



NSW Department of
Commerce

NSW Department of Commerce | Annual Report 2002/03



Letter to the Minister

The Hon John Della Bosca MLC
Special Minister of State
Minister for Commerce
Minister for Industrial Relations
Assistant Treasurer
Minister for the Central Coast
Level 30 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

I am pleased to submit the Annual Report for the NSW Department of Commerce for the year ended 30 June 2003 for presentation to Parliament.

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

Yours sincerely

Kate McKenzie
Director-General

31 October 2003

Contents

About Commerce	1
Message from the Director-General	2
Performance highlights	4
The Commerce executive team	6
Organisational structure	7
How we operate	8
Contents and compact disc	IBC



About Commerce

Who we are

The NSW Department of Commerce (Commerce) is the government agency established to support a climate that makes doing business in NSW simple, accessible and fair for employees, consumers and industry while providing best value for government.

Formed following the 2003 March State election, Commerce comprises five offices:

- Fair Trading: Supporting a fair business climate for consumers and traders
- Industrial Relations: Making NSW workplaces fair for employees and employers
- Information and Communications Technology: Driving the Government's information and communications technology (ICT) agenda to improve value, services and processes for NSW
- Government Business: Value-added and improved service delivery
- Government Procurement: Making it easier to do business with Government

Our strategic intent

Within the NSW community: Fair marketplaces and workplaces

For NSW business: Simple, transparent dealings with government

Across NSW government: Value for money and improved services through optimal management of enablers and support activities

Within Commerce: Accountable internal use of public resources

What we do

We provide services and advice to ensure consistent, fair and ethical business practices in NSW for government, industry, employees and consumers through:

- compliance with industrial obligations
- compliance with fair trading principles
- licensing
- education and information services
- use and application of technology
- transparent and consistent procurement practices

We provide shared services and projects to reduce the cost and risk in conducting government business and service delivery including:

- procurement
- public infrastructure
- property
- corporate services
- electronic services
- education and information services
- telecommunications and information technology infrastructure

We provide access to information, services and expert advice to our customers through our business units, online facilities and regional presence.



Message from the Director-General



"I would like to thank all Commerce staff for their dedication and hard work, particularly during a time of considerable change."

The 2002/03 Annual Report for the NSW Department of Commerce (Commerce) reflects the performance of the former NSW Departments of Public Works and Services, Fair Trading, Industrial Relations and parts of the former Department of Information Technology and Management. In April 2003, these government agencies were amalgamated into Commerce to provide a central point of contact for doing business in NSW.

Detailed below are some of our recent achievements which are broadly indicative of the scope of Commerce's activities. They demonstrate the challenges ahead in meeting the needs of business, employers, employees and consumers in NSW and in working closely together to achieve successful outcomes for the communities which we all serve.

Protection for consumers, employees, employers and business

The past year has been a period of significant achievement for the Office of Industrial Relations, most notably in the execution of its core compliance functions. Industrial Relations increased its workplace targeting activities, while also improving the resolution of industrial complaints. Investigations were undertaken covering approximately 8,600 employers and 28,000 employees.

Industrial Relations has also strengthened its commitment to helping small business employers understand their responsibilities under industrial relations legislation. Small business is by far the largest employer in NSW and Commerce provides expert services that support sound business decisions. Industrial Relations extended its existing services and almost doubled the number of business seminars conducted throughout the financial year.

To support the interests of consumers and business the Office of Fair Trading has completed the largest overhaul of the property services industry in NSW since 1941. Home sellers and buyers alike will benefit from far-reaching and innovative property law reforms that raise consumer protection and recognise the importance of property transactions in people's lives.

The new *Property, Stock and Business Agents Act 2002* is the culmination of several years of review and consultation. This legislation will deter deceptive auction bidding practices and prohibit misleading statements by agents about the estimated selling price of properties. It will mean increased real estate agent accountability when marketing properties and improved industry standards and professionalism.

Maximising benefits of government information and technology

With the convergence of public and private networks and the rise of the internet as a global medium for information exchange, new information technology initiatives for collaboration and business exchange are essential. Commerce is instrumental in supporting government to access effective information and communication technology solutions and providing savings to government through best practice procurement.

The Office of Information and Communications Technology in partnership with other areas of Commerce has successfully progressed the NSW Government Licensing Project to be the State's largest cross-government computing project aimed at saving taxpayers more than \$70 million in technology infrastructure. The project's aim is to replace existing systems with an integrated licensing solution to process NSW Government business, professional and personal licences. The project is indicative of the strong push to improve service delivery from the point of view of consumers.



For the first time a single electronic entry point for licence transactions via the internet will provide the option of renewing or applying for NSW Government licences via one website, reducing processing times and allowing renewals from any location.

The Office of Government Procurement has developed a whole-of-government electronic marketplace for the NSW Government and its agencies. Smartbuy™ was officially launched in November 2002 and is the most significant electronic procurement reform the Government has undertaken. Smartbuy™ couples state-of-the art technology with user-friendly functionality, and has the capacity to process up to 11 million transactions annually.

Smartbuy™ will enable government agencies to better align their procurement processes with the Smarter Buying for Government policy. As a secure Government to Business (G2B) e-commerce platform, smartbuy™ will allow NSW government agencies and other organisations to purchase goods and services online from approved suppliers to government. Smartbuy™ will also make it easier for suppliers to do business with government, regardless of their size or location. By using the internet, smartbuy™ eliminates time and distance barriers, enabling regional and small to medium sized enterprises to compete on a level playing field with metropolitan suppliers for government business.

Savings to government

The Office of Government Procurement on behalf of the State Contracts Control Board, the state's central procurement and contracting authority, delivered overall savings in excess of \$500 million to government during 2002/03. An example of the savings that can be achieved through the aggregated buying power of the entire state public sector is the recent expansion of the retail supply of electricity to cater for electricity supply to all metering types in NSW and ACT. This will provide savings of up to 25 percent on the retail price of conventional power. Clients are now able to obtain electricity for all sites, including traffic signals and street lighting, regardless of the amount of usage per year.

Responding to the needs of the community

Commerce is delivering projects that have a significant impact on local communities. The Office of Government

Business provides a range of competitive services including property, project and program management to its primarily state and local government clients.

An example of the effective and responsive delivery of services by Commerce is the recent Clarence Valley/Coffs Harbour Regional Water Supply Project. The Office of Government Business project managed the development and implementation of this \$115 million project to provide a sustainable water supply for the Councils of Grafton, Maclean, Pristine Waters, Copmanhurst and Coffs Harbour. In the face of a worsening drought these communities will have a more secure water supply.

The NSW Department of Commerce

NSW Commerce has a broad range of responsibilities and expertise. We employ stonemasons, engineers, project managers and hydrologists. We have experts in every key area of business and related services and specialists in policy and legal work.

The key challenge for us in the coming year is to bring together the skills and knowledge at our disposal to continue to improve efficiencies and develop solutions for consumers, business and government. It is an exciting challenge and an opportunity for Commerce staff to develop a range of new skills and experience.

I would like to thank all Commerce staff for their dedication and hard work, particularly during a time of considerable change.

Kate McKenzie
Director-General



2002/03 Performance highlights

Within the NSW community: fair marketplace and workplaces

Commerce responded to almost five million fair trading requests reaching a significant proportion of the NSW population. These responses included 3.6 million requests for information made by phone, counter, website or through the Register of Encumbered Vehicles (REVS) and 1.2 million transactions related to licence, business name and rental bond matters.

Commerce's Award Enquiry Service also responded to almost 400,000 industrial relations requests, and Awards Online, which provides internet access to hundreds of NSW industrial awards, has continued to grow in popularity with a 31 percent increase in visits.

The NSW Government's home building reform agenda is delivering a host of improvements to achieve more effective regulation of the home building industry, including the establishment of the Home Building Service within the Office of Fair Trading.

Approximately \$2.5 million in remuneration for employees was recovered in 2002/03 through workplace targeting campaigns focused on key industries and occupations, including workplaces in western Sydney and regional NSW, clothing manufacturers and workplaces with a high proportion of casual workers.

The year 2002/03 also represented the culmination of the two-year NSW Government Work and Family Strategy, Making it Work. The focus of this strategy was to participate with industry stakeholders to highlight, through 'real-life' case studies, how businesses can successfully implement family-friendly employment measures. The website, www.workandfamily.nsw.gov.au, provides detailed information about work and family issues.

For NSW business: simple, transparent dealings with government

A third generation of the Contractor Best Practice Scheme was introduced in July 2002. This is a peak level accreditation scheme for building and construction contractors and is designed to foster improved and more consistent outcomes for government. Benchmarking studies show that accredited contractors perform, on average, seven percent better than non-accredited contractors.

On 3 March 2003, the NSW *Building and Construction Industry Security of Payment Act 1999* was strengthened to make it more effective in achieving expedited cash flow for claimants and the industry in general.

Commerce's Regional Procurement Program aims to improve regional supplier and employment opportunities through the coordination of government procurement activities on a regional basis. In the reporting period, a regional maintenance pilot in the Riverina involving six agencies was concluded. The pilot achieved savings of five percent for agencies, reduced risk exposure and delivered administrative improvements.

Other strategies are being developed to increase opportunities for regional suppliers to win government business, including the establishment of a Regional Trading Hub in December 2003 in the Riverina region as part of smartbuy™, the NSW Government's electronic marketplace.

The Gateway Review Process was launched at the Smarter Buying forum in November 2002. Gateway Reviews provide independent advice at key decision points in the procurement cycle on how well a project is progressing. The Gateway Review Process will introduce greater discipline into procurement outcomes and budgets, providing improved procurement services and savings to government.



Across NSW government: value for money and improved services through optimal management of enablers and support activities

Commerce delivered overall savings in excess of \$500 million to government in 2002/03 through its procurement activities, including efficiencies in purchasing and rationalisation of contract administration across government.

Commerce's asset management activities delivered savings of approximately \$100 million to government during the reporting period through initiatives such as cooperative contracting approaches, improved procurement risk management and reduced construction costs.

The connect.nsw strategic framework uses information technology to streamline government practices, reduce costs and improve online service delivery. In 2002/03 connect.nsw funded projects that lowered transaction costs and increased access to 24 hour government services.

The NSW Community Technology Centre Program provides rural communities with free access to government services online. In 2002/03, 56 Community Technology Centres offered this service along with a user friendly training program.

The redevelopment of the Walsh Bay maritime heritage precinct on Sydney's harbour foreshore is achieving major project milestones, with more than 70% of the construction work now complete. The development will create 2,200 new jobs, generate \$160 million in assets and realised liabilities and has already won several industry awards.

Commerce supported the Smarter Buying for Government Strategy in the reporting period by implementing smartbuy™, the whole-of-government e-marketplace. smartbuy™ allows NSW government agencies and other organisations to browse and purchase goods and services online from approved suppliers to government.

Within Commerce: accountable internal use of public resources

In 2002/03, Commerce took advantage of a number of opportunities to improve efficiencies in service delivery and resource utilisation.

Fair Trading implemented a number of service delivery improvements including interactive voice recognition technology in the REVS customer call centre, an online self-help database Customer Assistance System, new intelligence and analysis software and electronic self-service for human resources. A project to merge the various Fair Trading phone enquiry centres into a single call centre also commenced in the reporting period. This will improve convenience for customers by providing a single point of phone contact.

A new telephony system using internet protocol has expanded Industrial Relations' capacity to deliver quality information and advice to customers of its call centre. Corporate service costs were minimised through shared service provision arrangements with other agencies, and improved employee self-service arrangements have resulted in more efficient and lower cost processes.

Commerce has established a Project Management Centre of Excellence to improve project management capabilities. The four main strategies of the project are to increase staff competencies, provide resources and tools to ensure consistent service delivery, promote the project to clients and staff, and to support project managers and facilitate information exchange.

Commerce has also implemented a range of equity, diversity and occupational health and safety initiatives which recognise the importance of our staff in achieving our business and operational goals.



The Commerce executive team



Kate McKenzie, BA/LLB

Director-General

Prior to the establishment of Commerce, Kate McKenzie was the Director-General of the Department of Industrial Relations and the General Manager of WorkCover NSW. Kate was Deputy Director-General of the NSW Cabinet Office from 1993-2000. From 1988 to 1993, Kate was Legal Officer and Policy Manager of the Legal Branch of The Cabinet Office.



David O'Connor, AM, BA

Deputy Director-General and Commissioner, Office of Fair Trading

David O'Connor has worked in NSW government administration for over 40 years in agencies including the Department of Education, the State Pollution Control Commission and the Premier's Department. David was Director-General of the former Department of Fair Trading for six years.



Pat Manser, BA (Hons), Dip Ed, Dip Soc Sci, Dip Labour Relations and Law

Deputy Director-General, Office of Industrial Relations

Pat Manser was appointed Deputy Director-General of the former Department of Industrial Relations in June 2001. She joined the Department in 1998 after working at the Australian Broadcasting Authority. Formerly, Pat worked for the NSW Board of Adult Education, taught business administration in TAFE and was a Research Editor for the Macquarie Dictionary.



Robert Wheeler, BSc (Hons)

Deputy Director-General, Office of Information and Communications Technology

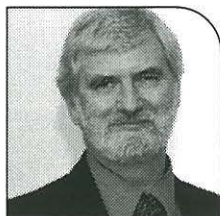
Robert Wheeler has over 15 years experience in product development, sales and marketing management, covering a broad range of products and services in a number of different markets. Robert has worked with a number of organisations including Bayer Australia, Comalco Ltd., Telecom and OTC.



Alan Griffin, BSc (Civil Eng), Grad Dip Admin, F.I.E. (Aust)

Deputy Director-General, Office of Government Procurement

Alan Griffin was previously the Group General Manager, Corporate and Business Services in the former Department of Public Works and Services, and held other Group General Manager and Director positions. Alan is currently also the Chairperson of the State Contracts Control Board which oversees in excess of \$3 billion per annum of government procurement expenditure.



Tony Collins, BE (Civil)

Deputy Director-General, Office of Government Business

Tony Collins was formerly the Group General Manager, Project Management Group in the former Department of Public Works and Services. Tony has also held management roles in the MetSouth Region, Operations Division, Project Services Branch and Project Management Services.



Jane Wolfe, BA, MPA, MBA

Director, Strategic Management and Corporate Support

Jane Wolfe was formerly General Manager, Corporate Development, in the former Department of Public Works and Services. Jane joined the public service in Canberra in 1979 and has worked at the State and Commonwealth levels in policy and commercialised businesses.

