



**Service
NSW**

Annual Report
2012-13



IMPROVING
SERVICE RESPECT
QUALITY **PASSION** INNOVATIVE
ACCOUNTABILITY OUTSTANDING
DISTINCTIVE **TEAMWORK**
SIMPLIFYING TRANSFORMATION
CHOICE

Contents



Service NSW
Level 2, 66 Harrington Street
The Rocks NSW 2000
GPO Box 7057
Sydney NSW 2001
info@service.nsw.gov.au
13 77 88
www.service.nsw.gov.au
ABN 37 552 837 401

28 October 2013

Our ref: 2013-485065

The Hon Barry O'Farrell, MP
Premier
Minister for Western Sydney
GPO Box 5341
SYDNEY NSW 2001

Dear Premier,

Service NSW Annual Report 2012-13

I have pleasure in submitting for your information the report on the activities of Service NSW Division for the financial period ended 30 June 2013. The report was prepared in accordance with the provision of the *Annual Reports (Departments) Act 1985* and the *Annual Reports (Departments) Regulation 2010*.

Service NSW Division was created as an agency under the *Public Sector Employment and Management (Service NSW Division) Order 2013* on 18 March 2013, and this report covers the period from 18 March 2013 until 30 June 2013.

Service NSW Division was a non-operating entity until the employees, assets and liabilities of the Service NSW program were transferred from the Department of Premier and Cabinet to Service NSW Division effective from 14 June 2013.

Yours sincerely,

A handwritten signature in black ink, appearing to read "G King", written over a light grey abstract background.

Glenn King
Chief Executive Officer
Service NSW



Service NSW

Making access to your government transactions easier

24/7 telephone service 13 77 88

Email info@service.nsw.gov.au

Website www.service.nsw.gov.au

Service NSW

Level 2

66 Harrington Street

Sydney NSW 2000 Australia

Service centre opening hours

7am-7pm weekdays, 9am-3pm Saturdays

Service centres open at the end of October 2013:

Dubbo Service Centre

258-260 Macquarie Street

Dubbo NSW 2830

Gosford Service Centre

Shop 11-12

Cnr Henry Parry Dr & William St

Gosford NSW 2250

Haymarket Service Centre

Ground Floor

2-24 Rawson Place

Sydney NSW 2000

Kiama Service Centre

64 Shoalhaven Street

Kiama NSW 2533

Orange Service Centre

122-124 Kite Street

Orange NSW 2800

Parramatta Service Centre

27-31 Argyle Street

Parramatta NSW 2150

Tamworth Service Centre

Cnr Peel and Hill Streets

Tamworth NSW 2340

Tweed Heads Service Centre

13-17 Rivendell

Tweed Heads South NSW 2486

Wynyard Service Centre

19 York Street

Sydney NSW 2000

Service centres coming soon:

- Chatswood
- Lismore
- Liverpool
- Newcastle
- Penrith
- Port Macquarie
- Queanbeyan
- Wagga Wagga
- Wollongong

This annual report has been produced by Service NSW using in-house resources only.

An electronic copy of this annual report is available from the Service NSW website www.service.nsw.gov.au, by emailing info@service.nsw.gov.au or by calling 13 77 88.

Message from the Customer Service Commissioner NSW

Service NSW is an important initiative in the delivery of an improved customer experience for the citizens and businesses of NSW.

I was pleased to lead a committed team in 2012 bringing Service NSW to life when it was a division within the NSW Department of Premier and Cabinet, tasked with meeting the NSW Government's commitments in *NSW 2021: A plan to make NSW number one*.

Service NSW is now up and running with all three service delivery channels (service centres, a website and a 24/7 telephone service) and I am confident the passion of our people and the dedication and experience of the Service NSW Executive will continue to restore public confidence in government service delivery.



A stylized, handwritten signature in white ink, consisting of a large, sweeping 'M' followed by a series of loops and a final vertical stroke.

Michael Pratt
Customer Service Commissioner NSW

Message from the CEO

I am pleased to present the inaugural annual report for Service NSW. Given Service NSW was created on 18 March 2013, this report covers the period 18 March to 30 June 2013 and highlights early results as at end of October 2013.

Service NSW has a clear vision – to be recognised as the distinctive leader in the provision of government transactional services. Our mission is to simplify the way citizens do business with government and to transform our customers' experience through excellent service and quality at an optimal cost to serve. Customers are at the heart of everything we do. Every time we develop our service or embark on a new centre design, we run a customer lens over it. We have sought real time customer feedback throughout all points in our journey.

We are also building a strong customer focused organisational DNA where passion, teamwork and accountability drive our collective behaviours.

I am proud of all the team who have contributed to this important start-up period and thank them for their efforts. I look forward to continuing this journey and delivering genuine customer service reform for the benefit of the wider community.



A stylized, handwritten signature in white ink, consisting of a large, sweeping 'G' followed by a series of loops and a final vertical stroke.

Glenn King
Service NSW CEO

Service NSW management, structure, activities, aims and objectives

Introduction

Service NSW is committed to leading a transformation in customer service delivery in NSW.

Service NSW has been shaped by what citizens have told the NSW Government – they want a better customer experience through easier and seamless access to government services, a single point of contact and availability of service at times that suit them.

Delivering on the NSW Government's plan *NSW 2021: A plan to make NSW number one* (Goals 30, 31 and 32), at the end of October 2013 Service NSW has delivered:

- a new, customer-friendly website designed by customers with less clutter, greater search capability and a reduction in the number of 'clicks'
- nine initial service centres across NSW with extended opening hours, concierges and express counters, with plans for another nine to be opened by early 2014
- one 24/7 telephone service, 13 77 88 where customers are answered by a real person based in NSW.

Service NSW allows people to complete transactions and services currently offered by Roads and Maritime Services, Fair Trading and the Registry of Births, Deaths and Marriages and others, all in the one place. More services will be continually added over time to build Service NSW into a complete one-stop government service delivery model.



Customer feedback drives success

Customer feedback continues to shape Service NSW. Customers have strongly influenced the design of the Service NSW website, telephone service and service centres. Early feedback has been very encouraging. Customers have responded positively to the service delivery design and the professional and committed team.

Operational, experiential and financial performance is being monitored and initial results are positive.

At the end of October 2013, nine service centres were open across NSW – Kiama, Haymarket, Tweed Heads, Orange, Dubbo, Tamworth, Parramatta, Wynyard and Gosford.

Over the next five years, Service NSW will continue to evolve and develop new initiatives that improve the experience of its customers through real time feedback from customers and the Service NSW team.

SERVICE CENTRES



More than **70,000** customers served at nine service centres

Average customer wait time in minutes and seconds



Average customer satisfaction score **98%**

TELEPHONE SERVICE



More than **70,000** calls handled

Average time taken to answer calls



Average customer satisfaction score **98%**

WEBSITE



More than **250,000** visits to the website

34% total traffic from smartphone and tablet customers

RATING SCORE

(Mean out of 5)

Initial satisfaction results based on 3,256 surveyed customers

Staff

4.9

New service centre

4.8

Ease of completing transaction

4.9

Experience now compared to past

4.8

Customer-led philosophy

As a customer-centric organisation we encourage and value feedback from our customers. We took a consultative approach with customers and staff to design the look and feel of service delivery – everything from centre design to staff wardrobe and website design.

Service centre design

We designed the service centres to have segmented zones such as express to improve the customer experience. Customer feedback was also sought in the early phase of design which led to further improvements including more self-serve kiosks. Warren and Mahoney, a leading architectural firm with experience in designing banks, produced what is now our current design with NSW Public Works managing the construction. We are using advanced customer flow technology which has been tested with customers to make transactions easier, faster and simpler.



Wynyard service centre

Website design

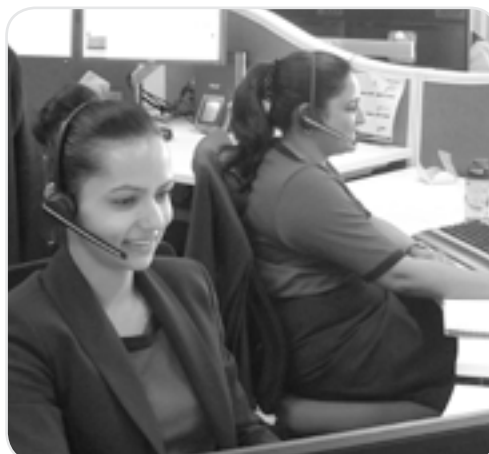
We developed our new website with customers including one-on-one testing. We used the latest technology in eye tracking analysis against a set of specific tasks as well as letting the customers use the site so we could see where they were most drawn. The final design as chosen by customers is less cluttered, has minimal 'clicks' to the information needed and has more emphasis on search functionality.



