cautions
- 2,104 Penalty Infringement Notices with fines totalling \$2,404,485.

There were also:

- 10,072 Trader Inspections completed, with a total of 67,660 products inspected
- 47,962 Compliance Information Requests processed
- 2,355 disciplinary actions undertaken such as inspection reports, warning letters and cautions
- 226 prosecutions against 44 defendants with fines and penalties totalling \$611,754.

SafeWork NSW

SafeWork NSW focuses on delivering services that are easy to access and designed collaboratively with its customers, partners and providers while enhancing work health and safety standards in NSW workplaces. The *Work Health and Safety (WHS) Roadmap for NSW 2022* outlines a strategic approach to reducing harm by focusing on priority sectors, harms, workers and workplaces where the most significant WHS risks exist.

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

SafeWork NSW has delivered the following during 2019/20:

- engaging with the NSW community in numerous ways including:
 - 44,923 workplace interactions (including inspector visits)
 - 5.28 million unique webpage views
 - 112,178 emails, calls and letters
 - 230,901 applications and renewals of licences, certificates and registrations finalised
- provided funding of \$295,500 for 628 rebates to small business to make safety improvements
- provided funding of \$782,000 for 753 rebates towards quad bike safety.

Work Health and Safety performance

NSW has already met and exceeded the nationally agreed targets for the reduction of fatalities and serious injuries and illnesses in advance of 2022. As a result of a refresh of the Roadmap in 2018, NSW has committed to new targets of a 30% reduction in work related fatalities and a 50% reduction in the incidence of serious injuries and illnesses by 2022.

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

The new baseline from 2013/14 to 2015/16 for serious claims for NSW is now 10.29 and the target incident rate set for 2021/22 is now 7.14. The latest data available for 2017/18 shows that NSW achieved an incident rate of 9.8.

Consumer response

KPI data

Reporting progress against the NSW and national targets for the reduction of fatalities and serious injuries.

Key Performance Indicator	NSW Baseline		Results		NSW Target	National Target SafeWork Australia
	2013-16	2017	2018	2019	2017-2019	2020-22
Reduce the number of traumatic worker fatalities (1) by at least 30% by 2022	57	61	48	59 (2)	53	60

1. The definition of traumatic injury fatalities (workers only) are fatalities resulting from an injury sustained in the course of a work activity. It excludes fatalities as a result of someone else's work activity (bystander activities). It includes work related fatalities on public roads and off public roads.
2. The data for the calendar year 2019 (59 fatalities) is preliminary only and could change when data quality checks are applied in the future.

Key Performance Indicator	Unit	NSW Baseline	Results			NSW Target	National Target
		2013/14 to 2015/16	2015/16	2016/2017	2017/18	2021/22	2021/22
Reduce the incidence of claims resulting in more weeks off work by at least 50%	Incidence rate of serious workers compensation claims	10.29	9.6	9.8	9.8	7.14	9.82

1. The Incidence rate is defined as the number of claims per 1,000 workers.
2. A serious claim is defined as a liability accepted workers' compensation claim for an incapacity that results in a total absence from work of one working week or more. Claims excluded from this definition include those arising from a work-related fatality, or a journey to or from work, or during a recess period. This definition also excludes deafness claims, as such claims tend not to have an absence from work of one working week or more.

Consumer response

SafeWork NSW compliance and enforcement activity

In 2019/20, SafeWork NSW commenced 153 prosecutions under Work Health and Safety laws, securing 95 successful prosecutions (mainly from incidents in previous years) resulting in \$8.8 million in fines.

SafeWork NSW accepted 17 enforceable undertakings as an alternative to prosecution through the courts. A summary of compliance, enforcement and other activities undertaken during 2019/20 is provided below:

- 22,629 proactive workplace visits
- 837 proactive workshops, presentations, seminars and forums
- 11,821 reactive workplace visits
- 9,636 other reactive interventions
- 561 penalty notices issued
- 2,154 prohibition notices issued
- 9,303 improvement notices issued
- 2,851 of other notices issued
- 17 enforceable undertakings
- 95 legal proceedings resulting in a conviction, order or agreement in 2019/20
- 153 legal proceedings commenced in 2019/20 (proceedings commenced may not conclude until subsequent year/s)
- \$8.8 million in fines ordered by the Courts.

Data Disclaimer

The NSW Government is committed to producing data that is accurate, complete and useful. Notwithstanding its commitment to data quality, NSW Government gives no warranty as to the fitness of this data for a particular purpose. While every effort is made to ensure data quality, the data is provided "as is". The burden for fitness of the data relies completely with the user. The NSW Government shall not be held liable for improper or incorrect use of the data.

Note - This data was correct at the time in which it was extracted, however may change due to the progression of data and the application of regular data quality reviews. It should not be used for any other purpose or forwarded to any other parties without the prior written consent of SafeWork NSW.

Liquor & Gaming NSW

In 2019/20 Liquor, Gaming and Racing handled:

- 29,962 phone enquiries
- 12,622 email and web enquiries
- 1.75 million unique webpage views.

Refer to the Independent Liquor and Gaming Authority website for its annual report for more information about Liquor and Gaming consumer response activities.

Office of Responsible Gambling

In 2019/20 the Office of Responsible Gambling had the following customer interactions:

- Gambling Help NSW services saw 6,260 clients over 31,849 sessions, with 54% delivered face to face, 7% online and 38% by telephone
- the Gambling Help NSW helpline provided 9,603 NSW residents with telephone crisis support and the national Gambling Help Online service delivered 3,016 online counselling sessions to NSW residents
- the Gambling Help NSW and Office of Responsible Gambling websites had over 100,000 unique users and 264,731 page views.

Subsidence Advisory NSW

During 2019/20, Subsidence Advisory NSW:

- approved development with an estimated total cost of over \$2 billion in Mine Subsidence Districts, assessing 3,189 individual development applications
- responded to 188 emergency mine subsidence reports, including sinkholes, through its 24-hour response service
- received 271 claims and paid \$10.4 million in compensation for properties and infrastructure damaged by subsidence.

Office of the Registrar General

During 2019/20, the Office of the Registrar General:

- reviewed 15 Torrens Assurance Fund claims valued at around \$21 million
- reviewed 19 boundary disputes between adjoining property owners and carried out 263 audits across NSW, 196 of which were in the Sydney metropolitan area and 67 in regional NSW.

Customer, Delivery and Transformation

NSW Registry of Births Deaths & Marriages

NSW Registry of Births Deaths & Marriages have redefined the definition of a vulnerable person to mean a person who is experiencing disadvantage and accesses a regulated activity or service related to the disadvantage. The definition also recognises people's changing circumstances. People will not be considered vulnerable at all times. Due to the change in definition, the Registry has increased services provided to vulnerable people in NSW including:

- collaborating with the Drug Court of NSW and offering 1,000 free certificates per annum
- collaborating with NSW Legal Assistance Forum to provide 3,000 free certificates per annum to inmates within Corrective Services and Juvenile Justice
- collaborating with Legal Aid and Service NSW on outreach programs to assist vulnerable people across NSW targeting remote areas
- issued 1,149 free certificates to vulnerable people and through the Indigenous Access Program
- issued 1,473 free certificates to bushfire victims in NSW and coordinated 260 certificates for victims where the certificate is issued in other States and Territories and New Zealand
- attending Koori Knock Out and issuing 400 free birth certificates and registering 28 births.

Increasing Aboriginal birth registration

The traditionally low registration of Aboriginal births in NSW is being addressed with the 'Our Kids Count' campaign by the NSW Registry of Births Deaths & Marriages.

Since April 2018 there has been a significant increase in the number of Aboriginal and Torres Strait Islander (ATSI) births being registered.

- birth registrations for ATSI children increased by 52.54% between 2017 and 2018. The increase was accentuated by the introduction of the online Birth Registration system in April 2018
- previously unregistered births from previous years were registered soon after the release of the online system
- the number of ATSI births registered has remained higher in 2020 than in years previous to 2018.

The increase is also seen by the rate of ATSI births registered as a percentage of all births. This has continued to increase from 5.29% of births registered in 2017 to 8.11% up to 30 June 2020.

Year	% ATSI Child
2016	5.44
2017	5.29
2018	6.83
2019	7.15
2020	8.11

Registrations Jan-Jun 2020	Number
Total	47,887
Aboriginal	3,590
TSI	178
Both	117
Indigenous Total	3,885
Percentage Indigenous	8.11%

Consumer response

Revenue NSW

In order to make it easier for customers to do business with Revenue NSW, it takes a customer centred approach in designing its products and services.

Customer Satisfaction and Effort Survey

The Customer Satisfaction and Effort Survey is run to assess the experience customers have with Revenue NSW, and to identify customer pain points and opportunities for improvement. Survey results for April 2020 show an overall customer satisfaction of 72.8%, based on services provided, outcome of customer interactions, staff knowledge and customer options. Customers rated Revenue NSW 3.8 on the customer effort score with 5 being extremely easy to deal with.

Customer feedback

In addition to the Customer Satisfaction and Effort Survey, Revenue NSW encourages customers to provide feedback on their experiences via the phone and online channels. This feedback is captured within a centralised system (MyCustomer), and as a mechanism for Revenue NSW to respond to, recognise and introduce service improvements.

In 2019/20 Revenue NSW received 4,070 customer feedback responses from customers, comprising:

- 564 compliments
- 1,053 ideas/suggestions
- 2,453 complaints.

Customer experience achievements

Revenue NSW focused on the following key customer experience initiatives during 2019/20:

- ensuring a 100% achievement of commitment for complaints handling
- new Revenue NSW Customer Satisfaction baseline measure to better understand and benchmark customer satisfaction
- building capabilities in complaint handling and customer-centred design
- conducting a 'Getting to Know Customers' session for the Executive team.

These initiatives ensure Revenue NSW maintains its focus on improving the customer experience.

Disclosure of controlled entities and subsidiaries

For the purposes of financial reporting, DCS had no controlled entities or subsidiaries for the 2019/20 financial year.

Diversity and inclusion policies and services

The ‘Journey to Inclusive Leadership’

To create a cluster-wide culture that embeds inclusion in its DNA, DCS produced a holistic diversity and inclusion strategy.

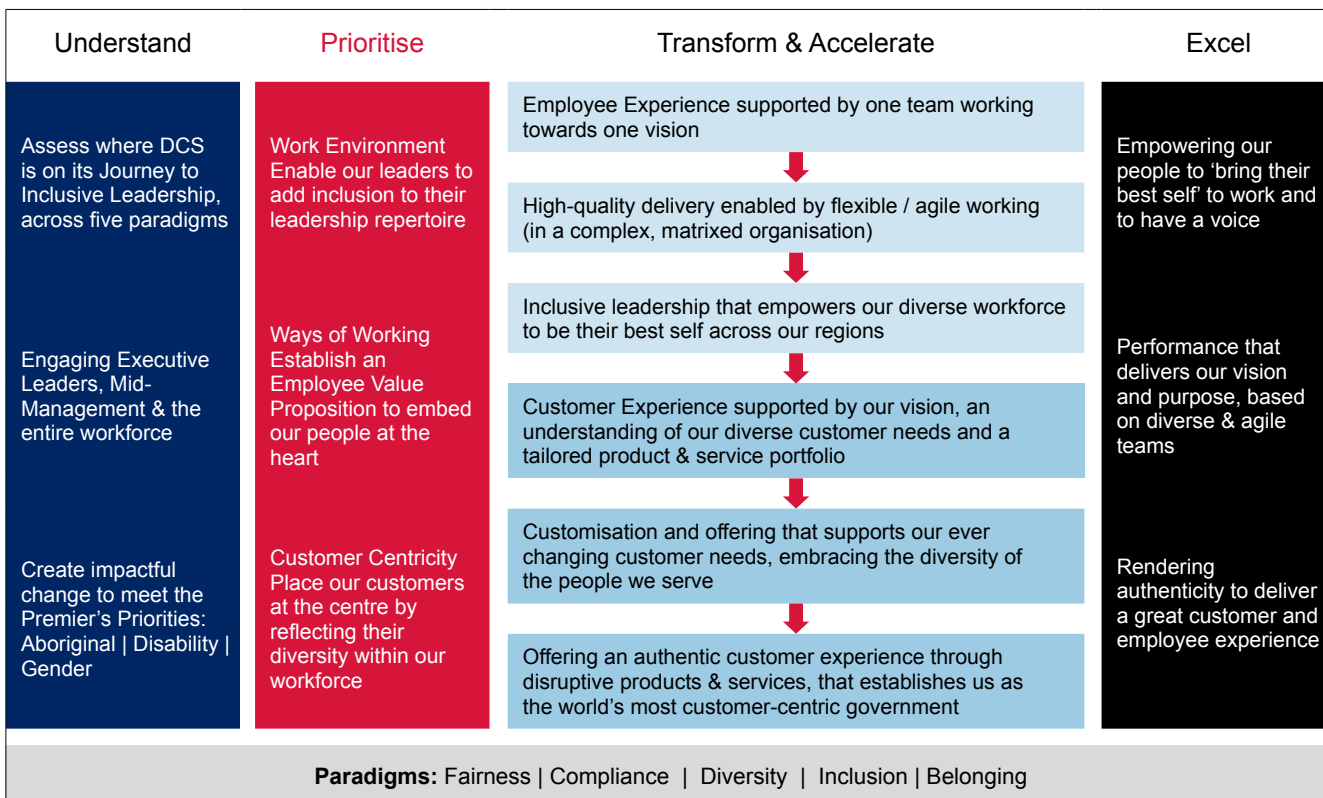
The *DCS Diversity and Inclusion Strategy and Action Plan 2020-25* outlines DCS’s commitment to the Premier’s Priorities. These are:

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

The Strategy also:

- supports the Diversity Inclusion Advisory Council (DIAC), Disability Inclusion Steering Committee (DISC) and Employee Resource Groups (ERGs) to update practical actions
- implements the Aboriginal Workforce Strategy, the Disability Inclusion Action Plan (DIAP), and programs to increase the visibility and career progression of people from CALD backgrounds.

DCS Diversity and Inclusion Strategy



Diversity and inclusion policies and services

Diversity Inclusion Advisory Council (DIAC)

The Diversity Inclusion Advisory Council provided advice and support to the DCS Executive to develop and monitor the DCS Diversity and Inclusion Strategy. The Council also proactively demonstrated visible and active leadership of diversity and inclusion across the cluster. The Council is chaired by the Secretary, with membership including Employee Resource Group chairs and executive sponsors. Council meetings were held every six weeks in 2019/20.

Employee Resource Groups

In conjunction with the Diversity Inclusion Advisory Council, nine Employee Resource Groups (ERGs) increased awareness and made a positive contribution to DCS's culture. The nine ERGs are focused on the following diversity characteristics:

- Ability DCS (people with disability)
- Aboriginal
- Culturally and Linguistically Diverse
- Carer
- Mature Aged Professionals (now rebranded as Generations – voice of the 45+)
- Pride DCS (lesbian, gay, bisexual, transgender, intersex, queer)
- Women (now rebranded as Leading Women, empowering all)
- YPN, Young Professionals Network
- Men (which commenced in May 2020).

Members of Ability DCS and the Disability Inclusion Manager are also active members of the Public Service Commission's sector-wide DENConnect, which links members of disability employee networks to share resources, experiences and innovations.

Members of PRIDE DCS are also active members of the NSW Government's whole-of-sector PRIDE in NSW network, an initiative to connect public servants in NSW who have an interest in the LGBTQIA+ community and support.

The work of DCS's ERG's ranges from employee support to strategic advising. The ERGs host several inclusive events each year to celebrate their respective diversity characteristics with the DCS and wider, external community. The ERGs represent the staff of DCS and help embed and develop a stronger culture of inclusion.

Aboriginal Employment Strategy (AES)

DCS is in the final stages of developing its Aboriginal Employment Strategy (AES) 2020 – 2025. The Strategy is designed to move Aboriginal employment forward in a meaningful and holistic way, growing and developing career paths for Aboriginal employees. Over the life of the Strategy, DCS will:

- achieve a minimum target of 10 Aboriginal people in senior leadership roles
- achieve a minimum target of 4% of all Aboriginal staff in non-executive salary classes
- recruit Aboriginal people to all agencies within the DCS cluster and under all available programs including:
 - school-based traineeships
 - graduate and entry level programs
 - Elsa Dixon Aboriginal Employment Program
 - Aboriginal Development Training & Leadership Program
 - secondments
 - role swapping with NGOs
 - utilising talent/recruitment pools.

The AES will also support and nurture our Aboriginal staff and provide a sense of belonging to Aboriginal employees. The Strategy will achieve this by:

- providing career paths and promotion opportunities
- establishing robust support mechanisms including:
 - mentoring and shadowing
 - buddy systems
 - Aboriginal Employee Assistance Program
- strengthening our induction process so that new staff are aware of our support services and can connect with other Aboriginal staff including the ERG
- developing an exit interview process to gain honest and open data so that DCS can continually improve its retention and staff satisfaction rates
- encouraging participation in community development programs such as Jawun, and explore options for DCS to develop similar programs.

To achieve these targets, DCS will develop the necessary frameworks and programs, and form strong partnerships across DCS and NSW government agencies by participating in the relevant forums and committees.

Diversity and inclusion policies and services

Disability Inclusion Action Plan

With the machinery of government changes and the Department of Finance, Services and Innovation and Service NSW Disability Inclusion Action Plans (DIAPs) coming to an end, DCS has commenced work on the 2020-2025 DIAP. The DIAP will outline DCS's commitment to improving accessibility and inclusion for its customers, people and suppliers with disability.

DCS's achievements for disability inclusion in 2019/20 included:

- completion of the Australian Network on Disability's Access and Inclusion Index audit
- launch of the DCS Workplace Adjustment Statement and Passport
- ensuring Service NSW Service Centres were physically accessible, and offering real-time captioning and Auslan-English interpreting to customers who are Deaf or hard of hearing
- participating in the 'Stepping Into' program, a paid internship scheme that matches talented university students with disabilities with roles in leading Australian businesses
- participating in the 'Tailored Talent' program, which assists people with autism to gain meaningful employment within NSW Government
- making online training modules on disability awareness and confidence available for both managers and staff, which were developed by both the Public Service Commission and the Australian Network on Disability
- including accessibility in planning and design of new premises, such as the new premises at 4 Parramatta Square
- developing an inclusive engagement toolkit (by Fair Trading), called Talkin' Together (also see Multicultural Policies and Services) which included the importance of engaging with people with disability, including Aboriginal and CALD people, and using appropriate language
- attending the 2019 Annual Deaf Festival in celebration of Sydney's Deaf and hard of hearing communities
- continuing participation in the NSW Public Sector Jobs for People with Disability Implementation Committee, led by the Public Service Commission.

Multicultural Policies and Services

DCS, as part of its commitment to multiculturalism:

- used external interpreting and translation services, including Service NSW's online Auslan-English interpreting service, to provide access to services, programs, and opportunities across the state, with the Diversity and Inclusion team working across the cluster to enhance awareness and usage of these services
- recruited 22 new refugee interns to Service NSW, providing support for career progression
- made contributions in NSW Fair Trading's communications and service delivery with CALD consumers and traders:
 - participated in multicultural community initiatives and monthly community radio programs such as with SBS Mandarin and Hope Global Chinese radio, featuring bilingual staff
 - provided translated information for consumers and traders on the Fair Trading website in 21 community languages
 - provided a Fair Trading YouTube channel with educational video resources available in 17 languages
 - translated *Tenants and Landlords Information Statement* fact sheets into 17 languages, including key languages from small communities to help inform CALD communities about the changes to the Residential Tenancy laws which commenced on 23 March 2020
 - participated in multicultural events and face-to-face delivery of community education with Navitas English, TAFE AMEP, Adult Migrant English Program providers and international students' Orientation Week
 - produced and distributed of a suite of brochures in five languages to CALD community organisations and English language providers, covering five top 10 tips about buying a car, avoiding scams, renting rights, shopping rights and funeral consumer rights
 - participated in regular meetings with Multicultural NSW Multicultural Coordinator's Forum and the Refugee Support Network (RSN) and other migrant inter-agency networks

Diversity and inclusion policies and services

- delivered webinars to community workers and management committees on topics such as tenancy reforms, consumer rights, charitable fundraising, incorporated associations, as well as National Disability Insurance Scheme (NDIS) consumer rights for Multicultural Disability Advocacy Association (MDAA)
- developed digital story videos in seven languages (including English) as part of the *Fair Trading Talkin' Together* outreach program which educated people with disabilities about their consumer rights under the NDIS. These messages were also made available in Auslan.

The SafeWork NSW website has a translated content portal to improve customer ease of access to WHS information. The portal includes:

- the At-Risk Worker Strategy translated into four languages on the website and 400 printed copies
- SafeWork NSW 'service card' outlining the role and assistance that can be offered translated into 5 languages and the distribution of 8000 cards has occurred
- 'Your Rights at Work' information translated into 7 languages and over 1000 printed copies distributed through harm prevention programs and community engagement events
- 'Getting Support at Work' pocket guide that contains quick reference information on work rights and responsibilities in NSW including WHS developed and translated into 10 languages with 5000 printed copies distributed
- Translated industry specific guidance developed and delivered where identified by industry teams eg LPG Fact Sheet in Korean and simplified Chinese and shared within industry.
- 'Talking to Your Workers' webinar explaining why, where and how to consult with workers with practical examples translated into four languages
- recorded joint podcast with Legal Aid NSW to assist community workers support diverse groups of people.

There is currently no Multicultural Plan for DCS as a cluster, and DCS has not entered into an agreement with Multicultural NSW. In 2020-21, DCS will be developing and implementing a cluster-wide Multicultural Plan, including language policy.

Supporting refugees at Service NSW

Service NSW ran a training program specifically for refugee interns from CALD backgrounds. The workshop is a tailored training program designed to teach interns how to apply for roles in the public sector.

Another internal workshop was held for interns who recently transitioned into new promotional roles. The tailored workshop focused on insights on adjusting to starting a new role remotely, email etiquette and managing up.

Service NSW is also participating in the Multicultural Youth-Linker Pilot program. The program is designed to assist young people from refugee and similar backgrounds with a gap in understanding, how to navigate the complex service system, and to access opportunities and programs that already exist. Participation in the pilot allows Service NSW to further support refugees from a CALD background with a more robust offering and inclusive access to resources, support and community.

COVID-19

DCS offers flexible work arrangements and support for staff to balance work and caring responsibilities. Throughout the COVID-19 changes, carers and people with disability have been supported by individual managers as well as through enhanced ICT, home delivery of specialised equipment and special leave arrangements.

NSW Fair Trading has also ensured that COVID-related information has been translated into community languages and has specifically engaged with industries and communities in the CALD sector as needed.

The BDC team delivered a Whole-of-Government integrated communications campaign to drive behaviour change and inform the public on how to stay safe during the COVID-19 pandemic. The NSW Government COVID-19 campaign launched in April 2020 and will continue as needed.

From April to July 2020 more than 400 individual pieces of communication were delivered in a condensed schedule and to a wide range of audiences and stakeholders, utilising relevant data and innovative functionality to be as relevant and engaging as possible.

Diversity and inclusion policies and services

The integrated campaign developed consistent messaging and assets across television, radio, print, digital, social media and other channels including targeted email marketing. The campaign included tailored Aboriginal and CALD materials. BDC worked closely with NSW Health to review data on the latest case and testing numbers, and weekly public research tracking attitudes and behaviours, to ensure appropriate messaging to the current phase of the pandemic. Messaging was adjusted regularly in line with Public Health Orders.

Support provided to people with disabilities and the CALD community of DCS through COVID-19

COVID-19 resources for people with disabilities and CALD community

NSW Government has provided a resources page for people with disability with quick links to contact numbers of the Coronavirus Disability Information Helpline, National Relay Service and Service NSW. These pages include the following topics:

- looking after yourself during COVID-19
- COVID-19 information for people with disability
- for people who use Easy Read resources
- for people who are blind or have low vision
- for people who are deaf or hard of hearing (with links to Auslan resources)
- resources for carers.

Translated resources

Translated resources web pages lists in-language educational resources for health workers and communities available in 43 languages. Each language directs users to NSW Health resources which may include brochures, factsheets, captioned videos, digital banners and other information.

Easy Read resources

An Easy Read resources page was built to direct people to further information at NSW Health and other agencies, providing further resources in Easy Read format.

Aboriginal health

Consultation with NSW Health, Multicultural NSW and NSW Aboriginal Affairs informed the approach for the 'COVID-19 information for Aboriginal Australian communities' page. It features various resources including brochures and videos as well as messages on 'Keeping our mob COVID safe', 'Staying connected to culture for your wellbeing' and 'Looking after your health'.

COVID Safe Business Safety Plans in community languages

Businesses and organisations were encouraged to share their commitment to COVID Safety registering as a COVID Safe Business.

Businesses and organisations were provided COVID-19 Safety Plans which gave advice on hygiene and safety, physical distancing and staff wellbeing.

Change Language widget

Every page of the resources website has a 'Change Language' widget or application which allows the user to select a language from a list of 58 languages to translate the HTML text across the entire website into the selected language using the Google Translate service. There are also links to the Service NSW COVID-19 hotline, the Disability Information Hotline, the National Relay Service and the Translating and Interpreting Services website for any additional information and language support required for CALD communities.

Diversity and inclusion statistics

The Diversity and Inclusion Premier Priority statistics for DCS, including Service NSW, for the 2019/20 are outlined below. It should be noted that completion of EEO employee data is voluntary and as such underreporting is likely. More than 75% of staff chose not to fill in or respond to diversity data in 2019/20. People and Culture will be undertaking work in 2020/21 to increase reporting of this data.

Women in Leadership

Women in Leadership currently stands at 49%

Diversity and inclusion policies and services

Female executive appointments

2019/2020	FY Total
No. appointments (ongoing)	20
No. women (ongoing)	8
Ratio of women (ongoing)	40%

- as at 25 June 2020 (PSC census date), there were 191 substantive senior executive leaders in the cluster, of which 93 (49%) were female
- the ratio of women in leadership remained steady from the previous year
- the cluster is on target to meet the Premier's Priority of 50% women in leadership roles by 2025
- of the 93 female senior leaders, 1% identified as Aboriginal, 1% identified as having disability, and 11% identified as belonging to a racial, ethnic, or ethno-religious minority group.

Aboriginal staff

As at 25 June 2020:

- 2.7% of DCS employees identified as Aboriginal
- the employment rate for Aboriginal new starters was 1.8% higher than those exiting the organisation
- 46% of Aboriginal new starters were general scale to Clerk Grade 3/4 equivalent
- 46% of Aboriginal new starters were placed in ongoing roles
- the separation rate for Aboriginal staff was 9.9% compared to 10.2% for all employees
- the commencement rate for Aboriginal staff sat at 11.7% compared to 10.7% for all employees
- two SEB1 staff members identified as Aboriginal.

People with disability

As with other EEO data, identification of staff with disability remains a challenge. The below data reflects the demographic information voluntarily provided by individuals; however, we believe that the number of employees with disability is likely to be higher than that reported.

- no employees who identified as having disability were appointed to a Senior Leader role in DCS in 2019
- ten people with disability commenced in 2019/20, with 19 staff with disability exiting the Department
- people with disability were recruited to roles in Better Regulation Division, Telecommunications Authority, Customer, Delivery and Transformation, State Insurance Regulatory Authority, Corporate Services, and NSW Births, Deaths & Marriages
- the separation rate for people with disability was 7.1%, which was lower than the rate for all employees of 10.2%
- the ratio of cluster commencements for people with disability was 1.7%
- the voluntary separation of people with disability leaving within the first 12 months was 10%
- of new starters who identified as having disability:
 - 40% were at grade 11/12 or equivalent
 - 10% were at grade 9/10 or equivalent
 - 10% were at grade 7/8 or equivalent
 - 30% were at grade 5/6 or equivalent
 - 10% were at grade 3/4 or equivalent.

Diversity and inclusion policies and services

Workforce diversity statistics

Workforce Diversity Group	Benchmark ²	2018 ¹	2019 ¹	2020
Women ³	50%	59.1%	60.5%	59.8%
Aboriginal people and/or Torres Strait Islander people ⁴	3.3%	2.7%	2.8%	2.7%
People whose first language spoken as a child was not English ⁵	23.2%	20.7%	21.5%	22.3%
People with disability ⁶	5.6%	6.3%	5.5%	5.0%
People with disability requiring work-related adjustment ⁶	N/A	2.1%	1.5%	1.5%

Note 1: Statistics are based on Workforce Profile census data as at 28 June 2018, 27 June 2019 and 25 June 2020.

Note 2: Workforce diversity statistics for 2018 reflected the current composition of the Department and may vary from those reported in previous annual reports.

Note 3: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 4: The NSW Public Sector Aboriginal Employment Strategy 2014-17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 5: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 6: In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: *Jobs for People with Disability: A plan for the NSW public sector*. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Workforce Diversity Group	Benchmark ⁷	2018	2019	2020
Women	100	93	93	93
Aboriginal people and/or Torres Strait Islander people	100	96	95	93
People whose first language spoken as a child was not English	100	100	98	99
People with disability	100	95	96	96
People with disability requiring work-related adjustment	100	89	90	91

Note 7: 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.

Diversity and inclusion policies and services

Revenue NSW

Work and Development Orders

Work and Development Orders (WDO) are approved for eligible people who have a mental illness, intellectual disability or cognitive impairment, are homeless, are experiencing acute economic hardship, or have a serious addiction to drugs/alcohol/volatile substances. This process allows them to satisfy their fine debt through unpaid work with an approved organisation or by undertaking certain courses or treatment. A WDO can only be made if an application is supported by an approved organisation, or in the case of medical/mental health treatment, a health practitioner qualified to provide that treatment.

A WDO can include one or more of the following activities:

- unpaid work for, or on behalf of, an approved organisation
- medical or mental health treatment in accordance with a health practitioner's treatment plan
- an educational, vocational or life skills course
- financial or other counselling
- drug or alcohol treatment
- a mentoring program (this option is only available if you are under 25 years of age).

In 2019/20, Revenue NSW approved 32,060 Work Development applications valued at \$101.14 million.

During this year a new relationship was established with Education NSW for appropriate resolution options including WDO for young people. This successful collaboration has resulted in Lithgow High School Wellness Centre coming on-board as a WDO sponsor.

Revenue NSW has also rolled out a Revenue NSW Advocate Charter to set out expectations of our advocates, helping and assisting those in need within NSW communities.

Advisory and education outreach for the vulnerable

The Government is committed to easing the impact of the fines system on vulnerable First Nations People and young people. Impacts include:

- increased debt stress
- difficulty gaining or maintaining employment because of licence suspensions
- social exclusion because of licence suspensions, particularly in remote areas
- secondary offending which occurs when people whose licence has been suspended due to non-payment of fines continue to drive
- and young people accumulating debts which cause problems when they turn 18.

Technical Advisory Service presented 'Imposing fines – the function of Work Development Orders' session at the Local Court of New South Wales Annual Conference. The session was in collaboration with the Director Civil Law, Legal Aid NSW.

Revenue NSW has been collaborating with NSW Police through the Police Citizens Youth Club (PCYC) to engage young people through its WDO program. As a result of this work over 216 fines (131 from regional areas) to a value over \$121,000 (nearly \$82,000 from regional areas) have been resolved. This program has been breaking the cycle of disadvantage with vulnerable youth to give them a fresh chance to start their working life debt free.

In 2019/20 Revenue NSW including the outreach team have connected with customers and business partners through Roadshows at 10 Regional and 2 Metropolitan locations. The Roadshows provide an opportunity to discuss the customer experience, overdue fine processes, legal obligations and common questions, state debt opportunities, outreach to support vulnerable customers and best practices in issuing penalties.

Employment and senior executive statistics

Employment statistics

Division	Full Time Equivalent (FTE) Headcount over time ¹⁶			
	2017 ¹	2018 ¹	2019 ¹	2020 ¹
Better Regulation Division ^{2,7,9}	1,022.9	1,551.6	1,578.3	1,725.2
Customer, Delivery and Transformation ¹²				411.1
Digital NSW ^{3,11}	512.7	411.9	472.9	551.7
Corporate Services ^{5,10,11}	609.6	858.3	721.6	603.1
Greyhound Welfare and Integrity Commission ¹³				58.6
Information and Privacy Commission ¹⁴				26.3
NSW Fair Trading ²	559.8			
Office of The Secretary ^{4,5,10}	116.9	83.8	50.0	40.5
Property & Advisory Group ¹⁵	663.9	659.2	728.6	
Revenue NSW ⁸	1,335.7	1,383.3	1,317.6	1,214.2
State Insurance Regulatory Authority ⁷		296.2	313.3	360.6
Titling & Registry Services ⁶	334.2			
Workers Compensation Independent Review Office	27.0	27.4	37.35	49.5
Workers' Compensation Commission	56.1	58.8	68.7	67.1
Total	5,238.8	5,330.5	5,288.35	5,107.9

Notes:

1. Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay). Statistics are based on Workforce Profile census data as at 29 June 2017, 28 June 2018, 27 June 2019 and 25 June 2020.
2. NSW Fair Trading Division was abolished in July 2017 and all of NSW Fair Trading transferred to Better Regulation Division.
3. Digital NSW was renamed from ICT & Digital Government in 2020.
4. In 2017 Mine Subsidence Board numbers were reported under the Office of the Secretary.
5. Government & Corporate Services was renamed Corporate Services in July 2019. Ministerial Services staff transferred from Government & Corporate Services to the Office of the Secretary in March 2017.
6. Titling & Registry Services privatised on 30 June 2017.
7. State Insurance Regulatory Authority (SIRA) created as its own division on 1 July 2017, transferred from Better Regulation Division.
8. Revenue NSW was renamed from Office of State Revenue in July 2017.
9. From 2018 Subsidence Advisory NSW employees reported under Better Regulation Division.
10. Change Management Office transferred from Office of the Secretary to Government & Corporate Services in October 2017.
11. State Archives and Records Authority transferred from ICT & Digital Government to Government & Corporate Services in February 2018.
12. Customer, Delivery and Transformation (CDT) was created in July 2019, which included the transfer of NSW Births Deaths & Marriages, the Customer Service Commission, the Data Analytics Centre, and the Behavioural Insights Unit into the cluster. CDT Strategy, CDT Delivery Unit, and Brand Digital and Communications were newly formed in July 2019 when the division was created.
13. Greyhound Welfare and Integrity Commission transferred to the Department of Customer Service in July 2019.
14. Information and Privacy Commission transferred to the Department of Customer Service in July 2019.
15. Property & Advisory Group transferred out of the Department of Customer Service in June 2019.
16. The FTE equivalent headcount is the total employee headcount based on the number of hours a person works where a full-time employee is equal to 1 FTE.

Employment and senior executive statistics

Senior executive statistics

Senior Executive Band	2019 ^{1, 2, 3}				2020 ^{1, 2, 3}			
	Female	Male	Total	% Representation by women	Female	Male	Total	% Representation by women
Band 4 (Secretary)	0	1	1	0%	1	0	1	100%
Band 3 (Deputy Secretary)	3	2	5	60.0%	2	5	76	28.6%
Band 2 (Executive Director)	17	22	39	43.6%	15	19	34	44.1%
Band 1 (Director)	92	101	193	47.7%	78	80	158	49.4%
Total	112	126	238	47.1%	96	104	200	48.0%

Senior Executive Band	2019 ⁴		2020 ⁴	
	Range \$	Average remuneration \$	Range \$	Average remuneration \$
Band 4 (Secretary)	475,151 – 548,950	548,950	487,051 - 562,650	599,000
Band 3 (Deputy Secretary)	337,101 – 475,150	438,987	345,551 - 487,050	426,562
Band 2 (Executive Director)	268,001 – 337,100	300,668	274,701 - 345,550	312,326
Band 1 (Director)	187,900 – 268,000	229,077	192,600 - 274,700	234,844

Notes:

1. Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.
2. Statistics are based on Workforce Profile census data as at 27 June 2019 and 25 June 2020.
3. All employees reported in 2019 and 2020 are appointed under the Government Sector Employment Act 2013. Salary band based on current assignment including those on a temporary above level assignment for more than two months.
4. Salary ranges effective at the Workforce Profile census dates of 27 June 2019 and 25 June 2020.
5. The reduction in the Band 3 average remuneration can be attributed to the exit of a Band 3 paid at the top of the salary range and the addition of three executives, two of which are at the lower end of the salary range.
6. The increase in Band 3 senior executives can be attributed to the addition of a Deputy Secretary role for the newly formed Customer, Delivery and Transformation division, as well as the addition of the Building Commissioner role. The Deputy Secretary Revenue NSW Band 3 senior executive role is a two-year term role ending in April 2022.

In 2019/20, 9.58% of the department's employee-related expenditure was for senior executives compared to 11.47% in 2018/19.

Employee relations policies and practices

Positive and Productive Workplace policy

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

Employee recognition – The DCS Secretary’s Awards

The annual Secretary’s Awards provide an opportunity to recognise excellence in outcome, approach or behaviour by employees across the cluster. They align with the Customer Service Department’s key objectives and Customer Commitments and highlight the public sector values of integrity, trust, service and accountability.

The 2019 Secretary’s Awards highlighted employee achievements in categories such as demonstrating public sector values, outstanding customer service, excellence in collaboration and/or innovation and making a contribution to the Cluster.

Managing for Improvement framework

DCS aims to ensure that all managers and employees are equipped with the appropriate support and resources to enable them to work together and improve issues of performance. The Managing for Improvement framework provides managers and employees with appropriate resources and is a two-step process that improves issues of unsatisfactory performance.

COVID-19 related policy

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

The DCS Flexible Working Hours Agreement was varied in March 2020 to provide for extended band width and suspension of core working hours. This change allows for staff to work their hours in a more flexible pattern over a longer band of time to help balance career and other responsibilities.

Employee relations investigation matters

A total of 175 employee relations matters were actioned in the 2019/20 financial year, encompassing conduct, performance, probationary performance, bullying, harassment, discrimination, abandonment of employment and medical retirements.

Industrial relations matters

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

Type of Matter	Quantity
Award matters	1
Unfair dismissal	4
General disputes	1
Government Sector Appeal	1

There were no employment matters dealt with at the Australian Human Rights Commission or NSW Anti-Discrimination Board.

Funds granted to non-government community organisations

NSW Fair Trading

During the 2019/20 financial year Fair Trading administered grants to:

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

The Aged Care Supported Accommodation Service

The Seniors Rights Service, funded under the Aged Care Supported Accommodation Program provides advocacy, information and education services for older residents in supported accommodation such as retirement villages, nursing homes, hostels and boarding houses.

Funding for 2019/20 was \$442,828 (plus GST).

Funding is sourced from the Rental Bond Board Interest Account (100%).

Home Building Advice and Advocacy Service

Fair Trading funds Western Sydney Legal Centre to provide advice and assistance to NSW residential home building consumers on their rights and responsibilities including advocacy services, negotiate disputes between consumers and builders, assist with preparation of cases for NSW Civil and Administrative Tribunal hearings and provide representation when appropriate.

Funding for 2019/20 was \$230,218 (plus GST).

Funding is sourced from Fair Trading revenue (100%).

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
Western Sydney Community Legal Centre	Home Building Advocacy Service	230,218	Statewide
Total		230,218	

Funds granted to non-government community organisations

Strata (Collective Sales) Advocacy Service

The Strata (Collective Sales) Advocacy Service is funded to provide legal advice, advocacy services and assist or represent targeted NSW strata residential consumers before the NSW Civil and Administrative Tribunal and the NSW Land and Environment Court regarding the strata schemes collective sales and renewals scheme in the Strata Schemes Development Act 2015.

