



Annual
Report
2020-21



Our vision

We are a connected, trusted and caring part of NSW communities providing a world-class experience to access anything you need from the NSW Government in person, online or over the phone.

Our mission

We are committed to enhancing the quality of life in NSW by making it easy for people, businesses and communities to access the support and services they need.

Our values

- Passion
- Teamwork
- Accountability
- Service
- Integrity
- Trust

Author

Service NSW

Further information

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Contents

Letter of submission _____	2
Message from the Minister _____	3
Message from the CEO _____	5
About Service NSW _____	8
What we do _____	9
Our network _____	11
Year at a glance 2020-21 _____	12
Highlights of our year _____	13
Our People Matter _____	27
Looking ahead _____	28
Appendices _____	30
1. Customer response _____	31
2. Executive Leadership Team _____	33
3. Management structure _____	35
4. Workforce _____	36
5. Governance _____	48
6. Financial statements _____	62
List of tables _____	41
Compliance checklist _____	42



29 October 2021

The Hon Victor Dominello

Minister for Digital, Minister for Customer Service
GPO Box 5341
SYDNEY NSW 2001

Dear Minister

Service NSW Annual Report 2020-21

I am pleased to submit the annual report for Service NSW for the year ended 30 June 2021, 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*, the *Government Sector Finance Act 2018* and the regulations under those Acts.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Damon Rees', followed by a rectangular stamp or seal.

Damon Rees

Chief Executive Officer
Service NSW



Message from the Minister

Service NSW and the NSW Government have continued to demonstrate their commitment to the people of NSW during the significant challenges of 2020-21. The doors of our Service NSW centres stayed open, as dedicated Service NSW staff focused on providing essential services to NSW citizens and businesses impacted by drought, floods, bushfires and the global COVID-19 pandemic.

The world-class government assistance provided by Service NSW made a huge contribution to our State's ability to respond to these challenges, with Service NSW cementing itself as the flagship of the NSW Government and as a world leader in customer service.

This customer-centric service provided to NSW communities was supported by colleagues from the Department of Customer Service.

Service NSW's critical role in supporting the people of NSW has never been clearer.

To date, Service NSW has received over 1.05 million calls to its dedicated 24/7 COVID-19 hotline.

We have worked closely with various NSW Government agencies to deliver vital initiatives in response to the impact of COVID-19, such as the Dine & Discover NSW program, financial support for businesses, QR Code Check-In, and COVID-19 Safety Plans.

As part of the economic recovery efforts, Service NSW has been involved in the delivery of a range of grants, payment programs and vouchers to support the people and businesses of NSW.

Since the first payment program was launched in January 2020, Service NSW has paid out over \$1.11 billion in outward payments.

During this time we have continually focussed on capability improvements to the customer experience, systems enhancements, compliance and fraud control. The outward payments offering is now one of the key services delivered by Service NSW.

In July 2020, Service NSW delivered border permits to allow people to cross the NSW-Victorian border within 36 hours of the border closing.

In March 2021, when communities across NSW were left devastated by catastrophic storms and floods, Service NSW stepped in to help, deploying response teams to provide essential support and assistance to affected communities in approximately 80 Local Government Areas. The teams worked with residents to deliver tailored services based on individual needs.

Service NSW also launched Dine & Discover NSW in March 2021, to boost businesses impacted by COVID-19. To date, 14,189 businesses have registered to participate in the program. Over 9.5 million vouchers have been redeemed, with a total value of over \$236 million. On average, customers have spent an additional \$14 with each Dine and Discover voucher transaction, demonstrating the strong stimulatory impact of the program.

During 2020-21, Service NSW for Business continued its critical role providing 'one front door' for businesses to access NSW Government services, information and financial support. Through the delivery of these initiatives, it assisted over 97,670 businesses through the impact of COVID-19 and other disaster events.

In response to a new COVID-19 outbreak in June 2021 and new stay-at home orders for Greater Sydney, Service NSW continued to provide essential services across its network of 110 Service Centres, its call centres and business concierge service.

To date, it is estimated we have delivered \$4.2 billion in savings to the people of NSW from the Cost of Living program.

The Digital Drivers Licence, rolled out in October 2019, continues to be strongly supported by our customers. Over 3.1 million drivers in NSW now have a Digital Drivers Licence, accounting for more than 55 per cent of all drivers.

Service NSW is also trialing a digital version of the NSW Photo Card. More than 5,900 customers have downloaded their Digital Photo Card to date.

Service NSW has been instrumental in supporting the NSW Government's initiative to digitise trade licences. In March 2021, the white card (or general

construction induction card) was the first of these licences to be digitised and is available through the Service NSW app. As at 30 June 2021, over 83,000 digital white cards have been downloaded.

Service NSW is the envy of governments across Australia and the world. Our challenge is to maintain and support the extraordinary culture of this great agency and empower it to continue to deliver world-leading customer services to the people of our great State.

The Hon Victor Dominello

Minister for Digital, Minister for Customer Service

The transition of the Transport Info 131 500 contact centre to Service NSW was a great collaboration between two government agencies committed to delivering on the NSW Government's key priority of putting the customer at the centre of everything we do.

Stephen Tonkes, Transport for NSW



Message from the CEO

Service NSW delivers world-class one-stop-shop services for customers, businesses and our partner agencies across NSW. Our purpose has never been more relevant as we responded to the challenges of 2020-21, supporting the people of NSW and connecting them to the services they required.

The impact of floods, storms and the ongoing COVID-19 pandemic during this past year has seen us adapt, evolve and deliver significant outcomes for our personal and business customers – all at an incredible pace.

We have created an experience of government that is exceptional, caring, empathetic and helpful. And we have done this while facing our own challenges in how we provide services and where and how we work. Our proven ability to deliver is thanks to the amazing culture at Service NSW and the incredible strength of our teams and their dedication, passion and professionalism.

In 2020-21, three new service centres were opened in Engadine, Revesby and Roselands while we expanded our call centres into Maitland, Lithgow and Gosford. NSW residents now have more access to government services and transactions than ever before with a total of 110 service centres across the state, 69 of which are in regional NSW. Overall, we have 153 points of presence which includes the service centres, 32 council agencies, 10 digital self-serve kiosks, and four Mobile Service Centres, covering 99 per cent of NSW Local Government Areas. In addition, we have grown our digital services to cater to the growing customer reliance on digital technology as their preferred go-to means for accessing government services, particularly during the pandemic.

Over the past 12 months we assisted more than 180 million customers and paid out more than \$1.11 billion in grants and vouchers. There were also 1.69 million new MyServiceNSW accounts created during the year with 4.75 million active users recorded. Enhancements to the MyServiceNSW Account to enable the NSW Premier's Priority Government Made Easy initiative, means customers

only need to provide us their information or prove their identity once for 29 services. In addition to this, we have seen 5.5 million interactions through the Service NSW app, mainly driven by the COVID-Safe Check-in.

We are very proud of our work with customer care, assisting people and businesses to navigate and access support and services in times of need. One of our key successes in this area in 2020-21 included delivering crisis relief support to individuals and businesses. We partnered with Resilience NSW to respond to the March 2021 storm event. This response included staffing eight recovery centres, multiple council outreach hubs and mobile service centre outreach.

In response to the challenging circumstances brought about by the COVID-19 pandemic, Service NSW moved quickly, collaborating with our partners to improve access to government, community and private sector services. We assisted with the delivery of critical services including the development of the NSW Border entry permits in July 2020. We provided financial support for businesses. As part of our COVID-19 response, Service NSW recorded more than 336 million check-ins by customers using the COVID Safe Check-in app for the 2020-21 financial year to support contact tracing. We also delivered the Dine & Discover NSW program on behalf of the NSW Government in March 2021.

These programs were delivered in synergy with the very successful Cost of Living Program for our customers. To date it is estimated we have delivered \$4.2 billion in savings from the Cost of Living program with the average customer saving approximately \$680 through Cost of Living rebates and savings.

Service NSW for Business is committed to building on its mandate to be the 'one front door' for businesses to access NSW Government support and services, helping business owners to start, grow and operate in NSW. We now have 126,000 Business Concierge customers accessing case management services, with more than 20 million visits to the Service NSW for Business digital platform recorded in 2020-21.

We have created efficiencies, delivered improved technology and better customer outcomes through our Customer Engagement Integration Program. We migrated shop fronts from SafeWork NSW and the NSW Registry of Births, Deaths & Marriages into the Service NSW Service Centre network. The program also saw 300 team members from Revenue NSW and the Better Regulation Division join the Service NSW Contact Centre team along with the expansion of our call centres. To date, 1.9 million additional customers are now benefiting from being able to access their services via Service NSW. Overall, in 2020-21, we increased the number of our partner

agencies to 70, delivering approximately 1300 services on behalf of our partners. We delivered savings of \$1.8 million through better efficiencies with 13 entities migrating to Service NSW from the Department of Customer Service and Transport for NSW.

In all, it has been a very challenging year, but through all the change, the one thing that has remained constant is our focus on the customer, making it as easy as possible for customers to get the service they need, and making sure that we deliver an exceptional experience each and every time.

We have done an incredible job over the past year putting customers and communities at the centre of everything we do, and Service NSW is well placed to meet the challenges of the next 12 months.


Damon Rees
CEO
Service NSW



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Details of Service NSW locations, opening hours and the services available can be found at www.service.nsw.gov.au. This annual report has been produced by Service NSW using in-house resources only. An electronic copy of this annual report is available at www.service.nsw.gov.au, by email or by calling 13 77 88.





About Service NSW

Service NSW delivers world-class one-stop-shop services for our customers, business and our partner agencies.



**Service
NSW**

What we do

Service NSW prides itself on delivering a positive customer experience. It is our highest priority. We draw on the best in service delivery from the public and private sectors to provide leading customer experiences.

We have a wide reach, covering 99 per cent of NSW Local Government Areas, achieving a customer satisfaction score of over 96 per cent.

We make it easy for customers to access government services via our omni-channel network made up of Service NSW Service Centres, mobile service centres, contact centres, a website and the Service NSW app. We also provide a business concierge service for metropolitan and regional areas and a dedicated business digital platform.

We take great pride in being rated as one of the best places to work. This is reflected through the selfless dedication from our people to provide personalised assistance to the people of NSW when they need it most. Service NSW is accredited as a White Ribbon organisation, a reflection of our ongoing commitment to embedding a culture of non-violence, respect and gender equality within our organisation, to help ensure the safety and wellbeing of our colleagues, customers and communities. We are immensely proud to be a role model for the communities we serve.

Service NSW for Business provides 'one front door' for businesses to access NSW Government services, information and financial support. Case management services are available through dedicated Business Concierges across the State.

We help customers navigate the 70 plus different services and programs available across governments. Service NSW continues to play a critical role supporting communities, businesses, individuals and families who have been impacted by crises such as floods, fires, and the COVID-19 pandemic.

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

- Providing a customer-centric service for the NSW Government through a single point of contact,
- Transforming our customers' digital experience with government,
- Expanding access to face-to-face services across metropolitan and regional NSW,
- Supporting our people who help customers across NSW every day, and
- Building awareness of the services we offer and the brand we proudly stand behind.

We have a 98 per cent customer satisfaction rate for our Service NSW Centres, 97 per cent for our seven contact centres which field customer calls, and 95 per cent for our online experience. These satisfaction rates tell us that our customers appreciate the efforts of our passionate and dedicated team members, to make it easier for the people and businesses of NSW to access government services.

Our commitment to our partner agencies

Our partner satisfaction has grown from 71 per cent in October 2020 to 80 per cent in April 2021.

We cannot deliver anything in isolation. Everything we do is in partnership. We can only optimise the end-to-end outcomes for customers and government by working together. We are committed to working together collaboratively, respectfully and transparently. We will try to bring the voice of the customer and a whole of government perspective into every partnership. We value agility and the ability to respond quickly to agency and customer needs.







Our commitment to Government

We will help make the NSW Government the most customer-centric government in Australia. We will maintain an unwavering focus on building trust and engagement with the communities we serve and providing the people and businesses of NSW with an exceptional customer experience. We will respond quickly to the priorities of government and ensure that government programs are delivered quickly, cheaply and successfully for the people and businesses of NSW. We will work to continuously maximise the value, efficiency and productivity of Service NSW and ensure we maintain a lean, cost effective, high performing organisation.

Our commitment to our customers

As the service delivery face for the Department of Customer Service, we strive to deliver the NSW Government Customer Commitments to the highest standard, every time we interact with our customers.

Customer Commitments

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

Authorising legislation

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.

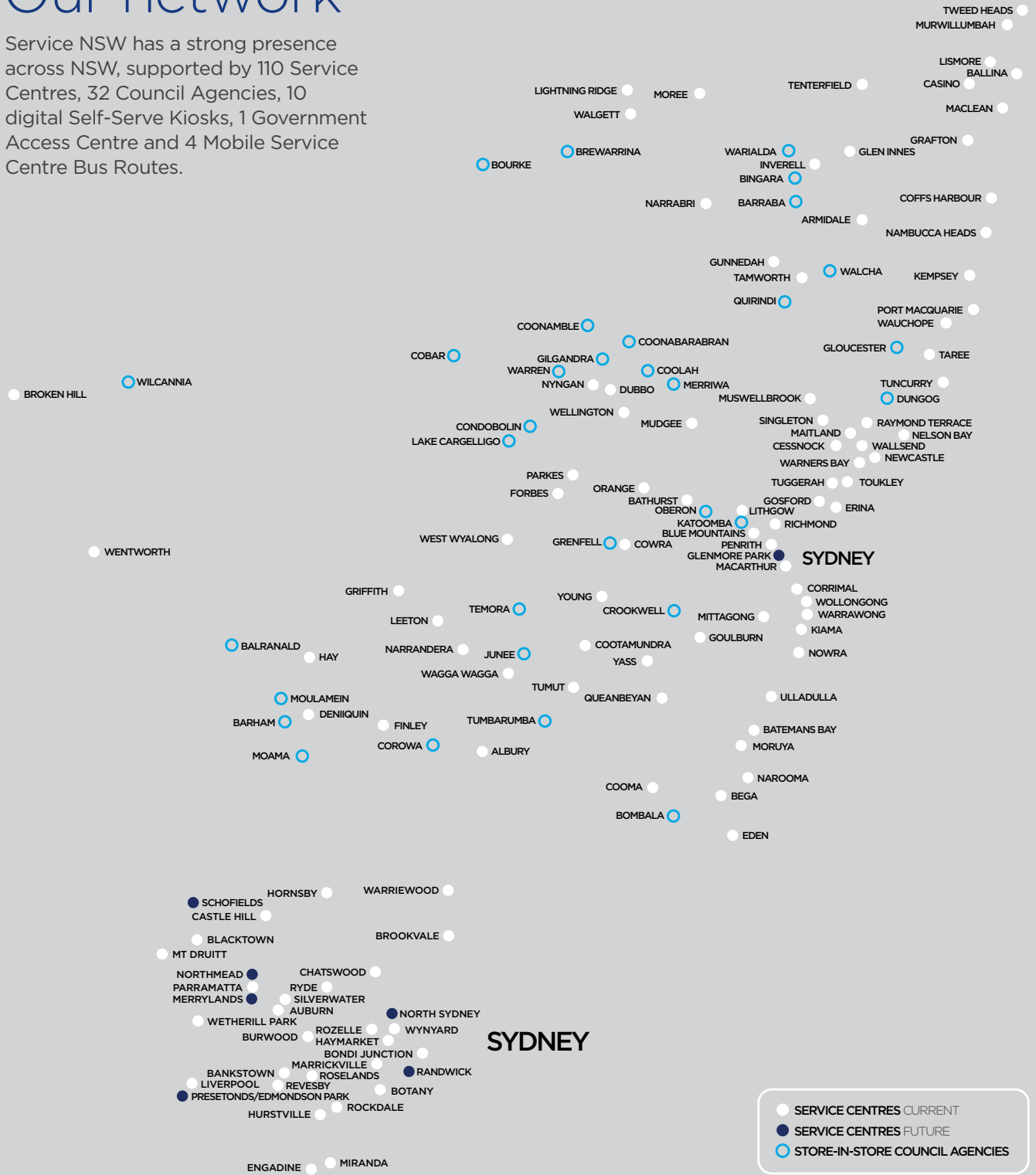
Service NSW's authorising legislation is the *Service NSW (One-stop Access to Government Services) Act 2013*, which came into effect on 21 June 2013. On 25 March 2020, amendments were made to this legislation by the *Better Regulation and Customer Service Legislation Amendment (Bushfire Relief) Act 2020* to extend the functions of the CEO of Service NSW (including performing functions relating to the delivery of Government services to the people of NSW, as directed by the Minister) and to provide for the waiver, reduction, postponement or refund of fees in particular circumstances.

On 24 February 2014, Service NSW was established as an executive agency and all parts of the Service NSW Division were transferred to Service NSW by the *Administrative Arrangements Order 2014*. From 1 July 2014, Service NSW was transferred to the Treasury and Finance cluster. It was transferred to the then newly created Finance, Services and Innovation cluster from 1 July 2015.

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

Our network

Service NSW has a strong presence across NSW, supported by 110 Service Centres, 32 Council Agencies, 10 digital Self-Serve Kiosks, 1 Government Access Centre and 4 Mobile Service Centre Bus Routes.



The year at a glance



Opened 3 new Service Centres in Engadine, Revesby and Roselands



116,538 customers served per week in our service centres



98.2 per cent customer satisfaction in Service NSW Centres



Opened 3 new Contact Centres at Maitland, Lithgow and Gosford



3.17m Digital Driver Licence downloads



7.01m MyServiceNSW accounts



2.71m Physical licences and cards issued



5.5m Active Service NSW app users



70 Partner agencies



126,000 Business Concierge customers



83,000 Digital White Card downloads



143,000 Business profiles created



95.3% Customer satisfaction for Digital Channel



34 Community outreach programs since 1 July 2020



162,929 Contact Centre calls answered per week



97 per cent Customer satisfaction for Contact Centres



\$1.11 billion paid in grants & vouchers



20.08m Visits to the Service NSW for Business Digital Platform

COVID-19

336m Check-ins by customers using the COVID Safe Check-in app



80% Partner satisfaction working collaboratively for continuous improvement



Highlights of our year

In 2020-21, Service NSW continued to strive to deliver exceptional customer service across all aspects of our business.

The following overall customer satisfaction ratings were achieved across Service NSW's key delivery channels: 98 per cent for Service Centres, 95 per cent for the Service NSW website, and 97 per cent for Contact Centres.

Service NSW is now accessible to more citizens than ever before, with 110 Service NSW Centres, 69 of which are in regional NSW. Overall, Service NSW has 153 points of presence which includes the Service Centres, 32 council agencies, 10 digital self-serve kiosks, and 4 Mobile Service Centres, covering 99 per cent of NSW Local Government Areas.

Service NSW assisted more than 180 million customers during the year in our Service NSW Service Centres, contact centres and on our website. This is a 159 per cent increase on the previous year which recorded 69.5 million interactions. In addition to this, we have seen 5.5 million interactions through the Service NSW app, mainly driven by the COVID-Safe Check In. Per month, the app has been downloaded by over 14 million unique devices. More than 3.4 million customers provided feedback on their experiences. Service NSW maintained a customer satisfaction score average of 96 per cent.

There were also 1.69 million new MyServiceNSW accounts created during the year. As at 30 June 2021, there were 7.01 million users, (up from up from 5.32 million in June 2020), with 4.75 million active users of MyServiceNSW Account for June 2021.

Delivery achievements

Supporting the response to floods

Service NSW partnered with Resilience NSW to respond to the March 2021 storm event. This response included staffing eight recovery centres, multiple council outreach hubs and mobile service centre outreach.

Our role involved triage of customers as well as providing business advice, assisting with applications for Resilience NSW recovery grants, and assisting customers to access other support via our updated disaster assistance finder.

Key highlights of Service NSW's flood response:

9,600+

customers triaged in recovery centres

3,800

individuals and families provided registration assistance

200+

flood appointments delivered for continued personalised support to customers as recovery centres closed

38,000+

calls received on the Disaster Welfare Assistance Line in our contact centres

4,300+

small business grant applications assessed with customer satisfaction at 97 per cent.

Helping the Community through the COVID-19 Pandemic

Service NSW has continued to play a critical role supporting the NSW community during the COVID-19 pandemic, adapting swiftly to the ever-changing situation with staff working tirelessly to support the NSW Government's response.