SNSW website

Telephone service design

Service NSW designed techniques to improve and simplify the telephone experience for customers. This was tested with customers and further improved. The result is a 24/7 phone service where customers are answered by a real person based in NSW with no Interactive Voice Response (IVR).



Parramatta contact centre



Wardrobe

It was clear very early that wardrobe was an important element of the Service NSW journey. Our desire was to have a corporate wardrobe that reflected our branding and our culture and made our team feel confident and professional so they could deliver a great customer experience. Service NSW engaged Project Runway star Juli Grbac who designed Virgin Australia's corporate wardrobe. A comprehensive consultation program was undertaken to produce the final wardrobe design. The result is a refreshing corporate wardrobe that is now being manufactured locally in Western Sydney and has received the tick of approval from Ethical Clothing Australia.



Customer Service Commissioner, Michael Pratt (L), Deputy CEO Steve Griffin (middle back) with Kiama service centre staff

Complaints

We have created a complaints handling procedure to ensure we resolve any customer issues or complaints. We have empowered our service centre and telephone service management teams to resolve as many customer issues at a local level as possible to provide a more efficient resolution for the customer. No recorded consumer complaints were received between March and June 2013.

Accessibility and multicultural strategies

Our renovations improve site access to service centres. Furniture has been chosen to maximise accessibility, and counters and writing benches have been lowered to meet legislative requirements. Our customer flow management system is both visual and auditory, with multi-lingual buttons. Staff at service centres undergo awareness training to be able to provide an optimum service for customers with disabilities or who speak languages other than English.

Our telephone service includes a network of staff who speak languages other than English. There are also links to the National Relay Service, including Speak & Listen – Speech to Speech, and arrangements have been made to use the Telephone Interpreter Service when needed.

Our website contains links to an information page for a number of languages other than English. The website has also been certified as meeting the internationally-recognised Web Content Accessibility Guidelines.

Legislation and charter

On 18 March 2013, the *Public Sector Employment and Management (Service NSW Division) Order 2013* established Service NSW as a Division of the Government Service responsible to the Premier and Minister for Western Sydney. This resulted in the creation of Service NSW as a separate government agency within the Department of Premier and Cabinet (DPC) cluster.

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

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

Setting the foundations

This past year can be characterised as one of 'establishing the foundations'; ensuring that Service NSW built the right philosophy and culture to develop a service approach that provides an enhanced customer experience and ensures greater financial efficiency.

Our organisation

At Service NSW, a positive customer experience is our highest priority. Service NSW draws on the learnings in service delivery from public and private sectors to provide an even better and more efficient customer experience. Our culture's building blocks - called our 'DNA' - began with our vision and outlines what we will do to deliver improved customer service. We have also worked very closely with our partner agencies particularly Roads and Maritime Services, NSW Fair Trading and the Registry of Births, Deaths and Marriages.

Our vision is to be recognised as the **distinctive leader** in the **provision** of **government transactional services.**

Mission

Our mission is to simplify the way customers do business with government and to transform our customers' experience through excellent quality service at an optimal cost to serve.

Values

Our core values shape our culture - who we are and what we stand for. They guide how we make decisions and deliver services to the people of NSW.

Our values are:

- Passion - A great customer experience is our highest priority.
- Teamwork - We work together for positive customer outcomes.
- Accountability - We work to create value and take ownership for the customer experience end-to-end.



Our **Service NSW DNA** is built around the vision to be recognised as the distinctive leader in the provision of government transactional services.

VISION

To be recognised as the distinctive leader in the provision of government transactional services

MISSION

To simplify the way customers do business with government and to transform our customers' experience through excellent service and quality at an optimal cost to serve

VALUES

PASSION
A great customer experience is our highest priority

TEAMWORK
We work together for positive customer outcomes

ACCOUNTABILITY
We work to create value and take ownership for the customer experience end-to-end

STRATEGY

- Putting our customers at the heart of everything we do
- Delivering more choice
- Making it easier to connect with us through a variety of easy to access channels
- Innovating, improving and simplifying how we do things

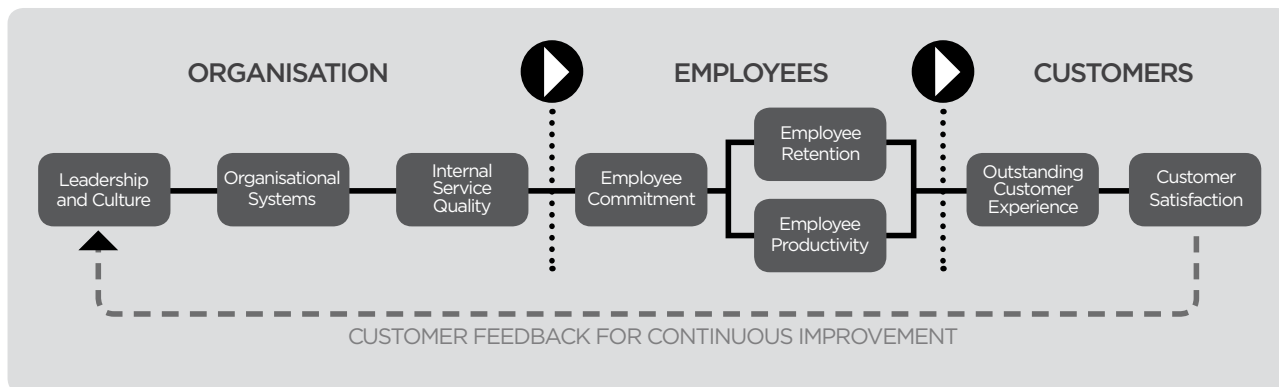
DELIVERY

- We are wired for service with:
- Distinctive service culture
 - Outstanding leadership and passionate people
 - Quality technology and processes
 - Partnerships built on mutual respect
 - Good custodians of tax payers' money

SUCCESS

- Top quartile employee commitment
- Top quartile customer satisfaction
- First choice provider of government services
- Solutions and savings for government

SERVICE VALUE CHAIN





Haymarket service centre

People

Service NSW commenced recruitment for service centre and telephone service staff in December 2012.

Service NSW has sought to recruit a team of experienced people who are passionate about the delivery of customer service and who possess the leadership skills and approach to match the Service NSW DNA.

Our culture is aligned to our values of teamwork, passion and accountability. We operate as one team with one common purpose for our customers.

We are committed to ensuring staff recruited from both within and outside the public sector have the capabilities and characteristics to successfully perform their role and deliver a new era of quality customer services to the community.

Service NSW has sought to recruit people who are professional, outcomes-focused and keen to create a great place to work and visit; people who are team players and who will own the customer experience from beginning to end, going the extra mile to make a difference. This includes taking initiative and focusing on continuous improvement for our teams and our customers.

For our first 18 service centre locations, Service NSW recruited a range of positions to deliver outstanding customer service over our extended hours of operation.

Positions include:

- Service centre managers
- Telephone service managers
- Customer service representatives
- Concierges
- Service coordinators

We also have a new 120 seat multi-channel contact centre at Parramatta. This state of the art centre has provided employment for approximately 60 positions in Western Sydney and will continue to offer new employment opportunities in Western Sydney over 2013-14.



Service NSW achievements and targets 2012-13

2012

July

Australia's first Customer Service Commissioner, Mr Michael Pratt, is appointed by the NSW Premier to oversee the creation of Service NSW. The Transformation Steering Committee (TSC) meets for the first time. The TSC comprises senior executives from partner agencies, Service NSW and DPC and is chaired by the Customer Service Commissioner, who guides the strategic direction of Service NSW. Presentations to Directors General and agency heads begin.

Aug

Service NSW blueprint is approved by Cabinet. The mapping of agency transactions begins along with a range of procurement tenders for technology, systems and wardrobe.

