Annual
Report
2017

Service
NSW
Making it easier

Contents

30 October 2017

The Hon Victor Dominello
Minister for Finance, Services and Property
GPO Box 5341
SYDNEY NSW 2001

Dear Minister

Service NSW Annual Report 2016-17

I am pleased to submit the annual report for Service NSW for the year ended 30 June 2017, for your information and presentation to the Parliament of NSW.

The report was prepared in accordance with the provision of the *Annual Reports (Departments) Act 1985* and the Annual Reports (Departments) Regulation 2015.

Yours sincerely

Damon Rees

A/Chief Executive Officer
Service NSW

Message from the Minister

Service NSW is undoubtedly the flagship of the NSW Government. In just four years Service NSW has revolutionised the delivery of government services in NSW, changing the way that customers and government interact. It is a world leader, showcasing how government services should be delivered. The network continues to be shaped on what customers are telling us - they want easier access to government services, faster service and a single point of contact.

Customers and businesses can now access over 1000 transactions from 40 government agencies at one location. To make it easier, there are more transactions that are continuing to be made available digitally, meeting the growing customer demand for online services. Customers continue to embrace new digital service offerings and more than 1.5 million customers have now created a MyServiceNSW account with the Service NSW app having been downloaded by over 1 million users.

In an Australian first, Service NSW has made a range of licences available digitally, meaning that customers no longer have to carry a hard copy of their boat licence, or their RSA/RCG Competency Cards. Since launching in November 2016, more than 30,000 customers have accessed their licences digitally. In the coming year, the NSW Government will soon be trialling digital driver licences to be made available through the Service NSW app.

To make it easier for businesses to get started, Service NSW is spearheading the NSW Government's Easy to do Business Program. As part of the program new business customer concierge services have been introduced along with a new digital solution that removes red tape for highly regulated small business sectors including cafés, restaurants and small bars - reducing the average time to start down from 18 months to less than 3 months.

Through the expansion of the one-stop shop model across the state, Service NSW is making more services available at more locations. The one-stop shop network now consists of 79 Service Centres, and will soon grow with more than 24 new sites to be rolled out over the next two years across regional NSW.

The agency continues to redefine benchmarks for excellence in customer service. On behalf of the NSW Government, I pass on my thanks and admiration for the dedication and commitment from the entire Service NSW team for making it easier for customers and businesses dealing with government in NSW.

I am very excited about the future of Service NSW as it continues to add greater value for both customers and government in NSW.

The Hon Victor Dominello
Minister for Finance,
Services and Property

Access

web
service.nsw.gov.au

email
info@service.nsw.gov.au

phone
13 77 88

head office
McKell Building
2-24 Rawson Place
Haymarket NSW 2000

Details of Service NSW centres and Service NSW agents can be found at our website including opening hours and the transactional services available. This Annual Report has been produced by Service NSW using in-house resources only. An electronic copy of this Annual Report is available on our website, by email or by calling 13 77 88.

About Service NSW

What we do

Service NSW is an award-winning NSW Government initiative that delivers improved one-stop services for our customers and businesses. We are shaped by our customers as they demand easier and greater access to government services online.

We have established a reputation for delivering a high standard of customer service and continually maintain an impressive customer satisfaction rating of 97 per cent. Our customers tell us we are making it easier by providing a single point of contact to access government services, supported by passionate team members committed to delivering a world class customer service.

Between 1 July 2013 and 30 June 2017, Service NSW assisted over 36 million customers. Around 56 per cent of our transactions are now conducted digitally and this number is growing in response to the increasing customer demand for mobile digital services.

We are a key contributor to the NSW Government's commitment of having 70 per cent of government transactions conducted via digital channels by 2019.

We deliver services to customers and businesses through our network of 79 service centres, 32 council agencies and six self-serve digital kiosks, a virtual contact centre with one single phone number, a transactional website and the Service NSW App.

Service NSW draws on the best service delivery from public and private sectors to provide an even better and more efficient customer experience.

Our mission is to transform transactional services through excellent customer service and effective partnerships.

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.

Service NSW did not have any employees, assets and liabilities until the transfer of the Service NSW function from the Department of Premier and Cabinet on 14 June 2013. Pursuant to the Public Sector Employment and Management (Service NSW Division Staff Transfer) Order 2013, activities were transferred to Service NSW Division with effect from 14 June 2013. Service NSW's authorising legislation is the Service NSW (One-stop Access to Government Services) Act 2013, which came into effect on 21 June 2013.

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

Our network

A map of New South Wales showing the Service NSW network locations.

TWEED HEADS
MURWILLUMBAH
LISMORE
BALLINA
TENTERFIELD
CASINO
MACLEAN
LIGHTNING RIDGE
MOREE
WALGETT
GRAFTON
BREWARRINA
WARIALDA
GLEN INNES
BOURKE
INVERELL
BINGARA
COFFS HARBOUR
NARRABRI
BARRABA
ARMIDALE
NAMBUCCA HEADS
GUNNEDAH
TAMWORTH
WALCHA
KEMPSEY
QUIRINDI
PORT MACQUARIE
WAUCHOPE
COONAMBLE
COONABARABRAN
GLOUCESTER
TAREE
COBAR
GILGANDRA
WARREN
COOLAH
NYNGAN
MERRIWA
TUNCURRY
DUBBO
MUSWELLBROOK
DUNGOG
WELLINGTON
BROKEN HILL
WILCANNIA
SINGLETON
RAYMOND TERRACE
CONDOBOLIN
MUDGEE
MAITLAND
NELSON BAY
LAKE CARGELLIGO
CESSNOCK
WALLSEND
NEWCASTLE
WARNERS BAY
PARKES
ORANGE
TUGGERAH
TOUKLEY
FORBES
BATHURST
GOSFORD
OBERON
LITHGOW
ERINA
KATOOMBA
RICHMOND
WEST WYALONG
GRENFELL
BLUE MOUNTAINS
COWRA
PENRITH
SYDNEY
MACARTHUR
WENTWORTH
CORRIMAL
GRIFFITH
YOUNG
WOLLONGONG
TEMORA
CROOKWELL
WARRAWONG
LEETON
MITTAGONG
KIAMA
BALRANALD
COOTAMUNDRA
GOULBURN
HAY
NARRANDERA
JUNEE
YASS
NOWRA
WAGGA WAGGA
TUMUT
ULLADULLA
MOULAMEIN
DENILIQUIN
QUEANBEYAN
BARHAM
FINLEY
TUMBARUMBA
BATEMANS BAY
MOAMA
COROWA
MORUYA
ALBURY
COOMA
NAROOMA
BEGA
BOMBALA
EDEN

HORNSBY
WARRIEWOOD
CASTLE HILL
BLACKTOWN
BROOKVALE
MT DRUITT
CHATSWOOD
PARRAMATTA
RYDE
SILVERWATER
AUBURN
WETHERILL PARK
ROZELLE
WYNYARD
BURWOOD
HAYMARKET
BONDI JUNCTION
BANKSTOWN
MARRICKVILLE
LIVERPOOL
BOTANY
ROCKDALE
HURSTVILLE
MIRANDA

SYDNEY

PHYSICAL NETWORK
- SERVICE CENTRES CURRENT
- SERVICE CENTRES FUTURE
- STORE-IN-STORE COUNCIL AGENCIES

Partner agencies

On 30 June 2017, Service NSW provided customers with access to over 1,000 transactions from 40 government entities. New partner agencies added during the year were icare, NSW Treasury and the NSW Department of Finance, Services and Innovation's Better Regulation Division.

Our partner agencies as at 30 June 2017:

1. NSW Police Force
2. Office of the Rural Fire Service
3. NSW Registry of Births Deaths & Marriages
4. NSW Trustee and Guardian
5. Department of Education
6. Office of the Children's Guardian
7. Participation and Inclusion Directorate
8. Families NSW
9. Housing NSW
10. Multicultural NSW
11. SafeWork NSW
12. NSW Fair Trading
13. Better Regulation
14. NSW Procurement
15. Revenue NSW
16. Valuer General of NSW
17. Department of Industry
18. Independent Liquor and Gaming Authority
19. Environment Protection Authority
20. Port Authority of NSW
21. Office of Environment and Heritage
22. Office of Local Government
23. NSW Resources and Energy
24. Sydney Water
25. Museum of Applied Arts and Science
26. Department of Planning and Environment
27. Department of Premier and Cabinet
28. StudyNSW
29. NSW Treasury
30. icare
31. Roads and Maritime Services (Roads)
32. Roads and Maritime Services (Maritime)
33. Roads and Maritime Services (EToll)
34. Sydney Motorway Corporation Pty Limited
35. Transport Management Centre
36. Transport for NSW
37. Point to Point Transport
38. TrainLink
39. Traffic Management Centre
40. Ministry of Health

Year at a Glance 2016-17

Opened 16 service centres

7.7 million customers served with an average wait time of 7 minutes

3.5 million calls answered by our contact centres

4 store-in-store agencies opened

1 million MyServiceNSW accounts created

34 million customer interactions

Service NSW app 1 million downloads

40 partner agencies

23.1 million online customer visits

1000+ Transactions and services

97 per cent customer satisfaction

YouTube, Linkedin + Instagram channels created 14000 Facebook followers

Our year

During the reporting period, Service NSW embarked on the first year of its 2016-19 Strategy. It continued reinforcing the quality of service of our existing business, but also began work on many often challenging initiatives planned to deliver improved new services for our customers and partner agencies.

Our performance in 2016-17 was directed by six strategic outcomes that underpin our 2016-19 Strategy.

The strategy was built with the involvement of the entire Service NSW team. We worked together to develop a clear vision of our objectives and where we wanted to be in 2019.

This section of our Annual Report tracks the progress we made in the first year of the Service NSW Strategy 2016-19 against our Strategic Outcomes.

As at 30 June 2017 Service NSW operated:

79 Service Centres

32 store-in-store council agencies

6 self-serve kiosks

1.5 million MyServiceNSW accounts

Autonomy

Cost-to-serve model implemented for Roads and Maritime Services

Service NSW aims to have a robust revenue framework and funding sources to ensure our long-term financial stability.

During the year we developed a fee-for-service model with Roads and Maritime Services (RMS), our largest business partner, for introduction from 1 July 2017.

Growth

Service NSW supporting icare

In November, Service NSW's Newcastle and Parramatta Contact Centres began supporting the NSW Government organisation, icare.

icare is one of Australia's largest general insurance providers, managing more than $30 billion in assets and $25 billion in liabilities.

It delivers insurance and care services to people with injuries under the NSW Workers Compensation Scheme, the Lifetime Care and Support Authority, the Dust Diseases Authority, the NSW Self Insurance Corporation and NSW Sporting Injuries Compensation Authority.

Digital

Digital licensing

The NSW Government issues more than 23 million licences and permits each year across 760 different categories. In 2016, Service NSW introduced a range of digital licences.

NSW residents can now access a digital version of their Recreational Fishing Fee, Responsible Service of Alcohol and Responsible Conduct of Gambling competency cards, as well as boat licences and vessel registrations through a MyServiceNSW account.

As at 30 June 2017, more than 30,000 digital licences were issued. Digital licences are a core part of the NSW Government's commitment to the digital economy and Service NSW has made it easier for customers.

Easy to do Business

The Easy to do Business (EtdB) program recognises the 710,000 small businesses across NSW as the economic engine room. Service NSW developed EtdB in partnership with the Customer Service Commissioner, Department of Premier and Cabinet and the NSW Small Business Commissioner.

This is a single entry "business navigator" solution that digitises the customer journey in highly regulated sectors: cafes, restaurants, small bars, housing construction, road, freight, clothing, retail and print.

EtdB changes the small business landscape and has integrated three government tiers using a digital MyServiceNSW business account, reducing 48 forms to a single streamlined online application. It has reduced the average time to start a café, restaurant or small bar from 18 months to around 90 days.

Increase digital adoption

Service NSW is a key contributor to the NSW Government's target of achieving 70 per cent of government transactions to be conducted via digital channels by 2019. At 30 June 2017, 56 per cent of our transactions were conducted online, exceeding our 2016-17 target of 49 per cent.

Relationships

Strengthened ties in our communities and partnerships

In 2016-17 Service NSW developed a Stakeholder Engagement function to establish a central point of coordination and ownership for stakeholder and community relations.

The function will ensure that Service NSW consistently manages its relationships with its stakeholders – our people, our customers and our communities.

Team

Establish a people development strategy

Service NSW implemented its People Development Strategy during the reporting year. It is continuously enhanced to give all our staff the opportunity to perform and be at their best every day. We do this through tailored pathways and programs such as induction, leadership fundamentals and skills improvement programs.

Culture

Increase engagement with our people

The Service NSW Circle of Service is a staff-led continual improvement program. Circle of Service received 1,255 submissions from our people in 2016-17 of which 957 were implemented. The program, which was established in 2014, aims to:

- Deliver a staff-led continuous improvement culture.
- Give all staff members a voice and input in what we do and how we do it.
- Apply the extensive knowledge, skills and experience of all staff.
- Encourage sharing internal best practice

All Service NSW staff have access to the Circle of Service online platform, enabling them to submit, view and vote for and receive feedback on ideas. in most cases, simple changes can result in significant improvements to the delivery of customer service.

