Office of Finance and Services
Annual Report 2014/15
Dear Ministers

Office of Finance and Services Annual Report 2014/15

I am pleased to submit the annual report for the NSW Office of Finance and Services for the year ended 30 June 2015, for presentation to Parliament.

This report has been prepared in accordance with the Annual Report (Departments) Act 1985, the Public Finance and Audit Act 1983 and regulations under those Acts.

The report also includes reports for the:

- NSW Procurement Board
- Waste Assets Management Corporation
- Office of the Valuer-General
- Surveyor-General
- Registrar-General
- Geographical Names Board of NSW

Yours sincerely

Martin Hoffman
Secretary, Department of Finance, Services and Innovation

29/10/15.
7.9 Employment relations policies and practices 88
7.10 Funds granted to non-government community organisations 89
7.11 Government Information (Public Access) statistics 96
7.12 Implementation of price determination 99
7.13 Land disposal 99
7.14 Legislation administered 99
7.15 Legislative change 103
7.16 Overseas travel 116
7.17 Public interest disclosure 117
7.18 Research and development 118
7.19 Risk management, attestation and insurance activities 119
7.20 Significant judicial decisions 123
7.21 Waste reduction and purchasing policy 127
7.22 Work health and safety and injury management 127
7.23 Access to Office of Finance and Services and related entities offices 131

8. Office of Finance and Services annual reporting compliance checklist 2014/15 133

9. Index 135

Part Two - Financial statements 137
Part One

About this report

This report covers the Office of Finance and Services (OFS) and cluster agencies as at 30 June 2015. Included in this report, under the section titled ‘Office of Finance and Services related entities reports and other reporting requirements’ are annual and other reports for the:

- NSW Procurement Board
- Waste Assets Management Corporation
- Office of the Valuer General
- Surveyor General
- Registrar General
- Geographical Names Board of NSW


The following business areas produce their own annual reports:

- Board of Surveying and Spatial Information (BOSSI) available at www.bossi.nsw.gov.au/publications/annual_reports_plans
- Government Property NSW available at www.property.nsw.gov.au
- Teacher Housing Authority available at www.tha.nsw.gov.au/about/annualreport.cfm
1. Secretary’s message

The 2014/15 Office of Finance and Services (OFS) annual report sets out our achievements as a policy leader, service provider and regulator.

It is the last report we make as the Office of Finance and Services. On 1 July 2015, OFS became the Department of Finance, Services and Innovation (DFSI). I took up my role as Secretary of DFSI on 3 August 2015.

In a year of significant government reform and organisational change, OFS staff showed their usual commitment and steadiness as they delivered our services to government, business and the community. I thank them for their hard work and for so capably applying their skills to the business of government and the wide-ranging demands of our portfolio.

DFSI has a vital role to play in the Government’s reform and innovation agenda and we are already working hard to deliver these priorities.

Martin Hoffman
Secretary
Department of Finance, Services and Innovation
2. About the Office of Finance and Services

2.1 Who we are

The Office of Finance and Services is a service provider, regulator and central agency of government. It is responsible for supporting sustainable government finances, major public works and maintenance programs, government procurement, information and communications technology, corporate and shared services, consumer protection, administration of State taxation and revenue collection, NSW land and property administration services.

OFS also supported the Minister for Finance and Services to act as a shareholder in public energy utilities and the superannuation portfolio.

Changes during the year

On 2 April 2015 pursuant to Administrative Arrangements (Administrative Changes—Ministers) Order 2015 the Minister for Finance and Services became the Minister for Finance, Services and Property. Also effective from 2 April 2015, the Fair Trading portfolio ceased to be a separate portfolio and is now included in the portfolio of the Minister for Innovation and Better Regulation.

Our divisions

At 30 June 2015, OFS comprised 10 administrative divisions:

- Government Services
- Land and Property Information
- NSW Fair Trading
- NSW Public Works
- Office of State Revenue
- Property and Housing Group
- Safety, Return to Work and Support
- Service Innovation and Strategy
- Corporate Services
- Office of the Chief Executive.

Our related entities

The following related entities exist outside the principal office’s administrative body, and are established pursuant to legislation.

Finance, Services and Property portfolio

- Board of Surveying and Spatial Information (BOSSI)
- Geographical Names Board of New South Wales
- Government Property NSW
- NSW Architects Registration Board
- New South Wales Government Telecommunications Authority (Telco)
2.2 What we do

**Government Services** Division provides services to NSW Government departments in the areas of procurement, fleet, information technology, human resources and finance and business services.

The division supports and delivers whole of sector reforms in procurement, information and communication technology, telecommunications, corporate and shared services, records and archival management, and supports the NSW Procurement Board.

Government Services comprises NSW Procurement, ServiceFirst, the ServiceFirst Outsourcing Program (now known as the Shared Services Outsourcing Vendor Management Office), StateFleet and ICT Strategic Delivery. During 2015, services provided by ServiceFirst (other than workplace services) are being transitioned to two commercial providers, Unisys Australia Pty Limited and Infosys Limited, through the Vendor Management Office.

**Land and Property Information** administers a range of legislation that provides the framework for land titling and conveyancing, surveying, valuation, spatial information and related matters. By supporting the statutory functions of the Registrar General, Surveyor General and the Valuer General, the division protects land titles and cadastral integrity in NSW, and maintains and promotes standards that ensure secure, consistent and quality spatial and valuation information is provided to the community.

**NSW Fair Trading** safeguards consumer rights, regulates specific industries and occupations, and advises traders on fair and ethical business practice. The laws administered by Fair Trading set the guidelines for fairness in the countless daily transactions between consumers and traders. Fair Trading mediates consumer complaints and enforces compliance through licensing, inspections, investigations, prosecution and other disciplinary actions.

Fair Trading provides information to consumers and traders on their rights and responsibilities under fair trading legislation. Business licensing services protect consumers and assist traders by maintaining and improving the integrity of industries vital to the NSW marketplace.

Rental bonds custodial services provide tenants, landlords and property agents with confidence that bonds are used for their rightful purpose and are quickly available when required.
**NSW Public Works** provides expert advice and commissioning services for infrastructure, assets and facilities to agencies to enable them to deliver their services to the community.

As a smart buyer for government, NSW Public Works supports government and agencies in procuring services from the market. Its helps clients maximise value, minimise costs and effectively manage risks in their infrastructure programs and life cycle management of their assets. It supports agencies in strategic planning, support investment decisions, design management, delivery of infrastructure, engineering projects and maintenance.

NSW Public Works ensures capability in regional communities through its network of regional offices responding to emerging asset needs and providing engineering emergency response during natural disaster and other events.

The **Office of State Revenue** (OSR) is NSW’s principal revenue agency, fairly administering State taxation and revenue for, and on behalf of, the people of NSW. OSR manages fines and payments due to Government and administers grants and subsidies to provide valuable assistance to families and enterprises across NSW.

The **Property and Housing Group** includes three entities, Government Property NSW (GPNSW), the Teacher Housing Authority (THA) and Waste Assets Management Corporation (WAMC). WAMC has recently been integrated into GPNSW’s Portfolio Management Group to bolster its environmental capability.

GPNSW provides expert property advice across the whole of government. It delivers three core services for the State: leading property policy, portfolio and asset management, and property transactions. These services ensure better management of the State’s property portfolio, releasing capital for front-line community services.

WAMC is a specialised landfill operations and rehabilitation manager. It delivers contracted waste disposal services to SUEZ Environment, manages and rehabilitates nine open and closed landfill sites and is a partner in a landfill gas-to-energy joint venture.

The THA supports education by providing residential accommodation in rural and remote locations where the needs of teachers cannot be met by the private rental market. In these areas, this service is considered vital for the delivery of quality education.

**Safety, Return to Work and Support** (SRWS) brings together four agencies that support the citizens and businesses of New South Wales through the insurance, prevention and management of injury in our workplaces, and on our roads. SRWS includes the Dust Diseases Board, the Lifetime Care and Support Authority, the Motor Accidents Authority of NSW and the WorkCover Authority of NSW.

**Service Innovation and Strategy** drives innovation and builds capability across the NSW public sector in support of better, more citizen-focused service delivery. The division leads on key whole of sector policies and strategies including information and communications technology, procurement, construction and corporate and shared services reform.

**SICorp’s** main function is to operate the NSW Government’s managed fund schemes. The main scheme known as the Treasury Managed Fund (TMF) provides unmatched protection for the asset and liability exposures (except Compulsory Third Party insurance) for most government agencies. Major agencies not in the TMF are Rail Corporation NSW, Sydney Trains, NSW Trains, State Transit Authority of NSW and Land Housing Corporation NSW.

SICorp provides insurance required under the *Home Building Act 1989* through the Home Building Compensation Fund for building work in NSW. SICorp also provides principal arranged construction insurance for capital works projects by agencies in NSW.

**Corporate Services** provides overarching policy and strategic advice, and operational support to the Chief Executive and OFS divisions. Corporate Services works closely with operational business units and in partnership with service providers, including ServiceFirst, to deliver transactional services.
Corporate services include: strategic procurement, people resources, Information and Communications Technology (ICT), facilities and fleet management, records and knowledge management, financial management, risk management, legal services, audit, and corporate affairs.

Additionally, Corporate Services led the implementation of corporate and shared services reform within OFS as part of the Corporate Operating Model (COM), and supported the internal implementation of the Government Sector Employment Act 2013 (GSE Act) and related executive reforms.

The Office of the Chief Executive comprised Executive Services, Ministerial Services and Information Access, and Media (until May 2015 when the latter unit transferred to Corporate Services). During the reporting period, this business area:

- delivered business operations and project management support to facilitate effective leadership and governance
- provided media and ministerial liaison on contentious and sensitive issues
- planned and coordinated events for the minister and OFS
- coordinated information flows to the Minister for Finance and Services, the Secretary of the Treasury and the OFS Chief Executive, including correspondence and briefing notes, parliamentary house folder notes, and responses to questions on notice
2.3 Office of Finance and Services at 30 June 2015
2.4 Principal officers at 30 June 2015

Simon Smith, Chief Executive, Office of Finance and Services

Simon Smith commenced as Chief Executive of the Office of Finance and Services on 2 February 2015.

He joined OFS from the Department of Premier and Cabinet, where he served as Deputy Secretary from 2011, concentrating on economic policy and reform.

Trained as an economist, Simon first joined the NSW public sector in 1994. His public sector roles have focused on the nexus between the economy and the environment, including roles in regulation, policy development and program delivery.

Brian Baker, Deputy Secretary, NSW Public Works

Brian Baker has over 30 years’ experience in developing and delivering major infrastructure projects. A significant component of his career has related to the planning and delivery of public infrastructure, including water supply, sewerage, bulk material export, transport, education and health. Brian also worked for non-government entities, including a major engineering and construction company in various consulting roles. He has a clear understanding of the processes of Government and management of accountabilities within the public sector, and a demonstrated ability to develop and implement effective workplace cultures consistent with sustainable business growth objectives.

Vivek Bhatia, Chief Executive Officer, Safety Return to Work and Support

Vivek Bhatia was appointed as CEO of SRWS and became a member of the Safety, Return to Work and Support Board in August 2014. He was appointed Chair of the DDB Board on 1 January 2015, was nominated and accepted as the NSW Member of Safe Work Australia and is Chair of the Heads of Asbestos Coordination Authority. Before he joined SRWS Vivek was the CEO at Wesfarmers Insurance, where he led the multi-brand, multi-channel insurer through a significant transformation.

He has also held several other prominent leadership roles in strategy, operations and technology at McKinsey & Company, Wesfarmers Insurance and QBE, both domestically and abroad over the past 15 years. Prior to joining SRWS, Vivek co-led the business restructuring and transformation practice at McKinsey & Company across Asia Pacific, where he worked across resources, industrials, telecommunications, financial services, and oil and gas.

Vivek Bhatia has an undergraduate degree in Engineering and has completed his MBA in strategy. He is a qualified Chartered Financial Analyst.

Sajeev George, Chief Financial Officer, Corporate Services

Sajeev George has held the position of CFO since July 2012. Sajeev has extensive experience in the NSW Public Sector, providing strategic financial management services to major cluster agencies. Prior to this position, Sajeev held senior financial management positions in the former Department of Services, Technology and Administration, and Department of Commerce. Before joining the public sector, Sajeev worked in the private sector including manufacturing, retail and chartered accounting areas. Sajeev is a member of CPA Australia and holds Bachelor of Commerce and Master of Commerce degrees.

Des Mooney, General Manager, Land and Property Information, Registrar General and Surveyor General

Des Mooney was appointed to the General Manager position in February 2001. He has extensive senior management experience in both public and private sectors including experience in surveying, mapping and valuation activities. He is a Deputy Chair PSMA Ltd Australia and a member of the Australian Registrars National Electronic Conveyancing Council (ARNECC). Des is also a registered
surveyor and registered valuer. In 2011 he was appointed Registrar General and Surveyor General of NSW. In addition, he is also President of the Board of Surveying and Spatial Information (BOSSI), Chair of the Geographical Names Board (GNB), Chair of the Location Leadership Group (LLG) and the NSW representative for Australian and New Zealand Land Information Council (ANZLIC).

**John Hubby, Deputy Secretary, Corporate Services**

John Hubby joined the former Department of Finance & Services in April 2012, and acted as Chief Executive from April 2014 to January 2015. Prior to joining DFS, John worked at Juvenile Justice (from 2009 to 2012) as Deputy Chief Executive and as Chief Executive. His other former roles include working as an executive at NSW Health, Justice Health, where he worked on the organisation’s response to the complex health issues of people who come in contact with the criminal justice system. John has an extensive background in health and human services in both Australia and the United States having held a variety of senior roles in both the public and private health sector. John holds a Master of Public Health from the University of Sydney and a Bachelor of Business Administration from the University of Texas at Austin.

**Steve Hunt, General Manager, SICorp**

Steve Hunt joined NSW Treasury in August 2000 in a role focused on strategic insurance issues affecting the community at large and the NSW Government's self-insurance arrangements. Before joining Treasury, Steve had an extensive career in the insurance industry, including roles as GIO’s Motor Vehicle Insurance Manager and senior roles in GIO Personal Lines management.

Following the collapse of HIH and then the impact of 9/11 he was appointed to the Heads of Treasuries Insurance Issues Working Group that was tasked with addressing the crisis in the availability and affordability of liability insurance. This work resulted in the most comprehensive array of tort law reforms ever introduced by all states and territories in Australia.

In 2005, Steve was appointed Director of the NSW Self Insurance Corporation (SICorp). He established SICorp as a branch of Treasury and implemented a new multi-claims management model for SICorp’s outsourced service provision. In 2010, due to market failure, Home Warranty was added to SICorp’s responsibilities and was successfully implemented within a six month timeframe. Recent innovations include the Legal Panel and the provision of Principle Arranged Insurance for major construction.

**Anthony Lean, Deputy Secretary, Government Services**

Anthony Lean provides advice and support to the OFS Chief Executive, the Minister for Finance, Services and Property and the Minister for Innovation and Better Regulation, in the implementation of key whole-of-government reforms.

Formerly the Deputy Director-General, Policy and Executive Services, over a two-year period, Anthony spearheaded the high-level departmental support to the then NSW Minister for Finance and Services, and led the development of ICT Policy and Procurement reforms. He currently has responsibility for NSW Procurement, StateFleet, Data Centre Reforms and ServiceFirst.

Prior to this, Anthony spent seven years as the Executive Director of Legal Branch in The Cabinet Office and the Department of Premier and Cabinet before coming to the Department of Commerce as General Counsel in August 2009. With significant high-level legal and policy experience in the NSW public sector, Anthony has also worked within other agencies including NSW Health and the former WorkCover.

**William Murphy, Deputy Secretary, Service Innovation and Strategy**

William Murphy was appointed to the position of Deputy Secretary, Service Innovation and Strategy in 2014. This new division allows OFS to position NSW as a leader and innovator in public policy and service reform. Current initiatives are driving NSW Government's transformation to digital
government, better use of public sector data, ICT, procurement, shared services reform, and commissioning exercises around a number of OFS businesses.

Prior to this, William held the position of Executive Director, Strategic Policy, in which role he was instrumental in designing and delivering the whole of NSW Government ICT Strategy and leading the implementation of the Government’s procurement reform agenda. He also successfully transitioned the department’s policy capability from an operational to strategic policy focus. William has held various policy positions in the Commonwealth and NSW State Governments. He has an academic background in economics and finance, and is an alumnus of the ANZSOG Executive Masters of Public Administration.

Tony Newbury, Executive Director and Chief Commissioner of State Revenue, Commissioner of Fines Administration

Tony Newbury was appointed Executive Director and Chief Commissioner of State Revenue in 2007. He joined the Office of State Revenue in 1985 after 13 years with the Australian Taxation Office. Tony also held the roles of Director, Planning and Review and Chief Operating Officer at the Office of State Revenue.

Brett Newman, Deputy Secretary, Property and Housing, Chief Executive Officer, Government Property NSW

Brett joined GPNSW as Chief Executive Officer in April 2013. He leads the NSW Government’s owned and leased property portfolio, which generates revenues of more than $500 million per annum. Brett is Chair of the Teacher Housing Authority and the Strategic Property Transactions Committee. He is on the Board of the Sydney Harbour Foreshore Authority and participates in a number of government wide strategic steering committees including for TAFE NSW, Crown Lands Review and Service NSW.

Prior to leading GPNSW, Brett held a number of senior executive positions with organisations such as Blackstone, Westpac, Stockland, Challenger and Macquarie Bank.

Rod Stowe, Commissioner for Fair Trading

Rod Stowe was appointed Commissioner for Fair Trading on 4 July 2011.

Rod has worked in the Fair Trading portfolio for 26 years where he has had a variety of roles including Policy Advisor, Director of Customer Services, Assistant Commissioner for Policy and Strategy and Deputy Commissioner. In a public sector career spanning 38 years, he has gained wide experience in government following previous postings in portfolios covering environmental protection, education, local government and state superannuation.

Rod was awarded the Public Service Medal for outstanding public service in the provision of consumer protection to the community of NSW in 2011 and the Society of Consumer Affairs Professionals (SOCAP) Lifetime Achievement Award in 2015.

OFS Executive Committee Advisers at 30 June 2015

- Colleen Dreis, General Counsel, Corporate Services
- Michael Doherty, Acting Chief Audit Executive, Audit, Corporate Services
- Malcolm Freame, Chief Information Officer, ICT, Corporate Services

Changes to the Executive in 2014/15

- Julie Newman, Chief Executive Officer, Safety Return to Work and Support, retired on 1 August 2014
- Vivek Bhatia was appointed as Chief Executive Officer, Safety Return to Work and Support on 25 August 2014
Simon Smith commenced as Chief Executive, Office of Finance and Services, on 2 February 2015

John Hubby, Acting Chief Executive, OFS, from April 2014 to January 2015, returned to his role as Deputy Secretary, Corporate Services on 2 February 2015

Kirsten Watson, Acting Deputy Secretary, Corporate Services, from May 2014, left the service on 16 February 2015.
3. Highlights and achievements

Throughout the year the Office of Finance and Services was focused on supporting the NSW Government’s reform agenda and delivering the program set out in its Corporate Plan 2012-2015.

The Corporate Plan objectives were to:

1. Rebuild state finances
2. Improve the use of capital and assets
3. Deliver citizen-centric services supported by appropriate regulation
4. Enable and deliver better public services to the NSW government sector
5. Become a more agile and cohesive agency that leads reform.