Sept

Over 70 roadshow presentations, attended by over 800 agency staff, are conducted across the State. Work begins on developing the Service NSW DNA and design of the Service NSW wardrobe.

Oct

Work on the service centre design begins. Negotiations commence on the development of a Service NSW Award.

Nov
Dec

New Service NSW executive team is formed under the leadership of Chief Executive Officer Glenn King and Deputy Chief Executive Steve Griffin.

2013

Jan
Feb

Business architecture and mapping of more than 800 transactions and services complete. Recruitment commenced for selection of Service NSW customer service managers.

Mar

On 18 March, Service NSW is created as a separate government agency. Plans underway for the development of three pilot sites to open in July/August – Kiama, Haymarket in the Sydney CBD and Tweed Heads South. Recruitment of customer service staff begins. On 26 March 2013, the NSW Premier introduces the *Service NSW (One-stop Access to Government Services) Bill 2013* into the NSW Legislative Assembly.

Apr

First round of managers are appointed for the service centres and telephone service. On 18 April, the *Service NSW (Salaries and Conditions of Employment) Interim Determination 2013* comes into effect. A concept store at our head office is opened and tested by staff and customers.

May

Construction commences on the first Service NSW centre in Kiama.

Jun

The new website undergoes final testing. Training begins for the staff of the telephone service. The functions of Service NSW are transferred from DPC. Corporate policies and procedures including Code of Conduct are complete. Service NSW's authorising legislation, the *Service NSW (One-stop Access to Government Services) Act 2013*, comes into effect on 21 June 2013.

July

The 24/7 telephone service and website are launched and the first service centre in Kiama is opened.

Looking ahead – 2013-14

In 2013-2014, Service NSW will build upon the platform established in its first year to deliver optimum services to the customers of government transactional services in NSW.

Service delivery

- Expansion of the one-stop service centres including the introduction of concierge-assisted kiosks and self-serve digital booths.
- Expansion of the 24/7 telephone service with the introduction of specialist services such as small business and bereavement and the de-commissioning of phone lines to continue the one-stop service experience for customers.
- Expansion of the transactional website with new features such as enhanced online Births, Deaths & Marriages forms to continue to simplify the experience for customers using the internet.

People

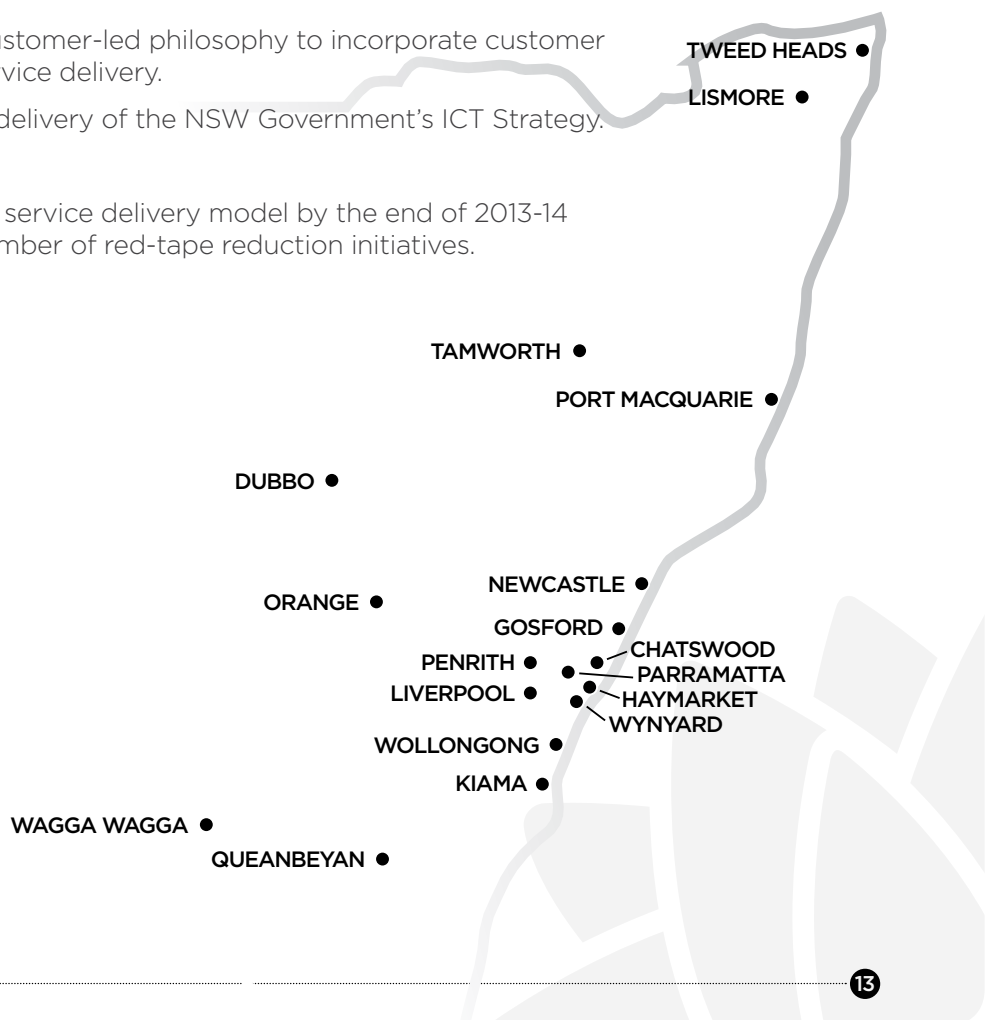
- Recruitment of the first 18 service centres and the telephone service to be completed and on target to employ approximately 670 people in the new agency, with a modest head office and a focus on frontline customer service staff.
- Establishment of a new Service NSW Award.

Governance and operational initiatives

- Establishment of the NSW Customer Advisory Board to help guide and advance the NSW public sector customer service transformation program and to provide strategic direction to the Service NSW journey for the next five years.
- Continued roll out of the customer-led philosophy to incorporate customer feedback into improved service delivery.
- Support for the successful delivery of the NSW Government's ICT Strategy.

Future planning

- Expansion of the simplified service delivery model by the end of 2013-14 and beyond, including a number of red-tape reduction initiatives.



Management structure

The management team of Service NSW has a depth of experience in customer service delivery, both in the private and public sector.

Glenn King Chief Executive Officer

Glenn King started his role of establishing and leading Service NSW in November 2012.

Glenn is passionate about putting the customer at the heart of everything he does and is determined to deliver the best outcomes possible to benefit the people and businesses of NSW. He is committed to providing excellent customer service and employee experience. Glenn has demonstrated his ability to deliver award-winning results in customer service, employee engagement and financial performance. He has a deep knowledge of service delivery channels and brings strong experience in driving sustainable business and service transformation to Service NSW.

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

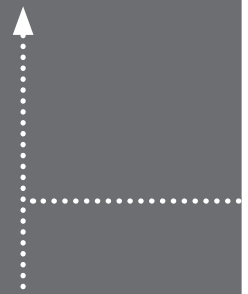


Steve Griffin Deputy Chief Executive Officer

Steve Griffin brings his passion and excitement for government transformational change to the role of Deputy Chief Executive Officer. Steve has extensive government knowledge, having worked in the public service for 29 years. He has strong skills in change management, public policy and project management. Steve is dedicated to giving the customers and employees of Service NSW the best possible experience.

Steve's public service experience began in the NSW Police Force, where he was a police officer and detective sergeant. He then continued on to examine the prison system as Director of the Office of the Inspector-General of Corrective Services, which included a term as Inspector-General.

Steve then worked at NSW Fair Trading for many years, where he became the Deputy Commissioner. Steve worked at DPC leading and directing the initial stages of implementing Service NSW. He was appointed to the role of Deputy Chief Executive Officer in September 2012.





Sharyn Gordon Executive Director, Service Delivery

Sharyn Gordon has held senior executive roles in two large financial institutions. She has successfully led cultural change in a number of organisations to deliver an excellent customer service experience. Sharyn also brings strong expertise in stakeholder and employee engagement, change management and governance to Service NSW.

She passionately believes that great customer service is achieved through engaged people who are committed to understanding and delivering to our customers' needs.