Funding for 2019/20 was \$359,836 (plus GST).

Funding is sourced from NSW Fair Trading (100%)

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
Seniors Rights Service Inc	Seniors Rights Service	179,918	Statewide
Marrickville Legal Centre	Marrickville Legal Centre	179,918	Statewide
Total		359,836	

Tenants Advice and Advocacy Program

This program is fully funded by Fair Trading. The program delivers advocacy, information and education services for tenants. A one-off funding increase of \$2.5 million (plus GST) was provided for the Tenants Advice and Advocacy Program to assist tenants affected by the COVID-19 pandemic.

Funding for 2019/20 was \$11,734,689 (plus GST).

Funding is sourced from the Rental Bond Board Interest Account (100%). See the 2019/20 Rental Bond Board Annual Report for a list of service payments.

Tenants Advice and Advocacy Program – Special Purpose Fund

The Special Purpose Fund provides funding for ad hoc projects, which assist services to meet the aims and objectives of the service funded under the Program. Funding for 2019/20 was \$91,734 (plus GST).

Funding is sourced from NSW Fair Trading (100%).

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
South West Sydney Tenants Advice and Advocacy Service	Macarthur Legal Centre	34,666	South Western Sydney
Statewide Tenants Advice & Advocacy Program Resource Service	Tenants Union of NSW Co-operative Limited	20,214	Statewide Resource Service
Murra Mia Tenants Advice and Advocacy Service	Management and Advisory Services Aboriginal Corporation	13,767	South Eastern NSW ATSI
Hunter Tenants Advice & Advocacy Service	Hunter Regional Neighbourhood Centre Forum Inc	9,390	Hunter Region
New England and Western Tenants Advice and Advocacy Service	New England and Western Tenants Advice and Advocacy Service Incorporated	1,315	North Western NSW
Community Data Solutions	Community Data Solutions	12,382	
Total		91,734	

Funds granted to non-government community organisations

Financial Counselling Services Program

The Financial Counselling Services Program provides free-of-charge financial counselling by accredited counsellors. Fair Trading Funding for 2019/20 was \$2,119,028 (plus GST).

Funding is sourced from the Rental Bond Board Interest (77%) and Fair Trading (23%). Funding details can be found in the Rental Bond Board Annual Report.

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
Financial Rights Legal Centre Inc.	Financial Rights Legal Centre – Legal Service	67,739	Statewide
Wesley Mission – Wesley Credit Line Financial Counselling	Wesley Mission Credit Line Financial Counselling Services North Western Sydney	250,581	North Western Sydney
Illawarra Legal Centre Inc	Illawarra Aboriginal and Torres Strait Islander Financial Counselling Service	62,410	Illawarra
Lismore & District Financial Counselling	Far North Coast Region Financial Counselling Network	100,248	Far North Coast
The Aged Care Rights Services	The Aged Care Rights Services	33,852	Far North Coast
Kempsey Neighbourhood Centre	Mid North Coast Region Financial Counselling Service	80,665	Mid North Coast
Marrickville Legal Centre	Marrickville Legal Centre	33,852	Northern Sydney
Metro Assist	Inner Western Sydney Financial Counselling Service	115,252	Inner Western Sydney
Gosford City & Community Information Service Ltd	Central Coast Region Financial Counselling Service	48,681	Central Coast
Financial Rights Legal Centre Inc.	Financial Rights Legal Centre – Legal Service	83,247	Statewide
Financial Counsellors Association	Financial Counsellors Association	122,782	
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Goulburn Region Financial Counselling Service	711,621	Goulburn
Anglicare NSW South, NSW West & ACT	Anglicare Riverina Lower South Western Regional Financial Counselling Service	32,782	Lower South/Western
Muru Mittigar Ltd	Muru Mittigar Community Finance Hub Campbelltown Aboriginal and Torres Strait Islander Financial Counselling Service	26,089	Campbelltown
The Trustee of the Roman Catholic Church for the Diocese of Broken Bay	CatholicCare Diocese of Broken Bay Northern Sydney Financial Counselling Service	102,444	Northern Sydney
Eurobodalla Family Support Service Inc	Far South Coast Region Financial Counselling Service	24,046	Far South Coast
Financial Counselling Hunter Valley Project Inc	Financial Counselling Hunter Valley Project Inc	126,248	Newcastle Hunter
Lifeline Central West Inc	Lifeline Dubbo/Mid-West Region Financial Counselling Service	50,904	Dubbo-Mid-west
Lifeline Broken Hill Inc	Lifeline Broken Hill Region Financial Counselling Service	19,960	Broken Hill
CatholicCare Wilcannia-Forbes Limited Trading as CatholicCare Wilcannia-Forbes		25,625	Far West
Total		2,119,028	

Funds granted to non-government community organisations

No Interest Loan Scheme (NILS)

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

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

Fair Trading provides funding toward salaries and salary-related on-costs associated with the operation of NILS in NSW.

Fair Trading also funds the salary and operational costs of a 1800 phone number and a NSW Coordinator to assist in setting up, supporting and expanding new and existing NILS services.

Funding is sourced from the Rental Bond Board Interest Account (90%) and Fair Trading revenue (10%).

Funding was prepaid during the 2018/19 financial year, therefore funding for 2019/20 was \$0 (plus GST).

Funds granted to non-government community organisations

Office of Responsible Gambling

During 2019/20 the Office of Responsible Gambling administered the following grant programs:

- Clubgrants
- Community Development Fund
- Responsible Fund Open Grant Programs
- Gambling Help Services
- Community Benefit Payment Scheme.

Infrastructure Grants, Clubgrants Category 3 Fund

The Clubgrants Category 3 Fund is established under the *Gaming Machine Tax Act 2001*, and supports infrastructure projects for sport and recreation, arts and culture and emergency preparedness.

The Office of Responsible Gambling manages the Fund. More information is available from the Office of Responsible Gambling website.

Funds granted for Infrastructure Grants from Clubgrants Category 3 are set out below (note this is not the full grant amount, only the amount paid out in 2019/20).

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
107 Projects	Arts and Culture Round	14,775	City of Sydney
Armidale District Baptist Church	Arts and Culture Round	47,725	Armidale
Ballina Rugby Club Inc	Sport and Recreation Round	146,146	Ballina Shire
Ballina Tennis Club Inc	Sport and Recreation Round	10,000	Ballina Shire
Baradine Bowling & Sporting Club	Emergency Preparedness Round	18,009	Warrumbungle Shire
Barellan & District War Memorial Club	Emergency Preparedness Round	4,000	Narrandera Shire
Barellan United Football Netball Club (BUFNC)	Sport and Recreation Round	122,000	Narrandera Shire
Barraba Rugby Club	Sport and Recreation Round	12,500	Tamworth Regional
Bathurst City Community Club	Sport and Recreation Round	20,825	Bathurst
Beechwood Tennis Club Inc	Sport and Recreation Round	90,000	Port Macquarie Hastings
Belisi Wellbeing & Equestrian Centre	Sport and Recreation Round	270,000	City of Wagga Wagga
Binya Hall Committee Trust	Emergency Preparedness Round	108,235	Narrandera Shire
Boolaroo Bowling and Recreation Club (T/A Boolaroo Sports Club)	Sport and Recreation Round	94,682	Lake Macquarie City
BoysTown Engadine	Arts and Culture Round	12,000	Sutherland
Burraborang District Soccer Club	Sport and Recreation Round	55,000	Wollondilly Shire
Byron Bay Community Association	Arts and Culture Round	20,000	Byron Shire
Casino Netball Association	Sport and Recreation Round	213,649	Richmond Valley
Casino Rugby Union Club	Sport and Recreation Round	27,423	Richmond Valley
Cobar Miners Race Club	Sport and Recreation Round	227,700	Cobar Shire
Cobar Netball Association	Sport and Recreation Round	1,750	Cobar Shire

Funds granted to non-government community organisations

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
Coffs Harbour and District Local Aboriginal Land Council (CH&DLALC)	Sport and Recreation Round	20,595	Coffs Harbour City
Coffs Harbour Golf Club	Sport and Recreation Round	30,000	Coffs Harbour City
Collaroy Tennis Club	Sport and Recreation Round	91,688	Northern Beaches
Community Activities Lake Macquarie (CALM)	Disaster Readiness & Community Round	21,896	Lake Macquarie City
Coomba Park Rural Fire Brigade	Disaster Readiness Round	9,260	Mid Coast
Coonabarabran Volunteer Rescue Squad Inc	Disaster Readiness Round	1,455	Warrumbungle Shire
Country Womens Association - Harden Branch	Arts and Culture Round	45,000	Hilltops Shire
Crookwell Amateur Dramatic Society (CADS)	Arts and Culture Round	45,000	Upper Lachlan Shire
Deniliquin Aero Club Limited	Arts and Culture Round	5,092	Edward River
Deniliquin Sports Park Inc	Sport and Recreation Round	50,262	Deniliquin
Dorrigo Highlanders Football Club	Sport and Recreation Round	208,850	Bellingen Shire
Drake Village Resource Centre Inc	Disaster Readiness & Community Round	10,000	Tenterfield Shire
Eden Killers Whales Soccer Club	Sport and Recreation Round	130,180	Bega Valley Shire
Evans Park Sporting Complex Incorporated	Emergency Relief Round	7,539	Bega Valley Shire
Foodbank NSW & ACT	Emergency Preparedness Round	18,445	Blacktown City
Free Broadcast Incorporated (FBI) Radio	Arts and Culture Round	9,074	Willoughby City
Guru Nanak Sikh Guduwara Inc	Arts and Culture Round	6,500	Coffs Harbour City
Harden Murrumburrah Junior Rugby League	Sport and Recreation Round	101,420	Hilltops Shire
Hillston Swans Football and Netball Club	Sport and Recreation Round	2,350	Carrathool Shire
Hope Health 2508	Disaster Readiness & Community Round	129,600	Wollongong City
Housing Plus	Disaster Readiness & Community Round	180,000	City of Orange
Hunter Wetlands Centre Australia	Arts and Culture Round	14,682	Newcastle City
Ingleburn RSL Tigers JRLFC	Sport and Recreation Round	148,500	Campbelltown City
Jerrabomberra Tennis Club	Sport and Recreation Round	113,500	Queanbeyan Palerang
Key Employment Association	Arts and Culture Round	74,790	Coffs Harbour City
Link Housing Ltd	Arts and Culture Round	6,300	City of Ryde
Lions Club of Taree	Disaster Readiness Round	2,000	Mid Coast
Lithgow Small Arms Factory Museum Inc	Arts and Culture Round	6,730	Lithgow City
Maari Ma Health Aboriginal Corporation	Disaster Readiness Round	8,000	Broken Hill City
Manning Point Bowling Club	Disaster Readiness & Community Round	42,500	Mid Coast

Funds granted to non-government community organisations

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
Marine Rescue NSW (Bateman's Bay Unit)	Disaster Readiness & Community Round	180,000	Eurobodalla Shire
Marine Rescue NSW (Cottage Point Unit)	Disaster Readiness Round	4,523	Northern Beaches
Marine Rescue NSW (Crowdy Harrington Base)	Disaster Readiness Round	8,490	Mid Coast
Marine Rescue NSW (Eden Unit)	Emergency Preparedness Round	7,500	Bega Valley Shire
Marine Rescue NSW (Lake Macquarie Unit)	Emergency Preparedness Round	15,250	City of Lake Macquarie
Marine Rescue NSW (Narooma Unit)	Emergency Preparedness Round	4,500	Eurobodalla Shire
Marine Rescue NSW (Port Macquarie Unit)	Emergency Preparedness Round	3,329	Port Macquarie Hastings
Marine Rescue NSW (Terrigal Haven Unit)	Disaster Readiness Round	16,100	Central Coast
Marine Rescue NSW (Ulladulla Unit)	Disaster Readiness & Community Round	20,700	Shoalhaven City
Matcham Valley Pony Club	Sport and Recreation Round	128,408	Central Coast
Melrose Football Club	Sport and Recreation Round	104,324	Albury City
Milperra Colts Junior Rugby League Football Club	Sport and Recreation Round	153,048	City of Canterbury-Bankstown
Milton Ulladulla District Mountain Bikers	Sport and Recreation Round	19,249	Shoalhaven City
Narrandera Ex-Servicemen's Club Ltd	Disaster Readiness & Community Round	72,550	Narrandera Shire
Narrandera Golf Club	Sport and Recreation Round	18,588	Narrandera Shire
Narrandera Pony Club	Sport and Recreation Round	1,341	Narrandera Shire
Northern Rivers Community Gateway	Disaster Readiness & Community Round	58,640	City of Lismore
Outback Arts	Arts and Culture Round	15,000	Coonamble Shire
Police Citizens Clubs NSW Ltd (PCYC Muswellbrook)	Sport and Recreation Round	15,020	Muswellbrook Shire
Port Macquarie Community College	Arts and Culture Round	20,000	Port Macquarie Hastings
Port Macquarie Tennis Club Inc	Sport and Recreation Round	103,480	Port Macquarie Hastings
Regent Cinema	Arts and Culture Round	6,189	Tweed Shire
RiverSmart Australia	Arts and Culture Round	10,231	Warren Shire
Robertson and District Swimming Pool Association Inc	Sport and Recreation Round	22,910	Wingecarribee Shire
Robertson-Burrawang Rovers Soccer Club	Sport and Recreation Round	116,100	Wingecarribee Shire
Royal Far West	Disaster Readiness & Community Round	74,498	Northern Beaches
Shellharbour Surf Life Saving Club Inc	Disaster Readiness Round	1,500	Shellharbour City
Southcoast Health and Sustainability Alliance	Disaster Readiness & Community Round	48,149	Eurobodalla Shire
Southern Highlands Botanic Gardens	Sport and Recreation Round	212,871	Wingecarribee Shire

Funds granted to non-government community organisations

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
Southern Highlands Hockey Centre Committee	Sport and Recreation Round	23,500	Wingecarribee Shire
St George Football Association	Sport and Recreation Round	30,000	Georges River
St John Ambulance Australia NSW	Disaster Readiness Round	5,620	Newcastle City
St Vincent de Paul Society NSW	Disaster Readiness & Community Round	71,807	Northern Rivers
Stroud Community Lodge	Disaster Readiness Round	2,400	Mid Coast
Sunnyfield	Disaster Readiness & Community Round	74,826	Tamworth Regional
Surf Life Saving Far North Coast Branch	Emergency Preparedness Round	9,800	Ballina Shire
Tathra Rural Fire Brigade	Disaster Readiness & Community Round	149,760	Bega Valley Shire
Terrigal Memorial Country Club	Sport and Recreation Round	17,351	Central Coast
Terrigal Rugby Club	Sport and Recreation Round	134,590	Central Coast
The Eleanor Dark Foundation Limited (T/A Varuna the National Writers' House)	Arts and Culture Round	45,000	Blue Mountains City
The Oaks Historical Society Incorporated	Arts and Culture Round	17,632	Wollondilly Shire
The Robertson Shed Inc - CTC@ Robertson	Disaster Readiness & Community Round	12,375	Wingecarribee Shire
Think & DO Tank Foundation Limited	Arts and Culture Round	124,465	Fairfield City
Tooleybuc Manangatang Football Netball Club	Sport and Recreation Round	10,000	Murray River
Ungarie Sport and Recreation Co-operative	Sport and Recreation Round	217,186	Bland Shire
Wagga Wagga Art Gallery	Arts and Culture Round	172,800	City of Wagga Wagga
Wagga Wagga Rescue Squad	Disaster Readiness Round	11,636	City of Wagga Wagga
Warren Golf Club Ltd	Sport and Recreation Round	22,210	Warren Shire
Wellington Golf Club Ltd	Sport and Recreation Round	171,926	Dubbo
Wentworth Military Collection	Arts and Culture Round	6,005	Wentworth Shire
Westlakes Wildcats Football Club Inc	Sport and Recreation Round	170,273	Lake Macquarie City
Wingecarribee Landcare & Bushcare Network	Arts and Culture Round	5,000	Wingecarribee Shire
Winmalee Neighbourhood Centre	Disaster Readiness & Community Round	10,890	Blue Mountains City
Wirrinya Progress and Sports Association	Disaster Readiness & Community Round	54,144	Forbes Shire
Woolgoolga District Netball Association	Sport and Recreation Round	10,000	Coffs Harbour City
Woolgoolga Seniors' Centre	Arts and Culture Round	5,230	Coffs Harbour City
Wreb Cooperative Limited, Outback Radio 2WEB	Disaster Readiness Round	11,215	Bourke Shire
Yass River-Nanima Bushfire Brigade	Disaster Readiness Round	1,750	Yass Valley
Total		6,119,506	

Funds granted to non-government community organisations

Community Development Fund

The Community Development Fund is established under section 204A of the *Gaming Machines Act 2001* and is funded from unclaimed jackpot prizes, gaming machine tickets and income from the transfer of poker machine entitlements and permits.

The Office of Responsible Gambling manages the Fund with a range of open grant rounds offered. More information is available from the Office of Responsible Gambling website.

Funds granted under the Community Development Fund are set out below (*note this is not the full grant amount, only the amount paid out in 2019/20*).

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
Australian Art Events Foundation	Activate Sydney@Night Grants Program	60,000	City of Sydney
Australian South Sea Islanders (Port Jackson)	Activate Sydney@Night Grants Program	28,860	City of Sydney
Bondi Association of Arts & Music	Activate Sydney@Night Grants Program	26,100	City of Sydney
Brand X Productions Incorporated	Activate Sydney@Night Grants Program	30,000	City of Sydney
Gunnedah & District Liquor Accord	Liquor Accords Grants Program	7,400	Gunnedah Shire
Hastings Liquor Accord	Liquor Accords Grants Program	15,000	Port Macquarie Hastings
Kiama Liquor Accord	Liquor Accords Grants Program	3,500	Kiama
Maitland Liquor Accord	Liquor Accords Grants Program	8,775	Maitland City
Marrickville Youth Resource Centre Inner West Community Drug Action Team	Liquor Accords Grants Program	15,000	Inner West
Musica Viva	Activate Sydney@Night Grants Program	67,500	City of Sydney/Inner West/Liverpool City
Newtown Entertainment Precinct - The Sydney Fringe	Activate Sydney@Night Grants Program	75,000	City of Sydney/Inner West
Queanbeyan Liquor Accord	Liquor Accords Grants Program	7,000	Queanbeyan Palerang
The Bower Reuse and Repair Ctr Cooperative	Activate Sydney@Night Grants Program	67,500	Parramatta City
Tweed Coast Liquor Accord	Liquor Accords Grants Program	15,000	Tweed Heads
University of Technology Sydney - Auspiced By Jumbunna At UTS And Wurhu Durhay	Activate Sydney@Night Grants Program	30,000	City of Sydney
Wollondilly Liquor Accord	Liquor Accords Grants Program	2,800	Wollondilly Shire
Total		459,435	

Funds granted to non-government community organisations

Responsible Gambling Fund Open Grants Programs

The Responsible Gambling Fund, established under the *Casino Control Act 1992*, funds initiatives and programs that support responsible gambling and help reduce gambling-related harms. The Office of Responsible Gambling manages programs that are supported by the Fund. More information is available from the Office of Responsible Gambling website.

Funds granted under the Responsible Gambling Fund open grants programs are set out below.

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
Baptist Care	RGAW1 Community Event Grants	1,000	City of Sydney
Bill Crews Charitable Trust	RGAW Community Event Grants	10,000	City of Sydney
Blacktown Youth Services Association	RGAW Community Event Grants	7,000	Blacktown City
CatholicCare Wilcannia-Forbes	RGAW Community Event Grants	10,000	Forbes Shire
Chinese Australian Services Society	RGAW Community Event Grants	4,060	City of Canterbury-Bankstown
Don't Mess With Drugs Foundation	RGAW Community Event Grants	8,998	Oberon
Dubbo Waratahs Sports Aboriginal Corporation	RGAW Community Event Grants	10,000	Dubbo
Gambling Impact Society (NSW) Inc	RGF Grants	30,360	South West Sydney & Hunter/ Newcastle
Glebe Youth Service	Odds on Youth- 2019	9,968	City of Sydney
Greek Orthodox Community of NSW	RGAW Community Event Grants	10,000	City of Canterbury-Bankstown
Joblink Plus	RGAW Community Event Grants	10,000	Statewide
Lifeline Harbour to Hawkesbury	RGAW Community Event Grants	5,250	Ku Ring Gai
Lifeline Harbour to Hawkesbury Inc	RGF Grants	2,805	Sydney wide
Lismore Koori Knockout	RGAW Community Event Grants	10,000	City of Lismore
Marrickville Youth Resources Centre	Odds on Youth- 2019	54,000	Inner West Sydney
Macedonian Australian Welfare Association NSW	RGAW Community Event Grants	7,500	Bayside
Mental Health First Aid International (trading as Mental Health First Aid Australia)	RGF Grants	14,844	City of Dubbo; City of Orange
Mission Australia	RGAW Community Event Grants	2,000	Wollongong City
Mission Australia	Odds on Youth- 2019	60,736.50	City of Canterbury-Bankstown
New Horizons Enterprise Limited	Odds on Youth- 2019	11,000	Inner West Sydney
Teen Challenge NSW Inc t/as ONE80TC	RGAW Community Event Grants	8,000	Hills Shire
Wagga Wagga Family Support Services	RGAW Community Event Grants	1,905	City of Wagga Wagga
Wesley Mission	RGAW Community Event Grants	2,000	Campbelltown City
Western Sydney Community Forum	RGF Research Grants	62,400	Statewide
Youth off the Streets	Odds on Youth- 2019	32,850	Statewide
Total		386,676.50	

Funds granted to non-government community organisations

Funding to gambling help services

The Responsible Gambling Fund, established under the *Casino Control Act 1992*, funds specialist financial and therapeutic gambling help services across NSW. The Office of Responsible Gambling manages the programs that are supported by the Fund. More information is available from the Office of Responsible Gambling website.

Funds granted under the Responsible Gambling Fund are set out below.

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
Anglicare NSW South NSW West and ACT	Counselling and Support Services	252,769	South East NSW
Anglicare Community Services	Counselling and Support Services	158,328	New England/North West
Arab Council Australia Inc - Coastal Sydney	Counselling and Support Services	68,811	Sydney
Arab Council Australia Inc - South Western Sydney	Counselling and Support Services	162,600	South West Sydney
Arab Council Australia Inc - Western Sydney	Counselling and Support Services	68,501	Western Sydney
Baptistcare NSW & ACT	Counselling and Support Services	437,289	Sydney
Catholic Care Sydney	Counselling and Support Services	140,486	Sydney
Catholic Care Social Services – Western Sydney	Counselling and Support Services	492,143	Western Sydney
Centacare New England North West	Counselling and Support Services	85,901	New England/North West
Co As It Italian Association Of Assistance	Counselling and Support Services	105,724	Sydney
Coast Community Connections Inc (Peninsular Community Centre)	Counselling and Support Services	391,716	Central Coast
Lifeline Broken Hill	Counselling and Support Services	178,404	Western NSW
Lifeline Central West	Counselling and Support Services	412,517	Western NSW
Lifeline Harbour – Hawkesbury	Counselling and Support Services	122,019	Sydney
Lifeline North Coast	Counselling and Support Services	195,175	North Coast
Mission Australia – Coastal Sydney	Counselling and Support Services	271,336	Sydney
Mission Australia – Hunter	Counselling and Support Services	263,823	Hunter
Mission Australia – Illawarra	Counselling and Support Services	395,591	Illawarra
Mission Australia - North Coast Aboriginal Service	Counselling and Support Services	83,416	North Coast
Mission Australia – Riverina	Counselling and Support Services	179,590	Riverina
Mission Australia – Riverina Aboriginal	Counselling and Support Services	136,580	Riverina
Mission Australia - South West Sydney	Counselling and Support Services	150,029	South West Sydney
Samaritans Foundation – Hunter	Counselling and Support Services	113,652	Hunter
Samaritans Foundation – North Coast	Counselling and Support Services	136,932	North Coast
St Vincent's Hospital Sydney Ltd	Counselling and Support Services	475,023	Sydney
Southern Sydney Women's Therapy Centre Inc	Counselling and Support Services	109,154	Sydney
The Buttery Northern River Gambling Services	Counselling and Support Services	327,783	North Coast

Funds granted to non-government community organisations

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
UCA - Parramatta Mission (Uniting Care Mental Health – Central Coast)	Counselling and Support Services	101,084	Central Coast
UCA - Parramatta Mission (Uniting Care Mental Health – Coastal Sydney)	Counselling and Support Services	103,900	Coastal
UCA - Parramatta Mission (Uniting Care Mental Health – South West Sydney)	Counselling and Support Services	171,879	South West Sydney
UCA - Parramatta Mission (Uniting Care Mental Health – Western Sydney)	Counselling and Support Services	212,033	Western Sydney
Unitingcare Goulburn North East	Counselling and Support Services	370,888	Riverina
Uniting (NSW.ACT) Unitingcare Unifam - South West Sydney	Counselling and Support Services	174,945	South West Sydney
Uniting (NSW.ACT) Uniting Care Unifam - Illawarra	Counselling and Support Services	126,119	Illawarra
Vietnamese Community In Australia	Counselling and Support Services	169,827	South West Sydney
Wagga Wagga Family Support Service Inc	Counselling and Support Services	271,108	Riverina
Wesley Community Services – Central Coast	Counselling and Support Services	158,557	Central Coast
Wesley Community Services – Coastal Sydney	Counselling and Support Services	701,278	Coastal Sydney
Wesley Community Services – Hunter	Counselling and Support Services	252,867	Hunter
Wesley Community Services – Illawarra	Counselling and Support Services	155,078	Illawarra
Wesley Community Services – Legal Service	Counselling and Support Services	808,576	Statewide
Wesley Community Services – SW Sydney	Counselling and Support Services	51,928	South West Sydney
Wesley Community Services – Western Sydney	Counselling and Support Services	338,107	Western Sydney
Western Sydney Local Health District – Chinese	Counselling and Support Services	226,056	Western Sydney
Western Sydney Local Health District - MPGS	Counselling and Support Services	585,933	Statewide
Woodrising Neighbourhood Centre	Counselling and Support Services	109,048	Hunter
NSW Aboriginal Safe Gambling Pty Ltd	Counselling and Support Services	396,841	Statewide
Northern Rivers Community Gateway (Lismore Neighbourhood Centre)	Counselling and Support Services	170,080	North Coast
Total		11,571,424	

Funds granted to non-government community organisations

Community benefit payment scheme

Community benefit payments are made to the Responsible Gambling Fund when a venue is approved by the Independent Liquor & Gaming Authority for an increase to its number of gaming machines entitlements. As part of approval, a condition is that the venue contributes a calculated, set monetary community benefit payment to the Responsible Gambling Fund as a one-off or annual payment for up to five years.

The Responsible Gambling Fund then determines the recipients of the community benefit payments, which are generally made to not for profit organisations and registered charities that support the social wellbeing of the local community.

More information on the scheme is available on the Office of Responsible Gambling website.

Funds granted under the Community Benefit Payment Scheme are set out below.

Auspice/Funded Organisation	Purpose/Service	Annual Funding (\$)	LGA
Burwood Community Welfare Services	Community Benefit Payment Scheme	49,406	Burwood
Community and Cultural Connections	Community Benefit Payment Scheme	35,000	Inner West
Innari - Aboriginal Homelessness Support Service	Community Benefit Payment Scheme	70,000	Inner West
Macarthur Diversity Services Initiative	Community Benefit Payment Scheme	31,338	Camden
Macarthur Family & Youth Services	Community Benefit Payment Scheme	61,380	Campbelltown
Macarthur Gateway Resource Services (MARCIA Women's Refuge Inc)	Community Benefit Payment Scheme	61,380	Campbelltown
Marrickville Community Mental Health Service	Community Benefit Payment Scheme	65,000	Inner West
Marrickville Legal Centre	Community Benefit Payment Scheme	65,000	Inner West
Marrickville Youth Resource Centre	Community Benefit Payment Scheme	45,000	Inner West
Metro Assist (Campsie)	Community Benefit Payment Scheme	49,406	Burwood
Molonglo Support Services	Community Benefit Payment Scheme	37,458	Queanbeyan-Palerang
Nepean Community and Neighbourhood Services	Community Benefit Payment Scheme	71,825	Penrith
Newtown Neighbourhood Centre	Community Benefit Payment Scheme	75,000	Inner West
Relationships Australia (NSW)	Community Benefit Payment Scheme	87,546	Newcastle
Riverstone Neighbourhood Centre and Community Aid Service	Community Benefit Payment Scheme	87,679	Blacktown
The Women's Activities & Self Help House	Community Benefit Payment Scheme	87,679	Blacktown
Warrina Domestic and Family Violence Specialist Services	Community Benefit Payment Scheme	70,304	Coffs Harbour
Total		1,050,401	

Land disposal

No properties with a value greater than \$5 million were disposed of during 2019/20.

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

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

Legislation administered

The **Minister for Better Regulation and Innovation** was responsible for the administration of the following Acts during the 2019/2020 financial year:

- *Agricultural Tenancies Act 1990* [No 64](#)
- *Architects Act 2003* [No 89](#)
- *Associations Incorporation Act 2009* [No 7](#)
- *Australian Jockey and Sydney Turf Clubs Merger Act 2010* [No 93](#)
- *Betting and Racing Act 1998* [No 114](#), Part 2 (and the remaining provisions of the Act jointly with the Minister for Customer Service)
- *Biofuels Act 2007* [No 23](#)
- *Boarding Houses Act 2012* [No 74](#) (except Parts 1 and 5 and Part 1 of Schedule 2, jointly with the Minister for Families, Communities and Disability Services, and parts, the Minister for Families, Communities and Disability Services)
- *Building and Construction Industry Long Service Payments Act 1986* [No 19](#)
- *Building and Construction Industry Security of Payment Act 1999* [No 46](#)
- *Building and Development Certifiers Act 2018* [No 63](#) (from 20 December 2019)
- *Building Products (Safety) Act 2017* [No 69](#)
- *Building Professionals Act 2005* [No 115](#) (repealed with effect from 1 July 2020)
- *Business Names (Commonwealth Powers) Act 2011* [No 44](#)
- *Charitable Fundraising Act 1991* [No 69](#)
- *Coal Mine Subsidence Compensation Act 2017* [No 37](#)
- *Community Gaming Act 2018* [No 60](#)
- *Community Land Management Act 1989* [No 202](#)
- *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010* [No 122](#)
- *Contracts Review Act 1980* [No 16](#)
- *Conveyancers Licensing Act 2003* [No 3](#)
- *Co-operative Housing and Starr-Bowkett Societies Act 1998* [No 11](#)
- *Co-operatives (Adoption of National Law) Act 2012* [No 29](#)
- *Credit (Commonwealth Powers) Act 2010* [No 6](#)
- *Dangerous Goods (Road and Rail Transport) Act 2008* [No 95](#) (except parts, the Minister for Energy and Environment)
- *Entertainment Industry Act 2013* [No 73](#)
- *Environmental Planning and Assessment Act 1979* [No 203](#), Part 6, jointly with the Minister for Planning and Public Spaces
- *Explosives Act 2003* [No 39](#)
- *Fair Trading Act 1987* [No 68](#)
- *Funeral Funds Act 1979* [No 106](#)
- *Gas and Electricity (Consumer Safety) Act 2017* [No 15](#)
- *Greyhound Racing Act 2017* [No 13](#)
- *Hairdressers Act 2003* [No 62](#)
- *Harness Racing Act 2009* [No 20](#)
- *Hawkesbury Racecourse Act 1996* [No 74](#)
- *Holiday Parks (Long-term Casual Occupation) Act 2002* [No 88](#)
- *Home Building Act 1989* [No 147](#) (except parts, the Treasurer and the Minister for Customer Service)
- *Innkeepers Act 1968* [No 24](#) (repealed with effect from 1 July 2019)
- *Landlord and Tenant Act 1899* [No 18](#) (repealed with effect from 29 June 2020)
- *Landlord and Tenant (Amendment) Act 1948* [No 25](#) (repealed with effect from 1 July 2019)
- *Long Service Corporation Act 2010* [No 123](#)
- *Lotteries and Art Unions Act 1901* [No 34](#) (repealed with effect from 1 July 2020)
- *Motor Dealers and Repairers Act 2013* [No 107](#)
- *Mutual Recognition (Automatic Licensed Occupations Recognition) Act 2014* [No 51](#)
- *Paintball Act 2018* [No 44](#)

Legislation administered

- *Partnership Act 1892* [55 Vic No 12](#), in so far as it relates to the functions of the Registrar of the register of limited partnerships and incorporated limited partnerships and to the setting of fees to be charged for maintaining that register, jointly with the Attorney General, and Minister for the Prevention of Domestic Violence
- *Pawnbrokers and Second-hand Dealers Act 1996* [No 13](#)
- *Personal Property Securities (Commonwealth Powers) Act 2009* [No 35](#), Division 2 of Part 2 of Schedule 1 and clause 24 of Schedule 1, jointly with the Attorney General, and Minister for the Prevention of Domestic Violence
- *Plumbing and Drainage Act 2011* [No 59](#)
- *Prices Regulation Act 1948* [No 26](#) (repealed with effect from 1 July 2019)
- *Professional Standards Act 1994* [No 81](#)
- *Property, Stock and Business Agents Act 2002* [No 66](#)
- *Racing Appeals Tribunal Act 1983* [No 199](#)
- *Residential (Land Lease) Communities Act 2013* [No 97](#)
- *Residential Tenancies Act 2010* [No 42](#) (except Part 7, jointly with the Minister for Water, Property and Housing and the Minister for Families, Communities and Disability Services)
- *Retail Trading Act 2008* [No 49](#)
- *Retirement Villages Act 1999* [No 81](#)
- *Rural Workers Accommodation Act 1969* [No 34](#) (repealed with effect from 1 July 2019)
- *Storage Liens Act 1935* [No 19](#)
- *Strata Schemes Management Act 2015* [No 50](#)
- *Swimming Pools Act 1992* [No 49](#)
- *Tattoo Parlours Act 2012* [No 32](#), jointly with the Minister for Police and Emergency Services
- *Thoroughbred Racing Act 1996* [No 37](#)
- *Tow Truck Industry Act 1998* [No 111](#)
- *Uncollected Goods Act 1995* [No 68](#)
- *Wagga Wagga Racecourse Act 1993* [No 109](#) (except parts, the Minister for Water, Property and Housing)
- *Work Health and Safety Act 2011* [No 10](#)

Legislation administered

The **Minister for Customer Service** was responsible for the administration of the following Acts during the 2019/2020 financial year:

- *Access to Neighbouring Land Act 2000* [No 2](#)
- *Associated General Contractors Insurance Company Limited Act 1980* [No 38](#)
- *Betting and Racing Act 1998* [No 114](#), jointly with the Minister for Better Regulation and Innovation (except Part 2, the Minister for Better Regulation and Innovation)
- *Betting Tax Act 2001* [No 43](#), jointly with the Treasurer and the Minister for Finance and Small Business
- *Births, Deaths and Marriages Registration Act 1995* [No 62](#), jointly with the Attorney General, and Minister for the Prevention of Domestic Violence
- *Bishopsgate Insurance Australia Limited Act 1983* [No 81](#)
- *Casino Control Act 1992* [No 15](#)
- *Community Land Development Act 1989* [No 201](#)
- *Conveyancing Act 1919* [No 6](#)
- *Conveyancing and Law of Property Act 1898* [No 17](#)
- *Data Sharing (Government Sector) Act 2015* [No 60](#)
- *Duties Act 1997* [No 123](#), jointly with the Treasurer and the Minister for Finance and Small Business
- *Electronic Conveyancing (Adoption of National Law) Act 2012* [No 88](#)
- *Encroachment of Buildings Act 1922* [No 23](#)
- *Gambling (Two-up) Act 1998* [No 115](#)
- *Gaming and Liquor Administration Act 2007* [No 91](#)
- *Gaming Machine Tax Act 2001* [No 72](#), Part 4 and Schedule 1 (and the remaining provisions of the Act jointly with the Treasurer and the Minister for Finance and Small Business)
- *Gaming Machines Act 2001* [No 127](#)
- *Fines Act 1996* [No 99](#), jointly with the Treasurer and the Minister for Finance and Small Business (except parts, the Attorney General, and Minister for the Prevention of Domestic Violence)
- *First Home Owner Grant (New Homes) Act 2000* [No 21](#), jointly with the Minister for Finance and Small Business
- *Geographical Names Act 1966* [No 13](#)
- *Government Advertising Act 2011* [No 35](#), jointly with the Premier and the Special Minister of State, Minister for the Public Service and Employee Relations, Aboriginal Affairs, and the Arts until 14 April 2020 and then jointly with the Premier and the Attorney General, and Minister for the Prevention of Domestic Violence
- *Government Information (Information Commissioner) Act 2009* [No 53](#), jointly with the Attorney General, and Minister for the Prevention of Domestic Violence
- *Government Information (Public Access) Act 2009* [No 52](#), jointly with the Attorney General, and Minister for the Prevention of Domestic Violence
- *Government Insurance Office (Privatisation) Act 1991* [No 38](#), sections 26 and 27, jointly with the Treasurer
- *Government Telecommunications Act 2018* [No 67](#)
- *Health Insurance Levies Act 1982* [No 159](#), jointly with the Treasurer and the Minister for Finance and Small Business
- *Home Building Act 1989* [No 147](#), Parts 6, 6B and 6C
- *Independent Pricing and Regulatory Tribunal Act 1992* [No 39](#) (except section 9, the Premier)
- *Insurance Protection Tax Act 2001* [No 40](#), jointly with the Treasurer and the Minister for Finance and Small Business
- *Land Sales Act 1964* [No 12](#)
- *Land Tax Act 1956* [No 27](#), jointly with the Treasurer and the Minister for Finance and Small Business
- *Land Tax Management Act 1956* [No 26](#), jointly with the Treasurer and the Minister for Finance and Small Business
- *Licensing and Registration (Uniform Procedures) Act 2002* [No 28](#)
- *Liquor Act 2007* [No 90](#)
- *Motor Accident Injuries Act 2017* [No 10](#)
- *Motor Accidents Act 1988* [No 102](#)
- *Motor Accidents Compensation Act 1999* [No 41](#)

Legislation administered

- *Motor Vehicles (Third Party Insurance) Act 1942* [No 15](#)
- *Music Festivals Act 2019* [No 17](#) (from 20 December 2019)
- *Payroll Tax Act 2007* [No 21](#), jointly with the Treasurer and the Minister for Finance and Small Business
- *Payroll Tax Deferral (BlueScope Steel) Act 2015* [No 68](#), jointly with the Treasurer and the Minister for Finance and Small Business
- *Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011* [No 19](#), jointly with the Minister for Jobs, Investment, Tourism and Western Sydney
- *Perpetuities Act 1984* [No 43](#)
- *Powers of Attorney Act 2003* [No 53](#)
- *Privacy and Personal Information Protection Act 1998* [No 133](#), jointly with the Attorney General, and Minister for the Prevention of Domestic Violence
- *Public Lotteries Act 1996* [No 86](#)
- *Real Property Act 1900* [No 25](#)
- *Registered Clubs Act 1976* [No 31](#)
- *Relationships Register Act 2010* [No 19](#), jointly with the Attorney General, and Minister for the Prevention of Domestic Violence
- *Service NSW (One-stop Access to Government Services) Act 2013* [No 39](#)
- *Small Business Grants (Employment Incentive) Act 2015* [No 14](#), jointly with the Minister for Finance and Small Business
- *State Debt Recovery Act 2018* [No 11](#), jointly with the Treasurer and the Minister for Finance and Small Business
- *State Insurance and Care Governance Act 2015* [No 19](#) (except parts, the Treasurer)
- *Strata Schemes Development Act 2015* [No 51](#)
- *Surveying and Spatial Information Act 2002* [No 83](#)
- *Taxation Administration Act 1996* [No 97](#), jointly with the Treasurer and the Minister for Finance and Small Business
- *Totalizator Act 1997* [No 45](#) (except section 76, the Treasurer)
- *Unclaimed Money Act 1995* [No 75](#), jointly with the Treasurer and the Minister for Finance and Small Business
- *Unlawful Gambling Act 1998* [No 113](#)
- *Workers Compensation Act 1987* [No 70](#) (except parts, the Treasurer)
- *Workplace Injury Management and Workers Compensation Act 1998* [No 86](#) (except parts, jointly with the Attorney General, and Minister for the Prevention of Domestic Violence, and parts, the Attorney General, and Minister for the Prevention of Domestic Violence)

Legislative changes

The following legislative changes were made on behalf of the Minister for Better Regulation and Innovation or the Minister for Customer Service during the 2019/2020 financial year.