Drive internal alignment through communication pathways

As Service NSW grows and matures, it is essential that deliberate aligned and inclusive communication is fostered throughout the organisation. This is to break down silos and to encourage cross-functional collaboration. To ensure that our strategic outcomes remain on track, a Director's Group was established. It meets fortnightly, not only to monitor progress of delivering Service NSW's Strategic Objectives, but to also identify interdependencies and collaboration across the organisation.

Highlights of our year

Expanding services to rural and regional communities

There was a significant expansion of Service NSW's service to customers in regional areas of the state – and a commitment by the NSW Government for further large scale growth. Around 77 per cent of our network is located in rural and regional areas across NSW.

Fourteen of the 16 new service centres opened in 2016-17 were located in rural and regional communities, at Cessnock, Ballina, Raymond Terrace, Bega, Ulladulla, Mittagong, Tuncurry, Nelson Bay, Taree, Griffith, Casino, Inverell, Narooma and Eden.

The NSW Government announced during the year that Service NSW will open another 24 Service Centres in rural and regional areas over the next two financial years.

These will be at Cootamundra, Finley, Forbes, Glen Innes, Gunnedah, Hay, Leeton, Lightning Ridge, Maclean, Moree, Murwillumbah, Muswellbrook, Nambucca Heads, Narrandera, Nyngan, Blue Mountains, Tenterfield, Tumut, Walgett, Wauchope, Wellington, Wentworth, West Wyalong and Yass.

Customers and businesses in all of these communities will have access to the same services that are delivered in metropolitan areas with low wait times, higher levels of customer satisfaction and greater access to more services at one location.

Contact Centres serve 3.5 million customers

The Service NSW Contact Centres are a key customer service platform which complements our physical and digital networks. Our contact centres are located at Parramatta and Newcastle and are key employment hubs in Western Sydney and the Newcastle region collectively they employ more than 400 team members with 270 employed on a full-time basis. In 2016-17 our Contact Centres served more than 3.5 million customers, since 2013 our Contact Centres have served over 9 million customers.

During the year, the average customer wait time for customers calling Service NSW on 13 77 88 was 69 seconds. As part of the strategy to reduce customer wait times, we further enhanced our automated call-back feature, in-queue messaging and Live Chat online services.

The Service NSW Virtual Contact Centre (VCC) is set to go live in August, 2017. A VCC is a computing cloud-based solution that supports contact centre agents in various geographical locations instead of a single physical site. A VCC allows efficient use of varied workforces who may be in different locations by matching an appropriate agent with the customer.

Over the past four years, Service NSW has rapidly expanded from supporting three partner agencies to more than 40. Customised for Service NSW's requirements, the customer-centric VCC platform will provide greater scalability, reliability and stability for our growing organisation.

Our Contact Centre operates as a blended model where the majority of calls are answered by Service NSW staff and afterhours and overflow calls are handled by an external service provider. This enables Service NSW to offer a wider range of services without compromising on the core services it offers customers on a daily basis. In May, the Service NSW Regulation was amended to allow Service NSW to access an established group of suppliers that are also used by the Australian Taxation Office to enable competitive and transparent tender processes and additional capacity and agility required to service fluctuating and increased call volumes through the Service NSW contact centre.
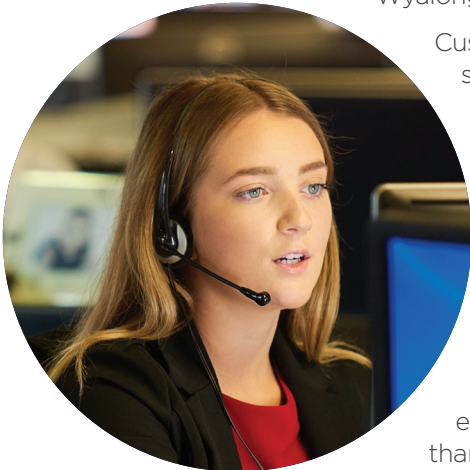
Operating hours refined to meet customer demand

After an extensive review of customer visits to our Service Centres across NSW, operating hours were amended across the network to ensure that staff levels reflected the times of highest customer demand.

With the experience of three years of operation, robust data on customer visit patterns by location and detailed analyses of customer preferences showed less demand for services between 7am and 8.30am and after 5.30pm.

As a result, we adjusted our hours of operation to ensure resourcing levels are aligned to when most customers chose to visit or call – during the busiest time of the day, 11am to 2pm.

With less demand also evidenced for general contact centre services after hours, their operating hours were also changed.

Customers calling 13 77 88 with general enquiries after hours can still carry out transactions through our automated system and request a personal call back for the following business day.

Service NSW will continue to monitor the way customers use its services. Should visit and call trends show a need to revise the new operating hours, we will respond accordingly.

Payment Services Platform

In 2016, Service NSW began implementing a new payment services platform. A key component of this capability is the provision of an open payment services platform that provides customers with a contemporary experience when they make a payment at any Service NSW channel, including support for new and payment types in the future such as PayPal, Apple Pay, Masterpass and Visa Checkout.

In August, Service NSW became the first government agency in Australia to adopt Google's cashless Android Pay service, making the contactless payment service available to Android users in all Service NSW centres across the state. Android Pay is a mobile wallet that can store credit cards, debit cards and loyalty cards on compatible Android smartphones. It is the latest in a series of enhancements that simplify payments through Service NSW's payment services platform.

In 2016-17 the payment services platform was rolled out to service centres across the state, reducing multiple payment systems and streamlining the receipt of monies. It also enables Service NSW to recover merchant fee surcharges which is a NSW Treasury requirement.

MyServiceNSW online accounts top 1.5 million

MyServiceNSW accounts are proving to be popular with our customers, with an additional 1 million accounts created in 2016-17. Taking the total to over 1.5 million account holders. Setting up a digital profile allows customers to securely store profile details together with validated identity credentials to simplify access to government transactions. Our partner agencies are also able to verify an individual's credentials for other digital transactions.

The Service NSW App

The Service NSW app is the official free NSW Government app providing customers with 24/7 access to several government services. Over 1 million customers have downloaded the app. The smartphone app allows customers to check and renew NSW government licences, permits and registrations, check and renew NSW driver licences for eligible customers, check and renew registration of vessels and vehicles, view current demerit points balance, view vehicle-related penalty notices and fine details, including photos (if available) and pay a fine by entering the penalty number or by scanning the barcode on a penalty letter to pay a fine.

Middle Office Expands

Service NSW operates a Middle Office function, which relieves Service Centre and Call Centre staff from dealing with non-core and non-customer facing tasks, allowing them to focus on customer service, improving the overall customer experience.

In April 2017, we expanded the Middle Office at Goulburn, creating 15 local jobs. It joins other Middle Offices that are located at Parkes, Auburn and Castle Hill. During the year, the Parkes Middle Office experienced a 25 per cent increase in transaction volumes and an additional 12 team members and one trainee joined the team. With the expansion of our middle offices came enhanced centralised card printing facilities. We now have the capability to print more than 700,000 additional photo cards annually. We produce and distribute up to 14,000 cards each weekday.

The Auburn Dealer Business Centre, with its specialised services for motor and marine dealers and fleet operators, completed over 290,000 transactions. Its services provide business customers with access to bulk transactions and advice on how to transact with Service NSW online.

Driver testing services

Getting a driver licence is an important milestone in people's lives and Service NSW continues to make it faster and more convenient. Up to 6,000 driver tests are held each week across NSW. During 2016-17 Service NSW offered over 295,000 available tests and of these, over 278,000 tests were booked.

Waiting times to book a test remain low with an average wait time in 2016-17 of around 9 days across the network. Service NSW has significantly reduced the average wait time for driver testing services from an average of 35 days in early 2015.

We consult with key driver testing bodies such as the Australian Driver Trainers Association and the NSW Driver Trainers Association to ensure that we work with industry to deliver a best practice experience for our customers and business stakeholders such as driving schools.

Registration renewal made easier

Each week, around 2000 customers contact Service NSW's Contact Centre to obtain their billing number to pay their vehicle registration.

In June, we launched a new feature on our website that allows customers to retrieve their registration billing number details instantly. Customer can now enter their plate number instead of the billing number to quickly and easily renew their vehicle registration online.

Registration renewal is Service NSW's most popular online transaction with more than 5 million transactions each year. Around 80 per cent of registration renewals are conducted online. This improvement to online registration renewal was originally initiated by our team members through the Service NSW Circle of Service.

Enhanced accessibility services

During the year we introduced more in-store and online facilities that assist people with low hearing capability to access our services. They are in addition to accessibility features already in place across our network.

At more than 80 locations across NSW, our customers now have access to:

• Hearing loops: For customers with hearing aids, this sound system cuts out background noise, allowing them to focus on the conversation and transaction.

• Remote live captioning: For hearing impaired customers who can speak but cannot hear. They can speak by phone or Internet to a Service Centre staff member. A transcriber will type our staff member's replies to the customer's inquiry for them to read.

• An Auslan video remote interpreting service: Auslan is the official sign language of the Australian Deaf Community. Our Auslan video remote interpreting service allows a customer and an Auslan interpreter to connect in an online video chat. The interpreter facilitates a conversation by signing with the customer and speaking to our Service Centre staff.

The rollout for hearing loops, live captioning and the Auslan remote interpreting service began in December with six sites and was completed with 80 locations connected by mid-2017.

International recognition of our Information Security management

Service NSW has joined a small number of NSW government agencies that hold international accreditation in Information Security Management.

The integrity of our service delivery is critical to our success: it must meet our customers' and business partners' expectations of a high level of confidence in the way we manage information.

Lloyds Register Quality Assurance Ltd awarded us International Standards Organisation ISO/IEC 27001:2013 certification after a rigorous third-party audit of our Information Security Management systems and related business processes.

ISO is an independent, non-governmental international organisation comprising 163 national standards bodies. Lloyds is the world's leading provider of independent assessment services and is recognised by more than 50 accreditation bodies.

The accreditation reinforces our commitment to delivering new products and solutions in a secure, compliant and risk-aware manner, and to protect customer, business partner and other agency information.

Achieving this high benchmark, together with our track record in transforming government services, underpins Service NSW's central role in delivering the NSW Government's digital transformation agenda.

2017 Identity Excellence Awards

Service NSW was a winner at the 2017 Identity Excellence Awards announced at the Cloud Identity Summit held in Chicago. They recognise innovation and excellence achievements in providing customers secure and seamless access to cloud apps.

We were recognised as Customer Experience Champion, "for winning customers over with secure, engaging experiences and for providing a seamless single sign-on experience to all government services — driving a significant increase in online transactions.

NSW Premier's Awards for Improvements to Government Services

The Premier's Awards for Public Service, established in 1997, recognise excellence in delivering public services to the NSW community by the public sector, not-for-profit organisations and private businesses.

In 2016/17, Service NSW won two Premier's Awards in the Improving Government Services category. The first was "Service NSW Online - a digital transformation for citizens"; the second was "Service NSW, transforming customer experience in NSW".

Supporting community events and building stakeholder relations

Our teams are encouraged to become a central part of the community in which they serve. Throughout the year our teams took part in more than 150 different community events and activities.

In February, our teams took part in university Orientation Weeks. Partnering with Study NSW, we promoted the services and transactions available through our network, provided assistance for new international students, and distributed Study NSW's International Student Handbook. Our teams were at Macquarie University, Sydney University, the University of NSW, the University of Western Sydney and the University of Wollongong. Our teams assisted with more than 4,000 new MyServiceNSW accounts sign-ups

In April, we had a pop-up digital kiosk at the Sydney Royal Easter Show where we assisted thousands of customers. Partnering with the NSW Police Force, Roads and Maritime Services, Sydney Motorway Corporation, Taronga Zoo and the National Disability Insurance Scheme, our Royal Easter Show presence also promoted Premier's and State Strategic Objectives, including:

- Tackling childhood obesity – NSW Health's Making Healthy Normal campaign
- Delivering infrastructure – WestConnex promotion on behalf of Sydney Motorway Corporation and RMS
- Transitioning to the National Disability Insurance Scheme
- Creating a safer community – working with the NSW Police Force to promote the NSW Police Community Portal.

Breaking down barriers for service

A key area of focus is to ensure that our network and its services are accessible to all, regardless of language, cultural background or physical location. Each year our teams are encouraged to come up with and implement ideas that allow them to better engage with their local communities.

A number of our service centres in Western Sydney offered tailored information sessions to help a group of Syrian refugees who had recently arrived in Sydney. Arabic-speaking team members worked closely with Department of Premier and Cabinet and the Assyrian Australian Association to arrange group visits, where customers could be talked through documentation, transaction requirements and other services provided by our network.

Our team members assisted participants by providing training on our digital services, aided by the language translation feature on our website. Similar events have also been held in our NSW Central West and Metropolitan regions, with teams assisting Indigenous and Chinese-speaking communities.