Serdar Avsar Executive Director, Business Architecture, Operations and Technology

Serdar Avsar believes customer centricity is essential to any company that wants to achieve long term sustainable success. He has led many successful change programs, which have transformed companies and business models to customer centric operations.

Serdar has thorough knowledge of the services industry and a deep understanding of analytical techniques and customer information management. He has designed and developed various KPI measurement frameworks which have been recognised as international best practice by independent organisations.

Serdar firmly believes that "what gets measured gets done". He is committed to making Service NSW the best practice example for government service delivery.

Serdar is regarded as one of Australia's leading experts in customer management, analytical customer relationship management, customer value proposition development and customer experience design and measurement. Prior to joining Service NSW, Serdar held various roles across academic, public and private sectors.



Andrew McMaster Acting Chief Financial Officer

Andrew McMaster has been assisting Service NSW since late October 2012. He is responsible for establishing financial control structures and all aspects of financial management.

Andrew has a great depth of experience in finance and management reporting gained from a career of over 35 years in professional accounting. He is committed to establishing high quality financial management systems at Service NSW that will ensure operating performance is in accordance with funding parameters.

Andrew has extensive experience in advising organisations in a wide range of industries including retail, media, manufacturing and distribution. He has also been involved with the public sector in areas including financial management advisory services, and internal and external auditing.



Financial Overview

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

Costs associated with consultancies are reported in the Department of Premier and Cabinet Annual Report 2012-13.

Consultancies of value less than \$50,000

Costs associated with consultancies are reported in the Department of Premier and Cabinet Annual Report 2012-13.

Research and development

Nil

Promotion – overseas visits

Jody Grima, Director Contact Centres, Service NSW was invited to present at the FutureGov conference held in Singapore on Tuesday, 23 April 2013, and Wednesday, 24 April 2013. FutureGov met costs associated with return economy air travel, accommodation and meals for the period of the conference (approximately \$1,500). The FutureGov conference is a forum for showcasing Government innovation in information technology. It attracts senior public sector participants from the Asia Pacific region. This was a prime opportunity to showcase the NSW Government's initiative in customer service.

Payment of accounts

During the 2012-13 financial year, the accounts payable processes in respect of Service NSW were fully integrated within DPC up to 14 June 2013.

An assessment of payment of account performance for the two-week period in 2012-13 is not meaningful as payment for goods and services is generally made no later than 30 days from the date of receipt of invoice.

Administrative Overview

Human resources

Number of officers and employees by category

The following tables provide the number of officers and employees by category at 30 June 2013.

Senior executive positions

| Level | Total |
|--------------|-----------|
| Level 8 | - |
| Level 7 | 2 |
| Level 6 | - |
| Level 5 | 3 |
| Level 4 | - |
| Level 3 | 4 |
| Level 2 | 1 |
| Level 1 | 1 |
| Total | 11 |

Female executive officer positions

At 30 June 2013, five of the Senior Executive positions were held by females.

Staff profile by employment category

| Staff Category | Female | Male | Total |
|---------------------|-----------|----------|-----------|
| Permanent full-time | 6 | - | 6 |
| Permanent part-time | - | - | - |
| Temporary full-time | 5 | 2 | 7 |
| Temporary part-time | - | - | - |
| SES full-time | 5 | 5 | 10 |
| SES part-time | - | 1 | 1 |
| Total | 16 | 8 | 24 |

Exceptional movements in wages, salaries or allowances

Over the reporting period there were no exceptional employee salary movements. Employees of Service NSW are covered by the *Service NSW (Salaries and Conditions of Employment) Interim Determination 2013*. The Determination currently aligns salary increases to the NSW Government Wages Policy and public sector salary increases granted through variations to the *Crown Employees (Public Sector – Salaries 2008) Award*.



Personnel policies and practices

During the reporting period, Service NSW developed and implemented a range of People and Culture related policies, procedures and forms. This includes:

- the Service NSW Code of Conduct
- administrative delegations
- new starter induction processes
- a corporate wardrobe and policies
- guidelines for managing probation
- a workplace health and safety policy
- a grievance management framework.

Service NSW also implemented service centre and telephone service operations manuals which define front and back office operating procedures.

Industrial relations policies and practices

Service NSW established a cooperative consultative committee framework with the PSA.

Service NSW is currently involved in negotiations for an Award with the PSA, via a Joint Consultative Committee (JCC) process.

In the interim, Service NSW has implemented the *Service NSW (Salaries and Conditions of Employment) Interim Determination 2013*, which outlines general employment arrangements and conditions that apply to staff of Service NSW. This interim determination commenced on 18 April 2013.

Equal employment opportunity

Workforce diversity and equal employment opportunity (EEO) are an intrinsic part of the Service NSW culture. Service NSW is committed to the principles and the promotion of EEO and diversity in the organisation and will endeavour to facilitate these through the development and implementation of fair and equitable employment policies and initiatives to achieve a diverse workforce.

- Developed and implemented an EEO Management Plan across the newly created organisation. This would include strategies and initiatives to improve employment access and participation by equity groups.
- Creation and support of EEO staff networks to allow staff from diverse backgrounds to provide input into departmental practices and workplace arrangements as well as providing a supportive network amongst members.
- Consideration of a Service NSW Trainee program to provide customer service trainees the opportunity to gain valuable and practical work experience in a business discipline, and receive financial assistance in the form of a Traineeship, while completing a Certificate level qualification.
- Consideration of leadership and management development programs to address workforce diversity, equity and good working relationships.

Service NSW commenced operations on 18 March 2013. The following table provides an overview of trends in representation and distribution of EEO groups within Service NSW at 30 June 2013.

Trends in the representation of EEO groups

| EEO group | Benchmark or target | 2012-13 |
|--|---------------------|---------|
| Women | 50% | 67% |
| Aboriginal People & Torres Strait Islanders | 2.6% | - |
| People whose first language is not English | 19% | - |
| People with disability | N/A* | - |
| People with disability requiring work-related adjustment | 1.5% | - |

*Per Treasury Circular TC 11/03, no benchmark is set for this target

Trends in the distribution of EEO Groups

Due to the start-up nature of Service NSW, this data is not available over the reporting period.

Workplace health and safety (WHS)

Service NSW is committed to the health and safety of workers and others affected by the work of Service NSW.

Service NSW has implemented a Workplace Health and Safety Policy which outlines its commitment to sound WHS practice, communication and consultation, providing a supportive environment for employees injured at work and ensuring effective treatment and management of the return to work process.

In meeting these commitments, Service NSW will:

- comply with all relevant legislative requirements including the *Work Health & Safety (WHS) Act 2011* and Regulations 2011 and the *Workplace Injury Management and Workers Compensation Act 1998*
- develop a WHS System and consultation method
- facilitate a risk management approach to WHS and incorporate WHS into Service NSW planning processes
- develop, implement and regularly review a range of strategies, policies and procedures to support and continuously improve the health, safety and wellbeing of employees and others affected by the work of Service NSW.

Service NSW rolled out a WHS Safety First e-learning module as part of its Induction Program. All staff and contractors were required to complete the module to familiarise themselves with the relevant WHS legislation, responsibilities and processes.

There were no new workers compensation claims during the reporting period.



Governance and Financial Disclosure

Internal audit and risk management statement for the 2012-13 financial year

I, Glenn King, Chief Executive Officer of Service NSW, am of the opinion that Service NSW Division has internal audit and risk management processes in operation, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC09-08, Internal Audit and Risk Management Policy.

I am of the opinion that the internal audit and risk management processes of Service NSW Division depart from Core Requirements 1-6 set out in Treasury Circular NSW TC 09/08, and that:

- a) the circumstances giving rise to these departures have been determined by the Portfolio Minister; and
- b) Service NSW Division has implemented practicable alternative measures that will achieve a level of assurance equivalent to all Core Requirements.