New legislation (Acts assented to during 2019/2020)

- *Design and Building Practitioners Act 2020*
- *Music Festivals Act 2019*
- *Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020*

Amending legislation (Acts assented to during 2019/2020)

- *Better Regulation and Customer Service Legislation Amendment (Bushfire Relief) Act 2020*
- *Better Regulation Legislation Amendment Act 2019*
- *COVID-19 Legislation Amendment (Emergency Measures) Act 2020*
- *COVID-19 Legislation Amendment (Emergency Measures—Miscellaneous) Act 2020*
- *COVID-19 Legislation Amendment (Emergency Measures—Treasurer) Act 2020*
- *Fines Amendment Act 2019*
- *Gambling Legislation Amendment (Online and Other Betting) Act 2019*
- *Justice Legislation Amendment Act (No 2) 2019*
- *Racing Legislation Amendment Act 2019*
- *State Revenue and Other Legislation Amendment Act 2019*
- *State Revenue Legislation Further Amendment Act 2020*
- *Statute Law (Miscellaneous Provisions) Act (No 2) 2019*
- *Treasury Legislation Amendment (COVID-19) Act 2020*
- *Work Health and Safety Amendment (Review) Act 2020*

Repealed legislation (Acts repealed during 2019/2020)

- *Innkeepers Act 1968*
- *Landlord and Tenant Act 1899*
- *Landlord and Tenant (Amendment) Act 1948*
- *Prices Regulation Act 1948*
- *Rural Workers Accommodation Act 1969*

New regulations (regulations made during 2019/2020)

- *Building and Development Certifiers Regulation 2020*
- *Casino Control Regulation 2019*
- *Community Gaming Regulation 2020*
- *Fair Trading Regulation 2019*
- *Gaming Machines Regulation 2019*
- *Greyhound Racing Regulation 2019*
- *Privacy and Personal Information Protection Regulation 2019*
- *Professional Standards Regulation 2019*
- *Real Property Regulation 2019*
- *Residential Tenancies Regulation 2019*
- *Tow Truck Industry Regulation 2020*
- *Uncollected Goods Regulation 2020*

Legislative changes

Amending regulations (regulations made during 2019/2020)

- *Births, Deaths and Marriages Registration Amendment (Fees) Regulation 2019*
- *Building and Construction Industry Long Service Payments Amendment (Bushfire Relief) Regulation 2020*
- *Building and Construction Industry Security of Payment Amendment Regulation 2019*
- *Building and Development Certifiers Amendment (Provision of Information) Regulation 2020*
- *Building and Development Certifiers Amendment (Refund of Fees) Regulation 2020*
- *Building Professionals Amendment (Subdivision Works Certificates) Regulation 2020*
- *Casino Control Amendment (Miscellaneous) Regulation 2020*
- *Coal Mine Subsidence Compensation Amendment (Certificates) Regulation 2019*
- *Coal Mine Subsidence Compensation Amendment (Contributions) Regulation 2020*
- *Community Land Management Amendment (COVID-19) Regulation 2020*
- *Conveyancers Licensing Amendment (Fees) Regulation 2020*
- *Conveyancing (General) Amendment (Transgrid Services Pty Limited) Regulation 2019*
- *Conveyancing (General) Amendment (WaterNSW Infrastructure Pty Ltd) Regulation 2019*
- *Conveyancing (Sale of Land) Amendment Regulation 2019*
- *Fair Trading Amendment (Penalty Notice Offences) Regulation 2020*
- *Gaming Machines Amendment (Miscellaneous) Regulation 2020*
- *Greyhound Racing Amendment Regulation 2020*
- *Home Building Amendment (Fees) Regulation 2020*
- *Home Building Amendment (Miscellaneous) Regulation 2020*
- *Liquor Amendment (COVID-19 Licence Endorsements and Temporary Freezes) Regulation 2020*
- *Liquor Amendment (Miscellaneous) Regulation 2020*
- *Liquor Amendment (Miscellaneous) Regulation (No 2) 2019*
- *Liquor Amendment (Night Time Economy) Regulation 2019*
- *Liquor Amendment (Special Events Extended Trading) Regulation (No 3) 2019*
- *Liquor Amendment (Special Licence Conditions) Regulation (No 3) 2019*
- *Liquor Amendment (Tiered Industry Training Framework) Regulation 2019*
- *Liquor Amendment (Waiver of Fees) Regulation 2020*
- *Motor Dealers and Repairers Amendment (Fees) Regulation 2020*
- *Motor Dealers and Repairers Amendment (Miscellaneous) Regulation 2020*
- *Paintball Amendment Regulation 2019*
- *Pawnbrokers and Second-hand Dealers Amendment (Exemption) Regulation (No 2) 2019*
- *Pawnbrokers and Second-hand Dealers Amendment (Fees) Regulation 2020*
- *Property and Stock Agents Amendment (Refund of Fees) Regulation 2020*
- *Property, Stock and Business Agents Amendment Regulation 2019*
- *Racing Appeals Tribunal Amendment Regulation 2020*
- *Relationships Register Amendment (Fees) Regulation 2019*
- *Residential Tenancies Amendment (COVID-19) Regulation 2020*
- *Service NSW (One-stop Access to Government Services) Amendment (Delegation) Regulation 2019*
- *State Debt Recovery Amendment (Water NSW) Regulation 2019*
- *Strata Schemes Management Amendment (Building Defects Scheme) Regulation 2020*
- *Strata Schemes Management Amendment (COVID-19) Regulation 2020*
- *Tattoo Parlours Amendment (Fees) Regulation 2020*
- *Work Health and Safety Amendment (Miscellaneous) Regulation 2019*
- *Work Health and Safety Amendment (Silica) Regulation 2020*
- *Work Health and Safety Amendment (Traffic Control Work Training) Regulation 2019*
- *Workers Compensation Amendment (COVID-19) Regulation 2020*
- *Workers Compensation Amendment (Minimum Pre-injury Average Weekly Earnings) Regulation 2019*
- *Workers Compensation Amendment (Pre-injury Average Weekly Earnings) Regulation 2019*

Major works

New major works in 2019/20*

Project name and location	Total expenditure to 30 June 2020 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start (year)	Completion date (actual or estimated)	Details of any significant:
Digital Restart Fund – Land Tax Customer Journey	1,582	2,200	2019	2020	<ul style="list-style-type: none"> • Cost overruns • Delays • Amendments • Deferments • cancellations

*Lease acquisition impact of changes in AASB16 (ETC of \$8.8m) is excluded from this table.

Continuing major works

Project name and location	Total expenditure to 30 June 2020 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start (year)	Completion date (actual or estimated)	Details of any significant:
Revenue NSW-Critical System Maintenance	5,723	73,724	2017	2024	<ul style="list-style-type: none"> • Cost overruns • Delays • Amendments • Deferments • cancellations
TRS LPI Concession operator	6,138	70,472	2018	2052	
Accommodation Strategy	22,174	36,686	2011	2026	
Data Centre Consolidation Acceleration Program	12,389	23,513	2013	2026	
Data Conversion and Cleansing	9,630	14,485	2013	2026	
Future Business Development Program	1,206	2,062	2013	2020	
ICT Development Program	19,279	52,235	2014	2026	
ICT Projects	67,832	112,233	2004	2026	
Implementing ERP System Reform	20,079	16,340	2017	2020	The increase relates to SAP Connect projects due to the change of scope of work.
Information System Enhancements	166,770	180,620	2001	2026	
Office Refurbishment and Rationalisation	99,689	124,913	2005	2026	
OneGov Digital Services Gateway	7,061	14,829	2013	2026	
Spatial Data Infrastructure Program	23,504	52,431	2014	2026	
Technology Asset Replacement Program	13,858	30,766	2014	2020	

Overseas travel

Date	Officer	Destination	Purpose
18 July – 9 August 2019	Damon Rees	Boston, United States of America	Attended the Senior Managers in Government course at John F Kennedy School of Government, Harvard University as a 2018/19 recipient of a Sir James Wolfensohn Public Service Scholarship
13 – 22 July 2019	John Ringland	Singapore, Singapore	Completion of Australian and New Zealand School of Government (ANZSOG) Executive Master, of Public Administration (EMPA) Residential Coursework
21 – 29 July 2019	Gordana Ostojic	Boston & Austin, United States of America	Conducted quality assessment for Testsafe clients
7 – 9 August 2019	Gerardo Gonzalez	Christchurch, New Zealand	Conducted quality assessment for Testsafe clients
28 – 30 August 2019	John Tansey	Queenstown, New Zealand	Attended meeting of the Legislative and Governance Forum on Consumer Affairs (CAF). CAF is the principle intergovernmental forum on fair trading and consumer affairs matters of national significance
28 – 30 August 2019	Rose Webb	Queenstown, New Zealand	Attended meeting of the Legislative and Governance Forum on Consumer Affairs (CAF). CAF is the principle
31 August – 9 September 2019	Evanthia Koromilas	London, United Kingdom	Attended and presented at the Behavioural Exchange 2019 Conference (BX2019) on the Behavioural Insights Unit's 'What's Your Plan' project to reduce domestic violence. Separate meetings were also held with international experts and counterparts to gain industry leading insights, share lessons learned and explore the potential for opportunities to collaborate on relevant policy priorities
21 – 29 September 2019	Billy Low-Wah	Dubai, United Arab Emirates	Attended IECEX System Meetings and contribute to changes and improvements in new editions to the IECEX Standards, relating to equipment for use in Explosive Atmospheres and to ensure consistency in applying and interpreting test methods and assessment in IECEX standards
13 September – 2 October 2019	Xue Mei	Taiwan and China	Conducted quality assessment for Testsafe clients
12 – 26 October 2019	Roshana May	Pittsburgh, United States of America	Attended the International Association of Industrial Accident Boards and Commissions (IAIABC) Convention
12 – 30 October 2019	Philip Jedlin	Pittsburgh, United States of America	Attended the International Association of Industrial Accident Boards and Commissions (IAIABC) Convention
2 – 10 November 2019	Greg Wells	San Francisco, United States of America	Attended US Delegation with the Digital Transformation Agency and AIIA. The visit sought to build stronger collaborative relationships, gain valuable insights from leading business at the cutting edge of IT and innovation and, provide exposure to innovations occurring in Australia
3 – 4 November 2019	Joanna Ifield	Wellington, New Zealand	Attended residential Australian and New Zealand School of Government (ANZSOG) Executive Fellow course
3 – 9 November 2019	Roxane Shaw	Wellington, New Zealand	Attended residential Australian and New Zealand School of Government (ANZSOG) Executive Fellow course
16 – 22 November 2019	Roxane Shaw	Singapore, Singapore	Attended residential Australian and New Zealand School of Government (ANZSOG) Executive Fellow course

Overseas travel

Date	Officer	Destination	Purpose
21 – 22 November 2019	Liz Livingstone	Wellington, New Zealand	Attended Australia and New Zealand's Utility Regulator's Forum
25 – 28 November 2019	Bruce Blacker	Wellington, New Zealand	Attended the Australian/New Zealand Electrical Standards EL001 committee meeting and Electrical Regulatory Authorities Committee (ERAC) technical working group meeting
25 – 29 November 2019	Gerardo Gonzalez	Hamilton, Dunedin, Christchurch, New Zealand	Conducted quality assessment for Testsafe clients
27 September – 6 October 2019	Nathan Bennett	Jamaica	Attended the International Association of Gaming Regulators Conference (IAGR) 2019. IAGR's annual conference is the leading regulatory event for gaming regulators around the world
27 September – 6 October 2019	Atish Bucktowonsing	Jamaica	Attended the International Association of Gaming Regulators Conference (IAGR) 2019. IAGR's annual conference is the leading regulatory event for gaming regulators around the world
27 September – 6 October 2019	Paul Newson (Responsible Gambling Fund Trustee and Vice President of IAGR)	Jamaica	Attended the International Association of Gaming Regulators Conference (IAGR) 2019 in his capacity as Vice President of IAGR and Co-Chair of the 2019 conference. IAGR's annual conference is the leading regulatory event for gaming regulators around the world
28 September – 5 October 2019	John Dalzell (Chair Responsible Gambling Fund Trust)	Jamaica	Guest speaker and attendee at the International Association of Gaming Regulators Conference (IAGR) 2019. IAGR's annual conference is the leading regulatory event for gaming regulators around the world.
24 November – 1 December 2019	John Ringland	Wellington, New Zealand	Attended residential Australian and New Zealand School of Government (ANZSOG) Executive Master of Public Administration (2019 Student)
26 November – 1 December 2019	Rhonda Kable	Wellington, New Zealand	Attended residential Australian and New Zealand School of Government (ANZSOG) Executive Master of Public Administration (2019 Student)
16 January – 26 January 2020	Dawn Routledge	Belgium, Denmark, United Kingdom	Accompanied the Minister for Customer Service on a visit to find new ways for New South Wales Government (NSWG) to make it easier for customers to do business with NSWG, to improve NSW's digital infrastructure and gain insights from cities which display forward thinking and innovation in responding to complex government problems
1 – 9 February 2020	Paul Newson (Responsible Gambling Fund Trustee and President of IAGR)	London, United Kingdom	Attended and delivered a keynote address at the Regulators Lunch as part of the International Legislators Agenda at ICE 2020 in his capacity as Responsible Gambling Fund Trustee and President of International Association of Gaming Regulators Conference (IAGR). Also attended IAGR Board meeting and held additional meetings with international regulators
2 – 5 February 2020	Gerado Gonzalez	Auckland, New Zealand	Conducted quality assessment for Testsafe clients

Public interest disclosures

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

PID resources were available to staff on the DCS intranet and highlighted during induction training.

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

Research and development

Better Regulation Division

The Centre for Work Health and Safety Crane Safety in Construction

The *Crane Safety in Construction* study had 2 objectives:

- to identify the causes and contributing factors associated with safety incidents involving cranes in the construction industry
- to explore strategies or approaches that could be or have been successfully implemented to prevent crane safety incidents in the construction industry.

The research identified 4 key areas of work with the potential to prevent crane safety incidents. These were:

- workforce competence
- supply arrangements, communication and planning
- the industry and regulatory environment
- equipment design, maintenance and use.

An industry guide was developed that identifies causes and contributing factors associated with safety incidents involving cranes in the construction industry and suggests ways that the model can be used by industry to understand and prevent crane safety incidents. The study was conducted in partnership with the Royal Melbourne Institute of Technology concluding in September 2019 at a total cost of \$116,877.

Reducing the Electrical Harm

The *Reducing the Electrical Harm* research sought to develop 2 novel interventions to improve electrical workplace behaviours through enhancing risk perception in young male construction workers. Using gamification, interventions were delivered and a survey measured the baseline and outcome variables associated with electrical risk perception, intentions to behave safely and actual electrical safety behaviours. These were related to the top three injury types of overhead powerlines, underground powerlines and fixed wiring. While the interventions did not generate a significant, detectable increase in the outcome variables, follow-up interviews identified positive feedback on the approach, increased awareness and changed behaviours among the participants. Future research could refine the intervention approach based on this feedback. The study was conducted in partnership with the Queensland University of Technology between April 2019 and April 2020 at a total cost of \$164,917.50.

Work Health Survey

The *Work Health Survey* sought to explore the perceptions of the NSW workforce around the scope, definition and priorities in relation to the concept of 'work health', and the regulator's role in work health. This study provided insights for SafeWork NSW to consider in pursuing initiatives aimed at improving the health and wellbeing in workplaces. This research highlighted that work health is multi-faceted and that workers in NSW include the physical, mental, social and emotional wellbeing in their understanding of work health. The duties of the regulator were mostly perceived as related to compliance, enforcement and the provision of advice, rather than financial support. The research was conducted in-house by the Centre for WHS and concluded in November 2019 at a cost of \$6,000.

Musculoskeletal Disorders from Patient Handling

The Musculoskeletal Disorders from Patient Handling project investigated why injuries continue to occur and how to improve safety when handling aged care patients. Results indicate that physical factors such as manual handling of people, use of assistive devices, and physical work environment are most commonly associated with musculoskeletal disorders in this population. Interventions which address multiple types of contributing factors are needed to adequately prevent musculoskeletal injuries in aged care workers. The study was conducted in partnership with University of Wollongong concluding in April 2020 at a total cost of \$50,171.

Responsive Sentencing

The Responsive Sentencing research investigated how orders, like those available to the court when sentencing offences under the *Work Health and Safety Act 2011* (NSW), are used across jurisdictions, and what impact the orders have on achieving compliance. This research produced a better understanding of when and how the sentencing orders are best used for more effective regulation and improved compliance with WHS law. An evidence-based guide for regulators was developed to support recommendations being made to the court. The research was conducted in-house by the Centre for WHS, concluding in June 2020 with no external costs.

Research and development

The Office of Responsible Gambling

The Office of Responsible Gambling initiates and funds research that provides the evidence base for responsible gambling policy, interventions and programs. The research program aligns with, and progresses, the Responsible Gambling Fund Research Agenda 2018-2021 and includes commissioned and grant-funded projects as well as national research projects receiving funding support from the Responsible Gambling Fund through Gambling Research Australia.

There were 5 commissioned research projects receiving funding in 2019/20.

Research organisation	Cost (\$)	Purpose
Central Queensland University	80,000	Responsible Conduct of Gambling Research** \$80,000 was paid in 2019/20; the total value of the contracted work was \$80,000.
Central Queensland University	129,074	NSW Gambling Survey 2019** \$129,074 was paid in 2019/20; the total value of the contracted work was \$860,493.
Central Queensland University	177,696	Youth Gambling Study \$177,696 was paid in 2019/20; the total value of the contracted work is \$358,042.
Schottler Consulting	26,618	Electronic Gaming Machines Literature Review** \$26,618 was paid in 2019/20; the total value of the contracted work was \$55,364.
Snapcracker Research and Strategy	91,800	Electronic Gaming Machines Shutdown Research \$91,800 was paid in 2019/20; the total value of the contracted work was \$91,800.

There were also 9 research projects in progress in 2019/20, supported through grants awarded under the 2019 Responsible Gambling Fund Grants programs.

Research organisation	Cost (\$)	Purpose
Central Queensland University	57,319	Development and randomised-control-trial of safe gambling guidelines for EGM play. \$57,319 was paid in 2019/20; the total value of the grant is \$191,063.
Central Queensland University	69,978	Exploring the changing landscape of gambling in adolescence. \$69,978 was paid in 2019/20; the total value of the grant is \$99,968.
Central Queensland University	79,728	Loot boxes: Are they grooming youth for gambling? \$79,728 was paid in 2019/20; the total value of the grant was \$79,728.
Central Queensland University	92,964	Smartphone betting on sports, esports and daily-fantasy-sports amongst young people \$92,964 was paid in 2019/20; the total value of the grant is \$185,927.
Deakin University	30,000	Family member treatments: systematic review and content analysis across addictions \$27,000 was paid in 2019/20; the total value of the grant was \$30,000.
University of Sydney - Business School	24,500	Do 'cash-out' products offered by bookmakers exploit behavioural biases? \$24,500 was paid in 2019/20; the total value of the grant was \$24,500.
University of Sydney - Gambling Treatment and Research Clinic	55,500	Randomised control trial comparing face-to-face with online problem gambling treatment \$55,500 was paid in 2019/20; the total value of the grant is \$277,500.
Western Sydney Community Forum	62,400	Culturally Responsive Framework to Address Problem Gambling Behaviours \$62,400 was paid in 2019/20; the total value of the grant is \$156,000.
Western Sydney University	40,236	Early identification of gambling co-morbidity in a hospital setting \$40,236 was paid in 2019/20; the total value of the grant is \$100,591.

All amounts are GST exclusive

**Indicates project receiving funding in 2019/20 but completed over multiple financial years

Research and development

Customer, Delivery and Transformation

The Data Analytics Centre (DAC) developed 3 key tools to support privacy preserving data sharing. The Personal Information Factor (PIF) tool was developed as a collaborative effort with state governments, Commonwealth agencies, research organisations and the private sector led by the Chief Data Scientist. The tool assesses:

- the risk of identifying an individual if they are not known to be in the dataset
- a quantified upper bound measure of the information gained for an individual known to be in the dataset.

The PIF tool outputs a score assessing the risk of re-identification of an individual using the dataset. Based on this information, decisions can be made with respect to aggregating or suppressing information to reduce the risk of re-identification while maintaining the utility of the dataset. The DAC is using the PIF tool to assess the risk of re-identification of data published as Open data on Data.NSW on COVID-19 Cases and Tests.

The DAC also developed prototypes of 2 tools that will facilitate data sharing without disclosing personally identifiable information:

- GovProtect allows a user to identify data items in a dataset that contain personally identifiable information and to encrypt this information
- GovLink allows a user to link two or more datasets using the encrypted information produces using GovProtect.

These tools will be released in beta and provided to NSW government agencies to use and test.

Risk management, attestation and insurance activities

Risk and resilience framework

During the financial year 2019/20, DCS had in place an integrated Risk and Opportunity Management (ROM) Policy supported by a Risk and Resilience framework that adopted a unified approach to risk, compliance, and business continuity management.

The policy and framework applied the principles of ISO 31000:2018 - Risk management and operated in accordance with NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03).

The aim of the Risk and Resilience Framework was to ensure that:

- the Secretary, the DCS Executive and all managers could confidently make business decisions informed by risk management
- change opportunities and initiatives could be pursued with greater speed, robustness and confidence for the benefit of DCS and its stakeholders
- daily decisions at the operating level were made within the context of DCS's capacity to accept risk
- the organisation managed the risk of intangible assets – reputation, regulatory, intellectual and knowledge capital, processes and systems – just as fully as it managed physical and financial assets.

With the objective to embed risk, compliance, and business continuity management as part of the culture of DCS to ensure a resilient organisation, DCS risk management was coupled with strategic and business planning and the performance measurement process.

All DCS staff (including contractors) were responsible for the identification, assessment, monitoring, control and ongoing management of risks and compliance obligations (including business disruption risk).

Risk management, attestation and insurance activities

Internal Audit and Risk Management Attestation Statement for the 2019-2020 Financial Year for Department of Customer Service

I, Emma Hogan, Secretary, am of the opinion that the **Department of Customer Service** had internal audit and risk management processes in operation that were compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Risk management, attestation and insurance activities

The Committee only came into existence from 1 November 2019, after the DFSI Shared Arrangement ARC was dissolved on 31 October 2019, as a result of machinery of Government changes.

This Audit and Risk Committee was established under a Treasury approved shared arrangement with the following participating entities:

- Department of Customer Service
- Rental Bond Board
- Building Professionals Board (now dissolved)
- NSW Government Telecommunications Authority
- Greyhound Welfare and Integrity Commission
- Independent Liquor and Gaming Authority



Emma Hogan
Secretary
Department of Customer Service

Date: 28 September 2020

Agency Contact Officer
Anthony Lane
A/Chief Audit Executive
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Cyber security Annual Attestation Statement for the 2019-2020 Financial Year for the Department of Customer Service (Secretary – NSW Department of Customer Service)

I, Emma Hogan, am committed to ensuring that the cyber security defences of the Department of Customer Service will continue to be strengthened.

The Department of Customer Service has completed independent audits of cyber security controls in place during the 2019-2020 financial year, and the department's maturity against the NSW Cyber Security Policy mandatory requirements. These audits have identified opportunities for improvement, which we are now focussed on addressing.

The Department of Customer Service has a cyber security response plan that has been exercised during the 2019-2020 financial year. The plan will continue to be reviewed to maintain its currency and effectiveness.

The Department of Customer Service will implement an expanded information security management system (ISMS) to ensure that cyber security risks are managed consistently and effectively across all areas of the department. Significant consolidation, standardisation and enhancement of the department's technology environment will lessen the opportunity for cyber security risks to be realised.

The Department of Customer Service will continue to harden its technology environments, strengthen its governance processes and increase awareness of cyber security and privacy risks for all staff. Through an aggressive and comprehensive cyber security resilience programme, the department will ensure that the security of citizen information and trust in the services of government are maintained to the best of its abilities against increasingly complex and prevalent threats.

Yours sincerely



Emma Hogan

Secretary, NSW Department of Customer Service

24 September 2020

Risk management, attestation and insurance activities

Response to cyber and privacy security risks

The occurrence and sophistication of cybercrime is steadily increasing globally and presents increasing risk for governments and the citizens relying on their services. It has never been more important to build defences, capability and resilience to combat cyberattacks and protect the information and privacy of citizens that rely on NSW Government services.

In response to the evolving threat landscape, DCS has worked closely with State and Federal agencies and relevant privacy and security authorities to maintain and strengthen the Department's cyber security resilience and to ensure robust and effective support services are in place for DCS customers impacted by cybercrime related incidents.

In March 2020, DCS was the target of a cyber-attack on 47 Service NSW employee email accounts and worked with relevant authorities and cyber security experts to keep customers and their data safe and develop systems and processes to accurately and effectively communicate with, and support impacted customers in responding to the incident. A dedicated hyper-care team was established within Service NSW to help customers affected by the data breach and independent cyber support community service IDCARE partnered with Service NSW to provide an additional level of expert support at no cost to customers.

The Department has established a senior-level Cyber and Privacy Resilience Governance Group (the Group) comprising senior leaders from within DCS leading the Department's cybersecurity resilience as well as representatives from the NSW Police Cybercrime Squad, Resilience NSW and expert private-sector advisors specialising in cybersecurity and privacy protection and incident response. The Group oversaw the response to the attack on Service NSW email accounts and continues to guide DCS to maintain and strengthen the Department's cyber security resilience.

Business risk insurance

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

Cluster claims performance

The claims performance data outlined below is inclusive of all DCS Cluster Agencies. Some agencies within DCS publish their own annual reports. Further information regarding their insurance activities can be found in their annual reports.

Number of Claims

Line of Business	2019/20
Workers Compensation	113
Motor Vehicle	134
Property	15
Liability	25
Other	1
Total	288

Net incurred claims cost (\$)

Line of Business	2019/20
Workers Compensation	\$2,415,267
Motor Vehicle	\$401,588
Property	\$5,720,636
Liability	\$547,000
Other*	\$9,652,359
Total	\$18,736,850

Data regarding incurred claims and relevant costs was sourced from TMF. They are based on the claims lodged and relevant assessment as at September 2020. The final costs and claim numbers may vary due to the timing of loss incurred, claims reported, and the outcome of the negotiated settlement.

*Refers to a Service NSW Cyber incident

Significant judicial decisions

Better Regulation Division – Fair Trading

Decision	Brief explanation of decision
NSW Fair Trading matter of Nicholas Agar	<p>On 12 July 2019, the Local Court convicted Mr Agar of two counts of fraudulent appropriation under section 124 of the <i>Crimes Act 1900</i>, sentenced him to 12 months imprisonment with 9 months non-parole and ordered him to pay compensation of \$246,000 to three consumers, and costs of \$22,880.</p> <p>Mr Agar was the General Manager of two motor dealer businesses that sold prestige vehicles directly and on consignment for consumers. Mr Agar sold three vehicles, namely a Nissan GTR for \$130,000, a Lamborghini Gallardo for \$143,000 and a BMW X6 for \$46,000 and failed to pass the proceeds of the sales onto the consumers.</p> <p>On 4 September 2019, Mr Agar's appeal to the District Court regarding the severity of the Local Court sentence was dismissed.</p>
NSW Fair Trading matter of Jade Cairns	<p>On 11 October 2019, the Local Court convicted Ms Cairns of 14 offences under the <i>Crimes Act 1900</i> (12 offences under section 192E(1)(b) and two offences under section 254(b)(ii)), sentenced her to a Community Corrections Order for three years, ordered her to perform 300 hours of community service and ordered her to pay compensation of \$12,021.</p> <p>Ms Cairns was employed as a Property Management Associate for a real estate agency located on the NSW south coast and was responsible for managing rental properties. Ms Cairns did not hold a licence or certificate of registration under the <i>Property, Stock and Business Agents Act 2002</i>. Ms Cairns fraudulently withdrew 12 bonds from the NSW Rental Bond Board between 26 July 2016 and 19 June 2017 totalling \$21,521.91, comprising individual amounts ranging from \$1,360.28 to \$2,600.33. Ms Cairns also used a false certificate of registration purported to have been issued by Fair Trading, and a false email purported to have been sent by Fair Trading, to deceive the real estate agency into believing she held the relevant qualifications for her role.</p>
NSW Fair Trading matter of Siao Si Liumaunu	<p>On 1 November 2019, the Local Court convicted Mr Liumaunu of 14 offences (one offence under section 192E of the <i>Crimes Act 1900</i>, four offences under section 158(7) of the Australian Consumer Law and four offences under section 5(1)(a), two offences under section 5(2)(a), one offence under section 4(1)(a) and one offence under section 8(2)(a) of the <i>Home Building Act 1989</i>). Mr Liumaunu was sentenced to 15 months imprisonment with a 9-month non-parole period and fined a total of \$82,000. Mr Liumaunu was also ordered to pay costs.</p> <p>Mr Liumaunu was the director of ALZ Fencing Pty Ltd and held the registered business name Ozi Fencing. At all material times Mr Liumaunu, ALZ Fencing Pty Ltd and Ozi Fencing did not hold a contractor licence in NSW.</p> <p>Mr Liumaunu represented to consumers that he was running a legitimate and licensed fencing company. He negotiated contracts with consumers throughout the Sydney metropolitan area and derived a financial benefit from consumers exceeding \$37,000 with all monies being deposited into accounts held solely in his name. Once he obtained the money, Mr Liumaunu failed to carry out the work.</p>
NSW Fair Trading matter of Nicolette van Wijngaarden	<p>On 21 November 2019, the District Court convicted Ms Wijngaarden of two offences under section 211(2) of the <i>Property, Stock and Business Agents Act 2002</i> relating to fraudulent conversion of monies held in trust by a licensee. Ms Wijngaarden was sentenced to an aggregate term of 3 years and 6 months for both offences and is eligible for parole on 20 August 2021.</p> <p>Between 2009 and 2018, Ms Wijngaarden was the registered licensee in charge and director of Unique Estates Australia Pty Ltd, a real estate agency based in northern New South Wales. Ms Wijngaarden was charged with fraudulently converting a total of up to \$3,693,811 between 2017 and 2018 (being \$2,527,935 of trust money held on behalf of vendors and up to \$1,165,876 of trust money held on behalf of the owners of rental properties).</p> <p>The prosecution was conducted by the Office of the Director of Public Prosecutions.</p>

Significant judicial decisions

Decision	Brief explanation of decision
NSW Fair Trading matter of Khalel Elchaar	<p>On 5 December 2019, the Local Court convicted Mr Elchaar of seven offences under section 192E(1) (b) of the <i>Crimes Act 1900</i> and sentenced him to an aggregate term of imprisonment of 12 months to be served by way of Intensive Correction Order with the additional condition that he complete 100 hours of community service. He was also fined \$595.</p> <p>Mr Elchaar held a real estate licence and was the nominated licensee in charge and a director of Sydney Property Group Real Estate Pty Ltd, located in Burwood, NSW. Mr Elchaar obtained \$17,202.39 from fraudulent bond claim forms he lodged with the Rental Bond Board.</p> <p>Mr Elchaar appealed to the District Court however the appeal was dismissed, and the convictions and orders of the Local Court were confirmed.</p>
Commissioner for Fair Trading v Jonval Builders Pty Limited, Hacienda Caravan Park Pty Limited and John Allan Willmott [2019] NSWSC 1893	<p>On 31 December 2019, the Supreme Court found that the defendants in these civil proceedings had engaged in misleading or deceptive conduct and unconscionable conduct. On 17 March 2020, the Supreme Court ordered the defendants to pay compensation and interest totalling \$2,353,936 and costs.</p> <p>The defendants conducted a caravan park in the Tweed River area. In 2009, 2010 and 2012, the defendants sold movable dwellings or “Villas” located at the Park to seven consumers. The Villas were sold as “permanent residences”, when in fact the Villas were not permanent residences under local council laws.</p> <p>The defendants have appealed to the Court of Appeal.</p>
NSW Fair Trading matter of Alice Gaye Gunning	<p>On 10 February 2020, the Local Court convicted Ms Gunning of four offences against the <i>Property, Stock and Business Agents Act 2002</i> (being offences under sections 211(2)/218, 32(2), 37(2) and 111(1) (a)/218) and sentenced her to a period of imprisonment for 12 months to be served by way of an Intensive Correction Order, with 150 hours of community service work in addition to fines totaling \$1,150.</p> <p>Ms Gunning was a director of Guncom Pty Ltd. Ms Gunning held a real estate agent licence and was the nominated licensee in charge of Guncom’s Surry Hills branch.</p> <p>The investigation arose during an inspection when it was discovered Ms Gunning was knowingly concerned as a director in the fraudulent conversion by Guncom Pty Ltd of trust funds in the amount of \$98,800, failed to cause trust account audits as required and failed to provide adequate supervision of the business.</p> <p>Ms Gunning has appealed to the District Court.</p>

Significant judicial decisions

Better Regulation Division – Liquor & Gaming, NSW

Decision	Brief explanation of decision
Liquor & Gaming v Tab Ltd	<p>On 4 October 2018, Tab Ltd published a gambling advertisement to persons in NSW. The advertisement was not limited to Tab betting account holders but published generally to residents in NSW.</p> <p>After a Liquor & Gaming investigation Tab Ltd was charged with publishing an advertisement which contained an inducement to participate frequently in a gambling activity, including an inducement to open a betting account, contrary to section 33H(1) of the <i>Betting and Racing Act 1998</i>.</p> <p>On 3 July 2019, Tab Ltd was convicted and fined \$10,000 by the Local Court. In sentencing, the Court noted there was a need for general and specific deterrence and to give a clear message of compliance with the gambling harm minimisation provisions.</p>
Liquor & Gaming v Ton Ton Song Pty Ltd	<p>Liquor & Gaming investigated the operations of the defendant who was an Approved Training Provider, approved to conduct training programs that enabled persons to obtain Responsible Service of Alcohol (RSA) certification.</p> <p>Following the investigation, the defendant was charged with four offences under section 114B of the <i>Liquor Act 2007</i> for not complying with the conditions imposed on the defendant's approval to conduct RSA training courses.</p> <p>On 11 December 2019, the defendant pleaded guilty in the Local Court to one offence occurring on 18 February 2019, with the other three offences taken into account on sentence by way of a Form 1 pursuant to section 32 of the <i>Crimes (Sentencing Procedure) Act 1999</i>.</p> <p>The defendant was convicted and fined \$7,500. In sentencing, the Court noted the RSA principles are important and there is a need to have people properly trained in RSA. The responsible service of alcohol is a problem in the community and training providers must engage in proper training.</p>
Liquor & Gaming v Ladbrokes Digital Australia Pty Ltd; Liquor & Gaming v Neds.com.au Pty Ltd.	<p>During the period September 2018 to November 2018 online sports gambling companies Ladbrokes Digital Australia Pty Ltd (Ladbrokes) and Neds.com.au Pty Ltd (Neds) published various gambling advertisements not limited to Ladbrokes and Neds betting account holders but published generally to residents in NSW.</p> <p>After Liquor & Gaming investigations, Ladbrokes and Neds were charged with publishing advertisements which contained inducements to participate frequently in gambling activities, including inducements to open betting accounts contrary to section 33H(1) of the <i>Betting and Racing Act 1998</i>. The prosecutions were heard together as Ladbrokes had acquired ownership of Neds.</p> <p>On 13 February 2020, the Local Court convicted and fined Ladbrokes and Neds a total of \$176,000. In sentencing the defendants, the Court noted that: the prosecution cases were strong; the offences were at the high end of seriousness; and, a clear message of specific and general deterrence needed to be sent.</p> <p>The defendants appealed to the District Court. The convictions were confirmed. The fines were reduced to a total of \$127,500.</p>

Significant judicial decisions

Better Regulation Division – Registrar General

Decision	Brief explanation of decision
DOQ17 v Australian Financial Security Authority (No 3) [2019] FCA 1488	<p>On 10 September 2019, the Federal Court delivered judgment in DOQ17 v AFSA & Ors [2019] FCA 1488 in the Registrar General's favour.</p> <p>In this case, the function of the Registrar General that the Applicant called into question was the recording of Family Court orders on title to the Applicant's land, which vested the land in trustees for sale. The Applicant argued that the Registrar General was negligent in recording the orders which contained her real name instead of the pseudonym given to her by the Family Court. For the Applicant to succeed in proving negligence, she needed to establish that the Registrar General owed her a duty of care.</p> <p>The Court held that the Registrar General does not owe a duty of care to landowners in discharging its functions under the <i>Real Property Act 1900</i> (RPA). In coming to this finding, the Court accepted that; the finding of a duty of care is inconsistent with the Registrar General's statutory powers and duties; section 146 of the RPA provides that as long as the Registrar General acts in good faith, no action lies against it (including in negligence) for taking actions associated with the administration of the RPA, and to maintain the Register the Registrar General needs to be able to act efficiently without being worried about potential claims against it, particularly given its broad discretion to make recordings in the Register.</p>
Winau Aust Pty Ltd & Ors v LCC Property Development Pty Limited & Ors [2020] NSWSC 434	<p>On 22 April 2020, Kunc J handed down judgement in favour of the Registrar General on an interlocutory application in Winau Aust Pty Ltd & Ors v LCC & Ors [2020] NSWSC 434. Kunc J dismissed the entire proceedings against the Registrar General and the claim against the Torrens Assurance Fund for \$7 million compensation (as at the date of the judgment) fell away.</p> <p>In this matter, Winau Aust Pty Ltd (Winau) alleged that Mr Scott Chan lodged a fraudulent application with ASIC to become the sole director and shareholder of 183 Eastwood Pty Ltd (183 Eastwood), the third plaintiff in the proceedings. 183 Eastwood was the trustee of a Property Unit Trust established to develop a site in Eastwood, of which Winau was a unit holder. Mr Chan then used his status as a company director to apply for and obtain a new certificate of title and a mortgage over a number of properties owned by 183 Eastwood for the purposes of the Unit Trust development. Winau sued the Registrar General originally seeking \$5 million compensation, which increased to \$7 million by the time the hearing was concluded.</p> <p>The Registrar General put on an application asking the Court to determine a discrete separate question, namely, whether the registered mortgage (obtained by Scott Chan on behalf of 183 Eastwood) secures anything in favour of the mortgagees against the properties and against the proceeds of sale of the properties. The mortgagees had exercised their power of sale and the proceeds were held in escrow by the Supreme Court pending resolution of the proceedings. To determine the answer to this question, Kunc J considered the effects of indefeasibility and the proper construction of the terms of the registered mortgage. Kunc J held that the mortgage secured nothing, with the consequence that 183 Eastwood, as the property owner, did not suffer any loss as a result of the operation of the <i>Real Property Act 1900</i>.</p>

