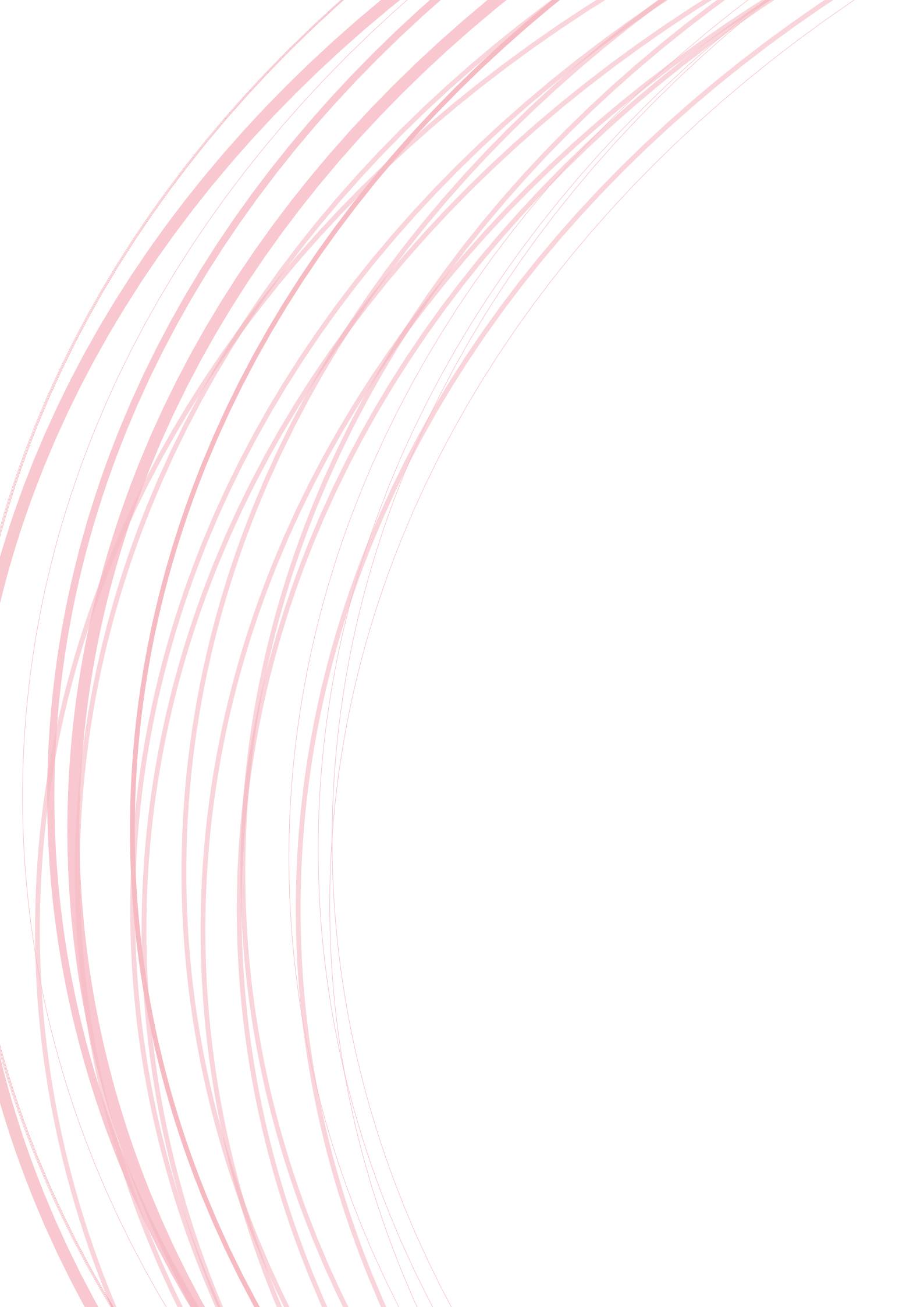




Service
NSW



ANNUAL
REPORT
2014-15



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ABN 37 552 837 401

30 October 2015

The Hon Dominic Perrottet MP
Minister for Finance, Services and Property
GPO Box 5341
SYDNEY NSW 2001

Dear Minister

Service NSW Annual Report 2014-15

I have pleasure in submitting for your information and presentation to the Parliament of NSW the report on the activities of Service NSW for the financial period ended 30 June 2015. The report was prepared in accordance with the provision of the *Annual Reports (Departments) Act 1985* and the *Annual Reports (Departments) Regulation 2015*.

Yours sincerely

A handwritten signature in black ink, appearing to be "GK", written over a decorative background of overlapping pink and white shapes.

Glenn King
Chief Executive Officer
Service NSW

**Website**

www.service.nsw.gov.au

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info@service.nsw.gov.au

**Telephone service**

13 77 88 (24 hours a day, 7 days a week)

**Head office**

Level 2
66 Harrington Street
Sydney NSW 2000 Australia

Details of Service NSW centres and Service NSW agents can be found at our website service.nsw.gov.au including our opening hours and the transactional services available.

This Annual Report has been produced by Service NSW using in-house resources only.

An electronic copy of this Annual Report is available on our website, by email or by calling 13 77 88.

ACCESS



MESSAGE FROM THE CUSTOMER SERVICE COMMISSIONER NSW

More than ever, the citizens of NSW expect and deserve the NSW Government to deliver high quality services. Delivering on this is at the core of the NSW Government's agenda - a commitment to improve customers' experience with NSW Government services.

Service NSW is continuing to spearhead the customer service transformation that is underway in the public sector. In only two years, Service NSW has achieved incredible success, and is now viewed as a template for not only other jurisdictions, but also leading private sector organisations.

FY2014-15 has been a year of sustainable growth and achievement recognised by citizens. Each and every day, Service NSW is making a tangible difference. I am consistently impressed by the positive feedback we receive, not only from our customers but also from our client agencies.

This year has also been one of ongoing investment in the future, particularly in digital. Through the ongoing digital rollout and customer education programs, Service NSW is continuing to build solid foundations for a successful future.

A handwritten signature in black ink, appearing to read 'Michael Pratt', with a stylized flourish at the end.

Michael Pratt
Customer Service Commissioner NSW



MESSAGE FROM THE CEO

I am pleased to present the 2014-15 Annual Report for Service NSW. Service NSW has made great strides in customer service delivery – matching exceptional customer service with a highly engaged and passionate team.

Our citizens are increasingly digitally connected and mobile and we need to be too. This is all about offering our citizens choice and convenience. People expect to transact with government when they want and how they want – and we intend to meet those expectations.

A key to the success of Service NSW is the application of innovation and agile service delivery. Rather than wait for an end result, Service NSW uses customer co-design to test and re-test offerings before releasing them to market. This way of enterprise working enables us to build on success and learn from pilot outcomes while continuing to drive towards excellence.

I am confident our team will continue to fulfil the commitment to customers for an improved customer service experience – responding to our customers' growing appetite for digital transactions while delivering an agile and efficient cost to serve approach.

A handwritten signature in black ink, appearing to read 'G King'. The signature is stylized and fluid, with a large initial 'G' and a trailing flourish.

Glenn King
Service NSW CEO

SERVICE NSW ACTIVITIES, AIMS AND OBJECTIVES

Introduction

Service NSW is a customer-led enterprise which has rapidly transformed the culture of government service delivery – with cutting edge digital solutions and an award-winning culture of passion and teamwork.

Between 1 July 2013 and 30 June 2015, Service NSW served more than 17 million customers across NSW – helping them celebrate the birth of a child; get their first driver licence; apply for the right permits to grow their small business; or access seniors' discounts and concessions.

Service NSW has seen considerable growth in digital transaction take-up growing from a baseline of 25 per cent at June 2014 to 37 per cent by 30 June 2015 (based on Roads and Maritime Services transactions alone). This number is expected to continue to increase in future years as more transactions are digitally enabled and the experience improved.

Review of operations

Service NSW has realised major benefits for customers, government, business and the wider community since launching in July 2013.

Apart from the step-change in customer service – evidenced by high customer satisfaction scores and the highly engaged team of customer service staff – Service NSW has:

- Simplified access to government services
- Empowered customers to self-select their service channel experience. The integration and greater education of the variety of channels available plus the one-stop service means the citizen has greater awareness and greater opportunity to choose how they want to deal with government
- Digitalised more transactions and services
- Implemented the Circle of Service continuous improvement program, leading to service improvements
- Enhanced our analytical and customer insight, thus reducing costs and increasing efficiencies.

We are trialling 'easy to do business' starting with the café industry with our step-by-step guides on our digital portal. This is due to be expanded with more work planned to assist small business. The digital services are enhanced by a 24/7 small business line through 13 77 88.

We have consolidated shopfronts but expanded services - providing greater coverage than before through the one-stop shop experience with extended trading hours and access to many more transactions.

In 2014-15, Service NSW provided direct services for:

- Ageing, Disability and Home Care
- Education and Communities
- E-toll
- Fair Trading
- Greyhound Racing NSW
- Housing NSW
- Ministry for Police and Emergency Services
- Multicultural NSW
- NSW Civil and Administrative Tribunal
- NSW Procurement
- NSW Registry of Births Deaths and Marriages
- NSW State Emergency Service
- NSW Trustee and Guardian
- Office of Environment and Heritage
- Office of Liquor, Gaming and Racing
- Office of Small Business
- Office of State Revenue
- Office of the Children's Guardian
- Planning and Environment
- Resources and Energy
- Roads and Maritime Services
- Safety, Return to Work and Support
- Transport Management Centre
- Transport for NSW

Finance

In 2014-15, we made significant progress against our key priorities and targets:

- Ongoing development of business-as-usual operations through integration of the Roads and Maritime Services registry operations and growth of sustainable fee-for-service revenue streams
- Further strengthening of our service delivery network and the effective use of capital for available growth opportunities pursuant to the Accelerated Distribution Strategy
- Continued pursuit of cost savings and operational efficiencies.

Having completed the scheduled roll-out strategy for 2014-15, attention is now turning to realising targeted growth in digital transactions with further investment in the MyServiceNSW digital account and the whole-of-government payments platform together with the continued integration of legacy systems.

TIMELINE 2013-15

2013

2014



Port Macquarie
22 November 2013



Parramatta
8 October 2013



Seniors Card forms online
12 December 2013



Penrith
20 June 2014



Kiama
5 July 2013



Tweed Heads
12 August 2013



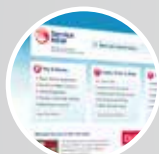
Gosford
25 October 2013



Chatswood
13 December 2013



Blacktown
10 October 2014



Website launch
28 June 2013

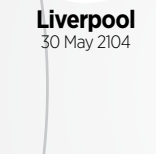
13 77 88
24/7 Phone line launched
1 July 2013



Dubbo
27 September 2013



Wagga Wagga
15 November 2013



Liverpool
30 May 2014



Service NSW App released
18 October 2013



Haymarket
2 August 2013



Parramatta CC
30 August 2013



Wynyard
14 October 2013



Wollongong
9 December 2013



Lismore
10 April 2014



Hurstville
26 September 2013



Orange
9 September 2013



Tamworth
4 October 2013



Queanbeyan
16 December 2013



Newcastle CC
1 July 2014



Newcastle
12 November 2013



Live Chat
4 October 2014



Maitland
12 December 2014



Grafton
27 February 2015



Albury
20 March 2015



Coffs Harbour
22 May 2015



Hornsby
17 July 2015



Richmond
9 October 2015



Batemans Bay
11 September 2015



Lithgow
14 August 2015



Bathurst
24 April 2015



Goulburn
19 June 2015



Bondi Junction
6 March 2015



Deniliquin
4 September 2015



Marrickville
16 December 2014

2015



Bankstown
13 April 2015



Botany
26 June 2015



Cowra
21 August 2015



Wetherill Park
5 December 2014



Armidale
20 February 2015



Ryde
18 September 2015

NSW based 2014



Burwood
November 2014



Broken Hill
13 March 2015



Castle Hill
29 May 2015



Warners Bay
26 June 2015



Toukley
16 October 2015

Management and activities

The digital transformation

Our website is a gateway to hundreds of transactions, and this number is increasing. The website is being updated all the time. In addition we are working to digitise new transactions – so that they can be completed end-to-end without the need to print a form or visit a service centre.