The circumstances giving rise to this position, alternative measures implemented and the current course of action being undertaken are summarised as follows:

- The Service NSW initiative is a five year transformational journey to deliver on the NSW Government's commitment to providing a better customer experience for the residents and businesses of NSW. On 18 March 2013, Service NSW Division was established as a separate agency within the DPC cluster under the *Public Sector Employment and Management (Service NSW Division) Order 2013*. Service NSW did not have any employees, assets or liabilities until 14 June 2013 when the Service NSW function was formally transferred from DPC under the *Public Sector Employment and Management (Service NSW Division Staff Transfer) Order 2013*.
- The activities and functions of the Service NSW project were effectively subject to the oversight and direction of the DPC Audit and Risk Committee for the period 1 July 2012 to 30 June 2013 and until 17 September 2013.
- Service NSW Division has applied program and risk management processes to govern project implementation which complied with Australian and New Zealand Standards on risk management during the 2012-13 reporting period.
- Service NSW Division also undertook ongoing independent quality assurance reviews of implementation programs during the 2012-13 financial period together with an independent post implementation review. Any issues identified were actioned on a timely basis as appropriate by Service NSW.
- Service NSW's Audit and Risk Committee (A&RC) was formally established on 18 September 2013 and conducted its first meeting on 23 September 2013. The Chair and Members of the A&RC are:
 - Carol Holley - Independent Chair
(18 September 2013 - 17 September 2016)
 - Dianne Hill - Independent Member
(18 September 2013 - 17 September 2015)
 - Steve Griffin - Non-Independent Member
(18 September 2013 - 17 September 2015)

- On 23 September 2013, the Service NSW A&RC adopted a charter that was consistent with the model charter.
- As Service NSW transitions to 'business as usual' operations, the recently established A&RC has an immediate priority with the implementation of a Risk Management Framework across all areas of the agency together with an approach to internal audit.
- Service NSW Division has been advised by the Portfolio Minister (the Premier) that transition to full compliance with the Core Requirements as set out in Treasury Circular TC09/08 is required by 31 March 2014.

These processes, including the practicable alternate measures implemented, provide a level of assurance that will enable the senior management of Service NSW Division to understand, manage and satisfactorily control risk exposure.

As required by the policy, I have submitted an Attestation Statement to Treasury, outlining compliance with exceptions to the policy, on behalf of the Treasurer.



Glenn King
Chief Executive Officer
Service NSW
28 October 2013



Risk management and insurance arrangements

Service NSW had insurance in place to cover all assets and major risk commencing from 18 March 2013. Our insurance policies include workers compensation, building contents (including office equipment) and public liability. These policies are with the NSW Government's self-insurance scheme, the NSW Treasury Managed Fund.

Privacy and Personal Information Protection Act 1998 (PPIPA)

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

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

Our Privacy Management Plan was developed following a privacy impact assessment of our proposed delivery model. It demonstrates how Service NSW meets its privacy obligations under the *Privacy and Personal Information Protection Act 1998* (PPIP Act) and the *Health Records and Information Privacy Act 2002* (HRIP Act) and upholds and respects the privacy of our customers, staff and others about whom we hold personal information. The key principles in relation to confidentiality and security of information in the Service NSW Privacy Management Plan are security safeguards, access, use and disclosure.

A brochure summarising how Service NSW handles and protects the personal information of our customers is available at all of our service centres and both the Privacy Plan and the brochure are available on our website.

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

Employees are required to sign a confidentiality undertaking as part of the on-boarding process with Service NSW and the responsibilities of employees for maintaining privacy, confidentiality and security of information are also outlined in the Service NSW Code of Conduct.

Service NSW Partnership Agreements (SPA) have also been developed which document how Service NSW and our client agencies will work together to deliver the agreed transactional and information services.

During the development of the SPA, client agencies are made aware of Service NSW's approach to privacy, and asked to identify any other specific requirements they might have in relation to the treatment of personal information that is required to be collected and how it is to be processed. To date, no agency has identified any additional requirements for the SPA around privacy and protection of personal information.

Government Information (Public Access) Act 2009 (GIPA)

No GIPA applications were received during the reporting period 1 March to 30 June 2013.

Public interest disclosures

No public interest disclosures under the *Public Interest Disclosures Act 1994* were made during the reporting period 18 March to 30 June 2013.

Financial statements and identification of audited financial statements

These are included as Appendix A to this report.

Number and performance of executive officers

At 30 June 2013, Service NSW had five SES officers at Level 5 or higher.

Michael Pratt Customer Service Commissioner NSW

SES Level 7 (mid-range)

Total remuneration package \$227,955 per annum working part-time (6 days per fortnight – full time equivalent is \$379,925 per annum)

Achievements:

- Led the strategic direction setting of Service NSW
- Sponsored the creation of the new Service NSW corporate DNA including Service NSW's vision, mission and values
- Chaired the Transformation Steering Committee
- Recruited a CEO for Service NSW
- Commenced the whole-of-government customer reform program, *Customer trust through service excellence*.

Glenn King Service NSW Chief Executive Officer

SES Level 7 (maximum)

Total remuneration package \$412,200 per annum

Achievements:

- Created a new executive team to lead Service NSW into the critical delivery phase prior to launch in July 2013
- Chaired the Program Control Group
- Created Service NSW as a new employment entity with its own Industrial Award Instrument
- Created Service NSW as a separate agency within the DPC cluster
- Delivered a 24/7 telephone service (1 July 2013)
- Delivered a customer friendly website (28 June 2013)
- Began a service centre rollout program commencing 5 July 2013 with Kiama, with eight further service centres delivered by end October 2013
- Became a member of the NSW ICT leadership team.



Steve Griffin Service NSW Deputy Chief Executive Officer

SES Level 5 (mid-range)

Total remuneration package \$281,650 per annum

Achievements:

- Prepared and successfully led the business case submission for the creation of Service NSW
- Led the framework for the corporate DNA of Service NSW including Service NSW's vision, mission and values
- Led the project team during the critical start-up phase of Service NSW
- Led the consultation program with partner agencies and staff
- Led the successful passage of the Service NSW legislation, *Service NSW (One-stop Access to Government Services) Act 2013*
- Led the development of the business set up operations for Service NSW including corporate policies, governance and resourcing
- Led business development and consultation program with government and non-government parties.

Sharyn Gordon Service NSW Executive Director, Service Delivery

SES Level 5 (temporary appointment to SES 5 in August 2013 effective 1 January 2013)

Notional salary \$274,675 per annum

Achievements:

- Led the successful project planning and delivery of the three channels - website, service centres and telephone service
- Led the recruitment of the service delivery leadership group including the managers of the service centres and telephone service
- Led and delivered the successful launch of the new Service NSW responsive website with more than 450 transactions mapped out and more than 6,500 pieces of bespoke content
- Led the construction and successful implementation of the new 120 seat contact centre at Parramatta
- Led the successful implementation of the 24/7 telephone service
- Led the construction and delivery of the Service NSW concept store at The Rocks to test the service delivery design and to use for training purposes
- Led the construction and successful implementation of the first of the initial 18 service centres at Kiama, Haymarket and Tweed Heads
- Established the business operational framework to deliver the integrated service channels.

James Norfor Service NSW Executive (Procurement)

SES Level 5

Total remuneration package \$292,433 per annum

Achievements:

- Managed and led Service NSW relationships and commercial negotiations with vendors for the successful delivery of Service NSW
- Managed commercial and probity oversight on contractual and commercial arrangements for Service NSW
- Delivered and managed a range of Request for Tender and other market engagement activities, including supply of wardrobe; customer service technology platform; telephone service platform; recruitment; telephony concierge services; customer flow management system; digital website; and other technology and business related services
- Managed vendor relationship and performance to support the successful launch of Service NSW
- Delivered a procurement structure for ongoing management of the procurement function for Service NSW.

