



**ANNUAL
REPORT
2019**

Author

Service NSW

Further information

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30 October 2019

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

Dear Minister

Service NSW Annual Report 2018-19

I am pleased to submit the annual report for Service NSW for the year ended 30 June 2019, for your information and presentation to the Parliament of NSW.

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 read "Damon Rees".

Damon Rees
Chief Executive Officer
Service NSW

Message from the Minister

It has been another successful year for Service NSW, with a strong focus on expanding its regional footprint through the opening of 11 new regional Service NSW Centres.

This includes the opening of the 100th Service NSW Centre in Nyngan in June 2019 and the roll out of two Mobile Service Centres, with two more on the way.

The opening of the new regional Service NSW Centres and the launch of the Mobile Service Centres demonstrate the NSW Government's commitment to reaching every corner of the state. The Mobile Service Centres are custom-fitted buses that travel to regional and remote areas of NSW, offering customers every major Service NSW transaction including Driver Knowledge Tests and Cost of Living appointments. Since their roll out in February and March 2019, the Mobile Service Centres have completed almost 1,500 transactions and have a 100 per cent customer satisfaction rating. The Mobile Service Centres are saving time and money for our regional customers.

The Cost of Living service has saved the people of NSW more than \$1.5 billion since it was launched in July 2018 through to June 2019, and has a 97 per cent customer satisfaction rating. The service brings NSW Government rebates and savings together in one location and expanded over the year to offer some 70 rebates and savings at the end of June 2019. Some of these include Active Kids and Creative Kids vouchers, energy rebates, Toll Relief, the Senior Savers Card and the First Home Owner Grant. The service can be accessed through the Savings Finder webpage on the Service NSW website, over the phone or by visiting a Service NSW Centre.

The development and piloting of the NSW Digital Driver Licence is a key indicator of how Service NSW is working to transform digital services in government. Through the Service NSW app, the NSW Digital Driver Licence can be used to prove identity, age and right to drive. More than 15,000 NSW residents have participated in pilots in Dubbo, Sydney's Eastern Beaches and Albury, allowing Service NSW

to refine the product for launch later in 2019. This is one of the most significant digital transformations this state has seen, and it paves the way for Service NSW to continue a digital revolution across the NSW Government.

With citizens increasingly wanting to perform simple digital transactions from their own home or mobile phone, Service NSW is driving the digital future in government and is well on the way to building a world-class digital experience for customers. The Service NSW vision includes allowing customers to give government their details once so they don't have to visit multiple government agencies and provide the same information again. Service NSW has been building a new digital system that will provide customers with seamless access to multiple online government services with a single set of login credentials. This important work will continue in the coming year and will enable customers to communicate their preferences and details to government securely, and in one place.

The establishment of the NSW Department of Customer Service which came into effect on 1 July 2019, puts Service NSW in a prime position to influence and drive exceptional customer service across all NSW Government agencies. The future of customer service in government is bright and the people of NSW will reap the benefits of this important cultural shift in government.

The Hon Victor Dominello

Minister for Customer Service

Message from the CEO

A dedication to making life easier for customers and businesses drives everything that Service NSW does.

The introduction of programs designed to make life easier for the people of NSW and to help reduce their cost of living demonstrates that Service NSW is about much more than conducting government transactions.

In July 2018, Service NSW launched the Cost of Living program, which makes it easier for our customers to view, access and apply for NSW Government rebates and savings. As part of this program, Service NSW delivered a number of programs to reduce people's cost of living, including Toll Relief, Active Kids, Creative Kids and Energy Switch.

Toll Relief was introduced to help reduce the cost of living for NSW residents by providing free vehicle registration for eligible toll road users who have spent \$1,300 or more on NSW toll roads in a financial year. This initiative provided more than 86,000 free vehicle registrations for the 2018-19 financial year to NSW residents – that's more than \$36 million returned.

Active Kids is another NSW Government initiative delivered through Service NSW, in partnership with the NSW Office of Sport, that is helping to ease the cost of living for NSW families. Active Kids provides parents, guardians and carers of school children with a \$100 voucher to use for sport and fitness costs. The success of this program in 2018-19 in partnership with the Office of Sport led us to double the Active Kids voucher for the next financial year, which will allow families to access a second \$100 voucher from 1 July 2019. I'm proud that by helping kids to get moving, Active Kids is a contributor to the Premier's Priority of reducing childhood obesity rates by five per cent by 2025.

Following the success of Active Kids, Creative Kids was launched on 1 January 2019. Through Creative Kids, parents can apply for a \$100 voucher to use towards the cost of arts, languages, drama, dance, digital design, coding and music lessons, and many other creative activities. This year we have handed a family with two school-aged children who claim their Active Kids and Creative Kids vouchers, savings of \$400, and we're thrilled that this will expand next year to \$600 when combined with the two Active Kids vouchers. There's no doubt this will take some

heat off family budgets and the cost of living for NSW parents. The introduction of the Creative Kids Program has also led to significant improvement in terms of regulating the creative industries with providers required to hold and demonstrate working with children checks.

Energy Switch is another Service NSW initiative that was introduced in December 2018 and expanded in June 2019 following its success and its ability to deliver savings to NSW households. The first tranche of Energy Switch helped thousands of NSW households save hundreds of dollars on their electricity bills by comparing and choosing the right electricity plans for their needs. The expansion of this program in June 2019 to allow customers to conduct comparisons and initiate switches for gas providers as well as electricity providers is another demonstration of how Service NSW is constantly innovating to deliver more for the people of NSW. In the 2018-19 financial year, households saved an average \$443 on electricity and \$130 on gas by switching.

Service NSW has also been supporting the NSW economy through the expansion of the Making Business Easier program. The Making Business Easier program is a free service offered across a range of industries, giving new and existing business owners personalised help and support when starting or expanding a small business so they can focus on their business, and save time and money.

At Service NSW, our people are our greatest asset. I am very proud of the fact that we have high workplace engagement, with 87 per cent of our people responding to the 2018 People Matter Employment Survey, and 72 per cent reporting that they feel proud, motivated and inspired. Off the back of our exceptional team culture, Service NSW has become the first ever public sector organisation in Australia to be accredited as a Great Place to Work. The accreditation was based on direct feedback from our staff, and a comprehensive audit of our staff culture.

I'm very proud to be part of a team that's dedicated to delivering world-class customer service and innovative programs that make life easier for the people of NSW.

Damon Rees
CEO, Service NSW

Access

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Details of Service NSW locations, opening hours and the services available can be found on our website. 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.

About Service NSW

WHAT WE DO

Service NSW is an award-winning NSW Government executive agency that delivers improved one-stop-shop services for our customers, our partner agencies and businesses.

We are shaped by our customers as they demand easier and greater access to government services online.

Service NSW makes it easier for customers to access government services online, over the phone or face-to-face through one of our 101 Service NSW Centres across NSW.

The Service NSW team delivers on the NSW Premier's Priorities and NSW State Priorities of improving government services, providing better government digital services, making it easier to do business and driving public sector diversity. We do this by:

- Providing customer-centric service for the NSW Government under one roof
- Transforming the customer's digital experience with government
- Expanding access to face-to-face services across metropolitan and regional NSW
- Supporting our people who help customers every day
- Building awareness of the services we offer.

Our combined approach of face-to-face, phone and online services offers customers choice. We know people increasingly want to perform simple digital transactions from their own home or mobile phone, but also recognise there are many people in the community who prefer the face-to-face experience.

We are increasingly partnering with agencies across government to deliver more services through our one-stop-shop, and are building relationships with the non-government sector to leverage value for the customer who may have additional, specialised needs.

We have a 97 per cent customer satisfaction rating for our Service NSW Centres, 95 per cent for our two contact centres which field customer calls, and 98 per cent for our online experience. Our customers tell us we are making it easier by providing a single point of contact to access government services, supported by passionate team members who are committed to delivering world-class customer service.

AUTHORISING LEGISLATION

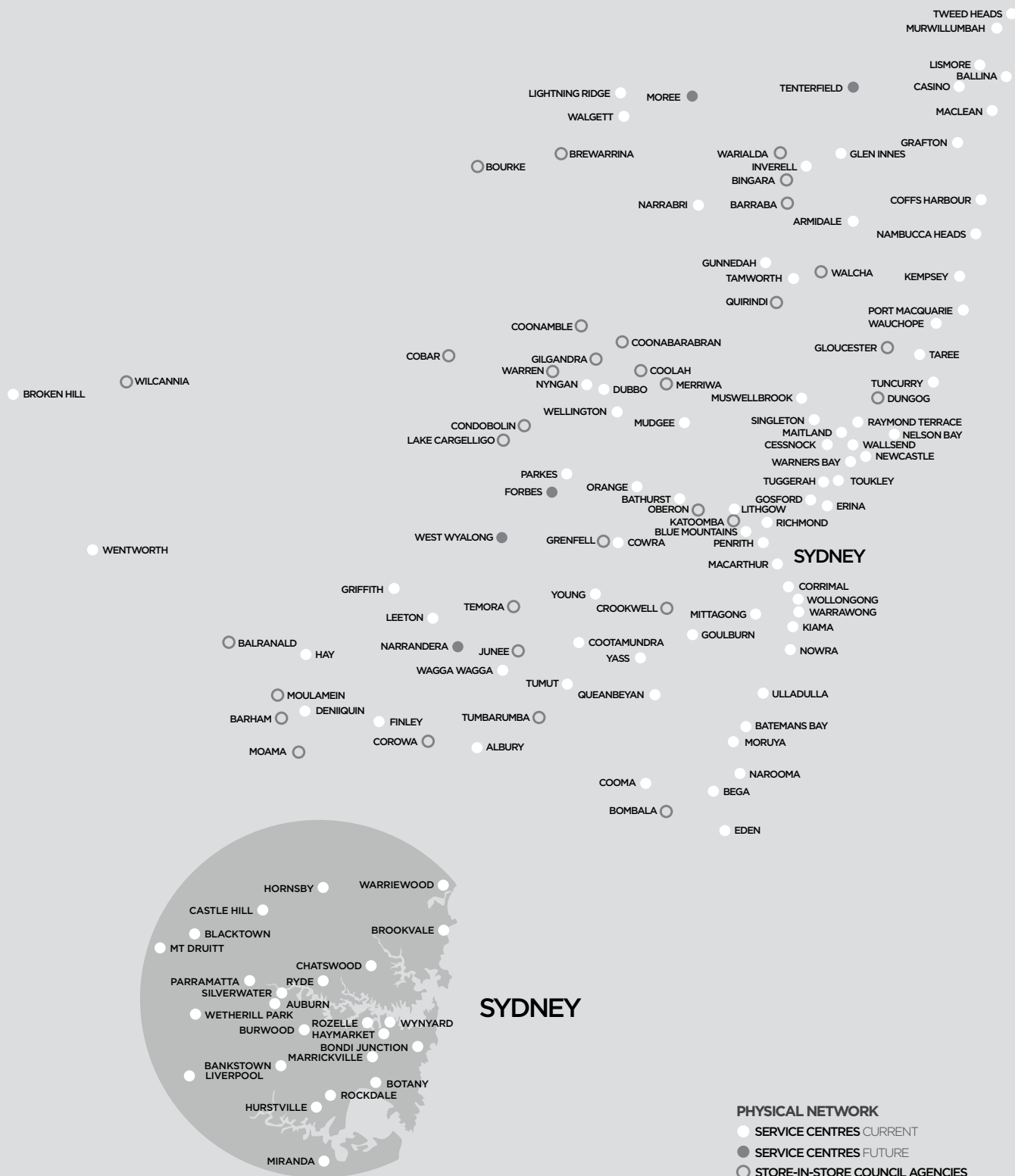
On 18 March 2013, the Public Sector Employment and Management (Service NSW Division) Order 2013 established Service NSW as an executive agency of the Division of the Government Service responsible to the Premier.

Service NSW did not have any employees, assets and liabilities until the transfer of the Service NSW function from the Department of Premier and Cabinet on 14 June 2013. Pursuant to the Public Sector Employment and Management (Service NSW Division Staff Transfer) Order 2013, activities were transferred to the 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. It was transferred to the then newly-created Finance, Services and Innovation cluster from 1 July 2015.

The Department of Customer Service came into effect on 1 July 2019 and Service NSW was transferred to this cluster.

Our Network



Year at a Glance 2018-19



Opened 11
service centres



125,000+ customers
served per week in our
service centres



2 Mobile Service
Centres delivered



\$1.5 billion
saved through the
Cost of Living program



2,700+ Making Business
Easier concierge
customers



118,000 calls per week to
our contact centres



483 community
engagement events



97 per cent customer
satisfaction in Service
NSW Centres



1 million+ MyServiceNSW
accounts created



95 per cent customer
satisfaction for our
contact centres



36 partner agencies



94 per cent of the NSW
public are aware of the
Service NSW brand
when prompted



32 store in store
council agencies



98 per cent
customer satisfaction
for our website



777,000 visits
per week to the
Service NSW website

Our year

This year, Service NSW made life easier for customers through the Cost of Living service, with the expansion of our regional footprint with 11 new Service NSW Centres and two Mobile Service Centres, and by transforming our digital services.

Our performance in 2018-19 was directed by five strategic outcomes that underpin our 2016-19 Strategy:

1. Make it easier for our customers
2. Deliver on the government agenda
3. Be a great service delivery partner
4. Be a great place to work
5. Become world class at delivering sustainable change.

Service NSW makes it easier for customers to access government services online, over the phone or face-to-face through any of our 101 Service NSW Centres.

We have continued to expand our network in regional NSW to ensure that we have a presence where our customers need us most, with 11 new Service NSW Centres and two Mobile Service Centres delivered in 2018-19.

Service NSW has also continued to make it easier for our customers by connecting them with services that are smart, simple and seamless, including digital tools such as Energy Switch and the Cost of Living online Savings Finder.

Service NSW is committed to being a great service delivery partner. We achieved this by delivering greater value for partner agencies. We take the time to understand our partners' business needs and requirements before working together on a solution, and providing customers with omni-channel service delivery (digital, over the counter, over the phone). During the year we put a lot of time and effort into becoming an even better service delivery partner.

At Service NSW, our people are our greatest asset, and we pride ourselves on being a great place to work. We support our people to deliver great customer service through a positive, inclusive team culture. We've expanded our services to the community, and our team has grown to almost 3,000 employees. More than 40 per cent of our people work in regional NSW.

We have a diverse workforce. Seventy per cent of our employees and our Executive Leadership Team are women. Almost 20 per cent of our workforce speak English as a second language. Our Refugee Internship Program which began in 2018 has employed 22 interns.