3.1 Rebuilding State finances

Office of State Revenue

- Collected $24.25 billion in Crown tax revenue to fund NSW services including hospitals, schools and roads. This included identifying over $430 million in tax compliance revenue from almost 30,000 completed cases to ensure that liable clients meet their obligations and contribute to a prosperous economy.
- Administered over 2.8 million penalty notices issued, resolving over 74 per cent upfront and collecting almost $397 million in fines. OSR recovered a further $304 million in debts from overdue fines.
- Provided grants, rebates and benefits worth over $396 million to support new home buyers, regional employment and the creation of new jobs by employers in NSW.
- Achieved 100 per cent success rate in First Home Benefit prosecutions to ensure only eligible clients receive benefits.

Property and Housing

Government Property NSW (GPNSW) operates on a commercial basis. Its recent change management program positions the agency to operate at least as efficiently as a commercial enterprise. The agency has recently undertaken a restructure of the senior executive team to bolster experience from across the public and private sectors.

Due to renewed review processes, GPNSW’s refurbishment program spend was down 68 per cent from the previous year, as management focused on essential repairs and those assets to be retained over the long term.

The Waste Assets Management Corporation has generated 500,000 m$^3$ of additional landfill capacity at Eastern Creek through improved waste compaction achieved by GPS-directed mobile equipment. This additional capacity has been on sold and will contribute $10 million in additional revenues in the 2016/17 financial year.

The Teacher Housing Authority has developed asset plans and capital management initiatives that strengthen financial efficiency and improve operating performance in the immediate term. These initiatives underpin sustainability and effective service delivery and have helped improve THA’s operating position by almost 10 per cent.
Service Innovation and Strategy

**NSW Human Services Data Hub**

The Human Services Data Hub provides access to consolidated information on the human services delivered by the Government and NGOs in NSW. OFS administers this central repository of data, which went live in late 2014 providing information about human services programs across NSW. This central repository of data will support more effective human service delivery and improved policy decision-making by enabling NSW government agencies to identify gaps, reduce duplication, and identify areas for greater coordination of human service delivery.

**SICorp**

SICorp transferred $355 million to the Consolidated Fund through its Net Asset Holding Policy due to positive investment performance and a reduction in claims through 2014/15.

It also realised an overall improvement in the renewal of its reinsurance program that lead to a premium saving of $700,000 while providing expanded levels of cover.

**Corporate Services**

As part of the government’s strategy to rebuild the State’s finances, OFS ensured that all savings and revenue targets were built into its 2014/15 budget. Roadmaps and accurate and timely forecasts were used throughout the year to ensure these targets where achieved.

By improving its space utilisation, consolidating and backfilling ad-hoc vacant spaces and co-locating business units throughout NSW, OFS has achieved the four-year accommodation savings roadmap target of $17 million, with anticipated recurrent savings in excess of $10 million a year from 2015/16 onwards.

The procurement savings roadmap for OFS has been developed to deliver aggregate savings of at least $34 million over the four years to 2018/19, including $6 million in 2015/16. A key example is the renegotiation of Microsoft software license contract during 2014/15 to allow for decreased license volumes in response to machinery of government changes and internal restructures. The new contract arrangements have saved approximately $1 million a year.

OFS also contributes to the NSW Treasury Financial Management Transformation Program which aims to support improved resource and performance management for the State. OFS has contributed to initiatives for policy and legislative reforms as well as program budgeting and reporting.

### 3.2 Improving use of capital and assets

**NSW Public Works**

NSW Public Works provided strategic advice and project delivery management across a range of infrastructure assets and facilities, including the Central Government Relocation Program. The program involved moving Ministers and central government agencies from Governor Macquarie Tower to Martin Place. The move resulted in a reduced floor space ratio of 13m2 for each fulltime employee and an 80 per cent reduction in paper storage. There will be rental savings of $90 million over 12 years and cost reductions for the community from the lower cost of government. The complex program involved management of parallel work streams and the relocation of approximately 1,200 people.
NSW Public Works:

- provided assurance and monitoring for the $422 million Infrastructure NSW Restart programs across regional NSW, ensuring that project performance and grant expenditure in the 160 projects met objectives
- provided expert strategic advice and technical support to the Hawkesbury-Nepean Valley Flood Management Review, investigating options to reduce risks from flooding
- provided strategic asset advice to Crown Lands, assisting them to develop a data collection system for key asset types
- used its broad range of engineering expertise to provide emergency management response, including deployment to a major explosion in Rozelle and the USAR (Urban Search and Rescue) mission to Vanuatu following Cyclone Pam. During February, it was part of the team to assess New Zealand’s USAR accreditation.
- gave strategic advice to the Loosefill Asbestos Taskforce, to support the management of remediation works
- developed a Total Asset Management Plan for Department of Justice and is managing the development of business cases to NSW Treasury to ensure capacity for current and future populations. Use of the FMWeb asset information tool enabled Juvenile Justice to program and effectively manage assets
- managed a range of regional projects, including road work for local government and Roads and Maritime Service, such as Clyde Mountain slope stabilisation and Mt Keira Road upgrade. It supported communities through completion of sewerage projects, the Robertson Sewerage Scheme, Yamba and Ballina Sewerage Treatment Plants for example, and water projects at Braidwood and Coffs Harbour
- designed and managed the delivery of the Gunnedah Aboriginal Child and Family Community Centre to meet the needs of the indigenous community.

Education

NSW Public Works continued to assist the Department of Education and Communities (DEC) with procurement strategies and delivery options for the $56 million state-wide Major Capital Works Schools and TAFE program.

Through its regional network, NSW Public Works managed the state-wide minor works program for DEC. The 298 projects, valued at $49.5 million, included modular classroom upgrades, disability access works, and asbestos remediation. By applying smart buying techniques, NSW Public Works secured significant savings for the client.

NSW Public Works provided services for the 10 schools facilities management contracts, which offer school maintenance and minor repairs, including Emergency and Urgent Repairs (EURs). In 2014/15, 34,234 EURs were responded to and by managing contractor’s claims, NSW Public Works provided DEC with savings or more than $900,000.

Water and water infrastructure

NSW Public Works specialist water infrastructure knowledge was used on the upgrade of Lake Endeavour Dam providing option studies, concept design and management of detail design.

NSW Public Works assisted regional communities and utilities with a range of water and sewerage services, helping secure water supplies through strategic advice for Walgett Weir and a new water treatment plant at Walgett. It investigated options for reuse of treated effluent at Muswellbrook, Denman and Bathurst and plant optimisation at Batemans Bay Sewage Treatment Plant.
NSW Public Works assisted with strategic business plans for Bega and Inverell; developed servicing plans for Blayney, Millthorpe and Young; and integrated water cycle management planning for Hawkesbury City Council.

In partnership with NSW Health, NSW Public Works helped a number of councils to implement drinking water management plans and supported WaterNSW’s delivery of drinking water supplies, providing reliable hydrometric monitoring and sampling.

NSW Public Works assisted Walgett Shire Council with an emergency solution for a sudden breakdown of the water treatment plant at Collarenebri. Quick implementation of the emergency solution saved more than $600,000.

It provided advice on coastal and maritime infrastructure programs, including, master planning studies for Coffs Harbour. An innovative design solution for Seaciff Bridge at Coalcliffe resulted in at least $12 million construction cost savings.

Property and Housing

Government Property NSW (GPNSW) has further improved the management of Government’s property portfolios so they are better utilised and maintained and there is greater strategic planning across NSW public sector property assets. Over the past year GPNSW’s team has recycled more than $350 million in assets, generating significant cash reserves for the State.

Its commercial achievements over the year included facilitating a sales program delivering a boost of over $340 million for the State. Major transactions included:

- the sale of the Parramatta Justice Precinct for $170.1 million to fund essential State infrastructure
- the sale of the former Children’s Court site “Bidura” at Glebe for $33 million, funding the redevelopment of a new Children’s Court in Surry Hills
- project management for the sale of over 250 properties in Millers Point, 19 of which have been sold realising sale proceeds of $43.3 million.

GPNSW also played a key role in delivering the funding for the roll out of the new one-stop shop concept for government customer service on behalf of Service NSW and Roads and Maritime Services (RMS). A total of 126 RMS assets and leases were vested into GPNSW in 2014. GPNSW then designed a sales program which took into account the operational requirements of both RMS and Service NSW and the financial targets required to meet the funding needs to deliver the one stop shop program.

Tranche 1 of the program delivered over $45 million in sales for RMS during the period, with proceeds reinvested in Service NSW’s one-stop shop service centres.

The ongoing auctions in Millers Point and The Rocks, managed by GPNSW, are part of the NSW Government’s initiative to sell government-owned heritage housing and reinvest proceeds into the supply of over 1,500 new social housing dwellings across Sydney and regional NSW. This is particularly important given the social housing wait list has over 58,000 applicants.

GPNSW managed annual rent of approximately $400 million across 1700 locations.

WAMC’s generator stations at landfill sites generate sufficient renewable energy to power 10,000 households. In addition, Green Credits are created and green-house gases destroyed.

The Teacher Housing Authority’s strategic asset plan is underpinned by an asset recycling strategy, which offers teachers greater choice for where they can live, enhancing their experience in the bush, and improving asset utilisation. In rural areas, new residential accommodation must be provided in areas teachers prefer to live and, in remote areas, new residences have replaced those that are at the end of their economic lives. This year these strategies resulted in almost $4 million in new residential
accommodation, a boost for the economy in the bush and improved asset utilisation by more than 10 per cent.

**SICorp**

Commenced a new reinsurance arrangement that enables automatic placement of construction risks up to $100 million with liability protection up to $500 million. This enables agencies to quickly and efficiently move forward on capital works projects that will build up the state’s infrastructure and see faster returns on asset investment.

**Corporate Services**

During 2014/15, OFS reduced its fleet by 21 vehicles, delivering a yearly saving of approximately $210,000. As at 30 June 2015, OFS has 764 vehicles in its fleet, a reduction of 147 vehicles over three years, which provided a saving of approximately $1.5 million a year through the Fleet Efficiency Review and Optimisation Plan established in 2012. Adopting car sharing services will further reduce the fleet size.

### 3.3 Citizen-centric services

**Land and Property Information**

The continued strength of the New South Wales property market in 2014/15 resulted in a very high volume of property transactions, with 900,672 dealings lodged for registration. This was a 6.6 per cent increase on the already high volume of total dealings lodged at LPI in 2013/14, and represented the highest transaction processing volumes of the last decade. LPI successfully managed the resulting challenges and workload to effectively minimise registration delays for customers.

LPI also:

- developed the NSW Address Policy, NSW Addressing User Manual and the NSW Retrospective Address Policy for Local Government, Road Naming Authorities, State Government agencies, developers and surveyors. These guides help streamline the addressing processes for all address producers, custodians, distributors and users and are ensuring improved address quality in NSW
- brokered an Address Verification Web Service which will enable government and the community to verify addresses as part of their business process to deliver more efficient business dealings for NSW
- added and improved over 300,000 addresses within the NSW Authoritative Address Database to better meet needs of government, emergency services, service delivery and the community.

LPI is digitising its historic land title records and aerial photography so that customers can access records online. LPI has scanned more than 30 million records and transferred the originals to State Records. The program ensures the state archives are preserved and remain as a legacy for future generations.

**NSW Fair Trading**

During 2014/15, Fair Trading delivered over 2,100 community education information sessions and activities raising awareness of consumer and trader rights and responsibilities and services available. These programs reached over 65,000 consumers and traders, an increase of 61 per cent from last year.
Fair Trading responded to 1,075,457 telephone enquiries and 46,973 complaints of which 94 per cent were resolved without recourse to higher cost options such as courts and tribunals.

Fair Trading also:

- introduced specialist teams to handle consumer complaints in the real estate, motor vehicle and retail sectors leading to improved levels of trader compliance
- carried out trader education programs and trader information seminars to assist traders in understanding their legal obligations concerning the supply of safe children’s toys
- delivered the MyInspections portal that allows plumbing and drainage licence holders to pay fees and submit mandatory documentation online. This represents a significant benefit to industry by improving access to NSW Government services and reducing red-tape
- worked with Service NSW to continuously improve delivery of services through the Service NSW one-stop shops
- introduced a new audio option on its website to extend the accessibility of information by allowing people to listen rather than read information
- increased the accessibility to its complaint and enquiry forms. These are now mobile-friendly and easy to use across mobile devices.

New motor dealers and repairer laws provide greater consumer protection and information including a freely available online motor dealer and repairer licence check facility.

New home building laws include: stronger penalties, regulation of progress payments and cutting red tape for owners doing minor works on their own home.

There is now automatic mutual recognition on the east coast of Australia for licensed electricians.

Office of State Revenue

OSR was awarded the 2014 National Contact Centre of the Year Award (Multi/Virtual Site) at the State and National level by the Auscontact Association, the peak body within the customer contact industry in Australia. This award recognises the skills, expertise and potential of all staff in the Collection Centre and their commitment to supporting client service and effective debt recovery.

OSR also:

- achieved an 80 per cent reduction in abandoned calls for the State Debt Recovery Collection Centre, providing faster responses and an improved first-call resolution of 68 per cent for the over 1.3 million calls received
- presented 249 client education webinars and expos reaching over 10,000 clients to improve their awareness and knowledge and make it easier for clients to comply
- worked with other Australian revenue offices to develop the Payroll Tax Australia website to promote client education, information access and tax harmonisation across jurisdictions
- developed Payroll Tax Annual Reconciliation videos on YouTube that guide clients step-by-step through the process, with 82 per cent of annual returns lodged on time. The videos got over 5,000 views
- conducted 123 Aboriginal Liaison outreach visits across NSW to ensure that the most disadvantaged and vulnerable members of our community receive the support and assistance necessary to help them resolve their fines and debts
- improved accessibility and service delivery options for clients on all OSR websites by implementing Readspeaker text-to-speech services
• collaborated with the NSW Ombudsman, advocacy groups and the NSW Youth Advisory Council to develop a Youth Engagement Strategy to engage with the 6,500 debt clients that are under the age of eighteen

• doubled to over 200 the number of companies that can complete electronic nominations for their at-fault drivers, reducing red tape for clients by over $400,000 and improving processing times.

OSR’s official Twitter, Facebook and LinkedIn accounts were launched. By providing formal, trusted channels, an official social media presence reduces the likelihood of clients being scammed by people falsely claiming to represent OSR. OSR’s social media improves client access to information including education programs, seminars, webinars and scam warnings. Clients benefit from increased exposure to information on OSR’s online collaboration with other agencies, including compliance activities and the consequences of non-compliance. OSR’s social media presence allows for targeted marketing, making it easier for clients to access and receive relevant information.

Eighty-eight per cent of respondents to the 2015 Client Survey found OSR staff to be professional, an increase of three per cent on 2013 results.

Property and Housing

The Teacher Housing Authority is essentially a landlord and provides accommodation at arms-length from a teacher’s employer – the Department of Education. This arrangement provides teachers, and their families, with private, and secure tenure – important because rural and remote communities can be a challenging environment for a teacher.

Safety Return to Work and Support

WorkCover NSW

A better workers compensation system for NSW

A series of major reforms to create a fairer, more sustainable and more customer-centric workers compensation system for NSW were the primary focus for the WorkCover Authority during the reporting year. In September 2014, a number of enhancements were introduced to benefits for claims made before October 2012. In March 2015, the Government committed to immediately reviewing the financial position of the Scheme and investing two thirds of the minimum surplus required to keep it sustainable, ensuring continuing support for injured workers and getting them back to work, and investing the balance in lowering premiums for businesses. In line with this, WorkCover consulted with injured workers and other stakeholders to develop policy options.

Lower premiums for safe businesses

In June 2015 WorkCover introduced changes to the way workers compensation premiums are calculated for medium-large employers. The changes are aimed at improving certainty and stability of annual premiums, cutting red tape and rewarding businesses that maintain a safe workplace. The changes will deliver $200 million in premium savings in the 2015/16 financial year and reduce the cost of doing business, creating and maintaining NSW jobs.

Working with industry to save lives

During 2014/15 WorkCover partnered with industry to reduce the number of fatalities and serious injuries in high risk industries. A series of targeted workplace visits, stakeholder engagement and safety awareness campaigns were carried out to target dangerous activities in industries such as house construction, road and bridge construction, road freight transport, plant nurseries, asbestos, and sheep and beef farming.
New ways of delivering safety messages

Customer insights shaped new direction in work health and safety communications in 2014/15. The Alive and Well campaign changed the way WorkCover engages with the at-risk farming community, enabling farmers to talk to farmers – through video, websites, events, print and social media – about their own near misses and tips for staying safe. Insights into information consumption habits changed the way WorkCover presents its safety advice, with an ongoing series of videos replacing the traditional ‘safety alert’ publications.

WorkCover NSW

NSW Customer centric service

WorkCover established new frontline and complaints-handling processes following the implementation of a new Customer Service Charter and Customer Feedback Framework. The WorkCover Customer Service Centre was awarded the prestigious National Contact Centre Innovation Award for the introduction of the new complaints framework.

Dust Diseases Board (DDB)

Streamlined processes

The DDB simplified its application process and improved the timeliness of communications through a range of activities. This included development of a phone service, redeveloping brochures and marketing materials, changes to timeframes for notifications and advice, and updating processes for payments. This led to better interactions with customers and improved services.

Awarding compensation more efficiently

The DDB reviewed its current procedures to identify opportunities to improve the timeliness of reporting processes. The number of completed history reports increased by 12 per cent, to a total of 415 in 2014/15. At 30 June 2015, 80.7 per cent of industrial history reports were completed in 45 days, with the remaining 12.3 per cent completed within 90 days.

Motor Accidents Authority (MAA)

Market and price regulation, supporting competition and innovation – New Premium Determination Guidelines and Market Practice and Business Plan Guidelines were issued in 2014/15. The adoption of a principles-based approach to market regulation will support a competitive market and a level playing field for insurers, encourage fairer prices, innovation in the delivery of services to CTP customers and encourage insurers to act in good faith when interacting with customers.

Road safety partnerships

The MAA maintained effective partnerships to successfully deliver key elements of the NSW Road Safety Strategy 2012/21. Inter-agency collaborations focused on promoting cycling, motorcycle, pedestrian and driveway safety while data linkage and data sharing projects, with Transport for NSW and NSW Health, were designed to guide road safety strategies and injury prevention priorities. Programs aimed at reducing risky driver behaviour and promoting safety for vulnerable road users were implemented along with an emphasis on motorcycle riders, driveway safety and fatigue.

Supporting better recovery outcomes

The MAA focused on better recovery outcomes for injured people through a strategy of education, research and improved services. In January 2015, a simpler claims form was launched and a new notification system was introduced to make it easier and faster for injured people to make a claim. More than 90 per cent of claimants reported the new process was easier and helpful. The MAA also partnered with Lifetime Care and Support Authority (LTCSA) to establish the John Walsh Centre for Rehabilitation Research, provided training and information for more than 300 health providers, and published the third edition of the evidenced-based clinical Guidelines for the Management of Acute Whiplash-Associated Disorders.
Improving attendant care

A number of measures were implemented in 2014/15, to improve the quality of attendant care services for participants. The panel of attendant care providers was expanded to provide better coverage across NSW and to improve choice for participants. LTCSA created a capability framework and an online resource for participants and their families to provide information around living with attendant care.