Significant judicial decisions

Better Regulation Division – SafeWork NSW

Decision	Brief explanation of decision
SafeWork NSW v Silver Raven Pty Ltd	<p>On 30 September 2015, a worker was seriously injured as a result of operating a high-pressure water blaster without adequate safety systems in place, at Bomaderry.</p> <p>After a SafeWork NSW investigation, the defendant, Silver Raven Pty Ltd, was charged with a breach of section 32/19(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 19 August 2019, the defendant was convicted by the District Court and fined \$225,000. In sentencing, the Court noted the offence was one of significant objective gravity and the risk was obvious and actually known to the offender.</p>
SafeWork NSW v Investa Asset Management Pty Ltd	<p>On 20 October 2015, two window cleaners were seriously injured when the Building Maintenance Unit (BMU) they were using to clean the external windows of a building failed, and they fell, along with the BMU, from the 12th floor of the building, at Sydney.</p> <p>After a SafeWork NSW investigation, the defendant, Investa Asset Management Pty Ltd, was charged with a breach of section 32/19(1) of the <i>Work Health and Safety Act 2011</i> (the Act).</p> <p>On 19 August 2019, the defendant was convicted by the District Court, fined \$400,000 and ordered to publish an Adverse Publicity Order pursuant to section 236 of the Act. In sentencing, the Court noted the risk was foreseeable and ought to have been known to the defendant. The defendant had knowledge of the requirement of a major inspection of the BMU, and the longer the BMU was overdue for a major inspection, the greater the likelihood of the risk occurring.</p>
SafeWork NSW v Sydney Hoist and Scaffolding Pty Ltd	<p>On 25 February 2014, three scaffolders suffered injuries when the scaffold collapsed on a 14-storey building under construction at Mascot.</p> <p>After a SafeWork NSW investigation, the defendant, Sydney Hoist and Scaffolding Pty Ltd, was charged with a breach of section 32/19(1) and section 32/19(2) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 29 August 2019, the defendant was convicted of the section 32/19(1) offence by the District Court and fined \$225,000. The offence under section 32/19(2) was taken into account on sentence by way of a Form 1 pursuant to section 32 of the <i>Crimes (Sentencing Procedure) Act 1999</i>. In sentencing, the Court noted that the risk of death or serious injury flowing from the defendant's breach was extremely high.</p>
SafeWork NSW v Proflow Plumbing and Maintenance Pty Ltd	<p>On 21 July 2017, a 91-year-old occupant of residential premises sustained fatal injuries when he fell into an excavation trench dug by plumbers undertaking work at the premises, at Glenmore Park.</p> <p>After a SafeWork NSW investigation, the defendant, Proflow Plumbing and Maintenance Pty Ltd, was charged with a breach of section 32/19(2) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 24 October 2019, the defendant was convicted by the District Court and fined \$300,000.</p> <p>In sentencing, the District Court noted that the risk of a person falling into a trench was readily foreseeable and known to the defendant. The likelihood of the risk occurring when the work was being carried out at the residence of a 91-year-old man who lived alone was significant. There were available steps to eliminate or minimise the risk and such materials that were needed could be purchased easily and relatively cheaply.</p>
SafeWork NSW v MMP Industrial Pty Ltd	<p>On 29 August 2016 (notified 5 September 2016), a 45-year-old paint blender was injured when cleaning a 500-litre paint vat with acetone when an electrical charge/discharge caused a fire, at Mulgrave.</p> <p>After a SafeWork NSW investigation, the defendant, MMP Industrial Pty Ltd, was charged with a breach of section 32/19(1) and section 38(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 22 November 2019, the defendant was convicted by the District Court, fined \$750 under section 38(1) and \$75,000 under section 32/19(1), and ordered to:</p> <p>have senior management undertake training in due diligence, hazardous chemicals and electrical compliance under section 241 of the Act prepare a work health and safety plan pursuant to section 238 of the Act; and enter into a work health and safety undertaking under section 239 of the Act.</p> <p>In sentencing, the District Court noted that the risk was clearly foreseeable, it was known and identified, or reasonably able to be known or identified by the defendant. There were straightforward control measures which could have been taken by the defendant to avoid the risk.</p>

Significant judicial decisions

Decision	Brief explanation of decision
SafeWork NSW v Titan Cranes and Rigging Pty Ltd	<p>On 25 September 2016, three riggers were injured after a tower crane collapsed while being dismantled, causing them to be suspended in their harness from the boom of the crane, at North Sydney.</p> <p>After a SafeWork NSW investigation, the defendant, Titan Cranes and Rigging Pty Ltd, was charged with a breach of section 32/19(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 29 November 2019, the defendant was convicted by the District Court and fined \$390,000.</p> <p>In sentencing, the Court noted that the offence was one of significant objective gravity. The consequences of the risk were significant in that it involved the risk of death.</p>
SafeWork NSW v NonAbel Concrete Pump Pty Ltd and Bilal Hamdan	<p>On 27 March 2017, a worker sustained fatal injuries when he was struck by an unsecured hose attached to concrete placing equipment whilst working at a construction site at Fairfield.</p> <p>After a SafeWork NSW investigation, the corporate defendant, NonAbel Concrete Pump Pty Ltd, and Bilal Hamdan were respectively charged with a breach of section 32/19(1) and section 32/27(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 30 March 2020, the defendants were convicted and fined by the District Court. The corporate defendant was fined \$375,000, and the director was fined \$10,000 and ordered to undertake work health and safety risk management and due diligence training courses conducted by a Registered Training Organisation within 6 months under section 241 of the Act.</p> <p>In sentencing, the District Court noted that the risk was foreseeable and should have been foreseen by both defendants. There was a significant likelihood of the risk occurring at any time compressed air was used to blast out the cement hose, something which the defendants had been informed should never be done. The deceased was an inexperienced and vulnerable worker.</p>
SafeWork NSW v Hydromet Corporation Pty Ltd and Jeremy Perera	<p>On 18 March 2017, two workers suffered sulphuric acid burns when changing a flexible hose in a water treatment plant at Unanderra.</p> <p>After a SafeWork NSW investigation, the corporate defendant, Hydromet Corporation Pty Ltd, and the director, Jeremy Perera, were respectively charged with a breach of section 32/19(1) and section 32/27(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 3 April 2020, the defendants were convicted and fined by the District Court. The corporate defendant was fined \$225,000 and the director was fined \$45,000. In sentencing, the Court noted that the potential consequences of the risk were catastrophic, any exposure at all to the hazardous chemicals used by Hydromet was very dangerous.</p>
SafeWork NSW v Christopher Turner	<p>On 20 June 2016, a newborn infant received serious injuries, and on 13 July 2016 another newborn infant sustained fatal injuries, following an emergency medical procedure where the infants were administered nitrous oxide instead of oxygen from a recently modified inbuilt medical gas system at Bankstown-Lidcombe Hospital.</p> <p>After a SafeWork NSW investigation, the defendant, Christopher Turner, was charged with a breach of section 32/28(b) of the <i>Work Health and Safety Act 2011</i> over his role in working on the gas system.</p> <p>On 8 May 2020, the defendant was convicted by the District Court and fined \$100,000. In sentencing, the Court noted that the risk was known to the defendant and clearly spelt out in the relevant Australian Standard. The steps available to eliminate the risk were simple steps to carry out, for a suitably experienced and qualified person such as the defendant.</p>
SafeWork NSW v Grasso Consulting Engineers Pty Ltd and Mr. Ignazio Grasso	<p>On 19 March 2016, demolition work was being undertaken at the former Sydney Entertainment Centre at Haymarket when a section of the roof collapsed.</p> <p>After a SafeWork NSW investigation, the defendants, Grasso Consulting Engineers Pty Ltd and director, Mr Ignazio Grasso, were charged with a breach of section 32/19(1) and section 32/27(1) of the <i>Work Health and Safety Act 2011</i> respectively.</p> <p>On 11 May 2020, the defendants were convicted and fined by the District Court. The corporate defendant was fined \$200,000 and the director was fined \$30,000.</p> <p>In sentencing, the Court noted that the risk of an unplanned structural collapse was known to both defendants. The likelihood of the risk occurring was high if appropriate precautions were not taken to eliminate or minimise the risk..</p>

Significant judicial decisions

Decision	Brief explanation of decision
SafeWork NSW v O2 Motorsports Pty Ltd and Nathan Weissel	<p>On 11 August 2017, two young workers sustained injuries when an explosion occurred when they were manufacturing biofuel at a motor vehicle workshop at Nowra.</p> <p>After a SafeWork NSW investigation, the corporate defendant, O2 Motorsports Pty Ltd, and the director, Nathan Weissel, were respectively charged with a breach of section 32/19(1) and section 32/27(1) of the <i>Work Health and Safety Act 2011</i>.</p> <p>On 15 May 2020, the defendants were convicted and fined by the District Court. The corporate defendant was fined \$135,000 and the director was fined \$22,500.</p> <p>In sentencing, the Court noted the risk of ignition of highly flammable chemicals was known to the defendants and there were steps available to eliminate or minimise the risk. Both victims were vulnerable because of their young ages.</p>

Significant judicial decisions

Revenue NSW

Decision	Brief explanation of decision
Young v Chief Commissioner of State Revenue [2020] NSWSC 330	<p>The Plaintiff was Spencer Martin Young as trustee for the Spencer Young Family Trust (Plaintiff). The Plaintiff sought a review of the decision of the Chief Commissioner to assess him for land tax. The Plaintiff claimed that the land should be exempt from taxation pursuant to s.10AA of the <i>Land Tax Management Act 1956</i> (NSW) (Act) on the basis that the land was used for primary production, specifically that the dominant use of the land was for the maintenance of horses, specifically dressage horses, for the purpose of their sale or the sale of their natural increase or bodily produce.</p> <p>The Plaintiff also claimed that the construction activities that occurred on the land during the tax years were for that use of the land, that is, for the maintenance of horses for the purpose of their sale, and in particular that the construction works were for the establishment of a dressage facility. The Chief Commissioner disputed these claims.</p> <p>The Court affirmed the decision under review, confirming the assessments of land tax for the 2016 land tax year, issued on 29 September 2016, and the 2017 land tax year, issued on 21 October 2017. The Court held that the exemption provided by s.10AA of the Act did not apply as the Plaintiff failed to prove that during each of the tax years the dominant physical use of the land was for the maintenance of horses for the purpose of selling them or their natural increase or bodily produce.</p>
Benidorm Pty Ltd v Chief Commissioner of State Revenue [2020] NSWSC 471	<p>On 31 May 2007, Benidorm (as trustee) and Mr Robinson (as sole beneficiary) entered into a deed of trust (the First Declaration of Trust) whereby Benidorm declared that it would hold title to an apartment (the Apartment) as trustee for Mr Robinson. On 27 June 2007, the sale of the Apartment was completed and ad valorem duty of \$783,994 was paid on the contract. On 13 September 2013, Mr Robinson died. By his last will and testament dated 11 September 2013 (the Will), Mr Robinson appointed Mr Stubbs as his sole executor and beneficiary. On 29 January 2015, Benidorm and Mr Stubbs executed the Second Declaration of Trust, whereby Benidorm declared it would hold title to the Apartment as trustee for Mr Stubbs. On 8 March 2019, the Chief Commissioner issued the Assessment. Benidorm sought a review in these proceedings of the Assessment.</p> <p>The critical issue for determination was whether the Second Declaration of Trust constituted a “declaration of trust” within the meaning of the definition of that term in s 8(3) of the <i>Duties Act 1997</i> (the Act).</p> <p>The Court held that the definition in s 8(3) of the Act does not encompass mere acknowledgments of existing trusts. That is to say, in order to come within the definition, a declaration of trust must have “a legal consequence, or consequences, beyond merely acknowledging that which already exists”.</p> <p>The Court concluded that the Second Declaration of Trust did not constitute a “declaration of trust” within the definition of that term in s 8(3) of the Act, finding that upon Mr Robinson’s death the relevant provisions of the <i>Probate and Administration Act 1898</i> were engaged. Those provisions operated to vest, in accordance with his Will, the beneficial interest in the Apartment under that trust in Mr Stubbs. That had the consequence of effecting a change in the beneficiary and, in effect, created a new and different trust. The Second Declaration of Trust did no more than acknowledge that fact.</p> <p>The Chief Commissioner has filed an appeal with the Court of Appeal.</p>
Bloore v Chief Commissioner of State Revenue [2020] NSWSC 502	<p>The Plaintiff is one of three adult children of the late Dorothy Mack (the Deceased), who died on 4 March 2002. The Deceased left a will dated 25 February 1997 (the Will). Under the Will, the Deceased left her estate equally to her three children: the Plaintiff, the Plaintiff’s brother and the Plaintiff’s sister. The Deceased appointed the three beneficiaries as her executors (Executors).</p> <p>The residuary estate comprised four properties and an amount of cash. The properties were the Ida Avenue Property, and three units at Hampden Street, Mosman, New South Wales. By a transmission application dated 17 May 2018 (the Transmission Application), the Plaintiff, the Plaintiff’s brother and the Plaintiff’s sister, as Executors, transferred the Ida Avenue Property to the Plaintiff. It was common ground between the parties that as at the date of the Transmission Application, the value of the Ida Avenue Property exceeded one third of the value of the residual estate, as it represented 34.8 per cent of the estate.</p> <p>The key issue in dispute was whether the Transmission Application amounted, as the Plaintiff contended, to an appropriation of the Deceased’s property that was made “in or towards satisfaction” of the Plaintiff’s entitlement under the trusts contained in the Deceased’s Will, within the duty concession contained in s.63(1)(a)(iii) of the <i>Duties Act 1997</i> (“the Act”). In the alternative, the Plaintiff submitted that the Transmission Application was made under an agreement between the beneficiaries to vary the trusts contained in the Will, with the effect that the duty concession in s.63(2) of the Act applied.</p> <p>The Chief Commissioner had assessed the Transmission Application to ad valorem duty on the basis that neither duties concession applied.</p> <p>The Court confirmed that the Chief Commissioner was correct to issue the Assessment.</p>

Work health and safety and injury management

DCS is committed to providing a healthy and safe workplace for all employees, including contractors, agency staff and volunteers. DCS has implemented initiatives to contribute to the prevention of injuries and illnesses and to promote a timely, sustainable and early return to work for injured workers.

Work Health and Safety

Integrating safe working systems and practices within DCS is key to the prevention of incidents (physical and/or psychological) in the workplace. The below processes have been implemented to support, educate, engage and enable our employees.

- mental health and wellbeing focus – A campaign called *#Helping you* was implemented to support employees during COVID-19. The campaign was as a result of staff feedback (captured via staff surveys and through Employee Assistance Provider data) and provided a clear focus on key health and wellbeing issues. Bespoke videos were developed and released across DCS relating to the key themes received from staff feedback, with visible links to existing health and wellbeing platforms and resources
- employee assistance support and utilisation increased to 6.2% with an industry standard of 3.6%. Benestar, DCS's Employee Assistance Provider, has been a committed partner in providing support to employees during the bushfire crisis and the COVID-19 pandemic. Benestar also provided support with the development of material for the *#Helpingyou* balance campaign, including bespoke videos and other supporting material and resources
- social health – Social connection and wellbeing were identified as a key focus during the COVID-19 pandemic. Staff continue to connect and share insights through DCS social channels, Yammer and Workplace
- physical health – Ergonomics was identified as a key focus due to the COVID-19 pandemic given the large numbers of employees working from home. Resources were developed to support employees. This included development of a *Working from Home Ergonomic Guide*, a refreshed *Home Ergonomics* intranet page, and virtual ergonomic assessments being made available to staff. Office equipment, such as chairs and monitors, were offered to all employees to provide a safe working environment at home
- a new Chemical Safety in the Workplace intranet

page was developed for employees to easily access safety data sheets and information to increase chemical awareness

- further initiatives included the *Influenza Vaccination Program*, which was offered to all employees, as well as the *Fitness Passport Program*.

Note: There were no prosecutions under the Work Health and Safety Act 2011 during the 2019/2020 financial year.

Workers Compensation

Returning injured employees to work as soon as possible continues to be a key focus. DCS's *Return to Work Program* promotes a holistic approach to recovery in line with the best practice injury management approach. The Program is available to all employees via the DCS Recover at Work intranet page which is shared with DCS's workers compensation insurers. In 2019, the Program was recognised for excellence in internal customer service in the annual DCS Secretary's Awards.

Table 1: Reported claims for financial year 2019/20

Total	63
State Insurance Regulatory Authority (SIRA)	6
Workers Compensation Commission	0
Workers Compensation Independent Review Office	1
Better Regulation	29
Corporate Services	6
Information and Privacy Commission NSW	0
Digital NSW	2
Customer, Delivery and Transformation (includes BDM and Revenue NSW)	16
NSW Telco Authority	0
Long Service Corporation	0
Greyhound Welfare and Integrity Commission	3

Work health and safety and injury management

Table 2: Reported claims listed by mechanism of injury financial year 2019/20

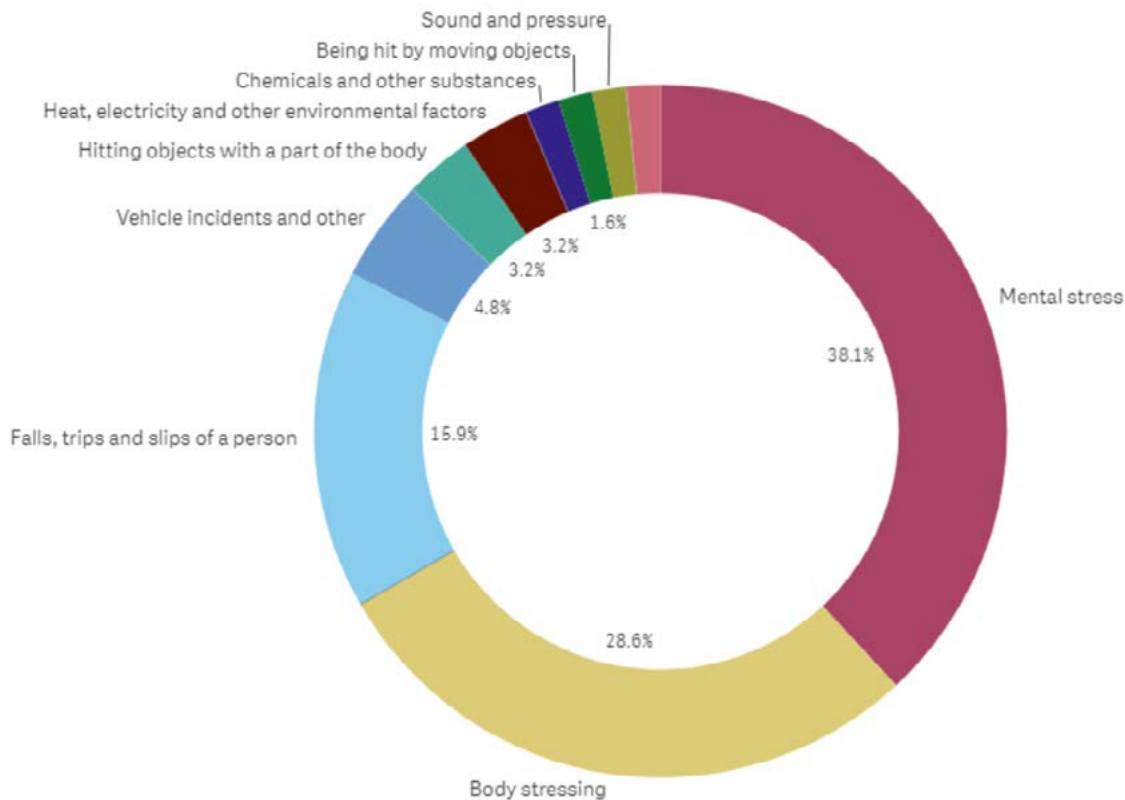


Table 3: Net incurred claims cost per financial year

	2016/17	2017/18	2018/19	2019/20
Net incurred cost *	\$2,781,731.45	\$1,863,721.60	\$4,384,472.95	\$1,975,511.86

DCS had 63 claims reported in 2019/20. Of the 63 claims reported this financial year, 25 were psychological and 38 were physical.

The net incurred cost for 2019/20 was \$1,975,511.86. This is a cost reduction of 45% from the 2018/19 financial year.

Note: Incurred claims and relevant costs data was sourced from iCare, and is based on the claims lodged and relevant assessment as at September 2020. The final costs may vary when compared to the same period in previous annual reports due to the timing of loss incurred, claims reported, and the outcome of the negotiated settlement.

Litigated claims

DCS had 3 claims listed in the Workers Compensation Commission (Commission) for 2019/20:

- 5 claimants were awarded settlement after applications were received from the Commission
- 2 matters are currently undergoing conciliation conference and arbitration hearing
- 1 matter was listed but discontinued in the Commission.

Access to DCS and related entities' offices

Department of Customer Service

McKell Building
2-24 Rawson Place
Sydney NSW 2000
T: 13 77 88
www.customerservice.nsw.gov.au
Hours: 8:30am – 5:00pm

Better Regulation Division

Better Regulation

4 Parramatta Square
12 Darcy Street
Parramatta NSW 2150
T: 13 77 88
www.customerservice.nsw.gov.au
Hours: 8:30am – 5:00pm

NSW Fair Trading

4 Parramatta Square
12 Darcy Street
Parramatta NSW 2150
T: 02 9895 0111 | 13 32 20
www.fairtrading.nsw.gov.au
Hours: 8:30am – 5:00pm

Office of the Building Commissioner

McKell Building
2-24 Rawson Place,
Sydney NSW 2000
T: 13 77 88
www.customerservice.nsw.gov.au
Hours: 8:30am – 5:00pm

SafeWork NSW

92-100 Donnison Street
Gosford NSW 2250
Locked Bag 2906
Lisarow NSW 2252
T: 13 10 50
www.safework.nsw.gov.au
Hours: 8:30am – 5:00pm

Office of the Registrar General

McKell Building
2-24 Rawson Place
Sydney NSW 2000
T: 02 8776 3575 | 1300 396 076
www.registrargeneral.nsw.gov.au
Hours: 8:30am – 5:00pm

Long Service Corporation

32 Mann Street
Gosford NSW 2250
T: 13 14 41
www.longservice.nsw.gov.au
Hours: 8:30am – 5:00pm

ICT and Digital Government

Digital.nsw

McKell Building
2-24 Rawson Place
Sydney NSW 2000
T: 13 77 88
www.customerservice.nsw.gov.au
Hours: 8:30am – 5:00pm

Telco Authority

McKell Building
2-24 Rawson Place
Sydney NSW 2000
T: 13 77 88
www.telco.nsw.gov.au
Hours: 8:30am – 5:00pm

Spatial Services

346 Panorama Avenue
Bathurst NSW 2795
T: 02 6322 8200
www.spatial.nsw.gov.au
Hours: 8:30am – 4.30pm

Cyber Security NSW

McKell Building
2-24 Rawson Place
Sydney NSW 2000
T: 13 77 88
www.digital.nsw.gov.au/transformation/cyber-security
Hours: 8:30am – 5:00pm

Corporate Services

McKell Building
2-24 Rawson Place
Sydney NSW 2000
T: 13 77 88
www.customerservice.nsw.gov.au
Hours: 8:30am – 5:00pm

Access to DCS and related entities' offices

Customer, Delivery & Transformation

McKell Building
2-24 Rawson Place
Sydney NSW 2000
T: 13 77 88
www.customerservice.nsw.gov.au
Hours: 8:30am – 5:00pm

Revenue NSW

4 Parramatta Square
12 Darcy Street
Parramatta NSW 2150
T: 02 7808 6900
www.revenue.nsw.gov.au
Hours: 8:30am – 5:00pm

Behavioural Insights Unit

McKell Building
2-24 Rawson Place
Sydney NSW 2000
T: 13 77 88
www.customerservice.nsw.gov.au
Hours: 8:30am – 5:00pm

NSW Registry of Births Deaths & Marriages

35 Regent Street
Chippendale NSW 2008
GPO Box 30
Sydney NSW 2001
T: 13 77 88
www.nsw.gov.au/births-deaths-marriages
Hours: 8:30am – 5:00pm

Data Analytics Centre

McKell Building
2-24 Rawson Place
Sydney NSW 2000
T: 13 77 88
www.data.nsw.gov.au
Hours: 8:30am – 5:00pm

Service NSW

McKell Building
2-24 Rawson Place
Sydney NSW 2000
T: 13 77 88
www.service.nsw.gov.au
Hours: 8:30am – 5:00pm

Details of service centres and opening hours can be found on the Service NSW website.
<https://www.service.nsw.gov.au/service-centre>

State Insurance Regulatory Authority

McKell Building
2-24 Rawson Place
Sydney NSW 2000
T: 13 10 50
www.sira.nsw.gov.au
Hours: 8:30am – 5:00pm

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7 Financial statements

2,322.00	+3.12	10.04%
3.00	-9.33	10.66%
23.03	-3.38	15.29%
238.27	-7.93	18.12%
928.10	+3.03	10.89%
38.23	+0.34	10.93%
4.23	+0.00	11.93%
46.02	-3.23	11.32%
47.38	+3.98	10.32%
74.32	-3.21	10.99%
2,494.87	-0.32	15.32%
2.48	+9.73	10.02%
332.45	+2.09	11.87%
86.39	+3.03	10.89%
4.21	+0.34	10.93%
132.09	+0.00	11.93%
33.83	+2.23	13.78%
57.92	-2.23	11.32%
23.33	-2.21	10.73%
832.98	+3.98	10.32%
73.12	+1.32	12.12%
833.22	-3.21	10.99%
8,212.30	-0.32	15.32%
3.00	+9.73	10.02%
83.12	+2.09	11.87%
63.98	+9.32	11.56%
234.22	+0.32	10.32%
2.32	-0.21	13.10%
24.13	+3.33	10.32%
74.75	+0.32	12.23%
89.43	+4.10	11.93%
92.42	-0.43	19.83%
9329.32	+3.03	10.89%
23.32	+0.34	10.93%
928.10	+0.00	11.93%
38.23	+3.23	13.78%
4.23	-23.23	11.32%
46.02	-29.21	10.73%
47.38	+3.98	10.32%
74.32	+1.32	12.12%
2,494.87	-9.21	10.99%
74.75	-0.32	15.32%



INDEPENDENT AUDITOR'S REPORT

Department of Customer Service

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Department of Customer Service (the Department), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Department as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 30 June 2020. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the matter
Implementation of AASB 16 Leases	
<p>The Department adopted new Australian Accounting Standard AASB 16 <i>Leases</i> for the first time in 2019–20. The Department has:</p> <ul style="list-style-type: none"> right-of-use assets of \$473.5 million and lease liabilities of \$611.3 million, and a lease receivable of \$75.2 million at 30 June 2020 a \$53.3 million impairment loss against its right-of-use assets in 2019–20. <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> right-of-use assets and lease liabilities are financially significant to the Statement of Financial Position the recognition and measurement of leases including lease payments, lease extension options, discount rates, and impairment involved significant management judgements and assumptions of the extent of leasing information that impacts on the complete and accurate recognition and measurement of leases. <p>A description of the key assumptions and judgements is disclosed in Notes 7, 12 and 16 of the financial statements.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> evaluated the design and implementation of key controls over leases processes and systems tested the completeness, validity and accuracy of lease data in the lease calculations reviewed the reasonableness of methodologies, management judgements and assumptions in the lease calculations including impairment tested the mathematical accuracy of the lease calculations including impairment obtained confirmation of lease receivables on sample basis assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards and NSW Treasurer's Directions.

Recognition and measurement of administered taxation revenue and receivable	
<p>The Department reported administered taxation revenue of \$29.5 billion in 2019–20, \$4.7 billion in administered taxation and fines receivable and \$427.6 million in an allowance for impairment for taxation and fines as at 30 June 2020.</p> <p>The Department adopted AASB 1058 <i>Income of Not-for-Profit Entities</i> and AASB 9 <i>Financial Instruments</i> on the State taxes and statutory receivables it administers in 2019–20. The effect of adopting AASB 1058 and AASB 9 resulted in an increase in administered revenue of \$98.7 million in 2019–20.</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> of the financial significance of taxation revenue, and related receivable in the disclosure of the Department's administered activities the adoption of AASB 1058 and AASB 9 had a significant impact on the timing of administered taxation revenue recognition 	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> evaluated the design and tested operating effectiveness of controls over key administered revenue streams, including land tax, payroll tax, duties, gaming machine taxes and mineral royalties recalculated key administered revenue streams for reasonableness against the requirements of the relevant taxation legislation tested the adjustments of administered revenue resulting from the adoption of AASB 1058 and AASB 9. The adjustments captured material deferrals in lodgements of returns for self-assessed taxes as part of the COVID-19 stimulus packages up until the date of signing the financial statements assessed the methodology and assumptions used to estimate the allowance for impairment related to administered taxation receivable

Key Audit Matter	How my audit addressed the matter
<ul style="list-style-type: none"> recognition and measurement of administered taxation revenue was significantly affected by the COVID-19 stimulus measures implemented by the NSW Government including deferral of lodgements in returns for self-assessed taxes the calculation of the allowance related to taxation receivable requires significant judgements and assumptions. 	<p>against historical recoverability rates and write-off of debt for reasonableness</p> <ul style="list-style-type: none"> recalculated the allowance for impairment recognised for mathematical accuracy assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards and NSW Treasurer's Directions.
<p>Refer to Notes 28 and 30 in the financial statements for related disclosures.</p>	

Other Information

The Department's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Secretary of the Department is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Secretary under the PFA&A Act.

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

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

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

I have nothing to report in this regard.

Secretary's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Secretary is responsible for assessing the Department's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at www.auasb.gov.au/auditors_responsibilities/ar6.pdf. The description forms part of my auditor's report.

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

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



Margaret Crawford
Auditor-General for New South Wales

9 October 2020
SYDNEY

DEPARTMENT OF CUSTOMER SERVICE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
STATEMENT BY THE SECRETARY

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

- a) the accompanying financial statements and notes thereto exhibit a true and fair view of the financial position of the Department of Customer Service as at 30 June 2020 and its financial performance for the year then ended
- b) the accompanying financial statements and notes thereto have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer
- c) I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Secretary
Department of Customer Service

Date: 2 October 2020

DEPARTMENT OF CUSTOMER SERVICE

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	Actual 2020 \$'000	Budget 2020 \$'000	Actual* 2019 \$'000
Expenses excluding losses				
Employee related	2(a)	656,044	681,229	694,238
Operating expenses	2(b)	307,250	227,576	487,518
Depreciation and amortisation	2(c)	126,476	126,219	132,736
Grants and subsidies	2(d)	486,440	540,439	560,614
Finance costs	2(e)	12,810	10,451	9,383
Cost of motor vehicle inventory sold	2(f)	47,085	51,536	60,578
Other expenses	2(g)	5,145	30	6,700
Total Expenses excluding losses		1,641,250	1,637,480	1,951,767
Revenue				
Appropriations	3(a)	860,778	988,772	1,020,448
(Transfers to the Crown Entity)	3(b)	(23,913)	-	(44,370)
Sale of goods and services	3(c)	-	-	354,797
Sale of goods and services from contracts with customers	3(c)	209,057	262,838	-
Personnel services revenue	3(d)	92,079	99,165	157,599
Investment revenue	3(e)	4,446	5,426	11,525
Retained taxes, fees and fines	3(f)	101,828	87,616	115,047
Grants and other contributions	3(g)	172,232	25,801	188,341
Acceptance by the Crown Entity of employee benefits and other liabilities	3(h)	18,885	13,755	25,549
Proceeds from sale of motor vehicle inventory	3(i)	60,142	50,097	79,503
Other revenue	3(j)	96,036	228,058	104,155
Total Revenue		1,591,570	1,761,528	2,012,594
Gain/(loss) on disposal	4(a)	988	-	(7,020)
Other gains/(losses)	4(b)	(51,530)	(1,302)	(1,450)
		(50,542)	(1,302)	(8,470)
NET RESULT		(100,222)	122,746	52,357
Other comprehensive income				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Changes in revaluation surplus of property, plant and equipment		1	-	9,866
Net gain on equity instrument at fair value through other comprehensive income		-	64,980	61,861
Remeasurement of defined benefits superannuation liability	20	3,333	-	(3,896)
<i>Items that may be reclassified to net result in subsequent periods</i>				
Other		-	(11,273)	-
Total other comprehensive income/(loss)		3,334	53,707	67,831
TOTAL COMPREHENSIVE INCOME/ (LOSS)		(96,888)	176,453	120,188

* This is the audited financial information of Department of Finance, Services and Innovation (DFSI). Refer to Note 21 for further details on comparatives.

The accompanying notes form part of these financial statements.

DEPARTMENT OF CUSTOMER SERVICE				
STATEMENT OF FINANCIAL POSITION				
AS AT 30 JUNE 2020				
	Notes	Actual 2020 \$'000	Budget 2020 \$'000	Actual* 2019 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	6	500,933	449,655	549,158
Other financial assets	7	23,142	-	-
Receivables	8	170,689	161,371	227,258
Inventories	9	2,594	53	2,653
Financial assets at fair value	11	7,972	91,040	16,885
Non-Current assets held for sale	10	19,285	26,978	25,551
Other		-	56,050	-
Total Current Assets		724,615	785,147	821,505
Non-Current Assets				
Other financial assets	7	52,041	-	-
Receivables	8	1,719	6,358	1,090
Inventories	9	-	5,248	6,098
Property, plant and equipment	12(a)	138,692	404,081	205,211
Right-of-use assets	12(b)	473,515	99,410	-
Intangible assets	13	89,008	128,807	116,563
Financial assets at fair value	11	79,388	4,473	72,012
Total Non-Current Assets		834,363	648,377	400,974
Total Assets		1,558,978	1,433,524	1,222,479
LIABILITIES				
Current Liabilities				
Payables	15	173,530	187,553	277,042
Borrowings	16	85,698	51,689	83,790
Provisions	17	138,486	186,149	120,548
Deferred Revenue - Service Concession	18	77,412	77,609	77,308
Other Liabilities	19	101,765	21,736	57,591
Total Current Liabilities		576,891	524,736	616,279
Non-Current Liabilities				
Borrowings	16	557,601	230,158	14,193
Provisions	17	28,669	36,116	24,897
Deferred Revenue - Service Concession	18	2,401,448	2,405,874	2,473,849
Other Liabilities	19	-	7,717	40
Total Non-Current Liabilities		2,987,718	2,679,865	2,512,979
Total Liabilities		3,564,609	3,204,601	3,129,258
Net Assets / (Liabilities)		(2,005,631)	(1,771,077)	(1,906,779)
EQUITY				
Reserves		2,734	13,763	13,763
Accumulated funds		(2,008,365)	(1,784,840)	(1,920,542)
Total Equity		(2,005,631)	(1,771,077)	(1,906,779)

* This is the audited financial information of Department of Finance, Services and Innovation (DFSI). Refer to Note 21 for further details on comparatives.

The accompanying notes form part of these financial statements.

DEPARTMENT OF CUSTOMER SERVICE						
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020						
	Notes	Accumulated Funds \$'000	Financial assets at FVOCI Reserve \$'000	Available for Sale Reserve \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2019 *		(1,920,542)	-	-	13,763	(1,906,779)
Net result for the year		(100,222)	-	-	-	(100,222)
Other comprehensive income						
Remeasurement of defined benefits superannuation liability	20	3,333	-	-	-	3,333
Net change in revaluation surplus of property, plant and equipment		-	-	-	1	1
Total comprehensive income for the year		(96,888)	-	-	1	(96,887)
Transactions with owners in their capacity as owners						
Transfer of revaluation reserve to Accumulated funds due to administrative restructure		11,030			(11,030)	-
Increase in net assets from equity transfers	21	(1,964)	-	-	-	(1,964)
Balance at 30 June 2020		(2,008,365)	-	-	2,734	(2,005,631)
Balance at 1 July 2018		(2,059,517)	-	33,072	3,897	(2,022,548)
Changes in accounting policy		-	33,072	(33,072)	-	-
Restated balance at 1 July 2018		(2,059,517)	33,072	-	3,897	(2,022,548)
Net Result for the year		52,357	-	-	-	52,357
Other comprehensive income						
Remeasurement of defined benefits superannuation liability	20	(3,896)	-	-	-	(3,896)
Net gain on equity instrument at fair value through other comprehensive income (FVOCI)		-	61,861	-	-	61,861
Net change in revaluation surplus of property, plant and equipment	12	-	-	-	9,866	9,866
Total comprehensive income for the year		48,461	61,861	-	9,866	120,188
Transfer at fair value of equity instrument		94,933	(94,933)	-	-	-
Transactions with owners in their capacity as owners						
Increase in net assets from equity transfers	21	(4,419)	-	-	-	(4,419)
Balance at 30 June 2019		(1,920,542)	-	-	13,763	(1,906,779)

* This is the audited financial information of Department of Finance, Services and Innovation (DFS). Refer to Note 21 for further details on comparatives.

The accompanying notes form part of these financial statements.

DEPARTMENT OF CUSTOMER SERVICE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	Actual 2020 \$'000	Budget 2020 \$'000	Actual* 2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		538,832	648,653	716,118
Grants and subsidies		486,440	540,439	560,614
Finance costs		3,886	10,443	9,383
Suppliers for goods and services		397,380	-	520,016
Other		87,772	464,800	73,271
Total Payments		1,514,310	1,664,335	1,879,402
Receipts				
Appropriations (excluding equity appropriations) (Transfers to the Crown Entity)		933,207 (51,396)	988,772 (18,077)	1,020,448 (40,862)
Sale of goods and services		355,228	324,310	602,170
Retained taxes, fees and fines		107,913	(1,288)	114,043
Interest received		1,235	5,426	5,957
Grants and other contributions		172,232	25,801	188,341
Proceeds from sale of motor vehicle inventory		60,142	50,097	79,503
Other		66,577	509,374	101,540
Total Receipts		1,645,138	1,884,415	2,071,140
NET CASH FLOWS FROM OPERATING ACTIVITIES	25	130,828	220,080	191,738
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of land and buildings, plant and equipment and infrastructure system		(20,481)	(59,593)	(10,929)
Purchases of intangibles		(15,959)	-	(47,161)
Proceeds from withdrawal/ sale of financial assets		6,784	-	119,563
Other investing activities		-	(49,518)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(29,656)	(109,111)	61,473
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of principal portion of lease liabilities		(59,827)	-	-
Repayment of borrowings and advances		(66,010)	(125,897)	(107,559)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(125,837)	(125,897)	(107,559)
NET INCREASE/(DECREASE) IN CASH		(24,665)	(14,928)	145,652
Opening cash and cash equivalents		549,158	456,358	496,835
Cash transferred in/ (out) as a result of administrative restructuring	21	(23,560)	8,226	(93,329)
CLOSING CASH AND CASH EQUIVALENTS	6	500,933	449,656	549,158

* This is the audited financial information of Department of Finance, Services and Innovation (DFSI). Refer to Note 21 for further details on comparatives.