Our Flexible Working Policy allows staff to work remotely, vary their hours and job share – contributing to their work-life balance. A suite of training, development and mentoring opportunities help our staff grow in their careers.

The Service NSW team is passionate about becoming world-class at delivering sustainable change for the people of NSW. We do this by ensuring that the customer is at the centre of everything we do. Our teams are dedicated to continuous product improvement that is delivered in consultation and collaboration with our customers. Continuously building capability within our teams enables us to ensure that we are investing in change that will have positive outcomes for our customers.

Highlights of our year

This year, we opened our 100th Service NSW Centre

Six years ago, the NSW Government had a clear vision for Service NSW and its role in supporting our communities. The first Service NSW Centre opened in Kiama in 2013, and just six years later we opened our 100th Service NSW Centre in Nyngan on 14 June 2019.

Following this, the Finley Service NSW Centre opened on 21 June 2019, bringing our Service NSW Centre count to 101 at the end of 2018–19.

The successful expansion of Service NSW, and the customer satisfaction rate of 97 per cent, is because we are listening to our customers and building our services around customer feedback. Our customer concierge system at Service NSW Centres has developed over time to ensure customers are met at the door, their needs assessed right away and they receive relevant, personalised service.

Service NSW continued to expand its physical footprint in regional NSW

Through our one-stop-shop model, we are expanding the delivery of government services to more locations, and are introducing new services that were previously not available in regional and rural areas.

This is why in 2018–19 we further expanded our regional footprint by opening 11 Service NSW Centres in Leeton, Hay, Yass, Cootamundra, Nambucca Heads, Wauchope, Springwood, Tumut, Toronto, Nyngan and Finley.

Of our 101 Service NSW Centres across the state, 73 are in regional NSW.

Expanding our face-to-face service through Mobile Service Centres

We further demonstrated our commitment to rural and regional NSW by expanding services with the introduction of two Mobile Service Centres in February and March.

Mobile Service Centres are custom-fitted buses with dedicated Service NSW staff. Each bus is scheduled to spend about 46 weeks a year on the road. They provide easier access to NSW Government transactions and are saving people time and money. The Mobile Service Centres perform every major Service NSW transaction including Driver Knowledge Tests and Cost of Living appointments.

Through our Mobile Service Centres, people in locations such as Yetman, Boggabilla and Hillston where there is no physical Service NSW presence are more conveniently serviced.

The Mobile Service Centres visit towns with advanced notice so the community knows when to expect a visit and what documentation they need to bring to carry out their transaction. Customers no longer have to drive far and wide to a Service NSW Centre when the Mobile Service Centre is in their town. This is saving our rural and regional customers hours of travel time and travel money.

It's not only traditional government transactions that are conducted in the Mobile Service Centres; the Cost of Living Service is also available. Our Mobile Service Centre customers who have undertaken a Cost of Living appointment have already saved an average of \$467 per customer.

Mobile Service Centres have received a 99.7 per cent customer satisfaction score from customers. More than 900 residents of small country towns have already made the most of the new Mobile Services Centres. These rural and regional customers have saved a combined total of almost 225 hours in travel time and have completed more than 1,200 transactions through our Mobile Service Centres.

Service NSW will deliver two more Mobile Service Centres later this year to serve even more residents of rural and regional NSW. We are ensuring that those who need support most, are able to receive it.

Transforming digital services – Digital Driver Licence

Work is under way on the new NSW Digital Driver Licence, which is scheduled to be available to 6.2 million eligible NSW drivers in 2019. The Digital Driver Licence will be accessible through the Service NSW app and can be used to prove identity, age and right to drive.

This year we have worked closely with stakeholders across government, peak bodies, industry and licensed venues to enhance the readiness of agencies and businesses which will check the Digital Driver Licence.

The first trial of the Digital Driver Licence began in Dubbo in November 2017 and was expanded to Sydney's Eastern Beaches and Albury, with customer satisfaction tracking at over 90 per cent. As at 30 June 2019, there were more than 18,500 trial participants across the three locations.

Service NSW has worked very closely with the NSW Police Force in the design of the Digital Driver Licence. This has led to other enhancements allowing police officers to digitally validate a Digital Driver Licence and if needed, suspend a driver licence in real time using a MobiPol device (a device that allows police officers to scan the Digital Driver Licence).

The Digital Driver Licence has been monitored and rigorously tested with the NSW Police Force, customers and licence checkers in all three trial locations. It has also been successfully trialled during random breath testing and for entry into pubs and clubs.

A scanning solution has also been developed for registered clubs and restricted venues, allowing customers to be issued with electronic temporary memberships using their Digital Driver Licence.

Easing the Cost of Living

In July 2018, we launched our Cost of Living service which makes it easier for our customers to view, access and apply for rebates and savings available via the NSW Government.

The Cost of Living service is an online, contact centre and face-to-face service that provides customers with access to a one-stop-shop for NSW Government rebates and savings. Since its launch, the Cost of Living service has evolved to include more than 70 government rebates and savings. This is a game-changing initiative by the NSW Government, making it easier for people in NSW who need support with expensive living costs.

The rebates and savings can be viewed, accessed and applied for on the Service NSW website, via an online Savings Finder tool that provides customers with a tailored list of rebates and savings they may be eligible for. Customers can also book a phone appointment with a Cost of Living Customer Service Representative through the contact centre. They can also book a face-to-face appointment with a Cost of Living Specialist at more than 60 Service NSW Centres across NSW. The appointment service provides customers with personalised assistance to view, access and apply for rebates and savings.

By 30 June 2019, more than 1.4 million people have accessed the Cost of Living Savings Finder tool online, and the people of NSW have saved more than \$1.5 billion. Over 26,500 specialist appointments have been completed, with an average customer saving of about \$550.

The top 10 Cost of Living rebates and savings being claimed by customers are: National Parks Concession Pass, Low Income Household Rebates on energy bills, the NSW Gas Rebate, Compulsory Third Party (CTP) refunds, the Recreational Fishing Fee Exemption, unclaimed money through Revenue NSW, free driver licence renewals for pensioners, pensioner concessions on vehicle registration, the Energy Switch tool and the Energy Made Easy rebate.

The Cost of Living service is proving to be popular and is grounded in delivering an excellent customer experience, with a customer satisfaction rating of 99 per cent among customers who had a Cost of Living appointment.

Service NSW is continuing to work with agencies across the NSW Government to bring as many services online as possible, and wherever there are possible savings or rebates, to help make more people aware of them through the Cost of Living service.

Case Study - Cost of Living

"Jack and Zoe have been involved in Drama Club Dubbo for the past three years," Kate said. "This involves a combination of classes such as drama, musical theatre and choral."

"Programs like drama develop confidence and social skills, and provide an outlet for creativity... creative activities are a purposeful and meaningful activity that are inclusive and make each child involved feel valued, promoting positive wellbeing."

Kate said the added confidence was one of the more particularly satisfying benefits she's noticed from her children participating in drama classes and it's also had a positive effect in other areas.

With three school-aged kids and another not far behind, Kate and Maurie Street from Dubbo have put their \$100 Creative Kids vouchers to good use.

"I've seen a growth in confidence in both Jack and Zoe since beginning at Drama Club," Kate said.

"Zoe was too shy to participate in the first Drama Club performance. She's now trying out for lead roles. Drama Club makes Jack and Zoe very happy. They're always eager to attend."

"The growth in confidence has also led to an increase of participation in activities at a school level."

Kate said she downloaded her children's Creative Kids vouchers online on the Service NSW website. "All I needed was my Medicare number. The links were easy to find and the process was relatively simple."

Parents can use one \$100 voucher for every school-enrolled child per year to help meet the cost of structured creative and cultural activities, such as drama and theatre, music lessons, languages, coding, photography, graphic design and many more.

"This year we've also used the Active Kids voucher for three of my children," Kate added. "Two play soccer and one plays basketball and netball."

"I think Creative Kids and Active Kids are great initiatives from the NSW Government that encourage alternative options and activities for children, to assist families to reduce the burden of fees associated with extra-curricular activities."

Making Business Easier

Service NSW's Making Business Easier program provides one 'front door' to three levels of government for small business owners. It's a free service which offers personalised support, with the aim of making NSW the easiest place to start, run or grow a business. Making Business Easier is a partnership between Service NSW, Better Regulation and the NSW Small Business Commission.

The first phase of Making Business Easier focused on the café, restaurant and small bar sector. In 2019, the offering was extended to tradespeople and builders in the Housing Construction sector. Since February 2018, more than 3,100 businesses have signed up to the Making Business Easier concierge service.

The program features a Business Concierge service to provide free personalised support and step-by-step guidance to navigate through local, state and federal government requirements (such as licences and permits) to help customers open or expand their business faster, while reducing regulatory burden.

The program also includes a digital platform with a personalised dashboard to help business owners manage their regulatory obligations, complete or initiate transactions across three levels of government and keep track of their progress. The digital platform also includes 'how to' guides which provide industry specific information on the processes, regulations, timeframes and costs involved for small business owners across five sectors (Cafes, Restaurants and Small Bars; Housing Construction; Clothing Retail; Printing Services; and Road Freight). As at 30 June 2019, there have been more than 179,000 visitors to the Making Business Easier digital platform's 'how to' guides and landing page.

Partnerships with local government councils play an important role in the offering. Once a council signs up to the program, the Business Concierge team can liaise directly with that council on a customer's behalf, to assist with applications and local council requirements. This provides significant benefit - not just to customers - but also to local councils by reducing their administration burden and the level of assistance they need to provide small business owners. As at 30 June 2019, 110 councils across NSW have signed up to the Making Business Easier program, and these 110 councils represent 91 per cent of the NSW population.

My Community Project - helping to create positive change in communities

In partnership with the Department of Premier and Cabinet, Service NSW is supporting the delivery of the My Community Project initiative.

My Community Project funds projects in each NSW electorate to help improve the wellbeing of the people and communities that live there. The community will be able to vote for their preferred local community project through the Service NSW website. Successful projects will be determined through a public vote and the projects that receive the most support will receive funding. Up to \$260,000 is available for each electorate.

Voting opened in the Myall Lakes and Camden electorates on 24 June 2019 and voting opened in all other NSW electorates on 15 July 2019. Voting across NSW closed in August, and successful projects were announced in September 2019.

My Community Project was made possible by the NSW Generations Fund.

Case Study - Making Business Easier

When they moved to Maclean, in the Northern Rivers region, Shane and Damian discovered the town didn't have a pizza restaurant they saw an opportunity to combine their two passions. They wanted to embrace the town's Scottish heritage so they set up Tartan Pizza, which opened last November.

Shane came from a customer service background and Damian had a career in local government and recruitment so they decided to seek help to set up their business. It was Clarence Valley Council that suggested Damian contact Service NSW about the Making Business Easier program.

"There are so many uncertainties that play on your mind when you start a business and it's great to be able to rely on information from an authority that's on your side," Damian said.

"I come from a background where I understand how to research and find forms but I found this service very useful. For someone without that background knowledge, it would be even more of an advantage to have the Making Business Easier team on your side.

"Before I lodged my Development Application, I went over it with the Business Concierge to make sure I didn't miss anything. Talking to someone who understands government processes was invaluable. I went to the council feeling confident.

"The team had a significantly calming effect on my business planning. The Business Concierge was good at keeping me on track when I got frustrated. I can't thank him enough for his constantly positive attitude and genuine encouragement.

"I would recommend anyone planning to start their business contact Making Business Easier before they get started. I benefited enormously from the program."

Pizza lovers Shane Obrist and Damian Sowerbutts had always wanted to run their own business.

Active Kids

Through the NSW Government's Active Kids program (which launched in January 2018), parents, guardians and carers of school children can apply for a \$100 voucher to use for sport and fitness costs.

From 1 January 2019, parents were able to claim and redeem their next \$100 Active Kids voucher via the Service NSW website.

The voucher can be claimed through a MyServiceNSW Account by finding an approved provider of sport, fitness or active recreation activities. By helping kids get active, the Active Kids rebate is a contributor to the Premier's Priority of reducing childhood obesity rates by five percentage points by 2025. In 2018, more than half a million children across NSW engaged in a more active lifestyle with the help of the Active Kids program.

As at 30 June 2019, there are now more than 9,500 registered providers across NSW for which families can claim the Active Kids rebate. More than 1.3 million vouchers have been created, with more than 1 million vouchers having been redeemed (vouchers must be redeemed by 31 December 2019). The top 10 activities are rugby union, AFL, basketball, gymnastics, multi-sport, dance, rugby league, swimming, netball and soccer.

Creative Kids

Service NSW is helping school aged children get creative through the Creative Kids program, which launched on 1 January 2019.

Parents can apply for a \$100 voucher to use for the cost of arts, speech, drama, dance, digital design, coding, music lessons and other creative activities. Parents can claim the \$100 voucher through a MyServiceNSW Account by finding an approved activity provider.

Creative Kids is helping more young people learn and develop their creative talents across a broad range of skills, while reducing the cost of living for NSW families.

As at 30 June 2019, more than 260,000 vouchers have been requested since the program went live on 1 January 2019, with nearly 130,000 of these having been redeemed (the vouchers must be used by 31 December 2019). There are now almost 3,200 providers registered with Service NSW. Among registered providers, performing arts and visual arts groups are the most represented, with the most common activities including dance, music and drama. The Creative Kids program has a 99 per cent customer satisfaction rate.

Toll Relief

Toll Relief is a NSW Government initiative to help ease the cost of living for frequent toll users in NSW. Under the program, toll road users can claim free registration if they have spent \$1,300 in a financial year on NSW toll roads.

Toll Relief provided more than 86,000 free registrations for the 2018-19 financial year, returning more than \$36 million to NSW toll road users. Eligible drivers can easily claim their free or half-priced rego online via the Service NSW website when it's next up for renewal.

The top 10 suburbs claiming Toll Relief are Castle Hill, Baulkham Hills, Kellyville, Blacktown, Mosman, Quakers Hill, West Pennant Hills, Glenwood, Cherrybrook and Glenmore Park.

In December 2018, the NSW Government announced an expansion of Toll Relief. As of 1 July 2019, drivers who spend an average of \$15 or more a week on tolls (\$780 in a financial year) will be able to receive half-priced vehicle registration, more than doubling the number of people who will be able to access the scheme.

Changes in eligibility will also make multiple tags on one account count towards Toll Relief, making it a more generous scheme. The expansion of Toll Relief will increase the number of drivers eligible for either half-priced or free registration to 300,000 next financial year.

Energy Switch

The NSW Government's free Energy Switch tool first launched in November 2018 as part of the Service NSW Cost of Living initiative.

On 2 June 2019, Energy Switch was launched for gas bills in addition to electricity.