Better vocational outcomes for people with a brain injury

A new two year program to increase workforce and vocational participation for people with an acquired brain injury commenced in April 2015. The program, delivered in partnership with the Agency for Clinical Innovation (NSW Health), is currently being trialled in three brain injury units across the State. In addition, the LTCSA has been working closely with stakeholders to improve educational support and vocational planning for Scheme participants to support their exit from high school.

Digital Government

Digital +, the 2014/15 implementation update for the NSW Government ICT Strategy was released in October 2014, focusing on the digital transformation of government. OFS is leading the development of capability and initiatives to enable the NSW Government to move from being a government that ‘does digital’ to a government that ‘is digital’. A digital government roadmap was developed, based on consultation with citizens, research organisations, industry, non-governmental organisations, and local and global research into best practice digital government.

In March and April 2015, digital government workshops brought together business leaders from across government, identifying potential initiatives, which OFS is investigating, that could serve as exemplar digital government projects. Key priorities will include:

- transforming customers’ experience of interacting with the NSW Government
- improving the design and implementation of policy and program activities
- modelling a customer-centric, agile culture by rapidly prototyping solutions and developing them on a ‘test and iterate’ basis.

Open data

Providing access to government data is important for transparency and public sector accountability. The NSW Government ICT Strategy also supports the release of open data for reuse by industry and the community, providing a platform for innovation.

Key actions and achievements in 2014/15 included:

- supporting the Premier’s Innovation Initiative – specifically, the open data stream. The aim of this stream of the Initiative is to fast track the release of de-identified data (open data) to maximise value for the community
- bringing NSW Government agencies and app developers together to develop five new apps using government data – through two rounds of the popular apps4NSW competition, data from Education, State Library, State Records, FACS and NSW Procurement was made available. The five new apps developed were School Bell, TriviaPic, NSW Spend, Towns Through Time and Who Cares
- making Land and Property Information spatial datasets widely available using web services – this has provided automated access to a number of topographic, address
location, NSW points of interest and imagery datasets in a way that they can be easily shared and used by different online systems

- embedding the use of the Creative Commons Attribution Licence – providing NSW Government agencies with a standardised statement and user checklist to ensure their data is appropriately attributed by those who share, use, and build upon it
- implementing a standard for reporting on data quality – providing clear, easy to understand and standardised information to help the public decide whether the government data they are looking at is suitable for their particular analysis or project.

OFS also leads and supports the NSW Open Government Community of Practice, encouraging greater inter-agency collaboration on open government matters, including openness of data and increased access to online government information and services.

Data initiatives

OFS partnered with the Department of Premier and Cabinet on the Premier’s Innovation Initiative, established as a channel for NSW Government to strategically commission services. It led the Open Data priority area to unlock the potential value of government data to provide new products and services to the community.

In 2014/15, OFS continued the successful apps4NSW competition. Each apps4nsw competition provides developers with a challenge to use data in innovative and practical ways. Winning apps that are available for download include:

- School Bell created by developer ‘Geddup’, is an organisational tool that allows users to send and receive messages, share contact details, and receive notifications from their chosen community
- Towns Through Time created by Bathurst based developers Appiwork is an app that offers users a glimpse of historical life in regional and urban NSW.
- Pocket Ecologist created by developer Richoshae Pty Ltd is an app that assists users to identify native vegetation in the greater Sydney metropolitan area.

SICorp

SICorp sponsored a project on behavioural insights with Allianz and the Department of Education that has become the ANZIIF Innovation Award Winner. The project’s objective was to utilise the principles of behavioural insights in managing workers compensation claims.

Behavioural insights draws on research into behavioural economics and psychology to influence choices in decision-making. By focusing on the social, cognitive and emotional behaviour of individuals and institutions it suggests that subtle changes to the way decisions are framed and conveyed can have big impacts on behaviour.

Utilising it in the management of a workers compensation claim empowers the injured worker to be more involved in determining the outcome of their claims.

SICorp led the cluster for WCAG 2.0 AA web accessibility, ensuring that their web portal could be accessed by all members of the community including those with disabilities.

SICorp also sponsored a Clinical Risk Management Seminar to support health practitioners in identifying medical liability risks related to providing healthcare to improve outcomes for patients across NSW.
3.4 Enabling and delivering better public services

Government Services

Corporate and Shared Services Reform Program
The Corporate and Shared Services Reform Program (CSSRP) supports agencies on their Corporate and Shared Services Reform journey. The program delivers a range of services that are designed to accelerate and reduce the risk of process improvement, Enterprise Resource Planning (ERP) and related system selection and implementation and continuous improvement activities. The program also connects agencies and industry so they can share knowledge and experiences.

Benefits realisation
To assist agencies familiarise themselves with ERP as-a-service the CSSRP launched ICT Services Scheme – Category Q: ERP and related corporate and shared services on 30 July 2014.

Category Q is a one-stop shop for ERP as-a-service and provides services, products and solutions to assist agencies.

Purchasing Card reforms
In response to the June 2014 Audit Office Report – Performance audit into purchasing cards and electronic payment forms, the CSSRP has been working with agencies to accelerate sector-wide adoption and use of Purchasing Cards. Increasing electronic payment and reducing the use of cheques will reduce administration cost and effort for the public and small business.

OneGov partnership with Service NSW
OneGov, in partnership with Service NSW, offers software solutions, change management and consulting services through the Office of Finance and Services. The OneGov platform allows citizens and businesses to transact with agencies and access appropriate information to deliver efficient transactional solutions quickly at low cost and increase customer satisfaction.

OneGov is used in shopfronts and call centres. Citizens and businesses can also use 24/7 digital services. It supplies over 400 types of transactions for Service NSW and established 50 per cent of Service NSW branding on digital transactions during the financial year.

In 2014/15, OneGov completed the following major projects:
- assisted with opening 18 new shops taking the total to 36 for Service NSW
- increased Service NSW branding from two per cent to 50 per cent of OneGov digital transactions
- created 65 responsive mobile transactions
- established a register for 60,000+ carers for 18,500 children in foster care managed by 65 non-government organisations
- combined card for drivers and boat licences
- introduced new periodic fees for hotels and pubs
- introduced new mobile registers for motor dealers and owner builder permits
- introduced ‘Look up a tradie’ and ‘Look up a motor dealer’.

The Government Data Centres (GovDC) at Silverwater and Unanderra are now fully constructed with the final module to be handed over in August 2015. All cluster departments are now represented in the data centres and the facility is approximately 90 per cent allocated. Some agency legacy data centres have been closed down in the last twelve months and good progress is being made with relocating equipment to GovDC.
The GovDC Marketplace is now firmly established with several commercial service providers offering as-a-Service solutions for government agencies. The GovDC cloud is now being extended to the public cloud using Cloud Connect, which is a new service on the network backbone within GovDC. This allows clients to better access cloud services and the capability to share services and applications with other agencies.

52 Martin Place relocation

ServiceFirst was involved in relocating the offices of the Ministers, the Department of Premier and Cabinet and The Treasury from Governor Macquarie Tower to 52 Martin Place, Sydney. They delivered the high risk and complex IT infrastructure and services successfully and on-time.

e-Workplace

ServiceFirst progressively and successfully rolled out a new operating environment across the Office of Finance and Services. e-Workplace significantly enhances the technology landscape with market offerings for cost effective services, mobility devices, managed print services and desktop. It also implemented a remote office solution that provides access to all applications, network drives and internal corporate resources in a secure, safe, robust solution. All laptop users are permitted and encouraged to use this service.

Management Assurance Framework

ServiceFirst established a Management Assurance Framework to identify and manage the risk, internal controls and compliance requirements that support the assurances ServiceFirst gives to its clients. This has dramatically reduced audit issues by providing a structured self-assessment of the effectiveness of controls and early detection of any issues. The NSW Audit Office has recognised it as unique across government shared services.

Land and Property Information

Smarter Scheduling NSW (SSN) is an innovative service which allows utility providers, local and state government to align and collaborate on scheduled works, e.g. street works. SSN, launched on 28 May 2015, identifies cost-saving opportunities between organisations and improves service delivery to the community by minimising disruption from street works.

The NSW Location Intelligence Strategy 2013 – 2015 has produced a successful program of works and continues to drive NSW Government agencies to realise the power of location intelligence. The Strategy has evolved to enable greater participation and communication across the public sector and industry and NSW continues to play a significant role in driving the nationally significant spatial information projects.

The LPI imagery capture and processing work program provided operational and investigative support to NSW emergency service organisations. This support included both the capture and provision of before and after aerial photography of natural disasters and also the processing of imagery products for specialised investigative purposes. In addition, LPI’s image capture work will improve the NSW Government’s capacity to effectively plan, respond to, and mitigate against the risks and impacts of natural disasters and major emergencies in NSW. LPI’s image capture work is creating an improved surface and elevation model of NSW which will become an important asset for the Government.

In addition, LPI:

- collaborated with Geosciences Australia to improve digital topographic information across NSW. It is estimated that this program improved a combination of topographic information accuracy and content by 33 percent across the state and resulted in approximately $500,000 in efficiency gains and savings to LPI and the NSW Government. It was also a significant contributor to improving the NSW and National Data Infrastructure
upgraded the accuracy of rail infrastructure data covering the Sydney Trains rail line network. This update delivered savings to NSW Government through a ‘build once - use many times, single source of truth’ approach to maintaining and improving the NSW Foundation Spatial Datasets used by government, industry and the community.

provided expert legal advice and solutions to minimise delays for time critical registration matters including electricity reforms (power stations), Barangaroo, port reforms, Crown Land reforms and Western Lands conversion.

NSW Fair Trading

The Intelligence unit worked on a pilot project with UTS to examine the potential of predictive data analytics to guide evidence based decision making and to guide future operations.

Implementing a new investigations case management system will more securely, effectively and efficiently carry out investigations and trader inspections.

NSW Public Works

Support for emergency services

NSW Public Works advised the NSW Urban Levee Review Steering Committee and the State Emergency Service on urban flood mitigation levees in NSW. It provided a comprehensive spatial information database and developed a levee owners’ guideline and operation and management manual.

During the April 2015 east coast low pressure system, NSW Public Works was deployed 24/7 to support combat agencies and provide strategic advice. It responded to 974 calls from the Department of Education and Communities, Sydney Trains and other agencies for roof repairs, fallen trees and other damage, and enabled 272 schools to remain open.

The Manly Hydraulics Laboratory (MHL) website used near real time data to give people information about water levels and wave conditions, and at the peak of the low pressure system there were 1,000 visits an hour to the site. MHL raised 4,000 alarms and sent 3,000 SMS, minimising community risk and injury.

NSW Public Works’ engagement on the Mount Ousley dewatering pumping station project proved its worth during the east coast low, when the system successfully pumped out 940kl of groundwater (or the equivalent of 20 domestic swimming pools) within 24 hours.

Natural Disaster Relief Assistance

In 2014/15, NSW Public Works administered the Natural Disaster Relief Assistance on behalf of NSW Treasury, reimbursing councils a total of $18,613,482 in 34 payments and processing 19 grant offers with a value of $8,282,944.

Office of State Revenue

Commenced debt recovery services for NSW Ambulance on 1 June 2015, with an additional $10 million in unpaid fees expected to be recovered in 2015/16 from this new service to help fund the ongoing delivery of ambulance services.

Collected over $1 billion in mineral royalties as recommended by the Audit Office, with financial compliance for 2014/15 client returns to commence in August 2015. OSR has established clear rules for calculating and collecting royalties to meet the reform objectives, developed processes to identify late and inaccurate royalty returns and improved revenue compliance.

Conducted a trial of recovering Victims’ Restitution Order debts on behalf of the Department of Justice, more than doubling both the previous collection results and the
creation rate of payment arrangements to increase funds available to compensate victims of crime.

Property and Housing

Government Property NSW’s (GPNSW’s) property expertise supports agencies to improve services for the benefit of the NSW community. This means more public housing, enhanced hospital facilities, better schools and transport.

GPNSW extended its reach across government with a significantly larger departmental relationship base, which has led to successful outcomes such as the Service NSW/RMS relationship outlined above. It is now providing specialist property services to more than 100 agencies across the Government.

The Teacher Housing Authority constructed new residences in Moree, Narrandera and Lake Cargelligo. This included a prototype of a new and innovative design, where a single level duplex can be configured as two two-bedroom units or one single-bedroom unit and one three-bedroom house. This ground-breaking design meets the needs of teachers whether they are singles, couples or families, while improving asset utilisation and capital sustainability.

Service Innovation and Strategy

Whole-of-government ICT reform

In 2014/15, further support for agencies was provided to assist implementation of the strategic direction set through the NSW Government ICT Strategy and ICT Investment Policy and Guidelines. Key initiatives included:

- the NSW Government Enterprise Architecture Strategy and Framework that will enable a common approach, with practical guidance on planning and design for agencies to more effectively implement the NSW Government ICT Strategy
- release of the revised NSW Government Cloud Policy and Digital Information Security Policy
- an ‘offer endorsement process’ that reduces red tape for both buyers and sellers of ICT services. Through this process, suppliers’ service offerings are evaluated against a defined standard and the service made available in the ICT Services Catalogue. Standards developed in 2014/15 included messaging, collaboration and unified communications, software asset management, telecommunications mobility, document management solutions, and authentication and identity management.

SICorp

SICorp upgraded the reporting tool agencies utilise to access claims information held within the TMF Data Warehouse. The claims information is used to identify risks, monitor trends and actively manage claims.

To automate and support the placement of construction risk project cover, SICorp implemented a placement system known as CeeCat. This is a web-based system that enables agencies to log in and provide details of their construction projects and either arrange instant cover or highlight the requirements to SICorp to accommodate a custom placement.

SICorp also established innovative property cover for the Office of Environment and Heritage for their primary and secondary roads.

Corporate Services

In 2014/15, Corporate Services and State Records collaborated to digitise the NSW Public Service List series (1871-1961) and upload them to opengov.nsw. Known as the ‘Blue Books’, these are lists
of public, ecclesiastical, and other colony officials. OFS Corporate Services will continue to identify and coordinate the digitisation of high value print publications to support open government.

In 2014/15, OFS implemented the 2014–2017 Industrial Relations Strategy. The strategy will underpin the policy harmonisation program and allow OFS to review and refine employment practices in line with NSW public sector industrial relations policies and practices. The harmonisation project will support the implementation of GSE reforms and ensure a standardised approach to employment practices across the cluster.

As part of its procurement reforms, OFS has increased its use of purchasing cards, an efficient, cost effective way to procure low-value high-volume items and significantly reduce the volume and processing cost of purchase orders, invoices, and cheques. Purchasing cards support prompt payment to small and medium sized businesses and offer better expenditure information across the agency.

### 3.5 Leading reform

#### Land and Property Information

The NSW Globe provides access to and discovery of authoritative spatial information to NSW Government, industry and the community. The addition of Australian Bureau of Statistics information and land valuations has improved citizens’ access to government information.

LPI now delivers 99.6 per cent of title copies digitally using authorised information brokers and LPI’s online channels.

LPI continued its National Electronic Conveyancing program to support the ongoing development of Property Exchange Australia (PEXA). Auto-registration was successfully implemented in NSW and the range of functions expanded to include financial settlement and the online lodgment of transfers and caveats. This is significant progress in the delivery of a national electronic conveyancing solution to the property industry so more people can experience the benefits and convenience of electronic conveyancing.

LPI released a prototype rendering service through its Spatial Information Exchange portal, enabling surveyors to automatically render an image of their plan onto an approved LPI Deposited Plan form. This improved technology will result in a streamlined and more efficient system for surveyors.

#### Office of State Revenue

NSW became the first state to integrate with Property Exchange Australia (PEXA) and enable online conveyancing for properties sales across NSW. The Office of State Revenue (OSR) is able to receive electronic payment of duty from PEXA, beginning a new era of electronic settlement of property sales, reducing red tape through a seamless, connected process between conveyancers, banks, Land and Property Information and OSR.

In other initiatives, OSR:

- provided the recruitment, training, accommodation and technology needs to recruit over 140 new staff to provide client contact services, compliance investigations and audit analysis to improve services to clients calling to resolve fines and debt and deliver more efficient audit processes
- recovered over $30 million in overdue fines debt through the Debt Partnerships Program, working in collaboration with the private sector to exceed revenue targets by over 30 per cent.
NSW Fair Trading

Fair Trading:

- worked with OneGov on deployment of a licensing register suitable for use on mobile devices to make regulatory information more easily available to the community and industry wherever they are
- launched mobile-friendly online complaint forms on 4 May 2015, increasing accessibility for the 80 per cent of consumers who choose to lodge complaints online.

Property and Housing

Government Property NSW (GPNSW) has continued to lead the Government’s Decade of Decentralisation strategy, managing expressions of interest for the relocation of significant agency staffing needs to Liverpool, Penrith and Parramatta in the western Sydney growth corridor.

GPNSW has facilitated a reduction in CBD office space by over 34,000 m², representing over 1,400 full time equivalent positions moved away from the CBD.

It has enhanced the data management of whole-of-government property information, by improving the Government Property Register through more user friendly access and more comprehensive data capture, and ensuring client agencies are trained and up to date on new capabilities and data available to them.

The Teacher Housing Authority manages a network of local housing representatives, teachers who act as a point of contact for other teachers in their community. This is particularly important for teachers new to the bush as it assists with overcoming the challenges of isolation and a change in environment, especially early in their career. Representatives provide advice on housing allocation, estimate demand as well as representing teachers, especially those who may be newly appointed to a school in a rural or remote community.

Service Innovation and Strategy

The Data Evidence and Analysis Network provides a forum for the discussion of the use of evidence in decision-making and policy development across OFS and other clusters. The network promotes a collaborative approach to the work of OFS, supporting and connecting staff involved in research, analysis, program and policy development work. Forum discussions in 2014/15 included open data, use of Australian Bureau of Statistics data, behavioural insights and performance measurement.

SICorp

SICorp held a two-day Strategic Design Forum, leading to the development of a five-year strategic plan that focuses on continuous improvement in financial performance, stakeholder management, innovation, people and culture, and building SICorp’s profile.

Corporate Services

eWorkplace

The Office of the CIO in conjunction with ServiceFirst completed the transition of OFS to the contemporary Windows 7 based platform known as eWorkplace. The program replaced PCs, multifunction devices and extended the use of digital document management using TRIM. This platform has allowed the introduction of Activity Based Working in OFS.

Activity Based Working

OFS introduced its pilot Activity Based Working (ABW) project in 2013 with a group of 25 Corporate Services staff. ABW now has more than 200 participants from Corporate Services and NSW Procurement and has been rolled out over two floors in the McKell Building. It offers a saving of approximately $140,000 per floor per year through improved use of office space. OFS will
progressively introduce this agile work practice throughout the agency. By capitalising on the use of mobile technology, ABW allows people to choose where to work and who to collaborate with. This has changed the workplace culture, encouraging collaboration within and between teams.

**Working Digitally**

The Working Digitally project is moving the organisation from paper-based files to digital records. Since July 2014, the project has rolled out the TRIM electronic records management system to several OFS divisions. The move to digital records also includes using TRIM to workflow submissions and approvals digitally, making information more accessible and information capture and retrieval more efficient.

**The Information and Knowledge Management Framework**

During 2014/15, OFS developed the Information and Knowledge Management Framework which links better information management, with better service delivery, and better value ICT investments. The framework is essential for an organisation such as OFS, where information and knowledge are both a core input into activities and processes, and an outcome of those activities. Use of the framework will improve the discovery and sharing of information and knowledge to support decision making and delivery of better and faster services.