The accompanying notes form part of these financial statements.

DEPARTMENT OF CUSTOMER SERVICE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Department of Customer Service (DCS) which has been established on 1 July 2019 (comparative information relates to Department of Finance, Services and Innovation (DFSI)), is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. DCS is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

DCS as a reporting entity comprises the following divisions:

- Customer, Delivery and Transformation division
 - NSW Registry of Births, Deaths and Marriages
 - Revenue NSW
 - Data Analytics Centre
 - Office of the Customer Service Commissioner
 - Behavioural Insights Unit
- Better Regulation division
 - NSW Fair Trading
 - SafeWork NSW
 - Liquor & Gaming NSW
 - Subsidence Advisory NSW
 - Titling Registry Service Concession
- Digital NSW (previously known as ICT, Digital & Innovation) division
 - Spatial Services
 - ICT/ Digital
- Corporate Services division

Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2019 commenced on 1 July 2019 and abolished DFSI on 1 July 2019. The Order established the Department of Customer Service on 1 July 2019 and the persons employed in DFSI were transferred to the Department of Customer Service (“DCS”).

The below divisions/program groups were transferred out of DFSI (and out of these financial statements):

- a) NSW Procurement was transferred to The Treasury;
- b) NSW Public Works Advisory, Valuation Services, Office of the Valuer General, Manly Hydraulics, and Heritage Stoneworks were transferred to Department of Planning, Industry and Environment.

The financial performance and position of these divisions are included in the financial statements from 1 July 2019 to 30 June 2020. Refer to Note 21 for 2019 comparatives of these transferred in/out entities.

- c) The Data Analytics Centre was transferred from The Treasury Cluster;
- d) Office of the Customer Service Commissioner, the Behavioural Insights Unit, the Government Communications Branch, and those persons employed in the Digital, Content and Sponsorships Branch who are principally involved in administering the nsw.gov.au website were transferred from Department of Premier and Cabinet;
- e) The NSW Registry of Births, Deaths and Marriages was transferred from the Department of Justice; and
- f) Liquor & Gaming NSW, and its associated entities were transferred from the Department of Industry.

DCS has provided a letter of support to Greyhound Welfare and Integrity Commission, Service New South Wales and Independent Liquor and Gaming Authority to ensure that they are able to pay their debts as and when they fall due, for the period of 12 months, from the date of signing of the financial statements, which are for the reporting period ended 30 June 2020.

The financial statements for the year ended 30 June 2020 have been authorised for issue by the Secretary on 2 October 2020.

(b) Basis of Preparation

DCS's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and Public Finance and Audit Regulation 2015; and
- Treasurer's Directions issued under the Act.

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

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

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

The financial statements of DCS have been prepared on a going concern basis.

Negative Equity

The 30 June 2020 net liabilities are \$1,981 million (30 June 2019: net liabilities of \$1,907 million). The negative equity is only considered to be a balance sheet issue and has no cash impact on the operations of DCS. The reason for the significant negative equity is due to the 35 year concession with the private sector entered into on 30 June 2017 so as to facilitate the provision of land titling and registry services. The transaction resulted in unearned revenue of \$2,700 million being recognised as a liability and an equity transfer to Treasury of \$2,622 million for the repatriation of cash concession contribution to Treasury. There is no going concern issue arising from the negative equity balance as DCS is funded by Treasury to meet all and any of its obligations due and payable.

(c) Statement of Compliance

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

(d) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of DFSI's previous reporting period, 30 June 2019, for all amounts reported in the financial statements. Refer to Note 21 for 2019 comparatives of these transferred in/out entities. In accordance with Administrative Arrangements (Administrative Changes – Public Service Statutory bodies) Order 2019, DFSI was abolished on 1 July 2019.

(e) Administered Activities

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

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

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

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

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

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

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

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

(i) Effective for the first time in financial year 2020

DCS applied AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities, and AASB 16 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in financial year 2020, but do not have an impact on the financial statements of DCS.

AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, DCS has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019. DCS has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all of the modifications that occur before 1 July 2018 when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price
- allocating the transaction price to the satisfied and unsatisfied performance obligations.

The impact of applying the above practical expedients is not expected to significantly affect the financial statements.

The adoption of AASB 15 did not have an impact on Statement of Comprehensive Income, Statement of Financial Position, Other Comprehensive Income and the Statement of Cash Flows for the financial year.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 replaces most of the existing requirements in AASB 1004 Contributions. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- immediately, for all other income within the scope of AASB 1058.

In accordance with the transition provisions in AASB 1058, DCS has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019. DCS has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, are not restated to their fair value.

Cluster grants provided to cluster agencies by DCS are controlled by cluster agencies. These are recognised as grants and subsidies expenses of DCS.

The adoption of AASB 1058 did not have an impact on Statement of Comprehensive Income, Statement of Financial Position, Other Comprehensive Income and the Statement of Cash Flows for the financial year.

AASB 16 Leases

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have a significant impact for leases where the entity is the lessor.

Lessee accounting

AASB 16 requires DCS to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, DCS recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

DCS has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In relation to leases that had previously been classified as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.5%.

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019. The exception is right-of-use assets that are subject to accelerated depreciation. These assets are measured at their fair value at 1 July 2019.

For leases previously classified as finance leases DCS recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date.

In applying AASB 16 for the first time, DCS has used the following practical expedients permitted by the standard:

- not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4.
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
- not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The effect of adoption AASB 16 as at 1 July 2019 (increase/ (decrease)) is, as follows:

	<u>\$'000</u>
Assets	
Right-of-use-asset	<u>304,766</u>
Liabilities	
Borrowings	<u>304,766</u>

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	<u>\$'000</u>
Operating lease commitments as at 30 June 2019 (GST included)	345,975
Less: GST included in operating lease commitments	<u>(20,912)</u>
Operating lease commitments as at 30 June 2019 (GST excluded)	325,063
Less: Transfer of entities resulting from administrative restructure	(2,720)
Less: adjustments relating to changes in the index or rate affecting variable payments	(63,433)
Less: Other adjustments	(191)
Add: Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	<u>46,047</u>
Lease liabilities as at 1 July 2019	<u>304,766</u>

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods.

AASB 1059 Service Concession Assets: Grantors

Service concession arrangements (SCAs) are contracts between a grantor and an operator where an operator provides public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and manages at least some of those services.

AASB 1059 Service Concession Arrangements: Grantor ("AASB 1059") is effective for financial reporting periods commencing on or after 1 January 2020. Therefore, for DCS, AASB 1059 will be effective from 1 July 2020.

The entity will adopt AASB 1059 retrospectively by recognising and measuring service concession assets and related liabilities, with any net adjustments to the amounts of assets and liabilities recognised in accumulated funds at the date of initial application of 1 July 2019.

Based on DCS' assessment, the Titling Register service concession falls in the scope of AASB 1059. The arrangement involves Australia Registry Investments Pty Ltd in managing and maintaining the Titling Register databases controlled by DCS. In return the operator is compensated by retaining the revenue collected from the public for running the Titling Register databases.

DCS estimates that the adoption of AASB 1059 will impact the transactions and balances recognised in its financial statements as follows:

- At 1 July 2020, additional assets of \$575 million will be recognised, with a corresponding increase in accumulated funds of \$575 million.
- For the period ended 30 June 2021, net result and total comprehensive result are expected to increase by \$77 million.

The impact represents management's current best estimate and is still under review. It is possible that the amount recognised in the statement of financial position as at 1 July 2020 and the statement of comprehensive income for the period ended 30 June 2021 will differ from this estimate, as a result of further review of underlying SCAs data and contractual arrangements.

(h) Natural disasters and financial impact on DCS

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

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

DCS has identified and quantified, where possible, the impact and reported this in the financial statements for the financial year ended 30 June 2020. The resulting impact on the operations have negatively affected DCS' results in the reporting period.

The currently known impacts of COVID-19 are as follows:

- Right-of-Use assets (“ROUA”) relating to accommodation leases have been impaired by \$49.9 million based on the valuation of lease contracts under existing market conditions and verifying market data up to the date of this report. Refer to Note 12 for details on the assumptions and estimates used.
- Defined Benefits Super - the impact on changes to assumptions and estimates have been quantified and have resulted in an immaterial movement to the base amount. Refer to Note 20.
- Financial assets at fair value – the Medium Term Growth Fund of Subsidence Advisory NSW had a negative fair value through profit and loss impact of \$2 million at June which was budgeted to be a favourable outcome of \$4.3 million. Refer to Note 11.
- Revenues relating to Liquor and Gaming NSW have been waived across a range of liquor licence fees for businesses in the hospitality and entertainment industries, resulting in approximately \$7 million loss of revenue.
- Revenues relating to Fair Trading have been waived for the 1 year licence fee resulting in an impact to June of \$10.6 million, while the impact to SafeWork was \$1.4 million.
- Administered revenues and expenses, assets and liabilities. Refer to Notes 28, 29 and 30.

As part of the NSW Government’s economic stimulus package from April 2020, the above loss of revenues have been funded by NSW Treasury and partially offset the loss, refer to note 3 relating to “Exigency of Government” appropriations. DCS received this additional funding from NSW Treasury as a result of COVID-19 and the bushfires.

There is no uncertainty about DCS’ ability to continue as a going concern at 30 June 2020 as liquidity and credit risk are not significant areas of risk for DCS. There has been no impact on DCS’ liquidity or credit risk profiles as a result of COVID-19.

On account of COVID-19, a further assessment on the fair value of the following accounts, taking into account relevant assumptions and estimates, has been performed resulting in either no impact or insignificant impact being identified:

- Receivables – Note 8
- Inventories – Note 9
- Property, plant and equipment – Note 12
- Intangibles – Note 13; and
- Financial instruments – Note 32.

Other than the above, it has not come to DCS attention that there would be any other significant impact on the financial statements for the financial year ended 30 June 2020.

2. EXPENSES EXCLUDING LOSSES

(a) Employee Related Expenses

	2020	2019
	\$'000	\$'000
Salaries and wages (including annual leave)	549,352	554,888
Superannuation - defined benefit plans	5,039	6,407
Superannuation - defined contribution plans	44,377	44,118
Long service leave	17,048	36,792
Workers' compensation insurance	1,931	2,687
Payroll tax and fringe benefits tax	32,751	34,880
Voluntary redundancy	5,546	14,466
	656,044	694,238

Employee related expenses of \$6.313 million (2019: \$9.223 million) have been capitalised in various capital works and therefore are excluded from the above.

(b) Operating Expenses

	2020	2019
	\$'000	\$'000
Auditor's remuneration		
- audit of the financial statements	1,553	1,314
Cost of sales	538	17,438
Networking costs	4	-
Advertising	6,197	5,590
Operating lease rental expenses	-	42,001
Occupancy related expenses	2,252	-
Expense relating to short-term leases	9,584	-
Maintenance	9,592	20,639
Insurance	557	2,574
Valuation services contractors	-	31,698
Fees and charges	106,399	114,108
Postage and telephone	7,869	5,666
Printing, stationery and stores	8,605	11,038
Consultants	3,306	3,157
Other contractors	45,321	124,234
Books and periodicals	794	1,383
Travel and motor vehicle expenses	6,563	9,221
Computer expenses	81,086	51,868
Minor equipment	19	298
Training	2,172	4,915
Other	14,839	40,376
	307,250	487,518
Reconciliation - Total maintenance expense		
Maintenance expenses - contracted labour and other (non-employee related), as above	9,592	20,639
Employee related maintenance expense included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	9,592	20,639

Recognition and Measurement

Lease expense (up to 30 June 2019)

Operating leases

Up to 30 June 2019, operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. An operating lease is a lease other than a finance lease.

Lease expense (from 1 July 2019)

From 1 July 2019, DCS recognises the lease payments as an operating expense on a straight-line basis in the Statement of Comprehensive Income associated with the following types of leases:

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

Maintenance expense

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

Insurance

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

(c) Depreciation and Amortisation Expense

	2020	2019
	\$'000	\$'000
Depreciation - Property plant and equipment		
- Buildings	431	592
- Plant and equipment	11,339	11,816
- Motor vehicles	14,921	36,900
- Leasehold improvements	7,032	7,816
	33,723	57,124
Depreciation – Right of use asset		
- Land and buildings	34,418	-
- Plant and equipment	18	-
- Motor vehicles	1,572	-
	36,008	-
Amortisation		
- Intangible assets	56,745	75,612
	126,476	132,736

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

Revision in Accounting Estimates

The useful lives of some intangible assets and property, plant & equipment were reassessed during the year resulting in the amortisation expense increasing by \$7.8 million (2019: \$22.59 million) and depreciation expense decreasing by \$0.1 million. The future period impact has not been quantified as it is impracticable to do so.

(d) Grants and Subsidies

	2020	2019
	\$'000	\$'000
Tenancy Advice and Advocacy Program	92	3,610
Grants to Property NSW*	-	71,750
Grants to Service NSW* ^(ix)	190,697	160,755
Grants to Place Management NSW*	-	84,888
Grants to NSW Government Telecommunications Authority* ^(ix)	104,631	113,872
Jobs Action Plan Payroll Tax Rebates ⁽ⁱ⁾	44,959	61,103
Heritage Building Program Grant	-	2,125
Natural Disaster Relief Grant	-	6,382
Consumer Trader & Tenancy Tribunal ⁽ⁱⁱ⁾	11,024	10,755
Job Lodgement Grants ⁽ⁱⁱⁱ⁾	9,393	9,227
Contribution to Safework Australia	3,383	3,980
Rural Fire Service for Stay Safe grant	-	2,500
Credit Counselling Program	2,119	1,772
Centre for WHS Research Grants	1,371	674
Home Building/Strata/No interest loan scheme Grant	590	1,578
Australian Nuclear Science and Technology Organisation (ANSTO)	-	12,500
Creative Kids Program grants ^(iv)	14,895	12,105
Grants to Valuer General NSW* ^(v)	41,898	-
Grants to Information and Privacy Commission* ^(ix)	5,908	-
Grants to Responsible Gambling Fund (Point of Consumption Tax)* ^(ix)	5,000	-
Grants to Greyhounds Welfare and Integrity Commission* ^(ix)	7,000	-
Grants to Independent Liquor & Gaming Authority* ^(ix)	8,302	-
Grants to Clubgrants Category 3 ^(vi)	17,017	-
Grants to Greyhound Capital Grants ^(vii)	4,868	-
Grants in relation to Tax Reduction Party	2,017	-
Land Tax Concession ^(viii)	6,187	-
Duties Bushfire Relief*	2,313	-
Other Grants	2,776	1,038
	486,440	560,614

* These are other related party transactions in addition to those disclosed in Note 27 Other Related Party Transactions.

(i) Jobs Action Plan Payroll Tax Rebates - This is a government incentive scheme that applies to businesses that have hired new employees for a period of at least 2 years and will be eligible to claim Payroll Tax Rebate.

(ii) Consumer Trade and Tenancy Tribunal - Tribunal specialising in resolving consumer tenancy disputes in New South Wales - these matters include requests to terminate tenancy agreements, payment of rental bonds on termination of tenancies, breaches relating to terms of the tenancy agreement and payment of compensation.

(iii) Job Lodgement Grants - The Small Business Grant is designed to encourage small businesses that are not liable for payroll tax to employ new full-time, part-time and casual workers. The grant of up to \$2,000 is payable to eligible registered employers who have maintained an increase in their staffing numbers for a 12-month period.

(iv) Creative Kids Program grants - Funds drawdown to pay for Creative Kids vouchers applied for by the public.

(v) Grants to Valuer General NSW - RNSW receives grants to pay for the valuer of general completing the services of valuing the land. This is an indirect support to RNSW. Valuer general as a business is not funded directly by Treasury rather it is funded via the councils and RNSW who use their service. In that respect, it is reflected as grants & subsidies for RNSW like JAP and SBG pass throughs whereby RNSW are provided recurrent funding for valuer general fees and pay upon monthly agreed invoice.

(vi) Grants to Clubgrants category 3 - Grants to community organisations for infrastructure projects

(vii) Grants to Greyhound Capital Grants - Greyhound Racing Capital Grants Program is a Government commitment as part of the NSW Government greyhound racing reforms. The purpose of the Grants Program is to assist GRNSW (not a Government agency) and its clubs improve animal welfare by upgrading greyhound racing facilities across NSW to reduce injury rates for racing dogs. Grants Program funding is protected and publicly committed by the Government solely for this purpose.

(viii) Land Tax Concession - Landlords providing rent relief for eligible tenants in financial distress due to COVID-19 land tax concession were part of a wide range of support measures designed to help those in need and support jobs and businesses.

(ix) DCS receives appropriations from the Consolidated Fund for the cluster. Appropriation for each financial year for each DCS agency is set out in the Appropriations Act for that year. This grant represents the approved funding by NSW Treasury for this agency.

(e) Finance Costs

	2020	2019
	\$'000	\$'000
Interest expense from lease liabilities	8,924	-
Interest expense on borrowings *	3,886	9,383
	12,810	9,383

* These are other related party transactions in addition to those disclosed in Note 27 Other Related Party Transactions.

Recognition and Measurement

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

(f) Cost of motor vehicle inventory sold

	2020	2019
	\$'000	\$'000
Cost of motor vehicle inventory sold	47,085	60,578

Recognition and Measurement

This represents the carrying amount of motor vehicle inventory sold during the year. DCS holds motor vehicles for rental to others in property plant and equipment (Note 12) and transfer such assets to inventories at their carrying amount when they cease to be rented and become held for sale (Note 9). The proceeds from the sale of such assets are recognised as revenue (Note 3(i)).

(g) Other Expenses

	2020	2019
	\$'000	\$'000
Compensation fund payments	5,145	6,700

3. REVENUE

Recognition and Measurement

Until 30 June 2019, income was recognised in accordance with *AASB 111 Construction Contracts*, *AASB 118 Revenue* and *AASB 1004 Contributions*.

From 1 July 2019, 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 Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

(a) Appropriations and Transfers to the Crown Entity

Summary of Compliance	2020 \$'000			2019 \$'000		
	Appropriation	Expenditure	Variance	Appropriation	Expenditure	Variance
Original Budget per Appropriation Act Other Appropriations / Expenditure	988,772	801,967	186,805	1,116,500	1,006,844	109,656
Section 4.9 GSF Act / Section 24 PFAA - transfers of functions between entities	(80,821)	-	(80,821)	(11,552)	6,961	(18,513)
Section 4.11 GSF Act / Section 26 PFAA – Commonwealth specific purpose payments	-	-	-	1,500	1,500	-
Section 4.13 GSF Act Exigency of Government	318,592	58,811	259,781	-	-	-
Exigency of Government (per Section 25(2) of the Appropriation Act)	-	-	-	-	-	-
Transfer from another entity (per section 27 of the Appropriation Act) ⁽ⁱⁱ⁾	-	-	-	52,634	12,104	40,530
Total annual Appropriations / Expenditure / Net Claim on Annual Appropriations (includes transfer payments)	1,226,543	860,778	365,765	1,159,082	1,027,409	131,673
Amount drawn down against Annual Appropriation ⁽ⁱ⁾	-	933,207	-	-	1,027,409	-
Liability for Lapsed Appropriations drawn down	-	72,429	-	-	-	-
		2020 \$'000			2019 \$'000	
(i) Comprising:						
Transfer payments ^(iv)		-			6,961	
Appropriations (per Statement of Comprehensive Income) ⁽ⁱⁱⁱ⁾		860,778			1,020,448	
Liability to Consolidated Fund		72,429			-	
		933,207			1,027,409	
(ii) Transfer from another entity - Service NSW relating to the Creative Kids Program.						
(iii) Appropriations (Per Statement of Comprehensive Income):						
Recurrent		791,363			959,742	
Capital		69,415			60,706	
		860,778			1,020,448	

(iv) Transfer payments - State Archives and Records Authority: In 2019, DFSI received the funding for State Archives and Records Authority (SARA) which was subsequently transferred to SARA in accordance with section 24 of PFAA. Effective 1 July 2018, SARA transferred to Department of Planning and Environment in accordance with Administrative Arrangements (Administrative Changes - NSW State Archives and Subsidence Advisory NSW) Order 2018.

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

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

	2020 \$'000	2019 \$'000
Movement of Section 4.7 GSF Act – deemed appropriations		
Opening balance	-	-
Adjusted for appropriations deemed on commencement of s.4.7	549,158	-
Adjusted opening balance	549,158	-
Add: additions of deemed appropriations	763,573	1,017,642
Less: expenditure charged against deemed appropriations	(867,205)	(1,017,642)
Closing balance	445,526	-

Recognition and Measurement

Parliamentary Appropriations

Until 30 June 2019, except as specified below, appropriations are recognised as revenue when DCS obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

Appropriations are not recognised as income in the following circumstances:

- "Equity appropriations" to fund payments to adjust a for-profit entity's capital structure are recognised as equity injections (i.e. contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity. The reconciliation between the Statement of Comprehensive Income, Statement of Summary of Compliance with Financial Directives and the total appropriations is disclosed in Note 3(a).
- Lapsed appropriations are recognised as liabilities rather than revenue, as the authority to spend the money lapses and the unspent amount is not controlled by the department.
- The liability is disclosed in Note 19 as part of "Current/Non-Current Liabilities - Other". The liability will be extinguished next financial year through the next annual Appropriation Act.

After AASB 15 and AASB 1058 became effective on 1 July 2019, the treatment of appropriations remains the same, because appropriations do not contain an enforceable sufficiently specific performance obligation as defined by AASB 15.

DCS receives its funding under appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Act for that year. Due to COVID-19, the State Budget and related 2020-21 Appropriation Bill has been delayed and is anticipated to be tabled in Parliament in November/December 2020. 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 2020 until the earlier of 31 December 2020 (or another day prescribed by the regulations) or enactment of the 2020-21 annual Appropriations Act.

(b) Transfers to Crown Entity

	2020 \$'000	2019 \$'000
StateFleet Motor Vehicle Reserve	18,717	23,542
Net proceeds from sale of CRR Program assets	-	16,668
Net proceeds from sale of Loose Fill Asbestos	5,196	4,160
	23,913	44,370

These are all other related party transactions in addition to those disclosed in Note 27 Other Related Party Transactions.

(c) **Sale of Goods and Services from contract with customers**

	2020	2019
	\$'000	\$'000
Mapping, spatial, surveying and related services	-	3,225
Project and asset management services	9,686	112,164
Valuation	-	23,405
Facilities Management Fee	-	8,321
Penalty notice fees	33,572	36,120
Business services fee	68,954	55,031
Motor vehicle leasing	23,906	54,138
Administrative fee	24,611	24,011
Gaming Revenue	958	-
License Revenue	25,429	-
Other goods and service	21,941	38,382
	209,057	354,797

Recognition and Measurement

Until 30 June 2019

Sale of Goods

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

Rendering of Services

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

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

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

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

From 1 July 2019

Sale of Goods

Revenue from sale of goods is recognised when DCS satisfies a performance obligation by transferring the promised goods. DCS typically satisfies its performance obligations when control of the goods is transferred to the customers. The payments are typically due when the invoice is being raised and not considered overdue until the end of the payment period stipulated on the invoice.

Revenue from sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

Rendering of services

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

DCS typically satisfies its performance obligations when the services rendered meets the terms and conditions of the original contractual obligation which may include an output of documentation or correspondence of completion with the customer. Revenue is measured at the original transaction price agreed or unit price under the contract. The payments from customers are typically due when the service is provided and billing issued to the customer. No element of financing is deemed present as these are due when billings are made with the agreed credit period.

(d) Personnel Services Revenue

	2020	2019
	\$'000	\$'000
NSW Government Telecommunications Authority	11,318	14,083
State Archives and Records Authority	-	19
Property NSW	-	49,979
State Insurance Regulatory Authority	68,843	76,402
Board of Surveying and Spatial Information	450	361
Waste Assets Management Corporation	-	1,546
Building Professionals Board	3,493	3,069
Long Service Corporation	7,975	12,140
	92,079	157,599

These are all other related party transactions in addition to those disclosed in Note 27 Other Related Party Transactions.

Personnel Services Revenue is revenue earned from entities within the DCS cluster in relation to employee related costs.

(e) Investment Revenue

	2020	2019
	\$'000	\$'000
Interest income from financial assets at amortised cost	5,247	5,937
Finance income on the net investment in the lease	1,235	-
Net gain/(loss) from TCorp IM Funds measured at fair value through profit or loss	(2,036)	5,588
	4,446	11,525

Recognition and Measurement

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (ie after deducting the loss allowance for expected credit losses).

(f) Retained Taxes, Fees and Fines

	2020	2019
	\$'000	\$'000
Statutory Interest	19,913	38,263
Building Licensing Fees	59,187	51,468
Owner Builder Permit Fees	1,219	1,346
Plumbing Inspection Fees	8,793	8,998
Motor Dealers Compensation Fees	1,315	1,959
Other fees, fines and penalties	11,401	13,013
	101,828	115,047

Recognition and Measurement

Retained fees, taxes and fines are recognised when earned and if the amounts can be determined reliably.

(g) Grants and Other Contributions

	2020	2019
	\$'000	\$'000
Grants		
<i>Grants without sufficiently specific performance obligations</i>		
Funds from TabCorp Holdings ^(viii)	2,014	-
Life Journeys ^(ix)	4,345	-
Other	2,257	3,458
	8,616	3,458
<i>Other grants with sufficiently specific performance obligations</i>		
Loose Fill Asbestos Grants ⁽ⁱⁱⁱ⁾	-	12,087
Central Register of Restrictions Program (CRR) ^(iv)	-	10,483
Voluntary Redundancy Grant	4,948	6,895
Natural Disaster Relief Grants	-	6,382
Telecommunication Optimisation Group Grant from Telco ^(vi)	2,478	5,698
Digitise Land Tax ^(vii)	2,800	-
Digital Restart Fund ^(x)	13,795	-
Cleaning Stimulus ^(xi)	832	-
	24,853	41,545
Other Contributions		
Contributions from State Insurance Regulatory Authority* ⁽ⁱⁱ⁾	128,363	132,903
Colliery Contribution Levy ^(v)	10,400	10,435
	138,763	143,338
	172,232	188,341

* This is an other related party transaction in addition to those disclosed in Note 27 Other Related Party Transactions.

- (i) Voluntary Redundancy Grants - Treasury funding for DCS Voluntary Redundancies.
- (ii) Contributions from State Insurance Regulatory Authority - The operations of SafeWork are principally funded by the State Insurance Regulatory Authority. Each year, under Section 35 (1)(a1) of the Workplace Injury Management and Workers Compensation Act 1998, the Minister approves the payment of amounts from the Workers Compensation Insurance Fund to the Workers Compensation Operational Fund having regard to the budget of SafeWork. This payment is made monthly to reflect cash requirements of SafeWork provided the approved amount is not exceeded.
- (iii) Loose Fill Asbestos Grants- Contribution from NSW Treasury to purchase land and/or buildings impacted by Loosefill Asbestos.
- (iv) Central Register of Restrictions Program(CRR)- Funds received from Property NSW following the sale of properties impacted by the CRR.
- (v) Colliery Contribution Levy- Subsidence Advisory NSW (SA NSW) receives funding from the NSW coal mining industry under Section 33 of the Coal Mine Subsidence Compensation Act 2017 (the Act). Each year a contribution is levied onto the industry in order to fund the activities of SA NSW under the Act.
- (vi) Telecommunication Optimisation Group Grant from Telco- The Telecommunication Optimisation Group (TOG) continues to identify and support the realisation of key benefit opportunities for the NSW Telco Authority and enterprise telco reform. Benefits have arisen from contract optimisation, billing audits and service optimisation. The NSW Telco Authority have funded tranches of work of TOG.
- (vii) Digitise Land Tax- Treasury funds received to execute the Digital Land Tax project
- (viii) Funds from TabCorp Holdings- The NSW totalizator licensee (TAB Limited) pays the difference between the tax paid under the tax parity reforms and what it would have paid without the reforms to each racing controlling body according to a proportion prescribed in the Totalizator Regulation 2012. As the reforms were enacted during a period of uncertainty in greyhound racing, with the Special Commission of Inquiry still underway, the Trust Fund was established under section 70A of the Tote Act to receive greyhound racing's share of wagering tax parity revenue.
- (ix) Life Journeys- Value proposition: Continuously improving Government services based on customer insights is important. Taking a siloed approach only gets us so far. The Life Journeys program cuts across agencies to make it easier for citizens to deal with government at critical life junctures, such as losing someone close to you, starting retirement, or having a baby. Types of problems the Life Journeys program tackles: connecting people to the right information and services, simplifying information and services, integrating services, and reforming services.

(j) **Other Revenue**

	2020	2019
	\$'000	\$'000
Commissions on payroll deductions collected	6	8
Bad debts recovered	-	-
Titling & Registration Services Service Concession	77,388	77,264
Corporate cost recovery *	18,642	26,883
	96,036	104,155

* These are other related party transactions in addition to those disclosed in Note 27 Other Related Party Transactions.

Recognition and Measurement

Service Concession Arrangement

On 12 April 2017, the NSW State government entered into a 35 year concession with the private sector to facilitate the provision of land titling and registry services. Under the concession, the State received an up-front contribution of \$2,622 million, which was repatriated to the Restart NSW Fund, and transferred employee liabilities to the private sector operator.

ICT and other assets necessary to operate the concession have legally transferred to the private sector operator and legal ownership of these assets reverts to the State at the end of the concession. The State continues to own all existing and underlying data, information and intellectual property related to titling and registry services and provides access to these assets to the operator.

The concession is classified as a service concession arrangement. As the grantor of the service concession, DCS recognises the up-front contribution provided by the operator as revenue progressively over the concession term. Assets legally transferred to the operator are treated as controlled for accounting purposes by DCS and recorded at their carrying values immediately prior to the concession commencement. These service concession assets are depreciated or amortised over their useful lives which is in line with DCS depreciation policy (Refer to Note 12).

Corporate Cost Recovery

The revenue recognised in relation to corporate cost recovery relates to services which are incurred within DCS and chargeable to other entities within the Department of Customer Service Cluster.

DCS as a cluster has operations where certain functions are performed centrally. During the year, DCS incurred centralised corporate costs relating to People & Culture; Procurement; Legal; Governance & Risk; Workplace & IT; and Finance in relation to services such as recruitment, procurement, business partnering support, budgeting, management reporting, financial reporting, expense management, contract reviews, legal advice, vendor contract management, internal audit, performance metrics, accommodation servicing, information technology support and compliance amongst other things. Where practicable, these costs are recharged and recouped as Corporate Cost recovery.

An amount of to \$20,829,000 for the financial year ended 30 June 2020 was incurred in DCS and has not been recovered from the other entities within the DCS Cluster. Refer to Note 27 for details.

4. (a) GAIN/(LOSS) ON DISPOSAL

	2020	2019
	\$'000	\$'000
Gain/(loss) on disposal of property, plant & equipment and intangibles (other than StateFleet Motor Vehicles):	932	(3,564)
Written down value of assets disposed/written off	56	(3,456)
Net gain/(loss) on disposal of property, plant & equipment and intangibles (other than StateFleet Motor Vehicles)	988	(7,020)

b) OTHER GAINS/(LOSSES)

	2020	2019
	\$'000	\$'000
Impairment losses on:		
Sale of goods and services	397	(150)
Retained taxes, fees, fines and other	1,390	(1,300)
Bad debts (written off)/recovered	(16)	-
Impairment loss from right-of-use assets	(53,301)	-
Net other gains/(losses)	(51,530)	(1,450)

Recognition and Measurement

Impairment losses on assets

Impairment losses may arise on non-financial assets held by DCS from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

- Trade receivables – Note 8
- Property, plant and equipment – Note 12(a)
- Right-of-use-assets – Note 12(b)
- Intangible assets – Note 13

5. STATE OUTCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Excellence in customer service ⁽ⁱ⁾		Digital leadership and innovation in government services ⁽ⁱⁱ⁾		Competitive, fair and secure markets ⁽ⁱⁱⁱ⁾		Not attributable ^(iv)		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
EXPENSES AND INCOME										
Expenses excluding losses										
Operating Expenses	328,670	299,649	73,001	82,049	254,373	249,125	-	-	656,044	694,238
• Employee related	152,663	194,169	63,641	111,959	90,946	103,410	-	-	307,250	487,518
• Other operating expenses	57,425	69,288	18,037	19,045	51,014	43,814	-	-	126,476	132,736
Depreciation and amortisation	245,084	283,548	23,495	47,207	217,861	223,477	-	-	486,440	560,614
Grants and subsidies	6,800	9,389	2,110	-	3,900	(6)	-	-	12,810	9,383
Finance costs	28,136	60,578	3,280	-	15,669	-	-	-	47,085	60,578
Book value of motor vehicles sold	5,145	6,700	-	-	-	-	-	-	5,145	6,700
Other expenses										
Total Expenses excluding losses	823,923	923,321	183,564	260,260	633,763	619,820	-	-	1,641,250	1,951,767
Revenue										
Appropriations **										
(Transfers to Crown Entity)	(16,239)	(32,317)	(1,310)	(547)	(6,364)	(11,506)	860,778	1,020,448	860,778	1,020,448
Sale of goods and services	95,096	141,368	32,354	61,552	81,607	40,479	-	-	(23,913)	(44,370)
Personnel services revenue	54,327	92,983	6,445	11,032	31,307	53,584	-	111,398	209,057	354,797
Investment revenue	2,994	11,120	1,247	27	205	378	-	-	92,079	157,599
Retained taxes, fees and fines	95,221	99,286	1,104	2,665	5,503	13,096	-	-	4,446	11,525
Grants and contributions	146,020	110,646	16,359	16,839	9,853	54,015	-	6,841	101,828	115,047
Acceptance by the Crown Entity of employee benefits and other liabilities	11,294	8,411	1,009	2,407	6,582	9,569	-	5,162	18,885	25,549
Proceeds from sale of motor vehicles	35,484	79,503	4,210	-	20,448	-	-	-	60,142	79,503
Other revenue	87,809	90,672	1,234	1,537	6,993	11,944	-	2	96,036	104,155
Total Revenue	512,006	601,672	62,652	95,512	156,134	171,559	860,778	1,143,851	1,591,570	2,012,594
Gain/(loss) on disposal	963	(6,292)	4	152	21	(358)	-	(522)	988	(7,020)
Impairment losses of financial assets	(29,797)	(1,181)	(3,736)	(98)	(17,997)	(316)	-	145	(51,530)	(1,450)
Other gains/(losses)	(28,834)	(7,473)	(3,732)	54	(17,976)	(674)	-	(377)	(50,542)	(8,470)
NET RESULT	(340,751)	(329,122)	(124,644)	(164,694)	(495,605)	(448,935)	860,778	995,108	(100,222)	52,357
Other comprehensive income										
<i>Items that will not be reclassified to net result in subsequent periods</i>										
Changes in revaluation surplus of property, plant and equipment	1	5,972	-	582	-	3,312	-	-	1	9,866
Net gain on equity instrument at fair value through OCI	-	61,861	-	-	-	-	-	-	-	61,861
Remeasurement of defined benefits superannuation liability	1,966	(2,299)	233	(273)	1,134	(1,324)	-	-	3,333	(3,896)
Total other comprehensive income	1,967	65,534	233	309	1,134	1,988	-	-	3,334	67,831
TOTAL COMPREHENSIVE INCOME/(LOSS)	(338,784)	(263,588)	(124,411)	(164,385)	(494,471)	(446,947)	860,778	995,108	(96,888)	120,188

*The names and purposes of each outcome are summarised below.

** Appropriations are made on an entity basis and not to individual outcomes. Consequently, appropriations must be included in the 'Not Attributable' column. Cluster grant funding is also unlikely to be attributable to individual outcomes.

ASSETS AND LIABILITIES	Excellence in customer service (i)		Digital leadership and innovation in government services (ii)		Competitive, fair and secure markets (iii)		Others (iv)		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets										
Cash and cash equivalents	446,562	483,034	9,469	11,289	44,902	54,835	-	-	500,933	549,158
Other financial assets	-	-	23,142	-	-	-	-	-	23,142	-
Receivables	86,782	99,715	36,910	27,242	46,997	34,190	66,111	-	170,689	227,258
Inventories	1,529	2,605	184	48	881	-	-	-	2,594	2,653
Financial assets at fair value	7,972	16,885	-	-	-	-	-	-	7,972	16,885
Non-Current Assets Held for sale	19,285	25,551	-	-	-	-	-	-	19,285	25,551
Total Current Assets	562,130	627,790	69,705	38,579	92,780	89,025	66,111	66,111	724,615	821,505
Non Current Assets										
Other financial assets	-	-	52,041	-	-	-	-	-	52,041	-
Receivables	1,014	643	121	76	584	371	-	-	1,719	1,090
Inventories	-	3,554	-	422	-	2,048	74	-	-	6,098
Property, plant and equipment	72,647	148,276	20,368	18,773	45,677	37,740	422	-	138,692	205,211
Right of use assets	276,983	-	38,272	-	158,260	-	-	-	473,515	-
Intangible assets	36,875	45,024	13,402	24,517	38,731	45,484	-	1,538	89,008	116,563
Other	79,388	72,012	-	-	-	-	-	-	79,388	72,012
Total Non Current Assets	466,907	269,509	124,204	43,788	243,252	85,643	2,034	2,034	834,363	400,974
TOTAL ASSETS	1,029,037	897,299	193,909	82,367	336,032	174,668	68,145	68,145	1,558,978	1,222,479
Current Liabilities										
Payables	112,484	105,036	30,483	37,431	30,563	31,277	103,298	-	173,530	277,042
Borrowings	36,118	83,790	29,305	-	20,275	-	-	-	85,698	83,790
Provisions	88,363	66,607	11,912	13,893	38,211	31,220	8,828	-	138,486	120,548
Service Concession	77,412	77,308	-	-	-	-	-	-	77,412	77,308
Other	58,718	44,391	5,190	2,238	37,857	10,872	90	-	101,765	57,591
Total Current Liabilities	373,095	377,132	76,890	53,562	126,906	73,369	112,216	112,216	576,891	616,279
Non Current Liabilities										
Borrowings	296,586	14,193	90,925	-	170,090	-	-	-	557,601	14,193
Provisions	16,577	11,162	4,487	6,989	7,605	6,295	451	-	28,669	24,897
Service Concession	2,401,448	2,473,849	-	-	-	-	-	-	2,401,448	2,473,849
Other liabilities	-	-	-	-	-	40	-	-	-	40
Total Non Current Liabilities	2,714,611	2,499,204	95,412	6,989	177,695	6,335	451	451	2,987,718	2,512,979
TOTAL LIABILITIES	3,087,706	2,876,336	172,302	60,551	304,601	79,704	112,667	112,667	3,564,609	3,129,258
NET ASSETS/(LIABILITIES)	(2,058,669)	(1,979,037)	21,607	21,816	31,431	94,964	(44,522)	(44,522)	(2,005,631)	(1,906,779)

(1) The names and purposes of each outcomes are summarised below.