The introduction of the Service NSW mobile app provides around-the-clock access to government services. By 17 June 2015 more than half a million customers had downloaded the app.

The digital initiatives are complemented by Service NSW's digital stores, where customers can carry out online transactions with the help of specialist staff. In 2014-15 we opened six digital stores – Bella Vista, Blacktown, Bondi Junction, Liverpool, North Sydney and Northbridge – to help customers with their digital transactions. More digital stores will be deployed in the next financial year including planned locations in Campbelltown and Shellharbour, and Broadway in Sydney's CBD.

Cloud technology improves contact centre performance

In the contact centre space, Service NSW has introduced cloud-based technology to improve access to government services for customers and reduce call wait times. The virtual contact centre will provide an even more robust network that can upscale and expand the number of phone lines to support peaks and improve access to government services.

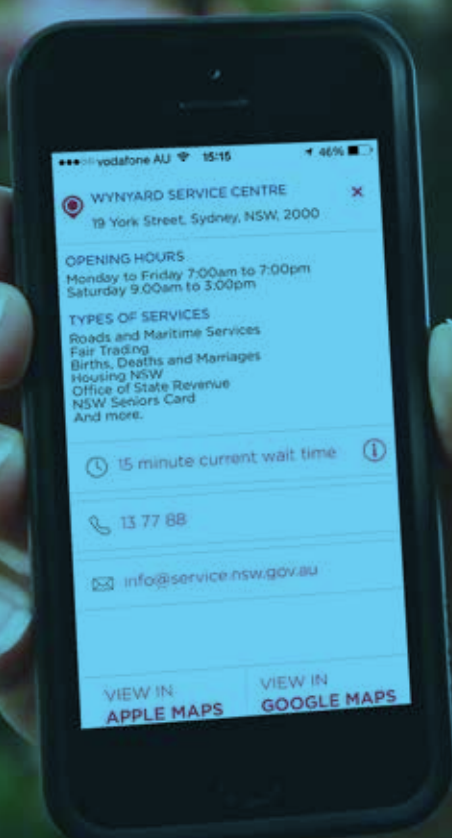
The cloud-based technology means Service NSW can rapidly provide services where they are needed, without being constrained by the physical environment. It will enable call-backs for queued callers, call prioritisation, and improved call management. This capacity may be particularly effective in emergency situations such as bushfires, where Service NSW can link customer service team resources to respond to a high number of calls at times when customers need it the most.

Once fully developed and deployed, this cloud technology will also provide additional flexibility for our workforce - another plank of government strategy in supporting working from home or remote locations.

REAL TIME WAITING VIA THE APP

Since May 2015, Service NSW has made available to the public real-time data on service centre waiting times through its mobile app and website. Queue waiting time metrics are typically used for queue management and performance reporting purposes.

The publication of this real-time data helps our customers decide when to visit a service centre. Benefits include cost delay savings, smoother peak period customer flows and migration to our digital channels.



HELPING THE COMMUNITY

NSW East Coast Storms

Over 21-22 April 2015, the 'storm of the century' hit Sydney and the Hunter, causing death and injury and also immense property damage due to high winds, rain and flooding. Thousands of people were trying to telephone for help but the SES phone lines were hit beyond capacity so those customers were getting a busy signal.

Within eight hours Service NSW was able to implement an overflow service for the SES. We trained 53 staff through a rapid deployment program to manage the simple and non-complex matters.

We set up an escalation matrix to ensure the complex matters were managed by trained SES subject experts. This meant calls could be answered quickly and responded to in a timely manner.

Service NSW was able to use our cloud technology to scale up and provide additional phone lines and staff to manage the volume.

SES maintained their operation and Service NSW was able to operate as an additional function, allowing calls to queue and customers to be answered rather than get an engaged tone.

Service NSW answered over 11,000 calls for the SES and allowed the SES to focus on the more complex and urgent matters during the disaster situation.

This also boosted morale across the whole contact centre as we were able to add value in a major event, and help people in real need. As a particular challenge, the Newcastle Contact Centre was in the centre of the storm and at one stage was evacuated. For a few days quite a few team members were unable to travel to work or couldn't leave their homes due to flooding and storm damage so the Parramatta Contact Centre also covered additional calls for Newcastle in addition to the SES calls.

Service centres

Service NSW is responding to the changing customer environment by streamlining processes, reducing inefficiencies and realising savings through consolidation of duplicated shopfront assets.

So when customers do have to come and transact face-to-face, they can have all their needs met in one location.

From 1 July 2013 to 30 June 2015, Service NSW opened 36 one-stop shops, six digital stores and began transitioning 29 store-in-a-store (or council agents) from Roads and Maritime Services to Service NSW.

Plans are on track to deliver at least 27 more one-stop shops in the next financial year with other points of presence being explored.



Driver testing

Since 1 July 2014, Service NSW has been responsible for the management and delivery of driver testing in NSW in the service centre and motor registry network.

For the first time since 2011, Service NSW (and the motor registry network it manages) is now exceeding demand – delivering on average 4,000 tests each week in the Sydney region.

Better utilisation of resources has also dramatically improved and will continue to increase productivity initiatives as driver testers transition to Service NSW.

Through increasing the number of testers and tests conducted, and putting our testers on the Service NSW platform (with extended opening hours), Service NSW is confident it will give customers increased access to a quality service within reasonable wait times.

Additionally, through the creation of Service NSW one-stop shops, Service NSW has and will continue to create high capacity sites for driver testing – known as hubs – such as those already operating at Blacktown, Wetherill Park, Liverpool, Botany and Castle Hill and the upcoming centres at Ryde and Macarthur.

Our people

Recruiting people on merit who are passionate about customer service, and have the requisite skills and capabilities to deliver the Service NSW vision, has been a key component of our success.

From July 2014 to July 2015, more than 18,000 people applied for jobs at Service NSW – and more than 1,200 candidate interviews took place up to 9 June 2015.

From 1 July 2014 to 30 June 2015, Service NSW employed just over 500 people.

We continue to recruit not only for skills and capability but also to ensure cultural fit with our customer-centric ethos. Building upon our outstanding engagement results in the 2014 Public Service Commission Engagement Survey, we continue to track our engagement using the same methodology as employed in 2014. Service NSW still boasts an engagement factor of 77 per cent which is a significant achievement in a rapidly growing organisation and an outstanding result when compared to benchmarks across the public and private sector. Our future focus is now on developing our line manager capability to ensure that we maintain our positive culture that further supports current recognition and employee development initiatives. We have also begun to look at ways to leverage our top talent across the organisation through a leadership program and will shortly be rolling out 360 Degree Capability assessments, starting at the executive level.

Circle of Service

In June 2014 Service NSW introduced the continuous improvement program based on the Kaizen philosophy.

To ensure early engagement and encourage ownership from all Service NSW employees, a naming competition was run internally via Service NSW's social media platform Yammer. The winning suggestion was 'Circle of Service' (CoS).

CoS aims to:

- Give all employees a voice and a say in 'what we do and how we do it'
- Utilise the extensive knowledge, skills and experience of all employees
- Encourage the sharing of internal best practice.

One of the biggest trends identified so far by CoS is the feedback captured by frontline staff on the customer experience of our digital channel. Concierges encourage and educate customers on the

opportunities to transact through our digital self-service kiosks daily, as do CSRs at both contact centres. This has led to over 130 ideas about presenting information in different ways for customer ease, opportunities to link with other agency partners, and suggestions for new digital transactions.

Since CoS was launched, more than a thousand innovations have been submitted with many implemented. This

demonstrates the innovative and customer-driven culture to deliver improved and efficient services to the citizens of NSW.

All Service NSW staff have access to the CoS online engagement platform which gives employees the ability to submit, view and receive feedback on their ideas. To reinforce, stimulate and encourage innovative thinking, idea sharing, and suggestions of continuous improvement and feedback, all service centres and contact centres have also been provided with Input Boards. These are on display in 'employee only' areas. Each team is unique and has its own personality and style. In line with CoS principles and to allow creativity, teams are allowed to use the input boards in a way that best suits their CoS direction.



Learning management excellence

Service NSW continues to be committed to developing our people through a wide range of media. In September 2014, we launched an online Learning Management System to deliver best-practice content on compliance and bespoke modules.

Since that date we have launched 23 new topics including inductions, new transactions and agencies, leadership modules, and compliance training (such as Bullying, Equal Opportunity, and Workplace Health & Safety). We offer a number of learning delivery methods to our people including facilitated face-to-face, leader-led and self-led online modules.

This approach supports our people through the growing number of transactions we offer, and reaffirms our culture of continuous learning and improvement.

Aims and objectives – looking ahead 2015-16

The construction of key digital infrastructure, and release of new products, will be the focus of 2015-16 as Service NSW continues to build on the work delivered in the first two years of operation.

This will enable other partner agencies to leverage the Service NSW infrastructure, reducing their cost to serve and making transacting with government more efficient for customers and government alike.

Service NSW aims to achieve new client relationships to continue its business model as a full-fee service operation by 2017.

The two key building blocks for digitisation are the Customer Service System (CSS) and its Salesforce cloud technology - which is already in operation in the contact centre channel.

The CSS platform also supports two key deliverables – the MyServiceNSW digital account and the whole-of-government payments platform. More on both of these projects follows.

The CSS platform also enables Service NSW to work with its partner agency, Roads and Maritime Services, to complete the integration of the myRTA digital services to Service NSW, which is on target for 2016.

CIRCLE OF SERVICE FOCUS WEEKS

CoS focus weeks are a call to action for staff to focus on one area of our broad business. Since the best people to identify room for improvement in any given processes are the people that see them in action all the time, this is a great way to hone in on areas where there is greater opportunity for process improvement, and to acquire feedback in a constructive manner. It is also a great way for the business improvement teams to work methodically through targeted areas of business improvement. Focus weeks held so far have been

Maritime Week, Driver Testing Focus Fortnight and Knowledge Management Ideas Week. In addition, the CoS program was used to support the 'Service NSW Our Community' committee in collecting ideas for Multicultural March. Staff were encouraged to submit ideas about how we engage internally and externally in relation to multiculturalism, diversity and inclusion. Successful ideas are being included in the Service NSW Multicultural plan outlined further in this Report.

MyServiceNSW

Service NSW is delivering a new era in customer service delivery, particularly responding to the growing appetite from citizens for quick and mobile digital services. Throughout 2014-15, Service NSW began working on a new initiative – the MyServiceNSW digital account.

The first phase launched to customers in October 2015. It will give customers the option to create a 'digital profile' enabling them to link with existing government accounts such as with Roads and Maritime Services, avoiding the need to re-enter basic details during self-service transactions. It will, over time, give customers a single view of their various holdings with the NSW government.

It will also allow partner agencies to verify an individual's credentials to perform digital transactions. Customer details will be securely stored in the Service NSW Customer Relationship Management system which is part of the architecture of the digital profile.

It builds on our already established website (www.service.nsw.gov.au) and associated platforms which were launched in 2013, following extensive customer research and taking advantage of simple and easy-to-use functions that work across desktop and mobile devices. The digital profile is an extension of these platforms, which have proven to be a great success with customers and are highly regarded by the government sector.

The MyServiceNSW design and development teams researched the customer experience, privacy and security standards of similar government and private sector digital accounts, (including MyGov) to learn from their experiences and identify best practice and additional functionality that could be incorporated into the design of the profile.