**People**

In 2014/15, OFS began implementation of its cluster-wide Talent Management strategy, which incorporates a Diversity and Inclusion program, a Career Development and Transition program and a Leadership Development program. A related Human Capital Management System (HCMS) will support the cluster in developing a performance-based culture. The HCMS will help identify and develop the capabilities required to improve customer service, creating talent pools and identifying mobility opportunities within the cluster and the public sector.

### 3.6 Financial highlights

**Net result**

OFS’ net loss for 2014/15 was $22.3 million compared to a budgeted deficit of $9.6 million. The unfavourable variance of $12.7 million is predominantly due to a $27.7 million higher than budgeted contribution to the Crown Entity during the year. Excluding the impact of this additional contribution, OFS has achieved a net operating surplus of $5.4 million compared to a budgeted net deficit of $9.6 million.

OFS’ operating expenditure (including Gain/(loss) on disposal and Other gains/(losses)) was $106 million lower than the approved budget of $1,559 million.
Total expenses were lower than budget, mainly attributed to the following:

- Employee-related expenses – largely due to vacant positions across the Office partially offset by higher than budgeted contractors’ costs
- Depreciation and amortisation – lower than budgeted capital expenditure resulting from improved utilisation of leased vehicles and extension of assets’ useful life
- Grant and subsidies – below budget payroll tax rebate payments during the year.

Reduction in revenue is largely due to:

- Sale of goods and services – mainly due to shortfall of project management of client fee work in NSW Public Works
- Personnel services revenue – due to vacant positions across the statutory entities
- Grant and contributions – lower than budgeted expenditures on capital projects and payroll tax rebates.
OFS expenses by major categories

2014-15

- Employee Related: 50%
- Other Operating Expenses: 20%
- Depreciation & Amortisation: 13%
- Grants & Subsidies: 7%
- BV of Motor Vehicles Sold: 8%
- Finance Costs: 2%

OFS revenue by major categories

2014-15

- Sale of goods and services: 48%
- Personnel Services Revenue: 17%
- BV of Motor Vehicles Sold: 8%
- Grants and contributions: 21.0%
- Investment revenue: 1%
- Retained taxes, fees and fines: 5.0%
4. Corporate Performance

4.1 Strategic priorities

Our Corporate Plan 2012-2015 is the bridge between the government’s commitments and priorities including NSW 2021 and the suite of OFS business, service and corporate enabling plans. In February and March of 2015, the OFS Executive reviewed the current Corporate Plan to identify any areas that required further or additional effort to ensure that they were completed or had achieved their intended outcomes by the time the plan was due to end.

The review identified that eight of the 19 strategies in the plan had been successfully executed, eight required further action or could be carried into the next corporate plan cycle, and three were closed as their strategic relevance was deemed to have passed. Further preparations took place throughout 2015 leading into the development of the next Corporate Plan.

During 2014/15, the Enterprise Performance and Portfolio Management (EPPM) unit continued to oversee the performance of major projects, initiatives and reforms aligned to the objectives of the Corporate Plan.

4.2 Corporate performance management

The OFS strategic planning and performance framework is a suite of key corporate and divisional plans, reporting mechanisms and performance management tools that outline and enable the delivery of short, medium and long-term objectives and strategies to support the delivery of NSW Government and corporate priorities.

The planning and performance framework improves accountability and transparency and supports an achievement-focused organisation. It includes the:

- State Plan NSW 2021 and other whole-of-government strategies and plans
- Corporate Plan
- Total Asset Management Plan
- Strategic corporate functional plans to manage corporate services delivery, including the People Plan, the OFS ICT Strategic Plan and the OFS Procurement Strategy
- annual operational plans that detail each division’s goals, objectives and accountabilities
- individual work plans and performance development plans.

OFS reports performance through:

- external reporting to NSW Government agencies and the public on governance, financial, services delivery and other measures
- quarterly and annual strategic performance reports to the OFS Executive
- monthly dashboard and performance reports on key performance indicators
- monitoring of senior executive services performance agreements
4.3 Performance review

The Enterprise Performance and Portfolio Management (EPPM) unit administers an enterprise-wide portfolio management framework for major projects, programs, reforms and initiatives. The framework provides the OFS Executive with a consolidated view of the business change landscape.

Monthly and quarterly project health status reporting identifies and highlights associated project status, estimated dates of completion, issues, and risks.

The EPPM also supports good project management practices within OFS by helping to drive best practice standards and methodologies, providing access to professional bodies, providing tools and templates, integrating risk management principles into reporting, and by co-ordinating communities of practice.

As at 30 June 2015, there were 47 major projects in the Enterprise Portfolio Register, including:

- Corporate and Shared Services Reform - implementation of effective and standardised support processes and systems that will reduce costs and improve corporate and shared services performance across government
- Data Centre Reform – consolidation of approximately 130 data centres across the state into two fit-for-purpose facilities
- Decade of Decentralisation – implementation of the policy initiative through the decentralisation of public sector jobs from the Sydney CBD to metropolitan and regional areas
- NSW ICT Strategy – implementation of a new strategic approach to the procurement and implementation of ICT in the NSW public sector to deliver improved service delivery and productivity
- Procurement Reform – establishment of a new operating model for government procurement
- ServiceFirst Outsourcing Program – outsource functions of ServiceFirst to achieve better service quality, improved customer satisfaction and timely access to new technologies through engaging world class providers.

OFS has procedures in place to monitor the outcomes of internal and external performance reviews, reports and inquiries, including monitoring and reporting on:

- internal and external audit recommendations, including Audit Office Management Letter recommendations and performance audits
- other recommendations made to OFS from external bodies, including: ICAC; the Coroner; reviews by external consultants, under OFS’s Monitoring of Recommendations Framework.

Implementation and monitoring of recommendations arising from internal and external performance reviews allows OFS to strengthen its internal controls and improve its services. It also allows OFS to meet the performance expectations of government to support key initiatives and reforms.

Additionally, OFS tracks its obligations under the NSW 2021 State Plan, key government actions and commitments, and the Commission of Audit Recommendations to ensure performance targets are met and recommendations are implemented. Performance reports are given to the Chief Executive, and the Audit and Risk Committee.
5. Corporate governance

5.1 Governance principles and framework

OFS has a collaborative governance model providing broad corporate oversight across the agency, covering areas such as corporate finance, corporate planning and performance, governance and risk, internal audit and a network of project and program management offices.

OFS has in place the following governance principles:

- clear roles and responsibilities
- transparent and accountable decision making
- effective, efficient and ethical decision making
- respect for legal and regulatory requirements and high probity standards.

The primary governance body for the agency is the Executive Committee, which met regularly during 2014/15. The Executive Committee is supported by an Audit and Risk Committee which complies with NSW Treasury’s *Internal Audit and Risk Management Policy for the NSW Public Sector, Office of Financial Management, Policy & Guidelines Paper, TPP09-05.*

The following units provide additional oversight of corporate governance functions:

- Enterprise Performance and Portfolio Management (EPPM)
- Legal, Audit and Risk
- Corporate Finance
- Office of the Chief Executive.

There are also a number of key governance support initiatives:

- Data Evidence and Analysis Network (DEAN)
- OFS Risk Network
- OFS Business Continuity Management Network.

Audit and compliance

**Office of Finance and Services Audit and Risk Committee**

During 2014/15, the agency had in place an Audit and Risk Committee, compliant with NSW Treasury’s *Internal Audit and Risk Management Policy for the NSW Public Sector, Office of Financial Management, Policy & Guidelines Paper, TPP09-05.*

This committee met eight times to oversee financial reporting, internal control systems, risk management, corruption prevention, compliance systems and other regulatory requirements, and the internal and external audit functions.

**Internal audit**

The OFS Internal Audit Unit (IAU) provides independent and objective assurance and consulting advice to management to improve the effectiveness of risk management, control and governance processes. Each quarter, IAU reports to the Audit and Risk Committees and the Chief Executive on the risk-based internal audit work plan, and progress towards completion of the plan and implementation of recommendations.
During the year, IAU undertook 46 planned internal audits across the agency covering a wide range of front-line services and back office support functions. Key audits included: revenue collections; business continuity and disaster recovery; fines management; property and business licensing; emergency services – geospatial data; financial management; prequalification schemes; Enterprise Performance Portfolio Management; records management and privacy; ServiceFirst Outsourcing Project; and payment card industry data security standard compliance.

Additionally, IAU undertook a range of investigations into complaints and public interest disclosures about alleged misconduct, and provided advice to management on corruption prevention, risk and internal control improvements.

IAU is accredited to the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing and meets the requirements of Treasury Circular TPP 15-03 – Internal Audit and Risk Management Policy for the NSW Public Sector.

External audit

The Audit Office of NSW has audited OFS’ consolidated financial statements as at 30 June 2015 and issued an Unqualified Audit Opinion and Statutory Audit Report on 21 September 2015. The audit report highlighted the following significant governance matter.

Compliance Review - Financial Systems - Disaster Recovery Planning (DRP): StateFleet was one of the 31 agencies selected to participate in a review of Disaster Recovery Planning. The review was designed to provide limited assurance over compliance with the requirements of NSW Government Treasury Directions – Section 744.05 ‘Disaster Recovery Plan’ and the NSW Government Digital Information Security Policy, referencing the DRP elements of ISO 27001.

The review assessed whether StateFleet:

- had up-to-date DRPs aligned with business recovery requirements
- had tested its DRPs to ensure they were effective

A limited assurance Independent Assurance Practitioner’s Compliance Review Report (the Report) was provided to the Department in September 2015.

The report concluded that no matters came to the audit team’s attention that indicated StateFleet did not materially comply with the requirements.

OFS has acknowledged audit assessment and included the following in its response.

OFS has an up-to-date DRP which is aligned with its business recovery requirements. The DRP test has indicated that it is operational and the test results have been reported to the management. The Office has performed a risk analysis of potential threats to the data, hardware and environment. A risk register is maintained which includes relevant strategies to address any potential risks. The Office has backup copies of all significant systems and data files stored in an off-site location. In addition, OFS’ production and disaster recovery systems are residing in separate data centres, the production system is located at Ultimo and the non-production server is located at Unanderra.

The 2014/15 Audit Report to Parliament is expected to be tabled in November 2015.

5.2 Accessing Office of Finance and Services information

Government Information (Public Access) Act 2009

The Government Information (Public Access) Act 2009 (GIPA Act) requires NSW Government agencies to make mandatory disclosures of information, encourages proactive releases of information and provides mechanisms for individuals to apply to access government information. More
information on how to access departmental information is available at:

Statistical information relating to formal applications under the GIPA Act is provided in Appendix 8.11 Government Information (Public Access) statistics.

Review of proactive release program

Under s7(3) of the GIPA Act, agencies must review their proactive release of government information program at least once every twelve months. As a result of ongoing review, the department proactively released information about programs and initiatives, updated answers to frequently asked questions based on community feedback, and provided statistical information about business operations.

Privacy and Personal Information Protection Act 1998 (PPIP Act)

The Privacy and Personal Information Protection (PPIP) Act 1998 contains twelve information protection principles regulating the collection, use and disclosure of personal information by NSW public sector agencies. These principles ensure that agencies collect personal information for lawful purposes, and that such information is protected from misuse and unauthorised release.

NSW government agencies are required to prepare and implement a privacy management plan in accordance with section 33(1) of the Privacy and Personal Information Protection Act 1998. Following changes to the structure and functions of OFS during 2014/15, the department is in the process of reviewing the privacy management plan.

Additional information about how the department manages its obligations under the PPIP Act is available at https://www.finance.nsw.gov.au/privacy-statement.

Applications made under the Privacy and Personal Information Protection Act 1998

Access request applications under section 14 of the PPIP Act

In 2014/15, OFS received no access applications by individuals requesting their personal information under the PPIP Act. However, OFS routinely dealt with informal requests by individuals requesting their personal information.

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

In 2014/15, OFS received two applications for internal reviews under the PPIP Act.
6. Office of Finance and Services related entities’ reports

This section includes annual reports for some related entities:

- NSW Procurement Board report
- Waste Assets Management Corporation report
- Office of the Valuer General’s report
- Surveyor General’s report
- Registrar General’s report
- Geographical Names Board of NSW report

6.1 NSW Procurement Board report

Legislation

The *Public Sector Employment and Management Amendment (Procurement of Goods and Services) Act 2012* sets out the Government’s procurement laws. On 24 February 2014 the procurement laws were transferred to the *Public Works and Procurement Act 1912*. On the same day, provisions within the Public Works Procurement Regulation 2014 replaced the procurement provisions of the repealed Public Sector Employment and Management Regulation 2009.

The new procurement laws allow agencies to manage and be responsible for their own procurement activities in accordance with accreditation issued by the NSW Procurement Board.

The legislation places obligations on agencies in relation to procurement activities, including to:

- exercise procurement functions in accordance with the Board’s policies and directions
- adhere to the principles of probity and fairness
- obtain value for money in the exercise of procurement functions
- provide information on procurement functions to the Board as requested.

Procurement Board objectives and functions

The NSW Procurement Board is the agency established to oversee procurement across the public sector.

The Board’s objectives are to:

- develop and implement a Government-wide strategic approach to procurement
- ensure best value for money in the procurement of goods and services by and for government agencies
- improve competition and facilitate access to Government procurement business by the private sector, especially by small and medium enterprises and regional enterprises
- reduce administrative costs for government agencies
- simplify procurement processes while ensuring probity and fairness.

The Procurement Board’s functions include:

- overseeing the procurement of goods and services by and for government agencies
- developing and implementing procurement policies
- issuing directions to agencies
- monitoring compliance by agencies with the requirements of the Act
- dealing with complaints about the procurement activities of agencies
- developing procurement and business intelligence systems for use by agencies
- collecting, analysing and publishing data and statistics in relation to the procurement of goods and services by and for agencies.

While the Procurement Board can issue directions to agencies about the conduct of procurements or authorise them to carry out certain procurements, it does not have power to enter into contracts.

The Procurement Board is subject to the direction and control of the Minister for Finance, Services and Property in the exercise of its functions.

Membership

During 2014/15 the following officers were members of the Procurement Board:
- Secretary of the Treasury (Chairperson)
- Secretary, Premier and Cabinet
- Secretary, Justice
- Secretary, Education and Communities
- Secretary, Family and Community Services
- Secretary, Health
- Secretary, Trade and Investment
- Secretary, Planning and Environment
- Secretary, Transport for NSW.

Meetings

The NSW Procurement Board held five meetings in 2014/15. It also considered matters out of session on one occasion.

Administration

The NSW Procurement Board's administrative support and its costs were met by the Office of Finance and Services and the agencies involved.

The Board’s goods and services work plan

The Procurement Board's *Strategic Directions Statement Update 2014-2015* contains the Board’s general work plan for 2014/15. It has seven objectives:
- simplification and red tape reduction
- industry engagement
- innovation
- maximise opportunities for small and medium enterprises
- strategic and agile procurement
- effective category management across government
- support agencies in a devolved environment.
As at 30 June 2015, 97 per cent of the actions in the *Strategic Directions Statement Update 2014-2015* were complete and the remainder were underway.

Major activities contained within the *Strategic Directions Statement Update 2014-2015* included the following projects:

- require agencies to seek at least one quote from a small or medium-sized enterprise if purchasing goods/services valued up to $1 million from major whole-of-government contracts
- accelerate the roll-out of Purchase Cards (Pcards) to improve the speed of payment to small businesses and increase transparency on these transactions
- create a procurement innovation stream for agencies to engage firms through direct negotiation on higher risk, short term contracts valued up to $250,000 in order to do proof-of-concept testing or outcomes-based trials, with the initiative to be targeted at small or medium sized enterprises
- prepare a road map identifying procurement-related savings across all categories of goods and services expenditure to improve service delivery within the sector
- recognise businesses qualified to supply to the Australian Government as being eligible suppliers to the NSW Government, without additional red tape requirements.

The *Strategic Directions Statement 2013-2014* and the Board’s 2014/15 work plan are available from the ProcurePoint website.

**Construction procurement policy**

The NSW Procurement Board develops and implements the Government’s construction procurement policy.

The Board’s *Construction Procurement Work Plan 2014/15* contains 56 actions:

- encouraging best practice procurement on Government construction projects
- enhancing the reputation of the NSW Government as a customer
- reducing red tape on Government construction projects.

As at 30 June 2015, 84 per cent of the actions in the *Strategic Directions Statement Update 2014-2015* were complete and the remainder were underway.

Actions taken by the Board to reform construction procurement policy during 2014/15 included:

- ensuring that agencies are meeting their obligations under the prompt payment provisions in security of payment laws introduced in April 2014
- creating a new simplified prequalification scheme for construction contractors covering works valued up to $1 million, available to all agencies
- implementing a new Aboriginal Participation in Construction policy
- reforming Government procurement practices by subjecting contractors engaged by Government to more comprehensive and more frequent financial assessments
- implementing a trial of trust accounts through project bank accounts on 10 government construction projects, applying the principles of the reformed Procurement Policy Framework to construction procurement policy.

The *Construction Procurement Work Plan 2014/15* is available from the ProcurePoint website.
Procurement Policy Framework

The NSW Procurement Board oversees the government procurement system, setting policy and ensuring compliance. It has the statutory power to issue policy and directions to agencies, and monitor the progress of agency compliance.

The purpose of the Procurement Policy Framework is to set out the policy and operating framework for the NSW public sector procurement system. It provides agencies with a single source of guidance and rules on the procurement of goods and services.

The Procurement Policy Framework was developed by the Procurement Leadership Group for use by agencies and suppliers to government.

The Government’s devolved model for procurement takes a less prescriptive approach than previous procurement policy. To this end, mandatory requirements within the Procurement Policy Framework are kept to a minimum. Additional material with the Procurement Policy Framework is provided as guidance, representing the NSW public sector’s better practice for procurement.

An updated version of the Procurement Policy Framework came into effect from 1 October 2014.

From 1 January 2014, the NSW Procurement Board assumed responsibility for development and implementation of the Government’s motor vehicle fleet policy. Actions are now underway to reform motor vehicle fleet policy. A category management working group was established to drive reform throughout 2014/15.

Agency procurement accreditation scheme

The Government’s devolved model for procurement is based on the principle that procurement is more efficient and effective if led at agency-level, provided agencies are properly equipped to plan, undertake and monitor procurement activities. Accordingly, in August 2012 the Procurement Board approved its Agency Accreditation Scheme for Goods and Services Procurement.

Under this Scheme, NSW Government agencies are able to undertake different levels of goods and services procurement based on assessed capability. The Scheme aims to:

- ensure procurement capability across NSW Government agencies
- connect agency procurement needs and requirements across government
- provide visibility of procurement activity and capability centrally and within agencies.

The Scheme’s objectives are to:

- benchmark capability to undertake best procurement practice and provide a framework for continuous improvement
- reduce costs and manage risks though effective aggregation and improved procurement capability
- extend category leadership to lead buyer agencies as appropriate
- provide visibility of agency procurement activity through reporting by accredited agencies.

By 30 June 2015, 20 NSW Government entities had completed the Scheme’s accreditation process. Combined, these agencies and other bodies accounted for more than 98 per cent of all expenditure on goods and services.

In September 2014 the Board approved a single principles-based accreditation scheme for both goods and services and construction procurement. The major changes include:

- aligning assessment criteria with the public sector capability framework
simplifying scoring items and reporting requirements by deleting low value/duplicated items

allowing for partial accreditation

giving incentives for agencies to pursue continuous procurement improvement.