ADMINISTERED EXPENSES AND INCOME	Excellence in customer service ⁽ⁱ⁾		Digital leadership and innovation in government services ⁽ⁱⁱ⁾		Competitive, fair and secure markets ⁽ⁱⁱⁱ⁾		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Expenses	371,622	298,288	-	-	-	-	371,622	298,288
Total Administered Expenses	371,622	298,288	-	-	-	-	371,622	298,288
Administered Revenues								
Consolidated Fund								
Licences, taxes, fees and fines	27,624,373	28,683,293	-	-	157,561	-	27,781,934	28,683,293
Other	1,718,037	2,141,544	-	-	34,880	35,971	1,752,917	2,177,515
Total Administered Revenues	29,342,410	30,824,837	-	-	192,441	35,971	29,534,851	30,860,808
Administered Revenues less Expenses	28,970,788	30,526,549	-	-	192,441	35,971	29,163,229	30,562,520

Administered Expenses and Revenues are disclosed in detail in Note 29 and 30 respectively.
Administered Assets and Liabilities are disclosed in Note 28.

State Outcome Descriptions

(i) Excellence in customer service

Improving customers' satisfaction with NSW government services through a customer-centred approach to everything we do, resulting in better customer experiences and easier transactions.

(ii) Digital leadership and innovation in government services

Investing in innovation and technology to improve the availability, reliability and security of NSW government platforms, information and services.

(iii) Competitive, fair and secure markets

Improving and simplifying regulation in New South Wales to make it easier and safer for businesses and consumers to transact.

(iv) Not attributable

This relates to FY19 balances of Valuation Services, Office of the Valuer General, Public Works Advisory, Manly Hydraulics, and Heritage Stoneworks transferred to Department of Planning, Industry and Environment on 1 July 2019 which cannot be allocated to the above mentioned outcomes.

6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2020 \$'000	2019 \$'000
Cash at bank and on hand	143,184	164,221
TCorp IM Funds Cash facility	138	8,580
Motor vehicle reserve (a)	27,918	32,472
Other restricted cash (b)	329,693	343,885
	500,933	549,158

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, motor vehicle reserve and special purpose funds.

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

	2020 \$'000	2019 \$'000
Cash and cash equivalents (per Statement of Financial Position)	500,933	549,158
Closing cash and cash equivalents (per Statement of Cash Flows)	500,933	549,158

Refer to Note 32 for details regarding credit risk and market risk arising from financial instruments.

(a) Motor vehicle reserve

	2020 \$'000	2019 \$'000
Motor vehicle reserve	27,918	32,472

The purpose of Motor vehicle reserve is to manage the residual risk of the fleet. The deposits from StateFleet are generally risk fees, overdue penalties and excess kilometre charges from client agencies, as well as the net profit or loss for each vehicle disposal. The Reserve Account target balance is \$20 million with an operating range of plus or minus \$10 million. Any Reserve Account funds in excess of \$20 million as at 31 December and 30 June are paid to Crown Entity. DCS recognised a liability of \$7.9 million as at 30 June 2020 (30 June 2019: \$12.5 million).

(b) Other restricted cash

	2020 \$'000	2019 \$'000
Motor Dealers Compensation Fund (i)	19,171	19,685
Property Services Compensation Fund (ii)	9,547	7,390
Property menry Interest Account (iii)	229,769	249,155
Home Building Administration Fund (iv)	44,125	36,208
Torrens Assurance Fund (v)	14,972	12,776
Tow Truck Industry Fund (vi)	10,235	9,187
NSW Consumer Law Fund (vii)	79	73
Creative Kids Fund (viii)	-	7,895
Coal Mine Subsidence Compensation Fund (ix)	1,795	1,516
	329,693	343,885

(i) The *Motor Dealers Act 1974* was repealed on 1 December 2014 and was replaced by the *Motor Dealers and Repairers Act 2013*. The *Motor Dealers and Repairers Act 2013* established the **Motor Dealers and Repairers Compensation Fund** to provide protection to persons who have suffered a loss in connection with a motor vehicle through their dealings with a motor dealer or a car-market operator. Licensing fees paid by full dealers and car-market operators finance the fund. Claims are usually made on the fund when a motor dealer ceases to trade either on a voluntary basis or a forced closure.

(ii) The *Property, Stock and Business Agents Act 2002* established the **Property Services Compensation Fund** which is supported by:

- investment income earned on the investments of the fund;
- contributions or levies paid by licensees; and
- other lawful receipts.

The money in the Compensation Fund is applied to:

- payment of claims, as provided by the Act;
- legal expenses in relation to claims, licensing objections and complaints for cancellation, incurred in relation to the Fund;
- the expense involved in the administration of the Fund; and
- other lawful expenses.

(iii) The **Property Statutory Interest Account** is supported by interest earned on trust money held by real estate agents and investments made by DCS.

The account is used to meet the costs of administering the *Property, Stock and Business Agents Act 2002* and various other Acts, supplement the Compensation Fund when required, pay grants to various government and non-government agencies and invest in schemes to provide residential accommodation.

(iv) The **Home Building Administration Fund** is supported by:

- prescribed fees for contractor licences, registration certificates, owner-builder permits and building consultancy licences;
- investment income earned on the investments of the Fund; and
- other lawful receipts.

The money in the Home Building Administration Fund is applied to:

- meeting the costs of operating the scheme;
- meeting the costs of administering the *Home Building Act 1989*; and
- the making of any authorised investments.

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

Payment from the Fund is permitted if loss has been suffered in respect of land resulting from:

- an act or omission of the Registrar General;
- the registration of someone else as the owner of land/an estate or interest in land;
- an error, misdescription or omission in the Register;
- the land being converted to Torrens Title;
- fraud;
- an error or omission in an official search; or
- an error in recording details supplied in a Notice of Sale.

The Registrar General has delegated titling and registry functions to an authorised operator. Therefore, any loss or damage suffered as a result of an act or omission of the authorised operator can be made against the Fund.

(vi) The **Tow Truck Industry Fund** is supported by:

The *Tow Truck Industry Act 1998* and the *Tow Truck Industry Regulation 2008* regulate the Tow truck industry. The *Tow Truck Industry Act 1998* – Sect 91 established the Tow Truck Industry Fund, the Fund is a continuation of the Tow Truck Industry operating under the *Tow Truck Act 1989* immediately before the repeal of that Act by this Act.

From 1 July 2017, the administrative function of tow trucks was transferred from Roads and Maritime Services to NSW Fair Trading, which is now responsible for the licensing and regulation of tow truck operations in NSW.

The Tow Truck Industry Fund is supported by:

- all money received by or on account of the Secretary under this Act
- all penalties for offences under this Act and the regulations that are recovered in prosecutions brought by, or penalty notices issued by, the Secretary or authorised officers
- all money borrowed by or advanced to the Secretary for the purposes of this Act or appropriated by Parliament for the purposes of the Secretary under this Act.
- the proceeds of the investment of money in the Fund, and
- all other money required by or under this or any other Act to be paid into the Fund
- The money in the Tow Truck Industry Fund is applied to:
- all amounts required to meet expenditure incurred in the administration or execution of this Act and the regulations, and
- all payments made on account of the Secretary under this Act or otherwise required to meet expenditure incurred in relation to the functions of the Secretary under this Act, and
- all other payments required by or under this or any other Act to be paid from the Fund.

Tow Truck Industry Act 1998 – Sect 92 established the Secretary may invest money in the Tow Truck Industry Fund:

- in such manner as may be authorised by the *Public Authorities (Financial Arrangements) Act 1987*, or
- if that Act does not confer power on the Department to invest the money, in any other manner approved by the Minister with the concurrence of the Treasurer.

(vii) The *Fair Trading Act 1987* – Sect 79Y established the **NSW Consumer Law Fund**.

The NSW Consumer Law Fund is to receive:

- any pecuniary penalty ordered by a court under section 224 of the Australian Consumer Law (“ACL”) to be paid to the State, and
- any amount ordered by a court under section 239 (1) of the ACL to be paid into the Fund, and
- the proceeds of the investment of money in the Fund, and
- any money directed to be paid into the Fund by or under this or any other Act.

The money in the NSW Consumer Law Fund is to pay:

- money to non-party consumers in accordance with an order under section 239 (1) of the ACL, and
- special purpose grants for improving consumer well-being, consumer protection or fair trading, and
- administrative expenses incurred in relation to the Fund, and
- money that is directed to be paid from the Fund by or under this or any other Act.

Subject to the regulations, money is to be paid out of the Fund in accordance with the directions of the Minister made on the recommendation of the Secretary. Any amount ordered by a court under section 239 (1) of the ACL to be paid into the Fund must not be paid out of the Fund except in accordance with the terms of the order.

The Minister may, on the recommendation of the Secretary, invest money in the Fund in such manner as may be authorised by the *Public Authorities (Financial Arrangements) Act 1987*.

(viii) **Creative Kids Fund (up to 31 January 2020)**

Creative Kids Reimbursement Program was established through the Services Order and the Services Agreement entered into with Service NSW in November 2018 with a commencement date of 1 January 2019 and is effective for 4 years till 31 December 2022. The program allows parents of NSW children to claim a voucher once a year per child to be redeemed towards payment of memberships or fees with an approved provider registered with the Creative Kids program. The rebate is available once a year over four years. Providers will be reimbursed within seven (7) days from completing a redemption of the voucher via your MyServiceNSW business profile. The program is valid for 4 years 2019-2022 and families can apply for a voucher every year. Vouchers are available for redemption once only for the nominated registered season or term of activity.

Service NSW is delivering the vouchers/rebates on behalf of DCS. as a result, Service NSW has established a dedicated bank account for the Creative Kids Voucher Funds which is held in trust for DCS. With effect from 31 January 2020, the program was transferred to the Department of Premier & Cabinet.

(ix) **Coal Mine Subsidence Compensation Fund**

Part 5 of the Coal Mine Subsidence Compensation Act 2017 (Act) establishes a Special Deposits Account called the Coal Mine Subsidence Compensation Fund into which annual levies are received from proprietors of coal mines. The Fund supports the objective of the Act being to provide a compensation framework for dealing with impacts of coal mine subsidence, regulate development in mine subsidence districts and provide 24 hour response to emergency subsidence calls.

7. OTHER FINANCIAL ASSETS

	2020 \$'000	2019 \$'000
Current		
Lease receivables as lessor	23,142	-
	23,142	-
Non-current		
Lease receivables as lessor	52,041	-
	52,041	-

Lease receivables as lessor

Leases that the entity transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases. From 1 July 2019, subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

At the lease commencement date, the entity recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease initial direct costs or the incremental borrowing rate where the implicit interest rate is not readily determined.

Lease receivables has been recognised based on management assumption that the sublessee will not terminate their sublease contractual arrangements (even though the contract has a legal provision for this possibility), it has been assessed that this is not probable based on current technological environment and historical arrangements with the sublessee.

DCS has undertaken an impairment assessment for the above finance lease receivable and the impact is immaterial.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

	2020 \$'000	2019 \$'000
During the financial year, DCS as the lessor has resulted in the following:		
(i) Selling profit or loss	-	-
(ii) Finance income (lease interest income)	1,235	-
(iii) Income relating to variable lease payments not included in the measurement of the net investment in the lease	-	-

8. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

	2020 \$'000	2019 \$'000
Current		
Long service leave reimbursable by the Crown Entity	5,987	1,844
Work in Progress	-	1,882
Accrued income	40,012	35,647
Prepayments	12,624	20,319
Other	8,989	1,885
	<u>67,612</u>	<u>61,577</u>
Sale of goods and services	101,934	164,951
Less: Allowance for expected credit losses*	(504)	(2,512)
	<u>101,430</u>	<u>162,439</u>
Retained taxes, fees and fines	17,727	24,417
Less: Allowance for expected credit losses*	(16,080)	(21,175)
	<u>1,647</u>	<u>3,242</u>
Total Current Receivables	<u>170,689</u>	<u>227,258</u>
Non-Current		
Defined Benefit Super Schemes (Note 20)	1,719	1,090
Total Non-Current Receivables	<u>1,719</u>	<u>1,090</u>
	<u>172,408</u>	<u>228,348</u>
	2020	2019
	\$'000	\$'000
<i>* Movement in the allowance for expected credit losses</i>		
<u>Sale of goods and services</u>		
Balance at the beginning of the year	2,512	12,077
Transfers through administrative restructure	(1,611)	-
Amounts written off during the year	-	(9,719)
Amounts recovered during the year	-	4
Increase/(decrease) recognised in profit or loss	(397)	150
Balance at the end of the year	<u>504</u>	<u>2,512</u>
<u>Retained taxes, fees and fines</u>		
Balance at the beginning of the year	21,175	21,716
Amounts written off during the year	(3,705)	(1,841)
Increase/(decrease) recognised in profit or loss	(1,390)	1,300
Balance at the end of the year	<u>16,080</u>	<u>21,175</u>

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 32.

Recognition and Measurement

Receivables

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price. Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Subsequent measurement

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

Impairment

DCS recognises an allowance for Expected Credit Losses ("ECL") for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows that DCS expects to receive, discounted at the original effective interest rate.

For trade receivables, DCS applies a simplified approach in calculating ECLs. DCS recognises a loss allowance based on lifetime ECLs at each reporting date. DCS has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

9. CURRENT / NON-CURRENT ASSETS - INVENTORIES

	2020 \$'000	2019 \$'000
Current		
Finished goods held for distribution - at cost	3	-
Motor vehicle inventory held for resale	2,591	2,653
	2,594	2,653
Non-current		
Finished goods held for distribution - at cost	-	6,098

Recognition and Measurement for 2019 comparatives

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost DCS would incur to acquire the asset as at the end of the reporting period. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

10. NON-CURRENT ASSETS HELD FOR SALE

	2020 \$'000	2019 \$'000
Current		
Loose Fill Asbestos Land Assets ⁽ⁱ⁾	4,898	12,729
Subsidence Advisory Properties held for resale ⁽ⁱⁱ⁾	14,387	12,822
	19,285	25,551

(i) Loose Fill Asbestos Land Assets

The properties held for sale were acquired for asbestos removal in accordance with the *Loose-Fill Asbestos Eradication Scheme 2014*, and are restored to a safe and marketable condition. Any work done is capitalised as cost of property and assessed against the market value and any adjustment/ impairment is recognised to reflect the property at lower of cost or net realisable value, which is the estimated selling price less selling costs in the ordinary course of business. The full proceeds of the sale, net of selling costs, are returned to the Crown entity.

(ii) Subsidence Advisory Properties held for resale

The properties held for sale have been purchased as a result of subsidence claims in accordance with the *Coal Mine Subsidence Compensation Act 2017*. The practice is to remediate the effects of the subsidence and to restore the property to a marketable condition. Any impairment on the purchase price to net market value is recognised as a claims expense. Properties held are recorded at the lower of cost or net realisable value – which is the estimated selling price less selling costs in the ordinary course of business. The full proceeds of the sale, net of selling costs, are returned to the Special Deposits Account called the Coal Mine Subsidence Compensation Fund.

Recognition and Measurement

DCS has land assets classified as held-for-sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held-for-sale are recognised at the lower of their carrying amount and fair value less costs of disposal. These assets are not depreciated / amortised while they are classified as held-for-sale.

11. FINANCIAL ASSETS AT FAIR VALUE

	2020	2019
	\$'000	\$'000
Current Assets		
TCorp IM Funds – Medium Term Growth* ⁽ⁱ⁾	7,972	16,885
Non-Current Assets		
TCorp IM Funds – Medium Term Growth* ⁽ⁱ⁾	79,388	72,012

* These are other related party transactions in addition to those disclosed in Note 27 *Other Related Party Transactions*.

- (i) This relates to cash, money market instruments, Australian and international bonds, listed property and Australian shares held within Subsidence Advisory NSW; and invested with TCorp, a related party entity.

Refer to Note 32 for further information regarding fair value measurement, credit risk and market risk arising from financial instruments.

Recognition and Measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and measurement

DCS financial assets at fair value are classified, at initial recognition, and subsequently measured at either fair value through other comprehensive income or fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results. Transaction costs of financial assets carried as other comprehensive income are included as part of their fair value and amortised to net results using the effective interest method.

Financial assets at fair value through other comprehensive income

DCS measures financial assets at fair value through other comprehensive income when they are held for both collection of contractual cash flows and for selling the financial assets, and where the assets' cash flows represent solely payments of principal and interest.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in net results. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to net results and recognised in other gains/(losses).

Interest income from these financial assets is included in investment revenue using the effective interest method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

DCS has elected to classify irrevocably its equity investments in ordinary shares as designated at fair value through other comprehensive income, that would otherwise be measured at fair value through profit or loss. These equity investments meet the definition of equity instruments under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as income under 'investment revenue' when the right of payment has been established.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. TCorpIM Funds are managed and their performance is evaluated on a fair value basis and therefore the business model is neither to hold to collect contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss.

Notwithstanding the criteria to be classified at amortised cost or at fair value through other comprehensive income, financial assets may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net results and presented net within other gains/(losses), except for TCorpIM Funds that are presented in 'investment revenue' in the period in which it arises.

Impairment of financial assets at fair value through other comprehensive income

DCS recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that DCS expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). In addition, DCS considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

DCS's debt financial assets classified as financial assets at fair value through other comprehensive income are issued by financial institutions that have strong credit ratings and, therefore, considered to be low credit risk investments. Hence, DCS measures the loss allowance for these debt financial assets at an amount equal to 12-month ECL. However, when there is a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

DCS uses the ratings from external credit rating agencies both to determine whether there has been a significant increase in credit risk on the debt financial assets and to estimate ECLs. These estimates are performed at every reporting date.

Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

Derecognition of financial asset

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

- where substantially all the risks and rewards have been transferred; or
- where DCS has not transferred substantially all the risks and rewards, if the agency has not retained control.

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

12. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Property, Plant and Equipment

	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Work in Progress \$'000	Total \$'000
1 July 2019 – fair value						
Gross carrying amount	45,067	127,287	195,244	82,978	8,568	459,144
Accumulated depreciation and impairment	(169)	(102,332)	(110,099)	(41,333)	-	(253,933)
Net carrying amount	44,898	24,955	85,145	41,645	8,568	205,211
30 June 2020 – fair value						
Gross carrying amount	37,490	121,886	68,799	97,629	5,157	330,961
Accumulated depreciation and impairment	(3,875)	(105,193)	(43,264)	(39,937)	-	(192,269)
Net carrying amount	33,615	16,693	25,535	57,692	5,157	138,692

Reconciliation

A reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Work in Progress \$'000	Total \$'000
Year ended 30 June 2020						
Net carrying amount at beginning of year	44,898	24,955	77,577	41,645	16,136	205,211
Transfer to / from WIP	315	3,142	-	(164)	(3,909)	(616)
Additions (current year expenditure)	64	1,080	-	18,613	3,833	23,590
Transfers to Motor Vehicle Inventory	-	-	(37,121)	-	-	(37,121)
Transfers to Assets Held for Sale	2,476	-	-	-	-	2,476
Assets transferred in/out to other agencies	-	-	-	4,610	(9,928)	(5,318)
Transfers through administrative restructure	(12,994)	(1,639)	-	473	(924)	(15,084)
Reclassification	(590)	778	-	(188)	-	-
Depreciation expense	(431)	(11,339)	(14,921)	(7,032)	-	(33,723)
Disposals	(23)	(179)	-	(264)	55	(411)
Write-offs	(100)	(105)	-	(1)	(106)	(312)
Net carrying amount at end of year	33,615	16,693	25,535	57,692	5,157	138,692

	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Total \$'000
At 1 July 2018 - fair value					
Gross carrying amount	48,812	155,167	349,505	98,869	652,353
Accumulated depreciation and impairment	(2,512)	(109,024)	(173,254)	(46,162)	(330,952)
Net carrying amount	46,300	46,143	176,251	52,707	321,401

30 June 2019 – fair value					
Gross carrying amount	45,067	141,333	187,676	85,068	459,144
Accumulated depreciation and impairment	(169)	(102,332)	(110,099)	(41,333)	(253,933)
Net carrying amount	44,898	39,001	77,577	43,735	205,211

	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Total \$'000
Year ended 30 June 2019					
Net carrying amount at beginning of year	46,300	46,143	176,251	52,707	321,401
Work in progress (WIP) - net	-	(7,605)	-	(33,680)	(41,285)
Additions (transferred from WIP)	-	107	-	23,465	23,572
Additions (current year expenditure)	6,413	7,389	-	14,768	28,570
Acquisitions through administrative restructure	-	125	-	551	676
Transfers to Motor Vehicle Inventory	-	-	(61,774)	-	(61,774)
Transfers to Assets Held for Sale	(14,042)	-	-	-	(14,042)
Assets transferred out to other agencies	-	(194)	-	(80)	(274)
Reclassification	-	5,908	-	695	6,603
Changes in revaluation surplus of property, plant and equipment	9,866	-	-	-	9,866
Depreciation expense	(592)	(11,816)	(36,900)	(7,816)	(57,124)
Disposals	(3,047)	(587)	-	(6,875)	(10,509)
Write-offs	-	(462)	-	-	(462)
Impairment losses (recognised in other gain/losses)	-	(7)	-	-	(7)
Net carrying amount at end of year	44,898	39,001	77,577	43,735	205,211

The net carrying amount of Service Concession plant and equipment assets at 30 June 2020 is \$2.04 million (30 June 2019: \$2.12 million).

The motor vehicles are held by DCS and used by other NSW government entities by way of operating lease arrangements.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 14.

Recognition and Measurement

Acquisition of property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an administrative restructure - Note 21).

Capitalisation Thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

Major Inspection Costs

When a major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

Restoration Costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Maintenance

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

Depreciation

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to DCS.

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

The value of the assets is depreciated within the useful lives of each asset class as follows:

Buildings and improvements	26 to 50 years
Major computer hardware	4 years
Computer equipment – portable	3 years
Furniture and fittings	10 years
Office equipment	5 years
Motor vehicles	5 years
Leasehold improvements	respective lease period

Refer to note 13 for intangible assets amortisation rates used.

Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the “Valuation of Physical Non-Current Assets at Fair Value” Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

DCS’s fair value of property, plant and equipment is based on market participants’ perspective, using valuation techniques (market approach, cost approach and income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 14 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. DCS conducts a comprehensive revaluation of land and buildings every three years. The last comprehensive revaluation was completed on 31 March 2019 and was based on an independent assessment. Other non-current assets are assessed by management to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the end of the reporting period.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. DCS used external professionally qualified valuers to conduct the comprehensive valuation as at 31 March 2019. The interim valuation did not result in a material change in the fair value of the land and buildings. On account of COVID-19, a further assessment was carried out post reporting date which also did not result in a material change in the fair values.

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

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result. Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the asset revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise. When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

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

DCS has adopted the option to not apply AASB 16 to assets that would be classified as service concession assets in accordance with AASB 1059 *Service Concession Arrangements: Grantors*. DCS continues to apply its existing accounting policy to these assets until AASB 1059 is applied.

Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

DCS assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, DCS estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in the net result, a reversal of that impairment loss is also recognised in net result.

(b) Right-of-Use Assets

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

	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
30 June 2020 – fair value				
Gross carrying amount	557,150	32	4,406	561,588
Accumulated depreciation and impairment	(86,485)	(17)	(1,571)	(88,073)
Net carrying amount	470,665	15	2,835	473,515

Reconciliation

A reconciliation of the carrying amounts of each class at the beginning and end of the current reporting period is set out below:

	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Recognition of right-of-use assets at 1 July 2019	300,376	33	4,357	304,766
Recognition of lease incentive at 1 July 2019	(1,984)	-	-	(1,984)
Recognition of lease receivables at 1 July 2019	(97,291)	-	-	(97,291)
Total initial application of AASB 16 on initial recognition at 1 July 2019	201,101	33	4,357	205,491
Additions	362,706	-	50	362,756
Depreciation expense	(34,418)	(18)	(1,572)	(36,008)
Impairment losses	(53,300)	-	-	(53,300)
Other adjustments	(5,424)	-	-	(5,424)
Balance at 30 June 2020	470,665	15	2,835	473,515

Right-of-use assets under leases

Recognition and measurement (under AASB 16 from 1 July 2019)

DCS assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. DCS recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

DCS recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site. The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets (refer to the useful lives of asset in Note 12a).

If ownership of the leased asset transfers to DCS at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. DCS assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

ii. Short-term leases and leases of low-value assets

DCS applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

iii. Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the entity to further its objectives, are measured at cost. These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, subject to impairment. They are not subject to revaluation.

Recognition and measurement (under AASB 117 until 30 June 2019)

Finance leases acquired by lessees

Until 30 June 2019, AASB 117 Leases (AASB 117) distinguished between finance leases that effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

Property, plant and equipment acquired under finance leases are depreciated over the asset's useful life. However, if there is no reasonable certainty that the lessee entity will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets) is not explicitly specified in an arrangement.

Until 30 June 2019, a lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to the entity was classified as a finance lease.

Where a non-current asset was acquired by means of a finance lease at the commencement of the lease, the asset was recognised at its fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability was established at the same amount. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognised in finance costs in the statement of comprehensive income.

Property, plant and equipment acquired under finance leases depreciated over the useful life of the asset. However, if there is no reasonable certainty that the entity will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments were recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

Impairment Losses for Right-of-Use Assets

The COVID-19 outbreak occurring throughout the current financial year had an unprecedented effect on the NSW and global economies. COVID-19 significantly impacted the market rent for the DCS accommodation leases and therefore the value of some right-of-use assets in the Statement of Financial Position.

The entity has therefore undertaken an impairment assessment for the above right-of-use assets, to determine whether the carrying amount exceeded their recoverable amount. Impacted right-of-use assets were written down to their recoverable amounts by reference to the right-of-use asset's fair value less costs of disposal and an impairment loss is recognised.

The entity recognised impairment losses for right-of-use assets during the current financial year of \$53.3 million (2019: Nil). Impairment losses for right-of-use assets are included in *Other Gains/(Losses)* in the Statement of Comprehensive Income, Note 4(b).

The right-of-use assets for which an impairment loss has been recognised during the financial year are as follows:

- DCS accommodation leases right-of-use asset were impaired due to the significant decline in market rent. It has been written down to its recoverable amount of \$498.5 million, which is determined by reference to its fair value less costs of disposal. The impairment loss recognised during the financial year is \$53.3 million.

The discount rate ranges employed in present value technique computations of recoverable amounts is summarised in the below table:

Recoverable Amount	Current Measurement Discount Rates	Previous Measurement Discount Rates
Fair Value Less Cost of Disposal (Discounted Cash Flow Technique)	Average annual discount rate 1.8%	NA – Recoverable amount calculated for the first time under current rates

13. INTANGIBLE ASSETS

	Software \$'000	Work in progress \$'000	Total \$'000
1 July 2019			
Cost (gross carrying amount)	400,395	33,022	433,417
Accumulated amortisation and impairment	(316,854)	-	(316,854)
Net carrying amount	83,541	33,022	116,563
30 June 2020			
Cost (gross carrying amount)	401,035	16,173	417,208
Accumulated amortisation and impairment	(328,200)	-	(328,200)
Net carrying amount	72,835	16,173	89,008

Reconciliation

A reconciliation of the cost of each class of intangible assets at the beginning and end of the current and previous reporting period is set out below:

	Software \$'000	Work in Progress \$'000	Total \$'000
Year ended 30 June 2020			
Net carrying amount at beginning of year	83,541	33,022	116,563
Transfer to/from WIP	9,619	(2,088)	7,531
Additions – Internally generated	12,845	1,539	14,384
Additions – Externally acquired	-	1,575	1,575
Disposals	(247)	(57)	(304)
Write-offs	(672)	(69)	(741)
Impairment losses	-	-	-
Assets transferred in/(out) to other agencies	9,849	(17,973)	(8,124)
Transfers to/from administrative restructure	13,951	918	14,869
Reclassification	694	(694)	-
Amortisation (recognised in depreciation and amortisation)	(56,745)	-	(56,745)
Net carrying amount at end of year	72,835	16,173	89,008

	Software \$'000
1 July 2018	
Cost (gross carrying amount)	477,484
Accumulated amortisation and impairment	<u>(327,663)</u>
Net carrying amount	149,821
30 June 2019	
Cost (gross carrying amount)	432,594
Accumulated amortisation and impairment	<u>(316,031)</u>
Net carrying amount	116,563

Reconciliation

A reconciliation of the cost of each class of intangible assets at the beginning and end of the current and previous reporting period is set out below:

	Software \$'000
Year ended 30 June 2019	
Net carrying amount at beginning of year	149,821
Work in progress (WIP) - net	(2,426)
Additions (transferred from WIP)	35,205
Additions – Internally generated	15,096
Additions – Externally acquired	4,286
Acquisitions through administrative restructure	1,815
Disposals	(5,010)
Write-offs	-
Impairment losses	(3)
Assets transferred out to other agencies	(6)
Reclassification	(6,603)
Amortisation (recognised in depreciation and amortisation)	<u>(75,612)</u>
Net carrying amount at end of year	116,563

The net carrying amount of Service Concession intangible assets at 30 June 2020 is \$7.36 million (30 June 2019: \$6.75 million).

Recognition and Measurement

DCS recognises intangible assets only if it is probable that future economic benefits will flow to DCS and if the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for DCS's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

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

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

DCS's intangible assets (computer software) are amortised using the straight-line method within a period of 4 years. 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. As a result of this review, the useful lives were revised from previous year. The financial impact to this change has been quantified in note 2(c).

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

14. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

Fair Value Measurement and Hierarchy

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

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

- Level 1 – quoted (unadjusted) prices in active markets for identical assets / liabilities that DCS can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

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

(c) Fair value hierarchy

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2020				
Land	-	25,446	-	25,446
Buildings	-	8,169	-	8,169
Net carrying amount	-	33,615	-	33,615
30 June 2019				
Land	-	34,411	-	34,411
Buildings	-	10,487	-	10,487
Non-current assets held for sale	-	25,551	-	25,551
Net carrying amount	-	70,449	-	70,449

There were no transfers between Level 1 or 2 during the year (2019: Nil).

(d) Valuation techniques, inputs and processes used to determine Level 2 and Level 3 Fair Values

DCS obtains independent valuations for its land and buildings every three years. The last revaluation was completed on 31 March 2019.

At the end of each reporting period, DCS updates its assessment of the fair value of its land and buildings, taking into account the most recent independent valuation.

The fair value of DCS's land, buildings and assets held for sale is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where such information is not available, the asset's fair value is measured at the market buying price, the best indicator of which is depreciated replacement cost. The level 2 fair value of land and buildings has been derived using the market approach. The key inputs under this approach are from the sales of comparable land and buildings in the area.

15. **CURRENT LIABILITIES - PAYABLES**

	2020	2019
	\$'000	\$'000
Accrued salaries, wages and on-costs	11,527	6,859
Creditors	114,096	162,744
Advance claims	2,660	40,579
Amounts due to contractors for work in progress	-	2,322
Unearned income	41,436	43,755
Other	3,811	20,783
	173,530	277,042

Refer Note 32 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Recognition and Measurement

Payables represent liabilities for goods and services provided to DCS and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially recognised at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

16. **CURRENT / NON-CURRENT LIABILITIES - BORROWINGS**

	2020	2019
	\$'000	\$'000
Current Liabilities		
TCorp borrowings *	31,973	83,790
Lease liability	53,725	-
	85,698	83,790
Non-Current Liabilities		
TCorp borrowings *	-	14,193
Lease liability	557,601	-
	557,601	14,193
Total Borrowings	643,299	97,983

* These are other related party transactions in addition to those disclosed in Note 27 Other Related Party Transactions.

TCorp borrowings

DCS has a loan facility with TCorp (a related party) with a limit of \$650 million (30 June 2019: \$650 million) to fund the StateFleet Leasing Arrangement. Each month funds are drawn from this facility to cover the purchase price of motor vehicles purchased during the previous month. Monthly settlement of principal and interest are made in respect of loan funds drawn down in prior months based on repayment schedules calculated according to individual vehicle lease terms, residuals and capital costs. The monthly settlement also includes repayment of outstanding principal for vehicles disposed of during the preceding month. Borrowings are recognised at amortised cost using the effective interest method in *AASB 9 Financial Instruments*.

On 1 July 2016, StateFleet was decommissioned and replaced with a new fleet supply model. The new model consists of a panel of private sector fleet management providers and a separate panel of lessors. Since the decommissioning of StateFleet, the new panel of lessors provide the capital funding to purchase new vehicles for each agency. The existing government owned fleet is being retained and, as the leases underpinning the motor vehicles expire over a five-year period, the fleet is being sold down over that time. Accordingly, the TCorp borrowings will decline as the motor vehicle fleet is run down. Out of this facility, \$32.0 million was utilised as at 30 June 2020 (30 June 2019: \$98.0 million).

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 32.

DCS has not designated financial liabilities at fair value through profit or loss.

Lease liabilities

	Lease liabilities \$'000
Balance at 1 July 2019	-
Recognition of lease liabilities on initial application of AASB 16	304,766
Additions	362,756
Lease interest	8,924
Repayment	(59,827)
Other adjustments	(5,293)
Balance at 30 June 2020	611,326

Finance lease liabilities are determined in accordance with AASB 117 until 30 June 2019. From 1 July 2019, lease liabilities are determined in accordance with AASB 16.

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

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

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

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

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

DCS's lease liabilities are included in borrowings. Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the entity and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, being the premium received. Subsequent to initial recognition, DCS's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation, and an expected credit loss provision.

DCS has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2020 and as at 30 June 2019. However, refer to Note 23 regarding disclosures on contingent liabilities.

Recognition and Measurement

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

Changes in liabilities arising from financing activities

	TCorp borrowings \$'000	Leases \$'000	Total liabilities from financing activities \$'000
1 July 2018	209,542	-	209,542
Cash flows	(107,559)	-	(107,559)
Other movements	(4,000)	-	(4,000)
30 June 2019	97,983	-	97,983
Recognised on adoption of AASB 16	-	667,522	667,522
Cash flows - repayment	(66,010)	(59,827)	(125,837)
Other movements	-	3,631	3,631
30 June 2020	31,973	611,326	643,299

17. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

	2020 \$'000	2019 \$'000
Current		
Employee related Provisions		
Employee benefits and related on-costs		
Annual leave	48,101	42,973
Long service leave ⁽ⁱ⁾	7,336	2,196
Other on-costs	37,199	37,280
	92,636	82,449
Other Provisions		
Provision for outstanding claims	27,817	29,742
Make good provisions	3,513	3,692
Other	14,520	4,665
	45,850	38,099
Total Current Provisions	138,486	120,548
Non-Current		
Employee related Provisions		
Defined Benefit Super Schemes (Note 20)	7,905	10,442
Long service leave ⁽ⁱ⁾	382	58
	8,287	10,500
Other Provisions		
Provision for outstanding claims	3,443	-
Make good provisions	13,938	9,897
Other	3,001	4,500
	20,382	14,397
Total Non-Current Provisions	28,669	24,897
Total Provisions	167,155	145,445

(i) In May 2019 the Treasurer approved \$34.3million, nominal value, of DCS employee liabilities to be transferred to the Crown, effective 30 April 2019. The Present value of the liabilities transferring to Treasury is equal to \$51.7 million.

	2020	2019
	\$'000	\$'000
Aggregate employee benefits and related on-costs		
Provisions	100,923	92,949
Accrued salaries, wages and on-costs (Note 15)	11,527	6,859
	112,450	99,808

Provisions expected to be settled within 12 months from reporting date

Defined Benefit Super Schemes	-	-
Annual leave	42,446	40,377
Long service leave	790	210
Other on-costs	11,962	10,934
Provision for outstanding claims	18,054	29,742
Make good provisions	352	3,692
Other	12,307	4,665
	85,911	89,620

Provisions expected to be settled in more than 12 months from reporting date

Defined Benefit Super Schemes	7,905	10,442
Annual leave	5,655	2,596
Long service leave	6,928	1,986
Other on-costs	25,237	26,346
Provision for outstanding claims	13,206	-
Make good provisions	17,099	9,897
Other	5,214	4,500
	81,244	55,767

2020
\$'000

Movements in provisions (other than employee benefits)

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

Provision for outstanding claims

Carrying amount as at beginning of year	29,742
Administrative transfer in (Note 21)	826
Increase/(decrease) in provision from remeasurement	692
Carrying amount at end of year	31,260

Make good provisions

Carrying amount as at beginning of year	13,589
Administrative transfer in (Note 21)	690
Increase/(decrease) in provision from remeasurement	1,625
Transfer to other agencies	1,547
Carrying amount at end of year	17,451

Other provisions

Carrying amount as at beginning of year	12,333
Increase/(decrease) in provision from remeasurement	9,853
Utilisation	(4,665)
Carrying amount at end of year	17,521

Recognition and Measurement

Employee Benefits and related on-costs

Salaries and Wages, annual Leave and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with *AASB 119 Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. DCS has assessed the actuarial advice based on the DCS's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where DCS does not expect to settle the liability within 12 months, as DCS does not have an unconditional right to defer settlement.

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

Long Service Leave and Superannuation

Long service leave is measured at present value of expected future payments to be made in respect of services provided up to the reporting date, in accordance with *AASB 119 Employee Benefits*. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of services (specified in NSWTC 18/13) to employees with five or more years of service, using current rates of pay. Expected future payments are discounted using Commonwealth government bond rate at the reporting date. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Long Service Leave and Superannuation Liabilities Assumed by the Crown Entity

DCS's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity, except for Long Service Corporation, and NSW Registry of Births, Deaths and Marriages.

DCS accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long Service Leave Funded by DCS

Long service leave for the commercial activities of DCS are funded by DCS and are not assumed by the Crown Entity.

Consequential On-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

Provision for outstanding claims

A provision is made for subsidence compensation claims when a decision has been made by the Board (or delegate) to accept liability for a claim. The amount is based on repair estimates provided by DCS's technical or engineering staff or experts in that area of work.

A provision is made for subsidence preventative works when a decision is made by the Board (or delegate) to accept liability for carrying out mitigation works to reduce the total prospective liability to DCS. The amount is based on estimates provided by DCS's technical or engineering staff or experts in that area of work.

Other Provisions

Other provisions consist of Grants to Club Grants Category 3, Grants to Greyhound Capital Grants and Australian Nuclear Science and Technology Organisation (ANSTO). Grants to Club Grants Category 3 consist of grants to community organisation for infrastructure projects while Greyhound Racing Capital Grants is a Government commitment as part of the NSW Government greyhound racing reforms. The purpose of the Grants Program is to assist GRNSW (not a Government agency) and its clubs improve animal welfare by upgrading greyhound racing facilities across NSW to reduce injury rates for racing dogs. Grants Program

funding is protected and publicly committed by the Government solely for this purpose. ANSTO is a NSW Government Election Commitment that DCS were asked to support and fund. The policy proposed a \$12.5 million grant over five years to the ANSTO paid progressively from 2018-19.

Provisions are recognised when DCS has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When DCS expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when an agency has a detailed formal plan and DCS has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

The impact of time value of money in the measurement of other provisions is considered immaterial.

18. SERVICE CONCESSION LIABILITIES

	2020 \$'000	2019 \$'000
Current		
Deferred Revenue – Service Concession	77,412	77,308
Non-Current		
Deferred Revenue – Service Concession	2,401,448	2,473,849

Recognition and Measurement

Service Concession Arrangement

On 12 April 2017, the State entered into a 35 year concession with the private sector to facilitate the provision of land titling and registry services. Under the concession, the State received an up-front contribution of \$2,622 million, which was repatriated to the Restart NSW Fund, and transferred employee liabilities to the private sector operator.