Check in

Information

Births, Deaths & Marriages

Fair Trading





Appendix A

Financial statements &
Independent Auditor's report



Statement by the Chief Executive Officer

Service NSW Division

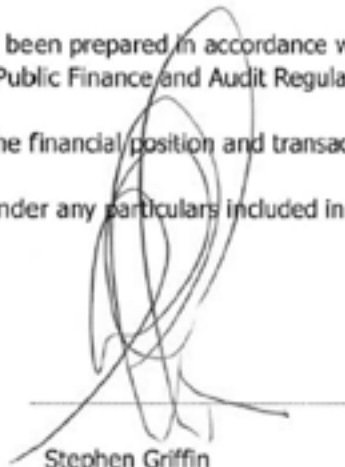
Pursuant to Section 45(f) of the *Public Finance and Audit Act 1983* and clause 11(a) and (b) of the Public Finance and Audit Regulation 2010, we state to the best of our knowledge and belief that:

- a) The accompanying financial statements has been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010, and the Treasurer's Directions;
- b) The report exhibits a true and fair view of the financial position and transactions of Service NSW Division; and
- c) There are no circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



Glenn King
Chief Executive Officer,
Service NSW Division

23 September 2013



Stephen Griffin
Deputy Chief Executive Officer,
Service NSW Division

23 September 2013



INDEPENDENT AUDITOR'S REPORT

Service NSW Division

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Service NSW Division (the Department), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Department as at 30 June 2013, and of its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

Chief Executive Officer's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Department
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Caroline Karakatsanis
Director, Financial Audit Services

23 September 2013
SYDNEY



Service NSW Division Financial Statements

Table of Contents

for the period ended 30 June 2013

| | |
|---|----|
| Statement of Comprehensive Income | 5 |
| Statement of Financial Position | 6 |
| Statement of Changes in Equity | 7 |
| Statement of Cash Flows | 8 |
| Notes to and forming part of the financial statements | 9 |
| 1. Summary of Significant Accounting Policies | 9 |
| 2. Expenses Excluding Losses | 17 |
| 3. Revenue | 18 |
| 4. Service Groups of Service NSW | 18 |
| 5. Receivable | 19 |
| 6. Non-Current Assets – Property, plant and equipment | 19 |
| 7. Intangible Assets | 20 |
| 8. Current Liabilities – Payables | 20 |
| 9. Current / Non-Current Liabilities – Provisions | 21 |
| 10. Increase / Decrease in Net Assets from Equity Transfers | 22 |
| 11. Commitments for Expenditure | 24 |
| 12. Contingent Liabilities and Contingent Assets | 24 |
| 13. Financial instruments | 24 |
| 14. Events After the Reporting Period | 26 |

Service NSW Division
Statement of Comprehensive Income
for the period ended 30 June 2013

| | Notes | Actual 2013 \$'000 |
|---|--------------|-----------------------------------|
| Expenses excluding losses | | |
| Operating expenses | | |
| Employee related | 2a | 261 |
| Other operating expenses | 2b | 1,345 |
| Depreciation and amortisation | 2c | <u>43</u> |
| Total expenses excluding losses | | <u>1,649</u> |
| Revenue | | |
| Grants and contributions | 3a | 6,107 |
| Acceptance by the Crown Entity of employee benefits and other liabilities | 3b | <u>23</u> |
| Total revenue | | <u>6,130</u> |
| Net result | | <u>4,481</u> |
| Other comprehensive income for the period | | <u>-</u> |
| Total comprehensive income for the period | | <u><u>4,481</u></u> |

The accompanying notes form part of these financial statements.



Service NSW Division
Statement of Financial Position
for the period ended 30 June 2013

| | Notes | Actual 2013 \$'000 |
|--------------------------------------|-------|--------------------------|
| Assets | | |
| Current assets | | |
| Receivables | 5 | <u>15,329</u> |
| Total current assets | | <u>15,329</u> |
| Non-current assets | | |
| Property, plant and equipment | | |
| Land and buildings | 6a | 6,262 |
| Plant and equipment | 6b | <u>4,518</u> |
| Total property, plant and equipment | | <u>10,780</u> |
| Intangibles | 7 | <u>5,939</u> |
| Total non-current assets | | <u>16,719</u> |
| Total assets | | <u>32,048</u> |
| Liabilities | | |
| Current liabilities | | |
| Payables | 8 | 15,873 |
| Provisions | 9 | <u>342</u> |
| Total current liabilities | | <u>16,215</u> |
| Non-current liabilities | | |
| Provisions | 9 | <u>446</u> |
| Total non-current liabilities | | <u>446</u> |
| Total liabilities | | <u>16,661</u> |
| Net assets | | <u>15,387</u> |
| Equity | | |
| Accumulated funds | | <u>15,387</u> |
| Total equity | | <u>15,387</u> |

The accompanying notes form part of these financial statements.

Service NSW Division
Statement of Changes in Equity
for the period ended 30 June 2013

| | Note | Accumulated funds \$'000 | Total equity \$'000 |
|---|------|--------------------------------|------------------------|
| Balance at 18 March 2013 | | - | - |
| Net result for the period | | 4,481 | 4,481 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the period | | 4,481 | 4,481 |
| Transactions with owners in their capacity as owners | | | |
| Increase / (decrease) in net assets from equity transfers | 10 | 10,906 | 10,906 |
| Balance at 30 June 2013 | | 15,387 | 15,387 |

The accompanying notes form part of these financial statements.



Service NSW Division
Statement of Cash flows
for the period ended 30 June 2013

| | Actual 2013 \$'000 | Budget 2013 \$'000 |
|---|-----------------------------------|-----------------------------------|
| Net cash flows from operating activities | - | - |
| Net cash flows from investing activities | - | - |
| Net cash flows from financing activities | - | - |
| Net increase (decrease) in cash | | |
| Opening cash and cash equivalents | - | - |
| Cash transferred in as a result of administrative restructuring | - | - |
| Closing cash and cash equivalents | - | - |

There were no cash flow movements for the period ended 30 June 2013 as all transactions were processed by DPC on behalf of Service NSW for the period 30 June 2013.

Service NSW Division

Notes to and forming part of the financial statements

for the period ended 30 June 2013

1. Summary of Significant Accounting Policies

a. Reporting entity

Service NSW Division (Service NSW) is a not-for-profit NSW government agency as profit is not its principal objective. 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 single contact centre phone number and website; 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.

Service NSW was created on 18 March 2013 by the Public Sector Employment and Management (Service NSW Division) Order 2013 as a special employment division of the Government Service within the Department of Premier and Cabinet (DPC).

Pursuant to *Public Sector Employment and Management (Service NSW Division Staff Transfer) Order 2013*, staff from DPC, who were principally involved in matters relating to Service NSW, were transferred from DPC to Service NSW with effect from 14 June 2013. The assets and liabilities of DPC which principally related to Service NSW were also transferred from DPC to Service NSW on 14 June 2013.

While Service NSW was established on 18 March 2013, it did not have any employees, assets and liabilities until the transfer of the Service NSW function from DPC on 14 June 2013. Service NSW Division was thus effectively a non-operating entity in the period from 18 March 2013 to 13 June 2013.

The period of operations of these financial statements is the period from 18 March 2013 to 30 June 2013.

The financial statements for the period ended 30 June 2013 have been authorised for issue by the Chief Executive Officer on 23 September 2013.

b. Basis of preparation

The Division's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (including Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* (PFAA);
- the Public Finance and Audit Regulation 2010; and
- financial reporting directions issued by the NSW Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial report does not take into account changing money values or current valuations.

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 circumstance. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Judgements, estimates and assumptions made by management are disclosed in the relevant notes to the financial statements.



Service NSW Division

Notes to and forming part of the financial statements

for the period ended 30 June 2013

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

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

c. Statement of Compliance

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

d. Insurance

Service NSW insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

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. Income recognition

Income is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

i. Government Grant and Contributions

Service NSW receives capital and operating grants from DPC instead of receiving budget appropriations directly from NSW Treasury. These grants are generally recognised as income when Service NSW obtains control over the assets comprising the grants.

ii. Sale of goods

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

iii. Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

Service NSW Division
Notes to and forming part of the financial statements
for the period ended 30 June 2013

g. Assets

i. Acquisitions of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by Service NSW. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

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

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. 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 at an asset-specific rate.

ii. Capitalisation thresholds

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

iii. Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the NSW Treasury Policy 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with *AASB 116 Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

A revaluation of each class of property, plant and equipment is performed at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. Based on the period of operations, a revaluation of assets has not been carried out, with the book values considered a reasonable approximation of fair value at year end.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

iv. Depreciation of property, plant and equipment

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



Service NSW Division Notes to and forming part of the financial statements

for the period ended 30 June 2013

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

| | 2013 Years |
|---|--|
| Plant and equipment: | |
| - Office furniture and fittings | 4 |
| - Computer equipment | 3 |
| - General plant and equipment | 3 |
| - Leasehold improvements and major fit-outs | Shorter of estimated useful life of improvements and term of lease |

v. Restoration costs

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

vi. Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

vii. Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

viii. Intangible assets

Intangible assets are recognised only if it is probable that future economic benefits will arise and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

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

Intangible assets are amortised using the straight line method over a period of 4 years for software.