Statutory reporting requirements

The NSW Procurement Board has a statutory requirement to report details of any directions given to the Board by the Minister for Finance, Services and Property. The Minister gave the Board no directions during 2014/15.

Board subcommittees and advisory groups

The NSW Procurement Board is able to establish subcommittees and advisory groups to assist the Board under section 167 of the Act. The Board is supported by the Procurement Leadership Group, procurement category working groups and the Industry Advisory Group.

Procurement Leadership Group

The NSW Procurement Board established the Procurement Leadership Group, comprising senior procurement executives drawn from across the NSW public sector. The Group supports and advises the Board. Another important purpose of the Group is to achieve and maintain consistent approaches to procurement across agencies and senior procurement leadership within agencies. During 2014/15, the Procurement Leadership Group met on 12 occasions.

Procurement category working groups

The NSW Procurement Board has established category working groups around particular procurement categories. These cross-agency groups have or are devising strategies for purchases across the broad areas of energy, fuel, travel, ICT, workplace supplies, contingent workforce, business advisory services, legal services, fleet, construction and facilities management procurement. Category plans are published on the ProcurePoint website.

Industry Advisory Group

The NSW Procurement Board established its Industry Advisory Group to advise the Board by:

- providing expert advice about trends and opportunities in procurement of goods and services
- recommending options that respond to emerging procurement trends and issues
- advising on sector-wide procurement matters, including industry standards, future directions, procurement strategy, and the impact of the Government’s procurement management decisions on industry and the non-government sector.

Industry Advisory Group members were selected following a public expression of interest process, which included eligibility requirements and selection criteria.

The members of the Industry Advisory Group are:

- Mr Garry Browne, Chief Executive Officer and Managing Director, Stuart Alexander & Co Pty Ltd (Chairperson)
- Mr Peter North AM, Chairman, Streeton Consulting Pty Ltd
- Ms Trudy Vonhoff, Non-executive Director, AMP Bank Limited
- Mr Alan Bennett, General Manager & Vice President, HP Enterprise Services, South Pacific (at time of appointment to Industry Advisory Group)
- Ms Irina Zvereva, Corporate Counsel, Caltex Australia Group
Mr Nick Abrahams, Partner, Norton Rose Fulbright Australia
Ms Michelle Stern, Managing Director, Enterprising IT Services Pty Ltd.

The Chairperson of the Procurement Leadership Group is a non-voting member of the Industry Advisory Group.

The Industry Advisory Group met on nine occasions in 2014/15.

The Group is not responsible for establishing or considering Government contracts. Its members do not represent or act on behalf of the Procurement Board or the NSW Government. Members receive a fee in accordance with the Public Service Commission’s NSW Government Boards and Committees Remuneration Scale.

**Construction Leadership Group**

The NSW Procurement Board established a governance framework for Government construction procurement policy through the Construction Leadership Group, comprised of senior executives drawn from across the NSW public sector. The Group supports and advises the Board. Another important purpose of the Group is to achieve and maintain consistent approaches to construction procurement across agencies and senior procurement leadership within agencies.

The Construction Leadership Group met on eleven occasions in 2014/15.

**Construction Industry Advisory Group**

The NSW Procurement Board established an Industry Advisory Group to develop education campaigns to improve financial management skills in the sector, as well as to advise the Government on the impact of reforms and industry’s capacity for further reform.

The members of the Construction Industry Advisory Group are:

- Ms Melissa Howard, Executive Director, Workplace Relations, Housing Industry Association
- Mr Lindsay Le Compte, Executive Director, Australian Constructors Association
- Mr Brian Seidler, Executive Director, Master Builders Association
- Ms Alexia Lidas, State Manager, NSW Consult Australia
- Ms Rita Mallia, President, Construction Forestry Mining and Energy Union (NSW)
- Ms Robyn Hobbs, NSW Small Business Commissioner
- Ms Justine Hall, Senior Policy Advisor, Insurance Council of Australia
- Mr David Castledine, Chief Executive Officer, Civil Contractors Federation (NSW).

Officers from the Office of the Small Business Commissioner and the Office of Finance and Services also attend meetings.

The Construction Industry Advisory Group is not responsible for establishing or considering government contracts. Its members do not represent or act on behalf of the Procurement Board or the NSW Government. Members are not remunerated.

The Construction Industry Advisory Group met on four occasions in 2014/15.

**Procurement Board directions**

The NSW Procurement Board has the power to issue directions that set rules and guidelines for the procurement of goods and services by Government agencies.

The Procurement Board Directions in force as at 30 June 2015 were:

- Obligation by government agencies to use whole-of-government contracts
Use of Procure IT when entering into an arrangement with a supplier for the procurement of ICT goods and services

Multi-agency access arrangements

Compliance

Statement on the Promotion of Competition

Approved procurement arrangements from 1 July 2013

Scope for government agencies to support Aboriginal businesses

Engagement of probity advisers and probity auditors

Publishing procurement plans on the eTendering website

Dishonest, unfair, unconscionable, corrupt or otherwise illegal conduct by suppliers

Access to government contracting opportunities by small and medium sized enterprises

Telecommunications procurement

Procuring operational telecommunications and radio communications equipment

Procurement innovation stream

Procurement of goods and services on behalf of other government agencies

Recognising suppliers to the Australian Government

(Construction) Financial Assessments

(Construction) Project Bank Accounts

(Construction) Construction procurement policies and procedures – interim arrangements

(Construction) Construction procurement prequalification schemes – interim arrangements

(Construction) Agency accreditation scheme for construction - threshold for unaccredited work

(Construction) Construction procurement prequalification schemes for work valued to $1 million.

All Procurement Board directions, including withdrawn directions, are available from the ProcurePoint website.

Procurement Board delegations

In December 2012, the NSW Procurement Board delegated the governance of procurement of ICT goods and services to the NSW ICT Board. This is designed to ensure that the ICT policies and strategies endorsed by the ICT Board are implemented with the right mix of procurement activity and contracts. In this case, ICT goods and services include hardware, services, networking, software, and telecommunications which constitute the ICT procurement category.

The ICT Board is an administrative body comprising the Secretaries of the principal Government departments, as well as the Chair of the ICT Advisory Panel.

Complaints
The NSW Procurement Board deals with complaints about NSW Government procurement arrangements, including tendering and contracts.

During 2014/15, the Procurement Board received one complaint in relation to procurement within the Government. This complaint was referred to the relevant agency in accordance with the Board’s complaint handling policy.

6.2 Waste Assets Management Corporation annual report

The Waste Assets Management Corporation (WAMC) is a statutory corporation created under Section 16 of the Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010, which commenced on 23 March 2010. Section 16(3) of the Act provides that WAMC has the following functions:

a) to hold, on behalf of the Crown, WSN Environmental Solutions (WSN) assets acquired by it or transferred to it by or under this or any other Act and to conduct businesses, provide services and carry on activities that relate to or are incidental to the management of any WSN assets held by it,

b) to undertake, on behalf of the Crown, the development for any purpose for the benefit of the State of any land comprising WSN assets held by it,

c) such other functions in connection with WSN assets held by it as may be prescribed by the regulations,

d) such other functions as may be conferred or imposed on the corporation by or under this or any other Act.

Since 3 April 2011, and according to clause 4(1)(a) of the Public Sector Employment and Management (Waste Assets Management Corporation) Order 2011, the Corporation has been subject to the control and direction of the Minister for Finance and Services (section 16 (2)).

Under clause 6 of Schedule 5 of the Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010 the Treasurer has designated that the WAMC annual report be included with the Office of Finance and Services (OFS) annual report.

Operations
In parallel with the sale of the Waste Recycling and Processing Corporation, (trading as WSN Environmental Solutions, WSN), to the private sector (SUEZ/SITA Australia), various assets, rights and liabilities of the former WSN were vested in WAMC effective from 31 January 2011. Under those arrangements, WAMC took ownership of certain of WSN’s landfills and other sites, plant and equipment located at those sites, and, in some cases, contractual obligations and liabilities associated with those sites. WAMC conducts its operations to achieve the following objectives:

- maximise efficiency of its land fill operations and other commercial activities
- maintain strong, stable and transparent relationships with stakeholders
- adopt a commercial approach to financial and operational arrangements
- ensure sound environmental practices and improved environmental outcomes are achieved at its sites.

The landfill sites transferred to WAMC are either closed or approaching closure, and all have the potential to impose significant environmental impacts. Some closed sites are currently public recreation space and others are likely to become public amenities in future.
WAMC provides specialised operational management in the following areas:

- operating one open landfill site at Eastern Creek 2, and managing its rehabilitation and maintenance, post-closure
- managing the rehabilitation and maintenance of eight closed landfill sites at Thornleigh, Merrylands, Grange Avenue, Eastern Creek 1, Castlereagh, Harrington Quarry, Lucas Heights 1 and Belrose (closed November 2014)
- monitoring and managing leachate treatment facilities at both the open and closed landfill sites
- managing joint venture landfill gas and energy systems to supply electricity into the grid as a sustainable and renewable energy source.

WAMC received 614,800 tonnes of solid waste materials at its operating landfills during the reporting period, which was 9 per cent above the budgeted volume of 565,500 tonnes. (WAMC’s customer delivered additional tonnes to meet its commercial and operational objectives).

**Administration**

OFS provides administrative support to WAMC.

Annual reporting requirements which include audit, financial reporting, human resources data and risks management information, are included in the OFS annual report.


At 30 June 2015, 34 OFS staff positions were allocated to WAMC including personnel with expertise in landfill engineering and management, technical, environmental, planning, construction, financial and contract management.

Employee numbers are recorded under Property and Housing Group in the OFS annual report.

Details of the number of senior executives and their remuneration are recorded in the OFS annual report.

**Key personnel are:**

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/Chief Executive</td>
<td>Anna Welanyk</td>
</tr>
<tr>
<td>Finance Manager</td>
<td>Phillip Stam</td>
</tr>
<tr>
<td>General Manager Operations</td>
<td>Chris Northey</td>
</tr>
<tr>
<td>Technical Manager</td>
<td>Sinnarajah Chandramohan</td>
</tr>
<tr>
<td>Gas and Leachate Manager</td>
<td>Ezio Di Giovanni</td>
</tr>
</tbody>
</table>
Financial management

WAMC operates a cash-neutral cost recovery financial model over the life of its landfill operations and energy generation phases and is intended to neither make material profits nor return dividends to the Government. WAMC’s sources of revenue are through its operational landfill activities and gas to energy sales. Rehabilitation of closed landfills is funded through the WAMC Landfill Rehabilitation Fund, as established under section 7 of the Act. During the year to June 2015, WAMC’s rehabilitation liabilities were reassessed to take into account recent falls in long term interest rates, regulatory changes and levels of future rehabilitation activities. WAMC financial statements, including its rehabilitation liabilities, for 2014/15 are included in the financial statements section of the OFS Annual Report.

Surplus funds

In January 2011, the WAMC Landfill Rehabilitation Fund received funding of $48.9 million estimated to meet all current and future closed landfill rehabilitation liabilities. NSW Treasury Corporation advice to NSW Treasury recommended these funds be invested between the TCorp Hour-Glass Cash Facility and the TCorp Hour-Glass Strategic Cash Facility. However, as per TC15-01 WAMC had to position its unrestricted cash within the Treasury Banking System as deposits in Westpac, and the restricted cash in Bank Term Deposits, still under the T-Corp Umbrella.

<table>
<thead>
<tr>
<th>TCorp Facility</th>
<th>Return to WAMC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Term Deposits</td>
<td>2.90%</td>
</tr>
<tr>
<td>Westpac (TBS)</td>
<td>2.00%</td>
</tr>
</tbody>
</table>
Environment and safety

WAMC holds third-party certification for compliance with ISO 14001:2004 (Environment) and AS/NZS 4801:2001 (Occupational Health and Safety) management systems.

This accreditation supports WAMC’s objectives of providing a safe work environment for staff and customers, implementing sound environmental practices and securing improved environmental outcomes for the business and the community.

Renewable energy

Generator stations at WAMC’s landfill sites generate 100,000 MWh (megawatt hours) of renewable energy annually by processing gas generated and captured within the landfills. Green credits and renewable energy are produced and 460,000 tonnes of climate-impacting carbon dioxide (CO2-e) atmospheric emissions are avoided in the process.

Insurance

The NSW Treasury Managed Fund provides: motor vehicle, property, public liability and miscellaneous cover for the Waste Assets Management Corporation (WAMC) activities.

For the 2014/15 financial year, WAMC incurred insurance premiums totalling $338,890 (public liability cover was $255,990). Premiums were reduced from 2013/14 and reflected an improved claims history. Claims totalling $168,169 were accepted and paid by the NSW Treasury Managed Fund.

Consultancies

Consultancy services to $27,905 were provided during the 2014/15 financial year.
### Payment of accounts

The table below highlights WAMC's account payment performance for 2014/2015.

<table>
<thead>
<tr>
<th>ACCOUNT PAYMENT PERFORMANCE 2014-2015</th>
<th>1ST QTR</th>
<th>2ND QTR</th>
<th>3RD QTR</th>
<th>4TH QTR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ALL SUPPLIERS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of Invoices Paid ($'000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid Before Due Date</td>
<td>36,807</td>
<td>23,736</td>
<td>24,813</td>
<td>22,199</td>
<td>107,555</td>
</tr>
<tr>
<td>&lt;30 Days Past Due Date</td>
<td>5,794</td>
<td>121</td>
<td>74</td>
<td>54</td>
<td>6,043</td>
</tr>
<tr>
<td>&gt;30&lt;60 Days Past Due Date</td>
<td>28</td>
<td>2</td>
<td>18</td>
<td>9</td>
<td>52</td>
</tr>
<tr>
<td>&gt;60&lt;90 Days Past Due Date</td>
<td>11</td>
<td></td>
<td></td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>&gt;90 Days Past Due Date</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Total Value of Invoices Paid ($'000)</td>
<td>42,645</td>
<td>23,869</td>
<td>24,900</td>
<td>22,262</td>
<td>113,677</td>
</tr>
<tr>
<td>% Paid on Time- By Value</td>
<td>86%</td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
<td>95%</td>
</tr>
</tbody>
</table>

| Number of invoices Paid               |         |         |         |         |       |
| Paid Before Due Date                  | 705     | 603     | 641     | 843     | 2,792  |
| Days Past Due Date                    | 37      | 40      | 19      | 27      | 123    |
| Total Value of Invoices Paid          | 742     | 643     | 660     | 870     | 2,915  |
| % Paid on Time- By Number             | 95%     | 94%     | 97%     | 97%     | 96%    |

| Interest Paid (I)                    |         |         |         |         |       |
| Number of Payments for Interest on   |         |         |         |         |       |
| Overdue Invoices                      | -       | -       | -       | -       | -      |
| Interest Paid on Overdue Invoices     | -       | -       | -       | -       | -      |

For all suppliers, the percentage of invoices paid on time for 2014/15 averaged 96% by number and 95% by value. The majority of payment delays are due to delays verifying the provision of technical services, verification of tares, and logistical difficulties.

### Risk management

**Internal Audit and Risk Management Statement for the 2014-2015 Financial Year for the Waste Assets Management Corporation**

I, Anna Welanyk, Acting Chief Executive of the Waste Assets Management Corporation (WAMC), am of the opinion that the WAMC has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I, Anna Welanyk, am of the opinion that the internal audit and risk management processes for the WAMC depart from the following core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Minister for Finance and Services and (b) the WAMC has implemented the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

<table>
<thead>
<tr>
<th>Ministerially Determined Departure</th>
<th>Reason for Departure and Description of Practicable Alternative Measures Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Requirement 1: The Chief Audit Executive should be appointed from within the agency by the Department Head.</td>
<td>In 2014-15 the Waste Assets Management Corporation's Chief Audit Executive is employed within the Office of Finance and Internal Audit Unit. Waste Assets Management Corporation has a dedicated Chief Audit Executive from the pool of</td>
</tr>
</tbody>
</table>
qualified auditors in the Internal Audit Unit.

<table>
<thead>
<tr>
<th>Core Requirement 2: An Audit &amp; Risk Committee has been established.</th>
<th>Full compliance with TPP09-05 would put an unreasonable administrative and cost burden on the entity. A review of the then, Department of Finance &amp; Services, now Office of Finance and Services, cluster arrangements for Audit &amp; Risk Committees was conducted to ensure that smaller related entities were relieved of the cost burdens of supporting their own Audit &amp; Risk Committees and to provide an equivalent coverage of their obligations under TPP09-05 through the sharing of the Department’s resources. Consequently, the WAMC is clustered with the Government Property NSW and Teacher Housing Authority to form the Property and Housing Group Audit and Risk Committee. The Property and Housing Group Audit and Risk Committee is compliant to Core Requirement 2 of TPP 09-05 and the requirements for shared arrangements in TPP12-04.</th>
</tr>
</thead>
</table>

The determination by the Minister for Finance & Services in respect of these departures, dated 17 September 2013, is appended to this attestation statement. (Not included in the annual report)

I, Anna Welanyk, am of the opinion that the WAMC ARC is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the WAMC ARC are:

- Mr Jon Isaacs, Independent Chair (period of appointment 31 October 2011 to 31 October 2015)
- Mr Ken Barker, Independent Member (period of appointment from 31 October 2011 to 31 October 2014)
- Ms Evelyn Bosak, Independent Member (period of appointment from 27 October 2013 to 27 October 2016)

This Audit and Risk Committee has been established under a Treasury/Minister approved shared arrangement with the following statutory bodies:

- Government Property NSW
- Teacher Housing Authority

These processes, including the practicable alternative measures implemented, provide a level of assurance that enables the senior management of the WAMC to understand, manage and satisfactorily control risk exposures.

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

Anna Welanyk  
Acting Chief Executive  
Waste Assets Management Corporation


I, Anna Welanyk, Acting Chief Executive of the Waste Assets Management Corporation, am of the opinion that the Waste Assets Management Corporation has implemented an Information Security Management System during the financial year being reported on which is compliant with the Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector.

I, Anna Welanyk, Acting Chief Executive of the Waste Assets Management Corporation, am of the opinion that the security controls in place, to mitigate identified risks to the digital information and
digital information systems of the Waste Assets Management Corporation are adequate for the foreseeable future.

I, Anna Welanyk, Acting Chief Executive of the Waste Assets Management Corporation, am of the opinion that all the Waste Assets Management Corporation Public Sector Agencies, or part thereof, under the control of the Waste Assets Management Corporation with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with Core Requirements of the Digital Information Security Policy for the NSW Public Sector.

I, Anna Welanyk, Acting Chief Executive of the Waste Assets Management Corporation, am of the opinion that, where necessary in accordance with the Digital Information Security Policy for the NSW Public Sector, Waste Assets Management Corporation is transitioning towards adopting relevant practices aligned with AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information security management systems.