Working closely with various NSW Government agencies, Service NSW has assisted with the delivering of vital initiatives in response to the impact of COVID-19, such as Border Permits, the Dine & Discover NSW program, financial support for businesses, QR Code Check-in, and COVID-19 Safety Plans.

Key highlights:

- NSW Border entry permit went live for customers in just 36 hours in July 2020 – a collaborative effort with NSW Health, NSW Police and the Department of Premier and Cabinet,
- Service NSW received over 1.05 million calls to its dedicated 24/7 COVID-19 hotline,
- More than 19,000 enquiries have gone through its COVID live chat tool,
- 522 million COVID safe check-ins with 95 per cent thumbs up,
- 459,000 businesses have been onboarded with 185,000 actively using the QR code.
- 336 million check-ins by customers using the COVID Safe Check-in app for FY20/21,
- Over 4.5 million customer registrations and 14,189 participating businesses with Dine & Discover NSW as at 30 June 2021, and
- Over 9.5 million vouchers have been redeemed, with a total value of over \$236 million. Customer satisfaction was 97.6 per cent.

When COVID hit we had to pivot. Dine & Discover allowed us to do just that.

The rollout of the program was impressive.

App is great, easy to use, with quick repayments to the business.

Jet Jones, Dolphin Watch Cruises



CASE STUDY 1

Customer Care at the Heart

Personalised service passes savings on to customers

There's no question that individuals and families right across NSW are doing it tough. COVID-19 has brought increased pressures that have added to the costs of living in NSW.

Currently, up to 70 government rebates are available for households in NSW to alleviate cost of living pressures. However, many people aren't aware of available support and navigating the various savings customers are eligible for can be confusing.

When Jim Aston discovered he was eligible for a Senior's card, he phoned his local Service NSW Centre at Gregory Hills. After a detailed conversation with a dedicated Service NSW staff member, Mr Aston was surprised to learn how many rebates he was eligible for.

"I was really impressed with the service and think that more pensioners need

to know about it," he said. "I was unaware of all the available rebates and have now applied for assistance for rates, water, electricity and even a National Parks pass."

Thanks to the Cost of Living program Mr Aston was able to save himself just under \$2,400 and access recurring annual discounts off utilities and rates.

The Service NSW Cost of Living initiative assists households to identify and take advantage of NSW Government cost-saving measures, saving households an average of \$680.

People right across NSW can access the tailored service over the phone and at Service NSW Centres to discover what support is available to them.

To date it is estimated we have delivered \$4.2 billion in savings from the Cost of Living program.

Leading Government's Future Customer Service Strategy – Customer Care

Service NSW is expanding its customer care service, shifting towards more personalised and navigational services.

Customer Care delivers a personalised customer care service to support and empower Service NSW customers to tell their story once and locate and access the assistance they require in a caring and trusted environment, be it in person, online or over the phone.

Growing Customer Care services is a priority 'Greenhouse' initiative for Service NSW and one of 19 initiatives to be implemented to achieve the NSW Government's vision to become the world's most customer-centric government by 2030.

In the past two years, there has been a significant shift towards Customer Care Programs following an unprecedented accumulation of disaster events including bushfires, floods and a pandemic. The Bushfire Customer Care, Floods Customer Care and COVID-19 Hypercare programs provided personalised and navigational services which were supported with local tailoring and outreach. These programs were delivered in synergy with the very successful Cost of Living Program for our customers. Most of these programs were rapidly stood up in 2020-21 in response to customer needs.

Our Customer Care Strategy and Vision

Customer care is designed around the principles of 'tell us once' and 'no wrong door' and has the end-to-end customer journey in mind. Service NSW's role is to 'guide' customers through each step of their interaction with us via an omni-channel approach.

Our Customer Care Strategy has been developed with input from staff across Service NSW involved in delivering customer care programs, as well as customer insights – across disaster impacted customers, senior citizens and customers experiencing financial hardship. The strategy presents a service model blueprint and an action plan to implement a sustainable, scalable service into the future to ensure our people are adequately

supported to deliver customer care and our services are digitally enabled and integrated.

The vision for customer care is delivering a needs-based service with a no-wrong-door approach. Service NSW staff will help customers navigate information and services in a tailored way, and with empathy.

Customer Response

Customer research on the benefits of personalised support currently being provided by our customer care specialists show we are hitting the mark. Our customers have remarked:

- "It was quite comforting that someone wanted to know more about my needs."
- "It was unbelievable (to experience) the human side that has disappeared from most businesses."
- "We were told about a lot of things we didn't know we could get."
- "I try to go online first and do things myself but prefer to call straight away and speak to someone who knows and can figure out what the options are, rather than have to search and search."

Next Step

The next step is to deliver personalised support for customer cohorts beyond the Cost of Living program and disaster recovery support through a fully mobilised Customer Care Strategy. We will now look to add in new customer cohorts into the model over the next 12 months, uplift our Cost of Living program and grow the number of services and support offerings available. We will be doing this work with our partner agencies across government and the non-government sectors.

CASE STUDY 2

Digital Foundations & Agile Delivery Keeping our Community Safe

COVID-Safe Check-in - Keeping the Community Safe

Service NSW is committed to enhancing the quality of life in NSW by making it easy for people, businesses and communities to access the support and services they need.

Under COVID-19 Public Health Orders, NSW businesses are required to maintain contact records of customers who visit their premises to support contact tracing.

The COVID Safe Check-in provides businesses and customers with a contactless, secure and easy check-in solution. Digital records of those who have entered a business are vital to controlling the spread of COVID-19 within the community by enabling NSW Health to conduct contact tracing efficiently.

The COVID Safe Check-in system was introduced over two weeks in 2020, going live across NSW on 4 September 2020, leveraging and building on the existing customer base of 2.3 million Service NSW app users. Endorsed by the NSW Privacy Commissioner, the COVID Safe Check-in system replaced many business run check-in solutions that did not safeguard personal information.

“COVID Safe Check-in offers businesses and customers a free, secure, seamless and reliable solution to record visits to establishments for the purpose of COVID tracing,” Service NSW Principal Product Manager, Kiril Keis said.

“It has been widely adopted by customers with no data or security breaches recorded. All data is securely stored for 28 days, and only accessed by NSW Health if required for contact tracing.”

Mr Keis said that prior to the roll out, many smaller businesses had been relying on hardcopy records which customers filled out manually – a far less efficient way of capturing information for contact tracing than digital records.

COVID Safe Check-in is available to MyServiceNSW account holders while the Guest Check-in experience eliminates the need for users to have a MyServiceNSW account. Customers who don't have the appropriate technology when visiting venues, can be assisted by the business to complete their COVID Safe Check-in via a digital webform.



MyServiceNSW Account – making dealing with government easier

We are a ‘Network Leader’ through the provision of the MyServiceNSW Account. As the single front door for government services, we provide one place for customers to access, connect and manage all their digital services with the NSW Government.

Our services have expanded to include disaster recovery support and services with access to rapid assistance and information including rebates, vouchers, COVID-19 updates, and flood and bushfire assistance.

More than 1.69 million new customers registered for a new MyServiceNSW Account during 2020-21. As at 30 June 2021, there were 7.01 million users, (up from 5.32 million in June 2020), with 4.75 million active users of MyServiceNSW Account in June 2021.

Since its launch in October 2015, this phenomenal growth has been driven by customer demand for quick and mobile digital services, together with the roll out of digital services (such as the COVID Safe Check-in, Digital Driver Licence, vouchers, rebates and grants), with our business partners including Transport for NSW, NSW Health, NSW Treasury and the NSW Department of Education.

A customer’s digital profile in a MyServiceNSW account allows them to securely store personal details and validate identity credentials to simplify access to government transactions. Our partner agencies are also able to verify an individual’s credentials for other digital transactions.

Enhancements to the MyServiceNSW Account to enable the NSW Premier’s Priority Government Made Easy (GME) initiative means customers only need to provide us their information or prove their identity once for 29 services. This allows customers to provide their information to prove their identity once and save the details for reuse when adding other services.

In 2020-21, the key GME features that were introduced during this period included the launch of the Change of Address Service as a one-stop-shop for updating details with NSW Government (1.5 million customers every year), COVID-19 Check-in and notifications, and the Digital Identity Roadmap.

The MyServiceNSW Account has also driven part of a 11 per cent increase in digitisation in 2020-21

for key over-the-counter transactions. The MyServiceNSW has helped connect approximately 800,000 online roads licence renewals and upgrades to provisional licences that would have otherwise been done in a Service Centre over the past 12 months.

We have had:

- 522 million COVID Safe Check-ins with 95 per cent thumbs up,
- 459,000 businesses have been onboarded with 185,000 actively using the QR code,
- 6.38 million active app users checking-in, and
- Capability re-used to introduce the School Check-in within Service NSW app - in pilot with 39 schools.

Border permits

To contain the spread of the COVID-19 virus, NSW temporarily shut its border with Victoria at 11:59pm on Tuesday 7 July 2020.

Service NSW worked tirelessly to develop the NSW Border entry permits to allow people to cross the Victorian / NSW border as needed, all within 36 hours of the border closing. We had:

- 38,310 permits issued on 7 July 2020 (the application form was released on the evening of 7 July 2020),
- 115,648 permits issued in the first 24 hours from the evening of 7 July 2020,
- 1,966,298 permits were issued in total to 12.01am 23 November 2020, and
- Permits featured a QR code enabling NSW Police to check permit validity.

It’s a testament to the collaboration across the NSW Public Sector between NSW Health, NSW Police, the Department of Premier and Cabinet and the collective capability of the Department of Customer Service teams including Service NSW, Customer Delivery and Transformation, and Spatial Services, that we were able to respond to this rapidly evolving situation to protect customers and communities.



CASE STUDY 3

Delivering Critical Stimulus

Vouchers encourage people to discover Jervis Bay

Dolphin Watch Cruises hadn't missed more than two days cruising the beautiful waters of Jervis Bay in over 30 years until the pandemic hit.

Business Manager, Jet Jones said that COVID-19 forced the iconic family-owned business to dock their ships for the first time since opening.

"When restrictions lifted after the first lockdown, it was exciting to reopen, however we weren't having enough visitors to remain viable as 80 per cent of our previous customers were international visitors," he said.

"Without the financial support from the NSW Government and Dine & Discover, our iconic business would not be operational, let alone profitable.

"We've had thousands of Discover NSW voucher redemptions, and thanks to this scheme, we had record

numbers over Easter, not just a recent record, our busiest four-day weekend since we started 31 years ago.

"We've been impressed by how seamless it all is, the app is easy to use, and the money comes back to us quickly.

"The best part of Dine & Discover is the flow on effect. People cruise with us, and then visit other businesses here in Huskisson. It's great to see money flowing back into the region," Mr Jones said.

With the support of a dedicated Business Concierge, Dolphin Watch Cruises have been successful in applying for the 2020 Small Business COVID-19 grant (\$10,000), 2020 Small Business COVID-19 grant (\$3,000), Bushfire grants, Dine & Discover NSW and JobKeeper.

Customers embrace Dine & Discover NSW vouchers

In March 2021, Service NSW collaborated with NSW Treasury to deliver the Dine & Discover NSW program on behalf of the NSW Government.

This initiative was designed to boost customer attendance at arts and recreation, tourism, and hospitality businesses impacted by COVID-19 by providing vouchers to encourage NSW residents to go out, dine, and enjoy local attractions and activities.

All NSW residents aged 18 and over were able to apply for four \$25 vouchers: two Dine NSW vouchers to be used for dining and two Discover NSW vouchers to be used for entertainment and recreation, at participating businesses.

Following a change in the COVID-19 Public Health Orders and the introduction of stay-at-home orders in late June 2021, the scheme was successfully adapted to meet the needs and circumstances of NSW residents. These changes included extending the end date of the scheme and allowing Dine vouchers to be used for takeaway.

As at 30 June 2021, 14,189 businesses had registered to participate in Dine & Discover NSW. Over 9.5 million vouchers have been redeemed, with a total value of over \$236 million. Customer satisfaction was 97.6 per cent.

As at 30 June 2021:



\$236M vouchers redeemed and **\$379M** total customer spend – stimulating a strong economy in support of the NSW Premier's Priority



Population wide eligibility (customers over 18 years old) creating unprecedented customer and business impact



4 months from inception of the initiative to go-live, showcasing our agility and digital capability in action



97.6 per cent consumer thumbs up and 97.1 per cent business sentiment



Over **4.5M** customer registrations and **14,189** participating businesses



CASE STUDY 4

Partnerships at the Heart

Leading the way in government partnerships

Building strong partnerships across government allows Service NSW to deliver critical services and transactions to our customers and for our agencies.

In 2020, the Customer Engagement Integration Program migrated shop fronts from Safe Work NSW and the NSW Registry of Births, Deaths & Marriages into the Service NSW Service Centre network. The program also saw 300 team members from Revenue NSW and the Better Regulation Division, DCS, joining the Service NSW Contact Centre team and expanding our call centres into Maitland, Lithgow and Gosford. To date, 1.9 million additional customers are now benefiting from being able to access their services via Service NSW.

The recent transition of the Transport Info 131 500 contact centre to Service NSW has been one of these successes. Transport's Director Customer Operations, Stephen Tonkes, said Transport for NSW was delighted with the result of the partnership which was completed in June 2021.

"It's a great collaboration between two government agencies committed to delivering on the NSW Government's key priority of putting the customer at the centre of everything we do," Mr Tonkes said.

"The migration of Transport Info 131 500 into the Service NSW one-stop-shop provides an enhanced customer experience when accessing

government information and services. The agency partnership has enabled us to reduce duplication, deliver technology enhancements, develop new systems and improve operational efficiencies to support our customers.

"Transport for NSW is looking forward to future partnerships on the back of the success of this transition, which proves that a dedicated operating model is beneficial to not only the partner agencies, but the people of NSW."

Our Customer Engagement Integration Program also delivered some big wins for our Department of Customer Service colleagues in the Better Regulation Division when they moved teams across NSW Fair Trading, SafeWork NSW and the State Insurance Regulatory Authority (SIRA) to the new Genesys Cloud Telephony Platform on 4 June 2021.

"It brought immediate benefits to our front line SIRA Assist team," SIRA's Customer Experience Director, Tina Dougherty said. "The Genesys systems allows teams to be more agile to meet customer demand. It's easy to use and gives a much clearer picture in real time of our interactions with customers and stakeholders," Ms Dougherty said.

"Genesys also enables call recording and quality assurance, making it a one system solution for the SIRA teams. It made it possible for SIRA to support Service NSW."

Delivering with our partners

In recognition of the strong synergies between the work performed by the Projects and Partnerships teams, these teams were brought together under the leadership of Mandy Young, Executive Director, Partnerships, Projects and Insights in February 2021.

During 2020-21, we increased the number of our partner agencies to 70, delivering approximately 1300 services on behalf of our partners. We delivered savings of \$1.8 million through better efficiencies with 13 entities migrating to Service NSW from the Department of Customer Service and Transport for NSW.

We have played a critical role in supporting the State's response to COVID-19 and natural disasters, stepping in quickly to partner with various state, local and federal agencies and non-government organisations to define and deliver targeted support to businesses and customers.

These services include the COVID Safe Check-in to support contact tracing; Dine & Discover NSW to support the arts and recreation, tourism, and hospitality businesses that have been heavily impacted by COVID-19 through a lack of attendance; and grants for small businesses and not-for-profit organisations directly impacted by the NSW storms and floods. We have supported our programs with real time insights via dashboards delivered directly to partners to enable program decision making at scale.

We have continued to build on the trust, confidence and satisfaction of our partners. We are widely recognised as the go-to place for support with crisis response programs and initiatives.

Together with our partners, we lead change on how Service NSW delivers services by creating more options for agencies and customers. We continue to grow the number of transactions digitally available through Service NSW. By creating a digital option for customers, Service NSW can continue to deliver critical transactions without customers needing to visit service centres.

We continue to expand on the success of digital licencing. The Digital Drivers Licence has been strongly supported by customers, with over 3.1 million drivers in NSW now having a Digital Drivers Licence since becoming available in October 2019. Customer satisfaction has consistently tracked at over 94 per cent.

Following on from the success of the Digital Drivers Licence, in February 2021 Service NSW initiated a trial for a digital version of the NSW Photo Card. The card can be used to prove a person's age, identity and address. As at 30 June 2021, more than 5,900 customers had downloaded their Digital Photo Card. Customers have given the card the 'thumbs up' with satisfaction consistently tracking at over 98 per cent.

We are working on digitising trade licences and we launched the first digital licence, known as the white card (or general construction induction card), in March 2021. As at 30 June 2021, over 83,000 digital white cards have been downloaded.



CASE STUDY 5

Delivering Critical Support for Small Business

Business Concierge support helps cafe survive the pandemic

Business at a bustling inner city bagel store took a turn for the worse when the 2020 COVID-19 outbreak resulted in a lockdown of the Sydney CBD. Without its usual clientele of city workers and tourists, the Kansas City Shuffle cafe was left mostly deserted.

Owner Benjamin Sweeten said the impact of the lockdown was brutal for the business he had spent over seven years building.

“Financially, it was devastating. I was forced to let over 15 staff go, our 110-seater cafe was barely surviving by a trickle of takeaway,” Mr Sweeten said.

With the support of a dedicated Service NSW Business Concierge, Mr Sweeten was able to secure grants to alleviate cash flow restraints and pandemic-proof his business. He enrolled in an e-commerce course, which enabled him to move Kansas City Shuffle online and offer catering.

“It was actually my Business Concierge that suggested I enrol in the course; without her guidance my bagel business would be toast,” Mr Sweeten said.

“The service is second to none. My Business Concierge was always there and available. She walked me through grant application processes, called to check if I had any questions and even helped me secure my responsible service of alcohol accreditation and liquor licence,” he said.

“Without their support, Kansas City Shuffle wouldn’t be the resilient business it is today.

“Now, as NSW experiences additional lockdowns, it’s more important than ever to have a relationship with a dedicated Business Concierge. They know the local area and understand what businesses need to do to survive during a pandemic.”

Supporting NSW businesses to start, run, adapt, recover and prosper

During 2020-21, Service NSW for Business continued its critical role providing 'one front door' for businesses to access NSW Government services, information and financial support.

Service NSW for Business provides case management services through dedicated Business Concierges across the State. It has developed and enhanced a range of digital products including the Service NSW Business Profile, a centralised digital platform for businesses to interact with and access government information, products and support.

In 2020-21, Service NSW for Business delivered several NSW Government grant programs and initiatives to support businesses through the impact of COVID-19 and other disaster events, including the:

- Small Business COVID-19 Recovery Grant of \$3,000,
- Small Business Fees and Charges Rebate of \$1,500,
- Dine & Discover NSW to support dining, arts and recreation, tourism and hospitality businesses,
- Northern Beaches Small Business Hardship Grant for small businesses and not-for-profit organisations impacted by the late 2020 shutdown period,
- Southern Border Small Business Support Grant to help businesses impacted by the southern border closure in 2020,
- Export Assistance Grant of \$10,000,
- Jobs Plus Program,
- Flood Disaster Recovery Small Business Grant for businesses affected by the NSW storms and floods in February and March 2021, and
- NSW Mouse Control Rebate to support businesses affected by the NSW mouse plague.

More than 97,670 businesses were assisted through these initiatives, which included:

- \$109 million distributed to 36,640 businesses for the Small Business COVID-19 Recovery Grant,

- \$16.8 million to 68,775 businesses for the Small Business Fees and Charges Rebate, and
- \$11.5 million to 2,438 businesses for the Northern Beaches Small Business Hardship Grant.

Ongoing support was also provided to bushfire grant applications which were extended to December 2020.

By 30 June 2021, 14,189 businesses had registered for the Dine & Discover NSW program. Call volumes to the Business Concierge team surged in 2020-21 – approximately 124,500 inbound calls were received from businesses and over 130,800 outbound calls were made.

The Service NSW Business Concierge team completed 46,340 outreach visits to connect with local business communities in metropolitan and regional NSW to help them understand their business obligations during the COVID-19 pandemic. This included educating businesses on the mandated use of the Service NSW COVID Safe Check-in QR code, the requirement to have a COVID-19 Safety Plan, as well as promoting key initiatives such as Dine & Discover NSW.

During 2020-21, Service NSW for Business developed a suite of digital products to help businesses easily apply for grants and interact with NSW Government in a more streamlined way. This included the ability to digitally lodge new liquor licence amendment forms and digitising the NSW asbestos and demolition licence applications and the release of the MyBusiness App. Service NSW for Business has supported the delivery of 13 of the Government Made Easy transactions during the year.