Organisational structure



The Hon John Della Bosca MLC
 Special Minister of State
 Minister for Commerce
 Minister for Industrial Relations
 Assistant Treasurer
 Minister for the Central Coast

The Hon Reba Meagher MP
 Minister for Fair Trading
 Minister Assisting the Minister
 for Commerce

Director-General
NSW Department of Commerce

Office of Fair Trading: Supporting a fair business climate for consumers and traders

The Office of Fair Trading's role within Commerce is to safeguard consumer rights and to advise business and traders on fair and ethical practice. One of its major objectives is to inform and educate the State's consumers and traders so that consumers can make informed decisions and traders comply with the law.

Office of Industrial Relations: Making NSW workplaces fair for employees and employers

The Office of Industrial Relations works with employees, employers and their representatives to facilitate equitable, innovative and productive workplace relations.

Office of Information and Communications Technology: Using ICT to foster improved value, customer focused services, and improved processes for government activity

The Office of Information and Communications Technology plays a leadership role in developing and driving whole-of-government initiatives for the use and management of ICT within government, industry and the community.

Office of Government Procurement: Making it easier to do business with Government

The Office of Government Procurement provides a range of services related to the purchase of goods and services, including construction, across government. Its role is to simplify procurement for suppliers and government buyers, and reduce the cost of conducting government business.

Office of Government Business: Value-added and improved service delivery

The Office of Government Business brings together a comprehensive range of commercial services for government in property, public infrastructure, and office services, including supplies.

Strategic Management and Corporate Support: Supporting Commerce staff and services

The Strategic Management and Corporate Support group provides the strategic framework for Commerce's human resources, corporate planning and information technology, and develops the Department's budget and savings strategy.

How we operate

The NSW Department of Commerce was established on 2 April 2003 incorporating the former Departments of Fair Trading, Industrial Relations, Public Works and Services, and the Office of Information Technology from the former Department of Information Technology and Management.

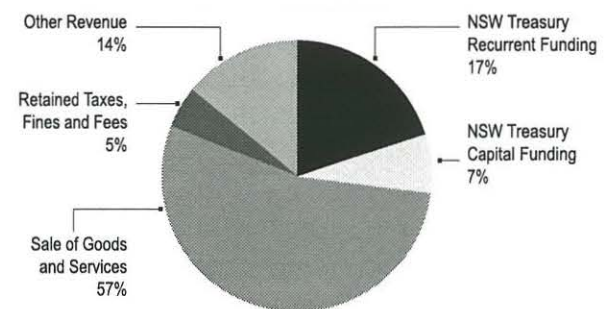
Commerce's Financial Statements for 2002/03 are a consolidation of these organisations and their controlled entities and can be accessed in the Financial Statements section of this report. The summary here represents the financial position of Commerce from 2 April 2003 to 30 June 2003.

Where the money comes from

During the period 2 April 2003 to 30 June 2003, the NSW Department of Commerce's total revenue was \$206.4 million. The main sources of revenue were the sale of goods and services of \$117.7 million, NSW Treasury Consolidated Fund recurrent allocation of \$35.4 million, and retained taxes, fines and fees of \$9.7 million.

Other sources of revenue included \$14.4 million from the NSW Treasury Consolidated Fund to finance capital acquisitions and other revenue of \$29.2 million including prepaid superannuation adjustment of \$22.1 million.

Sources of Revenue

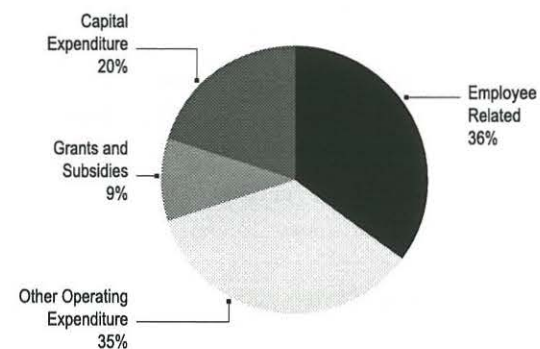


Where the money goes

Commerce's recurrent total expenditure during the three months was \$177.6 million. Of this amount, \$79.1 million was employment related expenditure, \$77.6 million was for other operating expenditures and \$20.9 million was for grants and subsidies.

The Department's capital expenditure was \$44.7 million, mainly comprising of \$20.5 million for StateFleet Services' motor vehicles, \$23.8 million for plant and equipment including computer equipment, and \$0.4 million for leasehold improvements.

Expenditure

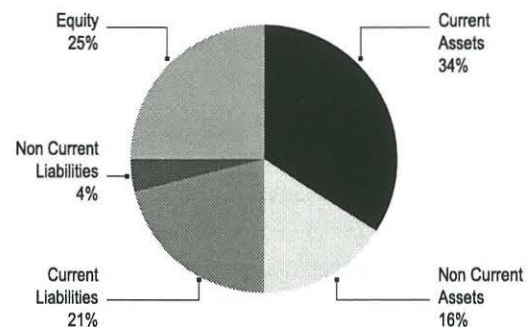


Financial overview

The Department's total assets as at 30 June 2003 was \$757.9 million, an increase of \$108.0 million compared to the position as at 2 April 2003, mainly due to an increase in plant and equipment of \$39.0 million, cash \$106.3 million and receivables of \$31.0 million, partly offset by a decrease of \$68.3 million in other assets.

Total liabilities as at 30 June 2003 was \$383.1 million, an increase of \$72.2 million compared to 2 April 2003, mainly due to an increase in payables. Equity increased to \$374.8 million, due to the operating surplus of \$29.5 million and increase in asset revaluation revenue of \$6.3 million together with opening equity transfer of \$339.0 million.

Financial Position



Corporate performance



Strategic intent 1:

Within the NSW community: fair marketplace and workplaces

Objective: Appropriate safeguards for consumers and employees with minimal restrictions on employers and traders

A policy framework which balances the interests of employees and employers and consumers and traders

The Fair Trading policy framework sets the rules for daily transactions between consumers and traders by regulating consumer goods and services, accommodation and property services and home building. Over 40 pieces of Fair Trading legislation are administered by Commerce and ten related bills were passed by Parliament in the reporting period.

The Government's home building reform agenda dominated the policy focus in 2002/03. Amendments to the *Home Building Act 1989* and several related pieces of legislation introduced fairer contracts (including a cooling-off period), better construction standards, improved licensing and training for builders and trade contractors as well as insurance and dispute management reforms. The changes come into effect throughout 2003 and early 2004.

During 2002/03 Fair Trading also implemented changes in consumer credit arrangements, including:

- Introducing mandatory comparison rates which will help consumers to select the credit products that best suit their needs
- Progressing the *Consumer Credit Administration Amendment (Finance Brokers) Act 2003* to benefit people using mortgage and finance brokers
- Introducing written contracts and disclosure of commissions to benefit consumers.

A review of the *Fair Trading Act 1987* led to a number of important reforms in 2002/03. Courts can now impose a prison term of up to three years for repeat offenders, such as serial scam operators. New provisions covering direct commerce, which includes traditional door-to-door sales and telemarketing, will impose a cooling-off period and a restriction on the hours during which such direct commerce can take place. Requirements for claiming that a product is 'Made in Australia' have been clarified, and for the first time post sale consumer protection is included in the Act to maintain consistency with the *Trade Practices Act 1974* and streamline consumer remedies.

Other important amendments include improved crime prevention and consumer protection for car buyers. Many of the reforms contained in the *Motor Trade Legislation Amendment Act 2001* commenced during 2002/03, including a one-day cooling-off period for vehicles bought on credit provided by the dealer and tougher penalties for dealer misconduct. The *Property Stock and Business Agents Act 2002* will simplify licensing and disciplinary procedures, raise accountability and competency standards of agents and protect consumers through auction process reforms, in particular outlawing the price inflating practice of 'dummy bidders' at home sale auctions.

Job seekers benefited from changes made by the *Fair Trading Amendment (Employment Placement Services) Act 2002*. From 17 February 2003, employment agents no longer need to be licensed, however they must now inform job seekers in writing that it is illegal to charge them a fee or advertise jobs that do not exist.

Commerce is developing a number of Fair Trading policy reforms relating to the sale of gas appliances, electricity provided to people living in residential parks and the regulation and fund raising activities of cooperatives. A review of practices in the introduction agency industry is also underway to determine if specific consumer protection laws are warranted.

A major focus for Industrial Relations in 2002/03 was managing the outcomes of the five-year review of the *Industrial Relations Act 1996*. A report of the review was tabled in Parliament in June 2002. Submissions to the review revealed general support for the NSW industrial relations framework established under the Act, however a number of amendments were identified to make the Act more effective.

Following further consultation, the *Industrial Relations Amendment (Industrial Agents) Act 2002* was progressed and commenced on 1 February 2003. This legislation regulates the conduct of agents who act for parties in industrial relations matters and ensures that agents are subject to similar requirements of ethical behaviour as those applicable to legal practitioners. Suggestions for amendment to a variety of other aspects of the Act are still under consideration.

Federal legislation with potential effects at State level has been another focus of activity. Industrial Relations prepared



submissions on behalf of the NSW Government to two Senate Inquiries into Federal bills. One was the Inquiry into the *Workplace Relations Amendment (Termination of Employment) Bill 2002*, which proposed the takeover by the Federal jurisdiction of the majority of unfair dismissal cases currently dealt with by the Industrial Relations Commission of NSW. The other was the Inquiry into the *Workplace Relations Amendment (Protection of the Low Paid) Bill 2002*, which has the potential to disrupt the normally smooth flow-on of national wage increases through the mechanism of state wage cases.

Industrial Relations prepared submissions on behalf of the Minister to a number of test cases during the reporting year. These included the *Living Wage Case 2003*, the *State Wage Case 2003*, and the *State Reasonable Hours Case 2003*. In the *Living Wage Case*, the Australian Industrial Relations Commission awarded wage increases roughly in line with those advocated by the joint submission of the State and Territory governments. These increases were adopted and flowed onto State awards in the *State Wage Case*. In the *State Reasonable Hours Case*, the State Commission adopted a clause codifying an employee's right to refuse unreasonable overtime which is almost identical to that adopted by the Federal Commission in the *Reasonable Hours Case 2002*.

The NSW Government intervened in support of those elements of the Australian Council of Trade Union's *Redundancy Test Case* that would achieve comity with the present NSW Employment Protection Act, Regulation and State Award redundancy scheme and standards. The expected completion date for the case is late 2003 or early 2004.

The year 2002/03 represented the culmination of the two-year NSW Work and Family Strategy, Making it Work. The focus of this strategy was, in consultation with industry stakeholders, to locate and highlight through 'real-life' case studies, how businesses can successfully implement family friendly employment measures. A website providing information about work and family issues was developed and launched by Industrial Relations this year. The www.workandfamily.nsw.gov.au website provides information in an accessible question and answer format and will continue to be developed in 2003/04.

In addition to the *Industrial Relations Amendment (Industrial Agents) Act 2002*, Industrial Relations progressed and implemented the *Bank Holidays Legislation Amendment Act 2002* which allows banks to trade on weekends, and the *Coal Industry Amendment (Fees for Rescue Services) Act 2002*, which permits underground coal mine rescue services to charge fees for these rescues.

Objective: Maximum compliance with regulatory requirements

Provision of accurate information to the public

Commerce is committed to providing accurate, timely and accessible information to customers through proactive education activities and responsive enquiry services. Information, education and advice services are an essential component of Commerce's compliance and enforcement activities.

Providing information to consumers and traders helps the community understand NSW fair trading laws and how they operate. These activities account for approximately half of Fair Trading's staff and a similar proportion of financial and related resources.

Over the past year Fair Trading provided information on at least 3 million occasions by telephone and over the counter, through its website (www.fairtrading.nsw.gov.au) and through checks on the Register of Encumbered Vehicles (REVS). On more than a million other occasions Fair Trading assisted customers with licence and business name related transactions as well as rental bond lodgements and refunds.

Fair Trading conducted its fourth structured survey to independently test the accuracy of information provided to consumers and traders. ACNielsen was engaged to conduct a 'shadow shopping' exercise. A sample of 385 calls was made to customer contact areas across Fair Trading with responses rated for accuracy.

The contractors found that accurate information was provided in 87 percent of calls. Limitations imposed by the survey sample size must be considered, however this is a decline from the excellent results achieved in the two



previous years. Major change initiatives are likely to have contributed to the results. Overall, this year's outcome demonstrates one of the key reasons for conducting the survey on a regular basis as it shows where changes impact on service delivery. This year's results will trigger targeted and vigorous improvement action. Fair Trading has set a target of greater than 90 percent accuracy for 2003/04.

Fair Trading reaches people living in regional and remote areas via 17 Fair Trading Centres located in major towns as well as through Government Access Centres and agency arrangements in another 65 towns. Regular columns present fair trading information in local newspapers around the state. Ethnic communities benefit from a growing range of translated information increasingly spread through partnerships with Fair Trading, and business has access to a broad range of publications on fair trading issues.

A variety of new information products and initiatives were introduced during the year. The Home Building website was launched in February 2003, and an 'ethnic web' was launched in August 2002, presenting information in seven community languages.

New publications were released, covering such topics as: buying into strata schemes; the maintenance of new homes; dispute resolution; customer service guidelines for builders and building standards and tolerances. By the end of June 2003, 198 different publications were available which cover the full range of Fair Trading issues. Most are printed but all are accessible through the website www.fairtrading.nsw.gov.au, including publications translated in up to 23 languages. A team of 12 Aboriginal customer service officers also produce a range of tailor made publications to assist members of the State's Aboriginal and Torres Strait Islander communities.

To raise older Australians' awareness of scams and to provide them with practical resources to avoid becoming the victims of scam artists, Commerce developed Scam Smart, an education program that encourages seniors to 'Beat the Cheats!'. The program materials were translated into seven community languages and were backed up by a television infomercial aired in all regions of NSW to coincide with Consumer Week 2002.

Industrial Relations conducted 95 seminars and workshops for small business in 2002/03, 43 of which were conducted in regional NSW. More than 1470 employers and managers attended the seminars with 56 percent of participants from small businesses with 20 or fewer employees. On average 97 percent of participants rated the seminars as either 'very good' or 'excellent'. Industrial Relations has entered into a number of partnership arrangements for the delivery and promotion of the Employment Issues for Small Business Seminar Series. This includes co-development and seminar presentation with WorkCover NSW for the Managing Employees Seminar.

Commerce's Award Enquiry Service responded to almost 400,000 requests and Awards Online which provides internet access to hundreds of NSW industrial awards, has continued to grow in popularity with a 31 percent increase in visits. The Information and Research Centre answered approximately 600 external requests for reference and research assistance. External customers included employer associations, unions, law firms, other agencies and students.

Commerce's Aboriginal and Torres Strait Islander Unit, which helps Indigenous Australians understand their rights and responsibilities in the workplace, also responded to more than 3,200 requests for advice about industrial relations issues.