Anna Welanyk
Acting Chief Executive
Waste Assets Management Corporation

Government Information (Public Access)

Table A: Number of applications by type of applicant and outcome1

<table>
<thead>
<tr>
<th></th>
<th>Access granted in full</th>
<th>Access granted in part</th>
<th>Access refused in full</th>
<th>Information not held</th>
<th>Information already available</th>
<th>Refuse to deal with application</th>
<th>Refuse to confirm/deny whether information is held</th>
<th>Application withdrawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Members of Parliament</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Private sector business</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Not for profit organisations or community groups</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Members of the public (application by legal representative)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Members of the public (other)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

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 B: Number of applications by type of application and outcome

<table>
<thead>
<tr>
<th>Personal information applications1</th>
<th>Access granted in full</th>
<th>Access granted in part</th>
<th>Access refused in full</th>
<th>Information not held</th>
<th>Information already available</th>
<th>Refuse to deal with application</th>
<th>Refuse to confirm/deny whether information is held</th>
<th>Application withdrawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Access applications (other than personal information applications)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Access applications that are partly personal information applications and partly other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

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

### Table C: Invalid applications

<table>
<thead>
<tr>
<th>Reason for invalidity</th>
<th>No of applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application does not comply with formal requirements (section 41 of the Act)</td>
<td>0</td>
</tr>
<tr>
<td>Application is for excluded information of the agency (section 43 of the Act)</td>
<td>0</td>
</tr>
<tr>
<td>Application contravenes restraint order (section 110 of the Act)</td>
<td>0</td>
</tr>
<tr>
<td>Total number of invalid applications received</td>
<td>0</td>
</tr>
<tr>
<td>Invalid applications that subsequently became valid applications</td>
<td>0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Number of times consideration used1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overriding secrecy laws</td>
<td>0</td>
</tr>
<tr>
<td>Cabinet information</td>
<td>0</td>
</tr>
<tr>
<td>Executive Council information</td>
<td>0</td>
</tr>
<tr>
<td>Contempt</td>
<td>0</td>
</tr>
<tr>
<td>Legal professional privilege</td>
<td>0</td>
</tr>
<tr>
<td>Excluded information</td>
<td>0</td>
</tr>
<tr>
<td>Documents affecting law enforcement and public safety</td>
<td>0</td>
</tr>
</tbody>
</table>
1. More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

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

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Number of occasions when application not successful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible and effective government</td>
<td>0</td>
</tr>
<tr>
<td>Law enforcement and security</td>
<td>0</td>
</tr>
<tr>
<td>Individual rights, judicial processes and natural justice</td>
<td>0</td>
</tr>
<tr>
<td>Business interests of agencies and other persons</td>
<td>0</td>
</tr>
<tr>
<td>Environment, culture, economy and general matters</td>
<td>0</td>
</tr>
<tr>
<td>Secrecy provisions</td>
<td>0</td>
</tr>
<tr>
<td>Exempt documents under interstate Freedom of Information legislation</td>
<td>0</td>
</tr>
</tbody>
</table>

### Table F: Timeliness

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Number of applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decided within the statutory timeframe (20 days plus any extensions)</td>
<td>0</td>
</tr>
<tr>
<td>Decided after 35 days (by agreement with applicant)</td>
<td>0</td>
</tr>
<tr>
<td>Not decided within time (deemed refusal)</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Review Type</th>
<th>Decision varied</th>
<th>Decision upheld</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal review</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Review by Information Commissioner¹</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Internal review following recommendation under section 93 of Act</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Review by Administrative Decisions Tribunal</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
1. 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 H: Applications for review under Part 5 of the Act (by type of applicant)

<table>
<thead>
<tr>
<th>Number of applications for review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications by access applicants 0</td>
</tr>
<tr>
<td>Applications by persons to whom information the subject of access application relates (see section 54 of the Act) 0</td>
</tr>
</tbody>
</table>

Office address

Waste Assets Management Corporation
Level 4, 10 Valentine Avenue
PARRAMATTA, NSW 2150
T: (02) 9685 4961
F: (02) 9372 7070
www.wamc.nsw.gov.au
Business hours: 8.30am–5.00pm
ABN 56 784 733 957

6.3 Office of the Valuer General’s report

Role of the Valuer General

The Valuer General oversees the State’s land valuation system, providing valuations for rating and taxing; and determinations of compensation when land is compulsorily acquired.

The Valuer General is an independent statutory officer appointed by the Governor of NSW.

Independence from government provides:
- clear separation between the valuations and their use by the State Government and local councils for rating and taxing
- clear separation between the compulsory acquisition of land by Government and the determination of compensation payable to a former landholder.

Responsibilities

The Valuer General is responsible for:
- the valuation of land for rating and taxing
- the determination of compensation when land is compulsorily acquired
- setting standards and policies for the valuation system which is managed by Land and Property Information (LPI)
- monitoring the management of contract valuers by LPI
- monitoring the quality of land values and services provided to the community by LPI
- providing professional leadership and stewardship to the valuation industry.
Aims

The Valuer General’s aims are to:

- provide excellent service to customers that is independent, transparent and easy to access
- ensure our customers feel they are treated fairly and respected
- make information readily available and understood by customers
- engage openly and actively with the community, industry and the Joint Standing Committee on the Office of the Valuer General (Joint Standing Committee)
- provide accurate, consistent and fair valuations, measured through independent monitoring and international benchmarks to provide a sound base for rates and taxes
- provide accurate determinations of compensation for land that has been compulsorily acquired
- deliver cost effective valuation services.

Role of Land and Property Information

LPI manages the valuation system on behalf of the Valuer General.

The Valuer General delegates specific functions to LPI. The services and performance standards that LPI is required to deliver are detailed in a Service Level Agreement with the General Manager of LPI. This agreement is reviewed annually to ensure services are meeting stakeholders’ needs.

LPI’s activities include:

- establishing and managing valuation contracts
- monitoring the performance of contract valuers
- auditing and quality assuring land values
- determining compensation following the compulsory acquisition of land
- managing objections and appeals
- delivering customer service
- delivering valuations to agencies and the community.

LPI outsources the majority of land valuation services to external valuation firms. These firms are thoroughly scrutinised through an independent open tender and rigorous evaluation process.

Governance of operations by the Valuer General

Governance board and steering committees

The Valuer General has implemented a new governance structure to strengthen the oversight of the valuation system and LPI’s activities. The Valuer General has established a governance board and steering committees and now chairs the Management Assurance Committee following a review of the management of risk.

The Valuation Joint Governance Board is responsible for setting strategic direction.

The steering committees oversee key service areas (rating and taxing valuations, compensation valuations, objections and appeals and the Register of Land Values). Their role includes setting standards, monitoring performance, approving programs and directing activities.
The Management Assurance Committee examines risk within the valuation system. The Committee oversees a structured risk management system implemented across business areas that are responsible for the identification, analysis, evaluation and treatment of risks.

Policies

The Valuer General has published 23 valuation policies on the Valuer General’s website. The policies give valuers and the public clear guidance on a range of valuation methods and practices, and are contractually binding on valuers. They cover the majority of valuation types including single residential land, high density residential land, commercial land, industrial land and rural land.

Policies are reviewed annually and new policies will be published as they are developed.

Oversight of the Valuer General

Parliament - Joint Standing Committee on the Office of the Valuer General

The activities of the Valuer General are overseen by a Parliamentary Committee which is responsible for monitoring and reviewing the Valuer General’s functions with respect to land valuations including valuation methodologies, arrangements for contracts and the standard of valuation services.

The Joint Standing Committee was first established in the 53rd Parliament in July 2003 and has published a number of reports including recommendations.

The Valuer General’s major focus for the past year has been to implement recommendations from the report Inquiry into the NSW land valuation system to improve transparency, accountability, fairness and service to stakeholders.

Reporting

The Valuer General reports administratively to the Minister for Finance, Services and Property and the Chief Executive of the Office of Finance and Services.

Report on performance

Over the past year the Valuer General has led initiatives focused on:

- increasing transparency, accountability and fairness
- improving service to stakeholders
- delivering accurate values
- implementing the Joint Standing Committee’s recommendations from the report Inquiry into the NSW land valuation system.

Customer engagement and issues management for rating and taxing valuations

Customer service has been enhanced to give landholders more opportunities to ask questions, raise concerns and respond to information. A coordinator is appointed for all land value reviews to keep customers informed and address any concerns they raise.

A new dispute resolution process has been introduced for rating and taxing valuations and the majority of Valuation Services’ staff received dispute resolution training. The process provides more opportunities for landholders to have conferences at different stages of the valuation or review process.

- All customers are entitled to:
  - an initial review conference at the time their property is inspected by a valuer
  - a review conference to exchange information prior to their objection being determined
land value review

A new customer-centric land value review process was introduced to address procedural fairness requirements, enhance dispute resolution, improve data and reporting as well as improve timeliness and efficiency.

The new process offers more opportunities for customers to ask questions, provide information, make submissions and have conferences. The criteria for lodging objections have been expanded giving customers more opportunity to have their land value reviewed.

Preliminary Report pilot project

A pilot project was initiated in 2014 to consider the impacts of enhancements to the land value review process. Customers in three local government areas were provided with a draft objection decision in a preliminary report and the opportunity to provide additional feedback prior to the review being finalised. The pilot project was broadly successful but provided insufficient evidence to fully assess the merits of preliminary reports and the impacts on customers and stakeholders.

In 2015 the pilot project was expanded to randomly sample 10 per cent of all objections to provide a statistically representative sample. The pilot project will be evaluated in late 2015 and will consider customer sentiment concerning procedural fairness, transparency and general satisfaction with the land value review process.

Land values on the NSW Globe

From January 2015, land values for all properties in NSW were published on the NSW Globe. The NSW Globe is accessible from the Valuer General’s website www.valuergeneral.nsw.gov.au

The NSW Globe gives anyone free access to find land values and property information throughout NSW. The land value information includes an aerial image of the parcel with:

- land values for the past five years (where available)
- the property number
- the address
- zoning information
- the valuing year used for council rates
- other valuation related information including links to fact sheets, the land value search and property sales report.

The availability of land values on the NSW Globe allows land values to be compared with previous and surrounding land values.

Determination of compensation

The Valuer General has implemented a range of improvements to the determination of compensation process. A number of these have been in response to the Joint Standing Committee’s recommendations and an independent survey initiated by the Valuer General. The survey evaluated the quality of information and service provided by LPI on behalf of the Valuer General during the determination process and also considered the landholders experience more broadly.
Improvements implemented:

- The Valuer General published the policy “Compensation following compulsory acquisition” which includes:
  - improved transparency through the sharing of information between the acquiring authority, landholder and the Valuer General
  - the requirement for valuers to meet with landholders during the inspection process and where possible address issues and concerns
  - disputes over matters of fact are to be resolved in consultation with stakeholders (where possible) prior to compensation valuations being completed
  - all relevant material and information provided whether from the landholder, acquiring authority or from the Valuer General’s own enquiries will be considered
  - valuers are to be available for any conferences requested by the landholder or acquiring authority following the Valuer General’s issue of a determination of compensation.

- The Valuer General published a brochure, Compulsory Acquisition NSW Valuer General’s role. The brochure explains the Valuer General’s role and responsibilities, who can acquire land for public purposes, purchase by negotiation, compulsory acquisition, what happens after the land is acquired, the Land and Environment Court, an explanation of terms, how to access expert valuation advice and contact information for the Valuer General. The brochure is available on the Valuer General’s website.

- A coordinator is appointed for each determination to keep customers informed about the process and address any questions or concerns raised.

The Valuer General now writes to landholders, when notified that a proposed acquisition notice has been issued to explain his role, the action to be taken, information about the process and how to get assistance. A copy of the brochure Compulsory Acquisition NSW Valuer General’s role is supplied.

Enhanced Certificate of Determination including the valuation report as an annexure. This ensures the acquiring authority provides the valuation report to the dispossessed landholder.

More information on the land acquisition process can be found in the Land Acquisition Information Guide, published by the NSW Government on the Department of Finance, Services and Innovation website. The Valuer General’s website contains a link to this information.

Council liaison

Formal information sessions are offered annually to councils that were issued with new valuations for rating. The sessions give information about the new land values, changes in values and provide a forum for discussion and questions. Forty-five councils received new valuations as at 1 July 2014 values, 33 councils took part in the sessions.

Overall, feedback from the councils was positive. The development of the information sessions for 1 July 2015 land values will take into consideration the feedback from councils.

Public information

A project to improve the quality of written communication was undertaken. It included:

- reviewing and developing valuation information in plain English
- developing new templates for correspondence
- training of staff in using plain English.

A new format for the Notice of Valuation was adopted to improve clarity of information including the opportunity for review. A new fact sheet for valuing rural land was published.
Valuation reports

The Valuer General initiated a review of reporting of final values by valuation contractors. Outcomes from the review include the development of reporting standards, formats and the requirement that the reports be easier to understand by customers outside the property industry. The new reporting requirements were implemented for contracts commencing from 1 March 2015.

Independent audit

The Valuer General initiated an independent audit of Land and Property Information’s quality assurance processes.

The Internal Audit Bureau (IAB) completed the audit in July 2014 and made several recommendations for improvements. The reforms proposed include:

- implementation of an enhanced strategic risk-based quality assurance program
- enhanced governance of quality assurance activities
- enhanced document management
- enhanced monitoring and escalation procedures
- establishment of efficiency and effectiveness benchmarks
- improved reporting of quality assurance activities.

LPI has begun to address the recommendations with local risk profiling implemented. It is expected that all recommendations will be addressed by the end of 2015.

International Property Tax Institute benchmarking study

The Valuer General, in conjunction with other Australasian Valuers General, is funding an independent benchmarking study by the International Property Tax Institute (IPTI). IPTI is a not-for-profit organisation, widely recognised as the world’s leading organisation on property tax policy and practice.

The purpose of the benchmarking study was to identify best practices and establish industry standards for property assessment and valuation agencies. The study seeks to identify opportunities for improvement in costs, efficiencies, valuation practices, administration and appeals. The study covers:

- customer service
- quality assurance
- communications with stakeholders
- statutory valuations
- objections.

The final report is scheduled for completion in late 2015.

Technology and systems development

In July 2014 a program of works to improve business processes and information systems commenced.

Audit and issues register – a register to capture quality control activities, including tracking issues has been implemented. The register improves efficiency and facilitates improvements to valuation quality.

Just Terms Manager – a secure centralised register for determinations has been implemented. Stage 2, scheduled for the second half 2015, will provide additional tools and reporting.
Pilot study – extension of the pilot study initiated in 2014 and extended to 2015 will assess customer sentiments concerning procedural fairness, transparency and general satisfaction with the objection process.

Conference Manager – a system is in development to provide a central repository for conference information and reporting.

Operations

Valuations for rating and taxing

There were approximately 2.5 million land valuations produced. Each valuation was recorded in the Register of Land Values.

The overall average cost per valuation is $17.53 per property. This was based on the costing methodology adopted by the Independent Pricing and Regulatory Tribunal (IPART) in its 2014 review of pricing of monopoly valuation services provided by the Valuer General to local government. The methodology included allocated costs for corporate services, operational ICT and access to spatial and titling information. These costs have not previously been included when determining the overall average cost per valuation in previous annual reports. For the 2013/14 financial year, the average cost per valuation was $17.08.

Land value reflects the market value of the land as at 1 July in the year of valuation and is based on the value of land if it were vacant. The total land value for New South Wales as at 1 July 2014 was approximately $1.12 trillion.

To determine 1 July 2014 land values, 43,000 property sales across NSW were analysed as part of the valuation process.

The following table shows the local government areas that received new land values as at 1 July 2014. These values will be used for rating from 1 July 2015.

<table>
<thead>
<tr>
<th>Local government area</th>
<th>Number of Notices of Valuation issued</th>
<th>Local government area</th>
<th>Number of Notices of Valuation issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albury</td>
<td>21,481</td>
<td>Ku-ring-gai</td>
<td>33,588</td>
</tr>
<tr>
<td>Ballina</td>
<td>14,866</td>
<td>Lachlan</td>
<td>4,387</td>
</tr>
<tr>
<td>Balranald</td>
<td>1,620</td>
<td>Leichhardt</td>
<td>17,950</td>
</tr>
<tr>
<td>Bathurst Regional</td>
<td>17,834</td>
<td>Liverpool</td>
<td>55,240</td>
</tr>
<tr>
<td>Blacktown</td>
<td>101,911</td>
<td>Maitland</td>
<td>30,123</td>
</tr>
<tr>
<td>Boorowa</td>
<td>2,001</td>
<td>Manly</td>
<td>9,800</td>
</tr>
<tr>
<td>Bourke</td>
<td>2,032</td>
<td>Moree Plains</td>
<td>6,851</td>
</tr>
<tr>
<td>Canterbury</td>
<td>33,403</td>
<td>Mosman</td>
<td>6,918</td>
</tr>
<tr>
<td>Central Darling</td>
<td>1,883</td>
<td>Narrabri</td>
<td>7,013</td>
</tr>
<tr>
<td>Cobar</td>
<td>3,172</td>
<td>Richmond Valley</td>
<td>10,175</td>
</tr>
<tr>
<td>Coffs Harbour</td>
<td>27,090</td>
<td>Shoalhaven</td>
<td>56,710</td>
</tr>
<tr>
<td>Conargo</td>
<td>1,154</td>
<td>Sutherland</td>
<td>60,835</td>
</tr>
<tr>
<td>Cowra</td>
<td>7,398</td>
<td>The Hills Shire</td>
<td>55,855</td>
</tr>
<tr>
<td>Dubbo</td>
<td>17,127</td>
<td>Tumbarumba</td>
<td>2,604</td>
</tr>
<tr>
<td>Local government area</td>
<td>Number of Notices of Valuation issued</td>
<td>Local government area</td>
<td>Number of Notices of Valuation issued</td>
</tr>
<tr>
<td>-----------------------</td>
<td>--------------------------------------</td>
<td>-----------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Eurobodalla</td>
<td>23,837</td>
<td>Tweed</td>
<td>30,307</td>
</tr>
<tr>
<td>Gloucester</td>
<td>3,258</td>
<td>Upper Hunter</td>
<td>7,745</td>
</tr>
<tr>
<td>Goulburn Mulwaree</td>
<td>14,743</td>
<td>Warrumbungle</td>
<td>6,289</td>
</tr>
<tr>
<td>Great Lakes</td>
<td>23,644</td>
<td>Weddin</td>
<td>2,749</td>
</tr>
<tr>
<td>Gundagai</td>
<td>2,601</td>
<td>Wentworth</td>
<td>3,978</td>
</tr>
<tr>
<td>Harden</td>
<td>2,537</td>
<td>Wollondilly</td>
<td>17,185</td>
</tr>
<tr>
<td>Hawkesbury</td>
<td>23,813</td>
<td>Wyong</td>
<td>60,248</td>
</tr>
<tr>
<td>Hay</td>
<td>1,994</td>
<td>Total notices issued</td>
<td>886,429</td>
</tr>
<tr>
<td>Hornsby</td>
<td>46,747</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hunters Hill</td>
<td>3,733</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

LPI carried out formal quality assurance audits in each local government area to identify and address any issues with the quality and accuracy of the valuations before the values were accepted by the Valuer General and entered onto the Register of Land Values. These audits included:

- system-based data integrity checks
- assessing compliance with defined statistical measures
- checks on the quantity and spread of market analysis to support land values
- comparing the provision of allowances and concessions from the previous valuation
- reviewing valuations subject to objection in prior valuing years to determine whether the contract valuers have had regard to those decisions
- reviewing sales to land value ratios
- reviewing significant value changes
- comparison with an automated valuation model developed in conjunction with the University of Western Sydney.

To improve valuation quality, a verification program is in place. The program provides for the individual review of all land values and supporting data. The program was initially implemented in 2006. In 2012 the program was enhanced and extended to 2018.