Over 112,400 businesses signed up for a Service NSW Business Profile during 2020-21. The Service NSW Business Profile (which enables businesses to manage all their transactions with government in one place) was enhanced with improved functionality and the ability to accommodate the growing number of grant application processes.



CASE STUDY 6

Our People and our Communities at the Heart

White Ribbon Accreditation

Service NSW has an ongoing commitment to embedding a culture of non-violence, respect and gender equality to ensure the safety and wellbeing of our colleagues, customers and communities.

As an organisation that is almost 70 per cent female, our efforts in this space are close to the hearts of all our teams across Service NSW.

In November 2020, Service NSW was accredited as a White Ribbon organisation which was met with an overwhelmingly positive response from our staff. We are immensely proud to be a role model within the communities in which we serve.

It is part of our cultural DNA at Service NSW to advocate for all people including our staff, customers and broader communities. White Ribbon accreditation aligns to this objective and assists us in meeting the NSW Premier's Priority of 'Breaking the Cycle of Disadvantage'. A key measure of this priority is the aim of reducing domestic violence reoffending by 25 per cent by 2023.

Since we embarked on the accreditation journey more than two years ago, Service NSW has introduced our Domestic and Family Violence leave policy and provisions. Training has been introduced to better support each other and ourselves.

We have also enabled our staff to form relationships with their communities, through our relationships with clothing charity *Dress for Success* and local women's shelters which provides staff with pathways to engage in tangible and meaningful ways.

Service NSW has committed to employing women who have recently been victims of domestic violence and are wishing to reenter the workforce. Two women have recently been employed into the network, recruited via relationships with various women's shelters.

Staff have volunteered to be trained as Domestic Violence Support Officers and have been well utilised by colleagues who are looking for assistance when they or a loved one experience domestic violence.

Our Domestic and Family Violence Standard Operating Procedure has been finalised. This document outlines Service NSW's approach to how domestic and family violence is addressed from an organisational perspective and will assist Service NSW employees in identifying and supporting those who could be victims of domestic and family violence.

Service NSW has also launched an awareness campaign regarding an unspoken hand signal which victims can use if they are wanting to disclose they are in an unsafe situation and the perpetrator is within earshot. Staff have been trained to alert their manager if a customer uses the hand signal, and a range of safe procedures can be utilised to assist the victim, including moving to a private space or calling police.

It is a great source of pride for Service NSW to be able to support staff and customers in this important work.



Leading Community Engagement

Service NSW has continued to expand our work with various government and non-government agencies, contributing to the NSW Premier's Priority of breaking the cycle of disadvantage and ensuring we put the customer at the centre of everything we do.

This includes our work assisting customers affected by the March 2021 floods which particularly impacted our Mid-North Coast communities. Service NSW assisted in opening eight recovery centres and various council outreach hubs. The recovery centres were visited by approximately 9,700 people, with around 3,800 households and individuals registering with Service NSW for available support and assistance.

To continue building cultural capability, the Service NSW Cultural Program launched the Aboriginal and Torres Strait Islander Toolkit and other resources, with the aim of creating an inclusive environment for Aboriginal and Torres Strait Islander customers and communities. The toolkit was successfully piloted at 21 Service Centres and four Mobile Centres, supported by 15 Service NSW for Business employees.

Pilot locations also used plaques, polo shirts, posters, brochures, tablecloths and banners to assist with promoting Service NSW when engaging in Aboriginal and Torres Strait Islander communities. We have also recruited 14 Aboriginal Trainees through our Aboriginal Traineeship Program which is a 12-month program aimed at providing young people an opportunity to work within the public sector.

Service NSW also released a Charity Calendar, partnering with charity organisations (such as The Smith Family, Royal Far West and St Vincent de Paul) to raise over \$27,000, which provided resources to customers and community members affected by homelessness, financial disadvantage and lack of access to medical care.

In June 2021, Service NSW also launched the Vulnerable Customer Support Toolkit, an online resource for front line employees assisting vulnerable customers. This resource consolidates information on local organisations and empowers staff to build further community connections which can help provide necessary support services.

Service NSW continues to engage refugee interns into our Refugee Internship Employment Program. In 2020-21, Service NSW engaged 33 refugees to support our frontline teams and culturally diverse communities in the Greater Sydney region. The program has a 96 per cent retention rate with our refugee interns employed in temporary and ongoing roles across the NSW Public Sector. Since its introduction in 2017, we have now employed 72 refugees through this program.



Our People Matter

At Service NSW we value our people and the diversity of skills and experiences they bring with them. We strive to create a positive team culture that is inclusive and values diversity, innovation and creativity.

In the 2020 People Matter Employee Survey, we had a 92 per cent participation rate and a 76 per cent engagement score. We had a significant positive shift in the pride our people felt being a part of the Service NSW team, with 84 per cent of our people saying they were proud to say they work with us.

Our people are committed to delivering great customer service with 92 per cent of our people saying that we strive to achieve customer satisfaction. It's pleasing to see with all the disruption over the past 12 months that 88 per cent of our people felt that Service NSW was responding well and adapting to the changing landscape, along with over 75 per cent of our people indicating that we are making improvements to meet future challenges.

Culture Amp

In 2020, we introduced an employee survey tool, Culture Amp, to help support ongoing focus and action on improving the engagement and experience of our people.

Since its implementation we have conducted three short, pulse style surveys. Each of these surveys have shown a consistent firming of our strong engagement score, which is now sitting at 75 per cent.

With the increased activity and challenges presented with the COVID-19 pandemic, we sought feedback from our people on their wellbeing, which showed a need for focus in this area. As a result, we have implemented a range of support programs including specialist wellbeing sessions with experts to provide advice and ideas to action.

Our leaders have also been supported to assist their people through targeted learning, resources and tools, which have all been well received. This has resulted in consistent feedback from staff on their ability to manage both personal and work demands.

BRAVO Awards

Throughout the year, we recognised teams and individuals who went above and beyond to make a difference to our customers. This peer recognition was celebrated through the monthly '*Being Recognised as a Valuable member of our Organisation*' (BRAVO) Awards. In 2020, we received 1,013 BRAVO nominations recognising the exceptional contribution of our team members.

Service NSW Awards

Since 2013, the Service NSW Awards has recognised Service NSW employees for outstanding customer service.

The ceremony is the annual culmination of the employee recognition program which includes monthly awards. The night is about bringing people together to say thank you. In 2020, the ceremony was held virtually for the first time ever with Service NSW teams gathering in more than 70 locations across NSW to watch a livestream of the awards ceremony and celebrate achievements in a COVID-safe manner.

A common theme was evident among the nominees and award winners – ranging from devastating natural disasters, to a global pandemic. A great majority of the winners were noted for their leadership, resilience and extraordinary work ethic during a year of adversity.

In 2020, 18 winners were recognised for outstanding services including our frontline teams who helped us keep the doors of our service centres open as we continued to provide outstanding customer service to NSW citizens throughout 2020-21.



Looking ahead

Having joined the newly formed Department of Customer Service on 1 July 2019, Service NSW has continued to expand our partnerships, develop our people's skills and embrace their diversity, to offer NSW citizens and businesses personalised service delivery.

Growing our Customer Care services is a priority initiative for Service NSW so we can continue to support the people of NSW in these difficult times. Our Cost of Living service will be expanded in 2021-22 to help customers access the full range of benefits available to them. This support will make it easier for customers to find and apply for government rebates and savings and access personalised support.

Everything we do at Service NSW we do in partnership with some other area of government or other organisations. We work together with our partners to deliver a great end-to-end experience for customers. But it is just as important that Service NSW is a great place to work and we are committed to continuing to engage and empower our staff so they can deliver the very best for the people, communities and businesses we serve.

We incorporate leading-edge data analytics and behavioural insights to tailor our service offerings for our customers to make it easier for them to deal with government. The year ahead provides opportunities for us to continue innovating through partnership collaborations, and to continue transforming our digital service offerings to provide increasing value for NSW citizens.

Our focus will continue to broaden from a purely transactional service to a navigational and relationship-based service allowing us to help our customers navigate services and programs across the NSW Government. Our focus on supporting the businesses of NSW will continue to grow through Service NSW for Business, our one-stop-shop for business.

We will continue to grow our customer care role, supporting the people of NSW impacted by crises (such as floods, fires, the COVID-19 pandemic and other hardships) to navigate and access the support that is available in their recovery.

The next step is to deliver personalised support for customer cohorts beyond Cost of Living and disaster recovery through a fully mobilised Customer Care Strategy. We will look to add in new customer cohorts into the model over the next 12 months, uplift our Cost of Living program and grow the number of services and support offerings available. We will be doing this work with our partner agencies across government and the non-government sectors.

Expanding our network

Service NSW has a strong presence across NSW, supported by 110 Service Centres, 32 Council Agencies, 10 digital Self-Serve Kiosks, one Government Access Centre and four Mobile Service Centre Bus Routes.

In 2020-21, three new service centres were opened in Engadine, Revesby and Roselands in metropolitan Sydney, demonstrating our commitment to ensuring that NSW residents have more access to government services and transactions. Service NSW has committed to opening seven further service centres by the end of June 2023.

Transforming digital services

Service NSW is making it easier for citizens and businesses to access a trusted, safe, and primed service across their channel of choice. We are transforming digital services online, instore, and over-the-phone to provide better outcomes for citizens and businesses. Service NSW will engage with data and insights to deeply understand our customers' needs and continue to build our digital foundations and capabilities to provide a more personalised, tailored and efficient customer experience. Service NSW is also partnering with the Federal Government for necessary services, along with many recovery grant programs.

Helping our customers with their cost of living

The Cost of Living program was initially conceived as a one-on-one appointment with a Support Service Specialist, to help customers easily navigate and apply for all NSW Government rebates and

savings to suit their individual circumstances. Since being introduced in 2017, the program has expanded to include offerings from non-government organisations and local community groups. This is largely due to community engagement activities driven by the Support Service Specialists, who work hand-in-hand with organisations to ensure that their customers can access the rebates and savings that they are entitled to.

We continue to look at ways to improve the customer experience when it comes to providing assistance and savings for customers. Through Cost of Living rebates and savings, the average customer saved approximately \$680. Service NSW will ensure that the Cost of Living program remains an integrated part of our customer service model and is fit-for-purpose moving forward.

Support for businesses in NSW to start, run, adapt, recover and grow

Service NSW for Business is committed to building on its mandate to be the 'one front door' for businesses to access NSW Government support and services by connecting businesses to the support they need. We will do this by partnering with NSW Government agencies and local councils in the year ahead.

Our commitment to support businesses through the COVID-19 pandemic as well as through natural disasters is stronger than ever. We are working to make access to support easier for businesses across NSW through the expansion of our digital product portfolio and by improving our business customers' digital experience. This includes continuing to add functionality to the Service NSW Business Profile which enables businesses to manage their transactions and interactions with the NSW Government in one place.

We know that customers benefit from our Business Concierge service and we are looking to increase access to this service by utilising technology and utilising our dedicated workforce across metropolitan and regional NSW. A key part of our ongoing journey is to improve our understanding of business needs across NSW so we can tailor our services and support businesses to start, run, adapt, recover and grow.

Licensing reform

We continue to expand on the success of digital licensing. The Digital Drivers Licence has been strongly supported by customers, with over 3.1 million drivers in NSW now having a Digital Drivers Licence since becoming available in October 2019. Customer satisfaction has consistently tracked at over 94 per cent.

Following on from the success of the Digital Drivers Licence, in February 2021 Service NSW initiated a trial for a digital version of the NSW Photo Card. As at 30 June 2021, more than 5,900 customers had downloaded their Digital Photo Card. Customers giving the card the 'thumbs up' with satisfaction consistently tracking at over 98 per cent.

We are working on digitising trade licences and we launched the first digital licence, known as the white card (or general construction induction card), in March 2021. As at 30 June 2021, over 83,000 digital white cards have been downloaded.

Helping our citizens make informed career decisions

The Careers NSW service represents an innovative partnership between Service NSW and the NSW Department of Education. This initiative is a key recommendation in the Review of the NSW vocational education and training sector led by David Gonski and Professor Peter Shergold. Service NSW and the NSW Department of Education are working together to deliver a pilot in September 2021. Key insights gathered from the pilot will inform the rollout of the full Careers NSW service in mid-2022.

Once established, Careers NSW will see NSW citizens provided with access to career guidance during any stage of their career. Students and people looking to change careers or further develop their skills will have access to tailored career advice and support information wherever they live in NSW. Careers NSW will also see the establishment of an extensive volunteer ecosystem which will allow people to be guided by the experiences of workers ingrained in the industries they are looking to enter.

Appendices

1 Customer response

2 Executive Leadership Team

3 Management structure

4 Workforce

- a. Senior executive
- b. Female senior executive roles
- c. Workforce profile by employment category
- d. Number of Executive Officers and remuneration
- e. Movements in wages, salaries or allowances
- f. Diversity
- g. Workforce diversity report
- h. Multicultural Policies and Services
- i. Agreements with Multicultural NSW
- j. Disability Inclusion Action Plan
- k. Work Health and Safety
- l. COVID-19 policy
- m. Personal policies and practices
- n. Industrial relations policies and practices

5 Governance

- a. Service NSW Audit and Risk Committee
- b. Risk management
- c. Internal Audit
- d. External audit
- e. Insurance
- f. Internal audit and risk management policy attestation statement
- g. Cyber security annual attestation statement
- h. Government Information (Public Access) Act 2009 (GIPA Act)
- i. Privacy
- j. Public Interest Disclosures
- k. Legal change
- l. Significant Judicial Decision
- m. Payment of accounts
- n. Time for payment of accounts
- o. Overseas travel
- p. Payments to consultants
- q. Funds granted to non-government community organisations
- r. Research and development
- s. Changes after the reporting period
- t. Land disposal
- u. Major works in progress (projects over \$1 million)

6 Financial statements

1 Customer response

Service NSW Service Centres

Our customers can provide feedback or make a complaint at our Service NSW Service Centres, by telephone, to our contact centres, via email, through mail or on our website via our Contact Us page or the Feedback Assist tool.

During 2020-21, we assisted more than 180 million customers in our Service NSW Service Centres, contact centres and on our website – up 159 per cent from 69.5 million customers in 2019-20. More than 3.4 million customers provided feedback on their experiences. Service NSW maintained a customer satisfaction score average of 96 per cent:

- 98 per cent for our Service NSW Service Centres,
- 97 per cent for our seven contact centres which field customer calls, and
- 95 per cent for our online experience.

Service NSW received 4,378 customer complaints about our services, with 4,338 of these issues resolved. Service NSW also received 1,988 customer complaints about our partner agencies. Some of the complaints were received late into 2020-21 or were of a complex nature and will be carried over into 2021-22.

The five main customer issues in 2020-21 were:

1. Service Centre – transaction error, customer service (attitude) incorrect/unclear information provided,
2. Driver Testing/Computer knowledge tests – wait times, request for review,
3. Contact Centre – transaction error, customer service (attitude), incorrect/unclear information provided,
4. COVID-19 – QR code, Service Centre hygiene practices, grant applications, and
5. Website, Service NSW app, MyServiceNSW Account – information not clear, technical issues.

The five main customer issues in 2019-20 were:

1. Service Centre – transaction error, customer service (attitude) incorrect/unclear information provided,
2. Driver Testing/Computer knowledge tests – wait times, request for review,

3. Website, Service NSW app, MyServiceNSW Account – information not clear, technical issues,
4. Contact Centre – transaction error, customer service (attitude), incorrect/unclear information provided, and
5. Payment issues – credit card, PayPal, merchant fees.

In 2020-21, there was a 35 per cent increase (in absolute terms) in the number of customer complaints, while the average number of complaints by customer interaction decreased by 54 per cent in 2020-21. This is in the context of the evolving COVID-19 pandemic as the different restrictions changed the way in which our service was delivered. This included the following:

- Driver testing being suspended for a period of time,
- Adoption of new procedures in response to COVID-19 restrictions such as customer limits within a Service Centre, and
- Contact Centre continuing to support a 24/7 COVID-19 hotline.

The Customer Resolution team worked with both internal teams and partner agencies to resolve customer issues that were made more challenging due to the COVID-19 restrictions. This included the first issue of Photo Cards and the renewal of driver licences and vehicle registrations where the customer was required to attend a Service Centre.

The Customer Resolution team also worked with internal teams to improve the delivery of our products and services. Dine & Discover NSW was launched in early 2021 to stimulate spending across the dining and events industries. As a result of customer feedback, various enhancements were made to the program, including:

- The development of a process where those that held a Power of Attorney could apply for the Dine & Discover NSW vouchers on someone else's behalf, and
- The development of a more comprehensive over the phone process to apply for the vouchers.

Service NSW for Business

During 2020-21, the Service for Business Customer Resolution team received 13,364 enquiries and resolved 13,296, with the remainder resolved in July 2021. The team also responded to 420 items of Ministerial correspondence.

Enquiries and complaints were predominantly from business customers seeking financial assistance through stimulus packages and grant support. This support has included: COVID-19 business grants, bushfire recovery assistance, the Dine & Discover NSW program, small business fees and charges rebate, flood disaster recovery small business grants, mouse control rebates, and payroll tax support.

The five key issues raised by business customers were:

- Processing and payment delays for grant and rebate financial support,
- Applicants not able to meet eligibility criteria or unable to apply for business grants and rebates,
- Compliance checking for supporting documentation for grants, rebates and Dine & Discover NSW,
- Review of decisions - applicants deemed not eligible for business financial support, and
- Businesses seeking exemption to participate in the Dine & Discover NSW program.

We welcome feedback and complaints from our customers. This information is used to address issues requiring further action such as providing targeted training for our teams. We will also continue to identify emerging trends and customer pain points and work with our internal teams and partner agencies to improve the overall customer experience.