The Energy Switch tool uses a customer's latest electricity or gas electronic bill to compare against every energy retailer in NSW and displays the best priced electricity or gas plans available. Customers can request a switch to their preferred electricity or gas plan. Service NSW will initiate the switch for them by informing the energy provider of the switch request.

The Energy Switch tool also displays other features such as the solar compatibility of electricity plans. Energy Switch allows customers to regularly review their electricity and gas plans and will encourage greater competition in the market which ultimately benefits customers through cheaper prices.

Research carried out by Service NSW found that 70 per cent of NSW households pay too much for electricity, particularly customers who haven't switched for more than 12 months.

As at 30 June 2019, more than 60,000 electricity bill comparisons were made. More than 8,350 households initiated a change in electricity providers – the estimated saving for customers is more than \$3.7 million annually.

As at 30 June 2019, more than 4,500 gas bill comparisons had been made, and more than 540 households initiated a change in gas providers – the estimated saving for customers is more than \$71,000 annually.

Customers are saving an average annual amount of \$443 on their electricity bill and \$129 on their gas bill.

The Energy Switch service has a 100 per cent customer satisfaction rating.

CTP Green Slip

The NSW Government reformed the Compulsory Third Party (CTP) Green Slip Insurance Scheme in December 2017 to reduce the costs of CTP Green Slips for vehicle owners and to better support people injured on our roads.

Reforms to the CTP Green Slip Insurance Scheme allow refunds to more than four million NSW motorists who paid for their CTP Green Slip prior to the price reduction that occurred in December 2017.

Since 1 December 2017, Service NSW has delivered more than \$156 million in refunds for private vehicle owners through their MyServiceNSW Accounts. Almost \$37 million in refunds have been claimed by businesses.

Working with Children Check

Service NSW has partnered with the NSW Office of the Children's Guardian to allow people to access their Working With Children Check through the Service NSW mobile app as of 3 April 2019.

As at 30 June 2019, more than 26,000 people have successfully linked their Working With Children Check to the Service NSW app since the service started.

NSW is the first state or territory to make the Working With Children Check accessible via a mobile app. It means NSW citizens can access their Working With Children Check clearance number anywhere and in real time. Ninety-five per cent of users gave the app experience the 'thumbs up' using the online feedback tool.

The Working With Children Check is a requirement for people who work or volunteer in child-related roles in NSW. It involves a national criminal history check and a review of workplace conduct. Cleared applicants can use their Working With Children Check for five years unless their clearance is withdrawn.

There are more than 400,000 Working With Children Check applications per year.

Case Study - Energy Switch

Before the NSW Government introduced the free Energy Switch service, Kaushik Saksena from North Parramatta felt he was at the mercy of his electricity provider.

“With electricity prices constantly rising in Sydney I used to dread getting the quarterly bill, not knowing how many hundreds I’ll be out of pocket,” Kaushik said.

For Kaushik, gone are the days where “it’s confusing to read the bill to see if you’re getting the right deal or not. Using Energy Switch made making decisions about electricity so simple”.

Kaushik was able to use the Energy Switch comparison tool to easily compare his current electricity bill with better deals to save on his energy costs.

The Energy Switch service was launched in late 2018 and helps customers find a cheaper electricity plan.

“The process just wanted me to upload my bill in an easy to use tool and then it gave me a list of options for electricity providers who are already cheaper than my current provider,” Kaushik said.

“I was surprised to find that I could save almost \$600 on my annual electricity cost, just by using Energy Switch.”

Research carried out by Service NSW found 70 per cent of NSW households pay too much for electricity, particularly customers who haven’t switched for more than 12 months.

Kaushik encouraged people to use Energy Switch for themselves to search for the best energy deal for them.

“I think the people of NSW will be saving a lot of money in their electricity bills just by using this new service,” he said.

“I didn’t know that I was overpaying for my electricity and Energy Switch brought that to life for me. All I had to do is click whom I want to switch to – it’s that simple.”

Companion animals

Service NSW has developed an alternate and seamless option for citizens to claim and register their pets using their MyService NSW Account. The Companion Animals Register was developed in partnership with the Office of Local Government in October 2018.

Since the introduction of the program, more than 1,900 registrations have been made through Service NSW.

Feedback Assist

The Feedback Assist tool allows customers to provide their feedback on a website, and is available for use for all NSW Government websites.

Feedback is important in shaping the growth and future of Service NSW. In 2018, we conducted an integration with Feedback Assist, allowing customer feedback into the tool to be processed by the existing Service NSW Middle Office team. The integration work contributed to the Premier's Priority to improve government services.

Digitisation of Firearms Applications

In 2018, Service NSW and the NSW Police Force (NSW Firearms Registry) digitised a range of firearms application forms to enable individuals, businesses, clubs and agencies to apply for a firearms licence through Service NSW, either online or through a service centre.

The digitisation of forms makes it easier for customers to apply to the NSW Police Force for a firearms licence instead of relying on a paper-based application process. Since the introduction of the program in October 2018, Service NSW has received 68,000 customer applications.

The responsibility for all Firearms licencing decisions, contact centre support and the licensing system of records remains with the NSW Police Firearms Registry.

Our partnerships

In 2018–19, we worked with 36 partner agencies to deliver around 1,200 different transactions and interactions on their behalf. Our aim is to deliver on the commitments we make to our partners and to build even stronger partnerships that enable us to deliver value to the customer and partner, and improve the efficiency of government.

We have changed our approach to working with our partner agencies from a commercial focus to one that focuses on ongoing collaboration with our partners to deliver customer improvements and achieve shared priorities. This is about moving away from transactional engagements, to collaborative and strategic partnerships.

Transformation is underway to build transparency, understanding and even greater collaboration with our partner agencies.

We have established a Partnerships Division to provide a central point of contact for our partners, to ensure we truly understand their business needs, and to provide dedicated cluster and agency support. We're strengthening our focus on the end-to-end partnership experience, working across our internal teams to coordinate our work efforts and input.

We will continue working with our partners to drive greater value with our partners by standardising, streamlining and simplifying processes and services. This will build on the trust and confidence our partners have in our capacity to deliver, further strengthening our strong and positive brand.

Community engagement

As a government organisation, we are required to be fiscally responsible and use our community engagement efforts to support philanthropic, environmental and corporate responsibility programs. Feedback from employees is that initiatives like Cost of Living, Making Business Easier, Active Kids and Creative Kids, fundraising for charity and support provided to people in times of hardship, help our people see the value of the work they do in helping the people of NSW.

In 2018-19, our teams completed more than 480 community engagement events and shared stories and photos of their success, enjoyment and customer feedback on wall collages in tearooms and on Workplace by Facebook (our internal, online communication and collaboration platform). Community efforts are recognised in our executive newsletters and updates.

To truly reflect the communities we serve, we ensure we provide opportunities for local people to engage or re-engage in employment. A pilot employment program for women who have been victims of domestic violence was undertaken. The learnings from the pilot are now being utilised to formulate a partnership with a women's homeless shelter organisation to provide training, experience and ongoing employment opportunities. Similarly in regional NSW, our traineeships assist young people with limited employment opportunities to start their career journey. Our virtual contact centre provides opportunities for people with disabilities or mobility issues to work from home using technology.

The Service NSW partnership with Dress for Success, a registered charity for the purposes of Workplace Giving Payroll Deductions, enables employees to donate the equivalent of one hour's wage as part of the Empower Hour initiative to fund programs to assist disadvantaged women. Service NSW has supported Dress for Success by: encouraging staff to donate clothing suitable for the clients of Dressed for Success to wear to job interviews and in their workplace; by providing guidance to Dressed for Success clients on employment pathways within Service NSW and the NSW Government; use of Service NSW meeting rooms and premises for meetings and Christmas appeals. Dress for Success helps, among others, women who are: rural, refugees, migrants, unemployed, older divorced women with no super, prisoners being released, early school leavers and drought affected women.

Each Service NSW Centre has a budget to engage with the community to provide tailored information sessions for key community groups, including seniors and school students, to support multicultural and diversity events and to undertake fundraising for charity. Some of our community engagement highlights included: Seniors' Week information sessions in retirement villages to assist with their cost of living and use of digital services; information sessions for students from regional and metropolitan schools and universities on digital licences, road safety and cost of living; supporting NAIDOC week events, Harmony Day events, multicultural festivals and refugee groups. Service NSW Centres also undertook fundraising for key charities such as Buy-a-Bale for Drought Relief, Variety Children's Fundraiser, the Leukemia Foundation and Veterans 360.

The efforts of our team members and leaders on our customers and community help us meet our vision and really make a difference in the lives of the people of NSW.

Expanding our social impact

We are increasingly engaging government and non-government organisations to learn how we can better promote awareness of our services, including our Cost of Living program to their clients.

Through our engagement with government agencies such as Family and Community Services and with large non-government organisations such as St Vincent de Paul, the Salvation Army and Mission Australia, we want to ensure that customers have access to more holistic support to address their particular needs.

In November 2018, Service NSW began a trial at Goulburn Service NSW Centre, where non-government organisations are invited to spend time in the service centre to provide additional support to customers in need of their services. Some of the non-government organisations participating in the trial include the Smith Family, Headspace and the Family Referral Service.

The trial has led to opportunities for reciprocal referrals between services and encourages a consistent flow of customers for the Service NSW Cost of Living appointments. The relationships built as part of this trial with various community and non-government organisations has allowed for Service NSW to be recognised as a key contributor to the Goulburn community through community service collaboration.

We have also partnered with Multicultural NSW to ensure we provide interpreter services and translated materials to people who speak languages other than English, so that language is no barrier to our customers.

Our people matter

In the 2018 People Matter Employee Survey we had an 87 per cent participation rate with 72 per cent of our employees telling us they feel proud, motivated, inspired and would recommend Service NSW as a great place to work.

We have a 97 per cent customer satisfaction rate for our Service NSW Centres, 95 per cent for our two contact centres which field customer calls, and 98 per cent for our online experience.

This is how we know that our people consistently represent our Service NSW values of passion, teamwork and accountability. We support our people to deliver great customer service through a positive, inclusive team culture.

BRAVO Awards

Service NSW values the great work of our people.

Teams and individuals who go the extra mile to make a difference to our customers are recognised monthly in our BRAVO (being recognised as a valuable member of our organisation) awards and in the annual Service NSW CEO Awards.

Over the year, there were 1,317 nominations for BRAVO Awards, with 40 team members recognised as BRAVO Award winners for their exceptional contributions to our success.

Service NSW CEO Awards

The nominees for the annual Service NSW CEO Awards are drawn from BRAVO award winners and others who have been notable in our support of our customers.

There were 54 finalists in the CEO Awards, and 15 individual and team CEO Award winners were recognised for their outstanding efforts.

Case Study - CEO Awards

Service Centre Manager Lauri Fettell has provided more than twenty-two years of continuous NSW public sector service, starting with Roads and Maritime Services in 1997 and moving to Service NSW in 2015.

In 2018, Lauri moved to Broken Hill and had an astounding impact on her customers and team members. In just six months Lauri and her team won four monthly internal recognition awards and achieved a 33 per cent increase in digital transactions.

Some of Lauri's methods in service centre management have been introduced across all Service NSW Centres as best practice.

Lauri has been instrumental in creating flexibility in the workplace and using technology to connect people and teams – regardless of their locations.

In 2018, Lauri was the recipient of the prestigious Service NSW Customer Service Commissioner's Award, recognising her commitment to always going above and beyond to support her teams and her customers.

Lauri holds a wealth of customer experience and brings key insights to the organisation, having 'worked through the ranks'.

Looking ahead

From 1 July 2019, Service NSW joined the newly formed Department of Customer Service.

Our role in the new Department of Customer Service will be to continue to make life easier for the people and businesses of NSW and contribute our passion for, and expertise in, delivering world-class customer service across the new department.

Being a part of the Department of Customer Service, which includes Digital NSW, the Office of the Customer Service Commissioner, the NSW Data Analytics Centre and the Behavioural Insights Unit, will provide us with even more opportunities to deliver innovative outcomes for our customers. The year ahead holds many opportunities to make it easier for our customers to interact with the NSW Government.

Expanding our network

We are expanding our network by working to deliver an additional 10 Service NSW Centres in metropolitan Sydney over the next four years. We will also be rolling out two more Mobile Service Centres in 2019 to reach more customers in rural and regional NSW who don't currently have a Service NSW presence in their town.

In 2019–20, six more Service NSW Centres will open in regional NSW in Narrandera, Forbes, Tenterfield, Woy Woy, West Wyalong and Moree. This demonstrates our commitment to ensuring that residents in regional NSW have more access to government services and transactions.

Transforming digital services

The NSW Digital Driver Licence will be rolled out across NSW, allowing customers to access their driver licence on their smartphone, through the Service NSW app. It can be used to provide identity, age and permission to drive. The Digital Driver Licence will be made available in addition to the plastic licence, providing customers with an electronic alternative as more government services are transitioned onto digital platforms.

Helping our customers with their cost of living

We're constantly working to enhance the benefits of the Cost of Living service for our customers. In July 2019 we'll be increasing the number of available rebates and savings to more than 70 to provide our customers with even more ways to save money. From 1 July 2019 we're also doubling the Active Kids rebate, meaning families will be able to access two \$100 Active Kids vouchers with the twin aims of encouraging children to play sport from January right through to December and to further ease the cost of living for NSW families.

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1 Customer response

Our customers can lodge feedback at our Service NSW Centres, by telephone to our contact centres, via email, through the mail or on our website which offers the Feedback Assist tool.

We assisted more than 53 million customers during the year in our Service NSW Centres, contact centres and on our website. More than 3.3 million customers provided feedback on their experiences. Service NSW maintained a customer satisfaction score of 97 per cent.

Service NSW received 3,527 pieces of customer feedback about our services, with 3,489 of these issues resolved (some of these were received late in 2018-19 and will be carried over to 2019-20 to be resolved).

The five main customer issues in 2018-19 were:

1. Procedure not followed.
2. Quality of service.
3. Incorrect information provided.
4. Information provided was not clear.
5. Website and MyServiceNSW Account issues.

The five main customer issues in 2017-18 were:

1. Quality of service.
2. Procedure not followed.
3. Website and MyServiceNSW Account issues.
4. Wait times.
5. Incorrect information provided.

This year there has been a significant drop in the ranking for wait times. This is due to significant improvements in Contact Centre operations.

The Service NSW Customer Resolution team has undertaken work to realign customer feedback categories to ensure these are correctly categorised, addressed and reported.

The Customer Resolution team works with internal teams as well as stakeholders to learn from feedback and implement these learnings to improve the services offered.