As part of its compliance campaigns, inspectors now routinely deliver Information Kits to employers as part of the initial inspection of a workplace. During 2002/03, approximately 5,000 kits were delivered to NSW employers. These kits supply all information necessary to ensure that an employer can comply with a workplace inspection as well as information about Commerce's services.

Effective enforcement and dispute resolution

Commerce has an important role in maximising compliance with NSW fair trading and industrial relations legislation to ensure fairness in the marketplace and the workplace.

During the year, Fair Trading engaged in 15,600 compliance related activities. These included inspections, investigations, prosecutions, disciplinary actions and civil litigation. Of the 668 prosecutions undertaken, 86 percent were successful

where a penalty was either imposed or a conviction recorded. Enforcement tools such as substantiation notices are being strengthened to make failure to back up exaggerated promotional claims an offence. A renewed focus on home building investigations will help lift standards and performance in one of the key sectors of the State's economy. Increasingly, disciplinary actions and prosecution results are reflecting community impatience with traders who fail to abide by fair trading laws and principles.

In the broader fair trading area, investigations concentrated on two major types of scam, false billing and international mail-order scams. False billing, also known as telefraud or invoice fraud, is the practice of unlawfully demanding payment from businesses for the supply of unsolicited goods or services. False billing is a nationwide problem

and is prohibited under the *Fair Trading Act 1987*. A multi-state working party of fair trading agencies is seeking to target major operators by obtaining Court injunctions to put them out of business.

Overseas mail scams are bogus direct mail promotions in which local consumers receive unsolicited letters promising prizes or cash benefits. A significant case involved a scheme known as Xpress Priority. In November 2002 Fair Trading served notice on Australia Post and seized more than 198,000 scam letters. In May 2003 Supreme Court orders restrained the company and its promoters from further activities in NSW and ordered the destruction of the seized mail. It is believed this is the first time an Australian Court has ordered the actual destruction of scam mail.

Inspection program	Targeting	Penalty notices	Successful prosecutions
Motor Dealers	Consignment sale transactions; supply of roadworthiness certificates; correct keeping of prescribed records; odometer interference and the display of vehicles for sale off licensed premises.	219	206
Real Estate	Provisions in the legislation that ensure agents are always in effective control of their agency, particularly relating to staff and procedures involved in the handling of trust money.	121	71
Home Building	Compliance monitoring.	246	47
Trade Measurement	Major packing houses and importers of prepacked goods. Also supervision of certification of large capacity weighing instruments such as belt conveyor weighers and road weighbridges used in the transport, grain and coal industries.	187	114

Other inspection and investigation programs, including those targeting product and electrical safety matters, resulted in a further 44 Penalty Notices and 138 successful prosecutions.

Fair Trading achieved successful prosecutions in 86 percent of cases in 2002/03. A target of 90 percent or greater has been set for 2003/04.



During the year, Fair Trading received 26,000 fair trading, real estate and building complaints, including over 6,000 lodged online. Fair Trading staff endeavour to obtain a fair outcome for both parties by explaining fair trading rights and obligations. This process is successful in approximately 70 percent of cases where full or negotiated redress is obtained. Other cases may lapse, be withdrawn or be referred to the Consumer, Trader and Tenancy Tribunal for more formal resolution.

Fair Trading also continues to achieve considerable success in resolving strata scheme complaints in NSW. Given the increasing number of people living in strata situations, disputes about strata scheme management continue to rise. In 2002/03 Fair Trading finalised 922 applications for mediation, resolving 77 percent.

Industrial Relations realigned its Compliance Division during 2002/03 to integrate workplace advice and industry inspection activities, increasing the number of employers targeted through compliance campaigns and general inspections. At the same time, Industrial Relations reduced the caseload of active industrial complaints by 25 percent to 2,850.

It is estimated that 75 percent of workplaces covered by NSW awards are engaged in commercial industries, the major industry sectors being retail, accommodation, hospitality, hairdressing and real estate agencies. These industry sectors were deliberately targeted in 2002/03 due to the number of complaints received from employees in these workplaces.

Workplace targeting campaigns focussed on key industries and occupations in the NSW workforce, including workplaces in western Sydney, regional NSW, clothing manufacturers and workplaces with a casualised workforce. Approximately 8,600 employers and 28,000 employees were included, with Industrial Relations recovering approximately \$2.5 million in remuneration for employees.

Clothing Taskforce Inspectors working with the Behind The Label Unit completed an additional 253 workplace investigations of clothing manufacturers and outworkers during the second half of 2002.

Industrial Relations finalised 256 prosecutions involving 63 employers during 2002/03. A fine or civil penalty was imposed, or the offence was found to be proven, in 237 matters achieving a successful prosecution rate of 92 percent. A target of 90 percent or greater has been set for 2003/04.

Almost all matters prosecuted (90.6 percent) involved breaches where remuneration or other entitlements were owed to the employee, 60.6 percent of matters involved breaches of awards and 30.1 percent of matters concerned breaches of the *Annual Holidays Act 1944*.

The number of matters finalised was 47.1 percent lower than the 484 matters finalised during 2001/02, reflecting the changing role of prosecution activities as a component of a broader compliance program.

During the year, Industrial Relations also issued 109 Penalty Infringement Notices to employers for breaches of the *Industrial Relations Act 1996*.

The handling time for industrial relations complaints improved following the adoption of uniform complaint resolution policies and procedures on 1 July 2002. The proportion of complaints resolved prior to a formal investigation increased by 22 percent (to 61 percent) over the previous year. The new policies oblige the complainant to be actively involved in a mediation process, and Industrial Relations' staff adopt an early intervention approach to all complaints.

On average, matters are resolved within six weeks of registration. During 2003/04, greater use of emerging electronic technologies may further increase Industrial Relations' capacity to resolve complaints prior to a formal investigation.



Strategic intent 2: For NSW business: simple, transparent dealings with government

Objective: Simpler, transparent commercial dealings with Commerce

Streamline access for business with appropriate probity and risk management safeguards

Providing for the swift and fair settlement of payment disputes in the construction industry has been a vital component of the NSW Government's reform agenda. Commerce has played an integral role in progressing and implementing initiatives to improve security of payment and reduce risk for industry participants, providing accessible, streamlined and speedy resolution processes.

The *Building and Construction Industry Security of Payment Act 1999* provides a statutory entitlement to progress payments for work, a process for the quick adjudication of disputes over payments and a right to suspend work after notice if payment is not made.

After consultation with industry in September 2002, Commerce progressed amendments to the Act to strengthen provisions for prompt payment in the industry. Commerce distributed over 120,000 information brochures to promote an awareness of the amendments which came into effect in March 2003.

During the first four months operation of the amended Act there were approximately 100 adjudication determinations resulting in approximately \$7 million determined as being owed to the claimants.

A major improvement to the Act has been the ability of the claimant to submit an adjudication certificate in the court system as a judgment of the court. This can occur where the respondent fails to pay the full amount of the adjudication determination. Approximately 22 certificates were issued in the first four months of operation.

Feedback also indicates that parties are improving their business procedures, contractual arrangements and dispute resolution processes which will inevitably assist in improving overall industry practices.

A third generation of the Contractor Best Practice Scheme was introduced in July 2002. This is a peak level accreditation scheme for building and construction

contractors and is designed to foster improved and more consistent outcomes for government by working with contractors that are committed to long term relationships with government. Benchmarking studies undertaken by Government Procurement across 11 performance areas show that accredited contractors perform on average seven percent better than non-accredited contractors. Twenty-seven contractors are currently accredited with others applying for accreditation.

The Construction Policy Steering Committee met regularly throughout the year and held its last meeting in June 2003. Major issues addressed included:

- finalising a new Code of Practice and Code of Tendering for the NSW Construction Industry for consideration by the Minister
- contributing to the NSW Government submission to the Cole Royal Commission into the Building and Construction Industry
- developing new Occupational Health and Safety Management Systems Guidelines and associated audit guidelines (to be released in the second half of 2003).

The Construction Policy Steering Committee also conducted its third annual survey to assess the extent of implementation by agencies of government construction guidelines. The survey results are available on the Construction Policy Steering Committee website, www.cpsc.nsw.gov.au. A new advisory committee on government construction procurement is to be established in 2003/04.

Commerce is leading the development of a new whole-of-government General Conditions of Contract for Construction (GC21) based on the successful C21 Construction Contract. GC21 provides a contractual communication strategy and a range of management tools to encourage satisfactory time performance and resolution of variations. Benchmarking studies indicate that time overrun has been reduced from over 40 percent to under 25 percent, which includes delays such as wet weather. The number of variations per \$1 million of contract work also reduced by around two percent and the average cost of variations reduced by some 27 percent.



A new online contract documentation Clause Database System was implemented in November 2002 to improve the quality and consistency of Commerce Commercial Conditions Sections and will be the base for future web based interactive contract documentation. The Clause Database allows staff to quickly track historic data for future clause upgrades, instant cross checking and approval of numerous clause differences within the commercial contracts. The contract issues database was also enhanced to improve management and monitoring of the outcomes of requests from departmental officers, changes to legislation and general improvements. This has led to the more timely publication of changes in the standard form contracts and manuals.

The Online Procurement Management System is in the process of being established with a test site now in operation. This new site will be linked back to the documents generated by the clause database. It will be more secure, efficient and effective for both client users and the systems management group.

Commerce services easy for business to navigate

The Online Training Resource Manual provides information for use by employees, contractors, subcontractors, consultants and suppliers in the NSW construction industry on courses, resources and training providers.

It also provides detail on developing an enterprise training program, employer incentives, Industry Training Advisory Bodies, group training schemes and New Apprenticeships Centres operating in the industry, as well as other assistance available to women, Aboriginal and Torres Strait Islander people, and small business.

The manual was developed in 2001/02 to replace the former paper-based Training Resource Directory and received the 2002 Master Builders Association of NSW Excellence in Construction Award for a product or service.

Commerce's Regional Procurement Program aims to improve regional supplier and employment opportunities through the coordination of government procurement activities on a regional basis. The Program consists of a regional maintenance pilot involving six agencies in the Riverina region and a review of government common use

goods and services contracts for opportunities to establish or enhance regional supply arrangements. The Riverina maintenance pilot commenced in August 2001 as a variation to the successful Schools Facilities Maintenance Contract. The Pilot was extended to June 2003 to enable increased aggregation. Overall the Pilot achieved savings in the order of five percent, reduced risk exposure and delivered administrative improvements for agencies.

Other strategies are being developed to increase the opportunities for regional suppliers to win government business, including the establishment of a Regional Trading Hub in December 2003 in the Riverina region as part of smartbuy™, the NSW Government's electronic marketplace.

The Gateway Review Process was launched at the Smarter Buying forum in November 2002. Gateway Reviews provide independent advice at key decision points (called 'gates') in the procurement cycle on how well a project is progressing. The reviews are carried out at these points independently of the project team to ensure the project is robust and will contribute to improved business performance.

The Gateway Review Process will introduce greater discipline into procurement outcomes and budgets, providing improved procurement services and savings to government.

Fair Trading undertook the second largest National Competition Policy review program in NSW, with reviews of 30 pieces of legislation required. Throughout the review program, consumers, business, industry and interest groups were consulted at every stage to ensure that NSW consumer protection regulatory objectives were met as efficiently and cost effectively as possible. The National Competition Policy reviews of Part 6 of the *Shops and Industries Act (Hairdressing) 1962* and the *Entertainment Industry Act 1989* were finalised after a consultative process with stakeholders and Review Reports provided to the Minister for consideration.



Strategic intent 3:

Across NSW government: value for money and improved services through optimal management of enablers and support activities

Objective: Maximum benefits from government use of information and technology, with reduced costs and risks

Technology used to improve low-cost, client-centred access to government services, where feasible from integrated access points

Commerce, through the Office of Information and Communications Technology, manages a range of information and technology projects and services that improve access to government services.

The NSW Community Technology Centre (CTC) Program supports access to online government services in rural communities. CTCs are open to the public free of charge and provide a designated computer connected to ServiceNSW (www.nsw.gov.au), a common entry point to NSW Government. In the reporting period 56 CTCs offered this service along with a user friendly training program. By the end of the full roll-out of the CTC program in June 2004 approximately 100,000 people in rural NSW will have access to online government services through a CTC.

The connect.nsw strategic framework and funding program uses information technology to streamline government practices, reduce costs and improve online service delivery through delivering integrated eGovernment services. In 2002/03 connect.nsw funded projects lowered transaction costs and significantly increased 24-hour access to a number of government services.

Commerce is progressing the Government Licencing System Project which will support low cost access to government services by enabling business, professionals and individuals to access licencing services online. The project commenced in late 2003 and will over the next two years progressively implement the online availability of up to 300 different types of licences for around 2.8 million licence holders.

Effective management of technology-based services and projects incorporating security and continuity issues

With the convergence of public and private networks and the rise of the internet as a global medium for information exchange, new information technology initiatives for

collaboration and business exchange are essential.

Commerce plays an important role in delivering solutions to NSW government that improve quality of service, security, productivity, and infrastructure efficiency.

All NSW government agencies are experiencing rapid growth in demand for broadband data services leading to increased costs of between 10-40 percent per annum. Commerce has progressed a proposal to establish a shared broadband network linking government sites and covering all major regional centres and large metropolitan sites. The proposed broadband service will provide essential communications infrastructure to support key government programs and critical business applications.

The Office of Information and Communications Technology chairs the Standing Committee on Information Management which was formed by the State Emergency Management Committee in 2001. Its role is to develop information and technology sharing initiatives across the emergency management sector. Work undertaken in 2002/03 focused on improving the technical capability of the State Emergency Operations Centre.

The NSW Government has directed all agencies, including State Owned Corporations, to follow strict new procedures for the better management and governance of large information and communication technology (ICT) projects. Commerce, in conjunction with the NSW Treasury, has established a reporting framework that requires all agencies to report on large ICT projects on a quarterly basis.

Commerce has developed a range of Best Practice Management Guidelines to assist agencies with planning, managing and implementing ICT projects. Best Practice Guidelines are in place across a range of ICT project management areas such as Information Management and Technology Strategic Planning, Business Case Development, Benefits Realisation, Project Management, Quality Management and Risk Management.



Objective: Ensure NSW government agencies can access best value for money through aggregated procurement and services provided by Commerce

Aggregated, whole-of-government approaches where appropriate

Commerce, on behalf of the State Contracts Control Board the State's central procurement and contracting authority, delivered overall savings in excess of \$500 million to government through:

- centralised procurement arrangements for goods and services that achieved price reductions of up to 50 percent compared to market price
- savings in staffing resulting from reduced duplication in tendering and contract administration across government
- negotiation of a procurement method for purchasing Microsoft software that is expected to deliver savings of \$3.5 million per annum compared to traditional software procurement.