Other community initiatives that we have supported include:

• Seniors Week – whole of network

• NAIDOC Week – whole of network

• Homelessness Connect Day – Tamworth, Chatswood, Burwood, Gosford, Parramatta

• Beyond Blue – Albury, Dubbo, Ballina, Coffs Harbour, Armidale, Grafton, Wollongong

• Pink Ribbon Day – Armidale, Bankstown, Corrimal

• Jersey Day/ Footy Colours Day – Grafton, Penrith, Parramatta Contact Centre, Newcastle Contact Centre, Newcastle.

Social media growth

Service NSW has renewed its focus on social media as a growing media platform that engages customers on product developments, service centre changes, transactions and our culture. Service NSW has a presence on Twitter, LinkedIn and Instagram. Each of our assets has been verified as an official account by the respective social networks.

Our Facebook activity at Service NSW reflects the wider influence of the social network.

Facebook page Likes grew by 35 per cent to about 14,000 customers during the year. Its reach for us now exceeds 100,000 customers per month.

During the year, Service NSW enhanced its social media team to ensure faster response times for direct messages to Twitter and Facebook: 9 out of 10 messages are responded to within about 15 minutes.

Our Service NSW team

Attracting the right talent

As our customer service delivery network expanded across metropolitan and regional locations, our staff numbers also increased. There were 765 new people who joined our team this year, from an impressive 30,000 applicants.

A key component to our success is recruiting people on merit, who are passionate about customer service, who demonstrate our DNA and values of Passion, Teamwork and Accountability, and who have the skills and qualities to deliver the Service NSW vision.

Developing our workforce

To create a world-class team that attracts and retains the best talent and nurtures our unique and valuable culture, Service NSW has a people development strategy which aims to:

- Provide a suite of learning and leadership development options that meets the needs of our people across all channels and supports the growing needs of the business
- Foster talent, harness and grow capabilities and prepare for the future
- Create an environment that supports learning and innovation and that responds flexibly to learning needs; and values diversity and inclusiveness
- Set standards, review progress and evaluate the impact of development and learning in the workforce
- Align development activities to the NSW Public Service Capability Framework.

Pulse Engagement Survey

Service NSW continues to track staff engagement through regular internal Pulse Engagement Surveys. Our March 2017 survey showed that 69 per cent of our employees are engaged: they feel proud, motivated, inspired and would recommend Service NSW as a great place to work.

People Matter Employee Survey

The People Matter Employee Survey, a whole of NSW public sector survey, was conducted in May 2017. Results were released in August 2017 and Service NSW received a high employee engagement score of 73 per cent, 8 per cent higher when compared to the employee engagement score from across the NSW Public Sector.

Each survey's results will continue to inform development of our People Development Strategy and all people-related initiatives to ensure Service NSW builds and supports a world-class team.

Recognising our people

BRAVO Awards

Service NSW values the great work of our people. We are committed to celebrating those who embrace our DNA and Values of Passion, Teamwork and Accountability.

Our formal recognition programs of teams and individuals who go the extra mile to make a difference to our customers are the annual Service NSW CEO Awards and the monthly Being Recognised as a Valuable member of our Organisation (BRAVO) Awards.

Over the year, 884 outstanding team members were nominated for BRAVO Awards, with 34 winners recognised for their exceptional contribution to the success of Service NSW.

Service NSW CEO Awards

The annual Service NSW CEO Awards are considered the most prestigious of internal awards, representing the best of the best from BRAVO winners.

From more than 1,000 BRAVO nominations, 41 outstanding individuals and teams were selected as finalists. There were 14 individual and team CEO Award winners who were recognised for their exceptional contribution to the success of Service NSW.

Looking ahead

Review of the Service NSW Strategy 2016-19

As Service NSW made its annual review of its 2016-19 Strategy, we once again consulted with our staff across the state about how best to deliver success for us and our customers.

The Strategy, jointly developed by people across our organisation, is our blueprint. Each year we measure our success against a series of Strategic Outcomes - the key actions and activities we undertake to drive progress.

Each year Service NSW's leaders and staff also work together to refresh our approach to implementing our Strategic Plan, identifying the areas where we need to focus to ensure we deliver against the Plan and that we stay true to our values and our vision.

Our refreshed 2017-18 Strategic Outcomes are:

Autonomy

Created a commercially robust business

We will have the revenue framework and sources to ensure long term financial stability, which will underpin the stability of our business into the future.
This autonomy will deliver ongoing service quality, customer satisfaction and delivery of the "one-stop-shop" proposition for government services.

Digital

Led the government digital agenda through our culture of innovation

We'll continue the shift from paper-based and labour-intensive service delivery to better and faster digital services - expanding access and convenience, and allowing us to support more agencies, transactions and innovations. Our digital capability will underpin, for example, making NSW the easiest state in Australia to do business in.

Growth

Grown our business sustainably

We will bring on board more partner agencies and transactions - in such a way that we can absorb and support the change.

Managing our continued growth means that we can achieve our mission to transform transactional services while bringing our people and our systems along - and maintaining very high levels of quality and customer experience.

Relationships

Strengthened ties in our communities and partnerships

We'll continue to build strong relationships, and to maintain a culture that drives the delivery of outcomes for client agencies.

Our relationships with our partners and our community will build on their trust and confidence in our capacity, and our capacity to deliver will build on our strong and positive brand.

Team & Culture

Created a world class team and culture that attracts and retains the best talent

We'll maintain our focus on our team and the way we work together, and ensure that we have the tools, the systems and the mindset that makes Service NSW a workplace to be proud of. We will make our people the basis for an enduring transformation in customer service delivery.

Appendices

1 Customer response

Customers can lodge feedback about Service NSW services at a service centre, over the telephone, via email, through the mail or through its website.

During 2016-17, we received 2,716 complaints about our services with 2,680 resolved during the period. 11 million customers were served through our service centre and contact centre networks, with the number of complaints received being far less than 1 per cent of total customers served.

The five main complaint areas were:

- Quality of service
- Procedure not followed
- Website and MyServiceNSW account issues
- Centralised card printing
- Incorrect information provided.

During 2016-17, the Complaints Resolution team continued to streamline reporting and enhancing complaint processes to improve resolution outcomes for customers. Our complaint categories deliver robust data from service delivery channels to enable the recommendation of continuous improvement strategies across the network.

Customer feedback is essential for Service NSW to continue to deliver world class customer service. Customers are encouraged to provide feedback about services and their feedback is monitored through frontline performance dashboards.

Feedback from customers is used to improve procedures. For example, a 'how-to-guide' based on customer feedback for our frontline staff, was developed, delivering greater accuracy when providing customers with information and assistance advice and procedure.

Over 2 million customers provided feedback during 2016-17, resulting in Service NSW maintaining a customer satisfaction score of 97 per cent.
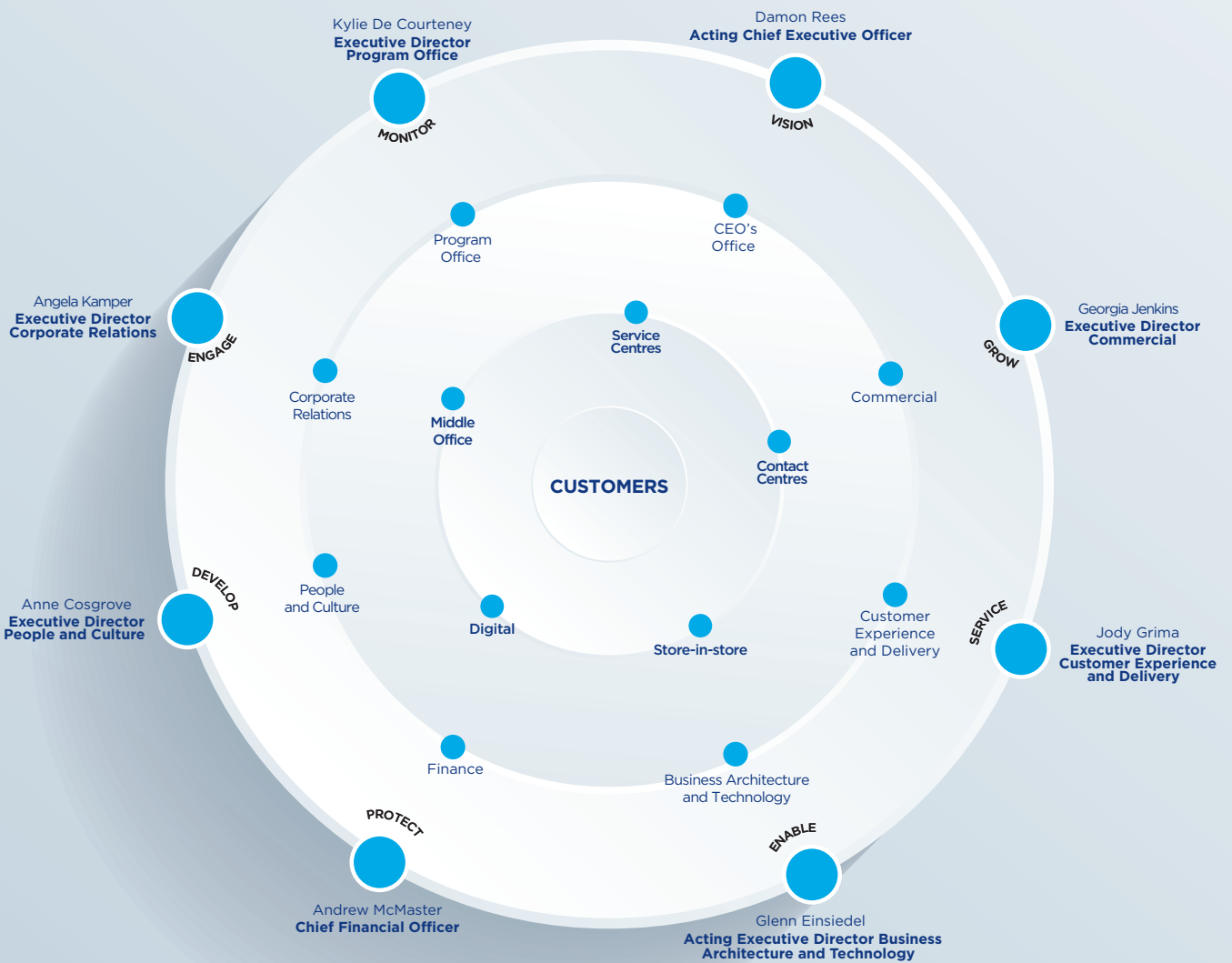
2 Executive Leadership Team

Dr Rachna Gandhi was Service NSW's Chief Executive Officer for two years before her resignation. Mr Damon Rees became acting Chief Executive Officer of Service NSW on 4 September 2017.

Name and Qualifications	Role	Overview
Mr Damon Rees Executive Master of Business Administration	Acting Chief Executive Officer of Service NSW	• The CEO is responsible for the strategic leadership and operational performance of Service NSW. • The CEO leads, drives and shapes reform of integrated transactional customer service delivery, in line with the Service NSW Strategic Roadmap and NSW Government priorities for customer service delivery. • The role leads the Service NSW strategic direction to ensure the delivery of timely, integrated and cost effective transactional service delivery to customers and businesses, and meets the NSW Government's commitment to simplify customer access to government services.
Ms Georgia Jenkins Bachelor of Business (Banking and Finance)	Executive Director Commercial	• The Executive Director Commercial drives the sustainable commercial growth of Service NSW. • The Executive Director leads the identification and implementation of business development opportunities for Service NSW and explores new business models and new market opportunities to drive revenue generation opportunities through the Service NSW network.
Ms Jody Grima Master of Public Administration	Executive Director Customer Experience and Delivery	• The Executive Director Customer Experience and Delivery leads and delivers optimal, sustainable, complex and diverse multi-channel government customer service delivery. • The Executive Director is the principal authority for advice and advocacy for service delivery practices across all Service NSW delivery channels and leads the Service NSW agenda to continually optimise services, including digital migration.
Mr Glenn Einsiedel Bachelor of Business	Acting Executive Director Business Architecture and Technology	• The Executive Director Business Architecture and Technology leads strategic information, communications and technology functions at Service NSW. • The Executive Director seeks and builds collaborative partnerships with diverse stakeholders to lead the delivery of optimum Information and Communication Technologies capability and related digital services to enable the delivery of superior customer experience performance for Service NSW delivery channels.