Whole-of-government payment solution

In the area of payments, we want our customers to have a contemporary experience with the NSW Government and plan to support new payment types such as MasterPass, VisaCheckout, Apple Pay (when available in Australia) and others.

Service NSW has begun building its whole-of-government Payment Services Platform, drawing on expertise in enterprise transactions and payments processing. Azuron, a Sydney-based company, has commenced work on the initial stages of the project.

Over the next 12 months, Service NSW will draw on leading payment technologies to deliver the building blocks of the solution to integrate with existing government systems and do this once.

The Payment Services Platform is due to be operational for Service NSW transactions by the end of the year. This solution will reduce duplication of payments infrastructure, streamline payment processes and deliver value for money.

The platform will eventually be made available as a service to all NSW Government agencies, reducing multiple payment systems and streamlining the receipt of monies to cut down further bureaucratic red tape.

Reforming the current system will considerably improve the way we do business. It will help keep costs down across all agencies and opens the door for more innovation in consolidating, standardising and digitising the multiple billing platforms that exist across government.

Service NSW will be among the first government agencies in Australia to accept newer payment mechanisms, with new types of online payment such as PayPal, Master Pass, Visa Checkout and Apple Pay able to be introduced in response to customer demand. The Payment Services Platform will permit these to be added without having to re-engineer the transactions systems themselves.

Over-the-counter payments in cash, cheque or cards (credit and debit) will continue to be supported, along with contactless card payments including emerging mobile 'tap' payments. Digital transactions via credit or debit card, initiated via a browser or a mobile app, will also be supported.

This brings together a multitude of systems run by multiple agencies and work is being carried out to ensure the new payment system integrates seamlessly across these, while remaining future-proof to enable new payment methods to be introduced. Roads and Maritime Services transactions will be the first to use the Payment Services Platform, which will interact with DRIVES (used by Roads and Maritime Services) and the Government Licensing Service (also used by a number of other agencies including NSW Fair Trading).

BUILDING NEW INFRASTRUCTURE TO SUPPORT DIGITAL TRANSACTIONS

Service NSW is building a strong base for its Customer Service System that will support the release of new end-to-end transactions (such as renewing driver licences) and a whole-of-government payment solution. Major digital releases planned from November 2015 will ensure a consistent approach to payments that can be leveraged by other agencies and ensure compliance with Treasury Guidelines on merchant fee recovery.

By August 2015, Service NSW completed an important enterprise business architecture laying the foundation for efficient and cost effective capability delivery.

Legislation and charter

On 18 March 2013, the Public Sector Employment and Management (Service NSW Division) Order 2013 established Service NSW as a Division of the Government Service responsible to the Premier and Minister for Western Sydney.

While Service NSW was established on 18 March 2013, it did not have any employees, assets and liabilities until the transfer of the Service NSW function from the DPC on 14 June 2013. Pursuant to Public Sector Employment and Management (Service NSW Division Staff Transfer) Order 2013, activities were transferred to Service NSW Division with effect from 14 June 2013.

Service NSW's authorising legislation is the Service NSW (One-stop Access to Government Services) Act 2013, which came into effect on 21 June 2013.

From 1 July 2014, Service NSW was transferred to the Treasury and Finance cluster. From 1 July 2015, Service NSW was transferred to the newly created Finance, Services and Innovation cluster.

MANAGEMENT STRUCTURE

Glenn King

Chief Executive Officer

Chief Executive Officer, Mr Glenn King, joined Service NSW in November 2012.



Glenn is passionate about putting the customer at the heart of everything he does and is determined to deliver the best outcomes possible

to benefit the people and businesses of NSW. He is committed to providing excellent customer service and employee experience. Glenn has demonstrated his ability to deliver award-winning results in customer service, employee engagement and financial performance. He has a deep knowledge of service delivery channels and brings strong experience in driving sustainable business and service transformation to Service NSW.

Glenn has an extensive background in customer service, distribution, operations, economics, business, employee development and organisational change. He is an experienced executive, having worked in finance, banking and not-for-profit sectors domestically and internationally.

Rachna Gandhi

Executive Director, Service Delivery

Executive Director, Service Delivery, Ms Rachna Gandhi, joined Service NSW in December 2013.



Rachna is a recognised expert in Customer Strategy and Service Design. She has successfully led many transformation programs to embed

a customer centric culture and improve service delivery and performance. Rachna firmly believes that to achieve sustainable long term success organisations must involve customers in the stages of the service delivery path, in the identification of customers' needs, design of services, service delivery and performance evaluation. She is passionate about building a strong service culture and providing excellent customer service to benefit the people of NSW.

Prior to her role at Service NSW, Rachna worked with the NSW Customer Service Commissioner on establishing Customer Now, the whole-of-government program aimed at building a service culture that is responsive to customer needs.

Prior to joining the public sector, Rachna has had an extensive career in banking and wealth management. She has held senior leadership roles at Westpac and AMP, in these roles she led the way for major customer-focused change and innovation.

Rachna holds a PhD in Consumer Behaviour as well as post graduate qualifications in Customer-Led Strategic Change from Stanford University, USA.

Andrew McMaster

Chief Financial Officer

Chief Financial Officer, Mr Andrew McMaster, joined Service NSW in October 2012.



He is responsible for establishing financial control structures and all aspects of financial management. Andrew is also responsible for all procurement, corporate governance

and risk functions within Service NSW, and ensuring compliance with all regulatory requirements.

Andrew has a great depth of experience in finance and management reporting gained from a career of over 35 years in professional accounting. Andrew has extensive experience in advising organisations in a wide range of industries, including retail, media, manufacturing and distribution. He has also been involved with the public sector in areas including internal and external auditing.

In his role at Service NSW, Andrew is committed to establishing high-quality financial management systems that will ensure operating performance is in accordance with funding parameters. He has a pragmatic approach to funding issues based on timely communication with a range of key stakeholders, together with wide-ranging experience in start-up and growth entities.

Andrew is also very experienced in all aspects of corporate governance, and has been a longstanding Director of Sydney Swans Limited and previously the Bradman Museum Trust.

Serdar Avsar

Executive Director, Business Architecture, Operations and Technology

Executive Director, Business Architecture, Operations and Technology, Mr Serdar Avsar, joined Service NSW in October 2012.



Serdar is regarded as one of Australia's leading experts in customer management, analytical CRM, customer value proposition development,

and customer experience design and measurement. Serdar believes customer centricity is essential to any company that wants to achieve long term sustainable success. Serdar oversees the business, technology and architecture teams, technology operations and operational risk management within Service NSW. Within this role, Serdar has established the enterprise architecture governance framework, implemented the Technology Service management frame and processes. He has led many successful change programs that have transformed companies and business models to customer-centric operations, including a number of cloud-based technology solutions covering the Customer Service System (CSS), a cloud-based telephony platform, and the website and forms engine to enable the Service NSW digital channel.

Prior to joining Service NSW, Serdar held various roles across academic, public and private sectors where he developed his thorough knowledge of the services industry and a deep understanding of analytical techniques and customer information management. He has designed and developed various KPI measurement frameworks which have been recognised as international best practices by independent organisations.

Serdar firmly believes that 'what gets measured, gets done'. He is committed to making Service NSW the best practice example for government service delivery and has championed the use of monthly reporting across business within Service NSW to provide visibility.

Greg Curry

Executive Director, Business Development & Growth

Executive Director, Business Development & Growth, Mr Greg Curry, joined Service NSW in July 2014.



Greg has extensive experience in the public sector at both state and national levels, including ten years as NSW Registrar of Births Deaths & Marriages. Greg brings a focus

and passion to using data, information and knowledge to improve the way organisations can serve customers. He has a track record of introducing new technology, building extended service channels, and improving the way organisations use data to understand how they perform – and how they can perform better. Greg is a strong believer in the value of different organisations working together to provide better service to customers.

During his time as Registrar, Greg led the organisation in introducing the first person-centric civil registration system in Australia, and strengthened the state's identity security regime through closer cooperation with the law enforcement community. His experience at national level includes chairing the Council of Australasian Registrars, and working in areas as diverse as identity security, measuring court performance, and developing case-mix funding and pricing models in the health sector. Greg has previously been responsible for strategic planning and performance measurement at the NSW Attorney General's Department, was Chief Information Officer for the Home Care Service, and Assistant Director for Data Management for NSW Health. He has worked as an epidemiologist for NSW Health, and as a consultant statistician for the Australian Bureau of Statistics.

Shoshana Wall

Director, Corporate Relations

Director, Corporate Relations, Ms Shoshana Wall, joined Service NSW in December 2012.



She believes customers and stakeholders alike are critical in the journey to create a step change in NSW government customer service. Engaging early and openly with local communities,

industry and internal teams meets the Service NSW commitment of putting the customer at the heart of service delivery innovation.

Shoshana is the Service NSW executive on the independent Audit and Risk Committee. Shoshana is a communication executive with close to 20 years' experience working in senior positions in both the government and private sectors.

She has a proven track record in reputation management, strategic stakeholder engagement, project start-up and governance, parliamentary and legislative reform, marketing, media and issues management.

After successful careers in journalism and government, Shoshana worked as a senior executive at a leading professional services firm, advising government and non-government clients on the planning and delivery of projects and policies in complex stakeholder landscapes.

Della Prowse

A/Executive Director, People & Culture

Della brings over 18 years of experience in the human resources field with a career that spans both public and



private sectors. Known for her pragmatic approach, she has successfully led many HR transformations to align teams' capability and capacity to the requirements of the

business. Della strongly believes that HR is a customer service function and for HR to be truly successful, it needs to partner with its customer to understand their needs, provide subject matter expertise and deliver solutions that drive high performing organisations.

Prior to Della establishing DeltaHR, a consultancy in providing services to NSW Government departments, Della was an Executive Director with the NSW Public Service Commission and Director of People, Learning & Culture with Trade & Investment NSW. In addition, Della has held senior management roles in the manufacturing, entertainment and media sectors.

Ralf Finchett Jnr

Executive Director, Program Management Office

Executive Director, PMO, Mr Ralf Finchett, joined Service NSW in April 2015.



Ralf places a strong emphasis on agile delivery methods for projects and believes planning is the main method for collaboration and teamwork.

Ralf has over 20 years of leadership experience and over 15 years in Project, Program, Portfolio and Change roles. The lead author of PMO Manifesto has helped many organisations with redesigning their teams to enable effective change. Prior to joining Service NSW, Ralf held numerous senior positions on PMOs across financial services, global retailers and major government organisations. He has been a contributor on many international standards for Project, Program and Portfolio management, was a former Chairman for the PMO Special Interest Group and co-founder of PMO Flashmob in the UK. Ralf holds an Honours degree in Project Management.

PEOPLE OVERVIEW

Human resources

Number of officers and employees by category and compared to prior three years

With the commencement of the Government Sector Employment Act 2013 (GSE Act) on 24 February 2014, each government agency within the Public Service was to review its executive structure and develop a plan for implementation of new executive structures which align with the requirements of the GSE Act and design principles established by the Public Service Commission.

Service NSW is an early adopter of the design principles for senior executive structures, including flatter structures for streamlined decision-making, clear lines of accountability, and management spans of control in line with best practice. Service NSW's plan for senior executive implementation was endorsed by the Public Service Commissioner in September 2014.

The new executive structure at Service NSW has been determined to best meet the requirements of the agency's business as usual operations and transformational change agenda, now and over the next three years, as it continues to rapidly expand and take on multiple government service functions to build the 'one-stop shop' delivery model.

Implementation of the new senior executive structure is being rolled out in a three-part staged approach, with stages one and two completed on 24 February 2014 and 30 June 2014 respectively. Service NSW remains on track to meet completion of this transition by 31 December 2016.

Senior executive band

Band	SES level	Total 2014-15	Total 2013-14	Total 2012-13
Band 4	Level 8		-	-
Band 3	Level 7	2	2	2
	Level 6		-	-
Band 2	Level 5	5	2	3
	Level 4		2	-
Band 1	Level 3	17	8	4
	Level 2		4	1
	Level 1		-	1
	Total	24	18	11

Female executive officer positions

At 30 June 2015, 8 of the senior executive roles at Service NSW were held by female employees.