The Smarter Buying for Government strategy provides the framework for a new accelerated phase in procurement reform building on existing government procurement policies. Commerce, through the Office of Government Procurement implemented major initiatives to support these strategies including the implementation of smartbuy™, the whole-of-government eMarketplace. As a secure Government to Business e-commerce platform, smartbuy™ allows government agencies and other organisations to browse, select and purchase goods and services online from approved suppliers to government.

A consortium headed by LogicaCMG was the successful vendor for the development of smartbuy™, with the software provider Intershop. A contract was signed in August 2002 with LogicaCMG for \$24.6 million. Preliminary estimates indicate that smartbuy™ will achieve initial savings of at least 10 percent per transaction on the 11 million transactions across government each year.

An Online Buyer eReadiness Program has been developed to assist small and medium sized agencies prepare for smartbuy™ enrolment. The program incorporates a

series of tasks, guidelines and tools for an agency to assess, and where appropriate improve their current procurement processes.

Commerce's asset management activities delivered savings of approximately \$100 million to government during the reporting period through:

- cooperative contracting approaches, dispute resolution expertise and reduced contract variation costs
- improved procurement risk management and reduced construction costs on \$600 million worth of government projects
- innovative procurement in the development of Walsh Bay, government office accommodation in Parramatta, Eastern Creek Dragway and Business Park, and the Perisher Valley Village redevelopment
- innovative coordinated disposal methods and land acquisition processes for major infrastructure projects.

In 2002/03, 39 agencies submitted procurement plans under the Procurement Planning Program. A report on the program is available at www.smarterbuying.nsw.gov.au. Fifty-six government agencies identified potential savings of \$59.8 million through improved aggregation by 2004/05 under the Smarter Buying for Government savings targets program.

Annual \$ savings from whole-of-government approaches managed by Commerce

Area	2002/03 Results \$'000	2003/04 Target \$'000
State Procurement	528	580
Government Advertising and Information	35.4	32.5
Client Advisory Services	20.2	20
Government Procurement Management	197.6	*
Total	781.2	*

* The targets will be revised following joint NSW Treasury and Commerce review into governance frameworks for capital acquisition and total asset management.



Provision of services that are value for money

Commerce through the Office of Government Business incorporates a range of contestable services for clients across NSW that fall into four broad categories: property services, projects and regional services, the Government Architect's Office and a range of business services. The primary clients are state, local and 'not for profit' agencies.

To support effective delivery of a range of projects Commerce developed asset.gov, an internet based, communications and project management system to assist in the procurement process. This is a key initiative arising out of the NSW Government Electronic Procurement Implementation Strategy. Asset.gov enables all stakeholders involved in a project to access, share, collaborate on and review project information online.

Asset.gov was formally launched in October 2002, and more than 100 projects now use the system, including major infrastructure projects and non-construction projects. Asset.gov won a silver award in the Best Practice in eGovernment Category at the NSW Premier's Public Sector Awards in November 2002.

Commerce is maximising savings to government by strategically managing contentious and complex development issues. Commerce managed the consolidation and relocation of 1,350 NSW Police staff from the Sydney CBD to new accommodation in Parramatta. The development incorporated a breadth of economic, environmental and social initiatives. The environmental impacts on the community were minimised by delivering a development that adopted construction and performance best practice, achieving a 4.5 star sustainability rating and savings over the first 10 years estimated at \$14 million.

On behalf of the Department of Education and Training Government Business completed a total of 70 major educational projects in 2002/03 ranging in value from \$0.5 million to \$23.6 million. This is an extensive program of major capital works delivered by Commerce with a total expenditure by the Department of Education and Training in 2002/03 of \$215 million.

A total of \$59 million minor works and other annual programs were also delivered on behalf of the Department of Education and Training, comprised of minor capital

works, health and safety, integration, air cooling, gas heating, and the 'fibro in schools' program.

Commerce is continuing to provide program management services on the Department of Corrective Services Major Capital Works Program, which is currently valued at \$467 million. In 2002/03, Government Business managed \$121 million of the capital and recurrent works for the Department. Strategies to ensure client needs are met include assigning a dedicated Program Manager and the establishment of a steering committee.

A significant project completed on behalf of Corrective Services this year was the \$40.2 million Parklea 200 bed Remand project (Area 5), involving the construction of new accommodation, movement control area, covered walkways and bridges, high security perimeter fences and road works, with the added complexity of the Centre remaining operational during construction. Commerce implemented a range of strategies in the delivery of this project including the use of surplus excavated material for landscaping to provide a natural acoustic and visual barrier between the Correctional Centre and the surroundings.

Commerce provides program management services to the Department of Aboriginal Affairs for the nine-year, \$240 million Aboriginal Communities Development Program. This innovative project makes significant and sustainable gains in the health and living standards of Aboriginal communities throughout the State. In 2002/03, \$26 million was spent under the Program. Significant achievements this year include 119 emergency repairs, 155 house refurbishments, 15 houses purchased and upgraded and eight new houses constructed in Aboriginal communities across NSW.

The Ministry of Energy and Utilities engages Commerce to deliver a total of 165 major water and sewerage projects. Currently in progress are extensive projects ranging in value up to \$66 million. Total expenditure on the Major Capital Works Program amounted to \$89.2 million in 2002/03.

An example of the critical role that Commerce plays in the delivery of infrastructure to local communities is the Clarence Valley/Coffs Harbour Regional Water Supply Project. Commerce project managed the development and implementation of the \$115 million project to provide a sustainable water supply for the Councils of Grafton, Maclean, Pristine Waters, Copmanhurst and Coffs Harbour.



In response to the worsening drought situation, one stage of the scheme, requiring a pipeline to connect the existing water source from the Nymboida River to the Karangi Dam at Coffs Harbour, was put into operation in December 2002, compressing the original construction period. The deadlines were met and Coffs Harbour and the Clarence Valley were provided with a more secure water supply to better manage the current drought conditions until the new storage facility is brought on line in 2005.

NSW Treasury entered into a new four-year Strategic Alliance agreement with Commerce in July 2002 for the provision of Portfolio and Property Management services for the Crown Property Portfolio. The new Government Leasing Service has managed and negotiated 132 leasing events during the first year of operation, successfully obtaining better value accommodation for clients.

Commerce has a strategic role in assisting in the coordination of whole-of-government infrastructure and ensuring appropriate frameworks are in place for future developments. Commerce was involved in the Master Planning of a number of strategic infrastructure projects during 2002/03. Input was provided to projects such as master planning for the Parramatta Civic Centre, Westmead Precinct, Sydney Fish Markets, Wollongong Harbour, Penrith Town Centre and the Sydney Water Strategic Master Plan.

Ensure clients are aware of the value for money services

Commerce's Q Stores has continued to strengthen client communications and responsiveness through quarterly review meetings and a targeted program of personal visits to key clients across NSW. This year, Q Stores worked with Commerce's project delivery staff and the Department of Corrective Services to provide post project procurement services. This involved providing the fitout for Dillwynia, the new women's prison in Windsor and the new Correctional Centre in Kempsey.

Commerce's government clients were surveyed in 2003 on a number of aspects of the commercial services provided by the Department. The survey found that 78 percent of clients felt that the Department met their expectations as an excellent service provider. In addition 87 percent of the client base perceived the respective business unit they dealt with as offering a wide range of services. When asked if they would continue to use the business unit they were interviewed about, 87 percent said they definitely or probably would return to Commerce.



Strategic intent 4: Within Commerce: accountable internal use of public resources

Objective: Effective, efficient and client-focused operations

Cost efficient service delivery

The use of new technologies across Commerce is enhancing the Department's capacity to increase value in all areas of service delivery. The Register of Encumbered Vehicles (REVS), is introducing a voice recognition system to extend its customer call centre services. Piloted in June 2003, the service uses Interactive Voice Recognition technology to allow callers to access vehicle encumbrance information 24-hours a day, seven days a week.

This pilot is part of a broader computer telephony integration project to provide better customer service and improved call centre efficiency. Fair Trading aims to merge its various phone enquiry services into a single call-centre. Some services have been consolidated with shared facilities in Penrith and Parramatta. All Offices of Commerce will now participate on the Steering Committee concerned with the integration of call centres.

Commerce is committed to obtaining efficiencies from online internal services with two recent initiatives:

- ARIES (Advanced Reporting Internet Enquiry System) developed as a reporting tool for managers and supervisors to provide access to up-to-date employee information and management reports
- Kiosk Employee Self-Service tool allows employees to access their own pay and employment records held in the payroll system.

The new Customer Assistance System (CAS) will enable consumers and traders to establish their rights and responsibilities online, 24-hours a day, 7 days a week. This database of fair trading situations, rights and responsibilities was previously used by Fair Trading customer services staff to identify appropriate information for customers. It will now be available to the public and staff to provide more efficient means of accessing consistent and quality information. Design and construction of CAS Online commenced in December 2002, with implementation anticipated in late 2003.

Implementation of Voice Over Internet Technology (VOIP) enables the linking of and interaction between telephone and data systems, and allowed Commerce's Award Enquiry Service to achieve a 25 percent improvement in the number of calls answered within the first three minutes. By the end of the year an average of 90 percent of calls were being answered within three minutes. The new technology has reduced the number of callers abandoning the queue by 12 percent.

The upgrade to VOIP technology will include in 2003/04 a quality monitoring module to allow supervisors and managers to monitor the quality of information provided to clients. The technology also allows clients to be transferred to an automatic client survey improving the capacity of the Service to report on performance.

Corporate service costs were minimised this year in Industrial Relations by partnering with other government agencies for access to support services and taking advantage of economies of scale and business process re-engineering to deliver cost effective services and products. The continued development and promotion of employee self-servicing on employee related matters on the intranet and the increase in technology based solutions such as forms online and electronic document management has led to a decrease in manual processes. The focus for 2003/04 will be establishment of a Commerce shared corporate services model to gain further efficiencies.

A corporate learning and development framework has been established to provide access to national competency based learning programs in management, leadership and a full suite of specialist programs. The framework includes the implementation of a Commerce learning and development program and associated online Learning and Development Calendar, nomination process and search function.

This initiative supports Commerce's commitment to the development of a skilled workforce as 80 percent of staff in the Offices of Government Procurement, Government Business and Strategic Management and Corporate Support currently have Personal Development Reviews in place.



Creation of Commerce centres of excellence through the use of internal resources and other means to meet client requirements

Commerce's Standards Laboratory, operated under the Trade Measurement Compliance Program, maintains the State's primary standards of measurement and provides a range of services to industry. The Standards Laboratory moved to its new premises in April 2003 at the National Measurement Laboratory site at West Lindfield, located within the CSIRO. This accommodation allows Commerce staff to share the highly specialised technical facilities, and to exchange skills and expertise with Commonwealth counterparts.

The Office of Government Business has a reputation of expertise and experience via its Centre of Excellence for Sustainable Water Solutions, providing government agencies with leading edge services aimed at delivering value for money, cost savings, enhanced environmental benefits and social equity in its solutions.

The key to delivering services across the range of water, infrastructure and environmental solutions is the capacity to be at the forefront of delivering new technologies. Commerce's research and development partnerships with the University of NSW (and others) in the Co-operative Research Centre for Waste Management and Pollution Control have been extremely beneficial in the provision of services to our clients.

In 2002 a Project Management Centre of Excellence was established by Commerce. This initiative will allow a process of continuous improvement of Commerce's project management capability in the delivery of construction, maintenance and other projects for public sector clients.

The Centre of Excellence is founded around four main strategies.

- increase the competency of staff through linking to industry wide standards with appropriate training
- provide a structured series of tools and resources that assist consistent service delivery
- promote and market the project management product to existing and potential clients
- improve service delivery by supporting project managers to exchange information and develop ideas.

The Project Management Centre of Excellence has pursued alignment with leading edge industry trends through the Department's involvement in the international PacRim Benchmarking network, conferences and research.



Our people and partnerships





Industrial relations policies and practices

Commerce sees its staff as a key driver in the achievement of business and operational goals and is committed to its employees through objectives and strategies that are designed to encourage and support a diverse workforce. Commerce also fully supports all NSW Government policies and initiatives aiming to assist employees to balance their work and personal aspirations.

The major award covering salaried staff is the *Crown Employees (Public Service Conditions of Service Award) 2002*. This is a general public service award generally applying to staff in the Office of Fair Trading, Office of Information and Communications Technology and the Office of Industrial Relations. The *Crown Employees (Department of Public Works & Services) Award 1998* applies to salaried staff in the Offices of Government Business, Government Procurement and in Strategic Management and Corporate Support. The two principal unions party to these industrial instruments are the Public Service Association and Professional Officers Association Amalgamated Union NSW, and the Australian Professional Engineers Scientists and Managers Association.

Commerce wages staff are covered by the *Crown Employees (Wages Staff) Award 2002*, the *Crown Employees (Department of Public Works & Services Wages Staff) Award* and the *Crown Employees (Department of Public Works & Services Wages Staff) Enterprise Agreement*. The principal unions in relation to Department of Commerce wages staff are the Construction Forestry Mining and Energy Union, the Australian Workers Union and the Amalgamated Metal Workers Union. Negotiations are nearing finalisation for a new *Crown Employees (Department of Commerce Wages Staff) Award* and the *Crown Employees (Department of Commerce Wages Staff) Enterprise Agreement*.

During 2003/04 Commerce will review all policies, awards, agreements and terms and conditions of employment with a view to harmonisation and rationalisation across the Department.

Commerce has long standing Joint Consultative Committees for both salaried and wages employees. At the present time Consultative Committees exist in

the Office of Fair Trading, the Office of Industrial Relations and a combined Committee for Offices of Government Business, Government Procurement and Strategic Management and Corporate Support. No specific consultative committee applies in the Office of Information and Communications Technology. It is anticipated that Commerce will realign during 2003/04 to establish a whole-of-agency consultative framework.

Commerce's new apprentices

Eleven new apprentices received their Indenture Certificates at a ceremony held at Parliament House in June 2003. The ceremony marks the completion of the apprentices' three month probation with Commerce. Maintaining and supporting a skilled workforce is vitally important to Commerce and these new apprentices will join a pool of skilled plumbers, painters, carpenters and stonemasons available for a range of government projects including heritage conservation works.



The Minister for Commerce, the Hon John Della Bosca MLC, and Kate McKenzie, Director-General (centre) welcoming new apprentices to Commerce.