Name and Qualifications	Role	Overview
Mr Andrew McMaster Bachelor of Commerce (Honours)	Chief Financial Officer	• The Chief Financial Officer leads the strategic finance, risk management, governance, procurement, property and facilities management functions for Service NSW to enable the delivery of current and future business and service needs. • This includes delivering the financial and governance systems and reporting integration across Service NSW to meet Treasury and other requirements for budget planning, monitoring and reporting.
Ms Anne Cosgrove Master of Business Administration	Executive Director People and Culture	• The Executive Director People and Culture leads the development and implementation of contemporary human resources (HR) strategy, frameworks, policies and procedures to ensure Service NSW's ability to attract, retain, develop and manage a highly engaged and committed workforce. • The Executive Director is accountable for leading the people development strategy, programs and services, and leads the continued innovation of HR functionality to achieve Service NSW strategic priorities.
Ms Angela Kamper Bachelor Arts	Executive Director Corporate Relations	• The Executive Director Corporate Relations leads the delivery of strategic marketing, communications, industry, government and community relations, including advocacy and stakeholder engagement programs. • The Executive Director leads and develops programs and initiatives in partnership with internal and external executives, advisors and stakeholders to deliver on market, communication, advocacy and stakeholder engagement strategies designed to support the delivery of Service NSW objectives.
Ms Kylie De Courteney Bachelor of Commerce	Executive Director Program Office	• The Executive Director Program Management Office leads strategic program management, structures and frameworks across Service NSW, including leading transformational, cross-agency, and cross-functional programs, to meet Service NSW strategic priorities and NSW Government customer service delivery reform programs and objectives. • The Executive Director provides strategic direction on program leadership and structure, and collaborates with senior internal and external stakeholders to procure, lead and manage a range of specialist resources including financial, human, physical and intellectual capital for optimum program management and delivery, and benefits realisation.

3 Management Structure

Kylie De Courteney
**Executive Director
Program Office**

MONITOR

Damon Rees
Acting Chief Executive Officer

VISION

Program
Office

CEO's
Office

Angela Kamper
**Executive Director
Corporate Relations**

ENGAGE

Georgia Jenkins
**Executive Director
Commercial**

GROW

Service
Centres

Corporate
Relations

**Middle
Office**

Commercial

CUSTOMERS

**Contact
Centres**

Anne Cosgrove
**Executive Director
People and Culture**

DEVELOP

People
and Culture

Digital

Store-in-store

Customer
Experience
and Delivery

SERVICE

Jody Grima
**Executive Director
Customer Experience
and Delivery**

Finance

Business Architecture
and Technology

ENABLE

PROTECT

Andrew McMaster
Chief Financial Officer

Glenn Einsiedel
**Acting Executive Director Business
Architecture and Technology**

4 Workforce

a. Senior executive

At 30 June 2017.

Senior Executive Band	SES Level	Total 2016-17	Total 2015-16	Total 2014-15	Total 2013-14	Total 2012-13
4	Level 8	-	-	-	-	-
3	Level 7	1	1	2	2	2
	Level 6				-	-
2	Level 5	6	6	5	2	3
	Level 4				2	-
1	Level 3	18	14	17	8	4
	Level 2				4	1
	Level 1				-	1
	Total	26	21	24	18	11

b. Female senior executive roles

At 30 June 2017, 11 of the senior executive roles at Service NSW were held by female employees. This compares to 6 female executives at 30 June 2016.

Senior Executive Band	SES Level	Total 2016-17	Total 2015-16	Total 2014-15	Total 2013-14	Total 2012-13
4	Level 8	-	-	-	-	-
3	Level 7	1	1	1	2	2
	Level 6		-	-	-	-
2	Level 5	5	-	-	2	3
	Level 4		2	-	2	-
1	Level 3	5	-	-	8	4
	Level 2		-	-	3	1
	Level 1		3	-	-	1
	Total	11	6	8	17	11

c. Workforce profile by employment category

At 30 June 2017, 11 of the senior executive roles at Service NSW were held by female employees. This compares to 6 female executives at 30 June 2016.

Staff category		Permanent full time	Permanent part time	Temporary full time	Temporary part time	SES full time	SES part time	Total
Female	2016-17	887	439	59	5	10	1	1401
	2015-16	767	481	29	6	6	-	1289
	2014-15	581	269	9	4	8	-	871
	2013-14	247	137	30	5	2	-	421
	2012-13	6	-	5	-	5	-	16
Male	2016-17	470	83	20	-	15	-	588
	2015-16	429	102	14	1	17	-	563
	2014-15	301	59	8	-	16	-	384
	2013-14	77	23	18	1	4	1	124
	2012-13	-	-	2	-	5	1	8
Total	2016-17	1357	522	79	5	25	1	1989
	2015-16	1196	583	43	7	23	-	1852
	2014-15	882	328	17	4	-	-	1255
	2013-14	324	160	48	6	6	1	545
	2012-13	6	-	7	-	10	1	24

d. Number of Executive Officers and remuneration

In 2016-17, 4.2 per cent of Service NSW employee related expenditure was related to senior executive employees. In 2015-16, 3.9 per cent of employee related expenditure was related to senior executive employees.

Band	Female 2016-17	Male 2016-17	Remuneration range (at 30 June 2017)	Average remuneration
4	-	-	$452,251 – $522,500	-
3	1	-	$320,901 – $452,250	$410,000
2	5	2	$255,051 – $320,900	$294,494
1	5	13	$178,850 – $255,050	$231,988
Total	11	15	-	-

e. Movements in wages, salaries or allowances

On 24 May 2016, the NSW Industrial Relations Commission made the Service NSW (Salaries and Conditions) Employees Award 2016 for 2 years, which will expire on 30 June 2018.

The Award supports Service NSW to continue growing as a sustainable public sector organisation. During the two year Award, Service NSW employees (excluding senior executive employees) have benefited from two pay increases of 2.5 per cent to their salary; the first 2.5 per cent increase being from the first full pay period on or after 1 July 2016, and the second 2.5 per cent increase from the first full pay period on or after 1 July 2017.

On 15 July 2016, the Statutory and Other Officers Remuneration Tribunal determined an annual increase to remuneration package ranges for Public Service senior executives and executive office holders, effective on and from 1 July 2016. As such senior executive employees and Service NSW received a 2.5 per cent increase to their remuneration packages in accordance with the Tribunal's determination.

f. Diversity

Aligning with the NSW Government's commitment to a diverse and inclusive public service workforce, Service NSW has an overarching diversity and inclusion strategy which embeds the values of equal employment opportunity and inclusion of underrepresented groups to fully reflect the community it serves.

There is a Disability Inclusion Action Plan, a Women's Plan, a Multicultural Plan, a Young Professional's Plan and an Aboriginal Employment Strategy. This year, Service NSW launched a range of initiatives, including:

- Women In Leadership Breakfast series, creating development opportunities for women

- A Regional Traineeship Program, providing jobs for young people in regional NSW

- A Refugee Internship Program, providing opportunities for refugees new to Australia to gain experience in Australian workplaces

- Rural and Regional Aboriginal Employment Strategy, providing opportunities for young Aboriginal people to gain meaningful employment within their own community.

It will continue to engage and develop its diverse workforce with the Young Professionals Network, the Public Service Commission Graduate and Aboriginal Workforce Development programs, and through its ongoing partnership with Multicultural NSW.

In 2017-18, Service NSW will launch the Cultural Competency Program, which has been developed by Multicultural NSW. It explores cross-cultural communication, addressing stereotypes, unconscious bias and diversity in the workplace.

The program will support its workforce to continue to be effective and efficient in dealing with people from diverse cultures, to build respectful relationships, and to understand and appreciate the value of diverse cultures..

g. Workforce diversity report

Table 1. Size of Agency (Headcount)

	2015	2016	2017	% Change 2016 to 2017
Headcount at Census Date	1,160	1,849	1,992	7.7%
Non-casual Headcount at Census Date	1,160	1,849	1,992	7.7%

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

	2015	2016	2017
Non-casual Headcount at Census Date	1,160	1,849	1,992
Non-casual Workforce Diversity Survey Respondents at Census Date	1,040	1,683	1,858
Response Rate	**89.7%**	**91.0%**	**93.3%**

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

Table 3. Workforce Diversity Actual Staff Numbers (Non-casual Headcount at Census Date) - 2017

Remuneration level of substantive Position	Total Staff (Men, Women & Unspecified)	Respondents	Men	Women	Unspecified gender	Aboriginal and/or Torres Strait Islander people	People from racial, ethnic, ethno-religious minority groups	People whose language first spoken as a child was not English	People with a disability	People with a disability requiring work-related adjustment
$0 - $45,800	2	2	-	2	-	-	-	-	-	-
$45,800 - $60,154	681	650	160	521	-	8	74	137	20	4
$60,154 - $67,248	295	275	61	234	-	3	40	53	4	1
$67,248 - $85,098	762	703	260	502	-	15	91	135	21	9
$85,098 - $110,046	99	90	34	65	-	3	10	17	2	-
$110,046 - $137,557	80	75	33	47	-	-	12	19	3	2
$137,557 > (Non SES)	47	46	26	21	-	-	11	14	-	-
$137,557 > (SES)	26	17	15	11	-	1	3	3	-	-
Total	**1,992**	**1,858**	**589**	**1,403**	**0**	**30**	**241**	**378**	**50**	**16**

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

Table 4. Workforce Diversity Actual and Estimated Staff Numbers (Non-casual Headcount at Census Date) - 2017

Remuneration level of substantive position	Actual					Estimated				
	Total Staff (Men, Women & Unspecified)	Respondents	Men	Women	Unspecified gender	Aboriginal and/or Torres Strait Islander People	People from racial, ethnic, ethno-religious minority groups	People whose language first spoken as a child was not English	People with a disability	People with a disability requiring work-related adjustment
$0 - $45,800	2	2	-	2	-	-	-	-	-	-
$45,800 - $60,154	681	650	160	521	-	8	78	144	21	4
$60,154 - $67,248	295	275	61	234	-	3	43	57	4	1
$67,248 - $85,098	762	703	260	502	-	16	99	146	23	10
$85,098 - $110,046	99	90	34	65	-	3	11	19	2	-
$110,046 - $137,557	80	75	33	47	-	-	13	20	3	2
$137,557 > (Non SES)	47	46	26	21	-	2	5	5	-	-
$137,557 > (SES)	26	17	15	11	-	-	11	14	-	-
Total	1,992	1,858	589	1,403	0					

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

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

Table 4a. Workforce Diversity Actual and Estimated Staff Numbers (Non-casual Headcount at Census Date) - 2017

Remuneration level of substantive position	Actual					Estimated				
	Total Staff (Men, Women & Unspecified)	Respondents	Men	Women	Unspecified gender	Aboriginal and/or Torres Strait Islander People	People from racial, ethnic, ethno-religious minority groups	People whose language first spoken as a child was not English	People with a disability	People with a disability requiring work-related adjustment
$0 - $45,800	2	100.0%	-	100.0%	-	-	-	-	-	-
$45,800 - $60,154	681	95.4%	23.5%	76.5%	-	1.2%	11.4%	21.1%	3.1%	0.6%
$60,154 - $67,248	295	93.2%	20.7%	79.3%	-	1.1%	14.5%	19.3%	1.5%	0.4%
$67,248 - $85,098	762	92.3%	34.1%	65.9%	-	2.1%	12.9%	19.2%	3.0%	1.3%
$85,098 - $110,046	99	90.9%	34.3%	65.7%	-	3.3%	11.1%	18.9%	2.2%	-
$110,046 - $137,557	80	93.8%	41.3%	58.8%	-	-	16.0%	25.3%	4.0%	2.7%
$137,557 > (Non SES)	47	65.4%	57.7%	42.3%	-	5.9%	17.6%	17.6%	-	-
$137,557 > (SES)	26	97.9%	55.3%	44.7%	-	-	23.9%	30.4%	-	-
Total	**1,992**	**93.3%**	**29.6%**	**70.4%**	**0.0%**					

Note: Table 2a presents the figures in Table 2 as percentages. E.g., Estimated % of People with a Disability in Salary Band 1 = (Estimated number of People with a Disability in Salary Band 1 / Total number of Staff in Salary Band 1) * 100. Estimated figures are only provided for agencies with a response rate greater than 65%. For agencies with a response rate less than 65%, actual figures are reported in all instances.

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

Workforce Diversity Group	Benchmark	2015	2016	2017
Women	50%	70.0%	69.6%	70.4%
Aboriginal and/or Torres Strait Islander People	3.3%	1.8%	1.7%	1.6%
People whose First Language Spoken as a Child was not English	23.2%	19.7%	21.0%	20.3%
People with a Disability	N/A	2.7%	2.9%	2.7%
People with a Disability Requiring Work-Related Adjustment	N/A	1.2%	1.0%	0.9%

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

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

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

Note 4: Work is underway to improve the reporting of disability information in the sector to enable comparisons with population data. For this reason, no benchmark has been provided for People with a Disability or for People with a Disability Requiring Work-Related Adjustment.