Customer feedback relating to the Service NSW website and suggested improvements was used to update content, and to strengthen connectivity to the Service NSW website and MyServiceNSW accounts.

Examples of improvements that have been made with the input of customer feedback include:

- Mobility Parking Scheme (MPS) permits: Development of a procedure for permits to be sent via priority so that they are received within 2-4 days, as opposed to 10 business days previously.
- Change of Address online: Website communication was updated to advise customers that changing their address on their MyServiceNSW Account does not flow through to Roads and Maritime Services. The customer is now directed to the correct area within their MyServiceNSW Account to complete this process.
- Transfer of Registration online: Website communication was improved to advise vehicle buyers that they need to attend a Service NSW Centre to complete the Transfer of Registration within 14 days if a Notice of Disposal has not been lodged.
- Lodge Notice of Disposal online: Improved communication to vehicle sellers to inform them that when lodging a Notice of Disposal they need to remove their licence plate from their tolling accounts.

2 Executive Leadership Team

Name and Qualifications	Role	Overview
Mr Damon Rees Executive Master of Business Administration Bachelor of Information Technology	Chief Executive Officer	<ul style="list-style-type: none"> The CEO is responsible for the strategic leadership and operational performance of Service NSW. The CEO leads, drives and shapes reform of integrated transactional customer service delivery, in line with the Service NSW Strategic Roadmap and NSW Government priorities for customer service delivery. The CEO leads the Service NSW strategic direction to ensure the delivery of timely, integrated and cost-effective transactional service delivery to customers and businesses, and meets the NSW Government's commitment to simplify customer access to government services.
Mr Tom Kearney Executive Master of Public Administration Master of Environmental Law Bachelor of Commerce/Arts	Acting Executive Director Partnerships	<ul style="list-style-type: none"> The ED Partnerships is responsible for managing Service NSW's partnerships with other government agencies, other governments and non-government organisations. The core functions of Partnerships are to lead in the identification and scoping of business development opportunities for Service NSW, agreeing scopes of work (including pricing) and new services agreements, as well as overseeing delivery (and improvements) once new initiatives have gone live.
Ms Jody Grima Executive Master of Public Administration Bachelor of Arts (Social Welfare)	Executive Director Service Delivery – Frontline Channels	<ul style="list-style-type: none"> The ED Service Delivery – Frontline Channels leads and delivers optimal, sustainable, complex and diverse multi-channel government customer service delivery. This role has lead responsibility for Service NSW shop fronts and the contact centre channel. The ED Service Delivery – Frontline Channels is the principal authority for advice and advocacy for service delivery practices across all Service NSW delivery channels and leads the Service NSW agenda to continually optimise services, including digital migration.
Mr Chris Fechner Executive Master of Business Administration Bachelor of Applied Science, Computing Graduate Diploma Project Management	Chief Digital and Product Officer	<ul style="list-style-type: none"> The Chief Digital and Product Officer is driving the global standard in customer service and digital excellence. The role strives for customer care with a focus on empowering the agency to become world-class in delivering customer-centric technology and services. The Chief Digital and Product Officer is responsible for leading the government's one-stop-digital-shop to ensure government services are accessible, reliable and easy to navigate for the diverse citizens of NSW.

Name and Qualifications	Role	Overview
Ms Anne Cosgrove Master of Business Administration	Executive Director People and Culture	<ul style="list-style-type: none"> • The ED People and Culture leads the development and implementation of contemporary human resources strategy, frameworks, policies and procedures to ensure Service NSW's ability to attract, retain, develop and manage a highly engaged and committed workforce. • The ED People and Culture is accountable for leading the people development strategy, programs and services, and leads the continued innovation of human resources functionality to achieve Service NSW strategic priorities.
Ms Angela Kamper Bachelor of Arts	Executive Director Corporate Relations	<ul style="list-style-type: none"> • The ED Corporate Relations leads the delivery of targeted customer marketing, communications, industry, government, media, social media, stakeholder and community relations. • The ED Corporate Relations leads and develops communications in partnership with internal and external stakeholders and advisors to deliver on market, communication, advocacy and stakeholder engagement strategies designed to support the delivery of Service NSW objectives.
Ms Kylie De Courteney Bachelor of Commerce	Chief Customer Officer	<ul style="list-style-type: none"> • The Chief Customer Officer provides the comprehensive and authoritative view of the customer, and shapes the framework for the customer relationship with Service NSW. This includes creating and leading the customer service strategy across Service NSW to ensure consistency and accessibility of the customer experience.
Ms Katherine McInnes Bachelor of Business	Executive Director Projects and Onboarding	<ul style="list-style-type: none"> • The ED Projects and Onboarding leads strategic program management and onboards new services on behalf of partner agencies across the cluster. This includes leading cross-agency and cross-functional programs to deliver NSW Government customer service reform objectives. • The ED Projects and Onboarding is responsible to senior stakeholders, including Program Sponsors, to deliver program outcomes.
Mr Matt Conrow Bachelor of Commerce, Accounting and Finance Graduate Diploma of Chartered Accounting	Chief Financial Officer	<ul style="list-style-type: none"> • The Chief Financial Officer leads the strategic finance, risk management, governance, procurement, property and facilities management functions for Service NSW to enable the delivery of current and future business and service needs. • This includes delivering the financial and governance systems and reporting integration across Service NSW to meet Treasury and other requirements for budget planning, monitoring and reporting.

3 Management structure



4 Workforce

a. Senior executive

At 30 June 2018.

Senior Executive Band	Total 2018-19	Total 2017 18	Total 2016-17
4	-	-	-
3	1	1	1
2	8	8	7
1	43	29	18
Total	52	38	21

b. Female senior executive roles

At 30 June 2019, 31 (60%) of the senior executive roles at Service NSW were held by female employees. This compares to 19 (50%) at 30 June 2018.

Senior Executive Band	Total 2018-19	Total 2017 18	Total 2016-17
4	-	-	-
3	-	0	1
2	6	6	5
1	25	13	5
Total	31	19	11

c. Workforce profile by employment category

At 30 June 2019, 31 of the senior executive roles at Service NSW were held by female employees. This compares to 19 at 30 June 2018.

Staff category		Permanent full time	Permanent part time	Temporary full time	Temporary part time	SES full time	SES part time	Total
Female	2018-19	1233	552	162	44	26	5	2022
	2017-18	1012	460	99	11	16	3	1601
	2016-17	887	439	59	5	10	1	1401
Male	2018-19	670	82	59	8	20	1	840
	2017-18	548	72	39	5	17	2	683
	2016-17	470	83	20	-	15	-	588
Total	2018-19	1903	634	221	52	46	6	2862
	2017-18	1560	532	138	16	33	5	2284
	2016-17	1357	522	79	5	25	1	1989

d. Number of Executive Officers and remuneration

In 2018-19, 4.86 per cent of Service NSW employee related expenditure was related to senior executive employees. In 2017-18, 4.4 per cent of Service NSW employee related expenditure was related to senior executive employees.

Band	Female 2017-18	Male 2017-18	Remuneration range (at 30 June 2019)	Average remuneration
4	-	-	\$475,151 - \$548,950	-
3	-	1	\$337,101 - \$475,150	\$474,909
2	6	2	\$268,001 - \$337,100	\$299,612
1	25	18	\$187,900 - \$268,000	\$239,335
Total	31	21	-	

e. Movements in wages, salaries or allowances

The Service NSW (Salaries and Conditions) Employees Award 2018 came into effect on 1 July 2018.

The Award supports Service NSW to continue growing as a sustainable public sector organisation. During the two year Award, Service NSW employees (excluding senior executive employees) will have received two pay increases of 2.5 per cent to their salary. The first 2.5 per cent increase was from the first full pay period on or after 1 July 2018 and the second 2.5 per cent increase was from the first full pay period on or after 1 July 2019.

On 7 August 2018, the Statutory and Other Officers Remuneration Tribunal determined an annual increase to remuneration package ranges for public service senior executives and executive office holders, effective from 1 July 2018. As such senior executive employees in Service NSW received a 2.5 per cent increase to their remuneration packages in accordance with the tribunal's determination.

f. Diversity

Service NSW has a diversity and inclusion strategy that aligns with the NSW Government's commitment to a diverse and inclusive public service workforce. The strategy embeds the values of equal employment opportunity and inclusion of underrepresented groups to reflect the residents of NSW.

During the year, employment progression opportunities for women were further enhanced by career development programs, a Women in Leadership breakfast series - held regionally and in metropolitan locations - and through practical strategies like developing a Flexible Work Policy.

Service NSW also continued to engage and develop its diverse workforce with wider government programs like the Young Professionals Network and the Public Service Commission Graduate and Aboriginal Workforce Development programs. It continued to work with Multicultural NSW to explore cross-cultural communication, address stereotypes, unconscious bias and diversity in the workplace.

In 2018 Service NSW was recognised for fostering and enhancing diversity and inclusion in the workplace. In October 2018, Breda Diamond, Director People and Policy, was a finalist in the Premier's Awards category 'Creating Jobs', for her work leading the Service NSW traineeship programs for refugees and disadvantaged young people in regional and metro NSW.

Our award-winning Refugee Internship Program has become an operational model for community groups such as young people in regional NSW; young Aboriginal people; people with disability; and women in shelters who have escaped domestic violence. With more than 6,000 multicultural arrivals in the Fairfield area, our Refugee Internship Program is enabling our Wetherill Park Service Centre to support customers from non-English speaking backgrounds to meet community needs.

g. Workforce diversity report

Table 1. Size of Agency (Headcount)

	2017	2018	2019	% Change 2018 to 2019
Headcount at Census Date	1,992	2,285	2,862	25.3%
Non-casual Headcount at Census Date	1,992	2,285	2,862	25.3%

Table 2. Workforce Diversity Survey Response Rate (Non-casual Headcount at Census Date)

	2017	2018	2019
Non-casual Headcount at Census Date	1,992	2,285	2,862
Non-casual Workforce Diversity Survey Respondents at Census Date	1,858	2,114	2,655
Response Rate	93.3%	92.5%	92.8%

Note: Survey Respondents are employees who have provided an answer for any of the Workforce Diversity questions, whether they have chosen to withdraw their response or not. In other words, a respondent is an employee with at least one non-missing value for the set of Workforce Diversity questions.

Table 3. Workforce Diversity Actual Staff Numbers (Non-casual Headcount at Census Date) - 2019

Remuneration level of substantive Position	Total Staff (Men, Women & Unspecified)	Respondents	Men	Women	Unspecified gender	Aboriginal and/or Torres Strait Islander people	People from racial, ethnic, ethno-religious minority groups	People whose language first spoken as a child was not English	People with a disability	People with a disability requiring work-related adjustment
\$0 - \$48,119	1	1	0	1	0	0	0	0	0	0
\$48,119 - \$63,199	963	929	223	739	1	24	100	170	20	3
\$63,199 - \$70,652	458	420	93	365	0	8	52	80	10	4
\$70,652 - \$89,406	881	804	282	598	1	21	105	169	24	8
\$89,406 - \$115,617	193	176	71	122	0	5	32	43	1	0
\$115,617 - \$144,521	196	181	90	106	0	4	36	63	4	1
\$144,521 > (Non SES)	118	112	59	59	0	1	22	33	5	3
\$144,521 > (SES)	52	32	21	31	0	0	4	7	0	0
Total	2,862	2,655	839	2,021	2	63	351	565	64	19

Note: "Unspecified Gender" incorporates unknown, withdrawn, and indeterminate/intersex values.

**Table 4. Workforce Diversity Actual and Estimated Staff Numbers
(Non-casual Headcount at Census Date) - 2019**

Remuneration level of substantive position	Actual					Estimated				
	Total Staff (Men, Women & Unspecified)	Respondents	Men	Women	Unspecified gender	Aboriginal and/or Torres Strait Islander People	People from racial, ethnic, ethno-religious minority groups	People whose language first spoken as a child was not English	People with a disability	People with a disability requiring work-related adjustment
\$0 - \$48,119	1	1	0	1	0	0	0	0	0	0
\$48,119 - \$63,199	963	929	223	739	1	25	104	176	21	3
\$63,199 - \$70,652	458	420	93	365	0	9	57	87	11	4
\$70,652 - \$89,406	881	804	282	598	1	23	115	185	26	9
\$89,406 - \$115,617	193	176	71	122	0	5	35	47	1	0
\$115,617 - \$144,521	196	181	90	106	0	4	39	68	4	1
\$144,521 > (Non SES)	118	112	59	59	0	1	23	35	5	3
\$144,521 > (SES)	52	32	21	31	0	0	7	11	0	0
Total	2,862	2,655	839	2,021	2					

Note 1: Estimated figures are only provided for agencies with a response rate greater than 65%. For agencies with a response rate less than 65%, actual figures are reported in all instances.

Note 2: Estimated figures are calculated for each salary band by taking the number of employees who have responded “yes” to the Workforce Diversity question as a proportion of the total number of employees who have responded to the Workforce Diversity survey, multiplied by the total number of staff. E.g., Estimated number of People with a Disability in Salary Band 1 = (Actual number of People with a Disability in Salary Band 1 / Total number of Survey Respondents in Salary Band 1) * Total number of Staff in Salary Band 1.

**Table 4a. Workforce Diversity Actual and Estimated Staff Numbers
(Non-casual Headcount at Census Date) - 2019**

Remuneration level of substantive position	Actual					Estimated				
	Total Staff (Men, Women & Unspecified)	Respondents	Men	Women	Unspecified gender	Aboriginal and/or Torres Strait Islander People	People from racial, ethnic, ethno-religious minority groups	People whose language first spoken as a child was not English	People with a disability	People with a disability requiring work-related adjustment
\$0 - \$48,119	1	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$48,119 - \$63,199	963	96.5%	23.2%	76.7%	0.1%	2.6%	10.8%	18.3%	2.2%	0.3%
\$63,199 - \$70,652	458	91.7%	20.3%	79.7%	0.0%	1.9%	12.4%	19.0%	2.4%	1.0%
\$70,652 - \$89,406	881	91.3%	32.0%	67.9%	0.1%	2.6%	13.1%	21.0%	3.0%	1.0%
\$89,406 - \$115,617	193	91.2%	36.8%	63.2%	0.0%	2.8%	18.2%	24.4%	0.6%	0.0%
\$115,617 - \$144,521	196	92.3%	45.9%	54.1%	0.0%	2.2%	19.9%	34.8%	2.2%	0.6%
\$144,521 > (Non SES)	118	94.9%	50.0%	50.0%	0.0%	0.9%	19.6%	29.5%	4.5%	2.7%
\$144,521 > (SES)	52	61.5%	40.4%	59.6%	0.0%	0.0%	12.5%	21.9%	0.0%	0.0%
Total	2,862	92.8%	29.3%	70.6%	0.1%					

Note: Table 4a presents the figures in Table 4 as percentages. E.g., Estimated % of People with a Disability in Salary Band 1 = (Estimated number of People with a Disability in Salary Band 1 / Total number of Staff in Salary Band 1) * 100. Estimated figures are only provided for agencies with a response rate greater than 65%. For agencies with a response rate less than 65%, actual figures are reported in all instances.