Equity and diversity

Commerce is committed to equity and diversity in both the workplace and in dealings with clients. In 2002/03 a number of initiatives were progressed to further integrate equity and diversity into all aspects of Commerce's activities. Achievements include:

- Industrial Relations and Fair Trading exceeded NSW public sector benchmarks for the representation in the workforce of women, people whose language first spoken as a child was not English, and Aboriginal and Torres Strait Islanders
- Performance, Feedback and Development Program was reviewed in Industrial Relations to ensure equity in access to learning and development opportunities
- continued opportunities for staff to attend Skillmax, a program focusing on the communication needs of people with a language background other than English
- a corporate learning and development framework was developed to provide access to national competency based learning programs in management, leadership and a full suite of specialist programs. The framework includes the implementation of an online calendar, nomination process and search function
- the *Women in Project Management-Getting the Balance Right* project promoted equitable representation across salary levels and provided career development and promotional opportunities for women in working in the project, program and development management areas of Commerce
- 43 women from Commerce participated in the 2002/03 Springboard Program, a personal development program for women in non-management roles who wish to further their career and individual goals
- Commerce's Spokeswomen's Network continues to provide women with an effective forum in which to raise and discuss issues impacting on their work. An additional 12 women were recruited as spokeswomen in 2002/03.

In 2003/04 Commerce will focus on a number of equity and diversity issues including:

- ensuring needs of EEO group members are considered in plans for work reorganisation, including analysis of impacts on employees

- enhance support for EEO group members including monitoring of the Employee Assistance Program to ensure that it caters to the needs of all staff including EEO group members.

Disability action plans

Some areas of Commerce have achieved near full implementation of their existing Disability Action Plans. All areas of the Department will continue to implement existing Plans, including the following ongoing and new strategies for 2003/04:

- offer work-related adjustments to employees with disabilities
- include disability as a standard accountability in business plans
- take accessibility requirements into consideration when selecting new premises or refurbishing existing premises
- provide continuous monitoring of all website development accessibility for people with a disability
- attention to the special needs of staff with disabilities during any business realignment during 2003/04.

It is anticipated that Commerce will review the current Disability Plans in 2003/04 to ensure consistency across the new Department.



Equal employment opportunity statistics

A. Trends in the Representation of EEO Groups

EEO Group	Benchmark or Target	% of Total Staff			
		2000	2001	2002	2003
Women	50%	–	–	–	40%
Aboriginal people and Torres Strait Islanders	2%	–	–	–	2%
People whose first language was not English	20%	–	–	–	23%
People with a disability	12%	–	–	–	10%
People with a disability requiring work-related adjustment	7%	–	–	–	4%

B. Trends in the Distribution of EEO Groups

EEO Group	Benchmark or Target	Distribution Index			
		2000	2001	2002	2003
Women	100	–	–	–	89
Aboriginal people and Torres Strait Islanders	100	–	–	–	67
People whose first language was not English	100	–	–	–	95
People with a disability	100	–	–	–	98
People with a disability requiring work-related adjustment	100	–	–	–	94

Notes:

1. Staff numbers are as at 30 June.
2. Excludes casual staff
3. A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated by the software provided by ODEOPE.
4. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

Our community

NSW Government Action Plan for Women

The NSW Government Action Plan for Women is a whole-of-government approach to improving the economic and social participation of women in NSW.

Commerce promotes workplaces that are equitable, safe and responsive to all aspects of women's lives, and works towards gender equity outcomes in all areas of policy development and service delivery. Some current initiatives include:

- *Behind the Label* NSW Government Clothing Outwork Strategy, addresses industrial issues faced by clothing outworkers, most of whom are women with a language background other than English
- In addition to the new government Work and Family website, Family Friendly Initiatives in the Children's Services Sector project is an information based strategy to develop case studies of successful family friendly practices for people working in this sector



- Guidebook on Best Practice Rostering in the Residential Aged Care Industry, a joint initiative with the Department for Women to promote and encourage work and family balance for workers in the Aged Care Industry, the majority of whom are women
 - providing access to adoption leave entitlements for parents adopting children over five years of age
 - Women in Small Business Program, a joint initiative with the Department of State and Regional Development to assist women in developing their businesses.
 - an information strategy using radio and newspapers, including ethnic newspapers, to alert women to the pitfalls of relationship debt, including the re-print and distribution of a booklet called Love and Loans available in English, Arabic, Chinese and Vietnamese
- The growing information and communication technology (ICT) skills gap between the supply and demand for specialist ICT skills, is being addressed through Commerce's work with other agencies including the Department for Women and the ICT industry. The following programs have been implemented to encourage women to move into ICT careers:
- Aboriginal Women Learn IT aims to equip Aboriginal women with the skills to seek further education and work with ICT within their communities
 - Gender and Technology Action Research project aims to investigate the gendered uses of technology and improve access and self-confidence in the area of ICT

Ethnic Affairs Priorities Statement

Each Commerce Office has a current Ethnic Affairs Priorities Statement (EAPS) that includes undertaking community consultation, appropriate partnership development, cross-cultural awareness training and celebrating and valuing diversity.

Commerce, through Industrial Relations and Fair Trading, has considerable contact with the broader community. Current EAPS plans include:

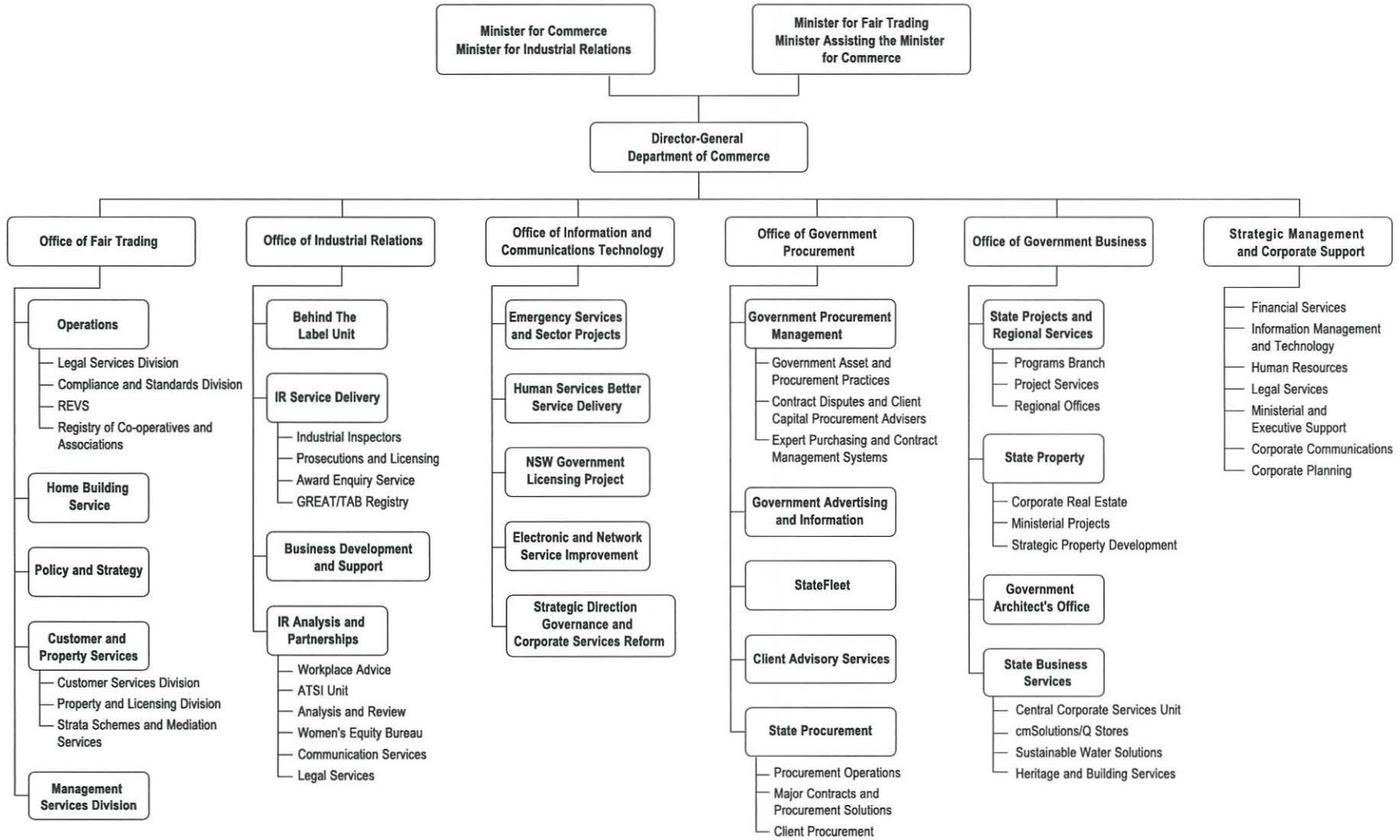
- educational and promotional activities including providing translated publications on the website and in hard copy, ethnic community and ethnic media participation, community events, seminars, presentations and forums
- local and regional level consultation and liaison on issues, programs and strategies
- cross-cultural issues included in relevant training and induction programs
- participation as a member of NSW Interdepartmental Committee on Migrant Settlement
- continued employment of four bilingual (Vietnamese and Chinese) inspectors as part of the NSW Clothing Outworker Strategy
- inclusion of Korean and Cambodian communities in the NSW Clothing Outworker Strategy and continued work with Chinese and Vietnamese communities
- continued participation in the Community Languages Allowance Scheme to meet the communication needs of clients
- guidelines updated to help staff identify when to seek language assistance and provide information on the types of language services
- provision of free telephone or in-person interpreter services to customers as required
- Think Smart on Consumer Rights education strategy for ethnic communities to guide the development of ethnic communication strategies, including a dedicated budget and full-time Senior Multicultural Liaison Officer, increased number of publications available in languages other than English and continued sponsorship of ethnic community events. Development of a new Fair Trading 'ethnic web' (www.fairtrading.nsw.gov.au/ethnichomepage.html) site.

During 2003/04 Commerce will review the current EAPS plans with a view to harmonisation and consistency across the Department.

Our clients

Guarantee of service

Industrial Relations and Fair Trading provide a range of services direct to the public and have documented their commitment to service delivery. Details of Commerce's commitment and standards of service delivery are available on the Department's website at www.commerce.nsw.gov.au.





Environment, health and safety





Occupational health and safety and rehabilitation

All Commerce employees are represented on a Occupational Health and Safety (OH&S) committee. The OH&S committee structure will be reviewed in 2003/04 to consider a committee that represents all Commerce workgroups.

A Safety Management System developed and implemented in 2002/03 for the Offices of Government Procurement and Government Business set ten objectives with which there was 76 percent compliance. Some of the objectives included in the action plan are:

- 100 percent of staff trained in Occupational Health and Safety and Rehabilitation (OHS&R) practices and principles and fire safety
- regular inspections of the workplace are undertaken by management with documented evidence of inspection and follow up actions, including workstations assessed annually
- OH&S an agenda item for all staff meetings
- safe operating procedures and safe work method statements available for appropriate tasks
- all staff aware of employee assistance program and counselling service
- all injuries reported within 24 hours or by the next working day to Commerce's OH&S consultant.

Staff welfare initiatives

As part of Commerce's commitment to staff health and welfare two staff welfare initiatives were undertaken in 2002/03:

- The Influenza Vaccination Program provided vaccinations to staff at no cost during April and May 2003, with 595 staff participating
- The Men's Health Program is a new program promoted across all areas of Commerce. The Program is designed to raise awareness and encourage active management of health and well being. The program focused on medical issues and male psychology. A series of eight lectures were delivered at city and regional sites across the Department.

Injury management and workers compensation

The Offices of Government Procurement, Government Business and Strategic Management and Corporate Support continued to perform equal or better for claims frequency, cost of claims and hours lost when compared to the benchmarks in primary pool comparisons in these areas, with other Government agencies in the Treasury Managed Fund (TMF).

Industrial Relations has benchmarked with other agencies in regard to the average cost of claims and the average claims per employee. Using these comparisons, Industrial Relations' performance has always exceeded TMF benchmarks.

Fair Trading remains a relatively low risk organisation. Workers compensation claims for 2002/03 as reported by the TMF continue to demonstrate that claim costs and frequency remain significantly below the fund average.

Body stressing, falls/trips/slips and mental stress remain the major source of workplace incidents and claims in Commerce.

Details of Workers Compensation Claims for 2002/03*

	No. of injuries resulting in Claims	No. of injuries/ claims resulted in time lost	Avg time lost per injury (days)
Fair Trading	29	29	11.81
Industrial Relations	13	10	77.7
Former Department of Public Works and Services	118	62	13

* Does not include Office of Information and Communications Technology.



Commerce's environmental performance

Waste management

The NSW Waste Reduction and Purchasing Policy (WRAPP) was implemented in 1997. The policy requires all NSW Government agencies to develop and implement a WRAPP Plan focused on the reduction of waste and increasing procurement of recycled products. Currently each Office of Commerce has a WRAPP Plan in place, including:

- WRAPP principles included in corporate plans and operational policies and practices
- ensuring contract specifications require the purchase of recycled content products where appropriate
- improving waste avoidance by using recycling initiatives across all areas
- establishing data collection systems to report progress on WRAPP initiatives
- increasing the range and quantity of recycled content materials purchased
- raising staff awareness about WRAPP and best practice management of waste and purchase of recycled content materials.

Achievements related to WRAPP Plans in 2002/03 include:

- purchasing energy efficient photocopier and facsimile machines that can operate effectively with recycled paper and can use recycled toner cartridges
- providing collection data to enable quantifiable benchmarking of waste management techniques. For example during 2002/03 Industrial Relations recycled 14.24 tonnes of office paper and cardboard
- The Offices of Government Procurement and Government Business have arranged a preferred supplier agreement with one supplier based on usage volumes securing better pricing for purchasing recycled paper. Centralised purchasing of Green Wrap paper for all business units in the McKell Building has seen usage of recycled paper increased to 41%.

Summary of procurement of recycled products in the Offices of Government Procurement, Government Business and Strategic Management & Corporate Support

*Consumables	2000/01	2001/02	2002/03
Total paper purchased (tonnes)	190	135*	83.7
Total paper recycled (tonnes)	–	–	29.4
Total recycled paper purchased	18%	34.5%	41%
Total no. of toner cartridges purchased	1668	2095	1796
Total no. of toner cartridges recycled	–	–	750
Percentage remanufactured toner cartridges purchased	24%	25%	23%

* Based on statistics provided by Business Units

Waste avoidance highlights

NSW Government period contracts have been established by Commerce for the whole-of-government for the following categories:

- commercial waste recycling and removal
- photocopying paper, includes recycled paper
- office products, including stationery and paper and the addition of a separate category for recycled products
- photocopying machines
- printers, facsimiles and related consumables, including remanufactured toner cartridges.

Commerce has decreased the size of its printed annual report to a brief report and a CD version of the complete report. The report will be more widely available as a CD alone and on the internet.

jobs.nsw allows job seekers to search for vacancies, receive information packs and submit applications online. This not only saves time, it also saves money by reducing the amount of printing and paper traditionally used in this process.