Service NSW Division

Notes to and forming part of the financial statements

for the period ended 30 June 2013

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.

ix. Loans and receivables

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

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

x. Other Assets

Other assets are recognised on a cost basis.

h. Liabilities

i. Payables

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

ii. Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially measured at fair value, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less accumulated amortisation, where appropriate.

There are no financial guarantees in place as at 30 June 2013.

iii. Employee benefits and other provisions

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

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.



Service NSW Division Notes to and forming part of the financial statements

for the period ended 30 June 2013

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on government bonds of 2.840% are used to discount long-term annual leave.

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

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

b. Long service leave and superannuation

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

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 11/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

c. Other Provisions

Other provisions exist when a present legal or constructive obligation exists as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

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

If the effect of the time value of money is material, provisions are discounted at 2.525%, 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.

i. Equity and reserves

i. Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets.

Service NSW Division

Notes to and forming part of the financial statements

for the period ended 30 June 2013

ii. Accumulated Funds

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

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards.

j. Equity Transfers

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities are designated and required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 Contributions and Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

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

k. Budgeted amounts

Service NSW was not included in the 2012-13 Budget Papers as it was formed subsequent to that process, with funding allocations in respect of the 2012-13 financial period approved by the Expenditure Review Committee of Cabinet (ERC) in June 2012. Accordingly no Budget figures are disclosed in these financial statements.

l. Comparative information

As these are the initial financial statements of Service NSW there are no comparative figures.

m. Administrative restructure

On 18 March 2013, Service NSW was created and effective from 14 June 2013 pursuant to an Administrative Order, certain employees, assets and liabilities of the DPC were transferred to Service NSW.

Note 10(a) discloses a pro-forma *Statement of Comprehensive Income* for Service NSW for the 2012-13 financial year. This note summarises the revenue and expenses recognised by DPC in respect of Service NSW activities for the period of 1 July 2012 to 13 June 2013 and by Service NSW for the period from 14 June 2013 to 30 June 2013. Note 10(b) discloses the assets and liabilities transferred to Service NSW as at 14 June 2013.

Comparative information is not provided given that this is the first financial period of Service NSW.

This is an administrative restructure, which is treated as a contribution by owners and recognised as an adjustment to Accumulated Funds. The transfers are recognised at the amount at which assets and liabilities were recognised by the transferor immediately prior to the restructure, which approximates fair value.



Service NSW Division **Notes to and forming part of the financial statements**

for the period ended 30 June 2013

n. New Australian Accounting Standards issued but not effective

In the current year Service NSW has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the operations and effective for the current reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policies notes in the financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting period in accordance with the NSW Treasury mandate (TC 13/02); Service NSW did not early adopt any of these accounting standards and interpretations that are not yet effective:

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments;
- AASB 10 *Consolidated Financial Statements*;
- AASB 11 *Joint Arrangements*;
- AASB 12 *Disclosure of Interests in Other Entities*;
- AASB 13, AASB 2011-8 and AASB 2012-1 regarding fair value measurement;
- AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits;
- AASB 127 *Separate Financial Statements*;
- AASB 128 *Investments in Associates and Joint Ventures*;
- AASB 1053 and AASB 2010-2 regarding differential reporting;
- AASB 2010-10 regarding removal of fixed dates for first time adopters;
- AASB 2011-2 regarding Trans-Tasman Convergence – RDR;
- AASB 2011-4 removing individual KMP disclosure requirements;
- AASB 2011-6 regarding RDR and relief from consolidation;
- AASB 2011-7 regarding consolidation and joint arrangements;
- AASB 2011-12 regarding Interpretation 20;
- AASB 2012-1 regarding fair value measurement – RDR requirements;
- AASB 2012-2 regarding disclosures – offsetting financial assets and financial liabilities;
- AASB 2012-3 regarding offsetting financial assets and financial liabilities;
- AASB 2012-4 regarding government loans – first time adoption;
- AASB 2012-5 regarding annual improvements 2009-2-11 cycle;
- AASB 2012-7 regarding RDR;
- AASB 2012-9 regarding withdrawal of Interpretation 1039;
- AASB 2012-10 regarding transition guidance and other amendments; and
- AASB 2012-11 regarding RDR requirements and other amendments.

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

Service NSW
Notes to and forming part of the financial statements
for the period ended 30 June 2013

2. Expenses Excluding Losses

a. Employee related expenses

2013
\$'000

| | |
|---|------------|
| Salaries and wages (including recreation leave) | 228 |
| Long service leave | 22 |
| Superannuation - defined benefit plan | 1 |
| Superannuation - defined contribution plan | 6 |
| Payroll tax and fringe benefit tax | 4 |
| | 261 |

b. Other operating expenses

| | |
|--------------------------------|--------------|
| Operating lease rental expense | |
| - minimum lease payments | 1 |
| Consultants | 77 |
| Contractors | 910 |
| Travel | 4 |
| Property related | 21 |
| Printing | 6 |
| Telephone and Communications | 235 |
| Other | 91 |
| | 1,345 |

c. Depreciation and amortisation expense

| | |
|------------------------|-----------|
| Depreciation: | |
| Plant and equipment | 10 |
| | 10 |
| Amortisation: | |
| Leasehold improvements | 33 |
| | 33 |
| | 43 |



Service NSW
Notes to and forming part of the financial statements
for the period ended 30 June 2013

3. Revenue

a. Grants and contributions

| | |
|-----------------------------------|--------------|
| Recurrent grant received from DPC | 1,698 |
| Capital grant received from DPC | 4,409 |
| | <hr/> |
| | 6,107 |

b. Acceptance by the Crown Entity of employee and other liabilities

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

| | |
|----------------------------------|-----------|
| Superannuation - defined benefit | 1 |
| Long service leave | 22 |
| | <hr/> |
| | 23 |

4. Service Groups of Service NSW

The service delivery channels of Service NSW were launched from 1 July 2013. Accordingly, there were no Service Group activities for the period ended 30 June 2013. The Service Groups of Service NSW from 1 July 2013 are described as follows:

Service Centres

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

Contact Centres

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

Digital Delivery

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

Service Delivery Support

Purpose: The Service Delivery Support group is responsible for providing the ongoing implementation and administrative support for the activities of the Service NSW Service Groups.

Service NSW
Notes to and forming part of the financial statements
for the period ended 30 June 2013

5. Receivables

| | 2013 |
|---|---------------|
| | \$'000 |
| Current | |
| Amounts receivable from DPC | 13,959 |
| Goods and Services Tax recoverable from ATO | 1,318 |
| | <u>15,329</u> |

In the absence of a Service NSW bank account as at 30 June 2013, funds were held on behalf of Service NSW by the Department of Premier and Cabinet and treated by DPC as a restricted asset. This amount is included in the above receivable from DPC.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 13.

6. Non-Current Assets – Property, plant and equipment

| | Leasehold improvements \$'000 | Plant and Equipment \$'000 | Total \$'000 |
|---|--|---|-------------------------|
| At 18 March 2013 - fair value | | | |
| Gross carrying amount | - | - | - |
| Accumulated depreciation and impairment | - | - | - |
| Net carrying amount | <u>-</u> | <u>-</u> | <u>-</u> |
| At 30 June 2013 - fair value | | | |
| Gross carrying amount | 6,295 | 4,528 | 10,823 |
| Accumulated depreciation and impairment | (33) | (10) | (43) |
| Net carrying amount | <u>6,262</u> | <u>4,518</u> | <u>10,780</u> |

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 | Total \$'000 |
|---|--|---|-------------------------|
| Period ended 30 June 2013 | | | |
| Net carrying amount at start of period | - | - | - |
| Acquisition through administrative restructure | 4,519 | 3,121 | 7,640 |
| Additions | 1,776 | 1,407 | 3,183 |
| Depreciation expense | (33) | (10) | (43) |
| Net carrying amount at end of the period | <u>6,262</u> | <u>4,518</u> | <u>10,780</u> |

Assets under construction (AUC) values are included in the above balances. Building fit-out included AUC of \$5,018million and Plant and equipment included AUC of \$4.164 million.