ICT and other assets necessary to operate the concession have legally transferred to the private sector operator and legal ownership of these assets reverts to the State at the end of the concession. The State continues to own all existing and underlying data, information and intellectual property related to titling and registry services and provides access to these assets to the operator.

The concession is classified as a service concession arrangement. As the grantor of the service concession, DCS recognises the up-front contribution provided by the operator as revenue progressively over the concession term. Assets legally transferred to the operator are treated as controlled for accounting purposes by DCS and recorded at their carrying values immediately prior to the concession commencement. Asset additions and disposals, recognised by the operator, following concession commencement, are recognised by DCS as assets and deferred revenue liability, over the remaining concession period. These service concession assets are depreciated or amortised over their useful lives.

19. CURRENT / NON-CURRENT LIABILITIES – OTHER LIABILITIES

	2020 \$'000	2019 \$'000
Current		
Contribution to Crown Entity	14,357	41,840
Lease incentive liability	-	2,608
Liability for lapsed appropriations drawn down	72,429	-
Torrens Assurance Fund and Ad Valorem Levy	14,972	12,860
Other liabilities	7	283
	101,765	57,591
Non-Current		
Lease incentive liability	-	40
	-	40

20. DEFINED BENEFIT SUPERANNUATION SCHEMES

Following changes to Administrative Arrangements of Government, effective 1 January 2018, DCS is responsible for superannuation payments of the staff that perform the functions of the Long Service Corporation.

An actuarial investigation of the Defined Benefits Superannuation is performed every three years, the most recent being performed as at 30 June 2018.

Following is the superannuation position of Long Service Corporation's defined benefits superannuation based on AASB 119:

30 June 2020	SASS	SANCS	SSS	TOTAL
Member Numbers				
Contributors	-	-	-	-
Deferred benefits	-	-	2	2
Pensioners	-	-	16	16
Pensions fully commuted	-	-	6	6
Superannuation Position for AASB 119 purposes	-	-	-	-
Accrued liability (Note 1)	(216)	(42)	22,425	22,167
Estimated reserve account balance	(1,222)	(239)	(14,520)	(15,981)
1. Deficit/(surplus)	(1,438)	(281)	7,905	6,186
2. Future Service Liability (Note 2)	-	-	-	-
3. Surplus in excess of recovery available from schemes (- 1. - 2. and subject to a minimum of zero)	-	-	-	-
4. Net (asset)/liability to be recognised in statement of financial position (1. + 3.)	(1,438)	(281)	7,905	6,186

30 June 2019	SASS	SANCS	SSS	TOTAL
Member Numbers				
Contributors	3	5	2	10
Deferred benefits	-	-	2	2
Pensioners	-	-	16	16
Pensions fully commuted	-	-	6	6
Superannuation Position for AASB 119 purposes	\$'000	\$'000	\$'000	\$'000
Accrued liability (Note 1)	2,043	414	26,388	28,845
Estimated reserve account balance	(2,949)	(598)	(15,946)	(19,493)
1. Deficit/(surplus)	(906)	(184)	10,442	9,352
2. Future Service Liability (Note 2)	183	54	59	296
3. Surplus in excess of recovery available from schemes (- 1. - 2. and subject to a minimum of zero)	-	-	-	-
4. Net (asset)/liability to be recognised in statement of financial position (1. + 3.)	(906)	(184)	10,442	9,352

Note 1: The accrued liability includes a contribution tax provision. This is calculated based on grossing up the deficit/(surplus) less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%.

Note 2: The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119 para 64). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the “surplus in excess of recovery” is zero, no asset ceiling limit is imposed. (Note: this also includes a contribution tax provision).

Nature of the benefits provided by the fund – Para 139(a)(i)

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the Schemes are closed to new members.

Description of the regulatory framework - Para 139(a)(ii)

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *Police Regulation (Superannuation) Act 1906*, *State Authorities Non-Contributory Superannuation Act 1987*, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the *Commonwealth Superannuation Industry (Supervision) Act 1993* (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth’s retirement incomes policy relating to preservation, vesting and reporting to members and that members’ benefits are adequately protected. The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board’s adherence to the principles of the Commonwealth’s retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2018. The next actuarial investigation will be performed as at 30 June 2021.

Description of other entities' responsibilities for the governance of the fund - Para 139(a)(iii)

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Description of risks - Para 139(b)

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- Investment risk - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- Longevity risk – The risk that pensioners live longer than assumed, increasing future pensions.
- Pension indexation risk – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit Fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Description of significant events - Para 139(c)

There were no fund amendments, curtailments or settlements during the year.

Reconciliation of the Net Defined Benefit Liability/(Asset) - Para 140(a)

Financial Year to 30 June 2020	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Net Defined Benefit Liability/ (Asset) at beginning of year	(907)	(183)	10,442	9,352
Current service cost	70	15	48	133
Net Interest on the net defined benefit liability/(asset)	(12)	(2)	137	123
Past service cost	-	-	-	-
(Gains)/losses arising from settlements	-	-	-	-
Actual return on Fund assets less Interest income	(50)	(12)	(160)	(222)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	-	-	161	161
Actuarial (gains)/losses arising from liability experience	(491)	(91)	(2,690)	(3,272)
Adjustment for effect of asset ceiling	-	-	-	-
Employer contributions	(48)	(8)	(33)	(89)
Effects of transfers in/out due to business combinations and disposals	-	-	-	-
Net Defined Benefit Liability/(Asset) at end of year	(1,438)	(281)	7,905	6,186

Financial Year to 30 June 2019	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Net Defined Benefit Liability/ (Asset) at beginning of year	(1,167)	(253)	6,759	5,339
Current service cost	67	17	45	129
Net Interest on the net defined benefit liability/(asset)	(32)	(7)	178	139
Past service cost	-	-	-	-
(Gains)/losses arising from settlements	-	-	-	-
Actual return on Fund assets less Interest income	(159)	(34)	(837)	(1,030)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	75	19	4,489	4,583
Actuarial (gains)/losses arising from liability experience	395	88	(140)	343
Adjustment for effect of asset ceiling	-	-	-	-
Employer contributions	(85)	(14)	(52)	(151)
Effects of transfers in/out due to business combinations and disposals	-	-	-	-
Net Defined Benefit Liability/(Asset) at end of year	(906)	(184)	10,442	9,352

Reconciliation of the Fair Value of Fund Assets – Para 140(a)(i)

Financial Year to 30 June 2020	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Fair value of Fund assets at beginning of year	2,949	598	15,946	19,493
Interest income	37	7	204	248
Actual return on Fund assets less Interest income	50	12	160	222
Employer contributions	48	8	33	89
Contributions by participants	24	-	15	39
Benefits paid	(1,874)	(374)	(1,861)	(4,109)
Taxes, premiums & expenses paid	(11)	(12)	22	(1)
Transfers in/out due to business combinations and disposals	-	-	-	-
Contributions to accumulation section	-	-	-	-
Settlements	-	-	-	-
Exchange rate changes	-	-	-	-
Fair value of Fund assets at end of year	1,223	239	14,519	15,981

Financial Year to 30 June 2019	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<i>Fair value of Fund assets at beginning of year</i>	2,933	685	15,293	18,911
Interest income	75	17	395	487
Actual return on Fund assets less Interest income	159	34	837	1,030
Employer contributions	85	14	52	151
Contributions by participants	26	-	30	56
Benefits paid	(314)	(152)	(733)	(1,199)
Taxes, premiums & expenses paid	(15)	0	72	57
Transfers in/out due to business combinations and disposals	-	-	-	-
Contributions to accumulation section	-	-	-	-
Settlements	-	-	-	-
Exchange rate changes	-	-	-	-
<i>Fair value of Fund assets at end of year</i>	2,949	598	15,946	19,493

Reconciliation of the Defined Benefit Obligation – Para 140(a)(ii)

Financial Year to 30 June 2020	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<i>Present value of defined benefit obligations at beginning of year</i>	2,043	414	26,387	28,844
Current service cost	70	15	48	133
Interest cost	25	4	343	372
Contributions by participants	24	-	15	39
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	-	-	161	161
Actuarial (gains)/losses arising from liability experience	(491)	(91)	(2,690)	(3,272)
Benefits paid	(1,876)	(373)	(1,861)	(4,110)
Taxes, premiums & expenses paid	(11)	(11)	22	-
Transfers in/out due to business combinations and disposals	-	-	-	-
Contributions to accumulation section	-	-	-	-
Past service cost	-	-	-	-
Settlements	-	-	-	-
Exchange rate changes	-	-	-	-
<i>Present value of defined benefit obligations at end of year</i>	(216)	(42)	22,425	22,167

Financial Year to 30 June 2019	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<i>Present value of defined benefit obligations at beginning of year</i>	1,766	432	22,052	24,250
Current service cost	67	17	45	129
Interest cost	43	10	573	626
Contributions by participants	26	0	30	56
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	75	19	4,489	4,583
Actuarial (gains)/losses arising from liability experience	395	88	(140)	343
Benefits paid	(314)	(152)	(733)	(1,199)
Taxes, premiums & expenses paid	(15)	0	71	56
Transfers in/out due to business combinations and disposals	-	-	-	-
Contributions to accumulation section	-	-	-	-
Past service cost	-	-	-	-
Settlements	-	-	-	-
Exchange rate changes	-	-	-	-
<i>Present value of defined benefit obligations at end of year</i>	2,043	414	26,387	28,844

Reconciliation of the effect of the Asset Ceiling - Para 140(a)(iii)

Financial Year to 30 June 2020	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<i>Adjustment for effect of asset ceiling at beginning of year</i>	-	-	-	-
Interest on the effect of asset ceiling	-	-	-	-
Change in the effect of asset ceiling	-	-	-	-
<i>Adjustment for effect of asset ceiling at end of year</i>	-	-	-	-

Financial Year to 30 June 2019	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<i>Adjustment for effect of asset ceiling at beginning of year</i>	-	-	-	-
Interest on the effect of asset ceiling	-	-	-	-
Change in the effect of asset ceiling	-	-	-	-
<i>Adjustment for effect of asset ceiling at end of year</i>	-	-	-	-

The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to DCS in the form of reductions in future employer contributions.

Fair value of Fund assets - Para 142

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

Asset category	Total \$'000	Quoted prices in active markets for identical assets	Significant observable inputs	Unobservable inputs
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
As at 30 June 2020				
Short Term Securities	4,097	1,890	2,207	-
Australian Fixed Interest	1,067	-	1,067	-
International Fixed Interest	1,909	30	1,879	-
Australian Equities	7,294	6,902	392	-
International Equities	11,950	11,487	463	-
Property	3,353	645	16	2,692
Alternatives	10,522	23	4,337	6,162
Total	40,192	20,977	10,361	8,854

Asset category	Total \$'000	Quoted prices in active markets for identical assets	Significant observable inputs	Unobservable inputs
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
As at 30 June 2019				
Short Term Securities	4,043	2,136	1,907	-
Australian Fixed Interest	2,295	5	2,290	-
International Fixed Interest	1,968	7	1,952	9
Australian Equities	8,369	7,818	548	3
International Equities	11,387	8,795	2,592	-
Property	3,589	699	717	2,173
Alternatives	10,558	327	5,758	4,473
Total	42,209	19,787	15,764	6,658

The percentage invested in each asset class at the reporting date is:

As at	30 June 2020	30 June 2019
Short Term Securities	10.2%	9.6%
Australian Fixed Interest	2.7%	5.4%
International Fixed Interest	4.8%	4.7%
Australian Equities	18.1%	19.8%
International Equities	29.7%	27.0%
Property	8.3%	8.5%
Alternatives	26.2%	25.0%
Total	100.0%	100.0%

- Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.
- Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.

- Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such, managers make limited use of derivatives.

Fair value of entity's own financial instruments - Para 143

The disclosures below relate to total assets of the Pooled Fund.

The fair value of the Pooled Fund assets as at 30 June 2020 includes \$36.9 million (30 June 2019: \$99.5 million) in NSW government bonds.

Of the direct properties owned by the Pooled Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Pooled Fund with a fair value of \$340 million (30 June 2019: \$316 million).
- Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value (100% interest) of \$343 million (30 June 2019: \$331 million).

Significant Actuarial Assumptions at the Reporting Date - Para 144

As at	30 June 2020
Discount rate	0.87% pa
Salary increase rate (excluding promotional increases)	3.2% pa
Rate of CPI increase	1.00% for 2019/20; 0.25% for 2020/21; 1.50% for 2021/22; 1.25% for 2022/23; 1.75% for 2023/24; 2.00% for 2024/25 and 2025/26; 2.25% pa to 2029/30; 2.50% pa thereafter.
Pensioner mortality	The pensioner mortality assumptions are as per the 2018 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.
As at	30 June 2019
Discount rate	1.32% pa
Salary increase rate (excluding promotional increases)	3.2% pa
Rate of CPI increase	1.75% for 2018/19 and 2019/20, 2.00% for 2020/21; 2.25% for 2021/22 and 2022/23; 2.50% pa thereafter.
Pensioner mortality	The pensioner mortality assumptions are as per the 2018 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

Sensitivity Analysis - Para 145

DCS's total defined benefit obligation as at 30 June 2020 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2020.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

	Base Case	Scenario A -0.5% discount rate	Scenario B +0.5% discount rate
Discount rate	as above	as above -0.5% pa	as above +0.5% pa
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	22,167	24,013	20,507

	Base Case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above + 0.5% pa	as above - 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	22,167	24,011	20,491

	Base Case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above + 0.5% pa	as above - 0.5% pa
Defined benefit obligation (\$'000)	22,167	22,167	22,167

	Base Case	Scenario G Lower Mortality*	Scenario H Higher Mortality**
Defined benefit obligation (\$'000)	22,167	22,612	21,850

*Assumes the short term pensioner mortality improvement factors for years 2020-2023 also apply for years after 2023.

**Assumes the long term pensioner mortality improvement factors for years post 2023 also apply for the years 2020 to 2023.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability matching strategies - Para 146

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Funding arrangements - Para 147(a)

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

Surplus/deficit

The following is a summary of the financial position of the Fund calculated in accordance with AASB 1056 Accounting Standard "Superannuation Entities":

	SASS	SANCS	SSS	Total
30 June 2020	\$'000	\$'000	\$'000	\$'000
Accrued benefits*	-	-	10,967	10,967
Net market value of Fund assets	(1,222)	(239)	(14,519)	(15,980)
<i>Net (surplus)/deficit</i>	<i>(1,222)</i>	<i>(239)</i>	<i>(3,552)</i>	<i>(5,013)</i>

30 June 2019				
Accrued benefits*	1,963	381	12,205	14,549
Net market value of Fund assets	(2,949)	(597)	(15,945)	(19,491)
<i>Net (surplus)/deficit</i>	<i>(986)</i>	<i>(216)</i>	<i>(3,740)</i>	<i>(4,942)</i>

*There is no allowance for a contribution tax provision within the Accrued Benefits figure for AASB 1056. Allowance for contributions tax is made when setting the contribution rates.

Contribution recommendations

	SASS	SANCS	SSS
	Multiple of	% of Member	Multiple of
	Member	Salary	Member
	Contributions		Contributions
Recommended contribution rates for DCS are	-	-	-

Economic assumptions

The economic assumptions adopted for 30 June 2020 AASB 1056 Accounting Standard "Superannuation Entities" are:

Weighted-Average Assumptions	30 June 2020	30 June 2019
Expected rate of return on Fund assets backing current pension liabilities	7.0% pa	7.4% pa
Expected rate of return on Fund assets backing other liabilities	6.0% pa	6.4% pa
Expected salary increase rate (excluding promotional salary increases)	3.2% pa	3.2% pa
Expected rate of CPI increase	2.0% pa	2.2% pa

Expected contributions - Para 147(b)

Financial Year to 30 June 2021	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000
Expected employer contributions	-	-	-	-

Maturity profile of defined benefit obligation - Para 147(c)

The weighted average duration of the defined benefit obligation is 12.8 years.

**Appendix 3
Additional Information**

Profit or Loss Impact

Financial Year to 30 June 2020	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Current service cost	70	15	48	133
Net interest	(12)	(2)	137	123
Past service cost	-	-	-	-
(Gains)/Loss on settlement	-	-	-	-
<i>Profit or loss component of the Defined Benefit Cost</i>	58	13	185	256

Financial Year to 30 June 2019	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Current service cost	67	17	45	129
Net interest	(32)	(6)	178	140
Past service cost	-	-	-	-
(Gains)/Loss on settlement	-	-	-	-
<i>Profit or loss component of the Defined Benefit Cost</i>	35	11	223	269

Other Comprehensive Income

Financial Year to 30 June 2020	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Actuarial (gains) losses on liabilities	(491)	(91)	(2,529)	(3,111)
Actual return on Fund assets less Interest income	(50)	(12)	(160)	(222)
Change in the effect of asset ceiling	-	-	-	-
<i>Total remeasurement in Other Comprehensive Income</i>	(541)	(103)	(2,689)	(3,333)

Financial Year to 30 June 2019	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Actuarial (gains) losses on liabilities	470	107	4,349	4,926
Actual return on Fund assets less Interest income	(159)	(34)	(837)	(1,030)
Change in the effect of asset ceiling	-	-	-	-
<i>Total remeasurement in Other Comprehensive Income</i>	311	73	3,512	3,896

In light of the current environment due to Covid-19, there is increased volatility in terms of expected outcomes especially in the short to medium term. The information on sensitivities for Paragraph 145 provides a guide to how this could affect the defined benefit obligation.

For AASB 1056, separate sensitivities are not included. However, we note that the assumptions for CPI, Salary and demographics are broadly the same under both reporting standards. While the underlying liability amounts for AASB 1056 are lower than for AASB 119, the sensitivity of results under AASB 119 gives an indication to the directional and proportional impact of the changes in these assumptions.

The one assumption that differs substantially under the two standards is the expected rate of return on the fund assets (discount rate). Due to this variation and the potential for material variation in the rate of return on fund assets in current financial conditions, we have shown sensitivities to this assumption for the AASB 1056 results in Table 1 below (results for 2019 shown for comparative purposes).

Table 1
AASB 1056 Accounting Standard “Superannuation Entities”

Scenarios A and B relate to sensitivity of the Total Accrued Benefits figure shown in the AASB 1056 results.

30 June 2020	Base Case	Scenario A -0.5% discount rate	Scenario B +0.5% discount rate
Expected rate of return on Fund assets backing current pension liabilities (discount rate)	7.0% pa	6.5% pa	7.5% pa
Expected rate of return on Fund assets backing other liabilities (discount rate)	6.0% pa	5.5% pa	6.5% pa
Rate of CPI increase	2.0% pa	as base case	as base case
Salary inflation rate	3.2% pa	as base case	as base case
Accrued benefits (\$'000)	10,967	11,444	10,525

30 June 2019	Base Case	Scenario A -0.5% discount rate	Scenario B +0.5% discount rate
Expected rate of return on Fund assets backing current pension liabilities (discount rate)	7.4% pa	6.9% pa	7.9% pa
Expected rate of return on Fund assets backing other liabilities (discount rate)	6.4% pa	5.9% pa	6.9% pa
Rate of CPI increase	2.2% pa	as base case	as base case
Salary inflation rate	3.2% pa	as base case	as base case
Accrued benefits (\$'000)	14,550	15,093	14,047

21. EQUITY MOVEMENTS AND RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS

Background

The existence of the Department of Customer Service (“DCS”) is a result of the *Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2019* (“the Order”) which came into effect in the current financial year.

This Order commenced 1 July 2019 and abolished the Department of Finance, Services and Innovation (“DFSI”) with effect from 1 July 2019 and established the Department of Customer Service on the same day with all persons employed in DFSI transferred to DCS with the exception of a few divisions/programs. The Order also includes several new entities transferred to DCS from other parts of the NSW government.

The new entity, known as DCS, effectively comprises all the divisions/ program groups from the previous DFSI with the exception of the below mentioned.

The below divisions/program group which were included DFSI and now excluded from DCS:

- a) NSW Procurement transferred to The Treasury;
- b) NSW Public Works Advisory, Manly Hydraulics, and Heritage Stoneworks transferred to Department of Planning, Industry and Environment; and
- c) Valuation Services, Office of the Valuer General transferred to Department of Planning, Industry and Environment.

In addition to the above, divisions/ functions which were not included in DFSI but which were transferred into DCS from other parts of the NSW government are as follows:

- d) The Data Analytics Centre transferred from The Treasury Cluster, Office of the Customer Service Commissioner, the Behavioural Insights Unit, the Government Communications Branch, and those persons employed in the Digital, Content and Sponsorships Branch who are principally involved in administering the nsw.gov.au website transferred from Department of Premier and Cabinet;
- e) The NSW Registry of Births, Deaths and Marriages transferred from the Department of Justice; and
- f) Liquor & Gaming NSW, and its associated entities transferred from the Department of Industry.

Comparatives on the face of the financial statements

The comparatives on the face of the financial statements are the audited balances of DFSI as at 30 June 2019.

Additional disclosure for notional financial statements in accordance to TPP 09-03

Due to the above administrative changes mentioned above, additional disclosures below have been made in accordance with Treasury Policy Paper 09-03 to include notional Statement of Financial Position and Statement of Comprehensive Income for the comparative financial year. This involves the restating the comparative figures of the audited balance of DFSI for the year ended 30 June 2019 and adjusting the balances by including the the relevant divisions/functions due to the above administrative changes.

DCS has determined that the Statement of Changes in Equity reflects a true and fair view and all administrative changes has been clearly disclosed separately, as such a notional Statement of Changes in Equity is not necessary.

A notional Statement of Cashflows for the comparative year has not been produced because DCS has determined that it is not practicable to simulate the 30 June 2018 financial statements based on the administrative changes in order to calculate the restated cashflows for the financial year ended 30 June 2019. As such, our disclosure does not include the notional Cashflow statement.

The following disclosures relate to the net increase/decrease in net assets from equity transfer as a result of (a) to (f) above as at 1 July 2019:

Statement of Financial Position 1 July 2019	NSW Procurement (a) \$'000	NSW Public Works Advisory, including Manly Hydraulics, and Heritage Stoneworks (b) \$'000	Valuation Services and Office of the Valuer General (c) \$'000	Data Analytics Centre, Office of the Customer Service Commissioner, Behavioural Insights Unit and Government Communications Branch (d) \$'000	NSW Registry of Births, Deaths and Marriages (e) \$'000	Liquor & Gaming NSW (f) \$'000	Total \$'000
Current Assets							
Cash and cash equivalents	-	(25,672)	-	-	1,235	877	(23,560)
Receivables	-	(62,721)	(3,390)	-	543	7,703	(57,865)
Other current assets	-	-	-	45	4,445	-	4,490
Total Current Assets	-	(88,393)	(3,390)	45	6,223	8,580	(76,935)
Non Current Assets							
Inventories	-	(6,098)	-	-	-	-	(6,098)
Property, plant and equipment	-	(32,633)	(13)	215	16,481	866	(15,084)
Intangible assets	-	-	(1,538)	504	10,503	5,400	14,869
Other non current assets	-	-	-	-	327	-	327
Total Non Current Assets	-	(38,731)	(1,551)	719	27,311	6,266	(5,986)
TOTAL ASSETS	-	(127,124)	(4,941)	764	33,534	14,846	(82,921)
Current Liabilities							
Payables	1,442	93,834	9,920	(5)	(438)	(21,775)	82,978
Provisions	461	6,901	2,048	(664)	(6,567)	(3,752)	(1,573)
Other	146	-	-	-	-	-	146
Total Current Liabilities	2,049	100,735	11,968	(669)	(7,005)	(25,527)	81,551
Non Current Liabilities							
Provisions	-	-	451	(5)	(439)	(691)	(684)
Other	-	90	-	-	-	-	90
Total Non Current Liabilities	-	90	451	(5)	(439)	(691)	(594)
TOTAL LIABILITIES	2,049	100,825	12,419	(674)	(7,444)	(26,218)	80,957
Increase/ (Decrease) in Net Assets from Equity Transfer	2,049	(26,299)	7,478	90	26,090	(11,372)	(1,964)

Comparative figures as at 30 June 2019 including the Order changes in the current financial year

	Actual 2020 \$'000	Actual (Restated)* 2019 \$'000
Expenses excluding losses		
Employee related	656,044	677,384
Operating expenses	307,250	424,935
Depreciation and amortisation	126,476	135,565
Grants and subsidies	486,440	608,503
Finance costs	12,810	9,383
Book value of motor vehicles sold	47,085	60,578
Other expenses	5,145	6,905
Total Expenses excluding losses	1,641,250	1,923,253
Revenue		
Appropriations	860,778	1,009,010
(Transfers to the Crown Entity)	(23,913)	(44,370)
Sale of goods and services	-	276,361
Sale of goods and services from customers	209,057	-
Personnel services revenue	92,079	157,599
Investment revenue	4,446	11,550
Retained taxes, fees and fines	101,828	115,114
Grants and other contributions	172,232	187,595
Acceptance by the Crown Entity of employee benefits and other liabilities	18,885	21,896
Proceeds from sale of motor vehicle inventory	60,142	79,503
Other revenue	96,036	119,602
Total Revenue	1,591,570	1,933,860
Gain/(loss) on disposal	988	(7,550)
Other gains/(losses)	(51,530)	(1,306)
	(50,542)	(8,856)
NET RESULT	(100,222)	1,751
Other comprehensive income		
<i>Items that will not be reclassified to net result in subsequent periods</i>		
Changes in revaluation surplus of property, plant and equipment	1	9,866
Net gain on equity instrument at fair value through other comprehensive income	-	61,861
Remeasurement of defined benefits superannuation liability	3,333	(3,896)
<i>Items that may be reclassified to net result in subsequent periods</i>	-	-
Other	-	-
Total other comprehensive income/(loss)	3,334	67,831
TOTAL COMPREHENSIVE INCOME/ (LOSS)	(96,888)	69,582

	Notes	Actual 2020 \$'000	Actual (Restated) 2019 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6	500,933	525,598
Other financial assets	7	23,142	-
Receivables	8	170,689	173,882
Inventories	9	2,594	2,653
Financial assets at fair value	11	7,972	16,885
Non-Current assets held for sale	10	19,285	25,551
Other		-	-
Total Current Assets		724,615	744,569
Non-Current Assets			
Other financial assets	7	52,041	-
Receivables	8	1,719	1,418
Inventories	9	-	-
Property, plant and equipment	12(a)	138,692	190,127
Right-of-use-asset	12(b)	473,515	-
Intangible assets	13	89,008	131,432
Financial assets at fair value	11	79,388	72,011
Total Non-Current Assets		834,363	394,988
Total Assets		1,558,978	1,139,557
LIABILITIES			
Current Liabilities			
Payables	15	173,530	194,064
Borrowings	16	85,698	83,790
Provisions	17	138,486	122,121
Deferred Revenue - Service Concession	18	77,412	77,308
Other Liabilities	19	101,765	57,445
Total Current Liabilities		576,891	534,728
Non-Current Liabilities			
Borrowings	16	557,601	14,193
Provisions	17	28,669	25,580
Deferred Revenue - Service Concession	18	2,401,448	2,473,849
Other Liabilities	19	-	(50)
Total Non-Current Liabilities		2,987,718	2,513,572
Total Liabilities		3,564,609	3,048,300
Net Assets / (Liabilities)		(2,005,631)	(1,908,743)
EQUITY			
Reserves		2,734	13,763
Accumulated funds		(2,008,365)	(1,922,506)
Total Equity		(2,005,631)	(1,908,743)

Year ended 30 June 2019

	Transfer proceeds of Sale of PEXA Shares to Treasury (a) \$'000	Transfer of Subsidence Advisory NSW (b) \$'000	Total \$'000
Current Assets			
Cash and cash equivalents	(104,566)	11,237	(93,329)
Receivables	-	1,154	1,154
Financial assets at fair value	-	98,306	98,306
Total Current Assets	(104,566)	110,697	6,131
Non Current Assets			
Inventories	-	11,781	11,781
Property, plant and equipment	-	676	676
Intangible assets	-	1,815	1,815
Total Non Current Assets	-	14,272	14,272
TOTAL ASSETS	(104,556)	124,969	20,403
Current Liabilities			
Payables	-	(2,282)	(2,282)
Provisions	-	(22,540)	(22,540)
Total Current Liabilities	-	(24,822)	(24,822)
Provisions	-	-	-
Total Non Current Liabilities	-	-	-
TOTAL LIABILITIES	-	(24,822)	(24,822)
Increase/(Decrease) in Net Assets from Equity Transfer	(104,566)	100,147	(4,419)

(a) Transfer proceeds of Sale of PEXA Shares to Treasury

The decrease in cash and cash equivalents is due to funds transferred out of DCS to Treasury as a result of disposal proceeds received for the sale of Property Exchange Australia Limited shares which took place on 16 January 2019.

(b) Transfer in Subsidence Advisory NSW

This is the financial impact as a result of the *Administrative Arrangement (Administrative Changes – NSW State Archives and Subsidence Advisory NSW) Order 2018 Published 22 June 2018*. This Order took effect from 1 July 2018 where Subsidence Advisory NSW is abolished as a Public Service Executive Agency and persons employed are transferred to DCS.

Recognition and Measurement

Revaluation Surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This is in accordance with the agency's policy on the revaluation of property, plant and equipment as outlined in Note 12(a) – Non-current Assets – Property, plant and equipment.

Accumulated Funds

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

Reserves

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

Equity Transfers – Recognition and Measurement

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector entities and "equity appropriations" are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with *AASB 1004 Contributions* and *Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. In most instances, this will approximate fair value.

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

22. COMMITMENTS

Capital Commitments

	2020	2019
	\$'000	\$'000
Aggregate capital expenditure for the acquisition of information technology equipment and other equipment contracted for at balance date and not provided for:		
Not later than one year	14,321	11,639
Later than one year and not later than five years	-	-
Total (including GST)	14,321	11,639

Lease revenue commitments

Aggregate lease revenue for StateFleet motor vehicles:

	2020	2019
	\$'000	\$'000
Not later than one year	3,927	13,739
Later than one year and not later than five years	-	1,598
Total (excluding GST)	3,927	15,337

The NSW Government introduced the StateFleet Leasing Arrangement in 2003 for the provision of passenger and commercial motor vehicles to budget sector and other approved agencies.

All new motor vehicles delivered to the approved client agencies are financed under the StateFleet Leasing Arrangement. This arrangement is financed by the NSW Treasury Corporation and managed by StateFleet.

The lease agreement is a long-term rental arrangement which provides clients with a vehicle in return for a fixed monthly payment. StateFleet retains all the capital risks and costs associated with ownership of a vehicle. When the client returns the vehicle there is no residual liability on sale.

23. CONTINGENT ASSETS AND LIABILITIES

(a) Contingent Assets

DCS is not aware of any contingent assets as at reporting date.

(b) Contingent Liabilities

Shared Services contracts

DCS may be liable for additional payments if it is determined that the services it receives during the assessment period exceed the estimated volumes outlined in the contracts. The amounts cannot be accurately determined as the assessment period is based on the calendar year.

Insurance Claims

DCS may be liable for payment of compensation arising from claims and other matters subject to litigation. The amounts involved cannot be accurately determined and in some instances are subject to arbitration. These claims are covered by the Treasury Managed Fund.

DCS potentially have other immaterial insurance claims that would be covered by the respective business funding sources.

Torrens Assurance Fund

The Torrens Assurance Fund, is a special deposit account operated by DCS (refer Note 6). There are 15 claims (30 June 2019: 15 claims) against the Torrens Assurance Fund which are estimated to be \$13.06 million (30 June 2019: \$15.393 million).

DCS is not aware of any further contingent liabilities as at reporting date.

24. BUDGET REVIEW

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

Net result

The actual net result for DCS for 2020 is \$100.2 million loss (2019: \$52.3 million surplus) which was unfavourable to the budgeted net result by \$223 million.

The major variations to budgets are:

Total Revenue was \$169.9 million or 9.6% unfavourable to budget, mainly in the appropriations line relating to Critical Communication Enhancement program's delay in site acquisition (\$58.5 million) and ICT projects (\$11 million) which has been carried forward to 2020/21. In addition, there was a further efficiency dividend allocated to DCS Principal Department of (\$42.3 million); transfer of the Creative Kids program to the Department of Premier and Cabinet ("DPC") (\$77.3 million); lower Penalty Notice revenue due to COVID-19 & Lower State Debt Processing for RNSW (~6 million) and Lower demand for commemorative certificates due to COVID-19 for Registry of Births, Deaths and Marriages (~\$4 million) which was not included in the original published budget. This is partially offset by additional funding of \$77.6 million for the COVID-19 pandemic relating to additional resources.

Total Expenses were \$3.8 million unfavourable to budget and mainly due to various unbudgeted expenses such as COVID-19, bushfires, Unisys termination fees, platform harmonisation and ICT security project costs (~\$42 million), AASB 16 lease impact (~\$31 million), unrealised Digital Restart Fund savings (~\$16 million). This is partially offset by underspend in Subsidence Advisory NSW for Insurance claim paid (~\$8 million), transfer of the Creative Kids program to DPC (~\$54 million) and reduced employee expenditure due to Efficiency Dividend applied by Treasury (~\$18 million) & reduced VR cost (~\$2.5 million).

Other (losses)/ gains were \$49.2 million unfavourable to budget primarily as a result of the \$53.5 million impairment loss recognised at 30 June 2020 on the right-of-use assets.

Assets and liabilities

Net Liabilities: The actual net liability of \$2,006 million (2019: \$1,907 million net liability) was unfavourable to budget by \$234.6 million which is a 13.2% variance.

Total Assets were favourable to budget by \$125.4 million (or 8.8%) predominantly due to the initial recognition of the right-of-use assets upon adoption of AASB 16 Leases in the current financial year, remeasurement of the right of use assets and write offs subsequent to budget.

Total Liabilities were higher than budget by \$360 million (11%). The majority of the variance was as a result of the implementation of AASB16 standard and remeasurement of assets and liabilities subsequent to budget (\$323.4 million) and lapsed appropriation (\$72.4 million) relating to unspent GSF Act exigency and Job Action Plan funding which were not budgeted for. This is partially offset by reduction in other liabilities when compared to budget.

Cash flows

The cash balance is \$51.2 million favourable to budget mainly due to the lapsed appropriation which is to be paid to Treasury in FY20/21.

25. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2020 \$'000	2019 \$'000
Net cash used in operating activities	130,828	191,738
Depreciation and amortisation	(126,476)	(132,736)
Net gain/(loss) on sale of plant and equipment	988	(7,020)
Impairment loss	(53,301)	-
Interest paid	(8,924)	-
Interest received	5,247	5,588
Increase/(decrease) in receivables	(27,114)	(32,275)
Increase/(decrease) in inventories	(47,144)	(72,421)
(Increase)/decrease in payables	21,160	(13,591)
(Increase)/decrease in provisions	(22,877)	38,262
(Increase)/decrease in service concession liabilities	72,297	74,348
(Increase)/decrease in other liabilities	(44,906)	464
Net result	(100,222)	52,357

26. TRUST FUNDS

DCS receives monies in a trustee capacity for various trusts. As DCS performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of DCS's own objectives, these funds are not recognised in the financial statements. The following is a summary of the transactions in the trust accounts:

(a) Unclaimed Money Accounts

30 June 2020

	Testamentary & Trust Common Fund \$'000	Testamentary & Trust Interest \$'000	Total \$'000
Cash balance at the beginning of the financial year	4,363	12,055	16,418
Add: Receipts	-	112	112
Less: Payments	-	-	-
Cash balance at the end of the financial year	4,363	12,167	16,530

30 June 2019

	Testamentary & Trust Common Fund \$'000	Testamentary & Trust Interest \$'000	Total \$'000
Cash balance at the beginning of the financial year	4,363	11,814	16,177
Add: Receipts	-	241	241
Less: Payments	-	-	-
Cash balance at the end of the financial year	4,363	12,055	16,418

Under Section 26 of the *Trustee Companies Act 1964* unclaimed monies are paid into the testamentary and trust common fund. Interest received from investments from the common fund are credited to the interest account.

(b) Fines Accounts

	2020	2019
	\$'000	\$'000
Cash balance at the beginning of the financial year	47,587	48,443
Add: Receipts	771,414	719,625
Less: Payments	(785,125)	(720,481)
Cash balance at the end of the financial year	33,876	47,587

These amounts are collected under the *Fines Act 1996* for organisations that issue fines in NSW, and include late fees for overdue fines.

(c) State Debt Accounts

	2020	2019
	\$'000	\$'000
Cash balance at the beginning of the financial year	281	212
Add: Receipts	25,277	22,966
Less: Payments	(25,388)	(22,897)
Cash balance at the end of the financial year	170	281

DCS provides a fee for service arrangement to government agencies in NSW to recover outstanding debts under the *State Debt Recovery Act 2018*. Agencies include NSW Ambulance, State Insurance Regulatory Agency (SIRA), NSW Fair Trading, SafeWork NSW and local councils.

Funds held in accounts reported in (b) and (c) are remitted to clients daily, weekly or monthly.

27. RELATED PARTY DISCLOSURES**Key management personnel**

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

	2020	2019
	\$'000	\$'000
Short-term employee benefits:		
- Salaries	4,034	4,414
- Non-monetary benefits	-	1
Post-employment benefits	202	196
Termination benefits	392	765
Total remuneration	4,628	5,376

Other related party transactions

During the year, DCS entered into transactions with other entities that are controlled/ jointly controlled/ significantly influenced by NSW Government. These transactions which are conducted as arm's length transactions are a significant portion of DCS's sale of goods/ rendering of services/ receiving of services, in aggregate are as follows:

Nature of transaction	2020		2019	
	\$'000		\$'000	
	Transaction value income/ (expense)	Net receivable/ (payable)	Transaction value income/ (expense)	Net receivable/ (payable)
Sales of goods/ services; grants and contributions, proceeds from borrowings and other receipts	322,282	201,384	586,940	155,989
Purchases of goods/ services; grants and subsidies, repayment of borrowings and other payments	(458,798)	(47,505)	(593,890)	(180,402)

In addition to the above transactions, DCS incurred centralised corporate costs relating to the People & Culture; Procurement; Legal; Governance & Risk; Workplace & IT; and Finance functions for entities within the DCS Cluster. These costs are reflected in the financial statements of the below entities as notional costs from DCS. These costs were not recovered by DCS.

	2020
	\$'000
Service NSW	19,479
NSW Telco Authority	1,350
Independent Liquor & Gaming Authority NSW	330
	<u>21,159</u>

28. ADMINISTERED ASSETS AND LIABILITIES

	2020	2019
	\$'000	\$'000
Administered Assets		
Cash at bank ⁽ⁱ⁾	64,634	71,259
Taxes and fines receivable ⁽ⁱⁱ⁾	4,696,338	1,845,372
Licence receivable ⁽ⁱⁱⁱ⁾	25,000	-
Less:		
Allowance for impairment – taxes and fines ^(iv)	(427,625)	(289,593)
Amounts not meeting asset recognition criteria - fines	-	(19,263)
Total Administered Assets	<u>4,358,347</u>	<u>1,607,775</u>
Administered Liabilities		
Taxes and fines paid in advance / overpayments	41,344	48,427
Certificate and licences ^(v)	3,684	9,061
Total Administered Liabilities	<u>45,028</u>	<u>57,488</u>

Adoption of AASB 9 Financial Instruments

DCS has adopted AASB 9, which resulted in changes in accounting policies in respect of recognition, classification and measurement of Administered statutory receivable assets. Subsequent measurement requirements of Administered statutory receivables are not within the scope of AASB 9 and AASB 136 Impairment of Assets continues to apply for subsequent measurement. Therefore the adoption of AASB 9 did not have a significant impact on the administered receivables.