At 30 June 2014, 7 of the senior executive roles were held by female employees.

Staff profile by employment category

Staff category	Female			Male			Total		
	2014-15	2013-14	2012-13	2014-15	2013-14	2012-13	2014-15	2013-14	2012-13
Permanent full time	581	244	6	301	77	-	882	324	6
Permanent part time	269	137	-	59	23	-	328	160	-
Temporary full time	9	28	5	8	12	2	17	48	7
Temporary part time	4	5	-	-	1	-	4	6	-
SES full time	8	7	5	16	10	5	6	6	10
SES part time	-	-	-	-	1	1	1	1	1
Total	871	421	16	384	124	8	1255	545	24

Movements in wages, salaries or allowances

Service NSW will be progressively rolled out over the next three years and is expected to employ approximately 2,200 (FTE) employees who will be covered by the *Service NSW (Salaries and Conditions) Employees Award*.

Government Sector Employment Act 2013

The *Government Sector Employment Act 2013* (the GSE Act), the *Government Sector Regulation 2014* (the GSE Regulation) and the *Government Sector Employment Rules 2014* (the GSE Rules) commenced on 24 February 2014, replacing the *Public Sector Employment and Management Act 2002* and *Public Sector Employment and Management (General) Regulation 1996*.

The GSE Act, Regulation and Rules provide the new legislative basis for government employment in the NSW government sector requiring changes to Service NSW recruitment, employment and management practices.

While aspects of the new legislation were effective immediately, others will be implemented over a three year period from commencement of the legislative schema.

Service NSW has worked closely with the Department of Premier and Cabinet and the Public Service Commission to develop implementation plans in line with the requirements of the GSE Act, Regulation and Rules.

Workforce diversity

Service NSW is committed to the principles of Equal Employment Opportunity and we are developing an organisation that represents the diversity of the wider NSW community in which we serve.

Trends in the representation of workforce diversity groups

Workforce diversity group	NSW Government benchmark	2015	2014	2013
Women	50%	70%	77.2%	66.7%
Aboriginal People and Torres Strait Islanders	2.6%	1.8%	2.3%	0.0%
People whose first language spoken as a child was not English	19.0%	19.7%	17.9%	22.2%
People with a disability	N/A	2.7%	3.1%	0.0%
People with a disability requiring work-related adjustment	1.5%	1.2%	1.2%	0.0%

Trends in the distribution of workforce diversity groups

Workforce diversity group	NSW Government benchmark	2015	2014	2013
Women	100	88	89	N/A
Aboriginal People and Torres Strait Islanders	100	104	N/A	N/A
People whose first language spoken as a child was not English	100	99	101	N/A
People with a disability	100	97	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A

Note 1 A Distribution Index of 100 indicates that the centre of the distribution of the Workforce Diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the Workforce Diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the Workforce Diversity group is less concentrated at lower salary levels.

Note 2 The Distribution Index is not calculated where Workforce Diversity group or non-Workforce Diversity group numbers are less than 20.

The above statistics indicate:

- The percentage of females exceeds the NSW Government benchmark.
- The percentage of people from Aboriginal and Torres Strait Islander background has increased and is close to achieving the benchmark.

Service NSW will continue to promote the diversity principles and ensure that workforce diversity is integrated into broader workforce planning processes.

Multicultural policies and services

NSW is one of the most multicultural states in Australia. In fact, more than 50 per cent of our population was born overseas or has a parent who was born overseas. NSW also has one of the highest rates of immigration.

The Service NSW team is from geographically, culturally and linguistically diverse backgrounds, reflecting the communities in which they live and the areas they serve. This will only grow as we expand our service reach.

Employee diversity helps us better understand and communicate with our customers, internally and externally. It also places us in an ideal position to build on and improve the way the NSW Government represents the aspirations and needs of the residents of NSW.

We are on track to meet public sector workforce diversity benchmarks and targets (as at June 2015):

Indicator	Service NSW	Sector target
Aboriginal/Torres Strait Islander	2 per cent	2.6 per cent by 2015
Language other than English	18 per cent	19 per cent

In the results of the 2014 sector-wide 'People Matter Employee Survey', Service NSW reported a 99 per cent positive score in reference to the question:

“Cultural background is not a barrier to success in my organisation”

In October 2014, Service NSW developed our first Multicultural Policies and Services Program (MPSP) Plan for 2014-17.

With input from our CEO, an Executive Steering Committee and a Planning Committee, our Plan aligns to our business's strategic growth. We wanted to aim for a range 3 report, being the top range of citizen-impacting agencies.

With support from Multicultural NSW, our plan has been assessed as a range 3 and we are now down a path to achieve these ambitious goals over the next several years.

Although still in growth stage, Service NSW has the following foundation strategies to build upon in our multicultural planning and delivery:

- Our customer flow management system offers six languages to assist customers in their visits to our service centres
- Our website has introductory information and direction to translator services in eight languages
- We customise communications for local customers in diverse languages where appropriate to provide them with the latest information on how to access government services
- Our Code of Conduct compliance training includes culturally sensitive examples of customer service to broaden awareness
- In July 2014, Service NSW launched localised community stakeholder engagement plans to encourage all service centre and contact centre teams to engage with local stakeholders, including multicultural and indigenous groups as part of Service NSW's place in the local community fabric.

Since launch, we have achieved 13 per cent of our goals with a further 60 per cent in progress. The nature of our business is highly focussed on the diverse citizens of NSW and we predict we will achieve more than noted in our plan.

One goal achieved is the launch of an internal 'Our Community Committee' made up of a cross-section of employees from the frontline and head office who are working together to promote and progress the agenda of a diverse workforce.

Disability Action Plan

One in five NSW citizens has some form of disability. Service NSW is working hard to make government services accessible to all and this includes a Disability Action Plan. Through our 24/7 contact centre, easy-to-use website and friendly accessible service centres, we've reached millions of customers.

Service NSW aims to create a Disability Action Plan by 2016 to reflect our commitment to the importance of inclusion in building a strong and equitable community in NSW.

Workplace Health and Safety (WHS)

Service NSW recognises a safe and healthy workplace is essential for its employees. Service NSW is committed to ensuring the health and safety of employees, people who carry out work on behalf of Service NSW, and others who access Service NSW.

At Service NSW, senior management and employees work together to identify and solve workplace health and safety issues.

Key initiatives achieved in 2014-15 include:

- Establishment of a Workplace Health and Safety (WHS) Committee, comprising management, employee and human resources representatives. The WHS Committee is a key consultation forum for employees and managers on WHS matters, and where health and safety measures were monitored. The WHS Committee met three times during 2014-15
- Implementation of a WHS system to facilitate workplace inspections, report incidents and near misses, maintain safe work method statements, and other compliance activities
- Implementation of a WHS Improvement Plan to promote and maintain a working environment which is free of actual or potential risks to the health and safety of employees and visitors
- Establishment of a network of First Aid Officers located throughout the corporate head office locations and across the service centre and contact centre networks.
- Support for employees with the management of non-work related injuries or illnesses.

Workplace health and safety incidents and assessments

	2012-13	2013-14	2014-15
Workplace incidents reported	n/a	23	43
Workers compensation claims	n/a	5	8

The increase in reported workplace incidents shown above can be attributed to the significant increase in employee numbers over the period.

In 2014-15, Service NSW provided for and supported a range of initiatives to promote a healthy and positive work environment by:

- Providing free flu vaccinations for employees and other staff
- Promoting employee engagement by supporting community engagement initiatives in metropolitan and regional areas
- Sponsoring participation in initiatives and events which promote healthy living and fitness such as City 2 Surf
- Providing for and encouraging employees to use the Employee Assistance Program and the Manager Assistance Program, which offer free, professional and confidential counselling services to employees and their immediate family members for both work and personal issues and concerns
- Individual workstation assessments and advice on ergonomics, appropriate workstation set-up and workstation practices
- Promoting fund raising, and holding events in support of various charity organisations.

Employee Assistance Program (EAP)

Converge International is the Service NSW Employee Assistance Program provider. The program provides a counselling and advice service for employees and their immediate families who require professional assistance for any personal or work related problem. The counselling service is totally confidential and aimed at enhancing personal and professional wellbeing.

GOVERNANCE

Service NSW is recognised as an executive agency and falls under the Department of Finance, Services and Innovation in Schedule 1 of the *Government Sector Employment Act 2013*. The Chief Executive Officer is appointed as agency head.

Audit, risk management and insurance activities

Audit and risk management

The Service NSW Audit and Risk Committee (ARC) held four meetings in the reporting period. The ARC was established in compliance with NSW Treasury Policy TPP09-05, with two independent members including the Chair. Key highlights for the ARC for the reporting period include a review of the Service NSW risk management policy and agency-wide risk management framework and Enterprise Risk Profile. Our outsourced Internal Auditors completed internal audits of IT systems delivery, Service Delivery QA framework and a review of Service NSW compliance framework, and a 2015-2017 Internal Audit Plan was put in place.

Insurance

Service NSW has insurance cover in place over all its assets and major risks. Service NSW's insurance policies include workers compensation, building contents (including office equipment) and public liability. The Treasury Managed Fund (TMF) is our insurance provider. For 2014-15, Service NSW had six Workers Compensation claims lodged, and six remained open. There were three property claims in the same period.

Internal audit and risk management policy attestation

I, Glenn King, CEO of Service NSW, am of the opinion that Service NSW has internal audit and risk management processes in operation that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*. These processes provide a level of assurance that enables the senior management of Service NSW to understand, manage and satisfactorily control risk exposures.

I, Glenn King, CEO of Service NSW, am of the opinion that the Audit and Risk Committee for Service NSW is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Independent Chair, (appointment until 17 September 2016)
- Independent Member, (appointment until 17 September 2018)
- Non-independent Member, Shoshana Wall, Service NSW (appointment until 17 September 2016).



Glenn King – CEO, Service NSW

22 October 2015

Disclosure of controlled entities and subsidiaries

Service NSW does not control any entities or have any subsidiaries.

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

Service NSW regularly reviews its website to ensure that information which is in the public interest and will assist people to access NSW Government services is made publicly available.

Service NSW also encourages members of the public to access information informally. This includes providing:

- Information services for transacting with the NSW Government
- Information about Service NSW
- Policies, fact sheets and brochures
- An Agency Information Guide
- Contact details
- News updates.

In 2014-15 Service NSW began publishing service centre waiting times on our website. The waiting times are published in real time and allow our customers to make an informed decision on the best time to visit one of our service centres.

Formal reporting on GIPA applications processed by Service NSW in 2014-15 can be found at Appendix I.

Digital information security policy attestation

I, Glenn King, am of the opinion that:

1. Service NSW had an Information Security Management System in place during the financial year being reported on consistent with the Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector;
2. The security controls in place to mitigate identified risks to the digital information and digital information systems of Service NSW are adequate for the foreseeable future;
3. All Public Sector Agencies, or part thereof, under the control of Service NSW with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with the Core Requirements of the *Digital Information Security Policy for the NSW Public Sector*; and
4. Certified compliance with with AS/NZS ISO/IEC 27001 by an accredited third party was not required in 2014-15.



Glenn King – CEO, Service NSW

2 October 2015

Privacy

The majority of the personal information that Service NSW accesses is in the course of its customer service functions on behalf of client agencies. That agency continues to be in control ('hold') the information and be responsible for compliance with privacy principles.

Notwithstanding this, Service NSW takes the privacy of the citizens of NSW and of staff seriously and has introduced various mechanisms to protect personal information held or accessed by Service NSW or its authorised representatives. These measures include compliance with our legislation, our privacy management plan, digital information security and staff on-boarding procedures, and our Service Partnership Agreements with agencies.