Table 5a. Trends in the Representation of Workforce Diversity Groups

Workforce Diversity Group	Benchmark	2017	2018	2019
Women	50%	70.4%	70.1%	70.6%
Aboriginal and/or Torres Strait Islander People	3.3%	1.6%	2.0%	2.4%
People whose First Language Spoken as a Child was not English	23.2%	20.3%	20.9%	21.3%
People with a Disability	5.6%	2.7%	2.4%	2.4%
People with a Disability Requiring Work-Related Adjustment	N/A	0.9%	0.7%	0.7%

Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 2: The NSW Public Sector Aboriginal Employment Strategy 2014 – 17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 3: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 4: In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: [Jobs for People with Disability: A plan for the NSW public sector](#). The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Table 5b. Trends in the Distribution Index for Workforce Diversity Groups

Workforce Diversity Group	Benchmark	2017	2018	2019
Women	100	88	87	86
Aboriginal and/or Torres Strait Islander People	100	107	98	95
People whose First Language Spoken as a Child was not English	100	101	106	109
People with a Disability	100	97	97	102
People with a Disability Requiring Work-Related Adjustment	100	N/A	N/A	114

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

Note 2: The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

6. Representation of Workforce Diversity Groups - Groups

Workforce Diversity Group	Benchmark	2017	2018	2019
Women	50%	70.4%	70.1%	70.6%
Aboriginal and/or Torres Strait Islander People	3.3%	1.6%	2.0%	2.4%
People whose first language spoken as a child was not English	23.2%	20.3%	20.9%	21.3%
People with a disability	N/A	2.7%	2.4%	2.4%

h. Multicultural Policies and Services

The Service NSW Multicultural Plan 2014–2017 outlines our commitment to delivering products and services to a culturally and linguistically diverse NSW. The Plan for 2019–2021 is currently being drafted to support our 2014–2017 plan.

With Service NSW being available in more regional areas, 11 new service centres opening across regional NSW, and the Mobile Service Centres launching in February 2019, Service NSW continues to ensure that its people strategies support the communities we serve. All Service NSW Centres, Mobile Service Centres and contact centres offer customers free access to language support through staff capability or translation and interpretation services.

As an example of our multicultural diversity, 46 of the 325 staff at our Parramatta and Newcastle contact centres can speak a language other than English.

Examples of our services include:

- Customers can be assisted by staff who speak at least 32 languages
- Tickets issued to customers as they select their transactions at Service NSW Centres can be produced in six languages
- The Service NSW website offers:
 - A free service that can automatically translate content into almost 60 languages
 - Direction to translator services
- Continued involvement in local community programs and activities to enhance our relationships with diverse communities.

i. Agreements with Multicultural NSW

On 7 September 2018, Service NSW entered into a Memorandum of Understanding (MoU) with Multicultural NSW. The MoU allows Service NSW to receive a reduced rate of 30 per cent of the Multicultural NSW published rate for document translation.

Service NSW translated documents and collateral for the Cost of Living service into various languages to engage and promote the service to Culturally and Linguistically Diverse (CALD) communities. Engaging Multicultural NSW to undertake these translation services ensures that communication and marketing material is translated correctly and appropriately by professionally trained translators from the National Accreditation Authority for Translators and Interpreters. The Cost of Living brochure was translated into the top five languages other than English spoken in NSW: Cantonese, Mandarin, Vietnamese, Greek and Arabic.

In addition to the brochure, Service NSW also produced Youtube videos explaining the Cost of Living service in four languages: Arabic, Cantonese, Mandarin and Greek.

Service NSW participated in more than 480 community engagement events in the 2018–19 financial year with many of these being multicultural events, including the Cabramatta Moon Festival, Queanbeyan Multicultural Festival, Assyrian New Year, and Settlement and Multicultural Awareness Week.

Cost of Living presentations were given to various CALD communities by Service NSW staff including the Serbian and Croatian Carers, and Tibetan, Chinese and Spanish communities.

As at 30 June 2019, Service NSW did not have any staff registered as language aides under the Community Language Allowance Scheme (CLAS), however almost 20 per cent of Service NSW staff are from a non-English speaking background.

Service NSW continues to provide translation services that support Multicultural NSW's obligations under the Multicultural NSW Act 2000, which is to 'provide whether within or outside New South Wales interpreter, translation or other services approved by the Minister'.

Under the agreement, we help customers at our Service NSW Centres and contact centres, while inbound phone calls may be transferred to Multicultural NSW.

More than 16,700 translation services were delivered at Service NSW Centres in the 2018–19 financial year. A total of 32 languages are spoken across Service NSW Centres by our team members.

On our website we promote Multicultural NSW services which offer help in almost 60 languages.

j. Disability Inclusion Action Plan

With one in every five people experiencing disability in their lifetime, it's important for Service NSW to reflect the diversity of our customers and communities. Some highlights of the work done this year include:

- The Service NSW Disability Inclusion Action Plan 2018–2021 was drafted after consultation with 17 peak disability groups across NSW, in the Disability Inclusion Workshop that was held in December 2017.
- Service NSW became a Silver member with Australian Network on Disability – a national membership based organisation that makes it easier for businesses to welcome people with disability in all aspects of business. Membership includes participation in quarterly roundtables.
- Service NSW attended the Annual Deaf Festival in November 2018 in celebration of Sydney's deaf and hard of hearing community. We had a stall at the festival and provided materials about what we do and how we can help people who are deaf or hard of hearing access our services in both English and Auslan (Australian Sign Language).
- In October 2018, the Auslan booking service was rolled out to all Service NSW Centres. Customers who are deaf or hard of hearing can book an Auslan video remote interpreting appointment online. This allows the customer to come in to a Service NSW Centre and avoid having to wait for an interpreter. Customers can also book an appointment to have live captioning services.
- An accessibility review of our Mobile Service Centres was conducted in May 2019 to further enhance dignified access to the buses for all team members and customers with disability. The recommendations from this review are being used to improve access to the Mobile Service Centres.
- An accessibility review was conducted at our Chatswood Service NSW Centre in June by Design for Dignity. The recommendations from this review are currently being incorporated into the new design principles for any future Service NSW Centres.

k. Work Health and Safety

We are committed to a workplace culture which values and promotes wellbeing and healthy living for all of our people. We strongly support initiatives and programs that promote greater workforce performance by delivering a sense of wellbeing, positive mental health and engagement. We aim to provide a supportive environment that encourages employees to feel and behave in line with our values and workplace culture.

As required under the Work Health and Safety Act 2011, during the year we provided training for Executive Directors on due diligence and responsibilities under legislation.

We continued to monitor compliance with emergency response arrangements including first aid and fire warden roles across our network. As part of the emergency response plan we continued the deployment of defibrillators to assist with cardiac emergencies in our Service NSW Centres, with 100 defibrillators deployed by June 2019.

A Work Health and Safety Operations Manual for our new Mobile Service Centres has been developed. The manual deals with risk management of all activities undertaken by employees in this new work environment. The release of the manual was supported by the delivery of WHS induction training for employees.

The Service NSW contact centres started implementing a flexible working from home arrangement and as such a WHS Checklist for the contact centre Working from Home Policy was developed. Working from home is a new way of working at the contact centres in line with NSW Government direction to increase flexibility. The introduction of this new way of working was supported by assessments of home offices for employees working from home and training of contact centre officers to conduct these assessments.

I. Personnel policies and practices

Service NSW supports initiatives that enable and empower people experiencing domestic and family violence to continue to participate in the workforce. Service NSW developed the Service NSW Domestic and Family Violence Policy and Procedures and an accompanying factsheet, in line with Determination No.3 of 2018 under s.52 of the *Government Sector Employment Act 2013* (NSW) to provide leave arrangements for NSW Public Service employees experiencing domestic and family violence.

The documents outline how Service NSW supports employees who experience domestic and family violence, by providing a work environment that is free from any form of violence, ensuring an employee's safety, health and wellbeing while at work, and providing leave options and flexible working arrangements.

m. Industrial relations policies and practices

On 18 December 2018, the Industrial Relations Secretary made a Determination under s.52 of the *Government Sector Employment Act 2013* (NSW) to provide leave arrangements for NSW Public Service employees experiencing domestic and family violence. Full details of the leave arrangements are set out in Determination No 3 of 2018 came into effect on 1 January 2019.

Under the Determination, public service employees are to have access to 10 days paid domestic and family violence leave per calendar year (non-cumulative and able to be taken in part days, single days or consecutive days). The leave is for the purposes of seeking safe accommodation; attending medical, legal, police or counselling appointments; attending court and other legal proceedings; organising alternative care or education for their children; or other related purposes approved by the agency head.

5 Governance

Service NSW is recognised as an executive agency under Schedule 1 of the *Government Sector Employment Act 2013*. The Chief Executive Officer is appointed as agency head.

a. Service NSW Audit and Risk Committee

The Service NSW Audit and Risk Committee has been established in compliance with the Treasury Circular TPP 15-03 Internal Audit and Risk Management Policy for the NSW Public Sector (TPP 15-03). It provides independent assurance to the Service NSW CEO.

During 2018–19, the committee met six times (three times in 2018 and three in 2019) to provide oversight of financial reporting, risk management, internal and external audit activities, and the operational management of Service NSW.

In 2018–19, Ms Dianne Hill became Chair of the Committee. Prior to becoming Chair, Ms Hill had been an independent member of the Committee since 2013. The previous Chair, Ms Carol Holley, was appointed as an independent member of the Committee during 2018–19. Members of the committee are listed in the Service NSW Internal Audit and Risk Management Policy Attestation Statement (section F).

b. Risk management

In 2018–19, Service NSW worked on improving its risk management framework through regular risk reviews across the business, updating its risk management framework and conducting project risk assessments and workshops. The Service NSW Enterprise Risk Profile was regularly reviewed and updated during 2018–19 through risk workshops with the Service NSW Executive Leadership Team and reports tabled with the Audit and Risk Committee.

The Service NSW Risk Management Framework was reviewed and updated in 2018–19, to ensure consistency with the ISO 31000:2018 Risk Management Guidelines. The review included updating the Service NSW Risk Appetite Statement, Heat Map and Risk Consequence criteria to ensure our risk management approach is aligned to our functions, purpose, strategic objectives and business operations.

The risk team conducted workshops and risk assessments across a range of projects and programs initiated during 2018–19 to help staff to identify and manage risks, and to maximise the value and opportunities arising for our organisation.

In 2018–19, there was a focused effort on enhancing business continuity practices across Service NSW. A cross functional steering committee of senior leaders from the key business units was established as well as a Business Continuity Coordinator Working Group to implement key identified outcomes and improve knowledge and expertise of business continuity practice across the agency.

An operations centre has been set up at Service NSW to act as the coordination point for managing and responding to incidents. To support the operations centre an Incident Management Plan and Escalation Procedure was developed and released in June 2019.

An established delivery plan is in place to continue the focus on building business continuity improvements across Service NSW in 2019–20.

c. Internal audit

Service NSW operated an internal audit model for the duration of the 2018–19 financial year. The internal audit function provides independent, objective assurance to the CEO and the Executive Leadership Team. It also plays an important role in supporting Service NSW to achieve its strategic objectives by providing independent assurance that reviews the effectiveness of our risk management practices and internal controls framework.

In 2018–19, internal audits completed were:

1. Payroll and recruitment processes audit

This review covered recruitment, termination, contractors employed, employee entitlements and succession planning.

There were several opportunities for improvement highlighted within payroll and recruitment processes, which Service NSW is addressing.

2. Procurement and purchase to pay processes review

This review covered procurement process including purchase orders, approval process relating to payments and invoice payment processes including vendor master files, which Service NSW is addressing.

3. 'Essential Eight' Cybersecurity Review

The Essential Eight Cybersecurity Review covered the critical requirements related to cybersecurity for Service NSW operating processes. The objective of the review was to determine the extent to which Essential Eight cyber security mitigation strategies are currently implemented across the Service NSW Support Office.

The observations made during this review identified considerable progress to reduce cyber risks during the reporting period, however there remain residual risks which Service NSW is addressing.

4. Purchase card, employee expense reimbursement and cab charge audit

Internal Audit performed a review of employee expenses including the use of purchasing cards, taxi dockets and employee reimbursements of expenses incurred for work-related purposes. There were several opportunities for improvement highlighted, which Service NSW is addressing.

5. Information Technology General Controls (ITGCs) audit

The review included a detailed analysis of internal access to Service NSW systems by employees and contractors including a review of data backup and storage processes.

d. External audit

The Audit Office of NSW audited the Service NSW financial statements as at 30 June 2019 and issued an unqualified audit opinion on the Statutory Audit Report in September 2019.

In 2018–19, the Audit Office performed no engagements directly involving Service NSW.

e. Insurance

Insurable risk cover was primarily provided through the NSW Treasury Managed Fund. This NSW Government-arranged indemnity scheme is operated by the icare self-insurer.

The fund covers Service NSW for its exposure to loss or damage for workers compensation, motor vehicles, property and legal liability. Service NSW also maintains principal-arranged insurance through SICorp for Contract Works, and Public Liability for Contract Works, and Public Liability for the office works and fit-outs of Service NSW Centres.

Claims performance

Claims performance for 2018–19 increased across all lines except property, where a downward trend was observed.

The following claims statistics were recorded by the NSW Treasury Managed Fund for Service NSW:

- Thirty-eight workers compensation claims (by date of injury)
- Nil property claims
- Seven motor vehicle claims
- Eight general liability claims.

I, Damon Rees, CEO of Service NSW, am of the opinion that Service NSW has internal audit and risk management processes in operation that are compliant with the eight core requirements set out in TPP 15-03 (Internal Audit and Risk Management Policy for the NSW Public Sector), in all material respects, specifically:

Core Requirement	Compliant/Non-Compliant /In-Transition
Risk Management Framework	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function	
2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the Internal Audit and Risk Management Policy for the NSW Public Sector	Compliant
Audit and Risk Committee	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency’s governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the Internal Audit and Risk Management Policy for the NSW Public Sector	Compliant

The Chair and Members of the Service NSW Audit and Risk Committee are:

- Independent Chair, Dianne Hill, 18 September 2018 – 17 September 2021
- Independent Member, Carol Holley, 18 September 2018 – 17 September 2021
- Independent Member, Stephen Horne, 1 July 2019 – 30 June 2022.