DCS has applied AASB 9 retrospectively but has not restated the comparative information which is reported under AASB 136.

Recognition

In accordance with AASB 9 Financial Instruments, taxes and fines are initially recognised where statutory requirements establish a right for the Crown Entity to receive the financial asset. Such a right arises on the occurrence of a past event.

Subsequent measurement

Taxes and fines are recognised and carried at the original levied amount less an allowance for impairment. The estimated impact of the COVID-19 pandemic on collectability has been taken into account when calculating the 'Allowance for impairment - taxes and fines' as at 30 June 2020. For Payroll tax, the increase in impairment is factoring in businesses in high risk categories that may not be able to re-establish their business and for Land tax, a reduction in the expected collection of interest. The impact on Fines was also considered due to potential financial hardship.

- (i) Cash at bank represents amount received on 30 June 2020 and transferred to the Crown Entity in July 2020.
- (ii) Taxes and fines receivable at 30 June 2020 include \$141.7 million (30 June 2019: \$92.0 million) in time to pay arrangements with a finalisation date extending beyond twelve months.
- (iii) Licence receivable relates to non-current receivable by Liquor & Gaming NSW in FY 2023.

(iv) **Allowance for impairment - taxes and fines**

An allowance for impairment is recognised under *AASB 136 Impairment of Assets*. Impairment losses/(gains) are recognised as an administered expense in Note 29.

	2020	2019
	\$'000	\$'000
Movement in the allowance for impairment		
Balance at the beginning of the financial year	289,593	298,316
Reclassification adjustment for pre-2011 provisions	19,263	-
Increase in provisions	218,740	122,510
Amounts used during year	(99,971)	(131,233)
Balance at end of the financial year	427,625	289,593

- (v) Certificate and Licences include income received in advance due to the introduction of three year home building licences.

29. ADMINISTERED EXPENSES – OTHER

During the year, DCS incurred the following expenses on behalf of the Crown Entity:

	2020	2019
	\$'000	\$'000
Act of Grace payments	103	386
Court imposed interest payments	885	349
Unclaimed money refund – <i>s4.14 Government Sector Finance Act 2018</i>	-	15
Bad debts written off ⁽ⁱ⁾	99,971	131,233
Land tax discounts ⁽ⁱⁱ⁾	37,319	38,765
GST rebate - Clubs ⁽ⁱⁱⁱ⁾	14,278	14,875
First Home Owner Grant scheme (FHOGS) ^(iv)	68,776	86,746
First Home - New Home/First Home Buyers Assistance scheme ^(v)	(1,660)	(160)
Regional relocation grant ^(vi)	5	100
Solatium payments ^(vii)	44	52
Remissions ^(viii)	33,132	34,650
Impairment losses/(gains)	118,769	(8,723)
Total administered expenses	371,622	298,288

Amounts for 'Bad debts written off' and 'Impairment losses/(gains)' were previously reported as 'Bad debts expense'. These are now disclosed separately.

- (i) Bad debts written off includes \$30.7 million (2019: \$25.1 million) in Work Development Orders (WDO's). WDO's allow customers to clear their fines through unpaid work, courses and treatment programs with approved WDO sponsors.
- (ii) A 1.5% discount is offered to land tax clients for full payment of their liability by the first instalment date.
- (iii) The GST rebate is paid to clubs to compensate for the impact of the GST. It is based on gaming profits and is paid quarterly.
- (iv) The First Home Owner Grant scheme was established to assist eligible first home buyers to purchase or build a new home. The grant amount is determined by the date of the transaction. From 1 July 2017, to be eligible for the grant, there is a cap of \$600,000 for new home purchases and for owner builder or contract to build, the value cannot exceed \$750,000.
- (v) On 1 July 2017, the First Home - New Home scheme was replaced by the First Home Buyers Assistance scheme. This scheme provides exemption or concessions on transfer duty to eligible purchasers of new and existing homes valued up to \$800,000 and to eligible purchasers of vacant land that is intended to be the site of a new home valued up to \$450,000. The \$1.7 million in 2020 (2019: \$160,000) represents amounts recovered from compliance activities.

- (vi) The grant assists applicants with the cost of relocating from their metropolitan home. The Regional Relocation Home Buyers Grant closed on 30 September 2014. The Skilled Regional Relocation Incentive closed on 31 March 2015. Amounts paid since closure on of the scheme are a result of applicants fulfilling requirements of the Incentive.
- (vii) Compensation paid to applicants whose property was acquired by a NSW government authority. To be eligible for payment, the date of exchange of contracts in relation to an agreed land acquisition, or the date of gazettal of notice of compulsory acquisition, must be on or after 26 February 2014 and before or on 17 October 2016.
- (viii) In accordance with the *Taxation Administration Act 1996* the Chief Commissioner of State Revenue or his delegate, has the discretionary power to remit partially or wholly a statutory penalty and/or interest.

30. ADMINISTERED INCOME - CROWN ENTITY

Administered income information is presented on a revenue earned (accrual) basis.

Revenue earned

	2020 \$'000	2019 \$'000
Taxes, duties and levies		
Duties ^{(i) (ii)}	8,824,228	9,250,978
Parking space levy ^{(i) (iii)}	109,740	109,264
Payroll tax ⁽ⁱ⁾	9,845,124	10,551,494
Land tax ⁽ⁱ⁾	4,554,839	4,293,253
Health insurance levy ⁽ⁱ⁾	214,193	209,840
Emergency services levy ^{(i) (iv) (v)}	1,082,147	927,546
Passenger services levy ^{(iv) (vi)}	63,161	71,708
Tax equivalents ^(iv)	300,498	441,308
Casino duties and levy	153,555	-
Sub total – taxes, duties and levies	25,147,485	25,855,391
Gaming and racing		
Lotteries	486,531	469,537
Keno tax	10,074	15,086
Totalizator tax on and off course totes	38,489	53,937
Fixed odds sports betting	5,180	9,619
Fixed odds racing betting	19,486	25,455
Footy TAB	218	382
Point of consumption tax ^{(i) (vii)}	110,213	33,901
Club gaming devices ^{(i) (viii)}	625,485	783,015
Hotel gaming devices ^{(i) (viii)}	756,072	862,164
Charities licenses	1,729	-
Gaming related licenses ^(ix)	2,184	-
Sub total - gaming and racing	2,055,661	2,253,096
Fines		
Motor traffic fines	459,529	471,161
Fees	64,909	59,034
Court fines	40,866	44,469
Other fines	13,391	142
Liquor, Gaming and Racing court fines	93	-
Sub total - Fines	578,788	574,806
Other		
Mineral royalties ⁽ⁱ⁾	1,688,703	2,111,269
Unclaimed money	29,052	31,711
Other revenue ^(x)	282	(1,436)
Liquor licences	765	-
Certificate and licences	25,842	27,806
Service concession regulation fee	8,273	8,165
Sub total - other	1,752,917	2,177,515
Total revenue earned	29,534,851	30,860,808

- (i) Included in the revenue earned figures are interest and penalties amounting to:

	2020	2019
	\$'000	\$'000
Duties	29,562	28,772
Parking space levy	1,249	2,018
Payroll tax	38,986	51,666
Land tax	27,527	26,067
Health insurance levy	1	4
Emergency services levy	220	182
Point of consumption tax	16	1
Club gaming devices	149	265
Hotel gaming devices	350	429
Mineral royalties	1,088	1,080
Total	99,148	110,484

- (ii) Primarily includes Duties on Contracts and Conveyances, Insurance, and Motor Vehicles.
- (iii) DCS collects parking space levy imposed under the *Parking Space Levy Act 2009* on behalf of Transport for NSW and is reimbursed by Transport for NSW for refunds paid.
- (iv) In prior years, these amounts were reported as 'Other' and have been reclassified to 'Taxes, duties and levies'.
- (v) Collection of Emergency Services Levy (ESL) for council contributions transferred to DCS from the Department of Justice Office of Emergency Management (OEM) in 2017. Responsibility for council contribution provisions contained in emergency services related legislation remains with OEM. Insurers pay ESL under the *Emergency Services Levy Act 2017*. The Act resides with The Treasury and the levy is administered by DCS. In general, contribution assessments must be issued by 30 April for the following financial year.
- (vi) Collection of the Passenger Service Levy on behalf of the Point to Point Transport Commissioner commenced in April 2018. The levy is to be paid by authorised taxi and booking service providers and will be in place for up to five years.
- (vii) Point of Consumption Tax collection commenced from 1 January 2019. Betting service providers licensed in Australia must pay this tax on all bets made by customers located in NSW at the time the bet was placed.
- (viii) Approved clubs and hotels can pay their quarterly gaming machine tax in three equal instalments without being charged interest for the late payment. The scheme aims to assist those demonstrating financial hardship.
- (ix) Gaming Related licence includes Keno Licence duty.
- (x) 2018/19 includes \$2.0 million monies returned or transferred due to payment errors relating to prior financial years.

Adoption of AASB 1058 Income of Not-for-Profit Entities

DCS has adopted AASB 1058 and AASB 9 for the recognition of Administered revenue and statutory receivables. Under statutory requirements, Administered revenue is recognised when the underlying past event results in the right for the Crown Entity to receive revenue, unless it cannot be reliably measured before the financial statements are authorised for issue.

In accordance with the transition provisions in AASB 1058 and AASB 9, DCS has adopted AASB 1058 and AASB 9 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, 1 July 2019. The effect of adopting AASB 1058 and AASB 9 on Administered revenue is as follows:

Impact on Administered income- Crown entity (increase)/(decrease):	2020	2020	2020
	\$'000	\$'000	\$'000
	AASB 1058 and AASB 9	Without the adoption of AASB 1058 and AASB 9	Impact of AASB 1058 and AASB 9
Revenue earned			
Taxes, duties and levies			
Duties ^(a)	8,824,228	8,814,371	9,857
Payroll tax	9,845,124	9,552,755	292,369
Passenger services levy	63,161	69,369	(6,208)
Tax equivalents	300,498	310,154	(9,656)
Sub total – taxes, duties and levies	19,033,011	18,746,649	286,362
Gaming and racing			
Lotteries	486,531	493,843	(7,312)
Keno tax	10,074	11,201	(1,127)
Totalizator tax on and off course totes	38,489	38,556	(67)
Fixed odds sports betting	5,180	4,942	238
Fixed odds racing betting	19,486	18,495	991
Footy TAB	218	207	11
Point of consumption tax	110,213	103,763	6,450
Club gaming devices ^(b)	625,485	625,485	-
Hotel gaming devices	756,072	902,386	(146,314)
Sub total - gaming and racing	2,051,748	2,198,878	(147,130)
Other			
Mineral royalties	1,688,703	1,729,198	(40,495)
Sub total - other	1,688,703	1,729,198	(40,495)
Total revenue earned	22,773,462	22,674,725	98,737

(a) Pertains to Insurance and Motor Vehicle duties.

(b) Revenue is reported on a quarterly basis. As a result, there is no impact to June 2019 as it is included in the amount submitted for the period from June to August 2019 and cannot be separately identified.

Recognition and Measurement

Before 1 July 2019 revenue from taxes and fines is recognised as follows:

- government assessed revenue (primarily Land tax, Emergency Services Levy and gaming) is recognised when assessments are issued.
- taxpayer assessed revenues (including Payroll tax and Lotteries) are recognised when funds are received. Additional revenue is recognised for assessments subsequently issued following the review of returns lodged.
- fines revenue is recognised when payments are received or when they become overdue and enforcement activity commences. Court fines and additional income from overdue fines referred for further enforcement action are recognised when issued.

After 1 July 2019 revenue from taxes and fines is recognised as follows:

- Administered revenue is recognised when the underlying past event under statutory requirements results in the right for the Crown Entity to receive revenue, unless it cannot be reliably measured before the financial statements are signed.
- Taxpayer assessed revenues (including Payroll tax and Lotteries) are reliably measured when payments or returns are received, which may not occur before the financial statements are signed.

Stimulus measures implemented due to COVID-19 in 2019/20 have impacted the recognition of a number of taxpayer assessed revenues. Details of these are as follows:

Payroll tax

Payroll tax is a self-assessed tax based on the value of wages paid by the taxpayer. Taxpayers can pay monthly or annually, and all taxpayers must submit an annual reconciliation in the month after the end of the financial year.

Stimulus measures allow for monthly returns for the period from March to September to be deferred to 30 October 2020, and the annual reconciliation due date has been extended from 28 July to 30 October 2020. In addition, a 25% discount is available to customers with less than \$10 million group wages for the financial year and is calculated upon lodgement of the annual reconciliation. Some annual reconciliations may be received prior to 30 October 2020 however, these may be amended until payment is made. Revenue recognised includes returns and payments received after the end of the financial year, up to the time the financial statements are signed.

Gaming and racing

Gaming and racing revenues are self assessed and returns are required monthly or quarterly with payments due on the same basis. Reliable measurement occurs when a payment is received, or returns are submitted. Stimulus measures include the deferral of Lotteries and Keno payments to 30 September 2020 and Gaming machines (club and Hotel) payments to 1 September 2020. Revenue recognised includes returns and payments received after the end of the financial year up to the time the financial statements are signed.

31. ADMINISTERED CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Crown Solicitor or other legal firms are currently acting on a number of matters on behalf of the Department in the normal course of activities. A settlement estimate for these matters cannot be reliably determined. There are no administered contingent assets.

32. FINANCIAL INSTRUMENTS

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

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

The Secretary has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by DCS, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by DCS on a continuous basis.

(a) Financial Instrument Categories

	Note	Category	2020	2019
			\$'000	\$'000
			Carrying Amount	Carrying Amount
Financial Assets				
Class:				
Cash and cash equivalents	6	Amortised cost	500,933	549,158
Other financial assets	7	Amortised cost	23,142	-
Receivables ⁽ⁱ⁾	8	Amortised cost	149,033	187,125
Financial assets at fair value	11	Fair value through profit or loss	87,360	88,897
Financial Liabilities				
Class:				
Payables ⁽ⁱⁱ⁾	15	Financial liabilities measured at amortised cost	129,434	227,587
Borrowings	16	Financial liabilities measured at amortised cost	643,299	97,983

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

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

(b) Derecognition of financial assets and financial liabilities

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

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

When DCS has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where DCS has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of DCS's continuing involvement in the asset. In that case, DCS also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that DCS has retained.

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

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

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

(d) Financial Risk

Credit Risk

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

Credit risk arises from the financial assets of DCS, including cash, receivables, and authority deposits. No collateral is held by DCS. DCS has not granted any financial guarantees.

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

DCS considers a financial asset in default when contractual payments are past 90 days past due. However, in certain cases, DCS may also consider a financial asset to be in default when internal or external information indicates that DCS is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by DCS.

Based on management's assessment on natural disasters (including COVID-19), there was no impact on the receivables or other assets in the balance sheet. DCS has assessed the recoverability of its debtors and there was no additional impact on the ECL calculation that has been performed at 30 June 2020.

Cash and cash equivalents

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

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

Receivables - trade receivables

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. DCS applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

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

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 30 days past due.

The loss allowance for trade receivables as at 30 June 2020 and 2019 was determined as follows:

	30 June 2020					
	\$'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0%	0%	1%	1%	59%	14%
Estimated total gross carrying amount at default	73,075	13,517	3,721	1,655	27,693	119,661
Expected credit loss	(47)	(28)	(33)	(18)	(16,458)	(16,584)
Total	73,028	13,489	3,688	1,637	11,235	103,077

	30 June 2019					
	\$'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	1%	3%	2%	3%	72%	13%
Estimated total gross carrying amount at default	135,054	9,074	8,560	6,699	29,981	189,368
Expected credit loss	(1,580)	(240)	(147)	(209)	(21,511)	(23,687)
Total	133,474	8,834	8,413	6,490	8,470	165,681

Notes: 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 sum of the receivables total in Note 8.

DCS is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2020 and 2019.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the Statement of Financial Position.

Other financial assets - Authority Deposits

DCS has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on "at call" deposits can vary. The "at call" deposits at balance date were earning an average interest rate of 0.74% (2019: 4.33%), while over the year the weighted average interest rate was 0.35% (2019: 6.38%) on a weighted average balance during the year of \$87.3 million (2019: \$91.9 million). None of these assets are past due or impaired.

(e) Liquidity Risk

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

DCS has a loan facility with TCorp with a limit of \$650 million to fund the StateFleet Leasing Arrangement. Out of this facility, \$32.0 million was utilised as at 30 June 2020 (30 June 2019: \$98.0 million).

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. DCS's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in *Treasurer's Direction NSW TC 11/12*. For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For payments to other suppliers, the Head of an authority (or person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 9.08% (2019: 9.96%).

Based on management's assessment on natural disasters (including COVID-19), there was no change to the underlying terms and conditions of our financial liabilities. However, DCS has chosen to reduce the payment period on our all our creditors and other payables to assist with struggling businesses during the COVID-19 period. This has not affected our ability to settle and pay for all debts as and when they arise.

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

	Weighted Average Effective Interest Rate	\$'000	Interest Rate Exposure				Maturity		
			Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing	< 1 Year	1-5 Years	> 5 Years	
2020									
Payables	0.00%	129,434	-	-	129,434	-	-	-	-
<i>Borrowings</i>									
Lease liabilities	1.50%	744,063	744,063	-	-	66,811	202,911	474,341	-
TCorp borrowings	0.81%	45,484	10,033	35,451	-	35,451	10,033	-	-
		918,981	754,096	35,451	129,434	231,696	212,944	474,341	-
2019									
Payables	0.00%	227,587	-	-	227,587	-	-	-	-
<i>Borrowings</i>									
TCorp borrowings	3.06%	118,005	118,005	-	-	14,956	99,974	3,075	-
	-	345,592	118,005	-	227,587	242,543	99,974	3,075	-

(i) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which DCS can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

(f) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. DCS's exposures to market risk are primarily through interest rate risk on DCS's borrowings. DCS has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which DCS operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2019. The analysis assumes that all other variables remain constant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through DCS's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with TCorp. DCS does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/-1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	Change in interest rates	2020 \$'000	2019 \$'000
Impact on net result	+/-1%	-/+414	-/+3,187
Impact on equity	+/-1%	+/-414	+/-3,187

(g) Other Price risk – TCorpIM Funds

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM funds, which are held for strategic rather than trading purposes. DCS has no direct equity investments. DCS holds units in the following TCorpIM Funds trusts:

Facility	Investment Sectors	Investment Horizon	2020 \$'000	2019 \$'000
TCorpIM Cash Fund	Cash and fixed income	Up to 1.5 years	138	8,580
Medium-Term Growth Fund	Cash and fixed income, credit, equities, alternative assets, real assets	3 years to 7 years	87,360	88,897

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the TCorpIM Funds facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorpIM Funds facilities limits DCS's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten-year period, quoted at two standard deviations (i.e. 95% probability). The TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results. A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June 2020 for each facility.

Core Funds*	Change in unit price	Impact on net result/ equity	
		2020 \$'000	2019 \$'000
TCorpIM Cash Fund	+/-10%	+/-14	+/- 86
Medium-Term Growth Fund	+/-10%	+/-8,736	+/- 8,890

Asset Class Fund*	Change in unit price	Impact on net result/ equity	
		2020 \$'000	2019 \$'000
Australian Shares	+/-10%	+/-8,736	+/- 8,890
International Shares	+/-10%	+/-8,736	+/- 8,890
Listed Property Fund**	+/-10%	+/-8,736	+/- 8,890
Emerging Markets shares**	+/-10%	+/-8,736	+/- 8,890
Global Credit Fund**	+/-10%	+/-8,736	+/- 8,890
Multi-Asset Class Fund**	+/-10%	+/-8,736	+/- 8,890

* TCorpIM Investment funds are unrated and are not guaranteed by NSW Treasury Corporation.

** The sensitivity percentages are derived from historically based volatility information collected by NSW Treasury Corporation since inception of these funds.

(h) Fair Value Measurement

(i) Fair value compared to carrying amount

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

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of many of the financial instruments, except for:

The following table details the financial instruments, by class, where the fair value differs from the carrying amount:

	2020		2019	
	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000
Financial liabilities				
TCorp borrowings	47,187	31,973	113,880	97,983

(ii) Fair value recognised in the Statement of Financial Position

Management assessed that cash, trade receivables, trade payables, and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

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

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that DCS can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2020				
Financial Assets at fair value				
TCorp IM funds	-	87,360	-	87,360
Total	-	87,360	-	87,360
2019				
Financial Assets at fair value				
TCorp IM funds	-	88,897	-	88,897
Total	-	88,897	-	88,897

The value of available-for-sale financial assets is based on DCS's share of the value ordinary shares in the capital of the underlying entity bases on market value.

The value of the TCorpIM Funds is based on the DCS's share of the value of the underlying assets of the facility, based on the market value. All of the TCorpIM Funds facilities are valued using 'redemption' pricing.

The table above only includes financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of the observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

33. EVENTS AFTER THE REPORTING PERIOD

a) Adjusting Events

There are no known events after the reporting period which would give rise to a material impact on the reported results or financial position of DCS as at 30 June 2020.

b) Non- Adjusting Events

The provisions for Long Service Leave relating to Registry of Births Deaths & Marriages and Long Service Corporation will be transferred to NSW Treasury effective from 1 July 2020. The transfer was approved by the NSW Treasurer on 29 June 2020 and totals \$6.9 million. The transfer is to align the treatment of the provisions across the cluster and thereby the provision will be held by NSW Treasury.

The Defined Benefit Superannuation ("DBS") liability for Long Service Corporation will also be transferred to NSW Treasury effective from 1 July 2020. The transfer was approved by the NSW Treasurer on 29 June 2020 and totals \$6.2 million. Currently all the DBS for the cluster is held by NSW Treasury and this remaining DBS transfer will align the accounting treatment within the cluster.

Other than the above, there are no known events after the reporting period which would give rise to a material impact on the reported results or financial position of DCS as at 30 June 2020.

END OF AUDITED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

Building Professionals Board

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Building Professionals Board (the Board), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Board's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Board are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Member's Statement.

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

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

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

I have nothing to report in this regard.

The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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 Board carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Weini Liao
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

2 October 2020
SYDNEY

BUILDING PROFESSIONALS BOARD

MEMBERS' STATEMENT

Pursuant to Section 41C of the *Public Finance and Audit Act 1983* we declare, on behalf of the Board, that in our opinion:

- (1) the accompanying financial statements exhibit a true and fair view of the financial position of the Board as at 30 June 2020 and transactions for the year ended 30 June 2020;
- (2) the statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2015, Australian Accounting Standards and the Treasurer's Directions.

Further, the Members of the Board are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the Board.



Rose Webb
President, Building Professionals Board
29 September 2020

**BUILDING PROFESSIONALS BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	Actual 2020 \$'000	Actual 2019 \$'000
Expenses excluding losses			
Personnel services	2(a)	3,441	3,281
Operating expenses	2(b)	529	514
Total Expenses excluding losses		3,970	3,795
Revenue			
Investment revenue	3(a)	6	12
Grants and contributions	3(b)	1,950	500
Accreditation Revenue	3(c)	1,842	1,781
Personnel services revenue	3(d)	43	198
Other revenue	3(e)	150	442
Total Revenue		3,991	2,933
NET RESULT		21	(862)
Other comprehensive income		-	-
Total other comprehensive income/(loss)		-	-
TOTAL COMPREHENSIVE INCOME/ (LOSS)		21	(862)

The accompanying notes form part of these statements.

BUILDING PROFESSIONALS BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	Actual 2020 \$'000	Actual 2019 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	661	1,110
Receivables	5	79	144
Total Current Assets		740	1,254
Total Assets		740	1,254
LIABILITIES			
Current Liabilities			
Payables	6	1,438	1,636
Provisions	7	-	327
Total Current Liabilities		1,438	1,963
Non-Current Liabilities			
Provisions	7	-	10
Total Non-Current Liabilities		-	10
Total Liabilities		1,438	1,973
Net Assets / (Liabilities)		(698)	(719)
EQUITY			
Accumulated funds		(698)	(719)
Total Equity		(698)	(719)

The accompanying notes form part of these statements.

**BUILDING PROFESSIONALS BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2019		(719)	(719)
Net Result for the year		21	21
Other comprehensive income		-	-
Total comprehensive income for the year		21	21
Balance at 30 June 2020		(698)	(698)
Balance at 1 July 2018		143	143
Net Result for the year		(862)	(862)
Other comprehensive income		-	-
Total comprehensive income for the year		(862)	(862)
Balance at 30 June 2019		(719)	(719)

The accompanying notes form part of these statements.

BUILDING PROFESSIONALS BOARD			
STATEMENT OF CASH FLOWS			
FOR THE YEAR ENDED 30 JUNE 2020			
	Notes	Actual 2020 \$'000	Actual 2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(4,002)	(2,548)
Other payments		(532)	(382)
Total Payments		(4,534)	(2,930)
Receipts			
Contributions received		1,950	500
Interest received		6	12
Accreditation Revenue		1,866	1,884
Other revenue		263	457
Total Receipts		4,085	2,853
NET CASH FLOWS FROM OPERATING ACTIVITIES	9	(449)	(77)
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET INCREASE/(DECREASE) IN CASH		(449)	(77)
Opening cash and cash equivalents		1,110	1,187
CLOSING CASH AND CASH EQUIVALENTS	4	661	1,110

The accompanying notes form part of these statements.

BUILDING PROFESSIONALS BOARD
FOR THE YEAR ENDED 30 JUNE 2020
NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Building Professionals Board (the Board) is a NSW government entity. The Building Professionals Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The administrative functions for the Board are performed by the Department of Customer Service. Employee related expenses and office accommodation costs are recharged to the Board.

The *Building Professional Act 2005* was repealed by *Section 121(a)* of the *Building and Development Certifiers Act 2018* (the Act) and the Building Professional Board was dissolved with effect from 1 July 2020.

These are the final financial statements of the Board. These financial statements for the year ended 30 June 2020 have been authorised for issue by the Board on 29 September 2020. Please refer to Note 12 for details of the transfer of assets and liabilities.

(b) Basis of Preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and Public Finance and Audit Regulation 2015; and
- Treasurer's Directions issued under the Act.

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

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

(c) Statement of Compliance

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

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

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

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

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

(e) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous reporting period, 30 June 2019, for all amounts reported in the financial statements.

(f) Fair Value Hierarchy

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

A number of the Board's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under *AASB 13*, the Board categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets/liabilities that the Board 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 Board holds non-specialised assets with short useful lives. The entity has assessed that any difference between the fair value and the depreciated historical costs is immaterial. Plant and equipment is measured at depreciated historical cost as a surrogate for fair value.

(g) Equity

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

(h) Changes in Accounting Policy, including New or Revised Australian Accounting Standards

(i) Effective for the first time in 2019-20

The Board applied *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not-for-Profit Entities*. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in FY2019-20, but do not have an impact on the financial statements of the Board.

AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes *AASB 111 Construction Contracts*, *AASB 118 Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. *AASB 15* establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires the Board to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in *AASB 15*, the Board has adopted *AASB 15* retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. i.e. 1 July 2019, the Board has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all the modifications that occur before 1 July 2018 when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price
- allocating the transaction price to the satisfied and unsatisfied performance obligations.

The impact of applying the above practical expedients is not expected to significantly affect the financial statements.

The adoption of *AASB 15* did not have an impact on Statement of Comprehensive Income, Statement of Financial Position, Other Comprehensive Income and the Statement of Cash Flows for the financial year.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 replaces most of the existing requirements in *AASB 1004* Contributions. The scope of *AASB 1004* is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. *AASB 1058* adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. *AASB 1004*, *AASB 15*, *AASB 16*, *AASB 9*, *AASB 137*) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under *AASB 1058*) or a contract with a customer (accounted for under *AASB 15*).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer are satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- immediately, for all other income within the scope of *AASB 1058*.

In accordance with the transition provisions in *AASB 1058*, the Board has adopted *AASB 1058* retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019.

The adoption of *AASB 1058* did not have an impact on Statement of Comprehensive Income, Statement of Financial Position, Other Comprehensive Income and the Statement of Cash Flows for the financial year.

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. The following new Accounting Standards and interpretations have been published but not yet effective.

- *AASB 2018-7 Amendments to Australian Accounting Standards* – Definition of Material
- *AASB 2019-1 Amendments to Australian Accounting Standards* – References to the conceptual framework.

The impact of the above standards is not relevant to the Board due to its dissolution effective 1st July 2020.

(i) **Impact from COVID-19**

There was no impact from COVID-19 on the Board's Financial Statements.

2. EXPENSES EXCLUDING LOSSES

As mentioned in Note 1 (a), the Department of Customer Service (DCS) has recovered Administrative Charge for the expenses that it has incurred on behalf of the Board, associated with employee related expenses (Personnel Services) costs and office accommodation costs.

(a) Personnel Services

	2020	2019
	\$'000	\$'000
Salaries and wages (including recreation leave)	2,870	2,519
Contractors	-	-
Superannuation	272	225
Long service leave	119	210
Payroll tax and fringe benefits tax	180	169
Voluntary Redundancy	-	158
	3,441	3,281

(b) Operating Expenses

	2020	2019
	\$'000	\$'000
Auditor's remuneration	12	12
Bad debt expense	24	90
Operating lease rental expense	245	241
Fees for services	187	144
Staff training and conferences	33	11
Travel Costs	3	-
Minor equipment purchases	18	4
Other	7	12
	529	514

3. REVENUE

Recognition and Measurement

Until 30 June 2019, income was recognised in accordance with *AASB 118 Revenue* and *AASB 1004 Contributions*.

From 1 July 2019, 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 Revenue from Contracts with Customers*. Commentary regarding the accounting policies for the recognition of income are discussed below:

Income is measured at the fair value of the consideration or contribution received or receivable, to the extent it is probable that economic benefits will flow to the Board and the revenue can be measured reliably.

Additional comments regarding the accounting policies for the recognition of income are discussed below.

(a) Investment Revenue

	2020	2019
	\$'000	\$'000
Bank interest	6	12
	6	12

Recognition and Measurement

Interest revenue is recognised using the effective interest method as set out in *AASB 9 Financial Instruments: Recognition and Measurement*. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial assets except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

(b) Grants and Contributions

	2020	2019
	\$'000	\$'000
Grants from NSW Fair Trading	1,950	500
	1,950	500

Recognition and Measurement**Until 30 June 2019**

Contributions from other bodies (including grants and donations) are generally recognised as revenue when the Board obtains control over the contributions. The Board is deemed to have assumed control over the contributions upon receipt of cash.

From 1 July 2019

Income from grants without sufficiently specific performance obligations is recognised when the entity obtains controls over the granted assets (e.g. cash).

(c) Accreditation Revenue

	2020	2019
	\$'000	\$'000
Accreditation revenue	1,842	1,781
	1,842	1,781

Recognition and Measurement**Until 30 June 2019**

Revenue received from building certifiers is recognised over the period to which the fees are applicable.

From 1 July 2019

The Board typically satisfies its performance obligations over time as accreditation is provided to building certifiers.

(d) Personnel Services Revenue

	2020	2019
	\$'000	\$'000
Superannuation	4	17
Long service leave	39	180
Payroll tax	-	1
	43	198

(e) Other Revenue

	2020	2019
	\$'000	\$'000
Other revenue	150	442
	150	442

Recognition and Measurement

Until 30 June 2019

Revenue from the rendering of services is recognised as revenue when the services are provided.

From 1 July 2019

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

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Section 81 of the *Building Professionals Act 2005* established in the Special Deposits Account a Building Professionals Board Fund. The section states the following.

- (1) There is to be established in the Special Deposits Account a Building Professionals Board Fund (the Fund) into which is to be paid:
- (a) all money advanced to the Board by the Treasurer or appropriated by Parliament for the purposes of the Board;
 - (b) all money directed or authorized to be paid into the Fund by or under this or any other Act;
 - (c) the fees payable to the Board under this Act;
 - (d) such amounts as are to be paid into the Fund under section 105 (6) of the *Environmental Planning and Assessment Act 1979*;
 - (e) the proceeds of the investment of money in the Fund, and
 - (f) all money received by the Board from any other source.
- (2) The Fund may be expended in the payment of the expenses of the Board in exercising its functions under this or any other Act or in any other manner directed by the Minister.

	2020	2019
	\$'000	\$'000
Cash at Bank	661	1,110
	661	1,110

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes money deposited with banks and cash on hand.

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

Cash and cash equivalents (per statement of financial position)	661	1,110
Closing cash and cash equivalents (per statement of cash flows)	661	1,110

Refer to Note 10 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

5. CURRENT ASSETS - RECEIVABLES

	2020	2019
	\$'000	\$'000
Debtors	192	200
Less Allowance for impairment	(114)	(90)
GST receivable	1	1
Prepaid expenses	-	33
	79	144

Movement in allowance for impairment

	2020	2019
	\$'000	\$'000
Balance at 1 July 2019	90	-
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase in allowance recognised in net result	24	90
Balance at 30 June 2020	114	90

Recognition and Measurement

The Board has adopted AASB 9, which has resulted in changes in accounting policies in respect of recognition, classification and measurement of statutory receivable assets. Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price. Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Subsequent measurement

Subsequent measurement requirements of receivables are not within scope of AASB 9 and AASB 136 Impairment of Assets continues to apply for subsequent measurement. The Board holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

Statutory receivable is recognised and carried at the original levied amount less an allowance for impairment. For trade receivables, the Board applies a simplified approach in calculating ECLs. The Board recognises a loss allowance based on lifetime ECLs at each reporting date. The Board has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

Details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired, are disclosed in Note 10.

6. CURRENT/NON-CURRENT LIABILITIES - PAYABLES

	2020	2019
	\$'000	\$'000
Creditors	16	14
NSW Fair Trading	-	60
Revenue received in advance	854	830
Accrued personnel services	568	732
	1,438	1,636

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the Board and other amounts, including interest. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent Measurement

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Refer to Note 10 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

	2020	2019
	\$'000	\$'000
Personnel services provision(current)	-	327
Personnel services provision(non-current)	-	10
	-	337

Current Personnel Services provisions expected to be settled:

Within 12 months from reporting date	-	230
After 12 months from reporting date	-	107
	-	337

Aggregate Personnel Services

	2020	2019
	\$'000	\$'000
Provisions	-	337
	-	337

The provision for personnel services employees is held by the Department of Customer Services, the Board is recharged as part of the Personnel Services arrangement. There is a nil provision balance in 2020 as this is captured as part of the recharge arrangement as a personnel services expense.

8. CONTINGENT ASSETS AND LIABILITIES

The Board did not have any contingent assets and contingent liabilities as at 30 June 2020 (2019: \$0).

9. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2020	2019
	\$'000	\$'000
Net Cash from Operating activities	(449)	(77)
Increase/(Decrease) in Receivables	(65)	78
(increase)/Decrease in Payables	198	(804)
Decrease/(Increase) in Provision	337	(59)
Net result	21	(862)

10. FINANCIAL INSTRUMENTS

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

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

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees on policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Board, to set limits and controls and to monitor risks. Compliance with policies is reviewed by the Board on a regular basis.

Recognition and Subsequent Measurement

The Building Professionals Board's financial instruments include cash, receivables and payables. The Board determines the classification of its financial assets and liabilities after the initial recognition and when allowed and appropriate, re-evaluates that at each financial year.

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

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(a) **Financial Instrument Categories**

Financial Assets	Note	Category	2020	2019
			\$'000	\$'000
			Carrying Amount	Carrying Amount
Class:				
Cash and cash equivalents	4	Amortised Cost	661	1,110
Receivables(i)		Amortised Cost	-	-
Financial Liabilities	Note	Category		
Class:				
Payables(ii)	6	Financial liabilities measured at amortised cost	584	805

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

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

(b) **Credit Risk**

Credit risk arises when there is the possibility of the Board's debtors defaulting on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment). Credit risk arises from the financial assets of the Board, including cash and receivables. No collateral is held by the Board. The Board has not granted any financial guarantees.

Credit risk associated with the Board's financial assets, other than receivables, is managed through the selection of counter parties and establishment of minimum credit rating standards.

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 NSW Treasury Corporation ("TCorp") 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

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

Receivables

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

To measure the expected credit losses, trade receivables and contract assets, if applicable, have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The Board's receivables are statutory in nature, as they are fines for not complying with the Board's guidelines. The Board is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

(c) Liquidity Risk

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

During the current and prior years, there were no defaults on any loans payable. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 8.89% (2019: 9.96%).

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

	%	\$'000	\$'000			\$'000		
			Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing	< 1 Year	1-5 Years	> 5 Years
2020 Payables	8.89%	584	-	-	584	584	-	-
		584	-	-	584	584	-	-
2019 Payables	9.96%	805	-	-	805	805	-	-
		805	-	-	805	805	-	-

(i) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which Board can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Board's exposures to market risk are primarily through interest rate risk on the Board's borrowings. The Board has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Board operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2019. The analysis assumes that all other variables remain constant.

(e) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through interest rates on cash and cash equivalents.

Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonable possible change of +/- 1% is used, consistent with current trends in interest rates (based off official RBA interest rate volatility over the last 5 years). This basis is reviewed annually and amended when there is a structural change in the level of interest rate volatility.

	2020		2019	
	\$'000		\$'000	
	-1%	1%	-1%	1%
Net Result	(7)	7	(11)	11
Equity	(7)	7	(11)	11

(f) **Fair Value Measurement**

Fair value compared to carrying amount

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

The carrying amount of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of many of the financial instruments.

11. RELATED PARTY DISCLOSURES

Key Management Personnel

The board does not have any key management personnel compensations for the financial year 2019/20.

During the year, the Board has not entered into any transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

Other Related Party Transactions

During the year, The Board entered into transactions at arm's length terms and conditions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions in aggregate are a significant portion of Board's rendering and receiving of services.

Nature of transaction	2020		2019	
	Transaction Value Income/(Expenses) \$'000	Net Receivable /(Payable) \$'000	Transaction Value Income/(Expenses) \$'000	Net Receivable /(Payable) \$'000
Contribution from Fair Trading	1,950	-	500	-
Accommodation - Fair Trading	(245)	-	(241)	(60)
Fees and Charges - Department of Customer Services	(55)	-	(20)	-
Personnel Services Expenses - Department of Customer Service	(3,398)	(568)	(3,083)	(732)
OneGov Support Fees - Department of Customer Service	(59)	-	(56)	-

12. AFTER BALANCE DATE EVENTS

The *Building Professional Act 2005* was repealed by Section 121(a) of the *Building and Development Certifiers Act 2018* (the Act) with effect from 1 July 2020. As per schedule 1 part 2 clause 12 of the Building and Development Certifiers Act 2018, the balance of Board's funds of \$0.7 million will be transferred to the Secretary of the Department of Customer Service and as per schedule 1 part 2 clause 8 of the Act, other assets and liabilities of \$1.4 million will be transferred to the Crown in October 2020.

END OF AUDITED FINANCIAL STATEMENTS

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