In mid-2014, a privacy consultancy was commissioned to review the Service NSW Privacy Management Plan (PMP), and to conduct a concentrated 'review and refresh' in respect of privacy management. The outcome of that review was the development of a Service NSW Privacy Review Action plan. Our Privacy Management Plan was updated as a result of that review. The Plan demonstrates how Service NSW meets its privacy obligations under the Privacy and Personal Information Protection Act 1998 (PPIP Act) and the Health Records and Information Privacy Act 2002 (HRIP Act) and upholds and respects the privacy of our clients, staff and others about whom we hold personal information. A comprehensive privacy training module was also developed.

The key principles in relation to confidentiality and security of information in the Service NSW Management Plan are security safeguards, access, use, and disclosure. The Privacy Plan and brochure summarising how Service NSW handles and protects the personal information of our customers is available at all of our Service Centres and on our website.

All employees of Service NSW and our contractors are required to comply with the PPIP and HRIP Acts. It is a criminal offence, punishable by up to two years' imprisonment, for any person employed or engaged by Service NSW (including former employees and contractors) to intentionally use or disclose any personal information about another person, to which the employee or contractor has

or had access to in the exercise of his or her official functions, except in connection with the lawful exercise of his or her official functions. All employees, contractors and consultants are required to sign a confidentiality undertaking as part of their on-boarding process with Service NSW. The Service NSW Code of Conduct also details the responsibilities of employees for maintaining privacy, confidentiality and security of information.

Service NSW Partnership Agreements (SPA) have also been developed which document how Service NSW and our client agencies will work together to deliver the Client Agency's agreed transactional and information services. During the development of the SPA, client agencies are made aware of Service NSW's approach to privacy, and asked to identify any other specific requirements they might have in relation to the treatment of personal information that is required to be collected, and how it is to be processed.

Public interest disclosures

Formal reporting on Public Interest Disclosures can be found in Appendix J.

Consumer response

The Salesforce Customer Relationship Management system is used to capture feedback about the services delivered by Service NSW across all its channels. Customers can lodge feedback at a counter, over the telephone, via email, through the mail or through service.nsw.gov.au digital portal.

Between 1 July 2014 and 30 June 2015, a total of 1,706 customer feedback responses were received by our Customer Resolution team, made up of 493 (40 per cent) general enquiries and 1,213 (70 per cent) complaints. The complaints represent 0.0087 per cent of all customers served during the financial year.

Customer feedback is essential to the Service NSW value chain, ensuring our team incorporates it into the continuous improvement efforts. Service NSW actively monitors its customer complaints and evaluates trends for service improvement opportunities.

Waste

Service NSW is committed to reducing its environmental footprint by enhancing the way it uses and manages energy and waste in our contact centres, service centres and other offices and outlets.

Where possible, Service NSW opts for energy efficiency and recycled content when buying goods, services and construction materials.

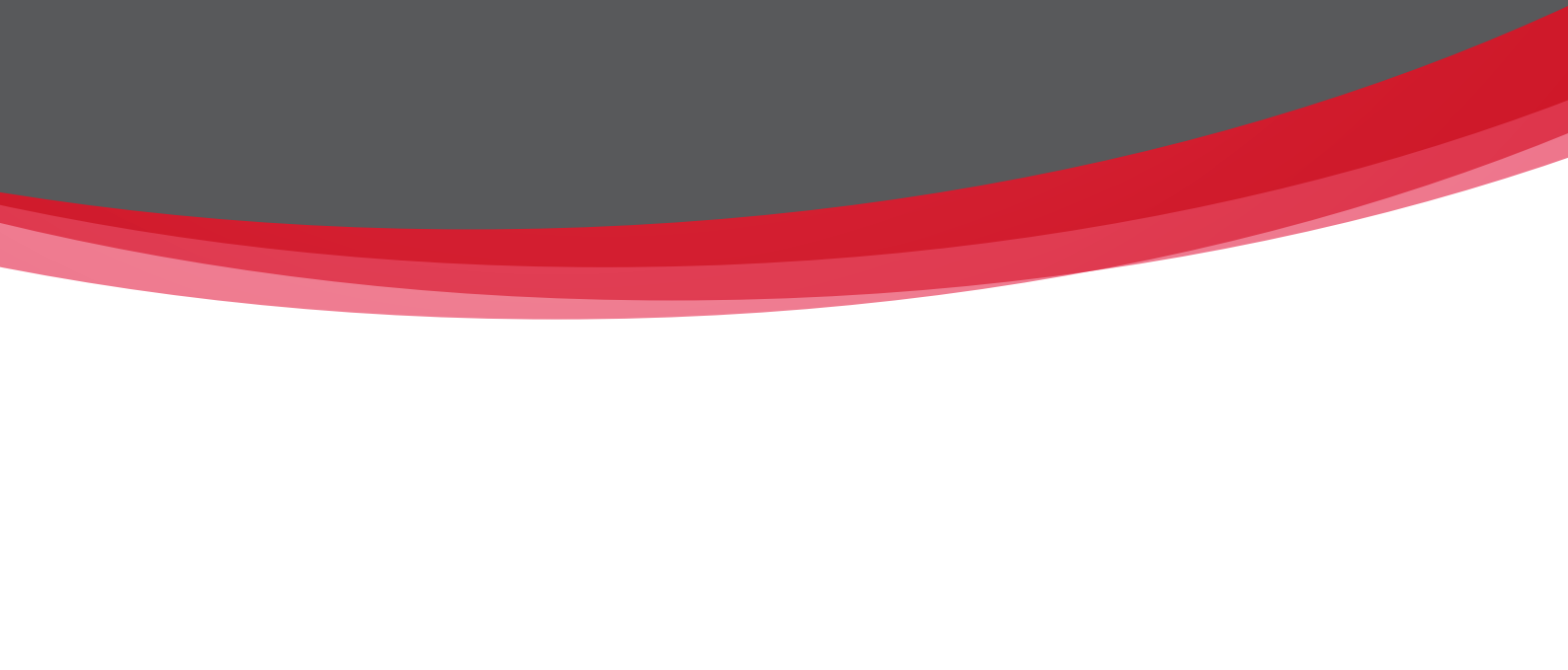
Initiatives carried out in 2014-15 include:

- Establishing baseline figures to enable measurement of future improvements in waste reduction
- Establishing baseline figures to enable measurement of future improvements in energy efficiencies
- Incorporating energy efficiencies and sustainability principles into the design of service centres and contact centres.

During 2014-15, Service NSW has achieved the following:

- 92 per cent of paper purchased for offices contained recycled content
- 55 per cent of paper used in offices was recycled
- 6 per cent of all power purchased was 'green power'.

APPENDICES





Statement by the Chief Executive Officer


Service NSW

Pursuant to Section 45(F) of the *Public Finance and Audit Act 1983*, and clause 11 of the Public Finance and Audit Regulation 2015, we state that:

- (1) The financial statements have been prepared in accordance with:
 - (a) applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
 - (b) the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, and the Treasurer's directions; and
 - (c) the Financial Reporting Code for NSW General Government Sector Entities.
- (2) The financial statements exhibit a true and fair view of the financial position and transactions of Service NSW; and
- (3) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Glenn King
Chief Executive Officer, Service NSW
23 September 2015



Andrew McMaster
Chief Financial Officer, Service NSW
23 September 2015



INDEPENDENT AUDITOR'S REPORT

Service NSW

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Service NSW (the Department), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity, statement of cash flows and service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Department as at 30 June 2015, 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.

Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Department
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- 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 other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence 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, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



David Nolan
Director, Financial Audit Services

23 September 2015
SYDNEY

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STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

	Notes	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
Expenses excluding losses				
Operating expenses				
Employee related	2a	75,376	80,540	32,457
Other operating expenses	2b	53,651	32,248	38,863
Depreciation and amortisation	2c	10,281	11,845	4,843
Grants and subsidies	2d	144,286	144,189	19,900
		<hr/>	<hr/>	<hr/>
Total expenses excluding losses		283,594	268,822	96,063
Revenue				
Sale of goods and services	3a	14,284	20,000	5,336
Grants and contributions	3b	310,705	324,197	118,759
Acceptance by the Crown Entity of employee benefits and other liabilities	3c	2,718	-	2,048
Investment revenue	3d	887	-	117
Other Revenue	3e	6,212	-	27
		<hr/>	<hr/>	<hr/>
Total revenue		334,806	344,197	126,287
		<hr/>	<hr/>	<hr/>
Net result		51,212	75,375	30,224
Other comprehensive income				
		<hr/>	<hr/>	<hr/>
Total comprehensive income		51,212	75,375	30,224
		<hr/>	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Notes	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	5	31,845	6,699	11,091
Receivables	6	16,342	2,345	3,266
Other assets	7	315	-	86
Total current assets		48,502	9,044	14,443
Non-current assets				
Property, plant and equipment				
Leasehold improvements	8	42,930	-	25,120
Plant and equipment	8	12,279	111,118	6,739
Total property, plant and equipment		55,209	111,118	31,859
Intangible assets	9	46,140	10,527	12,387
Total non-current assets		101,349	121,645	44,246
Total assets		149,851	130,689	58,689
LIABILITIES				
Current liabilities				
Payables	10	35,784	5,249	8,715
Provisions	11	12,103	3,487	3,202
Total current liabilities		47,887	8,736	11,917
Non-current liabilities				
Provisions	11	5,141	1,402	1,161
Total non-current liabilities		5,141	1,402	1,161
Total liabilities		53,028	10,138	13,078
Net assets		96,823	120,551	45,611
EQUITY				
Accumulated funds		96,823	120,551	45,611
Total equity		96,823	120,551	45,611

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Accumulated funds \$'000	Total \$'000
Balance at 1 July 2014	45,611	45,611
Net result for the year	51,212	51,212
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	51,212	51,212
	<hr/>	<hr/>
Balance at 30 June 2015	96,823	96,823
	<hr/>	<hr/>
Balance at 1 July 2013	15,387	15,387
Net result for the year	30,224	30,224
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	30,224	30,224
	<hr/>	<hr/>
Balance at 30 June 2014	45,611	45,611
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

	Notes	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(70,238)	(78,867)	(26,316)
Grants and subsidies		(134,048)	(144,189)	(19,900)
Other		(43,903)	(44,155)	(48,874)
Total payments		(248,189)	(267,211)	(95,090)
Receipts				
Sales of goods and services		11,850	22,825	4,759
Grants and contributions		307,143	324,197	131,467
Other		27,136	14,000	6,656
Total receipts		346,129	361,022	142,882
NET CASH FLOWS FROM OPERATING ACTIVITIES	15	97,940	93,811	47,792
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of plant and equipment		(36,609)	(87,185)	(29,369)
Purchase of intangibles		(40,577)	-	(7,332)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(77,186)	(87,185)	(36,701)
Net increase/(decrease) in cash		20,754	6,626	11,091
Opening cash and cash equivalents		11,091	73	-
CLOSING CASH AND CASH EQUIVALENTS	5	31,845	6,699	11,091

The accompanying notes form part of these financial statements.