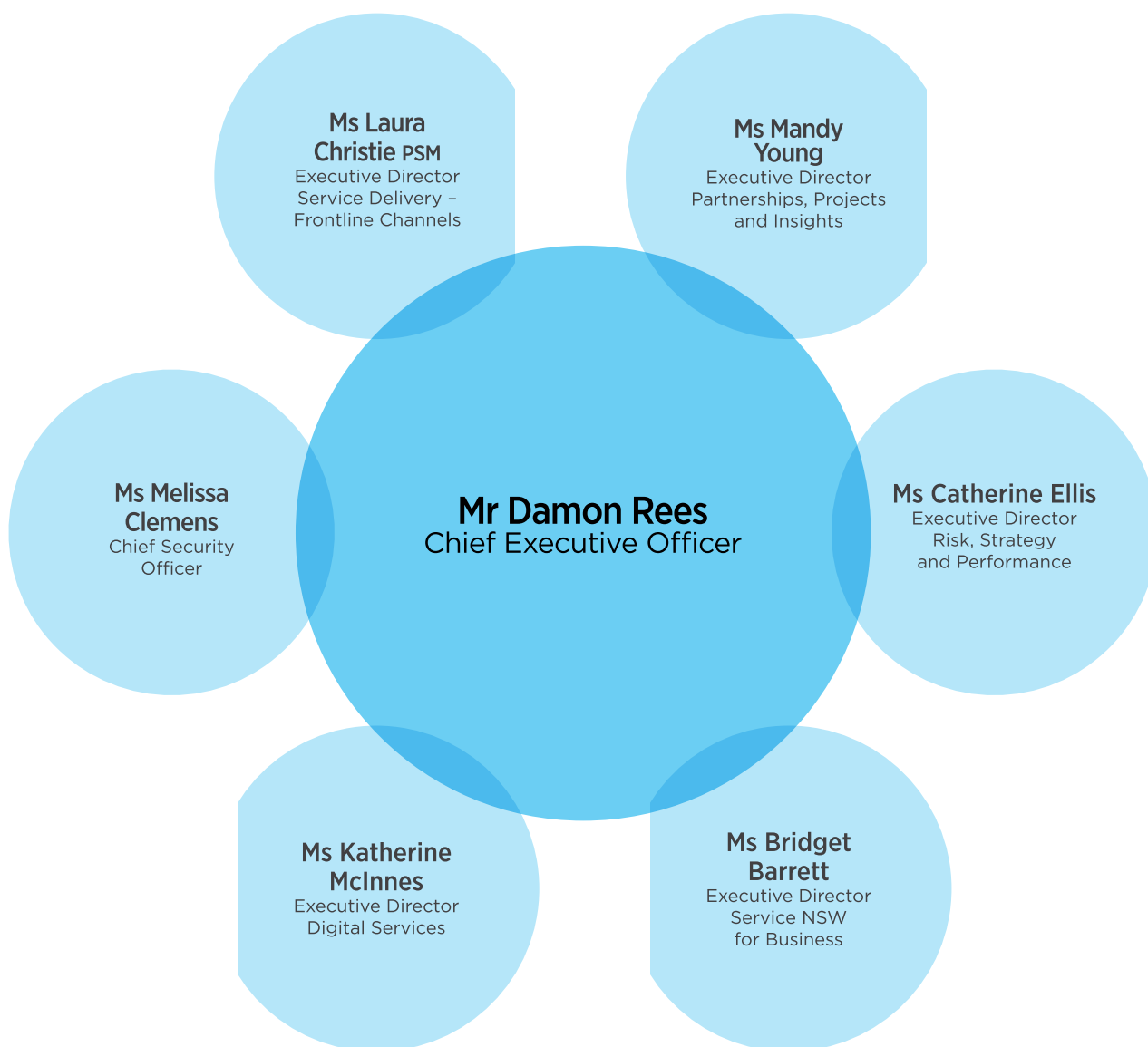
2 Executive Leadership Team

Table 1. The table below reflects the Executive Leadership Team as at 30 June 2021

Name and Qualifications	Role	Overview
<p>Mr Damon Rees Executive Master of Business Administration Bachelor of Information Technology</p>	<p>Chief Executive Officer (CEO)</p>	<ul style="list-style-type: none"> • The CEO is responsible for the strategic leadership and operational performance of Service NSW. • The CEO leads, drives and shapes reform of integrated transactional customer service delivery, in line with the Service NSW Strategic Roadmap and NSW Government priorities for customer service delivery. • The CEO leads the Service NSW strategic direction to ensure the delivery of timely, integrated and cost-effective transactional service delivery to customers and businesses and meets the NSW Government's commitment to simplify customer access to government services.
<p>Ms Mandy Young Bachelor of Social Work</p>	<p>Executive Director Partnerships, Projects and Insights</p>	<ul style="list-style-type: none"> • The Executive Director Partnerships, Projects and Insights, leads strategic program management and onboards and maintains services on behalf of partner agencies spanning across all levels of government (local, state and federal) and includes non-government organisations. • The role leads in end-to-end relationship management including service improvements and optimisation, project delivery and enterprise change. This includes delivery of government priorities and supporting other agencies in the delivery of key initiatives through Service NSW. • Additionally, Partnerships and Insights provide expert advice on related matters to influence strategy, decision and initiatives, analytics and reporting, to recommend opportunities for performance improvement.
<p>Ms Laura Christie PSM Bachelor, Economics and Social Sciences (Honours)</p>	<p>Executive Director Service Delivery - Frontline Channels</p>	<ul style="list-style-type: none"> • The Executive Director Service Delivery - Frontline Channels, leads our Service NSW shop fronts across metro, regional and rural NSW, our Contact Centre Channel, as well as our Mobile Service Centres, Council Agencies and Live Chat Function. • The Executive Director oversees the delivery of the majority of Service NSW's customer interactions with our customers in person or over the phone, with a key focus on improving and optimising these services with learnings from customer feedback. With over 2,000 teammates in Service Delivery, Laura and her team also have a key responsibility for ensuring that Service NSW remains a great place to work for our people.

Name and Qualifications	Role	Overview
<p>Ms Melissa Clemens Harvard Kennedy School - Executive Education</p>	<p>Chief Security Officer</p>	<ul style="list-style-type: none"> • The Chief Security Officer’s purpose is to build trust with customers and staff. The role is responsible for addressing challenging security issues, upholding the agency’s security risk appetite, being transparent in its dealings and laying the foundation for government in providing a more secure future for the community. • The role provides an integrated approach to detecting, preventing, and responding, which empowers Service NSW to truly transform how it delivers services to customers.
<p>Ms Katherine McInnes Bachelor of Business</p>	<p>Executive Director Digital Services</p>	<ul style="list-style-type: none"> • The Executive Director Digital Services is driving the global standard in digital excellence. The role strives for customer care with a focus on empowering the agency to become world-class in delivering customer-centric technology and services. • The team is responsible for leading the NSW Government’s one-stop-digital-shop to ensure government services are accessible, reliable and easy to navigate for the diverse citizens of NSW.
<p>Ms Bridget Barrett Master of Commerce, Workplace Reform and Change Management</p>	<p>Executive Director Service NSW for Business</p>	<ul style="list-style-type: none"> • The Executive Director Service NSW for Business leads a team that makes it easier for businesses across NSW to start, run, adapt, recover and prosper. Service NSW for Business provides one front door for businesses to access government information and services. • The team is responsible for delivering a range of services to assist businesses across NSW, including a digital Business Profile for businesses to manage their interactions with government in one place, personalised Business Concierge support and ensuring businesses can access a range of government stimulus packages during disasters such as bushfires, floods and the COVID-19 pandemic.
<p>Ms Catherine Ellis Graduate, Australian Institute of Company Directors (GAICD) Master of Arts Bachelor of Business</p>	<p>Executive Director Risk, Strategy and Performance</p>	<ul style="list-style-type: none"> • The Executive Director Risk, Strategy and Performance leads Service NSW’s strategic planning and business performance, risk, fraud prevention and privacy and information governance functions, working together with security, frontline, digital, projects and partnerships teams to continually uplift our governance functions to ensure they support the increasingly diverse and complex products and services being delivered by Service NSW. • The Executive Director also leads Service NSW’s Middle Office teams delivering specialised partner agency services, dealer and fleet services, photocard operations and grants administration services across metropolitan and regional NSW.

3 Management structure



4 Workforce

a. Senior executive

Table 2. Senior executive profile

Senior Executive Band	Total 2020-21 ¹	Total 2019-20 ¹	Total 2018-19
4	-	-	-
3	1	1	1
2	5	4	8
1	23	24	43
Total	29	29	52

1. Statistics are based on Workforce Profile census date 24 June 2021 and 25 June 2020

b. Female senior executive roles

At 24 June 2021, 18 (62%) of the senior executive roles at Service NSW were held by female employees. This has remained stable compared to last year.

Table 3. Female senior executive profile

Senior Executive Band	Total 2020-21 ¹	Total 2020-19 ¹	Total 2018-19
4	-	-	-
3	-	-	-
2	5	4	6
1	13	14	25
Total	18	18	31

1. Statistics are based on Workforce Profile census date 24 June 2021 and 25 June 2020

c. Workforce profile by employment category

At 24 June 2021, 18 of the senior executive roles at Service NSW were held by female employees. This is the same number as on 25 June 2020.

Table 4. Workforce profile by employment agency

Staff category		Permanent full time	Permanent part time	Temporary full time	Temporary part time	SES full time	SES part time	Total
Female	2020-21 ¹	1703	670	346	107	17	1	2844
	2019-20 ¹	1288	605	394	78	17	1	2383
	2018-19	1233	552	162	44	26	5	2022
Male	2020-21 ¹	947	91	216	42	11	0	1307
	2019-20 ¹	653	91	279	14	11	0	1048
	2018-19	670	82	59	8	20	1	840
Indeterminate / Intersex / Unspecified	2020-21 ¹	3	0	0	0	0	0	3
	2019-20 ¹	2	0	0	0	0	0	2
	2018-19	-	-	-	-	-	-	0
Total	2020-21 ¹	2653	761	562	149	28	1	4154
	2019-20 ¹	1943	696	673	92	28	1	3433
	2018-19	1941	696	673	92	28	1	3431

1. Statistics are based on Workforce Profile census date 24 June 2021 and 25 June 2020

d. Number of Executive Officers and remuneration

In 2020-21, 2.75 per cent of Service NSW employee-related expenditure was related to senior executive employees. In 2019-20, 3.63 per cent of Service NSW employee-related expenditure was related to senior executive employees. The 2020-21 reduction was mainly due to the wage freeze for senior executive salaries.

Table 5. Number of Executive officers and remuneration

Band	Female	Male	Remuneration range (at 24 June 2021)	Average remuneration
4	-	-	\$487,051 - \$562,650	-
3	-	1	\$345,551 - \$487,050	\$486,782
2	5	1	\$274,701 - \$345,550	\$311,749
1	13	9	\$192,600 - \$274,700	\$241,986
Total	18	11	-	

e. Movements in wages, salaries or allowances

Movements in wages, salaries or allowances for Service NSW employees' remuneration and conditions are covered by the Service NSW (Salaries and Conditions) Employees Award 2020, excluding senior executive employees. From the first full pay period after 1 July 2020, there was an increase in award rates of 0.03 per cent. The increase in award rates followed the decision of the NSW Industrial Relations Commission on 12 November 2020 relating to a range of NSW Government sector awards, including the Service NSW Award. Negotiations for a new award to operate from 1 July 2021 were also managed centrally on behalf of the Industrial Relations Secretary (including Service NSW) by Public Sector Employee Relations, following changes in the NSW Government's public sector wages policy for the 2020 to 2021 period.

f. Diversity

The Service NSW diversity and inclusion strategy and programs align with the NSW Premier's Priorities of 'breaking the cycle of disadvantage' and 'putting customer at the centre of everything we do'. This is in line with the Service NSW ethos of reflecting the customers we serve.

Throughout 2020-21, the Service NSW Cultural program was created to ensure Service NSW is an inclusive environment that is culturally safe and welcoming, by delivering a positive experience for our staff and customers from diverse cohorts. Initially we focused on building a resource hub (toolkit) to support increased engagement with our Aboriginal staff, customers and communities across NSW, particularly in both regional and rural locations. As of June 2021, the site had been visited over 6,000 times by our teams across Service NSW.

To further support this engagement with our Aboriginal communities, we have also expanded our Mobile Service Centre 10-week routes to include 32 remote Aboriginal communities in regional towns across NSW. We have also seen an uplift in engagement internally, with a 187 per cent increase in staff engagement across workplaces for NAIDOC Week 2021, compared to the previous year.

Service NSW continues to engage and develop its diverse workforce with the traineeship and internship programs. In 2020-21 the Service NSW Refugee Internship Program engaged 33 refugees during the challenging COVID-19 pandemic. These staff members have all continued in ongoing employment with Service NSW. Fourteen Aboriginal trainees were also recruited into the Service NSW workforce and continue to work towards their Certificate III in Customer Engagement qualifications.

Successful collaboration with Multicultural NSW will see further funding secured for the Multicultural Youth Linker program, initially piloted at Wetherill Park and expanded to additional Service NSW locations, including a regional area. The pilot saw two refugee youths employed in our Wetherill Park Service Centre delivering tailored information about government and other services to the refugee youth community in the Fairfield Local Government Area. Successful connections were made with young people via schools, TAFEs, shopping centres and via social media platforms. The program has subsequently been expanded and funded for a further three years.

In addition to this, Service NSW also contributed to the DCS Diversity and Inclusion Strategy and Action Plan 2020-25, which outlines the Department's commitment to the Premier's Priorities which aim to:

- Increase the proportion of women in senior leadership roles to 50 per cent by 2025,
- Increase the number of Aboriginal people in senior leadership roles,
- Increase representation of people with disability from 2.7 per cent to 5.6 per cent by 2025.

The strategy also:

- Supports the Diversity Inclusion Advisory Council, Disability Inclusion Steering Committee and Employee Resource Groups to update practical actions, and
- Implements the Aboriginal Workforce Strategy, the Disability Inclusion Action Plan, and programs to increase the visibility and career progression of people from culturally and linguistically diverse backgrounds.

In 2021-22 Service NSW will continue to work on employment programs that will increase diversity representation at Service NSW, including aligning these programs to the DCS Aboriginal Employment Strategy and the DCS Disability Inclusion Action Plan. Service NSW will further enhance its Cultural Program with an increased focus on people with a disability cohort.

g. Workforce diversity report

Table 6. Size of Agency (Headcount)

	2019	2020	2021	% Change 2020 to 2021
Headcount at Census Date	2,862	3,435	4,154	20.9%
Non-casual Headcount at Census Date	2,862	3,435	4,154	20.9%

Table 7. Workforce Diversity Survey Response Rate (Non-casual Headcount at Census Date)

	2019	2020	2021
Non-casual Headcount at Census Date	2,862	3,435	4,154
Non-casual Workforce Diversity Survey Respondents at Census Date	2,655	3,230	3,765
Response Rate	92.8%	94.0%	90.6%

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 8. Workforce Diversity Actual Staff Numbers (Non-casual Headcount at Census Date) - 2021

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 - \$49,470	2	2	0	2	0	0	0	0	0	0
\$49,470 - \$64,973	1,448	1,348	382	1061	5	49	247	270	39	15
\$64,973 - \$72,635	384	351	66	318	0	6	41	57	6	2
\$72,635 - \$91,916	1,454	1,305	447	983	24	37	161	230	44	14
\$91,916 - \$118,863	350	309	145	204	1	7	74	90	5	2
\$118,863 - \$148,578	338	295	165	173	0	2	83	115	6	0
\$148,578 > (SES)	29	15	11	18	0	1	2	4	0	0
\$148,578 > (Non SES)	149	140	82	67	0	0	35	39	4	1
Total	4,154	3,765	1,298	2,826	30	102	643	805	104	34

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

**Table 9. Workforce Diversity Actual and Estimated Staff Numbers
(Non-casual Headcount at Census Date) - 2021**

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 - \$49,470	2	2	0	2	0	0	0	0	0	0
\$49,470 - \$64,973	1,448	1,348	382	1,061	5	53	265	290	42	16
\$64,973 - \$72,635	384	351	66	318	0	7	45	62	7	2
\$72,635 - \$91,916	1,454	1,305	447	983	24	41	179	256	49	16
\$91,916 - \$118,863	350	309	145	204	1	8	84	102	6	2
\$118,863 - \$148,578	338	295	165	173	0	2	95	132	7	0
\$148,578 > (SES)	29	15	11	18	0	2	4	8	0	0
\$148,578 > (Non SES)	149	140	82	67	0	0	37	42	4	1
Total	4,154	3,765	1,298	2,826	30					

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, and rounded to zero decimal places. 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, and rounded to zero decimal places.

Table 10. Workforce Diversity Actual and Estimated Staff Numbers (Non-casual Headcount at Census Date) as Percentages – 2021

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 - \$49,470	2	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$49,470 - \$64,973	1,448	93.1%	26.4%	73.3%	0.3%	3.6%	18.3%	20.0%	2.9%	1.1%
\$64,973 - \$72,635	384	91.4%	17.2%	82.8%	0.0%	1.7%	11.7%	16.2%	1.7%	0.6%
\$72,635 - \$91,916	1,454	89.8%	30.7%	67.6%	1.7%	2.8%	12.3%	17.6%	3.4%	1.1%
\$91,916 - \$118,863	350	88.3%	41.4%	58.3%	0.3%	2.3%	23.9%	29.1%	1.6%	0.6%
\$118,863 - \$148,578	338	87.3%	48.8%	51.2%	0.0%	0.7%	28.1%	39.0%	2.0%	0.0%
\$148,578 > (SES)	29	51.7%	37.9%	62.1%	0.0%	6.7%	13.3%	26.7%	0.0%	0.0%
\$148,578 > (Non SES)	149	94.0%	55.0%	45.0%	0.0%	0.0%	25.0%	27.9%	2.9%	0.7%
Total	4,154	90.6%	31.2%	68.0%	0.7%					

Note: Table 10 presents the figures in Table 9 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 11. Trends in the Representation of Workforce Diversity

Workforce Diversity Group	Benchmark	2019	2020	2021
Women	50%	70.6%	69.1%	68.0%
Aboriginal and/or Torres Strait Islander People	3.3%	2.4%	2.8%	2.7%
People whose first language spoken as a child was not English	23.2%	21.3%	16.9%	21.5%
People with a disability	5.6%	2.4%	2.5%	2.8%
People with Disability Requiring Work-Related Adjustment	N/A	0.7%	0.8%	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: In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: [Jobs for People with Disability: A plan for the NSW public sector](#). The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Table 12. Trends in the Distribution Index for Workforce Diversity Groups

Workforce Diversity Group	Benchmark	2019	2020	2021
Women	100	86	88	87
Aboriginal and/or Torres Strait Islander People	100	95	86	88
People whose First Language Spoken as a Child was not English	100	109	115	110
People with a Disability	100	102	97	97
People with a Disability Requiring Work-Related Adjustment	100	114	100	90

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.

Table 13. Representation of Workforce Diversity Groups

Workforce Diversity Group	Benchmark	2019	2020	2021
Women	50%	70.6%	69.1%	68.0%
Aboriginal and/or Torres Strait Islander People	3.3%	2.4%	2.8%	2.7%
People whose First Language Spoken as a Child was not English	23.2%	21.3%	16.9%	21.5%
People with a Disability	N/A	2.4%	2.5%	2.8%

h. Multicultural Policies and Services

Service NSW is committed to multiculturalism and as part of this commitment has undertaken work to ensure all members of the NSW community have access to our services. In addition to the broader multiculturalism initiatives undertaken by DCS in 2020-21, some of our key programs to support our people, customers or suppliers who come from culturally and linguistically diverse backgrounds have included the following programs:

Cost of Living Program

Service NSW continues to provide outreach services to our culturally and linguistically diverse communities via our Cost of Living Service. This includes a community event in Fairfield hosted by Settlement Services International, which was attended by recent newly arrived refugee families as part of the Humanitarian Settlement Program. Attended by over 500 people, Service NSW was able to provide information about the services we offer our customers and help our newest local community members settle in NSW.

Refugee Internship Employment Program

Service NSW continues to engage refugee interns into our Refugee Internship Employment Program. In 2020-21, Service NSW engaged 33 refugees to support our frontline teams and culturally diverse communities in the Greater Sydney region. We can report that 96 per cent of our refugee interns remain in temporary and ongoing roles across the NSW Public Sector. Since its introduction in 2017, we have now employed 72 refugees through this program.

In 2021-22 Service NSW will continue our commitment to multiculturalism by ensuring all members of the NSW community continue to have access to our services. We will continue to support the initiatives undertaken by DCS in 2020-21 as well as our key programs to support our people, customers or suppliers who come from culturally and linguistically diverse backgrounds including our key Cost of Living Programs and our Refugee Internship Employment Program.

i. Agreements with Multicultural NSW

In June 2020, Service NSW signed a project agreement with Multicultural NSW to implement the Multicultural Youth Linker Pilot Program at our Wetherill Park Service Centre. The Pilot Program has been successful in connecting refugee and migrant youth within the Fairfield Local Government Area to government and non-government services.

Since November 2020, the Youth Linkers have connected with over 20 local service providers and engaged with more than 3,000 youth during the eight-month trial period. This includes Warrakirri College, a school for students aged 15-22 who have disconnected from mainstream education; and Fairfield High School, where we attend on a weekly basis during school lunch to inform students about Service NSW and the services we offer. The success of the program has been actively acknowledged by local community groups and has resulted in the program being continued for another three years, with funding secured from Multicultural NSW.

j. Disability Inclusion Action Plan

Service NSW is committed to the principles of the Department of Customer Service's Disability Inclusion Action Plan 2020-2025 (DIAP), which creates a five-year roadmap to ensure our services, facilities and workplaces are accessible to all. DCS launched the DIAP on International Day of People with Disability 2020.

Mapped to the NSW Disability Inclusion Plan, our DIAP uses ten key areas of access and inclusion to ensure that DCS includes all our customers, people and suppliers with disability. As well as publishing the full document, we have provided public summaries in Auslan and Easy English.

Key actions to date are:

- Including DIAP Key Performance Indicators in the performance plans of senior leaders,
- Implementation of a centralised funding model for workplace adjustments,
- Formation of an Accessibility Working Group which resolves accessibility issues as they arise, and supports and promotes user testing of new products and services with people with disability,
- An increased take-up in disability confident manager and disability confident workforce training,
- Hosted (in partnership with the Australian Network on Disability, Service NSW) five interns with disability, while one person remains in an ongoing role many have gone on to extended contracts or other ongoing roles,
- Hosted (in partnership with the Australian Network on Disability) four mentees in 2020 and 2021, that is one mentee in 2020 and three mentees in 2021,
- Updating our internal mentoring program to allow prospective mentors to specify that they wish to mentor a person with disability, and promoting this to our people with disability,
- An increase in targeted recruitment activities across several of our divisions and agencies,
- Inclusion of hearing loops in the meeting room standard, with loops in a number of Service NSW sites and all meeting rooms updated to provide automated captioning features, and
- NSW guidelines of accessible content (NSW Design Standard), recruiting a dedicated Digital Accessibility Specialist to drive capability and culture uplift, digital, and accessibility training for our software engineers and product designers and other activities as part of annual Global Accessibility Awareness Day.

k. Work Health and Safety

Service NSW is committed to providing a healthy and safe workplace for all employees, including contractors, agency staff, and volunteers. The Department of Customer Service Safety and Wellbeing team have implemented initiatives to contribute to preventing injuries and illnesses and promoting a timely, sustainable, and early return to work for injured workers.