Damon Rees – CEO, Service NSW
16 September 2019

g. Cyber security annual attestation statement

I, Damon Rees, am of the opinion that since the publication of the NSW Government Cyber Security Policy on 1 February 2019, Service NSW has:

1. Managed cyber security risks in a manner consistent with the core requirements set out in this Policy;
2. Assessed and managed risks to information and systems;
3. Ensured governance is in place to manage cyber security maturity and initiatives;
4. Maintained a cyber incident response plan which has been applied during the reporting period;
5. Maintained certified compliance with ISO/IEC 27001 for the reporting period as confirmed by independent review of the agency's Information Security Management System.

Note, whilst there has been considerable progress to reduce cyber risks during the reporting period, there remain residual risks beyond the risk appetite of the organisation that require further ongoing remediation and mitigation.

Enhancements are in progress to appropriately manage the cyber security maturity and initiatives of Service NSW to meet the requirements of this Policy.



Damon Rees – CEO, Service NSW
30 September 2019

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

At Service NSW we regularly review our website to ensure information which is in the public interest and which 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.

During 2018-19, Service NSW received 17 formal access applications (including withdrawn applications but not invalid applications). We also transferred 307 applications to other agencies. Nine invalid applications were received.

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	-	-	-	-	-	-	-	-
Not for profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (application by legal representative)	1	-	-	-	-	-	-	1
Members of the public (other)	9	-	1	1	-	-	-	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*	16	-	-	-	-	-	-	-
Access applications (other than personal information applications)	1	-	-	-	-	-	-	-
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).

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)	9
Application is for excluded information of the agency (section 43 of the Act)	-
Application contravenes restraint order (section 110 of the Act)	-
Total number of invalid applications received	9
Invalid applications that subsequently became valid applications	-

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	2
Executive Council information	-
Contempt	-
Legal professional privilege	-
Excluded information	-
Documents affecting law enforcement and public safety	-
Transport safety	-
Adoption	-
Care and protection of children	-
Ministerial code of conduct	-
Aboriginal and environmental heritage	-

*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 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	1
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)	17
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	-
Total	17

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	-	2	2
Review by Information Commissioner*	-	1	1
Internal review following recommendation under section 93 of Act	-	1	1
Review by Administrative Decisions Tribunal	-	-	-
Total		2	2

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

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

	Number of applications for review
Applications by access applicants	2
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

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

	Number of applications for review
Agency-initiated transfers	303
Applicant-initiated transfers	4

i. Privacy

At Service NSW we take the privacy of the citizens of NSW and of our employees seriously. We have introduced mechanisms to protect personal information held or accessed by Service NSW or our authorised representatives. These include compliance with legislation, our privacy management plan, digital information security, staff onboarding procedures and Service Partnership Agreements with agencies.

The Service NSW Privacy Policy and Management Plan demonstrates how we uphold and respect the privacy of our customers, clients, staff and others about whom we hold personal information. The plan also demonstrates how we meet our privacy obligations under the Privacy and Personal Information Protection Act 1998 and the Health Records and Information Privacy Act 2002.

In 2018-19 Service NSW conducted Privacy Impact Assessments on the following:

- Digital Driver Licence
- Energy Switch
- My Community Project.

Privacy reviews

During 2018-19, Service NSW received four internal review applications to review conduct relating to the use, access or release of personal information.

Public Interest Disclosures

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 Act 1994.

During the reporting period, Service NSW received three Public Interest Disclosures.

Public Interest Disclosures	
Number of public officials who have made a Public Interest Disclosure to Service NSW	-
Total number of Public Interest Disclosures received by Service NSW	1
Number of Public Interest Disclosures finalised	-

j. Legal change

Amendments were made to the Service NSW (One-stop Access to Government Services) Regulation 2013 to allow Service NSW to access additional suppliers for the provision of customer service. The amended regulation came into effect on 1 September 2018.

k. Payment of accounts

	Sept 2018	Dec 2018	Mar 2019	
Invoices due for payment	1,972	2,142	2,084	2,173
Invoices paid on time	993	915	764	991
Percentage of accounts paid on time	50%	43%	37%	46%
Invoices due for payment received from small businesses	-	-	37	49
Invoices from small businesses paid on time	-	-	3	11
Amount due for payment	\$21,070,407	\$29,541,658	\$32,745,305	\$22,488,422
Amount paid on time	\$17,568,553	\$17,246,101	\$20,041,158	\$18,592,280
Amount due for payment to small businesses	-	-	\$281,982,00	\$535,860,00
Amount due to small businesses paid on time	-	-	\$101,660,00	\$217,921,00
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on late accounts	-	-	-	-
Number of payments to small business for interest on overdue accounts	-	-	-	-
Interest paid to small businesses on late accounts	-	-	-	-

During the 2018–19 financial year, a number of procurement process changes occurred. Stricter requirements for purchase order raising, combined with some poor supplier adherence to rendering correct invoices, led to delays in payments across the organisation.

To address this, during the last quarter of the 2018–19 financial year, Service NSW rolled out improved processes in line with cluster-wide procurement processes which will assist in improving payment times.

l. Time for payment of accounts

No interest was paid due to late payment of accounts.

m. 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 at Service NSW for minor purchases has been used as a more efficient means of payment, in accordance with government requirements.

n. Promotion (overseas travel)

Service NSW incurred no expenditure for overseas travel.

o. Payments to consultants

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

Name of consultant	The title/nature of the consultancy	Cost
Deloitte Touche Tohmatsu	Contact centre Proof of Concept, Agile project management, Making Business Easier Benefits Realisation Framework and Benchmarking Service NSW	\$407,115
Fifty-Five Five Pty Ltd	Research on next priorities for the Making Business Easier initiative	\$240,357
Lockstep Consulting	Digital Driver Licence Independent Security Risk Review	\$152,542
KPMG Australia Pty Ltd	Work on proposed new funding model	\$127,050
Qualtrics Llc	Implement Minimum Viable Product for Making Business Easier to measure customer experience in both the digital offering and experience with business concierge	\$98,948
Ernst & Young	Scoping of a new operational command centre and development of a tier 1 support model for frontline staff	\$98,557
Meld Studios Pty Ltd	Digital Hub Customer Journey Map - specifically context for various payment transactions	\$73,918
Hypothesis Pty Ltd	To implement a digital solution to meet the future needs of the 'dispute/objections' process for Land Valuation Notices	\$69,509
Informotion Pty Ltd	Consulting service for Service NSW Record Management Services	\$60,913
Gordian Global Solutions Pty Ltd	Review Health Check tool to assess its effectiveness on frontline staff working on End-to-end release, transition and design	\$60,672
Expert 360 Aust Pty Ltd	Provide recommendations and advice on the establishment of an enterprise wide operational excellence framework for Making Business Easier	\$58,511
Total		\$1,448,092

Consultancies of a value less than \$50,000

There were 30 individual consultancies with a value of less than \$50,000. They were for management services and totalled \$139,994.

p. Major works in progress (projects over \$1 million)

Name	Project description	Start/end date	Total project budget (\$mil)	Expenditure for FY18/19	Overall status
Making Business Easier	Make NSW the Easiest state to start (and grow) a business. Simplify the process of starting and running a business through reduction of the underlying complexity and regulatory burden.	Jul 18 – Jun 20	\$72,600,000	\$24,529,164	On track
Rural and Regional	Transition the 24 remaining RMS motor registries to Service NSW service centres.	Jul 17 – Dec 19	\$20,000,000	\$10,199,966	On track
NSW Digital Driver Licence	Fulfil the election commitment of 2015 by Dominic Perrottet, the then Minister of Finance, Services and Innovation, to provide a digital driver licence by 2019 to the citizens of NSW.	Jan 17– Dec 19	\$17,000,000	\$6,550,669	On track
Mobile Service Centres	Implement Mobile Service Centre capability to deliver a full suite of Service NSW services to remote customers.	Oct 18 – Jan 20	\$2,894,000	\$1,233,898	On track

6 Financial statements



Statement by the Chief Executive Officer

Service NSW

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, and clause 11 of the *Public Finance and Audit Regulation 2015*, I state that, in my opinion:

- (1) The financial statements have been prepared in accordance with:
 - (a) applicable Australian Accounting Standards (which include Australian Accounting Interpretations); and
 - (b) the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, and the Treasurer's Directions.
- (2) The financial statements exhibit a true and fair view of the financial position as at 30 June 2019 and transactions of Service NSW for the year then ended; and
- (3) I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

A handwritten signature in black ink, appearing to read "Damon Rees".

Damon Rees
Chief Executive Officer, Service NSW
25 September 2019



INDEPENDENT AUDITOR'S REPORT

Service NSW

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Service NSW (the Department), which comprise the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Department as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Department's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Chief Executive Officer of the Department is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Chief Executive Officer.

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

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

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

I have nothing to report in this regard.

Chief Executive Officer’s Responsibilities for the financial statements

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

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Department’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor’s Responsibilities for the Audit of the financial statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor’s report.

My opinion does not provide assurance:

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



Min Lee
A/Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

27 September 2019
SYDNEY

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Statement of Comprehensive Income

for the year ended 30 June 2019

	Notes	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
Expenses excluding losses				
Operating expenses				
Employee related	2a	249,568	160,576	184,581
Other operating expenses	2b	197,303	190,877	149,246
Depreciation and amortisation	2c	75,183	42,871	39,758
Grants and subsidies	2d	2,193	-	13,267
Total expenses excluding losses		524,247	394,324	386,852
Revenue				
Sale of goods and services	3a	282,910	286,268	297,168
Grants and contributions	3b	175,154	131,984	82,089
Acceptance by the Crown Entity of employee benefits and other liabilities	3c	8,460	4,323	4,547
Investment revenue	3d	332	200	244
Other Revenue	3e	17,211	206	12,525
Total revenue		484,067	422,981	396,573
Operating result		(40,180)	28,657	9,721
Impairment loss on intangible assets and property, plant and equipment	4	(16,173)	-	(51,448)
Net result		(56,353)	28,657	(41,727)
Other comprehensive income		-	-	-
Total comprehensive income	17	(56,353)	28,657	(41,727)

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2019

	Notes	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	6	26,741	8,440	22,412
Receivables	7	32,851	42,089	41,279
Other assets	8	2,759	780	530
Total current assets		62,351	51,309	64,221
Non-current assets				
Property, plant and equipment				
Leasehold improvements	9	70,392	-	68,302
Plant and equipment	9	5,926	-	12,482
Total property, plant and equipment		76,318	81,820	80,784
Intangible assets	10	87,744	211,937	133,121
Total non-current assets		164,062	293,757	213,905
Total assets		226,413	345,066	278,126
LIABILITIES				
Current liabilities				
Payables	12	52,718	38,365	53,842
Provisions	13	25,702	16,509	19,560
Total current liabilities		78,420	54,874	73,402
Non-current liabilities				
Provisions	13	4,992	6,547	5,370
Total non-current liabilities		4,992	6,547	5,370
Total liabilities		83,412	61,421	78,772
Net assets		143,001	283,645	199,354
EQUITY				
Accumulated funds		143,001	283,645	199,354
Total equity		143,001	283,645	199,354

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2019

	Accumulated funds \$'000	Total \$'000
Balance at 1 July 2018	199,354	199,354
Net Result for the year	(56,353)	(56,353)
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(56,353)	(56,353)
	<hr/>	<hr/>
Balance at 30 June 2019	143,001	143,001
	<hr/> <hr/>	<hr/> <hr/>
Balance at 1 July 2017	241,081	241,081
Net result for the year	(41,727)	(41,727)
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(41,727)	(41,727)
	<hr/>	<hr/>
Balance at 30 June 2018	199,354	199,354
	<hr/> <hr/>	<hr/> <hr/>

Statement of cash flows

for the year ended 30 June 2019

		Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
	Notes			
Cash flows from operating activities				
Payments				
Employee related		(230,540)	(160,105)	(177,806)
Grants and Subsidies		(2,193)	-	(13,267)
Other		(237,132)	(224,678)	(152,078)
		(469,865)	(384,783)	(343,151)
Receipts				
Sales of goods and services		324,332	280,180	297,359
Grants and contributions		175,154	131,984	82,089
Other		16,221	24,732	5,209
		515,707	436,896	384,657
Net cash from operating activities	18	45,842	52,113	41,506
Cash flows from investing activities				
Purchase of plant and equipment		(14,496)	(22,400)	(10,342)
Purchase of intangibles		(27,017)	(35,198)	(23,654)
		(41,513)	(57,598)	(33,997)
Net increase/(decrease) in cash		4,329	(5,485)	7,509
Opening cash and cash equivalents		22,412	13,925	14,903
Closing cash and cash equivalents	6	26,741	8,440	22,412

Service NSW does not have any financing activities.

The accompanying notes form part of these financial statements.

Notes to the financial statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies

a. Reporting entity

Service NSW is a NSW government agency and is controlled by the State of New South Wales, which is the ultimate parent. The entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. 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 2019 have been authorised for issue by the Chief Executive Officer on 25 September 2019.

b. Basis of preparation

Service NSW's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* (the Act) and the *Public Finance and Audit Regulation 2015* and
- Treasurer's Directions issued under the Act.

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 key 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.

All amounts are rounded to the nearest one thousand dollars (\$'000) and are expressed in Australian currency, which is the entity's presentation and functional currency.

c. Statement of Compliance

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

Notes to the financial statements

for the year ended 30 June 2019

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 Land and Housing NSW, NSW Registry of Births, Deaths and Marriages, NSW Fair Trading, Revenue NSW, Roads & Maritime Services, Office of Environment & Heritage, Department of Justice (NCAT), Liquor and Gaming NSW and Community Relations Commission of NSW (Multicultural NSW). Service NSW is accountable for the transactions relating to these activities but does not have the discretion to deploy the resources for the achievement of Service NSW's own objectives.

Transactions and balances relating to these activities are not recognised as Service NSW's income, expenses, assets and liabilities, but disclosed as notes. For further details, please refer to Note 19.

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

e. 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.

f. Comparative information

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

g. Changes in accounting policies, including new or revised AAS

i. Effective for the first time in 2018-19

AASB 9 Financial Instruments

Service NSW has adopted AASB 9 Financial Instruments (AASB 9), which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. AASB 9 also significantly amends other standards dealing with financial instruments such as the revised AASB 7 Financial Instruments: Disclosures (AASB 7R).