The program adopts a risk-based approach which considers the complexity and nature of properties to determine the timeframe for verification. Over the six year period of the current program all land values in NSW will be verified. Those properties identified as having higher risk of valuation error are verified more regularly.

Valuations for compensation

The Valuer General determines the amount of compensation to be paid to a former landholder when land is compulsorily acquired by Government.

The Valuer General also determines the amount of compensation paid for the transfer of NSW Government land between Government authorities. The Valuer General undertakes the determination of compensation in accordance with Treasurer’s Directions 92/2 (496.02 and 469.03).
For the 2014/15 year, the Valuer General has issued 244 determinations of compensation.

- 163 determinations of compensation were made under the *Land Acquisition (Just Terms Compensation) Act 1991*
- 81 determinations of compensation were made in accordance with *Treasurer’s Directions 92/2 (496.02 and 469.03).*

It is expected that the number of determinations of compensation will continue to increase in the coming years due to major Government projects to improve infrastructure. Where land cannot be acquired by negotiation, it is compulsorily acquired. When this occurs, the Valuer General will independently determine the amount of compensation to be paid to the former landholder.

Major projects include NorthConnex, WestConnex, North West Rail Link, Bridges for the Bush, the Northern Beach Hospital and Sydney Light Rail.

**Industry engagement**

The Land Valuation Advisory Group (LVAG) monitors the quality of land valuations and provides a channel for communication between the Valuer General and stakeholders.

Membership consists of senior representatives of the property industry and stakeholders:

- Real Estate Institute NSW
- Australian Property Institute
- Local Government NSW
- Property Council of Australia
- Office of State Revenue
- Shopping Centre Council of Australia
- Office of Local Government.

The group met three times during the 2014/15 financial year. Principal matters for consideration were 2013 land values, 2014 valuation program and quality assurance activities, recommendations by the Joint Standing Committee, parallel valuations and the governance structure of the valuation system.

**Legislation**

**Valuation of Land Act 1916**

The *Valuation of Land Act 1916* establishes the role of the Valuer General and provides the statutory authority for the valuation system.

The Valuer General regularly reviews the *Valuation of Land Act 1916* to determine where amendments are required. There were no amendments made to the Act during 2014/15.

**Land Acquisition (Just Terms Compensation) Act 1991**

The *Land Acquisition (Just Terms Compensation) Act 1991* requires the Valuer General to determine the amount of compensation to be offered where property is compulsorily acquired.

**Pricing for valuation services**

During the first half of 2014, IPART reviewed the pricing of monopoly valuation services provided by the Valuer General to local government.

IPART published its report in May 2014 setting prices for valuation services from 1 July 2014 to 30 June 2019.
IPART considered the Valuer General’s costs of providing land valuation services for rating and taxing purposes, to be efficient and held prices constant in real terms for councils over the determination period.

**Finance**

Financial management services for the Valuer General are provided by Land and Property Information (LPI).

**Enhanced financial reporting**

In response to the Joint Standing Committee’s recommendations on financial reporting, a new activity-based reporting system for the Valuer General, including overheads and revenue was introduced during the period. This reporting system is based on the IPART cost methodology and complements the improved financial reporting implemented in 2013/14.

The financial report below is generated using the new activity based reporting system. This report differs from financial reporting in the 2013/14 annual report which was based on the costing methodology developed to report to the Joint Parliamentary Committee. Additional information considered in the report below includes an allocation for corporate costs, costs for access to spatial and titling information, operational information and communication technology costs.

Costs of the NSW Crown Solicitor's Office for the provision of valuation related legal services are funded through the Attorney General's core fund. These costs are not recorded in this report as they are not met by the Valuer General and are not included in the charges to rating and taxing authorities. For 2014/15, the cost of valuation related legal services was $1,568,000.
Valuer General system financial report 2014/15

<table>
<thead>
<tr>
<th>Valuer General Report 2014/15 (Distribution reflects IPART costing methodology)</th>
<th>Mass Valuations ('$000)</th>
<th>Land Management and Supplementary Valuations ('$000)</th>
<th>Objections to Court ('$000)</th>
<th>Objections Review ('$000)</th>
<th>Communications ('$000)</th>
<th>Administrative Costs ('$000)</th>
<th>Audit ('$000)</th>
<th>Total Mass Valuations ('$000)</th>
<th>Valuer General Office ('$000)</th>
<th>Just Terms ('$000)</th>
<th>Special Valuations ('$000)</th>
<th>Total Valuations ('$000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>42,131</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>42,131</td>
<td>0</td>
<td>1,802</td>
<td>3,699</td>
<td>47,631</td>
</tr>
<tr>
<td>Salaries &amp; on-costs</td>
<td>2,618</td>
<td>3,242</td>
<td>35</td>
<td>851</td>
<td>805</td>
<td>2,896</td>
<td>651</td>
<td>11,098</td>
<td>1,180</td>
<td>476</td>
<td>1,025</td>
<td>13,779</td>
</tr>
<tr>
<td>Other staff related</td>
<td>29</td>
<td>47</td>
<td>1</td>
<td>13</td>
<td>11</td>
<td>39</td>
<td>5</td>
<td>144</td>
<td>12</td>
<td>5</td>
<td>14</td>
<td>175</td>
</tr>
<tr>
<td>Accommodation and maintenance</td>
<td>152</td>
<td>238</td>
<td>3</td>
<td>65</td>
<td>59</td>
<td>198</td>
<td>39</td>
<td>755</td>
<td>0</td>
<td>27</td>
<td>58</td>
<td>840</td>
</tr>
<tr>
<td>Postage &amp; phones</td>
<td>10</td>
<td>4</td>
<td>0</td>
<td>6</td>
<td>428</td>
<td>5</td>
<td>0</td>
<td>453</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>453</td>
</tr>
<tr>
<td>Production</td>
<td>26</td>
<td>7</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>17</td>
<td>0</td>
<td>53</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>55</td>
</tr>
<tr>
<td>Electronic data processing</td>
<td>31</td>
<td>4</td>
<td>0</td>
<td>12</td>
<td>0</td>
<td>23</td>
<td>0</td>
<td>70</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>74</td>
</tr>
<tr>
<td>Travel &amp; motor vehicles</td>
<td>131</td>
<td>53</td>
<td>1</td>
<td>20</td>
<td>18</td>
<td>91</td>
<td>32</td>
<td>345</td>
<td>3</td>
<td>25</td>
<td>58</td>
<td>430</td>
</tr>
<tr>
<td>Contractors &amp; consultants</td>
<td>272</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>282</td>
<td>167</td>
<td>0</td>
<td>0</td>
<td>449</td>
</tr>
<tr>
<td>Valuation contracts</td>
<td>18,574</td>
<td>0</td>
<td>0</td>
<td>2,654</td>
<td>0</td>
<td>0</td>
<td>36</td>
<td>21,264</td>
<td>0</td>
<td>861</td>
<td>666</td>
<td>22,791</td>
</tr>
<tr>
<td>Other</td>
<td>42</td>
<td>9</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>12</td>
<td>0</td>
<td>65</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>68</td>
</tr>
<tr>
<td>Depreciation</td>
<td>244</td>
<td>82</td>
<td>0</td>
<td>9</td>
<td>0</td>
<td>18</td>
<td>0</td>
<td>354</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>358</td>
</tr>
<tr>
<td>Total direct valuation and Valuer General Office (VGO) expenses</td>
<td>22,130</td>
<td>3,687</td>
<td>39</td>
<td>3,636</td>
<td>1,321</td>
<td>3,299</td>
<td>771</td>
<td>34,884</td>
<td>1,376</td>
<td>1,394</td>
<td>1,820</td>
<td>39,474</td>
</tr>
<tr>
<td>Corporate overheads</td>
<td>542</td>
<td>830</td>
<td>9</td>
<td>233</td>
<td>213</td>
<td>691</td>
<td>122</td>
<td>2,640</td>
<td>0</td>
<td>100</td>
<td>211</td>
<td>2,951</td>
</tr>
<tr>
<td>ICT operational</td>
<td>435</td>
<td>677</td>
<td>7</td>
<td>185</td>
<td>169</td>
<td>551</td>
<td>111</td>
<td>2,136</td>
<td>0</td>
<td>80</td>
<td>163</td>
<td>2,379</td>
</tr>
<tr>
<td>Spatial</td>
<td>161</td>
<td>253</td>
<td>3</td>
<td>67</td>
<td>64</td>
<td>210</td>
<td>42</td>
<td>799</td>
<td>0</td>
<td>30</td>
<td>63</td>
<td>892</td>
</tr>
<tr>
<td>TRS</td>
<td>640</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>640</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>640</td>
</tr>
<tr>
<td>Graphic services</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,431</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,431</td>
<td></td>
</tr>
<tr>
<td>Total indirect costs</td>
<td>1,778</td>
<td>1,760</td>
<td>20</td>
<td>485</td>
<td>1,876</td>
<td>1,451</td>
<td>275</td>
<td>7,646</td>
<td>0</td>
<td>210</td>
<td>437</td>
<td>8,293</td>
</tr>
</tbody>
</table>

64
<table>
<thead>
<tr>
<th>Valuer General Report 2014/15 (Distribution reflects IPART costing methodology)</th>
<th>Mass Valuations ('$000)</th>
<th>Land Management and Supplementary Valuations ('$000)</th>
<th>Objections to Court ('$000)</th>
<th>Objections Review ('$000)</th>
<th>Communications ('$000)</th>
<th>Administrative Costs ('$000)</th>
<th>Audit ('$000)</th>
<th>Total Mass Valuations ('$000)</th>
<th>Valuer General Office ('$000)</th>
<th>Just Terms ('$000)</th>
<th>Special Valuations ('$000)</th>
<th>Total Valuations ('$000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expenses</td>
<td>23,908</td>
<td>5,447</td>
<td>59</td>
<td>4,121</td>
<td>3,198</td>
<td>4,750</td>
<td>1,046</td>
<td>42,529</td>
<td>1,376</td>
<td>1,604</td>
<td>2,257</td>
<td>47,767</td>
</tr>
<tr>
<td>Surplus / (Loss)</td>
<td>18,222</td>
<td>(5,447)</td>
<td>(59)</td>
<td>(4,121)</td>
<td>(3,198)</td>
<td>(4,750)</td>
<td>(1,046)</td>
<td>(399)</td>
<td>(1,376)</td>
<td>198</td>
<td>1,441</td>
<td>(135)</td>
</tr>
</tbody>
</table>

* Salaries and On-costs exclude all Superannuation expenses from the General Ledger. These amounts are volatile over time and are replaced with a calculated figure equal to 11% of the total of Salaries and Wages, Recreation Leave and Overtime.

All amounts have been rounded to the nearest thousand dollars ($'000), which has resulted in minor rounding errors in some totals and subtotals

* This report includes all costs for the Office of the Valuer General and valuation related costs for Land and Property Information.
<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total valuations issued for rating and taxing purposes</td>
<td>1,578,466</td>
<td>1,830,466</td>
<td>1,689,220</td>
<td>1,725,392</td>
<td>1,850,887</td>
<td>–</td>
</tr>
<tr>
<td>Total valuations on Register of Land Values at 30 June</td>
<td>2,441,947</td>
<td>2,455,600</td>
<td>2,470,531</td>
<td>2,485,796</td>
<td>2,505,206</td>
<td>–</td>
</tr>
<tr>
<td>Total Notices of Valuations issued</td>
<td>793,297</td>
<td>922,863</td>
<td>854,094</td>
<td>827,302</td>
<td>947,666</td>
<td>–</td>
</tr>
<tr>
<td><strong>Customer Service</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of calls</td>
<td>27,909</td>
<td>35,890</td>
<td>34,255</td>
<td>31,286</td>
<td>23,641</td>
<td>–</td>
</tr>
<tr>
<td>% of calls resolved on first contact</td>
<td>90%</td>
<td>91%</td>
<td>92%</td>
<td>93%</td>
<td>82%&lt;sup&gt;1&lt;/sup&gt;</td>
<td>85%</td>
</tr>
<tr>
<td>% of calls responded to within 3 days</td>
<td>72%</td>
<td>99%</td>
<td>99%</td>
<td>98.83%</td>
<td>98.3%</td>
<td>90%&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Rate Payers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Notices of Valuation issued within 31 days</td>
<td>95%</td>
<td>93%</td>
<td>97%</td>
<td>92%</td>
<td>96%</td>
<td>95%</td>
</tr>
<tr>
<td>% Notices of Valuation for general valuation issued to property owners within agreed SLA timeframe</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>% general valuations land values issued to relevant councils within agreed SLA timeframe</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>% supplementary valuations to councils within 31 days</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Office of State Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% objections to land values for land tax completed within 90 days</td>
<td>86%</td>
<td>86%</td>
<td>60%</td>
<td>63%</td>
<td>77%</td>
<td>85%&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td>% objections to land values for land tax completed within 120 days</td>
<td>98%</td>
<td>96%</td>
<td>75%</td>
<td>77%</td>
<td>94%</td>
<td>90%&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
<tr>
<td>% objections to land values for land tax, where land value is greater than $1m, within 120 days</td>
<td>93%</td>
<td>94%</td>
<td>79%</td>
<td>78%</td>
<td>93%</td>
<td>95%</td>
</tr>
<tr>
<td>% of final land values issued to OSR by 15 November</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Supplementary valuations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total supplementary valuations issued</td>
<td>39,465</td>
<td>50,906</td>
<td>52,321</td>
<td>53,767</td>
<td>81,225&lt;sup&gt;5&lt;/sup&gt;</td>
<td>–</td>
</tr>
<tr>
<td>Average days to complete</td>
<td>39 days</td>
<td>34 days</td>
<td>34 days</td>
<td>33 days</td>
<td>36 days</td>
<td>&lt;65 days</td>
</tr>
</tbody>
</table>
### Key Performance Indicators 2010/11 2011/12 2012/13 2013/14 2014/15 Target

<table>
<thead>
<tr>
<th>Statistical quality measures for land values</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Council areas meeting all standards – Residential&lt;sup&gt;6&lt;/sup&gt;</td>
<td>91.3%</td>
<td>91.6%</td>
<td>93.8%</td>
<td>97.7%</td>
<td>98.5%</td>
<td>90%</td>
</tr>
<tr>
<td>% Council areas meeting all standards – Business/Industrial&lt;sup&gt;6&lt;/sup&gt;</td>
<td>78.8%</td>
<td>91.1%</td>
<td>85.3%</td>
<td>86.1%</td>
<td>89.4%</td>
<td>85%</td>
</tr>
<tr>
<td>% Council areas meeting all standards – Rural&lt;sup&gt;6&lt;/sup&gt;</td>
<td>67.5%</td>
<td>72.3%</td>
<td>77.7%</td>
<td>78.5%</td>
<td>85.2%</td>
<td>75%</td>
</tr>
</tbody>
</table>

### Objections

<table>
<thead>
<tr>
<th>Number of objections received for all valuing years</th>
<th>4,899</th>
<th>5,684</th>
<th>6,249</th>
<th>4,814</th>
<th>4,933</th>
<th>–</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of objections completed for all valuing years</td>
<td>5,259</td>
<td>4,972</td>
<td>5,994</td>
<td>5,725</td>
<td>4,346</td>
<td>–</td>
</tr>
<tr>
<td>Number of objections received as a % of valuations issued</td>
<td>0.31%</td>
<td>0.31%</td>
<td>0.37%</td>
<td>0.28%</td>
<td>0.27%</td>
<td>–</td>
</tr>
<tr>
<td>% objections to land values completed within 90 days&lt;sup&gt;7&lt;/sup&gt;</td>
<td>86%</td>
<td>84%</td>
<td>59%</td>
<td>67%</td>
<td>76%</td>
<td>80%&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>% objections to land values completed within 120 days&lt;sup&gt;7&lt;/sup&gt;</td>
<td>97%</td>
<td>96%</td>
<td>73%</td>
<td>80%</td>
<td>92%</td>
<td>90%</td>
</tr>
<tr>
<td>% objections to land values completed within 180 days&lt;sup&gt;7&lt;/sup&gt;</td>
<td>99%</td>
<td>99%</td>
<td>96%</td>
<td>96%</td>
<td>99%</td>
<td>98%&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Average number of days to complete objections&lt;sup&gt;7&lt;/sup&gt;</td>
<td>61 days</td>
<td>58 days</td>
<td>89 days</td>
<td>81 days</td>
<td>69 days</td>
<td>75 days&lt;sup&gt;10&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

1. Manually calculated as outsourced call centre withdrew at short notice and calls were brought in house.
2. KPI of 95% was changed to 90% in 2014/15.
3. KPI changed in 2011 from 30% to 85% completed in 90 days.
4. KPI changed in 2011 from 75% completed in 180 days to 90% completed in 120 days.
5. Increase in supplementary valuations due to new LEPs issued in local government areas.
6. Where an appropriate number of analysed sales (five or more) is not available for a zone, the local government area is not included in the measure. Statistics published in the 2009/10 Annual Report included all zones for all local government areas; these are now updated in accordance with the new basis.
7. Enhanced Quality Assurance process introduced in 2012/13 increased time taken to process objections.
8. KPI of 85% changed to 80% in 2014/15.
9. KPI of 95% changed to 98% in 2012/13.
10. KPI of 90 days changed to 75 days in 2012/13.
6.4 Surveyor General’s report

The Surveyor General of New South Wales is the Government’s principal advisor on surveying and spatial information. The position’s statutory functions cover survey and positioning infrastructure, geographical naming and maintaining the integrity of the State’s cadastre.

In 2014/15, Land and Property Information, on behalf of the Surveyor General:

- continued to expand and enhance the Continuously Operating Reference Station Network (CORSnet NSW) to 170 operational stations providing basic (DGPS) services to 99 per cent of population areas of the State with 70 per cent coverage of high-precision (two centimetres) positioning services.
- three of the new stations commissioned were funded by Geoscience Australia as part of the ‘GPS in Schools’ including two stations in the ACT. NSW Public Works was also a partner, providing project management and liaison with interested high schools. This initiative will see high school students able to access high precision positioning services to better understand and learn about how physics, mathematics and geography are applied to real world applications and the technology solutions. This initiative also supports surveying career development through the NSW Surveying Taskforce.
- completed work for the preferred site for a new regional Electronic Distance Measuring (EDM) baseline at Coffs Harbour. These baselines enable surveyors to calibrate their measurement technology ensuring legislative compliance.
- maintained National Association of Testing Authorities (NATA) accreditation as a verifying authority under the provisions of the National Measurement Act 1960.
- supported State-significant infrastructure projects, worth more than an estimated $20 billion, including Pacific Highway and north western Sydney arterial upgrades, West Connex, Badgerys Creek airport and North West Rail.

The Surveyor General continued to support the promotion, education and skills of the surveying and spatial information industry and the preservation of surveying history through:

- the Surveyor General’s Undergraduate Scholarship in Surveying
- the Surveyor General International Fellowship in Surveying and Spatial Information – 2014/15 winners were Adrian White and Thomas Grinter
- chairing the New South Wales Surveying Taskforce
- sponsorship of the NSW Excellence in Surveying and Spatial Information Awards.

The Surveyor General provided leadership and strategic direction for the surveying and spatial information sector by:

- endorsing ‘Cadastre 2034’ a National Strategy for Cadastral Reform and Innovation for Australia, developed by ICSM, the ANZLIC Committee on Surveying & Mapping
- initiating the Cadastre NSW 2020 Research Project to engage with key stakeholders to clarify potential improvement in the way cadastral information is sourced, managed and delivered in NSW
- releasing the NSW Address Policy; the NSW Retrospective Address Policy and the NSW Addressing User Manual (through the Geographical Names Board) for use by State and Local Government and address users and suppliers
- continuing to support Geoscience Australia with the next generation datum modernisation project
participating in the development of a National Positioning Infrastructure Project.