The Mentor online help tool provides users with access to procedures and a help facility which has hyperlinks to support documents such as authorities manuals. Mentor can be used to provide easy and targeted access to procedures, policy, documentation. Commerce is currently using Mentor to provide user support on software such as all MIMS modules and smartbuy™. Mentor will be used to support Groupwise in the coming year. This ensures that up to date information is always available to staff and reduces the amount of time and paper to inform staff using traditional communication and training methods.

asset.gov allows all people who are working on a project, regardless of whether they are working in the same office, state or country to have immediate access to all relevant project documentation. The communication module allows all project communication through a web portal. This avoids the need to print and distribute multiple copies of documents to project members as they can all view and print any document on an as needs basis.

All Offices continuously review and develop their internet and intranet facilities to reduce paper usage and waste.

Energy management

In accordance with the Government Energy Management Policy (GEMP) all Offices of Commerce have a current Energy Management Plan and are committed to achieving savings in energy usage and use of sustained energy management principles. A corporate Energy Management Plan for Commerce will be developed in 2003/04.

Commerce has a number of sites that purchase electricity in the contestable market. Commerce also leases accommodation in sites that are part of the Crown Property Portfolio, which purchase electricity in the contestable market. These sites purchase between 6-10 percent of their electricity from renewable sources. The purchase of electricity in the contestable market has lowered costs and achieved a reduction of greenhouse gas emissions by purchasing a percentage of green power. Some activities and achievement under the current Energy Management Plans include:

- new tenancies established by Fair Trading in Tamworth, Port Macquarie and Queanbeyan have been developed as 'green sites' to help reduce energy wastage and cost. All lighting consists of tri-phosphorus tubing activated by motion detectors. Air conditioning is on a timing system set to work only during business hours
- review and update of Contract 777 Retail Supply of Electricity, to incorporate supply of electricity for small sites, with migration of these sites to the new contract commenced
- investigation of ways of increasing energy awareness amongst staff
- an external energy review audit during 2002/03 of all major Office of Industrial Relations sites
- a lighting upgrade in the McKell Building in July 2003 that will provide a significant reduction in energy consumption
- the reduction of energy consumption by 4.1 percent compared to the 1995/96 base line year for Offices of Government Procurement and Government Business sites.



Energy data for the Offices of Government Procurement and Government Business sites*

	1995/96 Baseline GJ	1999/00 Actual GJ	2000/01# Actual GJ	2001/02# Actual GJ	2002/03# Actual GJ
Energy Consumption (GJ)	54,960	55,559	56,842	52,578	52,699
CO ₂ Emissions (tonnes)	12,987	11,967	12,137	11,189	11,499
% Energy change to 95/96 baseline	–	+1.09%	+3.42%	-4.33%	-4.11%
% Energy increase on previous year	–	–	+2.3%	-7.5%	+0.2%
CO ₂ reduction to 95/96 (tonnes)	–	1,020	850	1,798	1,488
CO ₂ change to previous year (tonnes)	–	–	+170	-948	+310
% CO ₂ reduction on 95/96	–	8.29%	6.5%	16.1%	12.9%
% CO ₂ change to previous year	–	–	+1.4%	-8.5%	+2.7%
Equivalent number of cars taken off the road since 95/96 (4.5 tonnes of CO ₂ = 1 car)	–	227	189	400	331

* All data is based on the GEMP return for the individual reporting year, excluding vehicles.

Estimated data has been used for missing or late accounts.

Environmental performance for our clients

Integrated water planning strategies

Integrated water planning strategies were developed by Commerce in partnership with the Ministry for Energy and Utilities to provide an innovative methodology for managing urban water supply, sewerage and drainage to meet the community's needs in an environmentally sustainable manner. The first major study was completed in 2002, the Eurobodalla Integrated Water Cycle Management Strategy, is expected to reduce demand on river flows, produce better environmental outcomes and provide potential cost savings of up to \$72 million to the local community over the next 30 years.

Environmental issues and social impacts are important concerns for all water infrastructure. Developmental work this year has ranged from new fishway designs for some 20 river structures, including two Murray River locks, to water sensitive urban design practices for inner city parkland.

Solar power desalination systems are regularly evaluated as water supply options and are expected to be cost competitive in the near future. Water reuse options for both urban supply and agricultural use are an integral part of

integrated water planning and close contact is maintained with Australian and international developments in this area.

Commerce has assisted in the management of water supplies through severe drought conditions in 2002/03 by developing drought management plans for 15 local water utilities. The plans have included identification of measures to manage and extend existing supplies, a variety of short-term emergency works to access supplementary supplies, and longer term works to increase system capacity.

Thurgoona National Environment Centre

– Green Award

In November 2002 the National Environment Centre at Thurgoona in southern NSW won the gold medal at the Architecture Show Magazine and Francis Greenway Society Green Building Awards 2002. The Riverina Institute of TAFE at Thurgoona required a new facility to showcase TAFE NSW courses in Environmental Sciences and Sustainable Agriculture.

In recognition of its expertise in project management, the Office of Government Business was approached by TAFE to provide project management, design and documentation and contract administration services. The project was delivered on time and on budget, with the ecologically



sustainable development initiatives resulting in reduced recurrent costs for the client.

Environmental research and development

Commerce is committed to promoting the use of alternative fuel ('Green') vehicles in the Government fleet. A specialist was contracted to perform an after-market conversion of two Holden Rodeos, enabling them to run on an alternative fuel and revert to conventional unleaded petrol (ULP) when alternative fuel is not available. One of the vehicles has been converted to run on ULP and liquid propane gas (LPG), the other will be converted to ULP and compressed natural gas (CNG). The ULP/LPG vehicle has been subject to rigorous fuel economy and noxious gas emission testing to Australian and European standards by both the Roads and Traffic Authority and Ford in Melbourne.

The results have proven positive with LPG operation returning much reduced noxious gas emissions and increased fuel economy. If final testing of these vehicles proves successful, Commerce will be seeking ways to expand the technology into the wider Government fleet as part of the NSW Government's 'Green' Fleet policy. This research and development program has required an investment of \$17,345 in 2002/03, consisting of \$11,595 in lease fees for the two vehicles and \$5,750 in payments for the conversion process.

Commerce has a reputation for expertise and experience via its centre of excellence for Sustainable Water Solutions (SWS), which provides NSW government and local government agencies with leading edge services aimed at delivering value for money, cost savings, enhanced environmental benefits and social equity in its solutions.

Essential to the delivery of services across the range of water, infrastructure and environmental solutions is the capacity to be at the leading edge of technologies for these fields. The modest investment in research and development partnerships has proved beneficial to the services provided to our clients.

As one of the foundation members with the University of NSW in the Co-operative Research Centre (CRC) for Waste Management and Pollution Control, leading edge activities include:

- a pilot project with the UNIFED-SBR (patent name) sewerage treatment process technology is currently shortlisted for four sewage treatment plants in NSW and one international project. The technology is being provided direct under CRC licence with Commerce providing assistance for design and commissioning
- CRC Research projects being finalised include: testing of a prototype of Electrodewatering of sludge; Biological Nutrient Removal Advanced Process Knowledge research; BIOWATER (patent name) organic waste treatment and reclamation research; working prototype of photoreactor for photocatalytic degradation of organic compounds; Life Cycle Assessment (LCA) for Waste Management and Wastewater Decision Support Tool undergoing beta-testing with Sydney Water. Resources: \$100,000 in kind contribution and \$50,000 contribution through Commerce's Government Funded Project program funding.

Financial highlights



The Department of Commerce was established as a result of an administrative restructure on 2 April 2003, amalgamating the following Departments:

- Department of Public Works and Services
- Department of Fair Trading
- Department of Industrial Relations
- Office of Information Technology, transferred from the Department of Information Technology and Management.

Revenue and expenditure

Commerce's financial statements were prepared for the three months period from 2 April 2003 to 30 June 2003. However, a summary of the operating results of the transferred entities for illustration purposes covering the nine months before amalgamation and three months after amalgamation compared to the budget is as follows. Full year financial statements of the Department's controlled entities are separately reported in the Annual Report and therefore are not included in the following summary.

Department of Commerce

	01.07.02 to 01.04.03 \$'000	02.04.03 to 30.06.03 \$'000	2003 Total \$'000	2003 Budget \$'000
Expenses				
Employee related expenses	322,016	78,832	400,848	299,257
Other operating expenses	208,345	76,099	284,444	295,443
Grants and subsidies	30,527	20,917	51,444	48,978
	560,888	175,848	736,736	643,678
Revenue				
Sale of goods and services	347,353	117,106	464,459	462,846
Retained taxes and fines	24,711	9,656	34,367	28,600
Grants and contributions	9,434	2,683	12,117	11,206
Other revenue	4,344	24,191	28,535	3,358
	385,842	153,636	539,478	506,010
Net Cost/(Surplus) of Services	175,046	22,212	197,258	137,668

The full year operations of the transferred entities and the Department of Commerce resulted in a net cost of services of \$197.3 million compared to a budget of \$137.7 million. A major factor contributing to the negative variance is an adjustment of \$61.3 million for reduction in the prepaid superannuation balance of the former Department of Public Works and Services (DPWS). This was partly offset by a saving of \$10.1 million from the superannuation contribution holiday for 2003/04. Excluding these adjustments, net cost of services for the year is \$146.1 million compared to a budget of \$137.7 million.



Operating results for the transferred entities for the full year

A breakdown of the operating results for the transferred entities for the full year are as follows:

Department of Public Works and Services

	01.07.02 to 01.04.03 \$'000	02.04.03 to 30.06.03 \$'000	2003 Total \$'000	2003 Budget \$'000
Expenses				
Employee related expenses	242,022	51,346	293,368	199,393
Other operating expenses	148,928	54,834	203,762	216,146
Grants and subsidies	0	0	0	0
	390,950	106,180	497,130	415,539
Revenue				
Sale of goods and services	313,751	106,288	420,039	422,311
Other revenue	1,505	22,689	24,194	158
	315,256	128,977	444,233	422,469
Net Cost/(Surplus) of Services	75,694	(22,797)	52,897	(6,930)

Net cost of services for the full year is \$52.9 million compared to a budgeted surplus of \$6.9 million. The negative variance is mainly due to the net superannuation adjustment of \$61.3 million partly offset by \$10.1 million savings from the superannuation contribution holiday. Another major factor impacting the result for the year is the one-off adjustment of \$5.5 million for oncosts on employee leave entitlements. Excluding these adjustments, the operations resulted in a surplus of \$3.8 million.

Employee related expenses for the year is \$94 million higher than budget mainly due to the reduction of \$83.4 million in prepaid superannuation balance during the first nine months. Prepaid superannuation balance improved by \$22.1 million during the last three months and is included in other revenue. Revenue from sale of goods and services was marginally lower than the budget of \$422 million.

Department of Fair Trading

	01.07.02 to 01.04.03 \$'000	02.04.03 to 30.06.03 \$'000	2003 Total \$'000	2003 Budget \$'000
Expenses				
Employee related expenses	63,131	21,596	84,727	77,459
Other operating expenses	34,712	12,921	47,633	41,017
Grants and subsidies	21,569	6,301	27,870	16,049
	119,412	40,818	160,230	134,525
Revenue				
Sale of goods and services	26,148	9,921	36,069	32,950
Retained taxes and fines	24,711	9,656	34,367	28,600
Grants and contributions	6,629	1,458	8,087	7,500
Other revenue	2,191	986	3,177	2,200
	59,679	22,021	81,700	71,250
Net Cost/(Surplus) of Services	59,733	18,797	78,530	63,275



Full year net cost of services for the Office of Fair Trading is \$78.5 million compared to a budget of \$63.3 million. The increase in net cost of services is mainly attributed to increase in total expenses (\$25.7 million) partly offset by an increase in revenue (\$10.4 million). Increase in employee related expenses is mainly due to an increase in employee entitlements due to salary award increases and unbudgeted salaries expenditure in new business services. Increase in other operating expenses is mainly due to increases in depreciation and computer related expenditure. Grants and subsidies were higher than budget due to additional funding of \$10.5 million to Fair Trading Administration Corporation which was offset by increased funding from Treasury.

Department of Industrial Relations

	01.07.02 to 01.04.03 \$'000	02.04.03 to 30.06.03 \$'000	2003 Total \$'000	2003 Budget \$'000
Expenses				
Employee related expenses	10,956	3,847	14,803	13,891
Other operating expenses	4,500	1,775	6,275	6,325
Grants and subsidies	346	3,165	3,511	0
	15,802	8,787	24,589	20,216
Revenue				
Sale of goods and services	1,495	538	2,033	1,735
Other revenue	49	14	63	63
	1,544	552	2,096	1,798
Net Cost/(Surplus) of Services	14,258	8,235	22,493	18,418

Net cost of services for Office of Industrial Relations was \$22.5 million compared to a budget of \$18.4 million. The increase in net cost of services is attributed to an increase in total expenses of \$4.4 million partly offset by an increase in total revenue by \$0.3 million. Employee related expenses was higher than budget by \$0.9 million, mainly due to an increase in salary oncost as a result of salary award increases. The negative variance in grants and subsidies of \$3.5 million is attributed to unbudgeted one-off grant payments during the year.

Office of Information Technology

	01.07.02 to 01.04.03 \$'000	02.04.03 to 30.06.03 \$'000	2003 Total \$'000	2003 Budget \$'000
Expenses				
Employee related expenses	5,907	2,043	7,950	8,514
Other operating expenses	20,159	6,569	26,728	32,255
Grants and subsidies	8,612	11,451	20,063	32,629
	34,678	20,063	54,741	73,398
Revenue				
Sale of goods and services	5,959	359	6,318	5,850
Grants and contributions	2,805	1,225	4,030	3,420
Other revenue	553	502	1,055	937
	9,317	2,086	11,403	10,207
Net Cost/(Surplus) of Services	25,361	17,977	43,338	63,191



Office of Information Technology's net cost of services for the year is \$43.3 million compared to an original budget of \$63.2 million. The original budget was allocated to the Department of Information Technology and Management. Following the transfer of OIT to the Department of Commerce the budget was revised to reflect the programs transferred to the Department of Commerce. In addition, funding for some projects were transferred to future years due to revised implementation schedules. Excluding these adjustments, actual net cost of services of \$43.3 million for 2002/03 was generally in line with the budget.