SERVICE GROUP STATEMENTS

for the year ended 30 June 2015

ENTITY'S EXPENSES & INCOME	Service Group 1*		Service Group 2*		Service Group 3*		Service Group 4*		Not Attributable**		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses excluding losses												
Operating expenses												
Employee related	44,896	7,037	18,078	3,946	49	185	11,386	981	966	20,308	75,375	32,457
Other operating expenses	9,580	8,425	10,265	4,725	205	222	12,791	1,175	20,811	24,316	53,652	38,863
Grants and subsidies	-	-	-	-	-	-	-	-	144,286	19,900	144,286	19,900
Depreciation & Amortisation												
Expense	4,988	1,050	665	589	590	28	4,020	146	18	3,030	10,281	4,843
TOTAL EXPENSES EXCLUDING LOSSES	59,464	16,512	29,008	9,260	844	435	28,197	2,302	166,081	67,554	283,594	96,063
Revenue												
Sale of goods and services	9,421	1,064	4,863	4,060	-	212	-	-	-	-	14,284	5,336
Grants and contributions	-	-	-	-	-	-	-	-	310,705	118,759	310,705	118,759
Acceptance by the Crown Entity of employee benefits and other liabilities	1,941	444	332	249	2	12	383	62	60	1,281	2,718	2,048
Investment revenue	-	-	-	-	-	-	-	-	887	117	887	117
Other revenue	69	-	11	-	19	-	-	-	6,113	27	6,212	27
Total revenue	11,431	1,508	5,206	4,309	21	224	383	62	317,765	120,184	334,806	126,287
Gain / (loss) on disposal	-	-	-	-	-	-	-	-	-	-	-	-
Other gains / (losses)	-	-	-	-	-	-	-	-	-	-	-	-
Net result	(48,033)	(15,004)	(23,802)	(4,951)	(823)	(211)	(27,814)	(2,240)	151,684	52,630	51,212	30,224
TOTAL COMPREHENSIVE INCOME	(48,033)	(15,004)	(23,802)	(4,951)	(823)	(211)	(27,814)	(2,240)	151,684	52,630	51,212	30,224

* The names and purposes of each service group are summarised in Note 4.

** Cluster grant funding is not attributable to individual service groups.

SERVICE GROUP STATEMENTS

for the year ended 30 June 2015

ENTITY'S ASSETS AND LIABILITIES	Service Group 1*		Service Group 2*		Service Group 3*		Service Group 4*		Not Attributable**		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current Assets												
Cash and cash equivalents	-	-	-	-	-	-	-	-	31,845	11,091	31,845	11,091
Receivables	206	120	-	1,909	30	143	6,037	24	10,069	1,070	16,342	3,266
Other	-	-	-	-	-	-	295	-	20	86	315	86
Total current assets	206	120	-	1,909	30	143	6,332	24	41,934	12,248	48,502	14,443
Non-current Assets												
Leasehold improvements	34,027	15,072	2,972	1,206	-	1,532	4,088	879	1,843	6,431	42,930	25,120
Plant, property & equipment	4,196	4,043	574	323	10	411	1,150	236	6,349	1,726	12,279	6,739
Intangibles	8,343	7,432	-	595	29,959	756	-	434	7,838	3,170	46,140	12,387
Total non-current assets	46,566	26,547	3,546	2,124	29,969	2,699	5,238	1,549	16,030	11,327	101,349	44,246
TOTAL ASSETS	46,772	26,667	3,546	4,033	29,999	2,842	11,570	1,573	57,964	23,575	149,851	58,689
Current liabilities												
Payables	1,057	540	236	2,449	-	52	4,101	122	30,391	5,552	35,784	8,715
Provisions	4,868	2,015	1,454	416	44	20	1,082	231	4,654	520	12,103	3,202
Total current liabilities	5,925	2,555	1,690	2,865	44	72	5,183	353	35,045	6,072	47,887	11,917
Non-current liabilities												
Provisions	2,359	731	444	151	-	7	219	84	2,119	188	5,141	1,161
Total non-current liabilities	2,359	731	444	151	-	7	219	84	2,119	188	5,141	1,161
TOTAL LIABILITIES	8,284	3,286	2,134	3,016	44	79	5,402	437	37,164	6,260	53,028	13,078
NET ASSETS	38,488	23,381	1,412	1,017	29,955	2,763	6,168	1,136	20,800	17,314	96,823	45,611

*The names and purposes of each service group are summarised in Note 4.

** Cluster grant funding is not attributable to individual service groups.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

1. Summary of Significant Accounting Policies

a. Reporting entity

Service NSW is a not-for-profit NSW government agency and its principal objectives are:

- to provide an enhanced customer experience for residents interacting with the NSW Government through the provision of government services through service centres, a contact centre telephone service and digital channel and
- to increase the cost efficiency of providing government services in the NSW Public Sector.

The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The financial statements for the year ended 30 June 2015 have been authorised for issue by the Chief Executive Officer on 23 September 2015.

b. Basis of preparation

Service NSW's financial statements are general purpose financial statements which 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 the *Public Finance and Audit Regulation 2015* and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Non-specialised assets with short useful lives, plant and equipment and leasehold improvements are measured at depreciated historical cost, as an approximation for fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, estimates and associated assumptions about carrying values of assets and liabilities that are not readily apparent from other sources are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Judgements, estimates and assumptions made by management are disclosed in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability.

Unless otherwise stated, all amounts are rounded to the nearest one thousand dollars (\$'000) and are expressed in Australian currency.

c. Statement of Compliance

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

d. Amounts held on behalf of other agencies

Service NSW delivers transactional services, but does not control these activities, on behalf of NSW Government agencies including NSW Housing, NSW Registry of Births, Deaths and Marriages, Office of Fair Trading, Office of State Revenue and Roads and Maritime Services. For further detail, please refer to Note 16.

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

e. Insurance

Service NSW 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 claim experience.

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 Service NSW as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

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

g. Income recognition

Income is measured at the fair value of the consideration received or receivable.

i. Sale of goods

Revenue from the sale of goods is recognised as revenue when Service NSW transfers the significant risks and rewards of ownership of the assets.

ii. Rendering of services

Fee for service revenue is recognised when the service is provided or by reference to the stage of completion.

iii. Government Grants and Contributions policy

Revenue from Government grants and contributions is recognised when the revenue is received from the relevant agencies.

h. Assets

i. Acquisitions of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by Service NSW. 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.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. See also assets transferred as a result of an equity transfer - Note 1(I).

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 asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

ii. Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$2,000 and above individually (or forming part of a network costing more than \$2,000) are capitalised.

iii. 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 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

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.

As non-specialised assets with short useful lives, plant and equipment and leasehold improvements are measured at depreciated historical cost, as an approximation of fair value. The entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

iv. 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

v. Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Service NSW.

All material separately identifiable components of assets are depreciated over their useful lives at the following rates:

	2015 Years
Plant and equipment:	
- Office furniture and fittings	5
- Computer equipment	3
- General plant and equipment	3-4
- Leasehold improvements and major fit-outs	Shorter of estimated useful life of improvements and term of lease

vi. Major inspection costs

When each 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.

vii. Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

viii. 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.

ix. Intangible assets

Intangible assets are recognised only if it is probable that future economic benefits will arise and 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.

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.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

Intangible assets are amortised using the straight line method over the period of estimated useful life. Software is amortised over 4 years. In 2015 the useful life for software assets was reviewed. Management determined that amortisation over 4 years (rather than 5 years used in previous years) better reflects the useful life for these assets. This change in accounting policy does not have a material impact.

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.

x. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

xi. *Impairment of financial assets*

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that all amounts due are not able to be collected.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

When an available-for-sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised as the net result for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised for the year.

Any reversals of impairment losses are reversed through the result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as 'available-for-sale' must be made through the revaluation surplus reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

xii. *Derecognition of financial assets and financial liabilities*

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or if the financial asset is transferred:

- where substantially all the risks and rewards have been transferred; or
- where the entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

i. Liabilities

i. Payables

These amounts represent liabilities for goods and services provided to Service NSW and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

ii. Employee benefits and other provisions

a. Salaries and wages, annual leave, sick leave and on-costs

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 the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

b. Long service leave and superannuation

Service NSW liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. Service NSW accounts for the liability as accounted for 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 is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 15/09) to employees with five or more years of service, using current rates of pay. 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.

c. 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.

d. Other Provisions

Other provisions exist when a present legal or constructive obligation exists 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.

Any provisions for restructuring are recognised only when a detailed formal plan exists and there is a valid expectation in those affected by the restructuring that the restructuring will be carried out by way of announcing its main features to those affected or commencement of implementation.

If the effect of the time value of money is material, provisions are discounted between 1.94% and 2.65%, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

j. Fair value hierarchy

A number of the entity's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation techniques used, maximises the use of relevant observable inputs and minimises the unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

Service NSW recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred.

k. Equity

i. Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

l. Equity Transfers

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities are designated and 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. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the asset is recognised at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, these items are not recognised.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

m. Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are noted in Note 14.

n. Comparative information

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

o. New Australian Accounting Standards issued but not effective

i. Effective for the first time in 2014-15

The accounting policies applied in 2014-15 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2014-15. The impact of the first time adopted standards is immaterial.

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. In accordance with the NSW Treasury mandate (TC15/03), Service NSW did not adopt any of the accounting standards and interpretations that are not yet effective.

The following new Australian Accounting Standards have not been applied and are not yet effective.

- AASB 9, AASB 2010-7, AASB 2013-9 (Part C), AASB 2014-1 (Part E), AASB 2014-7 and AASB 2014-8 regarding financial instruments;
- AASB 15 and AASB 2014-5 regarding revenue from Contracts with Customers;
- AASB 2014-4 regarding acceptable methods of depreciation and amortisation;
- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle;
- AASB 2015-2 regarding amendments to AASB 101 disclosure initiatives;
- AASB 2015-3 regarding materiality.

These standards have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. The assessment concluded that there will be no material impact.

2. Expenses Excluding Losses

a. Employee related expenses

	2015 \$'000	2014 \$'000
Salaries and wages (including recreation leave)	62,976	26,468
Long service leave	2,300	1,778
Superannuation - defined benefit plan	399	261
Superannuation - defined contribution plan	5,628	2,048
Payroll tax and fringe benefit tax	3,764	1,671
Workers' compensation insurance	215	26
Other	94	205
	75,376	32,457

b. Other operating expenses

Auditor's remuneration		
- audit of financial statements	155	104
Operating lease rental expense		
- minimum lease payments	8,611	2,197
Maintenance	633	1,104
Insurance	68	90
Consultants	203	3,444
Contractors	17,201	17,843
Travel	1,412	1,074
Energy costs	756	344
Advertising, general marketing, promotions etc	1,279	563
Property related	7,622	2,119
Printing	421	169
Clothing	695	1,000
Information technology	7,754	1,871
Office equipment	66	62
Telephone and communications	2,061	3,395
Bank charges	119	76
Shared service charges	1,646	1,152
Other	2,949	2,256
	53,651	38,863

Reconciliation - Total maintenance

Maintenance expense - contract labour and other (non-employee related, as above)	633	1,104
Employee related maintenance expense included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	633	1,104

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

c. Depreciation and amortisation expense

	2015 \$'000	2014 \$'000
Depreciation:		
Other property, plant and equipment	2,226	1,352
Leasehold improvements	5,089	1,718
	7,315	3,070
Amortisation:		
Intangible assets	2,966	1,773
	10,281	4,843

d. Grants and subsidies

	2015 \$'000	2014 \$'000
Grant to Roads and Maritime Services	144,286	19,900
	144,286	19,900

On 1 April 2014, the Expenditure Review Committee of Cabinet (ERC) approved the transfer of all the remaining Customer Support Services (CSS) activities of Roads and Maritime Services (RMS) to Service NSW following the submission of the Accelerated Distribution Strategy business case. In approving the transfer of the CSS, ERC also approved the transfer of funding relating to this function, being approximately \$190.5 million in 2014-15.

The transfer of the function occurred on 1 July 2014 on an assignment model. Employees, transactions and contracts for the functions of the CSS continue to be directly incurred by RMS until the relevant Motor Registries and other support functions are integrated into the Service NSW network.

The costs incurred by RMS for the functions of the CSS are reimbursed by Service NSW on a monthly basis on the receipt of an invoice accompanied by appropriate supporting documentation.

The grant paid to RMS in 2013-2014 was a single payment. As a result, there is no comparative information on expense items.