Safety and wellbeing

Integrating safe working systems and practices within Service NSW is key to preventing incidents (physical and/or psychological) in the workplace. These processes have been implemented to support, educate, engage and enable our employees. They are:

- **Mental health and wellbeing focus** – A campaign called #Helping you was implemented to support employees during COVID-19. The campaign was developed due to staff feedback (captured via staff surveys and through Employee Assistance Provider data) and provided a clear focus on essential health and wellbeing issues. Bespoke videos were developed and released across DCS including the Service NSW network, relating to the key themes received from staff feedback, with visible links to existing health and wellbeing platforms and resources. These included:

- SafeWork Mental Health Month during October 2020 saw the promotion of Mental Health First Aid training and promotion of training sessions,
- #thanks campaign was developed and implemented to express our gratitude for those who helped us through 2020. The campaign highlighted the many and varied challenges staff experienced and was an excellent opportunity to promote the staff and resources within DCS,
- Hypercare support was provided for the Fire, Flood and COVID-19 Teams for a proactive and early intervention approach and psychological support through our Employee Assistance Provider, Benestar,
- As at June 2021, employee assistance support and utilisation was 7 per cent and 12.6 per cent in May 2021, with an industry standard of 6.1 per cent and all customers at 4.1 per cent. Benestar, our Service NSW Employee Assistance Provider, has been a committed partner in providing support to employees during the ongoing COVID-19 pandemic and assisted with the development of material for the #Helpingyou balance campaign (July 2020), including bespoke videos and other supporting material and resources, monthly wellbeing resources and care programs as needed,
- **Social health** – Social connection and wellbeing were identified as a key focus during the COVID-19 pandemic. Staff continue to connect and share insights through the Service NSW social channel Workplace as well as connecting with local and regional teams as appropriate,
- **Physical health** – Ergonomics was identified as a key focus due to the COVID-19 pandemic, given the large numbers of employees working from home. Resources were developed to support employees. This included the development of a Working from Home Ergonomic Guide, a refreshed Home Ergonomics intranet page, and virtual ergonomic assessments being made available to staff. Office equipment, such as chairs and monitors, were offered to all employees to provide a safe home working environment,
- A work health and safety online reporting system and an injury case management module was approved, and it is anticipated that it will be implemented across DCS and Service NSW, in the second quarter of the 2021-22 financial year,
- Work health and safety management system and information for all staff continue to be updated to educate and engage our staff. This includes the new Wellbeing, Ergonomics, Employee Assistance, Safety Topics, and more through the DCS intranet platform, as well as policies and procedures, and
- Other initiatives included the Influenza Vaccination Program, which was offered to all employees, as well as the Fitness Passport Program.

Service NSW had nil prosecutions under the *Work Health and Safety Act 2011* during the 2020-21 financial year.

Workers compensation

Returning injured employees to work as soon as possible continues to be a key focus and is facilitated by the Recover at Work team within People and Culture. The Recover at Work Program promotes a holistic approach to recovery in line with the best practice injury management approach. The Program is available to all employees via the Recover at Work intranet page. The Recover at Work Program was reviewed to ensure the program is reviewed every two years.

The total number of open claims is 55, of which the majority of claims can be found in the mechanism of injury breakdown of (i) Mental stress (psychological claims) (ii) Vehicle incidents and (iii) Body stressing.

The Safety & Wellbeing team met on a monthly basis with the workers compensation insurer (EML) to ensure the safe and timely return of our employees to work. It is noted that the frequency of claims review will change to fortnightly from August 2021.

In the 2020-21 financial year, the total amount paid in worker's compensation was \$842,900.52.

Data regarding the number of claims and relevant costs were sourced from iCare as at 31 July 2021. They are based on claims lodged and relevant assessment. The final cost may vary when compared to the same period in previous annual reports due to the timing of loss incurred, claims reported and the outcomes of the negotiated settlement.

I. COVID-19 policy

Service NSW has adopted the Public Sector Policy and Principles to apply Pandemic Special Leave during the COVID-19 response. Service NSW employees are covered by the Department of Customer Service Flexible Working Hours Agreement, which was varied as of March 2020 to provide for extended band width and suspension of core working hours. This change allows for staff to work their hours in a more flexible pattern over a longer band of time to help balance career and other responsibilities.

m. Personnel policies and practices

Positive and Productive Workplace Policy

Service NSW follows the DCS Positive and Productive Workplace policy to assist employees in managing conflicts and grievances in the workplace. The policy focuses on maintaining a harmonious workplace by addressing conflicts as quickly and as close to the source as possible. This is done by utilising three separate pathways (Pathway 1 - Direct Resolution at a local level, Pathway 2 - Facilitated resolution, Pathway 3 - External Resolution) from informal through to formal processes.

n. Industrial relations policies and practices

Managing for Improvement Framework

Service NSW aims to ensure that all managers and employees are equipped with the appropriate support and resources to enable them to work together and improve issues of performance. The Managing for Improvement Framework provides managers and employees with proper resources and is a two-step process (Step 1 - Informal work plan, Step 2 - Formal Performance Improvement Plan) that improves issues of unsatisfactory performance.

A total of 51 (16 of which are still open) employee relations matters were actioned in the 2021-21 financial year. The matters related to conduct, performance, probationary performance, bullying, harassment, discrimination, abandonment of employment and medical retirements.

Industrial Relations Matters

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

Table 14. Matters Dealt with at the NSW Industrial Relations Commission

Type of Matter	Quantity
Award matters	0
Unfair dismissal	1
General disputes	1
Government Sector Appeal	0

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

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 (the Committee) has been established in compliance with the NSW Treasury Policy Internal Audit and Risk Management Policy for the General Government Sector (TPP 20-08). It provides independent assurance to the Service NSW CEO.

During 2020-21 the Committee met six times (three times in 2020 and three times in 2021) to provide oversight of financial reporting, risk management, internal and external audit activities and the operational management of Service NSW. Members of the Committee are listed below in the Service NSW Internal Audit and Risk Management Policy Attestation Statement (page 50)

b. Risk management

In 2020-21, Service NSW improved risk management practices through regular risk reviews across the business, reviewing and updating its risk appetite statement to reflect the current operating environment and conducting project risk assessments and workshops. As a part of the change of environment and the increase in the risk profile at Service NSW, rather than rely on a centralised Customer Service risk support function, a risk function was established in Service NSW to directly support the agency.

The Service NSW Enterprise Risk Profile was regularly reviewed and updated during 2020-21 through risk workshops with the Service NSW Executive Leadership Team (ELT), which guided ELT to operate within Service NSW's risk appetite with the reports tabled with the Audit and Risk Committee.

Service NSW operates within a Risk Management Framework that is aligned to the Department of Customer Service. This framework was reviewed and updated in 2020-21 to ensure consistency with the *ISO 31000:2018 Risk Management Guidelines*. The risk team facilitates risk workshops and risk assessments across a range of projects and programs, particularly during the bushfires, floods, mice plague and COVID-19 crises, to help customers manage the impacts of natural calamities, to help staff identify and manage risks, and to maximise the value and opportunities arising for our organisation.

In 2020-21, the business continuity team played a vital role during natural calamities like bushfires, mice plague and floods and the COVID-19 pandemic. The team, led by a cross functional steering committee of senior leaders from key business areas, established a business continuity coordinator working group to work with the State Emergency Operations Centre to support the organisation and the community of NSW.

In 2020-21, the Service NSW Business Continuity Working Group identified Critical Business Functions across the business, implementing business continuity plans to document recovery strategies under development per the Service NSW Business Continuity delivery plan.

An Operations Centre Response Controller was appointed in December 2019 to lead the Service Delivery incident response. Since appointed, multiple significant incidents have had a coordinated response including the devastating 2019-20 bushfire season and COVID-19, which remains active. Service NSW is now a key stakeholder with the NSW State Emergency Operations Centre during significant State incidents.

c. Internal audit

Service NSW operated an internal audit model for the duration of the 2020-21 financial year. The Acting Chief Audit Executive reported to the CEO and the Audit and Risk Committee quarterly on the risk-based internal audit annual plan, and the progress towards completion of the plan, as well as the implementation of audit issues and recommendations.

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

In 2020-21 the internal audit function completed the following assurance activities:

1. Service Provider Agreement performance and compliance
2. Service Centres Work Health and Safety
3. Management of Contractors
4. Primary Producers Registration
5. National Disability Insurance Scheme Worker Check Project Delivery
6. Call centres
7. Rapid Implementation of Government Initiatives
8. Roads and Maritime Services Quality Management Framework
9. Toll Relief

In all the above audits, management agreed with the audit findings and have either implemented or are implementing the agreed actions.

d. External audit

The Audit Office of NSW audited the Service NSW financial statements for the year ended 30 June 2021, and the opinion in the Independent Auditor's Report was unmodified.

e. Insurance

Service NSW held a number of insurance policies arranged under a Statement of Cover (SoC) from NSW Treasury Managed Fund (TMF), the NSW Government self-insurance scheme. The TMF covers agencies for losses, liabilities or damage incurred after 1 July 1989, or the date the agency joined the TMF.

The TMF SoC provides cover for the following risks:

- Workers compensation
- Legal liability exposures, including:
 - Public liability
 - Product liability
 - Professional indemnity
 - Directors/officer's liability
- Property
- Cyber risks
- Motor Vehicles
- Miscellaneous losses, including employee dishonesty, personal accident, and protection during overseas travel.

Table 15. Number of insurance claims

Line of Business	2020-21
Workers Compensation	73
Motor Vehicle	4
Property	3
Liability	18
Total	98

Table 16. Net incurred insurance claims cost (\$)

Line of Business	2020-21
Workers Compensation	\$1,792,693
Motor Vehicle	\$3,157
Property	\$6,281
Liability	\$341,032
Total	\$2,143,163

Data regarding incurred claims and relevant costs was sourced from TMF. They are based on the claims lodged and relevant assessment as at June 2021. The final costs and claim numbers may vary due to the timing of loss incurred, claims reported, and the outcome of the negotiated settlement.

f. Internal audit and risk management policy attestation

I, Damon Rees, Chief Executive, am of the opinion that Service NSW has internal audit and risk management processes in operation that are, excluding the exemptions or transitional arrangements described below, compliant with the seven (7) Core Requirements set out in the Internal Audit and Risk Management Policy for the General Government Sector, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	compliant
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	compliant - with exception of newly introduced 1.2.12 requirements re climate related risks - in transition from 1 January 2021.
Internal Audit Function		
2.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	compliant
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	compliant
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	compliant - with exception of 2.3.1 and 2.3.2 requirements as regards newly introduced Model Internal Audit Charter - in transition since 1 January 2021

Audit and Risk Committee

3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	compliant
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	compliant

Membership

The independent chair and members of the Audit and Risk Committee are:

- Independent Chair, Dianne Hill, 18 September 2018 – 17 September 2021
- Independent Member, Stephen Horne, 1 July 2016 – 30 June 2022
- Independent Member, Gary Blair, 1 April 2020 – 31 March 2023

Departures from Core Requirements

I, Damon Rees, Chief Executive, advise that the internal audit and risk management processes for Service NSW depart from the Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*:

1. The departure from Core Requirements is due to the agency implementing measures to achieve compliance with new policy requirements consistent with the permitted transitional arrangement.

Departure	Reason for departure and description of practicable alternatives measures implemented/being implemented
Non-Compliance	
- Nil	
In Transition	
1.2.12	Staff from SNSW are currently undergoing climate risk training co-developed by NSW Treasury with a view to integrating it into SNSW's risk framework for consideration at a strategic and operational level. DCS' representation at this training should also result in broader cluster outcomes for climate risk management which will be cascaded down to SNSW.
2.3.1	Updated Internal Audit Charter (consistent with model Charter in TPP 20-08) endorsed by ARC, awaiting final accountable authority approval/sign-off.
2.3.2	

These processes, including the practicable alternative measures being implemented, demonstrate that Service NSW has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within Service NSW.



Damon Rees
Chief Executive, Service NSW
Date: 22/09/21

g. Cybersecurity annual attestation statement

Cyber Security Annual Attestation Statement for the 2020-2021 Financial Year for Service NSW.

I, Damon Rees, am of the opinion that Service NSW (SNSW) has endeavoured to manage cybersecurity risks in a manner consistent with the mandatory requirements set out in the NSW Government Cyber Security Policy (CSP). Service NSW will continue to uplift its maturity against the CSP requirements by strengthening governance frameworks and security practices across our agency, ensuring safety for all NSW citizens and businesses.

- Governance – SNSW is addressing cyber security appropriately at governance forums. There is an opportunity to increase visibility across all aspects of security in these governance forums.
- Risks to the information and systems of SNSW have been assessed and are managed in accordance with the SNSW Risk framework. However, SNSW recognise that there are further activities and management to be undertaken in the forward years.
- There exists a current cyber incident response plan for SNSW. This has been tested in the FY2020-2021 reporting period; lessons learnt, and findings have been incorporated into the incident response plan.
- An Information Security Management System (ISMS) is in place at Service NSW. The ISMS scope is being expanded to cover additional SNSW systems and processes.
- SNSW will uplift the management of cybersecurity governance and resilience by:
 - Increasing the capacity of the Security team within SNSW to support the enhanced overall maturity and capabilities across the organisation related to cybersecurity.
 - Enhancing the Security Risk and Governance Framework in unification with the Department of Customer Service Cluster.
 - Continuation of the Cyber Security Uplift and Resilience Program



Damon Rees – CEO, Service NSW
27 August 2021

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

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

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

During the year, Service NSW used its webpage to proactively release a range of information free of charge including information about NSW Government assistance programs and services; reports; guidelines; fact sheets; eligibility requirements for benefits, rebates and concessions; and updated answers to frequently asked questions based on community feedback.

Service NSW also used social media outlets including Facebook, Twitter, Instagram, LinkedIn and YouTube to release information such as how to access services and assistance available across government, COVID-19 advice and updates, media releases and news updates.

Examples of information proactively released during the year include:

- Maintained a COVID-19 webpage for information and advice on assistance and resources available for businesses and NSW residents,

- Continued to update the COVID-19 Assistance Finder tool to help business owners and individuals quickly access online information and services available for their individual circumstances,
- Fact sheets and eligibility guidelines for bushfire recovery assistance, and
- Information services for transacting with the NSW Government.

During the 2020-21 financial year, Service NSW received 169 access applications (including withdrawn applications, but not including invalid applications). There were no access applications refused, either wholly or in part, because the application was for disclosure of information for which there is conclusive presumption of overriding public interest against disclosure.

Table 17. Number of applications by type of applicant and outcome¹

	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	0	1	1	1	0	0	0	2
Members of Parliament	1	0	0	0	0	0	0	1
Private sector business	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	1	0	0	0	0	3
Members of the public (other)	11	2	1	3	1	0	0	19

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

Table 18. 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	4	1	0	2	0	0	0	14
Access applications (other than personal information applications)	3	1	2	1	1	0	0	6
Access applications that are partly personal information applications and partly other	5	1	1	1	0	0	0	5

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

Table 19. Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the GIPA Act)	12
Application is for excluded information of the agency (section 43 of the GIPA Act)	0
Application contravenes restraint order (section 110 of the GIPA Act)	0
Total number of invalid applications received	12
Invalid applications that subsequently became valid applications	5

Table 20. Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act

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

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

Table 21. Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act

Reason	Number of occasions when application not successful
Responsible and effective government	4
Law enforcement and security	0
Individual rights, judicial processes and natural justice	5
Business interests of agencies and other persons	1
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table 22. Timeliness

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	151
Decided after 35 days (by agreement with applicant)	4
Not decided within time (deemed refusal)	0
Total	155

Table 23. Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome)

Review type	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner ⁴	0	0	0
Internal review following recommendation under section 93 of the GIPA Act	0	0	0
Review by NCAT (NSW Civil and Administrative Tribunal)	0	0	0
Total	0	0	0

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

Table 24. Applications for review under Part 5 of the GIPA Act (by type of applicant)

Applicant	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access applications relates (see section 54 of the GIPA Act)	0

Table 25. Applications transferred to other agencies under Division 2 of Part 4 of the GIPA Act (by type of transfer)

Type of transfer	Number of applications transferred
Agency-initiated transfers	130
Applicant-initiated transfers	1

i. Privacy

At Service NSW, we take the privacy of the citizens of NSW and of our employees seriously. Service NSW follows the 12 information principles regulating the collection, storage, access and accuracy, use and disclosure of personal information in the *Privacy and Personal Information Protection Act 1998* (PPIP Act); and the 15 health privacy principles in the *Health Records and Information Privacy Act 2002* (HRIP Act).

In response to the cyber-attack on the contents of 47 Service NSW employee inboxes experienced in the previous 2019-20 financial year, and in response to the NSW Audit Office's performance audit of Service NSW's Handling of Personal Information (released in December 2020), Service NSW has made significant improvements and changes to our privacy management. These include:

- Expanding the in-house privacy advisory team to provide broader coverage of privacy advice across the spectrum of activities of our business conducts,
- Standing up a dedicated Privacy Program to enact the eight recommendations of the NSW Audit Office – a significant body of work,
- Updating our Privacy Management Plan and Privacy Management Framework, and refreshing or creating over 30 privacy procedures,
- Including more detailed and explicit privacy provisions in all new agreements with our government partner agencies, and
- Piloting a technical solution to replace using email for transmitting customers' personal information to other government agencies completing their transactions.

The Service NSW Privacy Management Framework and Privacy Management Plan demonstrates how we uphold and respect the privacy of our customers, staff and others about whom we hold personal information. The plan also demonstrates how we meet our privacy obligations under the PPIP Act and the HRIP Act.

In 2020-21, Service NSW conducted 27 Privacy Impact Assessments, primarily on new products and transactions being offered to customers, and systems we use to hold or process information.

Applications made under the *Privacy and Personal Information Protection Act 1998*

Access request applications under section 14 of the PPIP Act

In 2020-21, Service NSW received 143 requests for personal information under the PPIP Act. Service NSW also dealt with numerous informal requests by individuals requesting their personal information.

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

In 2020-21, Service NSW completed 62 requests for internal review under the PPIP Act of which 60 were requested as a result of the cyber attack and associated data breach incident earlier in 2020.

j. Public Interest Disclosures

Service NSW values contributions of all team members to improve administrative and management practices. We encourage team members to report serious wrongdoing under the *Public Interest Disclosures Act 1994* relating to corrupt conduct, serious maladministration, serious and substantial waste of public money or failure to exercise functions properly under the GIPA Act.

As part of the DCS cluster, the DCS Fraud and Corruption Internal Reporting Policy outlined for Service NSW staff the support and protections available under the *Public Interest Disclosures Act 1994* for a person making a public interest disclosure. The policy was available to Service NSW staff on the DCS intranet and included details of the nominated officers who are authorised to receive a disclosure.

Public Information Disclosure resources were available to staff on the DCS intranet and highlighted during induction training.

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

k. Legal change

During the 2020-21 financial year, there were no amendments made to the *Service NSW (One-stop Access to Government Services) Act 2013* or regulations.

l. Significant Judicial Decision

Else v Service NSW [2021] NSWCATAD 172

The applicant, Else, applied for an administrative review of the conduct of Service NSW. The applicant alleged that Service NSW had breached section 17 of the *Privacy and Personal Information Protection Act 1998* (PPIP Act) in using her email address to send her (and around 4.6 million other members of the public) certain public information about the COVID-19 pandemic and urging her to take steps “to slow the spread of COVID-19 and save lives” (the Email).

The NSW Civil and Administrative Tribunal recognised that the PPIP Act requires that the rights of individuals to privacy is to be balanced against the need for agencies to carry out their legitimate functions efficiently and effectively.

The respondent, Service NSW, submitted that, among other matters, the use of the applicant’s email address to send the Email was “necessary” to help prevent or lessen a serious and imminent threat to the life or health of the individual to whom the information relates or of another person within the meaning of section 17(c) of the PPIP Act. The Tribunal’s preferred interpretation of the word “necessary” in the context in which it is used in section 17(c) is “reasonably appropriate and adapted”. It found the comments of the World Health Organisation Director-General “created a sombre sense of the ‘serious and imminent’ nature of the threat posed by COVID-19” and spoke of “emergency and the need for response in all countries” and “for communication about the risks and how people can protect themselves”. The Tribunal concluded that this was “precisely what the Email sought to do”.