Balance sheet

A summary of the Department of Commerce's financial position (excluding controlled entities) as at 30 June 2003 is as follows:

	\$'000
Current Assets	
Cash	184,592
Receivables	204,732
Other	127,905
Total Current Assets	517,229
Non Current Assets	235,376
Total Assets	752,605
Current Liabilities	
Payables	279,294
Provisions	32,862
Other	5,797
Total Current Liabilities	317,953
Non Current Liabilities	64,130
Total Liabilities	382,083
Net Assets	370,522



Commerce's assets and liabilities mainly comprise the assets and liabilities transferred to the Department on the administrative restructure. A breakdown of the Department's Balance Sheet between the transferred entities as at the date of transfer is as follows:

	Office of Fair Trading	Office of Industrial Relations	Office of Information & Communications Technology	Areas formerly DPWS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash	27,548	601	17,696	31,963	77,808
Receivables	6,723	549	8,005	158,463	173,740
Other	26,713	0	6	169,895	196,614
Total Current Assets	60,984	1,150	25,707	360,321	448,162
Non Current Assets	27,305	4,826	23,576	140,204	195,911
Total Assets	88,289	5,976	49,283	500,525	644,073
Current Liabilities					
Payables	5,719	606	18,642	196,652	221,619
Provisions	7,956	1,338	466	13,679	23,439
Other	760	0	1,266	0	2,026
Total Current Liabilities	14,435	1,944	20,374	210,331	247,084
Non Current Liabilities	1,073	152	370	61,253	62,848
Total Liabilities	15,508	2,096	20,744	271,584	309,932
Net Assets	72,781	3,880	28,539	228,941	334,141

The Department's net assets as at 30 June 2003 has increased to \$370 million mainly due to an operating surplus of \$30 million and an increase in asset revaluation reserve of \$6 million combined with the opening net asset transfer of \$334 million.

Capital expenditure

The Department's capital expenditure for the period 2 April 2003 to 30 June 2003 was \$44.7 million. Major acquisitions were plant and equipment including computers \$23.8 million, StateFleet motor vehicles \$20.5 million and leasehold improvements \$0.4 million.

Cash flows

The Department's cash balance as at 30 June 2003 is \$184.6 million, a significant improvement from \$77.8 million transferred from the former entities as at 2 April 2003. Total cash inflow from operating activities for the nine month period was \$151 million. This was offset by a cash outflow of \$44.2 million for purchase of property, plant and equipment resulting in a net cash inflow of \$106.8 million.

Financial statements



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

Department of Commerce

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Department of Commerce:

- (a) presents fairly the Department's and the consolidated entity's financial position as at 30 June 2003 and their financial performance and cash flows for the period ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 45E of the *Public Finance and Audit Act 1983* (the Act).

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

The Director-General's Role

The financial report is the responsibility of the Director-General of the Department. It consists of the statements of financial position, the statements of financial performance, the statements of cash flows, the program statements - expenses and revenues, the summaries of compliance with financial directives and the accompanying notes for the Department of Commerce and the consolidated entity. The consolidated entity comprises the Department of Commerce and the entities controlled at the year's end or during the financial year.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Director-General in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Director-General has not fulfilled her reporting obligations.



My opinion does *not* provide assurance:

- about the future viability of the Department of Commerce or its controlled entities,
- that they have carried out their activities effectively, efficiently and economically,
- about the effectiveness of their internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

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

P G Thomas CA
Assistant Auditor-General

SYDNEY
23 October 2003



DEPARTMENT OF COMMERCE
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2003
STATEMENT BY THE DIRECTOR-GENERAL

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, I state that:

- (a) The accompanying consolidated financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the *Public Finance and Audit Regulation 2000* and the Treasurer's Directions;
- (b) The financial statements exhibit a true and fair view of the financial position and transactions of the Department for the period ended 30 June 2003;
- (c) At the date of this statement there are no circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.


Director-General
Department of Commerce

17 OCT 2003



NSW Department of Commerce

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD 2 APRIL 2003 TO 30 JUNE 2003

	Notes	Consolidated \$'000	Department of Commerce \$'000
Expenses			
Operating Expenses			
Employee related	2(a)	79,149	78,832
Other operating expenses	2(b)	66,631	65,561
Maintenance		799	688
Depreciation and amortisation	2(c)	8,698	8,507
Grants and subsidies	2(d)	20,917	20,917
Other expenses	2(e)	492	492
Total Expenses		176,686	174,997
Less:			
Retained Revenue			
Sale of goods and services	3(a)	117,683	117,106
Investment income	3(b)	1,381	1,349
Retained taxes, fees and fines	3(c)	9,656	9,656
Grants and contributions	3(d)	2,757	2,683
Other revenue	3(e)	22,864	22,842
Total Retained Revenue		154,341	153,636
Gain/(loss) on disposal of non-current assets	4	(851)	(851)
Net Cost of Services	24	23,196	22,212
Government Contributions			
Recurrent appropriation	5	35,429	35,429
Capital appropriation	5	14,439	14,439
Acceptance by the Crown Entity of employee benefits and other liabilities	7	2,211	2,211
Total Government Contributions		52,079	52,079



STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD 2 APRIL 2003 TO 30 JUNE 2003 cont.

	Notes	Consolidated \$'000	Department of Commerce \$'000
SURPLUS/(DEFICIT) FOR THE YEAR FROM ORDINARY ACTIVITIES BEFORE INCOME TAX		28,883	29,867
Income Tax		(94)	(94)
SURPLUS/(DEFICIT) FOR THE YEAR AFTER INCOME TAX		28,977	29,961
NET SURPLUS/(DEFICIT) ATTRIBUTABLE TO OUTSIDE EQUITY INTERESTS		(455)	–
NET SURPLUS/(DEFICIT) ATTRIBUTABLE TO THE DEPARTMENT		29,432	29,961
NON-OWNER TRANSACTION CHANGES IN EQUITY			
Net increase/(decrease) in asset revaluation reserve		6,295	6,295
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	20	35,727	36,256

The accompanying notes form part of these statements.



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Notes	Consolidated \$'000	Department of Commerce \$'000
ASSETS			
Current Assets			
Cash	9	187,443	184,592
Receivables	10	205,079	204,732
Inventories	11	8,775	8,775
Other financial assets	12	25,076	25,076
Other	13	94,090	94,054
Total Current Assets		520,463	517,229
Non-Current Assets			
Other financial assets	14	455	–
Property, plant and equipment	15		
Land and Buildings		38,650	38,650
Plant and Equipment		135,101	133,419
Leasehold Improvements		3,396	3,396
Total property, plant and equipment		177,147	175,465
Other	16	59,924	59,911
Total Non-Current Assets		237,526	235,376
Total Assets		757,989	752,605
LIABILITIES			
Current Liabilities			
Payables	17	279,947	279,294
Provisions	18	32,947	32,862
Other	19	6,084	5,797
Total Current Liabilities		318,978	317,953
Non-Current Liabilities			
Provisions	18	63,962	63,962
Other	19	197	168
Total Non-Current Liabilities		64,159	64,130
Total Liabilities		383,137	382,083
Net Assets		374,852	370,522
EQUITY			
Reserves	20	15,353	15,353
Accumulated funds		361,311	355,169
Outside equity interest		(1,812)	–
Total Equity		374,852	370,522

The accompanying notes form part of these statements.



STATEMENT OF CASH FLOWS FOR THE PERIOD 2 APRIL 2003 TO 30 JUNE 2003

	Notes	Consolidated \$'000	Department of Commerce \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		(72,354)	(72,054)
Grants and subsidies		(20,060)	(20,060)
Other		(281,223)	(280,235)
Total Payments		(373,637)	(372,349)
Receipts			
Sale of goods and services		455,571	454,968
Retained taxes, fees and fines		10,582	10,582
Interest received		1,852	1,820
Other		3,110	3,088
Total Receipts		471,115	470,458
Cash Flows from Government			
Recurrent appropriation		36,869	36,869
Capital appropriation		15,082	15,082
Cash reimbursements from the Crown Entity		821	821
Cash transferred from another agency		74	74
Net Cash Flows from Government		52,846	52,846
NET CASH FLOWS FROM OPERATING ACTIVITIES	24	150,324	150,955



STATEMENT OF CASH FLOWS FOR THE PERIOD 2 APRIL 2003 TO 30 JUNE 2003 cont.

	Notes	Consolidated \$'000	Department of Commerce \$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Land and Buildings, Plant and Equipment and Infrastructure Systems		836	836
Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		(45,085)	(45,007)
Purchases of investments		(53)	–
NET CASH FLOWS FROM INVESTING ACTIVITIES		(44,302)	(44,171)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of ordinary shares		100	–
NET CASH FLOWS FROM FINANCING ACTIVITIES		100	–
NET INCREASE/(DECREASE) IN CASH		106,122	106,784
Cash transferred in (out) as a result of administrative restructuring		81,321	77,808
CLOSING CASH AND CASH EQUIVALENTS	9	187,443	184,592

The accompanying notes form part of these statements.



PROGRAM STATEMENT – EXPENSES AND REVENUES FOR THE PERIOD 2 APRIL 2002 TO 30 JUNE 2003

	Fair Trading Strategy*	Marketplace Performance*	Fair Trading Standards & Registers*	Consumer & Trade Services*	Tribunals*
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES AND REVENUES					
Expenses					
Operating Expenses					
Employee related	1,448	3,170	3,370	9,077	4,531
Other operating expenses	579	1,343	1,233	3,819	2,085
Maintenance	–	–	–	–	–
Depreciation and amortisation	129	308	458	1,744	479
Grants and subsidies	453	943	1,160	2,968	777
Other expenses	11	113	55	170	20
Total Expenses	2,620	5,877	6,276	17,778	7,892
Retained Revenue					
Sale of goods and services	449	1,244	1,749	5,251	1,228
Investment income	3	6	5	670	3
Retained taxes, fees and fines	–	12	432	9,212	–
Grants and contributions	205	213	225	440	375
Other revenue	13	115	31	116	24
Total Retained Revenue	670	1,590	2,442	15,689	1,630
Gain/(loss) on disposal of non-current assets	–	1	1	(377)	–
NET COST OF SERVICES	1,950	4,286	3,833	2,466	6,262
Government contributions**					
NET EXPENDITURE/(REVENUE) FOR THE YEAR	1,950	4,286	3,833	2,466	6,262
ADMINISTERED EXPENSES AND REVENUES					
Administered Expenses					
Transfer payments			3		
Other			–		
Total Administered Expenses			3		
Administered Revenues					
Transfer receipts			3		
Consolidated Fund					
Taxes, fees and fines			11,497		404
Other			2,235		–
Total Administered Revenues			13,735		404
Administered Revenues Less Expenses			13,732		404

* The name and purpose of each program is summarised in Note 8.

** Appropriations are made on an agency basis and not to individual programs. Consequently, Government contributions must be included in the "Not Attributable" column.



PROGRAM STATEMENT – EXPENSES AND REVENUES FOR THE PERIOD 2 APRIL 2002 TO 30 JUNE 2003

	Industrial Relations	Information Technology	Government Business	Government Procurement	Not Attributable	Department of Commerce Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses						
Operating Expenses						
Employee related	3,847	2,043	41,663	9,683		78,832
Other operating expenses	1,446	5,374	31,600	18,082		65,561
Maintenance	39	153	466	30		688
Depreciation and amortisation	246	1,041	1,992	2,110		8,507
Grants and subsidies	3,165	11,451	–	–		20,917
Other expenses	–	–	123	–		492
Total Expenses	8,743	20,062	75,844	29,905		174,997
Retained Revenue						
Sale of goods and services	538	359	76,278	30,010		117,106
Investment income	13	277	307	65		1,349
Retained taxes, fees and fines	–	–	–	–		9,656
Grants and contributions	–	1,225	–	–		2,683
Other revenue	1	225	17,406	4,911		22,842
Total Retained Revenue	552	2,086	93,991	34,986		153,636
Gain/(loss) on disposal of non-current assets	(44)	(1)	(51)	(380)		(851)
NET COST OF SERVICES	8,235	17,977	(18,096)	(4,701)		22,212
Government contributions**	–	–	–	–	52,079	52,079
NET EXPENDITURE/(REVENUE) FOR THE YEAR	8,235	17,977	(18,096)	(4,701)	(52,079)	(29,867)
ADMINISTERED EXPENSES AND REVENUES						
Administered Expenses						
Transfer payments					87	90
Other						
Total Administered Expenses					87	90
Administered Revenues						
Transfer receipts					146	149
Consolidated Fund						
Taxes, fees and fines					23	11,924
Other					28	2,263
Total Administered Revenues					197	14,336
Administered Revenues Less Expenses					110	14,246

* The name and purpose of each program is summarised in Note 8.

** Appropriations are made on an agency basis and not to individual programs. Consequently, Government contributions must be included in the "Not Attributable" column.



SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES

	Recurrent Appropriation \$'000	Recurrent Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Capital Expenditure/ Net Claim on Consolidated Fund \$'000
Original Budget Appropriation/Expenditure				
■ Appropriation Act				
■ Additional Appropriations				
■ S21A PF&AA – special appropriation				
■ S24 PF&AA – transfers of functions between departments	43,678	32,129	17,432	14,439
■ S26 PF&AA – Commonwealth specific purpose payments				
	43,678	32,129	17,432	14,439
Other Appropriations/Expenditure				
■ Treasurer's Advance	3,300	3,300	150	–
■ Section 22 – expenditure for certain works and services				
■ Transfers to/from another agency (S25 of the Appropriation Act)				
	3,300	–	150	–
Total Appropriations/Expenditure/Net Claim on Consolidated Fund (includes transfer payments)	46,978	35,429	17,582	14,439
Amount drawn down against Appropriation		36,869		15,082
Liability to Consolidated Fund*	–	1,440		643

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

* The "Liability to Consolidated Fund" is the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure/Net Claim on Consolidated Fund".



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD 2 APRIL 2003 TO 30 JUNE 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Department of Commerce was established as a result of an administrative restructuring specified in the NSW Government Gazette No. 67 dated 2 April 2003, the constituent components being:

- Department of Public Works and Services;
- Department of Industrial Relations;
- Department of Fair Trading; and
- Office of Information Technology, transferred from Department of Information Technology and Management.

The Department of Commerce, as a reporting entity, comprises all the following operating branches and commercial activities:

Operating branches:

- Office of Industrial Relations;
- Office of Fair Trading;
- Office of Information and Communications Technology.

Commercial activities:

- Office of Government Business;
- Office of Government Procurement.

The reporting entity also includes NSW Government Telecommunications Authority (TELCO) which is controlled by the Department. TELCO holds 57% of the shares of the Australian Centre for Advanced Computing and Communications Pty Ltd (AC3) on behalf of the NSW Government. The remaining 43% shares are held by eight NSW based universities.

In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

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

(b) Basis of Accounting

The Department of Commerce's financial statements are a general purpose financial report which has been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views;
- the requirements of the *Public Finance and Audit Act* and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under Section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncements of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

Except for certain investments and land and building, plant and equipment and infrastructure systems, which are recorded at valuation, the financial statements are prepared in accordance with the historical cost convention.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Administered Activities

The Department of Commerce administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of the Department's own objectives.

Transactions and balances relating to the administered activities are not recognised as the Department's revenues, expenses, assets and liabilities, but are disclosed in the accompanying schedules as "Administered Revenues", "Administered Expenses", "Administered Assets" and "Administered Liabilities".