The adoption of AASB 9 has immaterial impact on the Service NSW's statement of financial position.

a) Classification and measurement of financial instruments

On 1 July 2018 (the date of initial application of AASB 9), Service NSW's management has assessed which business models apply to the financial assets held by the entity. There is no material impact on the reclassification of financial assets from adoption of AASB 9.

b) Impairment

The adoption of AASB 9 has changed the entity's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the entity to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. There is no impact to the entity on adopting the new impairment model.

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 (TC 19/04), Service NSW did not adopt any of the accounting standards and interpretations that have been issued but are not yet effective.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods.

- *AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards* arising from AASB 15 and AASB 1058 *Income of Not-for-Profits*
 - AASB 15 *Revenue from Contract with Customers* (AASB 15) is effective for reporting periods commencing on or after 1 January 2019. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised when control of goods or services is transferred to the customer at amounts that reflect the consideration to which Service NSW expects to be entitled in exchange for transferring the goods or services to her customer. Under AASB 118 *Revenue* (AASB 118), revenue recognition is currently based on when risks and rewards are transferred.
 - AASB 1058 *Income of Not-for-Profits* (AASB 1058) is effective for reporting periods commencing on or after 1 January 2019 and will replace most of the existing requirements in AASB 1004 *Contributions* (AASB1004). The scope of AASB 1004 is now limited mainly to parliamentary appropriations, administrative arrangements and contributions by owners. Under AASB 1058, Service NSW will need to determine whether a transaction is consideration received below fair value principally to enable Service NSW to further its objectives (accounted for under AASB 1058) or a revenue contract with a customer (accounted for under AASB 15).
 - The standards will result in the identification of separate performance obligations that may change the timing of recognition of some revenues, including revenues relating to sales of goods and services and specific purpose grants and subsidies.
 - Under AASB 1058, Service NSW will recognise as liabilities, obligations for funding received where there is an obligation to construct recognisable non-financial assets controlled by Service NSW.
 - Service NSW will adopt AASB 15 and AASB 1058 on 1 July 2019 through application of the full retrospective transition approach. Recognition and measurement principles of the new standards will be applied for the current year and comparative year as through AASB 15 and AASB 1058 had always applied.
 - The impacts to balances resulting from the adoption of AASB 15 and AASB 1058 have been assessed by Service NSW as not being significant.
- *AASB 16 Leases*
 - AASB 16 *Leases* (AASB 16) is effective from reporting periods commencing on or after 1 January 2019.
 - For lessees, AASB 16 will result in most leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is largely removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised at the commencement of the lease. The only exceptions are short-term and low-value assets. AASB 16 will therefore increase assets and liabilities

Notes to the financial statements

for the year ended 30 June 2019

reported on the Statement of Financial Position. It will also increase depreciation and interest expenses and reduce operating lease rental expenses on the Statement of Comprehensive Income. Expenses recognised in the earlier years of the lease term will be higher as the interest charges will be calculated on a larger lease liability balance.

- Service NSW will adopt AASB 16 on 1 July 2019 through application of the partial retrospective approach, where only the current year is adjusted as though AASB 16 had always applied. Comparative information will not be restated. Service NSW will also adopt the practical expedient whereby the fair value of the right-of-use asset will be the same as the lease liability at 1 July 2019.
- Based on the impact assessments Service NSW has undertaken on currently available information, Service NSW estimates additional lease liabilities of \$110.2 million and right-of-use assets of \$110.2 million will be recognised as at 1 July 2019 for leases in which Service NSW is a lessee. The impact represents the current best estimates and is still under review. The amount recognised at 1 July 2019 in the Statement of Financial Position may differ from this estimate. Most operating lease expenses will be replaced by depreciation of the right of use asset and interest on the lease liability. The impact on the statement of comprehensive income is expected to be \$1.935 million.
- AASB 2015-8 and 2016-3 regarding revenue from Contracts with Customers
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

Apart from this, the other new standards have been assessed as not having any material impact, if any.

h. Changes in accounting estimates

Change in Useful life of Internally Generated Software

The Department of Finance, Services and Innovation (DFSI) changed the useful life of internally generated software from 10 to 4 years, effective from 1 July 2018. This amendment in the cluster policy reflects the impact of rapid technological advancement on the useful life of software assets. Service NSW adopted this change in line with the cluster policy.

The impact of this amendment on the net results of Service NSW for the financial year 2018-19 is as follows:

	\$'000
Annual amortisation at 4 years	52,976
Estimated amortisation at 10 years	<u>(13,794)</u>
Impact on net results	<u>39,182</u>

The adoption of this change has resulted in a decreased result by \$39.2 million in 2018-19.

a. Employee related expenses

	2019	2018
	\$'000	\$'000
Salaries and wages (including annual leave)	206,224	155,944
Long service leave	7,600	3,753
Superannuation - defined benefit plan	842	777
Superannuation - defined contribution plan	17,295	13,477
Payroll tax and fringe benefit tax	12,310	9,450
Workers' compensation insurance	1,118	363
Other	4,179	817
	249,568	184,581

Employee related costs of \$2.0 million (2018: \$6.5 million) have been capitalised in various capital works and therefore are excluded from the above.

b. Other operating expenses

	2019	2018
	\$'000	\$'000
Auditor's remuneration		
- audit of financial statements	157	124
Operating lease rental expense		
- minimum lease payments	21,719	18,731
Maintenance	969	569
Insurance	85	81
Consultants	1,586	6,019
Contractors	47,687	41,573
Travel	3,513	2,764
Energy costs	1,474	1,751
Advertising, general marketing, promotions etc	8,547	714
Property related	5,415	4,397
Printing	7,248	2,506
Clothing	697	435
Information technology	51,869	34,358
Office equipment	38	5
Telephone and communications	5,931	5,624
Bank charges	13,938	9,387
Shared service charges	6,654	4,759
Courier and freight	2,267	2,420
Interpreters & translators	937	887
Other services	4,852	5,438
Staff recruitment	539	93
Postage costs	5,553	3,614
Office supplies	1,098	957
Other	4,530	2,040
	197,303	149,246

Reconciliation of Total Maintenance

Maintenance expense - contract labour and other (non-employee related, as above)	969	569
Employee related maintenance expense included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	969	569

Notes to the financial statements

for the year ended 30 June 2019

Maintenance expense

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.

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 claims experience.

Operating leases

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

c. Depreciation and amortisation expense

	2019 \$'000	2018 \$'000
Depreciation:		
Plant and equipment	6,462	5,646
Leasehold improvements	10,631	10,259
	17,093	15,905
Amortisation:		
Intangible assets	58,090	23,853
	75,183	39,758

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

d. Grants and subsidies

	2019 \$'000	2018 \$'000
Grant to Roads and Maritime Service	2,193	13,267

The transfer of the Registry functions occur pursuant to an assignment model. Employees, transactions and contracts for the functions of the motor registries continue to be directly incurred by Roads and Maritime Services (RMS) until the relevant motor registries and other support functions are integrated into the Service NSW network.

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

The reduction in expenses represents the absorption of employee costs directly in Service NSW, thus reducing the grant payment to RMS.

The 2018-2019 grants to RMS are represented by the following:

	2019	2018
	\$'000	\$'000
Employee related expenses	-	3,672
Operating lease rental expense		
- minimum lease payments	-	461
Insurance	-	86
Travel	2	327
Property related	425	457
Printing	42	191
Information Technology	1,339	1,453
Telephone and Communications	39	153
Postage	5	6
Shared service charges	337	1,031
Other	4	5,430
	<hr/>	<hr/>
Total	2,193	13,267

3. Revenue

Recognition and Measurement

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

a. Sale of goods and services

	2019	2018
	\$'000	\$'000
Rendering of Services	<hr/> 282,910	<hr/> 297,168

Recognition and Measurement

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 goods.

Rendering of services

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

Notes to and forming part of the financial statements

for the year ended 30 June 2019

b. Grants and contributions

	2019	2018
	\$'000	\$'000
Grants received from Department of Finance, Services & Innovation	160,754	74,589
Grants received from Department of Industry	-	500
Grants received from Roads & Maritime Services	7,000	7,000
Grants received from other government agencies	7,400	-
	175,154	82,089

Recognition and Measurement

Income from Government grants and contributions is recognised when Service NSW obtains control over the contribution. It is deemed to have assumed control when the grants and contributions are received or receivable.

Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

c. Acceptance by the Crown Entity of employee liabilities

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

	2019	2018
	\$'000	\$'000
Superannuation - defined benefit	820	756
Long service leave	7,600	3,753
Payroll tax	40	38

e. Other revenue

	2019 \$'000	2018 \$'000
Credit card processing fee recovery	13,869	10,095
Other income	3,342	2,430
	<u>17,211</u>	<u>12,525</u>

4. Impairment loss on intangible assets and property, plant and equipment

	2019 \$'000	2018 \$'000
Impairment loss on intangible assets	(16,173)	(51,443)
Loss on write off of equipment	-	(5)
	<u>(16,173)</u>	<u>(51,448)</u>

Recognition and Measurement**Impairment losses on non-financial assets**

Impairment losses may arise on non-financial assets held by the entity from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

Property, plant and equipment – Note 9

Intangible assets – Note 10

At 30 June 2019, Service NSW assessed whether there were any indications that assets may be impaired in accordance with Note 9 (Impairment Policy). Indications did exist, based on significant changes in how the assets have been used, or will be used, as new capability has been developed. As a result, the impacted assets were written down to their recoverable amount resulting in an impairment loss of \$16.2 million (2018: \$51.5 million).

5. Service Delivery Channels of Service NSW

The service delivery channels in 2018-2019 are as follows:

Service Centres

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

Contact Centres

Purpose: The Contact Centre channel 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

Notes to and forming part of the financial statements

for the year ended 30 June 2019

Service Delivery Support

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

6. Cash and Cash Equivalents

	2019 \$'000	2018 \$'000
Cash at bank	26,581	22,286
Cash on hand	160	126
	26,741	22,412

For the purposes of Statement of Cash Flows, cash and cash equivalents include cash at bank and cash on hand. Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial period to the Statement of Cash Flows as follows:

	2019 \$'000	2018 \$'000
Cash and cash equivalents (as per statement of cash flows)	26,741	22,412

Please refer to Note 20 for details regarding credit risk and market risk arising from financial statements.

7. Receivables

	2019 \$'000	2018 \$'000
Current		
Trade receivables - agencies	27,675	37,029
Goods and Services Tax recoverable from ATO	1,975	605
Other receivables	3,201	3,645
	32,851	41,279

Details regarding credit risk of trade debtors that are neither past due nor impaired are disclosed in Note 20.

Recognition and Measurement

Regular way purchases or sales are purchases or sales of other financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets are initially measured at fair value plus any transaction cost.

Subsequent measurement under AASB 9 (from 1 July 2018)

Financial assets at amortised cost

Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as separate

line item in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses) together with foreign exchange gains and losses.

Subsequent measurement under AASB 139 (from comparative period ended 30 June 2018)

Loans and Receivables

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment under AASB 9 (from 1 July 2018)

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

The entity recognises an allowance based on lifetime ECL at each reporting date. ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECL's are based on default events possible within the next 12 months (i.e. a 12-month ECL). If there has been a significant increase in credit risk, since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. a lifetime ECL). In addition, Service NSW considers whether there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Impairment under AASB 139 (for comparative period ended 30 June 2018)

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. The entity first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they are assessed not to be impaired individually.

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. Impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

8. Other Assets

	2019	2018
	\$'000	\$'000
Prepayments	<u>2,759</u>	<u>530</u>

Notes to and forming part of the financial statements

for the year ended 30 June 2019

	Leasehold improvements \$'000	Plant and Equipment \$'000	Work in progress \$'000	Total \$'000
At 1 July 2018 - fair value				
Gross carrying amount	98,362	28,795	6,828	133,985
Accumulated depreciation	(33,584)	(19,617)	-	(53,201)
Net carrying amount	64,778	9,178	6,828	80,784
At 30 June 2019 - fair value				
Gross carrying amount	110,181	20,469	5,985	136,635
Accumulated depreciation	(44,214)	(16,103)	-	(60,317)
Net carrying amount	65,967	4,366	5,985	76,318
	Leasehold improvements \$'000	Plant and Equipment \$'000	Work in progress \$'000	Total \$'000
At 1 July 2017 - fair value				
Gross carrying amount	91,719	24,476	7,795	123,990
Accumulated depreciation	(23,266)	(14,372)	-	(37,638)
Net carrying amount	68,453	10,104	7,795	86,352
At 30 June 2018 - fair value				
Gross carrying amount	98,362	28,795	6,828	133,985
Accumulated depreciation	(33,584)	(19,617)	-	(53,201)
Net carrying amount	64,778	9,178	6,828	80,784

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 2019				
Net carrying amount at start of year	64,778	9,178	6,828	80,784
Additions	289	-	14,207	14,496
Transfers to / from WIP	11,531	1,650	(13,181)	-
Impairment	-	-	(1,133)	(1,133)
Transfer between asset classes	-	-	(736)	(736)
Depreciation expense	(10,631)	(6,462)	-	(17,093)
Net carrying amount at end of year	65,967	4,366	5,985	76,318

	Leasehold improvements \$'000	Plant and Equipment \$'000	Work in progress \$'000	Total \$'000
Year ended 30 June 2018				
Net carrying amount at start of year	68,453	10,104	7,795	86,352
Additions	-	-	10,342	10,342
Transfers to / from WIP	6,643	4,666	(11,309)	-
Disposals	-	(5)	-	(5)
Transfer between asset classes	(59)	59	-	-
Depreciation expense	(10,259)	(5,646)	-	(15,905)
Net carrying amount at end of year	64,778	9,178	6,828	80,784

Recognition and Measurement

Acquisitions of Property, Plant and Equipment

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.

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.

Notes to and forming part of the financial statements

for the year ended 30 June 2019

Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Restoration costs

The estimated present value 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.

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.

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

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. The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the entity estimates the assets recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount. As a not-for-profit entity, an impairment loss is recognised in the net result.

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 Service NSW.

	2019	2018
- Computer equipment	3	3
- General plant and equipment	4	4
- Leasehold improvements and major fit-outs	*	*
- Make Good	*	*

* Shorter of lease term or 10 years.