Table 5b. Trends in the Distribution of Workforce Diversity Groups

Workforce Diversity Group	Benchmark	2015	2016	2017
Women	100	88	89	88
Aboriginal and/or Torres Strait Islander People	100	104	105	107
People whose First Language Spoken as a Child was not English	100	99	97	101
People with a Disability	100	97	99	97
People with a Disability Requiring Work-Related Adjustment	100	N/A	N/A	N/A

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

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

6. Representation of Workforce Diversity Groups - Graphs

Workforce Diversity Group	Benchmark	2015	2016	2017
Women	**50%**	70.0%	69.6%	70.4%
Aboriginal and/or Torres Strait Islander People	**3.3%**	1.8%	1.7%	1.6%
People whose first language spoken as a child was not English	**23.3%**	19.7%	21.0%	20.3%
People with a disability	**N/A**	2.7%	2.9%	2.7%
People with a disability requiring work-related adjustment	**N/A**	1.2%	1.0%	0.9%

h. Multicultural Policies and Services

The Service NSW Multicultural Plan 2014–2017 outlines its commitment to delivering products and services to a culturally and linguistically diverse NSW. To ensure that activity aligns with the Plan, there is a three-stream framework: Planning and Evaluation, Capacity Building and Resourcing, and Programs and Services. As Service NSW grows and its regional footprint expands, it is ensuring that its people strategies support and enable its organisation to reflect the communities it serves.

Highlights of the year include:

- Staff speak at least 18 languages to assist customers
- Customer flow management system offers six languages to assist customers in service centres
- The Service NSW website has introductory information and direction to translator services in eight languages. It offers a free online language translation service to automatically translate content into almost 60 community languages
- Communications are customised for local customers in diverse languages, where appropriate, to provide them with the latest information on how to access government services
- Compliance training includes culturally sensitive examples of customer service to broaden awareness
- Continued involvement in local community programs and activities to enhance relationships in the diverse communities served.

In 2017-18 Service NSW will review and update its Multicultural Plan to ensure that it remains effective for culturally and linguistically diverse communities. Service NSW is proud to be supporting the NSW Government's commitment to helping refugees find meaningful employment by providing opportunities for 100 refugees across the NSW public sector. As part of the program, 11 refugees will be placed in a range of roles across Service NSW, including frontline customer service delivery, IT and corporate communications roles. This represents over 10 per cent towards the NSW Government's target.

During the year, Service NSW launched a series of Women in Leadership events to support and promote women in leadership roles within Service NSW. The Women in Leadership Program aims to continue to build diversity, parity and leadership across all of our teams. The Program is part of the Service NSW People Development Strategy that was developed throughout the year. In April, Service NSW held its first women in leadership event at Parliament House and was dedicated to helping women to increase their confidence,

overcome barriers and drive career development. The event was integrated with the Fit Place for Women exhibition at the NSW Parliament which showcased the stories of 120 women who have entered NSW Parliament.

i. Disability Inclusion Action Plan

Service NSW's Disability Inclusion Action Plan 2015-2017 is Service NSW's commitment to ensuring that all services meet the needs of all its customers and ensure an inclusive approach. The Plan was developed in consultation with people with disability.

It demonstrates Service NSW's commitment to:

- Increasing engagement with, and accessibility to information, services, and its network for people with disability

- ensuring respectful, positive, and inclusive interactions, between staff and with our customers

- building representation, and supporting and retaining people with disability in the workforce.

In 2017-18 Service NSW will review its Disability Inclusion Action Plan to ensure it continues to support its policies, programs, community interactions and stakeholder engagements, and that its customer service delivery promotes inclusion.

j. Work Health and Safety

Service NSW is committed to supporting a workplace culture which values and promotes wellbeing and healthy living for all staff. It strongly supports agreed initiatives and programs that promote greater workforce performance by delivering a sense of wellbeing, positive mental health and engagement.

We aim to provide a supportive environment that encourages employees to feel and behave in line with our values and workplace culture.

During the year, we:

- Partnered with NSW Health for our first organisation-wide advertising campaign, 'Making Healthy Normal'

- Developed and implemented a refreshed Work Health Safety (WHS) e-learning Induction module

- Renewed the membership and reviewed the terms of reference of our WHS Committee

- Continued to monitor compliance with emergency arrangements across our network

- Continued the rollout of the Service NSW Safety Manager, our online WHS management system, to new sites

- Reviewed, updated and released our Incident Reporting and Investigations Policy

- Reviewed, updated and released our WHS Injury Management Policy and Procedure

- Developed and implemented our Due Diligence e-learning module for staff whose roles have specific WHS responsibilities

- Developed and implemented a Building Positive and Productive Workplaces e-learning module

- Developed an annual WHS calendar of events

- Implemented the Fitness Passport for all employees, other eligible staff and immediate family members. This allows participants to use gymnasiums and other fitness facilities across multiple locations.

5 Governance

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

a. Service NSW Audit and Risk Committee

The Service NSW Audit and Risk Committee has been established in compliance with the Treasury Circular TPP 15-03 – Internal Audit and Risk Management Policy for the NSW Public Sector. It provides independent assurance to Service NSW's Chief Executive Officer.

During the 2016-2017 the Committee met five times (three times in 2016 and twice in 2017) to provide oversight of financial reporting, risk management, internal and external audit activities and the operational management of Service NSW.

There were no changes to the membership of the Committee. The Committee members are listed below in Service NSW's Internal Audit and Risk Management Attestation Statement.

b. Risk Management

In 2016-17 Service NSW reviewed and updated its Risk Management Framework and Policy.

This sets out its Enterprise Risk Management Framework and incorporates Service NSW's updated Risk Matrix and Risk Appetite Statement. A range of risk management activities were commenced in the year to embed risk management practices within the operations of Service NSW. It will work to further mature and embed its risk management policies and practices in 2017-18.

Two risk management assessments were made of Service NSW's card operations.

The first, resulting from a NSW Mail Theft Working Group report, related to the mailing of licences to citizens by ordinary mail.

As a result, Service NSW has taken steps to ensure NSW citizens are aware of the risks identified by the NSW Mail Theft Working Group and actions they can take to avoid or lessen the impact of those risks. For example, this includes asking Service NSW to redirect their mail to a more secure location.

The second review arose from a process error that resulted in 2693 photo cards being mailed to incorrect addresses. The report found that human error was the cause.

It made 12 recommendations designed to improve and strengthen risk management processes, to control design and independent project assurance; quality controls and checks, and user access controls.

Service NSW established a working group to implement the report's recommended remediation actions.

Service NSW is actively involved with the NSW Mail Theft Working Group and regularly meets with key stakeholders, who include the NSW Police Force.

c. Internal Audit

Service NSW's internal audit function provides independent, objective assurance to its Executive Leadership Team.

It also plays an important role in supporting Service NSW to achieve its strategic objectives by providing assurance that reviews the effectiveness of our risk management practices and internal controls framework.

In 2016-17, internal audits included project based programs, and operational areas such as Vendor Management, corporate credit cards and Complaint Management.

Service NSW has an outsourced Internal Audit function. In 2016-17 these services were provided by Ernst and Young.

d. External Audit

The Audit Office of NSW has audited Service NSW's financial statements as at 30 June 2017 and issued an unqualified audit opinion and Statutory Audit Report on25 September 2017.

In 2016-17 the Audit Office conducted a compliance review on Government Travel. Service NSW was one of fifteen (15) agencies selected for review by the Audit Office. Based on recommendations from the Audit Office, Service NSW has agreed to review processes around travel to ensure compliance with government policy and maintain controls around internal travel processes.

The Compliance Review report will be tabled in Parliament in October 2017 by the NSW Audit Office

e. Insurance

Insurable risk cover was primarily provided by participation in the NSW Treasury Managed Fund (TMF). It is the NSW Government-arranged indemnity scheme operated by the icare self-insurer.

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

Claims performance

Claims performance for the 2016-17 remained stable across all lines. For 2016-17, the following claim statistics were recorded by TMF for Service NSW:

- 19 Workers Compensation claims (by date of injury)
- NIL property claims
- three motor vehicle claims and
- ten liability claims

f. Internal audit and risk management policy attestation

I, Damon Rees, A/CEO of Service NSW am of the opinion that Service NSW has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the in all material respects, compliant with the core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector.

Specifically:

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

Membership

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

- Independent Chair, Carol Holley, 18 September 2013 - 17 September 2018 (re-appointed for a further two year term from 18 September 2016)

- Independent Member, Dianne Hill, 18 September 2013 - 17 September 2018 (re-appointed for a further three year term from 18 September 2015)

- Independent Member, Stephen Horne, 1 July 2016 – 30 June 2019.

Mr Damon Rees – A/CEO, Service NSW
13 October 2017

g. Digital information security policy attestation

I, Damon Rees, was not the Chief Executive Officer of Service NSW during the 2016-17 financial year. However, to the best of my knowledge I am of the opinion that:

1. Service NSW had an Information Security Management System (ISMS) in place during the 2016-17 financial year that is consistent with Core Requirements set out in the NSW Government Digital Information Security Policy;

2. The controls in place to mitigate identified risks to the digital information and digital information systems of Service NSW are adequate;

3. There is no agency under the control of Service NSW which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy; and

4. Service NSW has maintained certified compliance with ISO 27001 Information technology - Security techniques - Information security management systems - Requirements by an Accredited Third Party during the 2016-2017 financial year.

Damon Rees, – A/CEO, Service NSW
17 October 2017

h. Payment of accounts

	Sep 2016	Dec 2016	Mar 2017	Jun 2017
Invoices due for payment	3,671	2,737	1,702	1,948
Invoices paid on time	3,061	2,090	1,075	1,425
Percentage of accounts paid on time	83.4%	76.4%	63.2%	73.2%
Invoices due for payment received from small businesses	-	-	-	-
Invoices from small businesses paid on time	-	-	-	-
Amount due for payment	$75,219,478	$63,593,393	$39,163,160	$53,917,940
Amount paid on time	$53,658,213	$38,224,645	$24,939,537	$29,212,697
Percentage of accounts paid on time	71.3%	60.1%	63.7%	54.2%
Amount due for payment to small businesses	-	-	-	-
Amount due to small businesses paid on time	-	-	-	-
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on late accounts	-	-	-	-
Number of payments to small business for interest on overdue accounts	-	-	-	-
Interest paid to small businesses on late accounts	-	-	-	-

Service NSW regularly challenges the veracity of project-related invoice payments from suppliers to determine quantity delivered and/or the quality of work performed, which occasionally causes delays in invoices being returned to Service NSW, due to variances in invoice value vs quote on purchase order. Service NSW is automating the approval process in 2017-18 to improve invoice processing timeframes.

i. Time for payment of accounts

No interest was paid due to late payment of accounts.

j. Credit card certification

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

k. Promotion (Overseas travel)

Officer	Dates of travel/destination	Purpose	Cost
Rachna Gandhi CEO, Service NSW	4-9 March 2017 Sarawak, Malaysia	Advice to the Government of the State of Sarawak, Malaysia, on establishing a service delivery agency.	Flights and accommodation paid by the Government of Sarawak.
Russell Murphy, Contact Centre Transformation and Deployment Manager, Service NSW	26-28 April 2017 Auckland, New Zealand	Guest speaker at the New Zealand Contact Centre Week Conference hosted by the International Quality and Productivity Centre. Russell also led a workshop.	Flights and accommodation paid by the International Quality and Productivity Centre.

l. Payments to consultants

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

Name of consultant	The title/nature of the consultancy	Cost
Australian Public Affairs	Stakeholder engagement and communications	$50,000
Avocado Consulting Pty Ltd	PSP review	$65,360
BAE Systems Applied Intelligence	PCI DSS compliance	$120,000
Corporate Value Associates	Development of value proposition	$1,808,823
Customer Science Pty Ltd	Professional Services for commercial discovery	$211,350
Deloitte Touche Tohmatsu	Business Case - Future Model	$159,818
Deloitte Touche Tohmatsu	Provision of RMS Fee for Service	$170,165
Deloitte Touche Tohmatsu	Review of ICT Services	$194,500
Deloitte Touche Tohmatsu	Cost Efficiency Realisation	$291,508
Ernst & Young	Develop a revised Strategic Roadmap	$134,000
Folk Pty Ltd	Redesign of Certificate of Registration	$54,065
Genesys Laboratories	Genesys Hosted Cloud Subscriptions	$56,800
Hicksons	Legal Specialist Services	$61,095
Information Integrity Solutions	Privacy framework services	$50,000
Julian Midwinter & Associates Pty Ltd	Leadership Development	$74,500
KPMG Australia Pty Ltd	ATO Panel Leverage Assessmnet	$55,249
KPMG Australia Pty Ltd	Whole-of-government benefits	$230,000
McKinsey Pacific Rim Inc	Comm Strategy & Implementation Plan	$150,000
The Boston Consulting Group Pty Ltd	Digital Licence Business Case	$1,211,211
Villani Enterprises	Contact Centre Project Discovery and Design	$130,257
DX Solutions Pty Ltd	Development of Cyber Security Framework	$88,115
Total		**$5,366,816**

Consultancies of a value less than $50,000

There were 59 individual consultancies with a value of less than $50,000. There were for management services and totalled $1,645,693.

m. Disclosure of controlled entities and subsidiaries

Service NSW does not have any controlled entities or subsidiaries.

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

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

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

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

During the reporting period, Service NSW received 22 formal access applications (including withdrawn applications but not invalid applications). In addition, it NSW transferred 472 applications to other agencies. Twenty-five invalid applications were received during the period and nine that were not GIPA applications were received.