The Tribunal also found that the applicant’s personal information was used for the purpose for which it was collected, within the meaning of the introductory words in section 17 of the PPIP Act because the applicant had accepted the Terms and Conditions of her MyServiceNSW Account, which included a statement that the applicant’s personal information “may also be used in an emergency situation to help prevent a serious and imminent threat to life or death, or for law enforcement purposes, or where we are authorised or required to do so by law”.

Accordingly, on 21 June 2021, the Tribunal concluded that no breach of the PPIP Act had taken place.

m. Payment of accounts

Service NSW continues to evaluate and where appropriate implement initiatives to improve its accounts payable performance.

Under the NSW Government’s Faster Payment Terms Policy, Service NSW aims to pay 100% of registered small businesses within five business days of a correctly rendered invoice. During COVID-19, Service NSW has further extended its implementation of this policy, aiming to pay all invoices within five days of receiving a correctly rendered invoice.

During 2020/21, there were no instances where penalty interest was paid for the late payment of invoices, although not all payments were paid on time. Factors affecting the timing of payments were invoices not being received on time, purchase orders not being completed prior to procurement, and invoices not correctly rendered.

Table 26. Aged analysis at the end of each quarter

Quarter	Current \$,000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days overdue \$'000	More than 90 days overdue \$'000	Total \$'000
All Suppliers						
Sep -20	692,528	11,132	8,415	717	1,728	714,520
Dec -20	986,657	13,925	3,026	6,415	2,571	1,012,594
Mar- 21	22,548	14,082	5,741	597	819	43,787
June-21	11,536	33,427	5,168	2,838	5,438	58,407
Small business suppliers						
Sep -20	6	896	395	5	1	1,303
Dec -20	2	1,377	425	26	3	1,833
Mar- 21	-	885	248	95	2	1,230
June-21	361	2,009	649	151	145	3,315

Table 27. Accounts due or paid within each quarter

All suppliers	Sept 2020	Dec 2020	Mar 2021	Jun 2021
Invoices due for payment	2,903	4,261	1,261	1,949
Invoices paid on time	2,235	3,599	577	920
Actual percentage of accounts paid on time (based on number of invoices)	77%	84%	46%	47%
Amount due for payment	\$714,520,440	\$1,012,593,864	\$ 43,787,163	\$58,407,177
Amount paid on time	\$692,527,558	\$986,655,196	\$22,548,048	\$11,536,398
Actual percentage of accounts paid on time (based on \$)	97%	97%	51%	20%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on late accounts	0	0	0	0
Small Business Suppliers	Sept 2020	Dec 2020	Mar 2021	Jun 2021
Invoices due for payment received from small businesses	89	80	112	167
Invoices from small businesses paid on time	2	1	0	15
Actual percentage of small business invoices paid on time (based on the number of invoices)	2%	1%	-	9%
Amount due for payment to small businesses	\$1,303,142	\$1,832,786	\$1,230,096	\$3,315,325
Amount due to small businesses paid on time	\$5,600	\$2,081	0	\$360,753
Actual percentage of small business accounts paid on time (based on \$)	-	-	-	11%
Number of payments to small business for interest on overdue accounts	0	0	0	0
Interest paid to small businesses on late accounts	0	0	0	0

n. Disclosure of controlled entities and subsidiaries

For the purposes of financial reporting, Service NSW had no controlled entities or subsidiaries for the 2020-21 financial year.

o. Overseas travel

Service NSW incurred no expenditure for overseas travel.

p. Payments to consultants**Consultancies of value equal to or greater than \$50,000**

There were no payments to consultants (as defined in PBD-2021-03 *Engagement of professional services suppliers*) of value equal to or greater than \$50,000.

Consultancies of a value less \$50,000

There were three individual consultancies with a value of less than \$50,000. They were for management services and totalled \$111,984.

q. Funds granted to non-government community organisations

Service NSW did not fund any grants to non-government community organisations in 2020-21.

r. Research and development

Service NSW partnered with the DCS Customer Experience team to inform the development of the Service NSW Customer Care Strategy.

Customer Experience Research was undertaken with two customer groups: senior community members and community members experiencing financial hardship.

Customer Care is one of four Greenhouse projects for Service NSW. The goal is to deliver a personalised customer care service providing systemic support and navigation to NSW community members as an integrated multichannel offering with empathetic guidance, assistance and navigation across government. It includes providing services in a way that is more conversation style, personal customer interactions and proactive follow up.

The objective of this research is to capture the 'voice of the customer' to ensure the service design is truly 'needs' based and delivers outcomes for customers.

The research, which began in May 2021, will be completed in July 2021. It was designed and undertaken using the existing resources in the Service NSW Customer Care Strategy Team and the DCS Customer Experience team. The total cost of the research project was \$1,400 (20 research participants were each given a \$70 supermarket voucher in recognition of their time and effort in participating in the interviews for the research project).

s. Changes after the reporting period

No after balance date events that have a significant effect on financial operations, other operations or cliental communities served have occurred.

t. Land disposal

No properties were disposed of during 2020-21.

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

Table 28. New major works in 2020-21

Project name and location	Total expenditure to 30 June 2021 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start (year)	Completion date (actual or estimated)	Details of any significant: <ul style="list-style-type: none">• Cost overruns• Delays• Amendments• Deferments• Cancellations
Digital Renewal Notices	\$1.8M	\$2.3M	Aug 2020	Dec 2021	On Track - statewide launch planned for November
Security Uplift Program	\$1.75M	\$4.95M	Nov 2020	Dec 2022	On Track
Fraud Control Framework	\$3M	\$5.4M	Aug 2020	Dec 2021	Phase 1 completed - project has moved into phase 2

Table 29. Continuing major works in 2020-21

Project name and location	Total expenditure to 30 June 2021 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start (year)	Completion date (actual or estimated)	Details of any significant: <ul style="list-style-type: none"> • Cost overruns • Delays • Amendments • Deferments • Cancellations
Service NSW for Business	\$50,475	\$72,398	2018	2023	On Track
New Metro Service Centres	\$4.168M	\$14.85M	2019	2023	<ul style="list-style-type: none"> • Delays to construction due to COVID-19 restrictions - prolongation costs • Changes to SNSW business requirements requiring larger tenancy area and additional spatial planning and fit out • Project resourcing costs not included in Capex Budget
Digital Trade Licence	\$2.87M	\$3.59M	2020	2022	On Track
Change of Address (GME program)	\$1.2M	\$2.095M	2019	2023	On Track
Customer Engagement Integration (CEI)	\$1.96M	\$1.78M	2019	2022	On Track
Digital Drivers Licence Phase 2 - Photo Card	\$4.7M	\$7.5M	2019	Dec 2021	Statewide launch to be confirmed
Service Centres Refresh Program ¹	\$7.5M total Capex spend at the end of FY20/21	\$11.1M Capex	2017	June 2021	On Track
Modernisation of Platforms	\$4.78M	\$5M	2020	2021	On Track
Customer Channel Digital Delivery Framework	\$2.07M	\$3.12M	2020	2021	On Track
Form Digitalisation	\$3.49M	\$3.5M	2020	2021	On Track

1. Sourced from Budget Papers submitted to Treasury.

6 Financial statements



Statement by the Chief Executive Officer

Service NSW

Pursuant to Section 7.6(4) of the *Government Sector Finance Act 2018* (the Act), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's direction, and
- present fairly Service NSW's financial position, financial performance and cash flows.



Damon Rees
Chief Executive Officer, Service NSW
20 October 2021



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, which comprises the Statement by the Chief Executive Officer, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Summary of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly Service NSW's financial position, financial performance and cash flows.

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 Service NSW in accordance with the requirements of the:

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

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

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

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

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

Chief Executive Officer's Responsibilities for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Chief Executive Officer's responsibility also includes such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing Service NSW's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

The scope of my audit does not include, nor provide assurance:

- that Service NSW 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.



Weini Liao
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

25 October 2021
SYDNEY

Table of contents

Statement of Comprehensive Income.....	5
Statement of Financial Position.....	6
Statement of Changes in Equity.....	7
Statement of Cash Flows	8
1. Summary of Significant Accounting Policies	9
2. Expenses Excluding Losses	13
3. Revenue.....	15
4. Gains/(losses) on disposal.....	18
5. Other gains / (losses).....	18
6. Cash and Cash Equivalents	19
7. Receivables	19
8. Contract Assets.....	20
9. Other Assets.....	20
10. Non-Current Assets – Property, Plant and Equipment	20
11. Leases	22
12. Intangible Assets	25
13. Fair value measurement of non-financial assets	27
14. Current Liabilities – Payables.....	27
15. Current/Non-Current Liabilities – Borrowings	27
16. Current/Non-Current Liabilities – Provisions	28
17. Equity	30
18. Commitments for Expenditure	30
19. Contingent Liabilities and Contingent Assets	30
20. Budget Review.....	30
21. Reconciliation of Cash Flows from Operating Activities to Net Result	32
22. Amounts Held on Behalf of Other Agencies.....	32
23. Administered Items	33
24. Financial Instruments	34
25. Related Party Disclosures.....	39
26. Events After the Reporting Period.....	40

Statement of Comprehensive Income

for the year ended 30 June 2021

	Notes	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
Expenses excluding losses				
Operating expenses				
Employee related	2a	359,821	298,179	268,421
Other operating expenses	2b	246,514	141,508	178,166
Depreciation and amortisation	2c	62,170	81,994	78,393
Grants and subsidies	2d	899	4,533	1,209
Finance costs	2e	2,286	2,103	2,242
Total expenses excluding losses		671,690	528,317	528,431
Revenue				
Sale of goods and services	3a	65,687	64,185	256,657
Grants and contributions	3b	478,894	392,364	200,388
Acceptance by the Crown of employee benefits and other liabilities	3c	7,789	4,362	8,083
Investment revenue	3d	73	194	166
Other Revenue	3e	71,715	199	70,670
Total revenue		624,158	461,304	535,964
Operating result		(47,532)	(67,013)	7,533
Gains/(losses) on disposal	4	67	-	(2)
Other gains/(losses)	5	(10,705)	-	(8,521)
Net result		(58,170)	(67,013)	(990)
Other comprehensive income		-	-	-
Total comprehensive income	21	(58,170)	(67,013)	(990)

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2021

	Notes	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	6	15,672	16,976	72,660
Receivables	7	37,098	59,251	55,181
Contract assets	8	1,742	-	-
Other assets	9	6,555	-	3,728
Total current assets		61,067	76,227	131,569
Non-current assets				
Property, plant and equipment				
Leasehold improvements	10	60,749	61,030	63,440
Plant and equipment	10	2,025	(5,007)	3,967
Total property, plant and equipment		62,774	56,023	67,407
Right of use asset	11	96,511	99,642	106,561
Intangible assets	12	85,000	76,702	81,876
Total non-current assets		244,285	232,367	255,844
Total assets		305,352	308,594	387,413
LIABILITIES				
Current liabilities				
Payables	14	70,043	116,397	98,429
Borrowings	15	16,899	13,833	14,753
Provisions	16	38,656	30,656	30,809
Total current liabilities		125,598	160,886	143,991
Non-current liabilities				
Borrowings	15	88,455	75,056	97,039
Provisions	16	7,457	4,371	4,371
Total non-current liabilities		95,912	79,427	101,410
Total liabilities		221,510	240,313	245,401
Net assets		83,842	68,281	142,012
EQUITY				
Accumulated funds		83,842	68,281	142,012
Total equity		83,842	68,281	142,012

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2021

	Notes	Accumulated funds \$'000	Total \$'000
Balance at 1 July 2020		142,012	142,012
Net Result for the year		(58,170)	(58,170)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(58,170)</u>	<u>(58,170)</u>
Balance at 30 June 2021	17	<u>83,842</u>	<u>83,842</u>
Balance at 1 July 2019		143,002	143,002
Net result for the year		(990)	(990)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(990)</u>	<u>(990)</u>
Balance at 30 June 2020		<u>142,012</u>	<u>142,012</u>

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2021

	Notes	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
Cash flows from operating activities				
Payments				
Employee related		(339,126)	(293,824)	(253,901)
Grants and Subsidies		(899)	(4,533)	(1,209)
Finance cost		(2,286)	(2,103)	(2,242)
Payments to suppliers		(287,779)	-	(144,560)
Other		(5,511)	(130,974)	(3,756)
Total payments		(635,601)	(431,434)	(405,668)
Receipts				
Sales of goods and services		90,127	64,185	279,023
Grants and contributions		478,894	392,364	201,015
Other		77,241	393	27,733
Total receipts		646,262	456,942	507,771
Net cash from operating activities	21	10,661	25,508	102,103
Cash flows from investing activities				
Purchase of plant and equipment		(3,043)	(30,185)	(2,133)
Purchase of intangibles		(48,524)	(34,253)	(39,461)
Net cash from investing activities		(51,567)	(64,438)	(41,594)
Cash flows from financing activities				
Payment of principal portion of lease liabilities		(16,082)	(16,753)	(14,590)
Net cash from financing activities		(16,082)	(16,753)	(14,590)
Net increase/(decrease) in cash		(56,988)	(55,683)	45,919
Opening cash and cash equivalents		72,660	72,660	26,741
Closing cash and cash equivalents	6	15,672	16,977	72,660

The accompanying notes form part of these financial statements.

Notes to the financial statements

for the year ended 30 June 2021

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. Service NSW is an Executive Agency under the principal Department of Customer Service (DCS). 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, 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 2021 have been authorised for issue by the Chief Executive Officer on 20 October 2021.

b. Basis of preparation

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

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* and
- Treasurer's Directions issued under the GSF Act.

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

Judgements, estimates and key assumptions made by management are disclosed in the relevant notes to the financial statements.

The financial statements have been prepared on a going concern basis. On this basis, Service NSW is expected to be able to pay its debts as and when they are due and payable.

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

c. Statement of compliance

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

Notes to the financial statements

for the year ended 30 June 2021

d. Amounts held on behalf of other agencies

Service NSW delivers transactional services on behalf of other agencies under a fee for service arrangement, but does not control these activities, including but not limited to: Office of Sport, Create NSW, Resilience NSW, Treasury NSW, Department of Education, Ministry of Health, Land and Housing NSW, Department of Customer Service, Transport for NSW, Department of Planning, Industry and Environment (DPIE), Department of Communities and Justice and Multicultural NSW. Service NSW does not have the discretion to deploy the resources for the achievement of Service NSW's own objectives.

Transactions and balances relating to these activities are not recognised as Service NSW's income, expenses, assets and liabilities, but disclosed in Note 22.

e. Administered activities

Service NSW administers, but does not control, certain activities on behalf of the Crown in right of the State of New South Wales (Crown). It is accountable for the transactions relating to those administered activities but does not have the discretion to deploy the resources for the achievement of the entity's own objectives.

Transactions and balances relating to administered activities are not recognised as Service NSW's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered Income', 'Administered Expenses', 'Administered Assets' and 'Administered Liabilities' in Note 23.

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

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

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

- the amount of GST incurred by 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. Comparative information

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

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

i. Effective for the first time in 2020-21

The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in FY2020-21, but do not have an impact on the financial statements of Service NSW.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 is effective for Service NSW from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8: Accounting for Privately Financed Projects (TPP 06-8) was withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

Service NSW has no service concession arrangements subject to AASB 1059. The adoption of AASB 1059 did not have an impact on Financial Statements.

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. In accordance with the NSW Treasury mandate (TC 20/08), Service NSW did not adopt any of the accounting standards and interpretations that have been issued but are not yet effective.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods.

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2

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 the above standards will not have a material impact on the financial statements of Service NSW based on its current operations.

i. Changes in accounting policy

In 2021, Service NSW had a change in accounting policy resulting in \$0.9 million configuration costs relating to Cloud assets which were capitalised in Intangible assets. The change in this policy is a result of the agenda decision in April 2021 from IFRS Interpretations Committee (IFRIC). These configuration costs relating to Software as a Service (“SaaS”) arrangements were incurred in financial years 2019, 2020 and 2021. The comparatives for Intangible assets and Retained earnings for 30 June 2020 and 30 June 2019 were not restated as it is immaterial to analyse the movements in the prior financial years.

j. Impact of COVID-19 on Financial Reporting for 2020-21

The natural disasters in the financial year, primarily coronavirus (“COVID-19”) has had a major impact on individuals, businesses and the government sector.

The primary area of heightened risk from COVID-19 is to Service NSW workforce, in both public-facing and office based roles. As a result, significant focus has been placed on managing work health and safety (WHS) risks, physical, mental

Notes to the financial statements

for the year ended 30 June 2021

and social. Most office-based staff have moved to working from home arrangements, and Service NSW has acted to reduce any adverse impact on staff arising from these work arrangements. Frontline staff have also been provided with guidance in relation to hygiene, travel, illness prevention, and flexible working. Service NSW continues to support the health and safety of its staff.

Service NSW has identified and quantified, where possible, the impact and reported this in the financial statements for the financial year ended 30 June 2021.

The currently known impacts of COVID-19 are as follows:

- Right-of-Use assets (“ROUA”) relating to accommodation leases have been impaired by \$3.1 million (2020: \$3.8 million) based on the valuation of lease contracts under existing market conditions and verifying market data up to the date of this report. Refer to Note 11 for details on the assumptions and estimates used. (The impairment exercise will be done at year end by PNSW).

There is no uncertainty about Service NSW’s ability to continue as a going concern at 30 June 2021 as liquidity and credit risk are not significant areas of risk for Service NSW. There has been no impact on Service NSW’s liquidity or credit risk profiles as a result of COVID-19.

On account of COVID-19, a further assessment on the fair value of the following accounts, taking into account relevant assumptions and estimates, has been performed resulting in either no impact or insignificant impact being identified:

Receivables – Note 7

Property, plant and equipment – Note 10

Intangibles – Note 12; and

Financial instruments – Note 24.

In FY2020/21, Service NSW has been administering several Covid Stimulus grant programs on behalf of other NSW government agencies to stimulate the economy. These programs are Dine and Discover, Return to Work, Small Business Fees and Charges Rebate and Northern Beaches Small Business Hardship Grants. As a result, Service NSW has recruited additional frontline and support staff across the State to manage the anticipated increase in enquiries and customer flow.

Refer to Note 23 for further details relating to the above Covid Stimulus grant programs.

Other than the above, it has not come to Service NSW’s attention that there would be any other significant impact on the financial statements for the financial year ended 30 June 2021.

2. Expenses Excluding Losses

a. Employee related expenses

	2021	2020
	\$'000	\$'000
Salaries and wages (including annual leave)	301,430	222,004
Long service leave	7,251	7,545
Superannuation - defined benefit plan	507	775
Superannuation - defined contribution plan	29,206	20,205
Payroll tax and fringe benefit tax	17,202	14,125
Workers' compensation insurance	3,165	1,632
Other	1,060	2,135
	359,821	268,421

Employee related costs of \$12.2 million (2020: \$12.8 million) have been capitalised in various capital works and therefore are excluded from the above.

b. Other operating expenses

	2021	2020
	\$'000	\$'000
Auditor's remuneration		
- audit of financial statements	233	264
Expenses relating to short-term leases	8,025	5,259
Variable lease payments, not included in lease liabilities	827	800
Maintenance	792	1,055
Insurance	482	88
Consultants	97	137
Contractors	55,768	28,613
Travel	3,558	2,940
Energy costs	1,810	1,762
Advertising, general marketing, promotions etc	743	217
Property related	15,272	8,733
Printing	9,424	8,245
Clothing	1,256	988
Information technology	48,765	49,991
Office equipment	1	77
Telephone and communications	6,984	5,737
Bank charges	19,088	17,451
Shared service charges	3,100	6,107
Courier and freight	2,309	2,565
Interpreters & translators	1,322	943
Staff recruitment	1,329	1,249
Postage costs	3,799	6,505
Office supplies	1,591	1,135
Department of Customer Service Corporate costs	44,206	19,479
Other	15,733	7,826
	246,514	178,166

Reconciliation of Total Maintenance

	2021	2020
	\$'000	\$'000
Maintenance expense - contract labour and other (non-employee related, as above)	792	1,055
Employee related maintenance expense included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	792	1,055

Notes to the financial statements

for the year ended 30 June 2021

Recognition and Measurement

Contractors

Contractors includes costs of contingent labour hire.