The 2014-2015 grants to RMS are represented by the following:

	2015
	\$'000
Employee related expenses	71,767
Operating lease rental expense	
- minimum lease payments	7,940
Maintenance	8
Insurance	668
Contractors	173
Travel	958
Advertising	5
Property related	1,934
Printing	4,334
Information technology	12,212
Telephone and communications	140
Bank charges	11,029
Shared service charges	6,735
Other	26,383
Total	144,286

3. Revenue

a. Sale of goods and services

	2015	2014
	\$'000	\$'000
Rendering of services	14,284	5,336
	14,284	5,336

b. Grants and contributions

Recurrent grant received from NSW Treasury	250,520	84,320
Capital grant received from NSW Treasury	60,185	34,439
	310,705	118,759

c. Acceptance by the Crown Entity of employee liabilities

The following liabilities and / or expenses have been assumed by the Crown Entity:

Superannuation - defined benefit	399	261
Long service leave	2,300	1,778
Payroll tax	19	9
	2,718	2,048

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

d. Investment revenue

	2015 \$'000	2014 \$'000
Interest revenue	887	117
	887	117

e. Other revenue

Credit card processing fee recovery	99	42
Grants received from other government agencies	4,378	-
Other income	1,735	(15)
	6,212	27

4. Service Groups of Service NSW

The service delivery channels of Service NSW were launched from 1 July 2013. The Service Groups of Service NSW from 1 July 2014 are described as follows:

Service Centres (Service Group 1)

Purpose: The Service Centres service group is responsible for providing one stop access to Government service in NSW by providing service centres in various locations around NSW.

Contact Centres (Service Group 2)

Purpose: The Contact Centre service group is responsible for providing a single contact phone number for dealing with NSW Government, ensuring that the number is available 24 hours a day, 7 days a week and that calls are serviced in line with performance metrics.

Digital Delivery (Service Group 3)

Purpose: The Digital Delivery service group is responsible for the provision of the Service NSW web portal which facilitates a single digital point of contact and allows Government services to be provided online.

Service Delivery Support (Service Group 4)

Purpose: The Service Delivery Support service group is responsible for providing the ongoing administrative support for the Business Service Channels.

5. Cash and Cash Equivalents

	2015 \$'000	2014 \$'000
Cash at bank	31,707	11,021
Cash on hand	138	70
	31,845	11,091

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

Cash and cash equivalents	31,845	11,091
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6. Receivables

	2015 \$'000	2014 \$'000
Current		
Trade receivables - agencies	5,484	768
Goods and Services Tax recoverable from ATO	6,214	1,680
Other receivables	4,644	818
	16,342	3,266

7. Other Assets

	2015 \$'000	2014 \$'000
Prepayments	315	86
	315	86

8. Non-Current Assets – Property, Plant and Equipment

	Leasehold improvements \$'000	Plant and Equipment \$'000	Work in progress \$'000	Total \$'000
At 1 July 2014 - fair value				
Gross carrying amount	24,900	6,351	3,762	35,013
Accumulated depreciation and impairment	(1,751)	(1,403)	-	(3,154)
Net carrying amount	23,149	4,948	3,762	31,859
At 30 June 2015 - fair value				
Gross carrying amount	47,787	9,343	8,548	65,678
Accumulated depreciation and impairment	(6,840)	(3,629)	-	(10,469)
Net carrying amount	40,947	5,714	8,548	55,209

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

	Leasehold improvements \$'000	Plant and Equipment \$'000	Work in progress \$'000	Total \$'000
At 1 July 2013 - fair value				
Gross carrying amount	1,277	406	9,182	10,865
Accumulated depreciation and impairment	(33)	(52)	-	(85)
Net carrying amount	1,244	354	9,182	10,780
At 30 June 2014 - fair value				
Gross carrying amount	24,900	6,351	3,762	35,013
Accumulated depreciation and impairment	(1,751)	(1,403)	-	(3,154)
Net carrying amount	23,149	4,948	3,762	31,859

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Leasehold improvements \$'000	Plant and Equipment \$'000	Work in progress \$'000	Total \$'000
Year ended 30 June 2015				
Net carrying amount at start of year	23,149	4,948	3,762	31,859
Additions	21,044	2,992	6,629	30,665
Transfers to / from WIP	1,843	-	(1,843)	-
Transfers to / from intangibles	-	-	-	-
Other movements	-	-	-	-
Depreciation expense	(5,089)	(2,226)	-	(7,315)
Net carrying amount at end of year	40,947	5,714	8,548	55,209

Assets under construction (AUC) values are included in the above balances.

	Leasehold improvements \$'000	Plant and Equipment \$'000	Work in progress \$'000	Total \$'000
Year ended 30 June 2014				
Net carrying amount at start of year	1,244	354	9,182	10,780
Additions	688	-	25,058	25,746
Transfers to / (from) WIP	22,935	5,950	(28,885)	-
Transfers to / from intangibles	-	-	(1,593)	(1,593)
Other movements	-	(4)	-	(4)
Depreciation expense	(1,718)	(1,352)	-	(3,070)
Net carrying amount at end of year	23,149	4,948	3,762	31,859

9. Intangible Assets

	Software \$'000	Work in progress \$'000	Total \$'000
At 1 July 2014			
Cost (gross carrying amount)	13,379	781	14,160
Accumulated amortisation and impairment	(1,773)	-	(1,773)
Net carrying amount	11,606	781	12,387
At 30 June 2015			
Cost (gross carrying amount)	15,933	34,946	50,879
Accumulated amortisation and impairment	(4,739)	-	(4,739)
Net carrying amount	11,194	34,946	46,140
	\$'000	\$'000	\$'000
At 1 July 2013			
Cost (gross carrying amount)	-	5,939	5,939
Accumulated amortisation and impairment	-	-	-
Net carrying amount	-	5,939	5,939
At 30 June 2014			
Cost (gross carrying amount)	13,379	781	14,160
Accumulated amortisation and impairment	(1,773)	-	(1,773)
Net carrying amount	11,606	781	12,387

Reconciliation

A reconciliation of the carrying amount of each class of intangibles at the beginning and end of the current reporting period is set out below:

	Software \$'000	Work in progress \$'000	Total \$'000
Year ended 30 June 2015			
Net carrying amount at start of year	11,606	781	12,387
Acquisition through administrative restructure	-	-	-
Additions	2,554	34,165	36,719
Transfers to / from WIP	-	-	-
Transfers to / from property, plant and equipment	-	-	-
Amortisation	(2,966)	-	(2,966)
Net carrying amount at end of year	11,194	34,946	46,140

Assets under construction (AUC) values are included in the above asset balances.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

	Software \$'000	Work in progress \$'000	Total \$'000
Year ended 30 June 2014			
Net carrying amount at start of year	-	5,939	5,939
Additions	-	6,628	6,628
Transfers to/from WIP	11,786	(11,786)	-
Transfers to/from property, plant and equipment	1,593	-	1,593
Amortisation	(1,773)	-	(1,773)
	<hr/>	<hr/>	<hr/>
Net carrying amount at end of year	11,606	781	12,387

10. Current Liabilities – Payables

	2015 \$'000	2014 \$'000
Accrued salaries, wages and on-costs	2,712	1,134
Creditors and accruals	32,364	6,696
Other	708	885
	<hr/>	<hr/>
	35,784	8,715

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 17.

11. Current / Non-Current Liabilities – Provisions

	2015 \$'000	2014 \$'000
Current		
Employee benefits and related on-costs		
Recreation leave	6,472	2,533
Long service leave	1,143	471
Payroll tax	265	198
	<hr/>	<hr/>
	7,880	3,202
Other provisions		
	\$'000	\$'000
Provision for makegood	1,215	-
Provision for onerous lease contracts	3,008	-
	<hr/>	<hr/>
	4,223	-
	<hr/>	<hr/>
Total current provisions	12,103	3,202

	2015	2014
	\$'000	\$'000
Non-current		
Employee benefits and related on-costs		
Long service leave	100	25
	100	25
Other provisions		
Provision for makegood	4,945	1,136
Provision for onerous lease contracts	96	-
	5,041	1,136
Total non-current provisions	5,141	1,161
Aggregate employee benefits and related on-costs		
Provisions - current	7,880	3,202
Provisions - non-current	100	25
Accrued salaries and wages	2,712	1,134
	10,692	4,361
Reconciliation of provision for makegood		
	\$'000	\$'000
Carrying amount at the beginning of the period	1,136	446
Provision for makegood	5,145	690
Amounts used	(160)	-
Unused amounts reversed	-	-
Unwinding of discount or change in discount rate	38	-
Carrying amount at end of financial year	6,159	1,136
Reconciliation of provision for onerous lease contracts		
	\$'000	\$'000
Carrying amount at the beginning of the period	-	-
Provision for leases	3,104	-
Amounts used	-	-
Unused amounts reversed	-	-
Carrying amount at end of financial year	3,104	-

The value of annual leave, including on-costs, expected to be taken within 12 months is \$4.5 million (2014: \$2.5 million).

To determine the consequential cost split on Long Service Leave, Service NSW has adopted the actuarial advice from Treasury Circular 15/09 using 92% current and 8% non-current. The amount expected to be settled after 12 months is \$100,000.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Provision for make good represents an estimate of future outgoings in respect of leasehold improvements where refurbishment activity had commenced at year end. The amount of provisioning is based on the application of a market estimate of the cost of make good in comparable buildings applied to the area of leased space.

Provision for onerous lease contracts represents estimated cost of terminating assumed lease rental commitments for sites to be converged pursuant to the Accelerated Distribution Strategy. The amount of its provisioning is based on current rental agreements plus exit costs for sites that have been designated for convergence.

12. Commitments for Expenditure

	2015 \$'000	2014 \$'000
(a) Capital Commitments		
Aggregate capital expenditure for the acquisition of property, plant and equipment contracted for at balance date and not provided for:		
Not later than one year	41,362	2,460
Later than one year and not later than five years	57	-
Greater than five years	-	-
	<hr/>	<hr/>
Total (including GST)	41,419	2,460
(a) Operating Lease Commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	9,982	3,036
Later than one year and not later than five years	17,900	8,231
Greater than five years	336	649
	<hr/>	<hr/>
Total (including GST)	28,218	11,916

Operating lease commitments represent the unexpired portion of office accommodation property leases with state government. These commitments will be met from future revenue.

The total commitments above include total input tax credits of approximately \$6.3 million (2014: \$1.3 million) that are expected to be recoverable from the Australian Taxation Office.

13. Contingent Liabilities and Contingent Assets

Contingent liabilities

Service NSW is a member of the TMF self-insurance scheme. As at 30 June 2015, Service NSW is not aware of any past events that may create legal or constructive obligations that may trigger a contingency as at balance date. Service NSW has reported a nil impact for both contingent liabilities and contingent assets. Service NSW's insurable risk should adequately cover any potential future claims.

An annual review will be undertaken to assess and address our obligations to meet the presentation and disclosure requirements as specified in AASB 137 and the financial reporting code, as issued by NSW Treasury.

Service NSW considers that it does not face any material contingent liabilities arising from unresolved disputes, where legal action has been taken against Service NSW. Service NSW is not aware of any significant or material contingent liability in

existence at 30 June 2015 or which has emerged subsequent to this date, which may materially impact on the financial position of Service NSW as shown in the financial statements.

Contingent assets

As at 30 June 2015, Service NSW does not have a present obligation that could lead to an outflow of resources embodying economic benefits. As such, Service NSW has reported no known contingent assets at balance date.

14. Budget Review

Net result

The net result indicates an unfavourable variance to budget with a surplus of \$51.2 million compared with a budgeted surplus of \$75.4 million. This variance of \$24.2 million was primarily due to lower capital grant revenue of \$25.0 million which was rolled forward into 2015-2016 due to timing variances regarding the Accelerated Distribution Strategy (ADS).

The major components of the favourable/(unfavourable) variance were:

Expenses:

- Operating expenses of \$14.8 million - increase primarily due to the implementation of the convergence of registry sites alongside deployment of Service NSW points of presence; together with an increase in rental expenses to run motor registry sites offset by general cost savings.