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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Media	-	-	-	-	-	-	-	-
Members of Parliament	2	2	-	-	-	-	-	-
Private sector business	-	-	-	-	-	-	-	1
Not for profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (application by legal representative)	-	-	-	-	-	-	-	6
Members of the public (other)	2	-	-	-	-	-	-	9

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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Personal information applications*	2	-	-	-	-	-	-	11
Access applications (other than personal information applications)	2	2	-	-	-	-	-	5
Access applications that are partly personal information applications and partly other	-	-	-	-	-	-	-	-

*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).
NOTE: The total number of decisions in Table B should be the same as Table A.

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	24
Application is for excluded information of the agency (section 43 of the Act)	-
Application contravenes restraint order (section 110 of the Act)	-
Total number of invalid applications received	24
Invalid applications that subsequently became valid applications	-

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

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

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

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

	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	1
Individual rights, judicial processes and natural justice	-
Business interests of agencies and other persons	-
Environment, culture, economy and general matters	1
Secrecy provisions	-
Exempt documents under interstate Freedom of Information legislation	-

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	4
Decided after 35 days (by agreement with applicant)	2
Not decided within time (deemed refusal)	-
Total	6

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

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

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

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

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

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

	Number of applications for review
Agency-initiated transfers	459
Applicant-initiated transfers	13

o. Privacy

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

Service NSW's Privacy Management Plan demonstrates how it 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 how it upholds and respects the privacy of its clients, staff and others about whom it holds personal information.

In 2016-17 Service NSW conducted Privacy Impact Assessments (PIA) on the following projects:

- Service NSW Knowledge Management System
- Contact Centre Outsourcing Project
- MyServiceNSW Account Phase.

Privacy reviews

During 2016-17, Service NSW received four applications to review conduct relating to the use, access or release of personal information.

Public Interest Disclosures

Service NSW values contributions of all team members to improve administrative and management practices. We encourage team members to report any wrongdoing under the Public Interest Disclosures (PID) Act 1994.

During the reporting period Service NSW reviewed and updated its Public Interest Disclosures Policy to accurately reflect the key positions in Service NSW with responsibility for managing Public Interest Disclosures.

The policy is available to employees on the Service NSW intranet, as is a list of Public Interest Disclosure Officers. During 2016-17 training was provided to all new and existing PID officers.
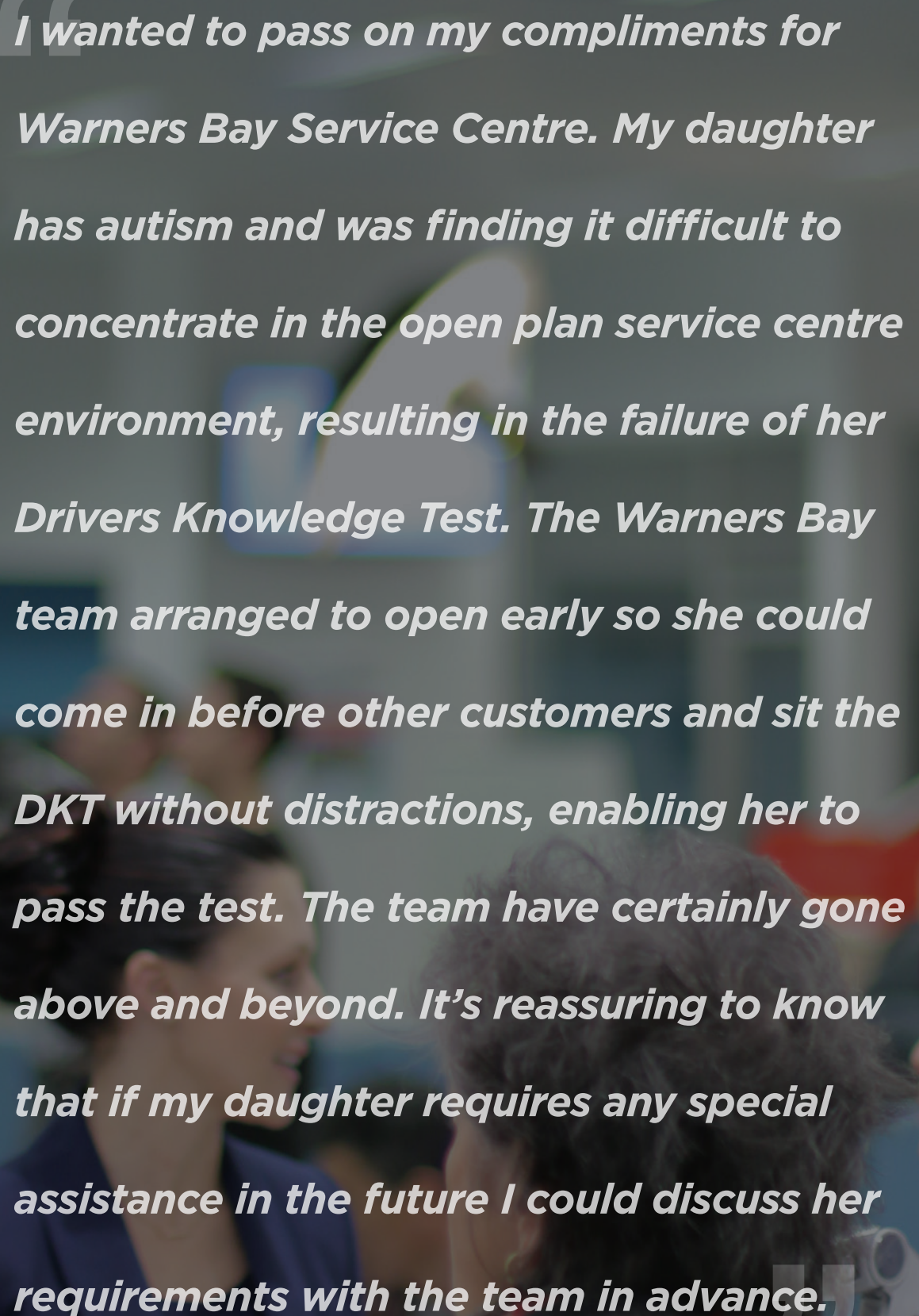
During the reporting period Service NSW received one Public Interest Disclosure.

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

p. Legal Change

Amendments were made to the Service NSW (one-stop Access to Government Services) Regulation 2013 to allow Service NSW to access additional suppliers for the provision of customer service. The amended regulation commenced on 19 May 2017.

"I wanted to pass on my compliments for Warners Bay Service Centre. My daughter has autism and was finding it difficult to concentrate in the open plan service centre environment, resulting in the failure of her Drivers Knowledge Test. The Warners Bay team arranged to open early so she could come in before other customers and sit the DKT without distractions, enabling her to pass the test. The team have certainly gone above and beyond. It's reassuring to know that if my daughter requires any special assistance in the future I could discuss her requirements with the team in advance."

6 Financial statements

Statement by the Chief Executive Officer

Service NSW

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

(1) The financial statements have been prepared in accordance with:

    (a) applicable Australian Accounting Standards (which include Australian Accounting Interpretations);

    (b) the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, and the Treasurer's Directions; and

    (c) the Financial Reporting Code for NSW General Government Sector Entities.

(2) The financial statements exhibit a true and fair view of the financial position and transactions of Service NSW; and

(3) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Damon Rees
Acting Chief Executive Officer, Service NSW
22 September 2017

Andrew McMaster
Chief Financial Officer, Service NSW
22 September 2017

INDEPENDENT AUDITOR'S REPORT

Service NSW

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Service NSW (the Department), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion the financial statements:

- give a true and fair view of the financial position of the Department as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

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

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

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

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

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

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

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

Acting Chief Executive Officer's Responsibility for the Financial Statements

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

In preparing the financial statements, the Acting Chief Executive Officer must assess the Department's ability to continue as a going concern except where the Department's operations will cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

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

My opinion does not provide assurance:

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

Nathan Carter
Director, Financial Audit Services

25 September 2017
SYDNEY

Table of contents

Statement of Comprehensive Income
for the year ended 30 June 2017

	Notes	Actual 2017 $'000	Budget 2017 $'000	Actual 2016 $'000
Expenses excluding losses				
Operating expenses				
Employee related	2a	159,767	160,075	135,622
Other operating expenses	2b	102,281	103,365	77,227
Depreciation and amortisation	2c	30,143	29,691	17,195
Grants and subsidies	2d	40,878	35,263	99,911
Total expenses excluding losses		**333,069**	**328,394**	**329,955**
Revenue				
Sale of goods and services	3a	28,266	38,500	19,393
Grants and contributions	3b	341,731	337,754	395,799
Acceptance by the Crown Entity of employee benefits and other liabilities	3c	4,261	4,191	5,465
Investment revenue	3d	529	1,000	1,031
Other Revenue	3e	8,033	6,406	2,749
Total revenue		**382,820**	**387,851**	**424,437**
Operating result		**49,751**	**59,457**	**94,482**
Gains/(losses) on disposal	4	25	-	-
Net result		**49,776**	**59,457**	**94,482**
Total comprehensive income		**49,776**	**59,457**	**94,482**

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 30 June 2017

	Notes	Actual 2017 $'000	Budget 2017 $'000	Actual 2016 $'000
ASSSETS				
Current assets				
Cash and cash equivalents	6	14,903	25,193	54,286
Receivables	7	20,726	9,851	13,903
Other assets	8	1,571	-	1,080
Total current assets		**37,200**	**35,044**	**69,269**
Non-current assets				
Property, plant and equipment				
Leasehold improvements	9	72,965	-	64,804
Plant and equipment	9	13,387	87,537	15,105
Total property, plant and equipment		86,352	87,537	79,909
Intangible assets	10	184,762	179,368	127,054
Total non-current assets		**271,114**	**266,905**	**206,963**
Total assets		**308,314**	**301,949**	**276,232**
LIABILITIES				
Current liabilities				
Payables	11	43,657	35,278	63,316
Provisions	12	18,299	12,715	17,132
Total current liabilities		**61,956**	**47,993**	**80,448**
Non-current liabilities				
Provisions	12	5,277	4,294	4,479
Total non-current liabilities		**5,277**	**4,294**	**4,479**
Total liabilities		**67,233**	**52,287**	**84,927**
Net assets		**241,081**	**249,662**	**191,305**
EQUITY				
Accumulated funds		241,081	249,662	191,305
Total equity		**241,081**	**249,662**	**191,305**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2017

	Accumulated funds $'000	Total $'000
Balance at 1 July 2016	191,305	191,305
Net Result for the year	49,776	49,776
Total comprehensive income for the year	**49,776**	**49,776**
Balance at 30 June 2017	**241,081**	**241,081**
Balance at 1 July 2015	96,823	96,823
Net result for the year	94,482	94,482
Total comprehensive income for the year	**94,482**	**94,482**
Balance at 30 June 2016	**191,305**	**191,305**

Statement of cash flows
for the year ended 30 June 2017

	Notes	Actual 2017 $'000	Budget 2017 $'000	Actual 2016 $'000
Cash flows from operating activities				
Payments				
Employee related		(149,510)	(154,340)	(125,199)
Grants and Subsidies		(55,614)	(35,263)	(104,021)
Other		(126,917)	(140,572)	(103,588)
Total Payments		**(332,041)**	**(330,175)**	**(332,808)**
Receipts				
Sales of goods and services		27,349	38,478	22,867
Grants and contributions		341,731	337,754	395,799
Other		25,649	37,843	34,614
Total Receipts		**394,729**	**414,075**	**453,280**
Net cash from operating activities	16	**62,688**	**83,900**	**120,472**
Cash flows from investing activities				
Purchase of plant and equipment		(22,226)	(14,672)	(32,994)
Purchase of intangibles		(79,845)	(71,736)	(65,037)
Net cash from investing activities		**(102,071)**	**(86,408)**	**(98,031)**
Net increase/(decrease) in cash		**(39,383)**	**(2,508)**	**22,441**
Opening cash and cash equivalents		54,286	27,701	31,845
Closing cash and cash equivalents	6	**14,903**	**25,193**	**54,286**

The accompanying notes form part of these financial statements.