10. Intangible Assets

	Software \$'000	Work in progress \$'000	Total \$'000
At 1 July 2018			
Cost (gross carrying amount)	156,663	13,533	170,196
Accumulated amortisation	(37,075)	-	(37,075)
Net carrying amount	119,588	13,533	133,121
At 30 June 2019			
Cost (gross carrying amount)	168,393	7,000	175,393
Accumulated amortisation	(87,649)	-	(87,649)
Net carrying amount	80,744	7,000	87,744
At 1 July 2017			
Cost (gross carrying amount)	149,564	59,824	209,388
Accumulated amortisation	(24,626)	-	(24,626)
Net carrying amount	124,938	59,824	184,762
At 30 June 2018			
Cost (gross carrying amount)	156,663	13,533	170,196
Accumulated amortisation	(37,075)	-	(37,075)
Net carrying amount	119,588	13,533	133,121

Notes to and forming part of the financial statements

for the year ended 30 June 2019

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	Work in	Total
	\$'000	progress	\$'000
		\$'000	\$'000
Year ended 30 June 2019			
Net carrying amount at start of year	119,588	13,533	133,121
Additions	-	27,017	27,017
Transfers to / from WIP	27,413	(27,413)	-
Transfer to / from PPE	736	-	736
Impairment loss	(8,903)	(6,137)	(15,040)
Amortisation	(58,090)	-	(58,090)
Net carrying amount at end of year	80,744	7,000	87,744

	Software	Work in	Total
	\$'000	progress	\$'000
		\$'000	\$'000
Year ended 30 June 2018			
Net carrying amount at start of year	124,938	59,824	184,762
Additions	-	23,655	23,655
Transfers to / from WIP	66,955	(66,955)	-
Impairment loss	(48,452)	(2,991)	(51,443)
Amortisation	(23,853)	-	(23,853)
Net carrying amount at end of year	119,588	13,533	133,121

Recognition and Measurement

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 purchased is amortised over 4 years. Internally generated software was previously amortised over a period of 10 years, however effective from 1 July 2018, is amortised over a period of 4 years to align with DFSI policy. Refer to Note 1h for further details.

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.

11. Fair value measurement of non-financial assets

Fair value measurement and hierarchy

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

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.

12. Current Liabilities – Payables

	2019 \$'000	2018 \$'000
Accrued salaries, wages and on-costs	795	622
Creditors and accruals	49,474	53,220
Redundancy	2,449	-
	<u>52,718</u>	<u>53,842</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 20.

Recognition and Measurement

These amounts represent liabilities for goods and services provided to Service NSW and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

Notes to and forming part of the financial statements

for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Current		
Employee benefits and related on-costs		
Annual leave	19,179	15,094
Long service leave	3,579	2,749
Payroll tax	987	815
	23,745	18,658
Other provisions		
	\$'000	\$'000
Provision for makegood	1,957	608
Provision for onerous lease contracts	-	294
	1,957	902
Total current provisions	25,702	19,560
	2019 \$'000	2018 \$'000
Non-current		
Employee benefits and related on-costs		
Long service leave	311	239
	311	239
Other provisions		
Provision for makegood	4,681	5,131
Provision for onerous lease contracts	-	-
	4,681	5,131
Total non-current provisions	4,992	5,370
Aggregate employee benefits and related on-costs		
Provisions - current	23,745	18,658
Provisions - non-current	311	239
Accrued salaries and wages	795	622
Redundancy	2,449	-
	27,300	19,519

Reconciliation of provision for makegood	\$'000	\$'000
Carrying amount at the beginning of the period	5,739	6,520
Additional provision recognised	372	203
Amounts used	(236)	(145)
Unused amounts reversed	(250)	(939)
Unwinding of discount or change in discount rate	1,013	100
	<hr/>	<hr/>
Carrying amount at end of financial year	6,638	5,739
	<hr/>	<hr/>
Reconciliation of provision for onerous lease contracts		
Carrying amount at the beginning of the period	294	458
Amounts used	-	(164)
Unused amounts reversed	(294)	-
	<hr/>	<hr/>
Carrying amount at end of financial year	-	294
	<hr/>	<hr/>

The value of annual leave, including on-costs, expected to be taken within 12 months is \$16.1 million (2018: \$11.1 million).

To determine the consequential cost split on Long Service Leave, Service NSW has adopted the actuarial advice from Treasury Circular 18-13 using 92% current and 8% non-current. The amount expected to be settled after 12 months is \$311,188.

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.

Recognition and Measurement

Employee Benefits and other provisions

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. Service NSW has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where Service NSW does not expect to settle the liability within 12 months as it does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Notes to and forming part of the financial statements

for the year ended 30 June 2019

Long service leave and superannuation

Service NSW's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. Service NSW accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to reporting date. In accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 18/13) to employees with five or more years of service, using current rates of pay, expected future age, salary level and experience of employee departures. These factors were determined based on an actuarial review to approximate present value. Expected future payments are discounted using the Commonwealth Government bond rate at the reporting date.

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.

Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

Other Provisions

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. When Service NSW expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when 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 0.99% and 1.01%, 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. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

14. Equity

Accumulated Funds

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

15. Commitments for Expenditure

	2019	2018
	\$'000	\$'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	3,456	4,252
Later than one year and not later than five years	-	-
Greater than five years	-	-
Total (including GST)	3,456	4,252
(b) Operating Lease Commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	19,729	16,427
Later than one year and not later than five years	21,440	24,535
Greater than five years	74	1,251
Total (including GST)	41,243	42,213

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 \$4.1 million (2018: \$4.2 million) that are expected to be recoverable from the Australian Taxation Office.

16. Contingent Liabilities and Contingent Assets

Contingent liabilities

Service NSW is not aware of any contingent liability in existence at 30 June 2019 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

Service NSW is not aware of any contingent asset in existence at 30 June 2019 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.

17. Budget Review

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

Actual operating deficit was \$56.4 million compared to a budgeted operating surplus of \$28.7 million – a variance of \$85.1 million.

The above variance is comprised of higher than originally budgeted expenditure of \$129.9 million and unbudgeted impairment loss on assets of \$16.2 million, partly offset by higher than originally budgeted revenue of \$61.1 million. During the year the agency operated to a revised approved budget following reprioritisation of funding from the Principal Department of Finance, Services and Innovation. This revised approved budget allowed for significant additional expenditure associated with a number of new government initiatives and an increase in the scale of operations since the original budget was released.

Expenses

- Employee related expenses were higher than the original budget by \$88.9 million. This was mainly as a result of network expansion, and additional unbudgeted initiatives delivered during the year including Cost of Living, Digital

Notes to and forming part of the financial statements

for the year ended 30 June 2019

Drivers License, Mobile Service Vans and others. Service NSW had 89 Service centres at the end of 2017/18, with 6 opening towards the end of that year. There are now 100 Service centres at the end of 2018/19. The contact centre also experienced major expansion in 2018/19 with the addition of iCare and Trainlink business. As a result of the NSW Government structural changes effective 1 July 2019, there is also an unbudgeted provision for redundancies of \$2.4 million.

- Other operating expenses were higher than the budget by \$6.4 million primarily due to \$5.0 million additional merchant fee bank charges than budgeted, noting that these are recovered in revenue.
- Depreciation and amortisation were higher than budget by \$32.3 million, primarily due to a change in the useful life of intangible assets from 10 to 4 years.
- An unbudgeted impairment loss of \$16.2 million was incurred in 2018/19. This resulted from the expensing of intangible assets from the fixed asset register as part of annual impairment testing, where it was identified that the assets were no longer in use or had been superseded.

Revenue

- Sale of goods and services includes fee for service arrangements with agencies, which generated revenue of \$282.9 million. This is \$3.0 million under the original budget, however the budget included \$8.0 million for merchant fee bank charge recoveries. These have been recorded in other revenue, therefore underlying revenue was actually \$5m ahead, primarily due to additional initiatives delivered since the budget was approved.
- Grants and Contributions were higher than the budget by \$43.2 million as a result of an increase in funding from the Department of Finance, Services and Innovation.
- Other revenue was \$17.0 million favourable to budget. This was primarily due to merchant fee bank charge recoveries of \$13.9 million from RMS transaction activity. As noted above, the \$8.0 million budget for this recovery was recorded in Sale of goods and services.
- Increase in long service leave balances following actuarial revaluation resulted in an increase in Acceptance by the Crown Entity of employee benefits and other liabilities of \$4.1 million.

Assets and Liabilities

Actual net assets of \$143.0 million were lower than the budget of \$283.7 million by \$140.7 million. Current assets were \$62.4 million compared to current liabilities of \$78.2 million. The deficit in the current ratio is the result of the Treasury's centralised cash and investment management policy which maximises financial returns to the State, while ensuring that funding is available as and when agency liabilities fall due.

The key drivers for the \$140.7 million lower than budget position of net assets are the current year's operating deficit variance of \$85.1 million plus a \$51.5 million impairment loss at the end of the previous year, after the budget was finalised.

Cash flows

The actual cash balance of \$26.7 million was \$18.3 million higher than the budgeted balance of \$8.4 million primarily due to timing differences, including a decrease in debtors and higher than budgeted creditors.

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

	2019 \$'000	2018 \$'000
Net cash used on operating activities	45,842	41,506
Add/(less) non cash items:		
Depreciation / amortisation	(75,183)	(39,758)
Loss on write off	(16,173)	(51,448)
Changes in operating assets and liabilities		
Increase / (decrease) in receivables	(6,199)	19,512
(Increase) / decrease in payables	1,124	(10,185)
(Increase) / decrease in other provisions	(5,764)	(1,354)
Net result	(56,353)	(41,727)

19. Amounts Held on Behalf of Other Agencies

	2019 \$'000	2018 \$'000
Service NSW remitting account	91,951	66,579
Total to be remitted	91,951	66,579
Amounts payable to client agencies	91,951	66,579
Total payable	91,951	66,579

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

Service NSW also processes payments on behalf of other agencies such as the Jobs of Tomorrow Scholarships Program (Department of Industry), CTP Refunds Scheme (State Insurance Regulatory Authority) and Active Kids Program (Office of Sport).

The total value of cash remitted to and on behalf of client agencies in 2018-19 is \$3,518.4 million (2018: \$2,887.0 million) with RMS representing a significant portion of \$3,449.5 million (2018: \$2,825.9 million).

Notes to and forming part of the financial statements

for the year ended 30 June 2019

20. 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.

Service NSW monitors, reviews and provides advice about governance processes, risk management and control frameworks, and its accountability obligations in relation to managing 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 Service NSW on a continuous basis.

a. Financial instrument categories

i. As at 30 June 2019 under AASB 9

Financial Assets	Note	Category	2019	2018
Class:			\$'000	\$'000
Cash and cash equivalents	6	N/A	26,741	22,412
Receivables ¹	7	Loans and receivables (at amortised cost)	30,876	40,674
Carrying amount of financial assets			57,617	63,086
Financial Liabilities	Note	Category	2019	2018
Class:			\$'000	\$'000
Payables ²	12	Financial liabilities measured at amortised cost	50,270	52,542
Carrying amount of financial liabilities			50,270	52,542

Notes:

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).

ii. As at 30 June 2018 under AASB 139 (comparative period)

Class	Note	Category	2018
Financial Assets			\$'000
Cash and cash equivalents	6	N/A	22,412
Receivables ¹	7	Loans and receivables (at amortised cost)	40,674
Carrying amount of financial assets			63,086
Class	Note	Category	2018
Financial Liabilities			\$'000
Payables ²	12	Financial liabilities measured at amortised cost	52,542
Carrying amount of financial liabilities			52,542

Notes:

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).

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

b. Derecognition of financial assets and financial liabilities

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

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

When the entity has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the entity's continuing involvement in the asset. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

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

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

c. Offsetting financial instruments

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

d. Financial risk

i. 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 and receivables. 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.

Notes to and forming part of the financial statements

for the year ended 30 June 2019

The entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (T'Corp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

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

Receivables - trade debtors

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.

The entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

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

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade debtors as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined to be nil.

	30 June 2019					
	\$'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	25,734	670	1,066	53	152	27,675
Expected credit loss	-	-	-	-	-	-
	1 July 2018					
	\$'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	34,303	1,546	266	282	632	37,030
Expected credit loss	-	-	-	-	-	-

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 7.

The entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2019.

Accounting policy for impairment of trade debtors and other financial assets under AASB 139 (comparative period only).

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. Debtors which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

For the comparative period 30 June 2018, the ageing analysis of trade debtors is as follows:

	Total \$'000	Neither past due nor impaired \$'000	Past due but not impaired \$'000	Impaired \$'000
2018				
< 3 months overdue	36,398	34,303	2,095	-
3 months - 6 months overdue	623	-	623	-
> 6 months overdue	8	-	8	-

Notes:

1. Each Column in the table reports 'Gross Receivables'.
2. The aging analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

The entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2018.

ii. 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.

Notes to and forming part of the financial statements

for the year ended 30 June 2019

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

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
2019							
Payables	n/a	50,270	-	-	50,270	50,270	-
2018							
Payables	n/a	52,542	-	-	52,542	52,542	-

Note: The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which Service NSW can be required to pay.

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. 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 2019.

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.

21. Related Party Disclosures

Key management Personnel

Compensation for Service NSW key management personnel is as follows:

	2019 \$'000	2018 \$'000
Short-term employee benefits		
Salaries	2,855	2,447
Other monetary allowances	-	-
Non-monetary benefits	6	18
Other long-term employee benefits	-	-
Post-employment benefits	-	-
Termination benefits	-	81
	<hr/>	<hr/>
Total remuneration	2,861	2,546

During the year, Service NSW did not enter into transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

Government-related Entities

During the year, Service NSW entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions in aggregate are a significant portion of its rendering of services/receiving of services. These transactions are primarily in the form of fees for services, general operating expenses, grants paid and received, and are disclosed in notes 2(b), 2(d), 3(a), 3(b) and 3(c).

Services rendered to agencies that represent a significant proportion of the fees for service, disclosed under Note 3(a) are as follows:

	2019 \$'000	2018 \$'000
Sale of good and services		
Roads & Maritime Services	218,753	221,364
iCare	19,499	17,822
Office of Sport	4,729	9,323
	<hr/>	<hr/>
	242,981	248,509
	<hr/>	<hr/>
	2019 \$'000	2018 \$'000
Purchases of goods and services		
Roads & Maritime Services	2,964	13,212
Government Property NSW	21,850	19,285
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	24,814	32,497

Notes to and forming part of the financial statements

for the year ended 30 June 2019

22. Events After the Reporting Period

Service NSW (SNSW) operated during 2018/2019 as an Executive Agency under the principal Department of Finance, Services and Innovation (DFSI). As a result of the recent Administrative Arrangements Orders, effective 1 July 2019, SNSW now operates as an Executive Agency under the newly formed principal Department of Customer Service (DCS).

From 1 July 2019 some corporate and shared services have transferred from the direct control of SNSW to DCS under a centralised model. This includes Finance, Human Resources, Corporate Affairs, Procurement, and Governance and Risk.

End of audited financial statements.



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