Department of Customer Service Corporate costs

From 1 July 2019 some corporate and shared services have transferred to Department of Customer Service (DCS) under a centralised model. This includes Corporate technology functions, People & Culture, Corporate Affairs, Procurement, and Governance and Risk. DCS provides corporate service support to Service NSW as an in-kind benefit. In 2020/21 Service NSW continues to consume the Corporate services provided by DCS as in-kind benefit with a value of \$44.2 million.

Property related

Property related costs include costs incurred for cleaning, minor fit-out costs, rates and outgoings, security and waste disposal of corporate office and service centres.

Information technology

Information technology includes network costs, software and hardware maintenance, software licences, and offsite storage costs.

Maintenance expense

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

Insurance

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

Lease expense

Service NSW recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

c. Depreciation and amortisation expense

	2021	2020
	\$'000	\$'000
Depreciation:		
Plant and equipment	3,590	2,896
Leasehold improvements	12,720	12,464
Right of use asset	16,690	16,030
	33,000	31,390
Amortisation:		
Intangible assets	29,170	47,003
	62,170	78,393

Refer to Note 10, 11 and 12 for recognition and measurement policies on depreciation and amortisation.

d. Grants and subsidies

	2021	2020
	\$'000	\$'000
Grant to Transport for NSW	899	1,209

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

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

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

The 2020-2021 grants to Transport are represented by the following:

	2021	2020
	\$'000	\$'000
Operating lease rental expense		
- minimum lease payments	109	91
Property related	-	32
Printing	22	27
Information Technology	768	1,058
Telephone and Communications	-	1
	899	1,209

e. Finance costs

	2021	2020
	\$'000	\$'000
Interest expense from lease liabilities	2,286	2,242
	2,286	2,242

Recognition and Measurement – Finance Costs

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate for not-for-profit NSW General Government Sector entities.

3. Revenue

Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* (AASB 15) or AASB 1058 *Income from Not-for-Profit Entities* (AASB 1058), dependent on whether there is a contract with a customer defined by AASB 15. Comments regarding the accounting policies for the recognition of income are discussed below.

a. Sale of goods and services from contracts with customers

	2021	2020
	\$'000	\$'000
Rendering of Services	65,687	256,657
	65,687	256,657

Notes to the financial statements

for the year ended 30 June 2021

Recognition and Measurement

Rendering of services

Revenue from rendering of services is recognised when Service NSW satisfies the performance obligation by transferring the promised services.

Service NSW delivers government services on behalf of other agencies. It operates on a fee for service pricing model, which is based on full cost recovery of costs incurred in delivering this service. Service NSW satisfies its performance obligation when the service is provided or by reference to the stage of completion (based on labour hours and costs incurred to date). The fee for service arrangements with agencies are moving to a Grants and contributions model, hence the reduction in revenue.

The payments are typically due after the invoice is issued in accordance with the agreement, are to be paid within thirty (30) days of the date of issue.

The revenue is measured at the transaction price agreed under the contract once the services are delivered in accordance with the governing agreement and it is highly probable that a reversal will not occur. No element of financing is deemed present as payments are due when service is provided.

As at 30 June 2021, Service NSW fully satisfied the performance obligations of its fees for service revenue.

b. Grants and contributions

	2021	2020
	\$'000	\$'000
Grants without sufficiently specific performance obligations	461,115	200,388
Other grants with sufficiently specific performance obligations	17,779	-
	478,894	200,388

Recognition and Measurement

Income from grants without sufficiently specific performance obligations are recognised when Service NSW obtains control over the granted assets (e.g. cash).

Revenue from grants with sufficiently specific performance obligations are recognised as when Service NSW satisfies a performance obligation by transferring the promised goods. Service NSW typically satisfies its performance obligations when a funded project is completed and operational.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

c. Acceptance by the Crown of employee liabilities

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

	2021	2020
	\$'000	\$'000
Superannuation - defined benefit	507	754
Long service leave	7,251	7,292
Payroll tax	31	37
	7,789	8,083

d. Investment revenue

	2021	2020
	\$'000	\$'000
Interest revenue	73	166
	73	166

Recognition and Measurement

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

e. Other revenue

	2021	2020
	\$'000	\$'000
Credit card processing fee recovery	17,947	16,096
Project Cost recoveries	6,704	6,337
Cost Recovery from Department of Customer Service	1,943	28,082
In-kind Contributions from Department of Customer Service	44,206	19,479
Other income	915	676
	71,715	70,670

Recognition and Measurement

Credit card processing fee recovery

Credit card processing fee includes recovery of fees earned on the customers use of merchant card facilities. Financial institutions charge Service NSW merchant fee for online transactions. Service NSW recovers merchant fees from customers. The revenue is measured at the transaction price agreed with financial institutions.

Project Cost recoveries

Project cost recoveries include recoveries for projects undertaken by Service NSW, on behalf of other New South Wales Government agencies. This revenue is recognised when projects are completed.

Cost Recovery from Department of Customer Service

From 1 July 2019 some corporate and shared services have transferred to Department of Customer Service (DCS) under a centralised model. In 2019/20, Service NSW incurred some of these corporate and shared service costs, which was recovered from DCS as a cost recovery.

In – kind Contributions from Department of Customer Service

From 1 July 2019 some corporate and shared services have transferred to Department of Customer Service (DCS) under a centralised model. This includes Corporate technology functions, People & Culture, Corporate Affairs, Procurement, and Governance and Risk. DCS provides corporate service support to Service NSW as an in-kind benefit. In 2020/21 Service NSW continues to consume the Corporate services provided by DCS as in-kind benefit with a value of \$44.2 million.

Notes to the financial statements

for the year ended 30 June 2021

f. Deemed appropriations

Movement of Section 4.7 GSF Act

	2021	2020
	\$'000	\$'000
Total spending authority from parliamentary appropriations, other than deemed appropriations	478,894	201,015
Add: Own source revenue received during the year	167,368	306,756
Add: Own source revenue balance brought forward from prior years	72,660	26,741
Total	718,922	534,512
Less: Total expenditure	(703,250)	(461,852)
Variance	15,672	72,660
Less: The spending authority from appropriations lapsed at 30 June	-	-
Own source revenue balance carried forward to following years	15,672	72,660

4. Gains/(losses) on disposal

	2021	2020
	\$'000	\$'000
Gain/(Loss) on disposal of right of use assets	80	(2)
Disposal of plant and equipment	(13)	-
	67	(2)

5. Other gains / (losses)

	2021	2020
	\$'000	\$'000
Impairment loss on intangible assets	(7,583)	(4,731)
Impairment loss on right of use assets	(3,122)	(3,752)
Fair value unrealised gain	-	(38)
	(10,705)	(8,521)

Recognition and Measurement

Impairment losses on non-financial assets

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

Property, plant and equipment – Note 10

Intangible assets – Note 12

Right-of-use assets – Note 11

Impairment loss on intangible assets

At 30 June 2021, Service NSW assessed its intangible assets, whether there were any indications that assets may be impaired in accordance with Note 102 (Impairment Policy). Indications did exist, based on significant changes in how the assets have been used, or will be used, as new capability has been developed. As a result, the impacted assets were written down to their recoverable amount resulting in an impairment loss of \$7.6 million (2020: \$4.7 million).

Impairment loss on right-of-use asset

At 30 June 2021, due to economic effects of global pandemic COVID-19, there were indications of significant decline in the property market, demonstrated by the fall in the market rental index and hence Service NSW recognised an impairment of \$3.1 million (2020: \$3.8 million) of Right-of-use asset. Accounting Policies and events giving rise to impairment losses are disclosed in Note 11.

6. Cash and Cash Equivalents

	2021	2020
	\$'000	\$'000
Cash at bank	15,541	72,528
Cash on hand	131	132
	15,672	72,660
	2021	2020
	\$'000	\$'000
Cash and cash equivalents (per Statement of Financial Position)	15,672	72,660

Please refer to Note 24 for details regarding credit risk and market risk arising from financial instruments.

7. Receivables

	2021	2020
	\$'000	\$'000
Current		
Trade receivables from contracts with customers	9,365	27,600
Goods and Services Tax recoverable from ATO	5,370	1,945
Other receivables	4,277	218
Cost recoveries from other agencies	8,662	22,318
Accrued revenue	9,424	3,100
	37,098	55,181

Details regarding credit risk of trade debtors that are neither past due nor impaired are disclosed in Note 24.

Recognition and Measurement

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

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

Service NSW holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

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

For trade receivables, Service NSW applies a simplified approach in calculating ECLs. Service NSW recognises a loss allowance based on lifetime ECLs at each reporting date. Service NSW has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable. Based on management's assessment no ECL was recognised.

Notes to the financial statements

for the year ended 30 June 2021

8. Contract Assets

	2021	2020
	\$'000	\$'000
Contract assets - current	1,742	-
	1,742	-

Recognition and Measurement

Contract assets relate to Service NSW's right to consideration in exchange for services transferred to customers/work completed, but not billed at the reporting date in respect of services provided to partner agencies. The balance of contract assets was impacted by delays in the billing process.

9. Other Assets

	2021	2020
	\$'000	\$'000
Prepayments	6,555	3,728
	6,555	3,728

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

	Leasehold improvements \$'000	Plant and Equipment \$'000	Work in progress \$'000	Total \$'000
At 1 July 2019 - fair value				
Gross carrying amount	110,181	20,469	5,985	136,635
Accumulated depreciation and impairment	(44,214)	(16,103)	-	(60,317)
Net carrying amount	65,967	4,366	5,985	76,318
Year ended 30 June 2020				
Net carrying amount at start of year	65,967	4,366	5,985	76,318
Additions	361	-	5,734	6,095
Transfers to / from WIP	7,032	2,359	(9,391)	-
Impairment	(746)	-	-	(746)
Transfer to / from Intangible Assets	1,100	-	-	1,100
Depreciation expense	(12,464)	(2,896)	-	(15,360)
Net carrying amount at end of year	61,250	3,829	2,328	67,407
At 1 July 2020 - fair value				
Gross carrying amount	114,431	22,564	2,328	139,323
Accumulated depreciation and impairment	(53,181)	(18,735)	-	(71,916)

Net carrying amount	61,250	3,829	2,328	67,407
Year ended 30 June 2021				
Net carrying amount at start of year	61,250	3,829	2,328	67,407
Additions	95	-	2,948	3,043
Transfers to / from WIP	5,252	-	(5,252)	-
Disposal of plant and equipment	(5)	(8)	-	(13)
Transfer to / from Intangible Assets	6,853	1,794	-	8,647
Depreciation expense	(12,720)	(3,590)	-	(16,310)
Net carrying amount at end of year	60,725	2,025	24	62,774
At 30 June 2021 - fair value				
Gross carrying amount	126,626	21,775	24	148,425
Accumulated depreciation and impairment	(65,901)	(19,750)	-	(85,651)
Net carrying amount	60,725	2,025	24	62,774

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 13.

Recognition and Measurement

Acquisitions of Property, Plant and Equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

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.

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

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.

Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Notes to the financial statements

for the year ended 30 June 2021

Revaluation of property, plant and equipment

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

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. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

Service NSW assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Service NSW estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. The reversal is recognised in net result.

Depreciation of property, plant and equipment

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

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

	2021	2020
- Plant and equipment	3-5	3-5
- Leasehold improvements	*	*
* Shorter of lease term or 10 years.		

11. Leases

Service NSW leases various properties and motor vehicles. Lease contracts are typically made for fixed periods of 3 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Service NSW does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and motor vehicle leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by Service NSW and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is

within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was a decrease in recognised lease liabilities and right-of-use assets of \$0.6million.

Service NSW has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value leases are assets with a fair value of \$10,000 or less when new and comprise mainly of printers.

a. Right-of-use assets under leases

The following tables present right-of-use assets

	Buildings \$'000	Motor Vehicle \$'000	Total \$'000
Balance at 1 July 2020	106,284	277	106,561
Additions	2,703	224	2,927
Lease remeasurement	6,835	-	6,835
Depreciation expense	(16,505)	(185)	(16,690)
Impairment	(3,122)	-	(3,122)
Balance at 30 June 2021	96,195	316	96,511

	Buildings \$'000	Motor Vehicle \$'000	Total \$'000
Balance at 1 July 2019	108,085	208	108,293
Additions	18,981	199	19,180
Depreciation expense	(15,900)	(130)	(16,030)
Impairment	(3,752)	-	(3,752)
Other movements	(1,130)	-	(1,130)
Balance at 30 June 2020	106,284	277	106,561

b. Lease liabilities

The following table presents liabilities under leases:

	2021 \$'000	2020 \$'000
Balance at 1 July	(111,754)	(108,293)
Additions	(2,927)	(19,180)
Lease measurement	(6,835)	-
Interest expense	(2,286)	(2,242)
Payments	18,369	16,833
Other movements	78	1,128
Balance at 30 June	(105,355)	(111,754)

Notes to the financial statements

for the year ended 30 June 2021

c. Right-of-use expenses under leases

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	2021 \$'000	2020 \$'000
Depreciation expense of right-of-use assets	16,690	16,031
Interest expense on lease liabilities	2,286	2,242
Expense relating to short-term leases	8,027	5,260
Expense relating to leases of low-value assets	6,980	5,732
Variable lease payments, not included in the measurement of lease liabilities	827	800
Total amount recognised in the statement of comprehensive income	34,810	30,065

Service NSW had total cash outflows for leases of \$24.6 million in FY2020-21 (FY2019-20: 25.2 million).

Recognition and measurement

Service NSW assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Service NSW recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

Service NSW recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 3 to 10 years
- Motor vehicles 1 to 3 years

If ownership of the leased asset transfers to Service NSW at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Service NSW assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Service NSW estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

ii. Lease liabilities

At the commencement date of the lease, Service NSW recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by Service NSW; and
- payments of penalties for terminating the lease, if the lease term reflects Service NSW exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for Service NSW's leases, the lessee's incremental borrowing rate is used, being the rate that Service NSW would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Service NSW's lease liabilities are included in borrowings.

iii. Short-term leases and leases of low-value assets

Service NSW applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Impairment Losses for Right-of-Use Assets

The COVID-19 outbreak occurring throughout the 2019-20 and 2020-21 financial years had an unprecedented effect on the NSW and global economies. COVID-19 significantly impacted the market rent for office accommodation properties and therefore the value of some lease right-of-use assets in the Statement of Financial Position.

Service NSW has therefore undertaken an impairment assessment for the above right-of-use assets, to determine whether the carrying amount exceeded their recoverable amount. Impacted right-of-use assets were written down to their recoverable amounts by reference to the right-of-use asset's fair value less costs of disposal (or value in use) and an impairment loss is recognised.

The Right of Use – Buildings for which an impairment loss has been recognised during the year, was due to the significant decline in market rent. It has been written down to its recoverable amount of \$95.0 million (2020: \$106.3 million), which is determined by reference to its fair value less costs of disposal. The impairment loss recognised during the financial year is \$3.1 million (2020: \$3.8 million).

12. Intangible Assets

	Software \$'000	Work in progress \$'000	Total \$'000
At 1 July 2019			
Cost (gross carrying amount)	168,393	7,000	175,393
Accumulated amortisation and impairment	(87,649)	-	(87,649)
Net carrying amount	80,744	7,000	87,744
Year ended 30 June 2020			
Net carrying amount at start of year	80,744	7,000	87,744
Additions	-	46,221	46,221

Notes to the financial statements

for the year ended 30 June 2021

Transfers to / from WIP	14,671	(14,671)	-
Transfer to / from PPE	-	(1,100)	(1,100)
Impairment loss	(3,986)	-	(3,986)
Amortisation	(47,003)	-	(47,003)
Net carrying amount at end of year	44,426	37,450	81,876

At 1 July 2020

Cost (gross carrying amount)	155,260	37,450	192,710
Accumulated amortisation and impairment	(110,834)	-	(110,834)
Net carrying amount	44,426	37,450	81,876

Year ended 30 June 2021

Net carrying amount at start of year	44,426	37,450	81,876
Additions	-	48,521	48,521
Transfers to / from WIP	41,358	(41,358)	-
Transfer to / from PPE	-	(8,647)	(8,647)
Impairment loss	(3,420)	(4,160)	(7,580)
Amortisation	(29,170)	-	(29,170)
Net carrying amount at end of year	53,194	31,806	85,000

At 30 June 2021

Cost (gross carrying amount)	104,341	31,806	136,147
Accumulated amortisation and impairment	(51,147)	-	(51,147)
Net carrying amount	53,194	31,806	85,000

Recognition and Measurement

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

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

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

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses. Intangible assets are amortised using the straight-line method over the period of estimated useful life. Software purchased is amortised over 4 years. Internally generated software is amortised over a period of 4 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.

13. Fair value measurement of non-financial assets

Fair value measurement and hierarchy

Valuation of Physical non-current assets at fair value allows non-specialised assets with short useful lives to be recognised at depreciated historical cost as a surrogate for fair value. Service NSW holds non-specialised assets with short useful lives. Service NSW has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

14. Current Liabilities – Payables

	2021	2020
	\$'000	\$'000
Accrued salaries, wages and on-costs	4,327	2,633
Creditors and accruals	65,346	94,645
Other	370	1,151
	70,043	98,429

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 24.

Recognition and Measurement

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

15. Current/Non-Current Liabilities – Borrowings

	2021	2020
	\$'000	\$'000
Current		
Derivative	-	38
Lease liabilities	16,899	14,715
	16,899	14,753
Non-current		
Lease liabilities	88,455	97,039
	88,455	97,039

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 24.

Recognition and Measurement

Borrowing represents interest bearing liabilities and lease liabilities.

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process. Lease liabilities are determined in accordance with AASB 16. Refer to Note 11 for the recognition and measurement criteria.

Notes to the financial statements

for the year ended 30 June 2021

16. Current/Non-Current Liabilities – Provisions

	2021	2020
	\$'000	\$'000
Current		
Employee benefits and related on-costs		
Annual leave	32,054	22,565
Long service leave	5,142	4,310
Payroll tax	1,460	1,263
	38,656	28,138
Current annual leave obligations expected to be settled after 12 months	6,587	4,039
Current long service leave obligations expected to be settled after 12 months	4,628	3,879
	11,215	7,918
Other provisions		
Provision for makegood	-	2,671
	-	2,671
Total current provisions	38,656	30,809
Non-current		
Employee benefits and related on-costs		
Long service leave	447	375
	447	375
Other provisions		
Provision for makegood	7,010	3,996
	7,010	3,996
Total non-current provisions	7,457	4,371
Aggregate employee benefits and related on-costs		
Provisions	39,103	28,513
Accrued salaries and wages (Note 14)	4,327	2,633
	43,430	31,146
	2021	2020
	\$'000	\$'000
Reconciliation of provision for makegood		
Carrying amount at the beginning of the period	6,667	6,638
Additional provision recognised	77	375
Amounts used	(15)	(82)
Unwinding of discount or change in discount rate	281	(264)
Carrying amount at end of financial year	7,010	6,667

To determine the consequential cost split on Long Service Leave, Service NSW has adopted the actuarial advice from Treasury Circular 21-03 using 91% current and 9% non-current.

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. The discount rate used to calculate present value of makegood provision is 0.73% and 1.52%.

Recognition and Measurement

Employee Benefits and other provisions

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

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

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (AASB 119) (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. Service NSW has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where Service NSW does not expect to settle the liability within 12 months as it does not have an unconditional right to defer settlement.

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

Long service leave and superannuation

Service NSW's liabilities for long service leave and defined benefit superannuation are assumed by the Crown. 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 of employee benefits and other liabilities'.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to reporting date in accordance with AASB 119. This is based on the application of certain factors (specified in NSWTC 21/03) to employees with five or more years of service, using current rates of pay, expected future age, salary level and experience of employee departures. These factors were determined based on an actuarial review to approximate present value. Expected future payments are discounted using the Commonwealth Government bond rate at the reporting date.

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

Consequential on-costs

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

Other Provisions

Other provisions exist when a present legal or constructive obligation exists as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When Service NSW expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Notes to the financial statements

for the year ended 30 June 2021

Any provisions for restructuring are recognised only when Service NSW has a detailed formal plan and Service NSW has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted between 0.99% and 1.01%, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

17. Equity

Accumulated Funds

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

18. Commitments for Expenditure

	2021	2020
	\$'000	\$'000
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	4,809	3,908
Later than one year and not later than five years	39	-
Greater than five years	-	-
Total (including GST)	4,848	3,908

The total capital commitments above include total input tax credits of approximately \$0.4 million (2020: \$0.4 million) that are expected to be recoverable from the Australian Taxation Office.