ENTITY'S EXPENSES & INCOME	Service Group 1*		Service Group 2*		Service Group 3*		Service Group 4*		Not Attributable**		Total	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Expenses excluding losses												
Operating expenses												
Employee related	110,247	93,402	20,849	23,168	2,047	358	24,587	16,562	2,037	2,132	159,767	135,622
Other operating expenses	24,152	19,327	8,881	9,141	12	184	55,448	27,338	13,788	21,237	102,281	77,227
Grants and subsidies	-	-	-	-	-	-	-	-	40,878	99,911	40,878	99,911
Depreciation & Amortisation	14,139	9,247	1,775	1,193	2,643	632	11,586	6,123	-	-	30,143	17,195
TOTAL EXPENSES EXCLUDING LOSSES	**148,538**	**121,976**	**31,505**	**33,502**	**4,702**	**1,174**	**91,621**	**50,023**	**56,703**	**123,280**	**333,069**	**329,955**
Revenue												
Sale of goods and services	8,452	10,440	11,939	5,809	82	3,144	7,793	-	-	-	28,266	19,393
Grants and contributions	-	-	-	-	-	-	-	-	341,731	395,799	341,731	395,799
Acceptance by the Crown Entity of employee benefits and other liabilities	3,685	4,022	214	322	81	53	266	1,011	15	57	4,261	5,465
Investment Revenue	-	-	-	-	-	-	-	-	529	1,031	529	1,031
Other Revenue	173	4	22	8	-	-	7,838	2,339	-	398	8,033	2,749
Total revenue	**12,310**	**14,466**	**12,175**	**6,139**	**163**	**3,197**	**15,897**	**3,350**	**342,275**	**397,285**	**382,820**	**424,437**
Gains/(losses) on Disposal	25	-	-	-	-	-	-	-	-	-	25	-
Net result	**(136,203)**	**(107,510)**	**(19,330)**	**(27,363)**	**(4,539)**	**2,023**	**(75,724)**	**(46,673)**	**285,572**	**274,005**	**49,776**	**94,482**
TOTAL COMPREHENSIVE INCOME	**(136,203)**	**(107,510)**	**(19,330)**	**(27,363)**	**(4,539)**	**2,023**	**(75,724)**	**(46,673)**	**285,572**	**274,005**	**49,776**	**94,482**

* The names and purposes of each service group are summarised in Note 5.

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

ENTITY'S ASSETS AND LIABILITIES	Service Group 1*		Service Group 2*		Service Group 3*		Service Group 4*		Not Attributable**		Total	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Current Assets												
Cash and cash equivalents	-	-	-	-	-	-	-	-	14,903	54,286	14,903	54,286
Receivables	1,591	187	8,735	22	182	-	2,765	5,087	7,453	8,607	20,726	13,903
Other	-	-	-	-	-	109	1,571	971	-	-	1,571	1,080
Total current Assets	**1,591**	**187**	**8,735**	**22**	**182**	**109**	**4,336**	**6,058**	**22,356**	**62,893**	**37,200**	**69,269**
Non-current Assets												
Leasehold Improvements	60,717	51,904	4,466	4,515	457	-	2,814	4,185	4,511	4,200	72,965	64,804
Plant, Property & Equipment	7,854	9,407	402	772	31	5	1,817	1,664	3,283	3,257	13,387	15,105
Intangibles	3,134	2,873	1,949	2,435	15,307	1,558	104,547	68,825	59,825	51,363	184,762	127,054
Total non-current assets	**71,705**	**64,184**	**6,817**	**7,722**	**15,795**	**1,563**	**109,178**	**74,674**	**67,619**	**58,820**	**271,114**	**206,963**
TOTAL ASSETS	**73,296**	**64,371**	**15,552**	**7,744**	**15,977**	**1,672**	**113,514**	**80,732**	**89,975**	**121,713**	**308,314**	**276,232**
Current liabilities												
Payables	1,917	1,707	1,317	505	-	29	20,911	10,924	19,512	50,150	43,657	63,316
Provisions	10,964	9,214	1,699	1,709	195	188	2,894	2,682	2,547	3,340	18,299	17,132
Total current liabilities	**12,881**	**10,921**	**3,016**	**2,214**	**195**	**217**	**23,805**	**13,606**	**22,059**	**53,490**	**61,956**	**80,448**
Non-current liabilities												
Provisions	3,669	3,376	735	698	3	2	30	33	840	369	5,277	4,479
Total non-current liabilities	**3,669**	**3,376**	**735**	**698**	**3**	**2**	**30**	**33**	**840**	**369**	**5,277**	**4,479**
TOTAL LIABILITIES	**16,550**	**14,297**	**3,751**	**2,912**	**198**	**219**	**23,835**	**13,639**	**22,899**	**53,859**	**67,233**	**84,927**
NET ASSETS	**56,746**	**50,074**	**11,801**	**4,832**	**15,779**	**1,453**	**89,679**	**67,093**	**67,076**	**67,854**	**241,081**	**191,305**

*The names and purposes of each service group are summarised in Note 5.

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

1. Summary of Significant Accounting Policies

a. Reporting entity

Service NSW is a NSW government agency and is controlled by the State of New South Wales, which is the ultimate parent. The entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. Its principal objectives are:

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

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

The financial statements for the year ended 30 June 2017 have been authorised for issue by the Chief Executive Officer on 22 September 2017.

b. Basis of preparation

Service NSW's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015* and
- Financial Reporting Directions mandated by the Treasurer

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

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

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

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

c. Statement of Compliance

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

d.   Amounts held on behalf of other agencies

Service NSW delivers transactional services, but does not control these activities, on behalf of NSW Government agencies including NSW Housing, NSW Registry of Births, Deaths and Marriages, Office of Fair Trading, Office of State Revenue and Roads and Maritime Services. For further details, please refer to Note 17.

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

e.   Insurance

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

f.   Accounting for the Goods and Services Tax (GST)

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

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

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

g.   Income recognition

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

   i.   Sale of goods

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

   ii.   Rendering of services

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

   iii.   Government grants and contributions

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

   iv.   Investment revenue

Interest income is recognised using the effective interest method as set out in *AASB 139 Financial Instruments: Recognition and Measurement*. Interest on bank balances is recognised monthly on an accrual basis and paid bi-annually (September and March) under the Treasury's Cash Forecasting System.

h.   Assets

i.   Acquisitions of assets

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

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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

ii.   Capitalisation thresholds

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

iii.   Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment.*

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

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

iv.   Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under *AASB 136 Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value, or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

v.   Depreciation of property, plant and equipment

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

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

	2017	2016
- Computer equipment	3	3
- General plant and equipment	4	4
- Leasehold improvements and major fit-outs	10	10
- Make Good	*	*

*   5 years or term of the lease if lease term is greater than 5 years

vi.   Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

vii.   Restoration costs

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

viii. Maintenance

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

ix.   Intangible assets

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

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

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

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

Intangible assets are amortised using the straight line method over the period of estimated useful life. Software purchased is amortised over 4 years. Software internally developed is amortised over 10 years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

x.   Loans and receivables

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

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

xi.   Impairment of financial assets

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

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

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

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

xii.   Derecognition of financial assets and financial liabilities

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

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

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

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

Notes to the financial statements
for the year ended 30 June 2017

i.   Liabilities

i.   Payables

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

ii.   Employee benefits and other provisions

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

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted)*.* Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

b.   Long service leave and superannuation

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

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

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

c.   Consequential on-costs

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

d. Other Provisions

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

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

If the effect of the time value of money is material, provisions are discounted between 1.78% and 2.65%, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

j.   Fair value hierarchy

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

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

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

k.   Equity

i.   Accumulated Funds

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

l.   Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in Note 15.

m.   Comparative information

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

n.   New Australian Accounting Standards issued but not effective

i.   Effective for the first time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2016-17. The impact of the first time adopted standards is immaterial.

- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities;

ii.   Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. In accordance with the NSW Treasury mandate (TC17/04), Service NSW did not adopt any of the accounting standards and interpretations that are not yet effective.

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

- AASB 9 Financial Instruments;
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding revenue from Contracts with Customers;
- AASB 16 Leases;
- AASB 1058 Income for Not-for-Profit Entities;
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107;
- AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities;
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities.

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

2. Expenses Excluding Losses

a. Employee related expenses

	2017 $'000	2016 $'000
Salaries and wages (including recreation leave)	133,579	112,469
Long service leave	3,537	4,714
Superannuation - defined benefit plan	702	716
Superannuation - defined contribution plan	11,523	9,687
Payroll tax and fringe benefit tax	8,286	7,194
Workers' compensation insurance	457	526
Other	1,683	316
	159,767	**135,622**

Employee related costs that have been capitalised for sites refurbishment and therefore excluded from the above is $343,946 (2016: $444,458).

b. Other operating expenses

	2017 $'000	2016 $'000
Auditor's remuneration		
- audit of financial statements	165	102
Operating lease rental expense		
- minimum lease payments	16,277	15,611
Maintenance	415	770
Insurance	57	56
Consultants	7,012	4,012
Contractors	24,389	17,493
Travel	2,597	2,279
Energy costs	1,235	1,270
Advertising, general marketing, promotions etc	1,059	1,875
Property related	3,790	811
Printing	3,799	1,152
Clothing	664	846
Information technology	20,179	12,801
Office equipment	96	104
Telephone and communications	5,448	4,264
Bank charges	2,775	2,217
Shared service charges	2,237	2,742
Courier and freight	2,073	2,547
Interpreters & translators	1,105	277
Other services	1,477	2,303
Staff recruitment	44	557
Postage costs	3,037	912
Office supplies	814	810
Other	1,537	1,416
	102,281	**77,227**

	2017 $'000	2016 $'000
Maintenance expense - contract labour and other (non-employee related, as above	415	770
Total maintenance expenses included in Note 2(b)	**415**	**770**

c.   Depreciation and amortisation expense

	2017 $'000	2016 $'000
Depreciation:		
Other property, plant and equipment	6,472	4,343
Leasehold improvements	9,564	6,789
	16,036	**11,132**
Amortisation:		
Intangibles	14,107	6,063
	30,143	**17,195**

d.   Grants and subsidies

	2017 $'000	2016 $'000
Grant to Roads and Maritime Services	40,878	99,911
	40,878	**99,911**

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

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

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

The 2016-2017 grants to RMS are represented by the following:

	2017 $'000	2016 $'000
Employee related expenses	13,522	38,698
Operating lease rental expense		
- minimum lease payments	1,848	3,274
Insurance	203	124
Contractors	16	-
Travel	704	973
Property related	-	2,257
Printing	951	5,048
Information Technology	2,877	9,427
Telephone and Communications	303	1
Postage	660	7,984
Bank Charges	9,269	12,475
Shared service charges	1,882	4,160
Other	8,643	15,490
Total	**40,878**	**99,911**

3. Revenue

a. Sale of goods and services

	2017 $'000	2016 $'000
Rendering of Services	28,266	19,393
	28,266	**19,393**

b. Grants and contributions

	2017 $'000	2016 $'000
Grants received from Department of Finance, Services & Innovation	337,819	387,675
Grants received from Roads & Maritime Services	-	6,867
Grants received from Department of Premier & Cabinet	-	1,056
Grants received from Transport for NSW	3,400	-
Grants received from NSW Treasury	507	-
Grants received from other government agencies	5	201
	341,731	**395,799**

c.   Acceptance by the Crown Entity of employee liabilities

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

	2017 $'000	2016 $'000
Superannuation - defined benefit	688	716
Long service leave	3,537	4,715
Payroll tax	36	34
	4,261	**5,465**

d.   Investment revenue

	2017 $'000	2016 $'000
Interest revenue	529	1,031
	529	**1,031**

e.   Other revenue

	2017 $'000	2016 $'000
Credit card processing fee recovery	7,416	2,078
Other income	617	671
	8,033	**2,749**

4.   Gains/(losses) on disposal

	2017 $'000	2016 $'000
Gains on disposal of equipment	25	-
	25	**-**

5.   Service Groups of Service NSW

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

Service Centres (Service Group 1)
Purpose: The Service Centres service group is responsible for providing one stop access to Government service in NSW by providing service centres in various locations around NSW.

Contact Centres (Service Group 2)
Purpose: The Contact Centre service group is responsible for providing a single contact phone number for dealing with NSW Government, ensuring that the number is available 24 hours a day, 7 days a week and that calls are serviced in line with performance metrics.

Digital Delivery (Service Group 3)
Purpose: The Digital Delivery service group is responsible for the provision of the Service NSW web portal which facilitates a single digital point of contact and allows Government services to be provided online.

Service Delivery Support (Service Group 4)
Purpose: The Service Delivery Support service group is responsible for providing the ongoing administrative support for the Business Service Channels.