Service NSW
Notes to and forming part of the financial statements
for the period ended 30 June 2013

7. Intangible Assets

| | Software \$'000 | Total \$'000 |
|---|----------------------------|-------------------------|
| At 18 March 2013 | | |
| Cost (gross carrying amount) | - | - |
| Accumulated amortisation and impairment | - | - |
| Net carrying amount | - | - |
| At 30 June 2013 | | |
| Cost (gross carrying amount) | 5,939 | 5,939 |
| Accumulated amortisation and impairment | - | - |
| Net carrying amount | 5,939 | 5,939 |

Reconciliation

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

| | Software \$'000 | Total \$'000 |
|---|----------------------------|-------------------------|
| Period ended 30 June 2013 | | |
| Net carrying amount at start of period | - | - |
| Acquisition through administrative restructure | 3,398 | 3,398 |
| Additions | 2,541 | 2,541 |
| Amortisation | - | - |
| Net carrying amount at end of the period | 5,939 | 5,939 |

Assets under construction (AUC) values are included in the above asset balances. Software included an amount of AUC of \$5.767 million.

8. Current Liabilities – Payables

| | 2013 \$'000 |
|--------------------------------------|------------------------|
| Accrued salaries, wages and on-costs | 87 |
| Creditors | 15,786 |
| | 15,873 |

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 13.

Service NSW
Notes to and forming part of the financial statements
for the period ended 30 June 2013

9. Current / Non-Current Liabilities – Provisions

| | 2013 \$'000 |
|---|------------------------------|
| Current | |
| Employee benefits and related on-costs | |
| Recreation leave | 342 |
| | 342 |
| Non-current | |
| Other provisions | |
| Provision for makegood | 446 |
| | 446 |
| Total provisions | 788 |
| Aggregate employee benefits and related on-costs | |
| Provisions - current | 342 |
| Provisions - non-current | - |
| Accrued salaries, wages and on-costs (Note 8) | 87 |
| | 429 |
| Movement in other provisions | \$'000 |
| Carrying amount at the beginning of financial year | - |
| Additional provisions recognised | 446 |
| Carrying amount at end of financial year | 446 |

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.

Service NSW

Notes to and forming part of the financial statements

for the period ended 30 June 2013

10. Increase / Decrease in Net Assets from Equity Transfers

Administrative restructure

On 18 March 2013, the *Public Sector Employment and Management (Service NSW Division) Order 2013* established Service NSW as a Division of the Government Service responsible to the Premier and Minister for Western Sydney. This resulted in the creation of Service NSW as a separate entity. Effective from 14 June 2013, pursuant to *Public Sector Employment and Management (Service NSW Division Staff Transfer) Order 2013* certain employees, assets and liabilities of DPC relating to Service NSW activities were transferred to Service NSW Division.

a. Statement of Comprehensive Income

The following pro-forma *Statement of Comprehensive Income* of Service NSW for the year ended 30 June 2013 aggregates and presents the income and expenses incurred by DPC in the period 1 July 2012 to 13 June 2013 and by Service NSW from 14 June 2013 to 30 June 2013.

| | Actuals 2013 \$'000 |
|---|------------------------------------|
| Expenses excluding losses | |
| Operating expenses | |
| Employee related | 4,771 |
| Other operating expenses | 29,184 |
| Depreciation and amortisation | 43 |
| Grants and subsidies | 11,150 |
| | <hr/> |
| Total expenses excluding losses | 45,148 |
| | <hr/> |
| Revenue | |
| Sale of goods and services | - |
| Grants and contributions | 60,349 |
| Acceptance by the Crown Entity of employee benefits and other liabilities | 117 |
| Other revenue | 5 |
| | <hr/> |
| Total revenue | 60,471 |
| | <hr/> |
| Net result | 15,323 |
| | <hr/> |
| Total other comprehensive income | - |
| | <hr/> |
| Total comprehensive income for the period | 15,323 |
| | <hr/> <hr/> |

Service NSW
Notes to and forming part of the financial statements
for the period ended 30 June 2013

b. Asset and liabilities transferred

| | 2013 |
|----------------------------------|---------------|
| | \$'000 |
| ASSETS | |
| Current assets | |
| Receivables | 14,690 |
| Total current assets | 14,690 |
| Non-current assets | |
| Plant and equipment | 7,640 |
| Intangible assets | 3,398 |
| Total non-current assets | 11,038 |
| Total assets | 25,728 |
| LIABILITIES | |
| Current liabilities | |
| Payables | 14,490 |
| Provisions | 332 |
| Total current liabilities | 14,822 |
| Total liabilities | 14,822 |
| Net assets transferred | 10,906 |



Service NSW
Notes to and forming part of the financial statements
for the period ended 30 June 2013

11. Commitments for Expenditure

2013
\$'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 | 6,474 |
| Later than one year and not later than five years | - |

| | |
|------------------------------|--------------|
| Total (including GST) | 6,474 |
|------------------------------|--------------|

(b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

| | |
|---|-------|
| Not later than one year | 1,578 |
| Later than one year and not later than five years | 4,219 |

| | |
|------------------------------|--------------|
| Total (including GST) | 5,797 |
|------------------------------|--------------|

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 \$1.120 m that are expected to be recoverable from the Australian Taxation Office.

12. Contingent Liabilities and Contingent Assets

Service NSW had no contingent liabilities or contingent assets as at 30 June 2013.

13. 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.

Management currently has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. This responsibility will be assumed by the Audit and Risk Committee of Service NSW when established. 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 policies will be reviewed by the Audit and Risk Committee when established.

Service NSW
Notes to and forming part of the financial statements
for the period ended 30 June 2013

a. Financial instrument categories

| Financial Assets | Note | Category | 2013 |
|---|-------------|--|---------------|
| Class: | | | \$'000 |
| Cash and cash equivalents | 4 | N/A | - |
| Receivables ¹ | 5 | Loans and receivables (at amortised cost) | 13,959 |
| Carrying amount of financial assets | | | 13,959 |
| Financial Liabilities | Note | Category | 2013 |
| Class: | | | \$'000 |
| Payables ² | 8 | Financial liabilities measured at amortised cost | 15,873 |
| Carrying amount of financial liabilities | | | 15,873 |

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).

b. Credit risk

Credit risk arises when there is the possibility of customer defaulting on their contractual obligations, resulting in a financial loss to Service NSW. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets, including cash, receivables, and authority deposits. No collateral is held by Service NSW. Service NSW has not granted any financial guarantees.

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

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Service NSW did not have any cash balances for the period to 30 June 2013 as cash payments and receipts were made by DPC on behalf of Service NSW

Receivables - trade debtors

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

Service NSW
Notes to and forming part of the financial statements
for the period ended 30 June 2013

c. Liquidity risk

Liquidity risk is the risk that Service NSW will be unable to meet its payment obligations when they fall due. Service NSW manages this risk through monitoring future operating cash flows and the timing of receiving approved funding allocation from NSW Treasury.

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 |
|-------------|--|-----------------------------|-------------------------------------|--|---------------------------------------|--------------------|----------------------|
| 2013 | | | | | | | |
| Payables | n/a | 15,873 | - | - | 15,873 | 15,873 | - |
| | | 15,873 | - | - | 15,873 | 15,873 | - |

d. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Service NSW has no exposure to market risk due to nil borrowings. Service NSW has no exposure to foreign currency risk and does not enter into commodity contracts.

Interest rate risk

Exposure to interest rate risk arises primarily through interest bearing liabilities. Service NSW has no interest bearing liabilities at 30 June 2013, and does not generated income from financial assets.

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.

14. Events After the Reporting Period

Service NSW commenced operations on July 1 2013 with the launch of its 24/7 telephone number and website. Following the launch of the phone number and website, Service NSW opened its first Service Centre in Kiama on 5 July 2013. Service Centres were opened in Tweed Heads, Haymarket and Orange to 23 September 2013. A Contact Centre was also opened during August. Service NSW will open a further 14 Service Centres around NSW during the 2013-14 financial period.

End of audited financial statements.



**Service
NSW**

Making **access** to
your **government**
transactions **easier**