The Surveyor General is a key member and Chair of the NSW Location Leadership Group (LLG), the peak government group for Spatial and Location Information Policy and Strategy in the state. During the year the LLG met four times and through the ICT Governance Framework:

- approved for publication and release Version 2.0 of the NSW Foundation Spatial Data Framework, aligned with the NSW Open Data Policy and the NSW Location Intelligence Strategy, making these important NSW Government information assets available for use across all sectors of government, industry and the community
- released a number of spatial data web services including, but not limited to, points of interest, cadastre, imagery, administrative boundaries and address location service
- approved and released a NSW Planning and Environment Spatial Data Framework to ensure a single point of truth for core value, high demand planning and environmental datasets. This will ensure planning data is readily discoverable and accessible online
- established the Cadastre NSW Working Group to formalise stakeholder engagement and a whole-of-government approach to improving the cadastral information supply chain
- released Australian Bureau of Statistics geographical standard boundaries and land valuation data on the NSW Globe.

6.5 Registrar General’s report

The Registrar General maintains the NSW land titles system, which underpins over $130 billion dollars of economic activity in NSW each year. This includes the creation and maintenance of land titles records evidencing legal ownership and registered interests for land parcels and the examination and registration of plans and documents relating to land within NSW, while ensuring compliance with statutory requirements and protecting the integrity of the State’s cadastre. The NSW Government guarantees security of ownership for registered landowners recorded in the NSW land title system, ensuring confidence in the land title system.

The continued strength of the New South Wales property market in 2014/15 resulted in the highest volume of property transactions in the past decade, with 900,672 dealings lodged for registration. This was a 6.669 per cent increase on the already high volume of total dealings lodged at LPI in 2013/14.

Deposited plan lodgments increased by 7.77 per cent from the previous year and strata plan lodgments were 10.20 per cent higher than in 2013/14. In 2014/15, 53,667 new lots were created; 30,651 from deposited plans and 23,016 from strata plans an increase of 18.20 per cent overall on 2013/14 results. A further 5,420 Old System, Crown and manual Torrens Title land parcels were converted to electronic titles in 2014/15, held within the Integrated Titling System. There were also 1,257 Lease Folios created.

To ensure the retention and ongoing development of land titling expertise, LPI recruited 11 trainee titling officers in January 2015.

The Registrar General also ensures that the legislative framework supporting the land titles system remains relevant and is responsive to the needs of the community. During 2014/15, LPI continued administering amendments to legislation and regulations on behalf of the Registrar General. On 1 September 2014, the Real Property Regulation 2014 replaced the Real Property Regulation 2008 as part of the Government’s commitment to review regulations every five years.
**National electronic conveyancing**

Property Exchange Australia (PEXA) is the national electronic conveyancing platform operated by PEXA Ltd that enables completion of property conveyancing transactions online. PEXA has been operational in NSW since October 2013.

LPI supports PEXA's ongoing development of the system by developing and implementing changes required to external facing and internal systems, implementing business practice changes and introducing enabling legislation. The program made significant progress in the 2014/15 financial year. Since the introduction of transfers and electronic settlements, transaction volumes have been regularly increasing by over 10 per cent month on month as industry recognises the benefits of electronic conveyancing. Current PEXA subscribers include ANZ, CBA, NAB, Westpac, SunCorp, Teachers Bank, Bank MECU and over 400 conveyancers.

NSW successfully implemented auto-registration, resulting in over 90 per cent of mortgages and discharges lodged through PEXA being automatically registered. In November 2014, PEXA transactions were expanded to include financial settlement and the lodgment of transfers, caveats and withdrawals of caveat. Since November 2014, solicitors and conveyancers have been able to join PEXA as subscribers and transact through PEXA as well as the Office of State Revenue for duty validation. The first electronic caveat was lodged on 12 November 2014 and the first transfer settled on 24 November 2014. A further release in April 2015 widened the scope of caveats and mortgages that can be lodged online in NSW.

**Torrens Assurance Fund claims**

The Torrens Assurance Fund (TAF) supports the State Government guarantee of land title for registered landowners. The TAF provides compensation payments to registered landowners for any loss suffered as a result of fraud or error in title registration.

The Registrar General can settle claims against the TAF of up to $500,000. During the 2014/15 financial year, the Registrar General settled 40 claims for compensation and payments made in response to claims against the TAF totalled $1,484,341. The Registrar General was successful in several litigation matters involving claims for TAF compensation and was awarded costs.

**Boundary determinations and survey audits**

Boundary determinations resolve disputes between land owners over the location of a boundary. LPI’s cadastral integrity surveyors investigate, determine and resolve boundary disputes on behalf of the Registrar General in accordance with Part 14A of the *Real Property Act 1900*. Last year 10 boundary determinations were lodged with the Registrar General, eight in Sydney metropolitan and two in regional NSW.

LPI also conducts survey audits to ensure that surveyors are complying with the relevant acts, regulations and determinations when they submit plans to LPI for examination, registration and creation of new titles to land. The surveys aim to improve the quality and consistency of deposited plans lodged for registration.

In 2014/15, LPI carried out 235 audits across NSW, with 152 of those in the Sydney metropolitan area and the remaining 83 in regional NSW. The majority of audits were carried out on unregistered plans with 86 audits on registered plans.

**Digital plan processing system**

LPI continues to develop services to facilitate digital plan lodgments in XML format, which offers a streamlined and more efficient system for surveyors. During the year, a rendering service was released through the Spatial Information eXchange (SIX) portal to enable surveyors to automatically render an image of their plan onto an approved LPI Deposited Plan form during lodgment.

Once major enhancements to the rendering service are completed, LPI expects that the advantages for surveyors using this service will be a catalyst for an increase in XML lodgments.
Surveyors copyright in survey plans

In 2008, the High Court found that surveyors own copyright in their registered plans and are entitled to remuneration when LPI or licensed information brokers sell copies of their plans. As a result of the High Court judgement and subsequent orders issued by the Copyright Tribunal of Australia in 2013, LPI must pay the Copyright Agency Limited (CAL) a royalty for every plan copy sold since 1 January 2013 where a surveyor who is a member of CAL prepared the plan. LPI must also make provisions to pay royalties to surveyors who are not members of CAL for copies of plans sold from 1 January 2013.

More than 600 surveyors, surveying firms and family trusts are now members of CAL. On 3 September 2014, LPI paid the agreed $2.25 million lump sum to CAL for plan copies supplied by LPI and licensed information brokers for a fee prior to 31 December 2012.

The data exchange process between LPI and CAL to support copyright payments to CAL member surveyors began in the 2014/15 financial year. On 18 September 2014, CAL supplied lists and invoices for copies of plans sold between January 2013 and March 2014. LPI made their first payment to CAL on 2 November 2014 and subsequently in the 2014/15 financial year there were three more quarterly exchanges of data and two payments by LPI.

6.6 Geographical Names Board of NSW report

The Geographical Names Board (the Board) was established in 1966 to ensure that NSW’s place names are standardised and appropriate. To do this, the Board works with the community through Local Councils to determine the spelling, pronunciation and meaning of place names. Furthermore, the Board has the responsibility to determine the position and extent of these names. The Board also resolves issues relating to the duplication of place names so as to minimise confusion and improve the efficiency of the NSW addressing system.

The Board recognises that standardised place names and street addresses are essential for delivering emergency and everyday services such as mail and utilities. Accordingly, place names and addresses need to be unambiguous, unique and comply with known standards and protocols. The Board focuses on ensuring that the place names in NSW do this and works closely with LPI to improve the place name fabric of the State.

The Board focuses on recognising the local community when naming places within NSW. It strongly encourages place name proposals that commemorate the achievements of local community members and placenames that recognise the State’s Aboriginal heritage and multicultural values.

Key achievements

After extensive consultation with NSW stakeholders, the Board formally endorsed the final versions of the NSW Address Policy, the NSW Retrospective Address Policy and the NSW Addressing User Manual on 31 March 2015. The policies and guidelines were developed in response to the need for a quality and service-driven approach to addressing in NSW. The policy and guidelines are an extension of the AS/NZS 4819:2011 Australian and New Zealand Geographic Information - Rural and Urban Addressing Standard.

These policies and guidelines support the Board’s activities in relation to the formalisation of authoritative address information. This year the Board gazetted changes to 11 address localities and evaluated 792 road names through its online road naming system.

The Board’s commitment to recognising Aboriginal culture was demonstrated by the recognition of the traditional Aboriginal name for Bathurst’s Mount Panorama. The Board worked with local Aboriginal people and Bathurst Regional Council to formally assign the dual name of Wahluu to the mountain. This proposal assists in the reconciliation process by recognising for generations to come the importance of Wahluu to the Wiradjuri people.
Aims and objectives

The Board’s vision is to be recognised by communities as the authoritative body for location based naming in New South Wales. To achieve this vision the Board’s strategic plan includes objectives to:

- improve data quality to meet the needs of the community, partners and customers
- ensure that appropriate communications are in place to raise the awareness of the Board and its functions
- establish an appropriate framework to support the Board and achieve its outcomes
- maximise the use of technology as an enabler to support the strategic directions of the Board.

Report on operations

Street addressing in NSW

The release of the NSW Address Policy is supported by a number of other initiatives that strive to improve addresses in NSW. The Board has worked closely with LPI and local councils to continually improve the road naming system which is supported by the NSW Online Road Naming System. The Board has also appointed the NSW Addressing Committee to provide advice and manage issues that are raised by local councils.

Aboriginal place naming

Apart from Wahluu, the Board also assigned the dual name Balawan. This name is used by Aboriginal people in south-east NSW as the traditional name for Mount Imlay. The Board also assigned a further 10 new place names that acknowledge Aboriginal culture in NSW.

Commemorative naming

The Board commemorated 25 important local individuals, historical places and events. These place names recognise a broad array of achievements, from acknowledging war heroes to commemorating quiet achievers who have contributed to their respective community. Some of these names also recognise cultural diversity in our community by acknowledging local Australians from various ethnic backgrounds who have gained success in a particular area..

Performance figures

The following table gives a breakdown of the placenames that were formalised in the reporting year in comparison to previous years.

<table>
<thead>
<tr>
<th>Designation</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address locality names and boundaries</td>
<td>116</td>
<td>19</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>Road names</td>
<td>1,563</td>
<td>1,334</td>
<td>1,687</td>
<td>792</td>
</tr>
<tr>
<td>Dual names</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Other place names</td>
<td>218</td>
<td>261</td>
<td>133</td>
<td>202</td>
</tr>
</tbody>
</table>

Figures for the determination of address locality and road names have reduced in comparison with previous years. This is due to the successful completion of programs to formalise existing names, officially assigning names that were already in use.
Governance

Functions of the Board

As set out in the Geographical Names Act 1966, the Board has the following powers and functions:

- assign names to places
- approve that a recorded name of a place shall be its geographical name
- alter a recorded name or a geographical name
- determine whether the use of a recorded name or a geographical name shall be discontinued
- adopt rules of orthography, nomenclature and pronunciation with respect to geographical names
- investigate and determine the form, spelling, meaning, pronunciation, origin and history of any geographical name
- investigate and determine the application of any geographical name with regard to position, extent or otherwise
- compile and maintain a vocabulary of Aboriginal words used or suitable for use in geographical names and to record their meaning and tribal origin
- compile and maintain a dictionary of geographical names with a record of their form, spelling, meaning, pronunciation, origin and history
- publish a gazetteer of geographical names
- inquire into and make recommendations on any matters relating to the names of places referred to it by the Minister
- may compile, maintain and publish a list of road names.

The Board seeks to abide by these statutory provisions by adopting nomenclature policies and procedures which are both nationally and internationally recognised.

Board members and attendance

Members are appointed to the Board in accordance with the provisions set out in section 3 of the Geographical Names Act 1966. The table below shows the current Board members and the number of meetings attended by each:

<table>
<thead>
<tr>
<th>Members of the Board</th>
<th>Board meetings (5 meetings)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Des Mooney</td>
<td>4</td>
</tr>
<tr>
<td>Surveyor General of NSW. Ex-officio position.</td>
<td></td>
</tr>
<tr>
<td>Mr Paul Harcombe</td>
<td>5</td>
</tr>
<tr>
<td>Nominee of Chief Executive, Land and Property Information. Ex-officio position.</td>
<td></td>
</tr>
<tr>
<td>Mr Richard Neville</td>
<td>2</td>
</tr>
<tr>
<td>Nominee of the State Librarian. Ex-officio position.</td>
<td></td>
</tr>
<tr>
<td>Mr James Mathew (Proxy for Mr Peter Downs – Retired)</td>
<td>2</td>
</tr>
<tr>
<td>Nominee of the Department of Planning. Ex-officio position. (Appointed by instrument in writing)</td>
<td></td>
</tr>
<tr>
<td>Mr Marcus Ray</td>
<td>3</td>
</tr>
<tr>
<td>Nominee of the Department of Planning. Ex-officio position. Term expires May 2020</td>
<td></td>
</tr>
<tr>
<td>Mr Terry Kass</td>
<td>4</td>
</tr>
</tbody>
</table>
### Members of the Board

<table>
<thead>
<tr>
<th>Name</th>
<th>Term Expiry</th>
<th>Board Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominee of the Royal Australian Historical Society</td>
<td>February 2017</td>
<td></td>
</tr>
<tr>
<td>Cr Julie Hegarty</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nominee of the Local Government and Shires Association of NSW</td>
<td>February 2017</td>
<td>5</td>
</tr>
<tr>
<td>Dr Emma Ruth Power</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nominee of the Geographical Society of NSW</td>
<td>February 2017</td>
<td>4</td>
</tr>
<tr>
<td>Mr Dallas Rogers (Proxy for Dr Emma Ruth Power)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nominee of the Geographical Society of NSW (Appointed by instrument in writing)</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Mr Malcolm Davies (Proxy for Mr Roy Ah-See - retired)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nominee of NSW Aboriginal Land Council (Appointed by instrument in writing)</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Mr Lesley Turner (Proxy for Mr Roy Ah-See - retired)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nominee of NSW Aboriginal Land Council (Appointed by instrument in writing)</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Mr Phil Duncan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nominee of NSW Aboriginal Land Council Term expires February 2017</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Mr Felice Montrone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nominee of the Community Relations Commissioner Term expires February 2017</td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

### Counsellors and attendance

Section 6 of the *Geographical Names Act 1966* provides the Board with authority to appoint counsellors to advise it on matters within its powers and functions. The table below provides details on these counsellors:

<table>
<thead>
<tr>
<th>Counsellors</th>
<th>Board Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Peter Orlovich, Historical Advisor</td>
<td>5</td>
</tr>
<tr>
<td>Dr Jakelin Troy, Linguistic Advisor</td>
<td>2</td>
</tr>
<tr>
<td>Ms Julie Christie, Australia Post Addressing Advisor</td>
<td>4</td>
</tr>
<tr>
<td>Mr Graham Chapman, NSW Fire &amp; Rescue Advisor</td>
<td>4</td>
</tr>
<tr>
<td>Mr Peter Naidovski, UDIA, Development Issues Advisor</td>
<td>1</td>
</tr>
<tr>
<td>Mr Kwabena Ansah, UDIA, Development Issues Advisor (replaced Peter Naidovski)</td>
<td>1</td>
</tr>
<tr>
<td>Mr Stephen Albin, UDIA, (replaced Kwabena Ansah)</td>
<td>1</td>
</tr>
</tbody>
</table>

### Board meetings

The Board met formally on five occasions during the year. Five members form a quorum. The Surveyor General of NSW in his position as chair has a deliberative vote and casting vote.

### Board committees

In compliance with section 5.1 of the New South Wales Addressing Policy, the Board has appointed the NSW Addressing Committee. This committee comprises addressing expertise from several areas in LPI including addressing applications, topography, cadastral, data delivery and the Board’s secretariat. Other experts are called on as required to deal with other specialist areas.
The committee is in place to support the addressing process in NSW and is a particular resource of expertise and guidance for local government. It operates within the framework of the NSW Address Policy, the NSW Addressing Guidelines and the NSW Retrospective Address Policy.

The Board also continues to support both Place Names Australia, which is a voluntary non-profit association that aims to prepare a national online database of all Australian place names and the Committee of Geographical Names of Australasia (CGNA), which coordinates place-naming activities across Australia and New Zealand.

**Administration**

Section 4 of the *Geographical Names Act 1966* makes provision for a secretary and other officers to administer the Act. To carry out this function Land and Property Information (LPI) employs a secretariat which consists of four staff members. LPI also provides further administrative and technical support to assist the Board in its day-to-day operations.

**Future focus**

The Board is committed to reviewing its place naming policies in the upcoming year to complement its newly published address policy and user manual. This review’s objective is to develop a cohesive, comprehensive, consistent set of policies for geographical naming in NSW. The Board plans to produce new policy and reference manuals, guidelines, fact sheets and integrated processes to support its decision making process.
## Quick reference guide

### Office of Finance and Services
McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 8877  
www.finance.nsw.gov.au

### NSW Public Works
McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 8949  
www.publicworks.nsw.gov.au

### NSW Procurement Board
McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 8840  
www.nswbuy.com.au

### NSW Fair Trading
The Eclipse Building  
Level 11, 60 Station Street  
Parramatta NSW 2150  
PO Box 972  
Parramatta 2124  
Tel: (02) 9895 0111  
www.fairtrading.nsw.gov.au

### Office of State Revenue
Lang Centre  
Corner Hunter and Marsden Streets  
Parramatta NSW 2150  
GPO Box 4042  
Sydney NSW 2001  
Tel: (02) 9689 6200  
www.osr.nsw.gov.au

### Government Services
McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 8877  
www.finance.nsw.gov.au

### Property and Housing Group
Bligh House  
Level 9, 4-6 Bligh Street  
Sydney NSW 2000  
Tel: (02) 9273 3800  
www.finance.nsw.gov.au

### Land and Property Information
1 Prince Albert Road  
Queens Square  
Sydney NSW 2000  
GPO Box 15  
Sydney NSW 2001  
Tel: (02) 9228 6666  
www.lpi.nsw.gov.au

### Geographical Names Board
346 Panorama Avenue  
Bathurst NSW 2795  
Tel: (02) 6332 8214  
Tel: 1800 025 700  
www.gnb.nsw.gov.au

### NSW Fair Trading
The Eclipse Building  
Level 11, 60 Station Street  
Parramatta NSW 2150  
PO Box 972  
Parramatta 2124  
Tel: (02) 9895 0111  
www.fairtrading.nsw.gov.au

### NSW Public Works
McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 8949  
www.publicworks.nsw.gov.au

### NSW Procurement Board
McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 8840  
www.nswbuy.com.au

### Waste Assets Management Corporation
Level 4  
10 Valentine Avenue  
Parramatta NSW 2150  
Tel: (02) 9685 4960  
www.wamc.nsw.gov.au

### Service Innovation and Strategy
McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9273 3800  
www.finance.nsw.gov.au
More information
Corporate Affairs, Office of Finance and Services

Level 22, 2-24 Rawson Place,
Sydney NSW 2000

@ corporateaffairs@finance.nsw.gov.au