6.   Cash and Cash Equivalents

	2017 $'000	2016 $'000
Cash at bank	14,624	54,052
Cash on hand	279	234
	14,903	**54,286**

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

	2017 $'000	2016 $'000
Cash and cash equivalents	14,903	54,286

7.   Receivables

	2017 $'000	2016 $'000
Trade receivables - agencies	9,720	5,519
Less allowance for impairment	-	(37)
Goods and Services Tax recoverable from ATO	7,222	8,141
Other receivables	3,784	280
	20,726	**13,903**

Movements in the allowance for impairment

	2017 $'000	2016 $'000
Balance as at 1 July	37	-
Amounts written off during the year	-	-
Amounts recovered during the year	(37)	-
Increase/(decrease) in allowance recognised in profit or loss	-	37
Balance at 30 June	**-**	**37**

8.   Other Assets

	2017 $'000	2016 $'000
Prepayments	1,571	1,080
	1,571	**1,080**

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

	Leasehold improvements $'000	Plant and Equipment $'000	Work in progress $'000	Total $'000
At 1 July 2016 - fair value				
Gross carrying amount	74,245	19,525	7,740	101,510
Accumulated depreciation	(13,628)	(7,973)	-	(21,601)
Net carrying amount	**60,617**	**11,552**	**7,740**	**79,909**
At 30 June 2017 - fair value				
Gross carrying amount	91,719	24,476	7,795	123,990
Accumulated depreciation	(23,266)	(14,372)	-	(37,638)
Net carrying amount	**68,453**	**10,104**	**7,795**	**86,352**

	Leasehold improvements $'000	Plant and Equipment $'000	Work in progress $'000	Total $'000
At 1 July 2015 - fair value				
Gross carrying amount	47,787	9,343	8,548	65,678
Accumulated depreciation	(6,840)	(3,629)	-	(10,469)
Net carrying amount	**40,947**	**5,714**	**8,548**	**55,209**
At 30 June 2016 - fair value				
Gross carrying amount	74,245	19,525	7,740	101,510
Accumulated depreciation	(13,628)	(7,973)	-	(21,601)
Net carrying amount	**60,617**	**11,552**	**7,740**	**79,909**

Reconciliation

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

	Leasehold improvements $'000	Plant and Equipment $'000	Work in progress $'000	Total $'000
Year ended 30 June 2017				
Net carrying amount at start of year	60,617	11,552	7,740	79,909
Additions	14,287	2,364	6,110	22,761
Transfers to / from WIP	3,187	2,868	(6,055)	-
Asset Retirement	-	(282)	-	(282)
Retirement - Accumulated Depreciation	-	282	-	282
Transfer to/from Intangible Assets	-	(282)	-	(282)
Depreciation expense	(9,638)	(6,398)	-	(16,036)
Net carrying amount at end of year	**68,453**	**10,104**	**7,795**	**86,352**

	Leasehold improvements $'000	Plant and Equipment $'000	Work in progress $'000	Total $'000
Year ended 30 June 2016				
Net carrying amount at start of year	40,947	5,714	8,548	55,209
Additions	26,033	5,736	4,064	35,833
Transfers to / from WIP	426	4,446	(4,872)	-
Other movements	-	(1)	-	(1)
Depreciation expense	(6,789)	(4,343)	-	(11,132)
Net carrying amount at end of year	**60,617**	**11,552**	**7,740**	**79,909**

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

10. Intangible Assets

	Software $'000	Work in progress $'000	Total $'000
At 1 July 2016			
Cost (gross carrying amount)	86,491	51,365	137,856
Accumulated amortisation	(10,802)	-	(10,802)
Net carrying amount	**75,689**	**51,365**	**127,054**
At 30 June 2017			
Cost (gross carrying amount)	149,564	59,824	209,388
Accumulated amortisation	(24,626)	-	(24,626)
Net carrying amount	**124,938**	**59,824**	**184,762**

	Software $'000	Work in progress $'000	Total $'000
At 1 July 2015			
Cost (gross carrying amount)	15,933	34,946	50,879
Accumulated amortisation	(4,739)	-	(4,739)
Net carrying amount	**11,194**	**34,946**	**46,140**
At 30 June 2016			
Cost (gross carrying amount)	86,491	51,365	137,856
Accumulated amortisation	(10,802)	-	(10,802)
Net carrying amount	**75,689**	**51,365**	**127,054**

Reconciliation

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

	Software $'000	Work in progress $'000	Total $'000
Year ended 30 June 2017			
Net carrying amount at start of year	75,689	51,365	127,054
Additions	19,484	52,049	71,533
Transfers to / from WIP	43,590	(43,590)	-
Transfer to/from Property, Plant & Equipment	282	-	282
Amortisation	(14,107)	-	(14,107)
Net carrying amount at end of year	**124,938**	**59,824**	**184,762**

	Software $'000	Work in progress $'000	Total $'000
Year ended 30 June 2016			
Net carrying amount at start of year	11,194	34,946	46,140
Additions	45,153	41,824	86,977
Transfers to / from WIP	25,405	(25,405)	-
Amortisation	(6,063)	-	(6,063)
Net carrying amount at end of year	**75,689**	**51,365**	**127,054**

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

11. Current Liabilities – Payables

	2017 $'000	2016 $'000
Accrued salaries, wages and on-costs	394	-
Creditors and accruals	43,229	62,998
Other	34	318
	43,657	**63,316**

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 18.

12. Current / Non-Current Liabilities – Provisions

	2017 $'000	2016 $'000
Current		
Employee benefits and related on-costs		
Recreation leave	13,422	11,165
Long service leave	2,248	1,938
Payroll tax	732	664
	16,402	**13,767**

Other provisions	2017 $'000	2016 $'000
Provision for makegood	1,439	2,201
Provision for onerous lease contracts	458	1,164
	1,897	**3,365**
Total current provisions	**18,299**	**17,132**

	2017 $'000	2016 $'000
Non-current		
Employee benefits and related on-costs		
Long service leave	196	169
	196	**169**
Other provisions		
Provision for makegood	5,081	4,310
	5,081	**4,310**
Total non-current provisions	**5,277**	**4,479**

Aggregate employee benefits and related on-costs		
Provisions - current	16,402	13,104
Provisions - non-current	196	169
Accrued salaries and wages	455	690
	17,053	**13,963**

Reconciliation of provision for makegood

	2017 $'000	2016 $'000
Carrying amount at the beginning of the period	6,511	6,159
Provision for makegood	894	1,550
Amounts used	(551)	(868)
Unused amounts reversed	(441)	(434)
Unwinding of discount or change in discount rate	107	104
Carrying amount at end of financial year	**6,520**	**6,511**

Reconciliation of provision for onerous lease contracts

	2017 $'000	2016 $'000
Carrying amount at the beginning of the period	1,164	3,104
Provision for leases	-	6
Amounts used	(40)	(1,347)
Unused amounts reversed	(666)	(599)
Carrying amount at end of financial year	**458**	**1,164**

The value of annual leave, including on-costs, expected to be taken within 12 months is $9.4 million (2016: $7.8 million).

To determine the consequential cost split on Long Service Leave, Service NSW has adopted the actuarial advice from Treasury Circular 15/09 using 92% current and 8% non-current. The amount expected to be settled after 12 months is $195,421.

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

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

13. Commitments for Expenditure

	2017 $'000	2016 $'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	2,743	42,334
Later than one year and not later than five years	1,034	-
Greater than five years	-	-
Total (including GST)	**3,777**	**42,334**

	2017 $'000	2016 $'000
(b) Operating Lease Commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	12,984	11,809
Later than one year and not later than five years	24,175	26,859
Greater than five years	444	-
Total (including GST)	**37,603**	**38,668**

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 $3.8 million (2016: $7.4 million) that are expected to be recoverable from the Australian Taxation Office.

14. Contingent Liabilities and Contingent Assets

Contingent liabilities

Service NSW is not aware of any significant or material contingent liability in existence at 30 June 2017 or which has emerged subsequent to this date, which may materially impact on the financial position of Service NSW as shown in the financial statements.

Contingent assets

Service NSW is not aware of any significant or material contingent asset in existence at 30 June 2017 or which has emerged subsequent to this date, which may materially impact on the financial position of Service NSW as shown in the financial statements.

15. Budget Review

Net Result

The net result indicates an unfavourable variance to budget with a surplus of $49.8 million compared with a budgeted surplus of $59.5 million ($9.7 million deficit). The original budget was subsequently amended and the budgeted Net Result became $54.8 million. The net surplus of $49.8 million represented an adverse variance to final budget of $5.1 million. This variance was primarily due to lower than expected agency fee revenue and also delays in the deployment of the Payments platform, preventing the recovery of merchant service fees in respect of RMS transactions. Total operating expenses were in line with budget, which was a satisfactory outcome given reductions in funding levels.

The major components of the Budget variance were:

Expenses:

- Grant payment increase to RMS of $5.6 million is due to the approved incremental spend limit rolled over from the prior year. Taking this into account, revised operating expenses were on target.

Revenue:

- Sale of goods and services includes fee for service arrangements with agencies, which generated revenue of $28.3 million (2015-16: $19.4 million), which was less than budget, however, represented an increase over the $19.4 million generated in the prior period.
- Other Revenue of $8.1 million includes the recovery of merchant fee surcharges of $7.4 million, which was below the initial budget of $13.5 million as a consequence of the delay in the implementation of the Payment Service Platform
- The variance in Grants and contributions primarily relates to an increase in grant funding of $3.4 million following a contribution from RMS in recognition of the True-up process.

Assets and Liabilities

Actual net assets of $241.1 million were lower than the budget of $249.7 million by $8.6 million. Current assets were $37.2 million compared to current liabilities of $62.0 million. The deficit in the current ratio is supported by prudent working capital management to ensure funding is available to meet liabilities.

In 2016-17, capital funding was $86.4 million compared to actual expenditure of $91.2 million, resulting in an increase compared to budget of $4.8 million, which is the key factor underpinning the increase in non-current assets. The additional spend was due to complexities in the network separation project.

This other balance sheet variances were primarily due to:

- Reduction in cash and cash equivalents due to the timely payment of invoices
- Increase in the receivable position, representing a return of GST payments from the ATO and trade debtors
- Increase in payables and provisions to meet increased capital spending and to accommodate recreation leave obligations from transfers-in to Service NSW from other agencies

Cash flows

The actual cash balance of $14.9 million was $10.3 million lower than the budgeted balance of $25.2 million primarily due to an increase in trade creditors, which is aligned with the Net Result deficit. This has placed pressure on working capital, which will need to be carefully managed in 2017-18.

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

	2017 $'000	2016 $'000
Net cash used on operating activities	62,688	120,472
Add/(less) non cash items:		
Depreciation / amortisation	(30,143)	(17,195)
Changes in operating assets and liabilities		
(Increase) / decrease in net receivables	7,314	(1,674)
Increase / (decrease) in supplier payables	11,882	(2,758)
Increase / (decrease) in other provisions	(1,965)	(4,363)
Net result	**49,776**	**94,482**

17. Amounts Held on Behalf of Other Agencies

	2017 $'000	2016 $'000
Service NSW remitting account	27,376	2,603
Total to be remitted	**27,376**	**2,603**
Amounts payable to client agencies	27,376	2,603
Total payable	**27,376**	**2,603**

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

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

The total value of cash remitted to client agencies in 2016-17 is $1,917.0 million (2016: $537.5 million) with RMS representing a significant portion of $1,838.2 million (2016: $477.5 million).

18. Financial Instruments

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

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

Service NSW monitors, reviews and provides advice about governance processes, risk management and control frameworks, and its accountability obligations in relation to managing risk. Risk management policies are established to identify and analyse the risks faced by Service NSW, to set risk limits and controls and to monitor risks. Compliance with these policies is reviewed annually by Service NSW.

a. Financial instrument categories

Financial Assets Class:	Note	Category	2017 $'000	2016 $'000
Cash and cash equivalents	5	N/A	14,903	54,286
Receivables [1]	6	Receivables (at amortised cost)	12,713	5,688
Carrying amount of financial assets			**27,616**	**59,974**

Financial Liabilities Class:	Note	Category	2017 $'000	2015 $'000
Payables [2]	10	Financial liabilities measured at amortised cost	43,657	63,316
Carrying amount of financial liabilities			**43,657**	**63,316**

Notes:

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

b. Credit risk

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

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

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

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. The cash value at bank on 30 June 2017 was $14.9 million.

Receivables - trade debtors

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

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

	Total $'000	Past due but not impaired $'000	Considered impaired $'000
2017			
< 3 months overdue	**9,282**	9,282	-
3 months - 6 months overdue	**150**	150	-
> 6 months overdue	**288**	288	-
2016	**-**		
< 3 months overdue	**3,923**	3,923	-
3 months - 6 months overdue	**1,514**	1,514	-
> 6 months overdue	**82**	45	37

Notes:

1. Each Column in the table reports 'Gross Receivables'.

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

c.   Liquidity risk

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate %	Nominal Amount $'000	Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-interest bearing $'000	< 1 year $'000	1 -5 years $'000
2017							
Payables	n/a	43,657	-	-	43,657	43,657	-
		43,657	**-**	**-**	**43,657**	**43,657**	**-**
2016							
Payables	n/a	63,316	-	-	63,316	63,316	-
		63,316	**-**	**-**	**63,316**	**63,316**	**-**

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

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 2017.

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.

19.   Related Party Disclosures

Key management Personnel

The entity's key management personnel compensation are as follows:

	2017 $'000
Short-term employee benefits:	
Salaries	2,310
Other monetary allowances	-
Non-monetary benefits	52
Other long-term employee benefits	-
Post-employment benefits	-
Termination benefits	218
Total remuneration	**2,580**

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

Government-related Entities

During the year, Service NSW entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions in aggregate are a significant portion of its rendering of services/receiving of services.

Nature of transaction	Transaction Value $'000	Net receivable/ (payable) $'000
Sale of goods & Services	28,190	12,480
Purchases of goods & services	69,570	12,248

Services rendered to agencies that represent a significant proportion of the above transaction value are as follows:

	2017 $'000
Sale of goods & Services:	
iCare	8,668
	8,668

	2017 $'000
Purchase of goods and services:	
Roads & Maritime Services	40,878
Government Property	15,569
	56,447

20. Events After the Reporting Period

Service NSW is not aware of any events after the reporting period which have an impact on the financial statements.

End of audited financial statements.