19. Contingent Liabilities and Contingent Assets

Contingent liabilities

In April 2020, Service NSW alerted police and authorities of a cyber-attack that accessed customer information held in emails. The response to the incident, and support being provided to affected customers is ongoing.

Management is not aware of any material future compensation or reimbursement claims relating to the mailbox incident. It is highly likely the TMF and/or global reinsurers will meet the legal and settlement costs of any future claims, including a class action.

Given the immaterial nature of the compensation and reimbursement claims to date and the coverage of the TMF, there is no contingent liability in relation to the 2020 cyber-attack for the year ended 30 June 2021.

Service NSW is not aware of any other contingent liability in existence at 30 June 2021 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.

20. Budget Review

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

Net Result

Actual net result was \$58.2 million compared to a budgeted net result of \$67.0 million – a variance of \$8.8 million.

The above variance is comprised of higher than originally budgeted revenue of \$ 162.9 million, partially offset by higher than originally budgeted expenses of \$143.4 million and unbudgeted impairment loss of \$10.6 million.

Expenses

- Employee related expenses were higher than the original budget by \$61.7 million. This was mainly because of additional staff hired to undertake COVID-19 initiatives.
- Other operating expenses were higher than the budget by \$105.5 million primarily due to additional expenditure associated with increased scale of operations in areas such as Information and Communication Technology (ICT) security and fraud control framework to enhance Cyber security.
- Depreciation and amortisation were lower than the budget by \$19.9 million mainly as a result of asset write-offs and impairments processed in last financial year 2019-20.
- An unbudgeted impairment loss of \$10.7 million was incurred in 2020-21. This resulted from the expensing of intangible assets by \$7.6 million from the fixed asset register as part of annual impairment testing, where it was identified that the assets were no longer in use or had been superseded. An impairment loss of \$3.1 million was recognised for rights-of-use assets, due to economic effects of global pandemic COVID-19.

Revenue

- Sale of goods and services includes fee for service arrangements with agencies, which generated revenue of \$65.7 million. This is \$1.5 million over the original budget. This mainly resulted from additional unbudgeted work undertaken for partner agencies, including \$10 million of fees that was recouped for the administration of Dine and Discover.
- Grants and contributions were higher than the budget by \$86.5 million as a result of increased funding for administration of COVID-19 grant payment programs. There was also a redundancy recoup of \$4.0 million from Treasury in relation to Voluntary redundancy undertaken previous year.
- Other revenue was \$71.5 million favourable to budget. This was primarily due to in-kind contributions from Department of Customer Service (DCS) of \$44.2 million relating to corporate and shared service functions. Additionally, the budget for credit card processing fee recoveries of \$17.9 million, and project cost recoveries of \$6.7 million was originally included in sale of goods of services.
- Based on Actual assessment, there was a significant increase of long service leave balances by \$5.3million from last year. This contributed towards a higher than budgeted revenue relating to Acceptance by the Crown of employee benefits and other liabilities. Due to border closure issues, staff have not taken as much leave in 2020/21.

Assets and Liabilities

- The actual cash balance of \$15.7 million was \$1.3 million lower than the budgeted balance of \$17.0 million primarily due to minor timing differences.
- Receivables is lower than original budget by \$22.2 million, mainly due to conversion of the Transport of NSW fee for service model to a Grants contributions model, this reduced our debtors significantly.
- Service Centre refurbishment mainly contributed towards a \$6.8 million additional expenditure than originally budgeted for Property, plant, and equipment.
- Intangible Assets were higher than budget by \$8.3 million mainly arising from Cyber Security projects.
- Rights of Use assets were lower than the original budget by \$3.1million arising from impairment of lease assets driven by the decreasing trend in the commercial rental rates since the pandemic.
- Increased efforts undertaken to clear supplier payments, including intercompany payments to DCS has contributed towards the payable being lower than original budget by \$46.4 million.

Notes to the financial statements

for the year ended 30 June 2021

- Provision was higher than the original budget by \$11.1 million, this was mainly as a result of an increase in accrued leave hours by 36 percent as staff have not undertaken their recreational leave due to restrictions and border closure issues.
- Extension/Renewal of leases terms and conditions of various Service Centres during 2020/21 have resulted in a Borrowing position being higher than original budget by \$16.5 million.

Cash flows

- Total cash flow payments were higher than the original budget by \$204.2 million, mainly as a result of increased Employee related and other operating expenses driven by covid initiatives and cyber security projects.
- Total cash inflows were higher than the original budget by \$189.3 million. Additional unbudgeted grant contributions and fees for service revenue relating to covid initiatives contributed this higher cash inflow.
- Cash outflows from investing activities were higher than original budget by \$12.9 million. Cash flow timing issues associated with supplier payments mainly contributed towards this.

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

	2021 \$'000	2020 \$'000
Net cash used on operating activities	10,661	102,103
Add/(less) non-cash items:		
Depreciation / amortisation	(62,170)	(78,393)
Loss on write off	(10,638)	(8,523)
Changes in operating assets and liabilities		
Increase/ (decrease) in Contract assets	1,742	-
Increase / (decrease) in receivables	(15,256)	23,299
(Increase) / decrease in payables	28,424	(34,990)
(Increase) / decrease in other provisions	(10,933)	(4,486)
Net result	(58,170)	(990)

22. Amounts Held on Behalf of Other Agencies

Service NSW holds money in a Miscellaneous Trust Fund which is used for various purposes as disclosed below. Service NSW performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of Service NSW's own objectives, these funds are not recognised in the financial statements. Service NSW delivers transactional services on behalf of NSW Government agencies. Refer to Note 1(d) for policy.

The following is a summary of the transactions for each program in the trust account.

Program	Opening balance at 1 July 2020	Add: Receipts	Less: Payment	Cash balance at 30 June 2021
	\$'000	\$'000	\$'000	\$'000
Active Kids	9,428	114,000	(114,473)	8,955
Creative Kids	6,661	60,000	(60,301)	6,360
Bushfire \$10k Small	29,513	12	(22,329)	7,196
Business Rebate Grant				
Bushfire \$50k Small	16,518	-	(10,017)	6,501
Business Rebate Grant				
Volunteer Firefighter Program	2,932	-	(691)	2,241

Compulsory Third-Party Insurance Rebate	807	-	(807)	-
In Vitro Fertilisation Rebate	2,233	3,767	(2,407)	3,593
Jobs for Tomorrow	1,049	-	(405)	644
Senior Energy Rebate	1,383	5,277	(5,054)	1,606
Remitting account**	39,907*	4,288,803	(4,298,970)	29,740
Covid \$10k Small Business Grant	114,725	1,766	(115,903)	588
Export Assistance Grant	-	10,000	(5,148)	4,852
Water Carting Program	3,618	-	(3,618)	-
Taxi Rebate Program	6,060	4,000	(9,797)	263
Covid \$3k Small Business Grant	15	109,336	(109,215)	136
Southern Border Assistance Grant	-	15,369	(15,322)	47
	234,850	4,612,331	(4,774,456)	72,725

* The changes are made to align cash disclosure balance as per bank statement, where previously they were reported based on cash ledger balance, which included reconciling items.

** The remitting account balance and movement above include fees collected by Service NSW which have been remitted to the agencies during the year. These include Land and Housing NSW, Department of Customer Service, Transport for NSW (TfNSW), Department of Planning, Industry and Environment (DPIE), Department of Communities and Justice, Liquor and Gaming NSW and Multicultural NSW. Transport for NSW represents a significant portion, with a remittance of \$4,130.5b for the financial year.

23. Administered Items

In FY2020/21 Service NSW administered grant programs on behalf of Crown. These included Covid \$3k Small Business Rebate Grant, \$1500 Small Business Rebate, Covid Southern Border Small Business Grant, Dine and Discover, \$50k small business and non-profit organisation Recovery Grants Program (Flood Recovery Grant), Northern Beaches Hardship Grant and Return To Work. Refer to Note 1(e) for policy.

During the year, Service NSW incurred the following Administered expenses on behalf of the Crown, in relation to the above grant programs:

	2021 \$'000	2020 \$'000
Administered Expenses		
Northern Beaches Hardship Grant ⁽ⁱ⁾	11,083	-
Flood Relief \$50,000 Grant ⁽ⁱⁱ⁾	10,831	-
Covid Stimulus – Dine and Discover Grants ⁽ⁱⁱⁱ⁾	221,763	-
Return to Work Grants ^(iv)	5,821	-
Small Business Fees & Charges Rebate ^(v)	13,929	-
Total Administered Expenses	263,427	-

Recognition and Measurement

The above Administered Grants are generally recognised as an expense when the control of the contribution is transferred to the grant applicants. The control associated with the grant is deemed to be transferred to the grantee when the grant is paid or payable.

Notes to the financial statements

for the year ended 30 June 2021

- (i) Northern Beaches Support Grant provides small businesses and not-for-profit agencies, impacted by the late 2020 shutdown, with a one-off hardship grant.
- (ii) Flood Relief \$50,000 Grant provides eligible small businesses and not-for-profit agencies directly impacted by the NSW storms and floods from 19 February 2021.
- (iii) Service NSW administers Dine & Discover on behalf of the NSW Government to encourage the community to get out and about and support dining, arts and recreation businesses. Two vouchers are issued for recreational purposes and two for dining activities. These grant expenses recognised are based on the value of the vouchers that have been scanned and paid.
- (iv) Return to Work Grants are to assist women whose employment has been affected by COVID-19 to overcome obstacles in returning to the workforce.
- (v) Small Business Fees & Charges Rebate supports businesses with the cost of government fees and charges to recover from the impact of the COVID-19 pandemic and incentivise business growth.

The following is a list of Administered Assets and Liabilities as at 30 June 2021

	2021 \$'000	2020 \$'000
Administered Assets		
Cash at bank ⁽ⁱ⁾	203,444	-
Total Administered Assets	203,444	-

Recognition and Measurement

(i) Cash at bank represents funds held as at 30 June 2021 in relation to these covid stimulus programs, of which \$197.8 million represent funds that are yet to be distributed to the public in relation to the programs mentioned above.

24. Financial Instruments

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

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

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

a. Financial instrument categories

Financial Assets	Note	Category	2021 \$'000	2020 \$'000
Class:				
Cash and cash equivalents	6	Amortised cost	15,672	72,660
Receivables ¹	7	Amortised cost	31,728	53,236
Contract assets	8		1,742	-
Carrying amount of financial assets			49,142	125,896

Financial Liabilities Class:	Note	Category	2021 \$'000	2020 \$'000
Payables ²	14	Financial liabilities measured at amortised cost	69,673	97,278
Borrowings	15	Financial liabilities measured at amortised cost	105,354	111,754
Derivative	15	Fair value through profit or loss - designated as such at initial recognition	-	38
Carrying amount of financial liabilities			175,027	209,070

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. Derecognition of financial assets and financial liabilities

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

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

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

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

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

c. Offsetting financial instruments

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

Notes to the financial statements

for the year ended 30 June 2021

d. Financial risk

i. Credit risk

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

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

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

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

Cash and cash equivalents

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

Accounting policy for impairment of trade debtors and other financial assets

Receivables - trade debtors

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

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

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

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

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

The loss allowance for trade debtors as at 30 June 2021 and 30 June 2020 was determined to be nil.

	Current \$'000	<31 days \$'000	31-60 days \$'000	61-90 days \$'000	>91 days \$'000	Total \$'000
30 June 2021						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	6,450	7,563	493	1,306	1,095	16,907
Expected credit loss	-	-	-	-	-	-
30 June 2020						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	29,220	901	703	40	339	31,203
Expected credit loss	-	-	-	-	-	-

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

The entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2021.

ii. Liquidity risk

Liquidity risk is the risk that Service NSW will be unable to meet its payment obligations when they fall due. Service NSW manages this risk through monitoring future operating cash flows and the timing of receiving approved funding allocation from NSW Treasury, which is on a cash flow needs basis, to facilitate the coordination and adoption of an optimal cash management strategy for the State. Service NSW maintains a suitable cash buffer to manage ad-hoc unscheduled payments, when required to ensure that working capital is sufficient to meet current liabilities. Liabilities are recognised for amounts due to be paid in the future for goods or services received, despite invoices are received or not. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest.

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate %	Nominal Amount \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	< 1 year \$'000	1-5 years \$'000	>5 years \$'000
2021								
Payables	n/a	69,673	-	-	69,673	69,673	-	-
Borrowings	2.00%	113,687	113,687	-	-	18,560	62,626	32,501
Derivative	n/a	-	-	-	-	-	-	-
2020								
Payables	n/a	97,278	-	-	97,278	97,278	-	-
Borrowings	2.06%	111,754	111,754	-	-	14,715	84,717	12,322
Derivative	n/a	38	-	-	38	38	-	-

Notes to the financial statements

for the year ended 30 June 2021

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

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Service NSW has no exposure to market risk due to nil borrowings. Service NSW has limited exposure to foreign currency risk which is insignificant as noted in the derivative note above.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis is performed on the same basis as for 2020.

The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through Service NSW's interest-bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. Service NSW does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rate would not affect the carrying value or interest paid/earned. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	Carrying amount	2021 \$'000		2021 \$'000	
		Net result -1%	Equity	Net result +1%	Equity
2021					
Financial assets					
Cash and cash equivalents	15,672	(157)	(157)	157	157
2020					
Financial assets					
Cash and cash equivalents	72,660	(727)	(727)	727	727

e. Fair value of financial instruments

i. Fair value compared to carrying amount

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

ii. Fair value recognised in the Statement of Financial Position

Management assessed that cash, trade receivables, trade payables, and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, Service NSW categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that Service NSW 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 the fair value hierarchy at the end of the reporting period during which the change has occurred.

The value of Derivative is based on the movement of observable trading prices in the foreign exchange market. Service NSW did not hedge since February 2021, hence no Derivative has been recognised as at 30 June 2021.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total
2020				
Financial liabilities at fair value				
Derivative	38	-	-	38
Total	38	-	-	38

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of the observable market data where it is available and rely as little as possible on entity specific estimates.

There were no transfers between Level 1 or 2 during the period.

25. Related Party Disclosures

Key management Personnel

Compensation for Service NSW key management personnel is as follows:

	2021 \$'000	2020 \$'000
Short-term employee benefits		
Salaries	2,508	2,206
Other monetary allowances	-	72
Post-employment benefits	150	-
Termination benefits	-	8
Total remuneration	2,658	2,286

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. One of the key management personnel is paid through corporate service charges to DCS. Their remuneration is included in the list.

Notes to the financial statements

for the year ended 30 June 2021

Government-related Entities

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

From 1 July 2019 some corporate and shared services have transferred to Department of Customer Service (DCS) under a centralised model. This includes Corporate technology functions, People & Culture, Corporate Affairs, Procurement, and Governance and Risk. In 2020/21 Service NSW continues to consume the Corporate services provided by DCS as in-kind benefit with a value of \$44.2 million. Refer to Note 3 (e) for details.

In 2020/21, Service NSW received additional grant contributions of \$225.0 million in relation to services provided to Transport for NSW (Transport), which previously was invoiced to Transport as fee for service.

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

	2021	2020
	\$'000	\$'000
Sale of good and services		
Transport for NSW	-	210,385
Insurance and Care NSW	18,479	16,406
Office of Sport	6,891	7,552
Office of the Children's Guardian	5,496	-
NSW Trains	4,314	-
NSW Police Force	3,561	-
Department of Customer Service	3,210	2,088
	41,951	236,431
Purchases of goods and services		
Department of Transport NSW	857	372
Property NSW	31,794	23,426
Department of Customer Service	44,206	4,865
	76,857	28,663

26. Events After the Reporting Period

Since the outbreak of COVID-19 pandemic Service NSW has been administering a number of COVID-19 grant and support programs for NSW citizens and small businesses on behalf of the NSW Government. The pandemic situation continues to evolve in 2020/21, additional COVID-19 stimulus programs were introduced that Service NSW administers, such as the extension of Dine & Discover, Small Business Grants and Return to Work. In addition, in response to the July Greater Sydney lock down, the NSW Government has announced further business stimulus measures such as the JobSaver & Business Grants which will be administered by Service NSW. The cost to administer these programs are expected to increase the operating costs of Service NSW in 2021/22, although these costs are yet to be quantified.

List of tables

Page	Title	
33	Table 1	Executive Leadership Team profiles
36	Table 2	Senior executive profile
36	Table 3	Female senior executive profile
37	Table 4	Workforce profile by employment category - three year comparison
37	Table 5	Executive officers' remuneration
39	Table 6	Size of Agency (Headcount)
39	Table 7	Workforce Diversity Survey Response Rate (Non-casual Headcount at Census Date)
40	Table 8	Workforce Diversity Actual Staff Numbers (Non-casual Headcount at Census Date) - 2020
41	Table 9	Workforce Diversity Actual and Estimated Staff Numbers (Non-casual Headcount at Census Date) - 2020
42	Table 10	Workforce Diversity Actual and Estimated Staff Numbers (Non-casual Headcount at Census Date) as Percentages - 2020
43	Table 11	Trends in the Representation of Workforce Diversity Groups
43	Table 12	Trends in the Distribution Index for Workforce Diversity Groups
44	Table 13	Representation of Workforce Diversity Groups
47	Table 14	Matters Dealt with at the NSW Industrial Relations Commission
50	Table 15	Number of insurance claims
50	Table 16	Net incurred insurance claims cost (\$)
53	Table 17	Number of applications by type of application and outcome
53	Table 18	Number of applications by type of application and outcome
54	Table 19	Invalid applications
54	Table 20	Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act
55	Table 21	Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act
55	Table 22	Timeliness
55	Table 23	Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome)
56	Table 24	Applications for review under Part 5 of the GIPA Act (by type of applicant)
56	Table 25	Applications transferred to other agencies under Division 2 of Part 4 of the GIPA Act (by type of transfer)
58	Table 26	Aged analysis at the end of each quarter
59	Table 27	Accounts due or paid within each quarter
60	Table 28	New major works in 2020-21
61	Table 29	Continuing major works in 2020-21

Compliance checklist

Compliance requirement	Section in the annual report	Page
Access	Access to Service NSW	7
	Annual report production cost and online availability	7
Aims and objectives	Message from the CEO	5
	What we do	9
	Highlights of our year	13
	Looking ahead	28
Charter	What we do	5
	Authorising legislation	10
Consultants	Consultants	60
Consumer response	Consumer response	31
Cyber Security Policy attestation	Cyber security annual attestation statement	52
Disability inclusion action plans	Disability inclusion action plan	45
Economic or other factors	Consumer Response	31
	Message from the CEO	5
Financial statements	Financial statements	62
Funds granted to non-government community organisations	Funds granted to non-government community organisations	60
Government Information (Public Access) Act 2009 (GIPA Act)	Government Information (Public Access) Act 2009 (GIPA Act)	52
Human resources	Workforce	4
	Movements in wages, salaries or allowances	38
	Personnel policies and practices	47
	Industrial relations policies and practices	47
Identification of audited financial statements	Financial statements	62
Inclusion of unaudited financial statements	Financial statements	62
Internal audit and risk management policy attestation	Internal audit and risk management policy attestation	50
Land disposal	Land disposal	60
	Legal change	57
Legal change	Legal change	57
	Significant judicial decisions	57
Letter of submission	Letter of submission	2

Compliance requirement	Section in the annual report	Page
Management and activities	What we do	9
	Highlights of our year	13
	Looking ahead	28
	Message from the CEO	5
	Year at a glance 2020-21	12
	Internal audit	48
	External audit	49
	Delivering with our partners	22
	Licensing reform	29
	Message from the Minister	3
	Major works	60
Management and structure	Executive leadership team	33
	Management structure	35
Multicultural policies and services program	Multicultural policies and services	44
Multicultural NSW agreements	Agreements with Multicultural NSW	44
Numbers and remuneration of senior executives	Workforce	4
Payment of accounts	Payment of accounts	58
Privacy and Personal Information Protection Act 1998 (PPIPA)	Privacy	56
Promotion	Overseas travel	58
Public interest disclosures (PID)	Public interest disclosures	57
Research and development	Research and development	59
Risk management and insurance activities	Risk management, attestation and insurance activities	50
Summary review of operations	Message from the CEO	5
	What we do	9
	Highlights of our year	13
	Looking ahead	28
Time for payment of accounts	Time for payment of accounts	58
Work health and safety	Work health and safety	45
Workforce diversity	Workforce diversity report	39