Revenue:

- Deferral of \$25m Capital Expenditure, thereby reducing the scheduled Capital Grant revenue.
- Sale of goods and services (\$5.7 million) - the Budget included Fee-for-Service revenue assumptions based on agency ability to work with Service NSW, anticipating the number and volume of transactions, and relevant pricing as per the ADS Business Case. The reduction in fee for service revenue was compensated by rigorous cost containment.

Assets and liabilities

Net assets of \$96.8 million were lower than the budget of \$120.6 million by \$23.8 million due to the roll forward of capital grant revenue of \$25.0 million.

Variances were primarily due to:

- Increases in cash and cash equivalents due to timing difference in the settlement of accounts payable, principally due to high-value RMS invoices and other large orders in respect of ADS capital work.
- Reduction in infrastructure spending as a consequence of the deferral of ADS capital expenditure.
- Increase in payables and provisions to accommodate make good obligations for service centres.

Cash flows

The actual cash balance of \$31.8 million was \$25.1 million higher than the budgeted balance of \$6.7 million.

This variance was primarily due to the following factors:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

- Net cash flows from investing activities was lower than budget due to lower cash outlays on Accelerated Distribution Strategy capital spending.
- The opening cash position as at 1 July 2014 was higher than the budget.

15. Reconciliation of Cash Flows from Operating Activities to Net Result

	2015 \$'000	2014 \$'000
Net cash used on operating activities	97,940	47,792
Add/(less) non cash items:		
Depreciation / amortisation	(10,281)	(4,843)
Changes in operating assets and liabilities		
(Increase) / decrease in net receivables	13,305	(11,977)
Increase / (decrease) in supplier payables	(36,872)	2,827
Increase / (decrease) in other provisions	(12,880)	(3,575)
Net result	51,212	30,224

16. Amounts Held on Behalf of Other Agencies

	2015 \$'000	2014 \$'000
Service NSW remitting account	1,064	891
Total to be remitted	1,064	891
Amounts payable to client agencies	1,064	891
Total payable	1,064	891

Service NSW delivers transactional services on behalf of NSW Government agencies. Balances relating to underlying transactions owing to or from agencies are recognised as Service NSW assets and liabilities for the period until settlement (usually within 1 – 2 days).

The remitting account and amounts payable to client agencies above represent fees collected by Service Centres which have not been remitted to the agencies at year end. These include Housing NSW, NSW Registry of Births, Deaths and Marriages, NSW Fair Trading, Office of State Revenue, Roads & Maritime Services, Office of Environment & Heritage, Department of Justice (NCAT), Office of Liquor, Gaming & Racing and Community Relations Commission of NSW (Multicultural NSW).

The total value of cash remitted to host agencies in 2014-15 is \$55.8 million (2014: \$24.5 million) as follows:

Total cash value remitted to agencies	2015	2014
	\$'000	\$'000
Housing NSW	50	7
Registry of Births, Deaths & Marriages	6,969	2,725
NSW Fair Trading	31,459	17,649
Office of State Revenue	1,876	243
Roads & Maritime Services	11,007	3,834
Office of Liquor, Gaming & Racing	4,223	-
Office of Environment & Heritage	14	-
Department of Justice (NCAT)	106	-
Community Relations Commission of NSW	87	-
	55,791	24,458

17. Financial Instruments

Financial instruments arise directly from operations or are required to finance operations. Service NSW does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

The Audit and Risk Committee has responsibility for the establishment and oversight of risk management and it reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by Service NSW, to set risk limits and controls and to monitor risks. Compliance with these policies is reviewed by the Audit and Risk Committee.

a. Financial instrument categories

Financial Assets	Note	Category	2015	2014
Class:			\$'000	\$'000
Cash and cash equivalents	5	N/A	31,845	11,091
Receivables ¹	6	Loans and receivables (at amortised cost)	10,129	1,586
Carrying amount of financial assets			41,974	12,677
Financial Liabilities	Note	Category	2015	2014
Class:			\$'000	\$'000
Payables ²	10	Financial liabilities measured at amortised cost	35,784	8,715
Carrying amount of financial liabilities			35,784	8,715

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

b. Credit risk

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

Credit risk associated with financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. The cash value at bank on 30 June 2015 was \$31.845 million.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that Service NSW will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

	Total \$'000	Past due but not impaired \$'000	Considered impaired \$'000
2015			
< 3 months overdue	5,484	5,484	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-
2014			
< 3 months overdue	689	689	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-

Service NSW is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. The only financial assets that are past due or impaired are sales of good and services in the receivables category of the statement of financial position.

c. Liquidity risk

Liquidity risk is the risk that Service NSW will be unable to meet its payment obligations when they fall due. Service NSW manages this risk through monitoring future operating cash flows and the timing of receiving approved funding allocation from NSW Treasury, which is on a cash flow needs basis, to facilitate the coordination and adoption of an optimal cash management strategy for the State. Service NSW maintains a suitable cash buffer to manage ad-hoc unscheduled payments, when required to ensure that working capital is sufficient to meet current liabilities.

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate %	Nominal Amount \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	< 1 year \$'000	1 -5 years \$'000
2015							
Payables	n/a	35,784	-	-	35,784	35,784	-
		35,784	-	-	35,784	35,784	-
2014							
Payables	n/a	8,715	-	-	8,715	8,715	-
		8,715	-	-	8,715	8,715	-

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. Service NSW has no exposure to market risk due to nil borrowings. Service NSW has no exposure to foreign currency risk and does not enter into commodity contracts.

Interest rate risk

Exposure to interest rate risk arises primarily through interest bearing liabilities. Service NSW has no interest bearing liabilities at 30 June 2015.

e. Fair value of financial instruments

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates their fair value, because of the short-term nature of many of the financial instruments.

18. Events After the Reporting Period

As a consequence of the requirements arising from the Administrative Order of 2 April 2015 commencing 1 July 2015, Service NSW is responsible to the Minister for Finance, Services and Property and is now included in the Department of Finance, Services and Innovation cluster.

End of audited financial statements.

APPENDIX B

Numbers of executive officers

Band	Female 2014-15	Female 2013-14	Male 2014-15	Male 2013-14	Remuneration range (at 1 July 2014)	Avg. remuneration 2014-15	Avg. remuneration 2013-14
Band 4		-	-	-	\$430,451 - \$497,300		
Band 3	1	-	1	2	\$305,401 - \$430,450	\$378,208.15	\$405,961.50
Band 2		1	5	4	\$242,801 - \$305,400	\$284,557.91	\$283,072.08
Band 1	7	6	10	5	\$170,250 - \$242,800	\$222,210.54	\$225,889.87
Totals	8	7	16	11			

In 2014-15, 79 per cent of Service NSW employee related expenditure was related to senior executive employees. In 2013-14, 15 per cent of employee related expenditure was related to senior executive employees.

APPENDIX C

Credit card certification

Service NSW credit card policies and procedures outline conditions for eligibility, usage and management of Visa cards. These are consistent with NSW Government policy as outlined in relevant Treasury Circulars and Treasurer's Directions. The Chief Executive Officer certifies that credit card use in Service NSW has been used in accordance with government requirements.

APPENDIX D

Funds and grants

Nil

APPENDIX E

Promotion – overseas visits

In 2014-15, an officer travelled overseas to Malaysia to attend the FutureGov Forum in October 2014.

The invitation to travel as a speaking guest was sponsored by FutureGov and as such, travel expenses associated with international flights, accommodation, meals and registrations fees were reimbursed. Service NSW incurred zero costs associated with overseas travel.

APPENDIX F

Payment of accounts

Annual reporting requirements specified in the *Annual Reports (Departments) Regulation 2015* and the *Annual Reports (Statutory Bodies) Regulation 2015* obligate Service NSW to report on its performance regarding the Payment of Accounts. Accounts due or paid within each quarter in 2014-15 are listed in the Table below.

	September 2014	December 2014	March 2015	June 2015
Invoices due for payment	1,411	1,926	2,834	4,170
Invoices paid on time	1,278	1,695	1,115	2,958
Invoices from small businesses paid on time	N/A	N/A	N/A	N/A
Amount due for payment	\$22,205,486	\$95,501,667	\$101,700,640	\$114,818,003
Amount paid on time	\$19,848,479	\$81,117,733	\$50,707,787	\$87,311,419
Amount from small business paid on time	N/A	N/A	N/A	N/A

APPENDIX G

Time for payment of accounts

No interest was paid due to late payment of accounts.

APPENDIX H

Expenditure on consultants

Consultancies of value equal to or more than \$50,000

Name of consultant	The title/nature of the consultancy	Cost
Management services		
KPMG	Business development structural advice	\$145,453
KPMG	Business development proposal advice	\$98,243
KPMG	Budgeting solution advice and implementation	\$333,000
CVA	Network distribution strategy	\$135,036
Connley Walker	Security advice	\$66,000
ICG	Payments solution advice	\$92,000
KPMG	Back office payments improvement	\$870,658
Information technology		
KPMG	IT project procurement strategy	\$68,180
UXC Connect	Detailed system design	\$66,925
TOTAL number of individual consultancies with a value equal to or more than \$50,000 is:	9	\$1,875,415

Consultancies of value less than \$50,000

There were five individual consultancies with a value of less than \$50,000. These were for Management Services and totalled \$111,394.

APPENDIX I

GIPA data

During the reporting period, our agency received six formal access applications (including withdrawn applications but not invalid applications). In addition, Service NSW transferred 189 applications to other agencies and received 11 applications that were not GIPA applications.

During the reporting period, our agency refused a total of nil access applications either wholly or in part because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, nil was refused in full and nil was refused in part.

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	-	-	-	-	-	-	-	-
Members of Parliament	1	-	-	-	-	-	-	-
Private sector business	-	-	-	-	-	-	-	1
Not for profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (application by legal representative)	-	-	-	-	1	-	-	-
Members of the public (other)	-	-	-	-	-	-	-	3

*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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	-	-	-	-	-	-	-	1
Access applications (other than personal information applications)	1	-	-	-	1	-	-	3
Access applications that are partly personal information applications and partly other	-	-	-	-	-	-	-	-

*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).

PLEASE NOTE: The total number of decisions in Table B should be the same as Table A.

Table C: Invalid applications

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

*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.

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

	Number of times consideration used*
Overriding secrecy laws	-
Cabinet information	-
Executive Council information	-
Contempt	-
Legal professional privilege	-
Excluded information	1
Documents affecting law enforcement and public safety	-
Transport safety	-
Adoption	-
Care and protection of children	-
Ministerial code of conduct	-
Aboriginal and environmental heritage	-

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

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

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	7
Decided after 35 days (by agreement with applicant)	-
Not decided within time (deemed refusal)	-
Total	7

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

	Decision varied	Decision upheld	Total
Internal review	-	-	-
Review by Information Commissioner*	-	-	-
Internal review following recommendation under section 93 of Act	-	-	-
Review by ADT	-	-	-
Total	-	-	-

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

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

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

APPENDIX J

Public Interest Disclosures (PIDs)

Service NSW values contributions of all team members to improve administrative and management practices. We encourage team members to report any wrongdoing under the *Public Interest Disclosures (PID) Act 1994*. In 2014-15, we reviewed our Public Interest Disclosures Internal Reporting Policy which covers all employees. The policy is consistent with the NSW Ombudsman's model policy.

The policy is available to employees on the Service NSW intranet, as is a list of Public Interest Disclosure Officers. During the year, these officers all received training and a further six officers were added to ensure employees have access to an officer irrespective of their location or role.

In the 2014-15 financial year, Service NSW received zero Public Interest Disclosures.

Public Interest Disclosures	
Number of public officials who have made a Public Interest Disclosure to Service NSW	Nil
Total number of Public Interest Disclosures received by Service NSW	Nil
Number of Public Interest Disclosures finalised	Nil