The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of the administered activities.



(d) Revenue Recognition

Revenue is recognised when the Department of Commerce has control of the good or right to receive, it is probable that the economic benefits will flow to the Department and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

(i) Parliamentary Appropriations and Contributions from Other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenues when the agency obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

The liability is disclosed in Note 19 as part of "Current Liabilities – Other". The amount will be repaid and the liability will be extinguished next financial year. Any liability in respect of transfer payments is disclosed in Note 27 "Administered Assets and Liabilities".

(ii) Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services ie user charges. User charges are recognised as revenue when the agency obtains control of the assets that result from them.

Sale of Goods

Sale of goods income is derived from the sale of products and services predominantly to New South Wales Government agencies and recognised when goods are delivered.

Rendering of Services

The Department provides services to clients on a fee for service basis. Major components of revenue from Fees include:

- Revenue earned through the sale of resources to clients. The main resources are employees who charge hours worked against activities on projects. Revenue is recognised when hours are charged to client projects within work in progress with final profit recognised at the completion of the project.
- Supply fees and income from corporate services are recognised as earned.
- Agency fees for management and sale of property for government departments and statutory bodies. The agency fee from the sale of property is recognised when all conditions of the sale have been satisfied.

Revenue is also earned from rendering of other services including mail services, advertising, printing and motor vehicle leasing, which are recognised when the services are provided.

(iii) Investment Income

Interest revenue is recognised as it accrues.

(e) Employee Benefits and Other Provisions

(i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and vesting sick leave are recognised and measured in respect of employees' services up to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled.

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

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

(ii) **Accrued Salaries and Wages – Reclassification**

As a result of the adoption of Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets", accrued salaries and wages and on-costs has been reclassified to "payables" instead of "provisions" in the Statement of Financial Position and the related note disclosures. On the face of the Statement of Financial Position and in the notes, reference is now made to "provisions" in place of "employee entitlements and other provisions". Total employee benefits (including accrued salaries and wages) are reconciled in Note 18 "Provisions".

(iii) **Long Service Leave and Superannuation**

The Department's liabilities for long service leave and superannuation for Office of Fair Trading, Office of Industrial Relations and Office of Best Practice Information Technology and Corporate Services are assumed by the Crown Entity.

Long service leave and superannuation liabilities for the commercial activities of the Department are funded by the Department and are not assumed by the Crown Entity.

Long service leave is measured on a short-hand basis. The short-hand method is based on the remuneration rates at year end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

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

State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Long Service Leave and Superannuation Liabilities Assumed by the Crown Entity

The agency accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long Service Leave and Superannuation Liabilities Funded by the Department

The cost of employee entitlements for long service leave, relating to the commercial operations of the Department, is met by the payment of a contribution based on salaries and wages to the NSW Treasury. The payment is made into the "Non-Budget Sector Long Service Leave Pool Scheme" and leave taken is reimbursed from the Scheme.

In accordance with AASB 1028 "Employee Entitlements" long service leave entitlements owing to employees at balance date have been recognised as current and non-current liabilities with the corresponding amounts reimbursable from the Crown Entity shown as current and non-current assets.

(iv) **Other Provisions**

Other provisions exist when the entity has a present legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events. These provisions are recognised when it is probable that a future sacrifice of economic benefits will be required and the amount can be measured reliably.

Any provisions for restructuring are recognised either when a detailed formal plan has been developed or will be developed within prescribed time limits and where the entity has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring.

**(f) Borrowing Costs**

Borrowing costs are recognised as expenses in the period in which they are incurred (except where they are included in the costs of qualifying assets).

(g) Insurance

The agency's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

(h) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

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

(i) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Department. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition (see also assets transferred as a result of an administrative restructure – Note (t)).

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the acquisition date. The discount rate used is the incremental borrowing rate, being the rate at which a similar borrowing could be obtained.

(j) Plant and Equipment

Following the formation of the new Department of Commerce in April 2003, the Department continued to apply the accounting policies of the former merged Departments. Therefore the accounting policies relating to Plant and Equipment varies between the operating branches of the Department. However, management considers that the variances in the policies have no material impact on the financial statements.

Plant and equipment are capitalised by the operating branches of the Department on the following basis:

Office of Fair Trading

Plant and equipment costing \$5,000 and above individually are capitalised. In addition, computer equipment costing in excess of \$4,000 and those items costing in excess of \$1,400 attached to one of the Office computer networks are also capitalised.

Office of Industrial Relations

Plant and equipment costing \$5,000 and above individually are capitalised. Computer equipment which forms part of the network is capitalised regardless of cost.

Office of Government Business and Office of Government Procurement

Plant and equipment costing \$2,000 and above individually are capitalised.

Office of Information and Communications Technology

Plant and equipment costing \$5,000 and above individually are capitalised. Individual items of computer equipment costing \$1,000 and above are capitalised when they form part of a network.

(k) Revaluation of Physical Non-Current Assets

Physical non-current assets are valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 03-02). This policy adopts fair value in accordance with AASB 1041 from financial years beginning on or after 1 July 2002. There is no substantive difference between the fair value valuation methodology and the previous valuation methodology adopted in the NSW public sector.

Where available, fair value is determined having regard to the highest and best use of the asset on the basis of current market selling prices for the same or similar assets. Where market selling price is not available, the asset's fair value is measured as its market buying price ie the replacement cost of the asset's remaining future economic benefits. The agency is a not for profit entity with no cash generating operations.

The Department's non-current assets are revalued with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. Details of revaluation of assets for the different Offices are as follows:

Office of Industrial Relations

The Department's non-current assets mainly comprises plant and equipment and it is considered that the book value of the assets equates to approximately the fair value.

Office of Fair Trading

Each class of physical non-current assets is revalued every five years. The last revaluation was completed on 30 June 2000 and was based on an independent assessment.

Office of Government Business and Office of Government Procurement

Land and buildings are revalued every three years. The last revaluation was completed by State Valuation Office in November 2002.

Office of Information and Communications Technology

Each class of physical non-current assets is revalued every five years. The last revaluation was completed in March 2003 and was based on an independent assessment.

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

When revaluating non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation is separately restated.

Otherwise, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(I) Depreciation of Non-Current Physical Assets

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

All material separately identifiable component assets are recognised and depreciated over their shorter useful lives, including those components that in effect represent major periodic maintenance.

The depreciation rates used for each class of assets are:

Buildings	2.5%
Motor vehicles	8.0% to 33.3%
Government Radio Network	10.0%
Mainframe computers	20.0%
Major computer systems	12.5%
Computer equipment	33.3%
Furniture and fittings	10.0% to 20.0%
Office equipment	20.0% to 33.3%
Other plant and equipment	4.0% to 33.3%

**(m) Maintenance and Repairs**

The costs of maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

(n) Leased Assets

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

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

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

(o) Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is calculated using the weighted average cost method.

(q) Other Financial Assets

"Other financial assets" are generally recognised at cost, with the exception of TCorp Hour-Glass Facilities and Managed Fund Investments, which are measured at market value.

For non-current "other financial assets", revaluation increments and decrements are recognised in the same manner as physical non-current assets (see paragraph (k)).

For current "other financial assets", revaluation increments and decrements are recognised in the Statement of Financial Performance.

(r) Trust Funds

The Department receives monies in a trustee capacity for various trusts as set out in Note 25. As the agency performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the agency's own objectives, these funds are not recognised in the financial statements.

(s) Other Assets

Other assets including prepayments are recognised on a cost basis.

(t) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies are designated as a contribution by owners by NSWTC 01/11 and are recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Urgent Issues Group Abstract UIG 38 "Contributions by Owners Made to Wholly Owned Public Sector Entities".

Transfers arising from an administrative restructure between Government Departments are recognised at the amount at which the asset was recognised by the transferor Government Department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

(u) Payables

The amounts represent liabilities for goods and services provided to the agency and other amounts, including interest. Interest is accrued over the period it becomes due.

(v) Taxation

Under the New South Wales Government Tax Equivalent Regime for Government trading enterprises, agreement has been reached that the accounting profit model should be used by the Department in the calculation of income tax equivalent.

This model applies the current rate of company tax and does not require tax effect accounting. Accordingly the requirements of AAS 3 "Accounting for Income Tax" are not applicable.

(w) Dividend

Dividends payable to the State Government have been calculated in accordance with the Government's Financial Distribution Policy and includes special dividends [refer Notes 18 and 20].

(x) Work in Progress

Australian Accounting Standard AAS 11 "Construction Contracts" requires the amount due from customers for contract work to be disclosed as an asset and the amount due to customers for contract work as a liability. Accordingly, amount due from customers is shown as Work in Progress in Current Assets and amount due to customers is shown as Advance Claims in Current Liabilities.

2. EXPENSES

(a) Employee Related Expenses

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Salaries and wages (including recreation leave)	69,085	68,796
Superannuation	3,466	3,445
Long service leave	2,982	2,982
Workers compensation insurance	790	790
Payroll tax and fringe benefits tax	1,918	1,911
Voluntary redundancy	813	813
Other	95	95
	79,149	78,832

**(b) Other Operating Expenses**

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Auditor's remuneration – audit of the financial reports	228	208
– Other services	55	55
Cost of sales	31,199	31,199
Advertising	885	885
Bad and doubtful debts	869	842
Operating lease rental expense – minimum lease payments	4,583	4,363
Insurance	875	875
Fees and charges	6,192	5,834
Postage and telephone	2,915	2,882
Printing, stationery and stores	1,426	1,422
Consultants	2,616	2,610
Books and periodicals	466	466
Motor vehicle expenses	228	228
Travel	871	864
Electricity and gas	207	195
Computer expenses	4,524	4,524
Minor equipment	1,565	1,565
Training	535	535
Government Radio Network expenses	2,611	2,611
Other	3,781	3,398
	66,631	65,561

(c) Depreciation and Amortisation Expense

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Buildings	85	85
Plant and equipment	8,395	8,204
	8,480	8,289
Amortisation of leasehold improvements	218	218
	8,698	8,507

(d) Grants and Subsidies

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Community Technology Centre	5,025	5,025
Workplace Employee Training	3,000	3,000
Subsidies to Fair Trading Admin Corporation	6,000	6,000
Connect.NSW	4,125	4,125
Other	2,767	2,767
	20,917	20,917

(e) Other Expenses

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Property services compensation claims	135	135
Other	357	357
	492	492

3. REVENUES**(a) Sale of Goods and Services**

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Sale of goods	13,332	13,332
Rendering of services		
– Project and asset management services	45,724	45,724
– Supply Fees	8,775	8,775
– Corporate services	6,605	6,605
– Mail Services	5,931	5,931
– Advertising	7,451	7,451
– Printing and information services	5,244	5,244
– Motor vehicle leasing	10,042	10,042
– Administrative assistance to other agencies	6,493	6,493
– Other services	8,086	7,509
	117,683	117,106

**(b) Investment Income**

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Interest on investments	792	792
Interest on bank accounts	589	557
	1,381	1,349

(c) Retained Taxes, Fees and Fines

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Motor Dealers compensation fees	208	208
Real estate license fees	255	255
Property services compensation fund	134	134
Statutory interest	6,537	6,537
Owner Builder Permit Fees	432	432
Fines/Penalties	34	34
Building Licensing Fees	2,056	2,056
	9,656	9,656

(d) Grants and Contributions

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Contribution from Rental Bond Board*	1,155	1,155
Other	1,602	1,528
	2,757	2,683

* The cost of running the residential tenancy function of the Consumer Trader and Tenancy Tribunal is split 50/50 by the Rental Bond Board and the Property Services Statutory Interest Fund. This grant reflects the Rental Bond Board's contribution to the cost of administering this function.

(e) Other Revenue

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Increase in prepaid superannuation (refer Note 6)	22,124	22,124
Discount received	60	60
Legal costs recovered	110	110
Other	570	548
	22,864	22,842

4. GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Gain/(loss) on disposal of plant and equipment		
Proceeds from disposal	835	835
Written down value of assets disposed	1,686	1,686
Net gain/(loss) on disposal of plant and equipment	(851)	(851)

5. APPROPRIATIONS

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Recurrent appropriations		
Total recurrent drawdowns from Treasury (per Summary of Compliance)	36,869	36,869
Less: Liability to Consolidated Fund (per Summary of Compliance)	1,440	1,440
	35,429	35,429
Comprising:		
Recurrent appropriations (per Statement of Financial Performance)	35,429	35,429
	35,429	35,429
Capital appropriations		
Total capital drawdowns from Treasury (per Summary of Compliance)	15,082	15,082
Less: Liability to Consolidated Fund (per Summary of Compliance)	643	643
	14,439	14,439
Comprising:		
Capital appropriations (per Statement of Financial Performance)	14,439	14,439
	14,439	14,439



6. INDIVIDUALLY SIGNIFICANT ITEMS

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Prepaid superannuation adjustment	22,124	22,124
	22,124	22,124

The Department's superannuation overprovided balance increased during the period April to June 2003 by \$22.1M. The increase in prepaid superannuation balance has been included in other revenue (refer Note 3(e)). Details of prepaid superannuation balance are disclosed in Note 13.

7. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

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

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Superannuation	1,147	1,147
Long service leave	997	997
Payroll tax	67	67
	2,211	2,211

8. PROGRAMS/ACTIVITIES OF THE AGENCY

1. Office of Fair Trading (OFT)

1.1 Fair Trading Strategy

This program includes the Division, Policy and Strategy (excluding the Funding Programs Branch).

Objectives: To develop and promote value and fairness in the New South Wales marketplace.

1.2 Marketplace Performance

This program includes the Divisions, Compliance and Standards (excluding the Trade Measurement Branch) and Legal Services.

Objectives: To detect, remedy and deter unfair trading practices.

1.3 Fair Trading Standards and Registers

This program includes the Divisions, Licensing and Registration Services and Home Building (excluding the Home Building Insurance Branch) and the Registry of Co-operatives and Associations.

Objectives: To maintain confidence in the marketplace through the provision of registration and licensing services.

1.4 Consumer and Trader Services

This program includes the Divisions, Customer Services and Property and Licensing (excluding mediation services provided by the Strata Schemes and Mediation Branch), the Home Building Insurance Branch of the Home Building Service, the Funding Programs Branch of the Policy and Strategy Division, the Trade Measurement Section of the Compliance and Standards Division, and REVS.

Objectives: To foster fairness and ethical trading in the marketplace.

1.5 Tribunals

This program includes the Consumer, Trader and Tenancy Tribunal and mediation services provided by the Strata Schemes and Mediation Services of the Property and Licensing Division.

Objectives: To ensure impartial forums for the resolution of marketplace disputes.

2. Office of Industrial Relations (OIR)

2.1 Industrial Relations

Activities under this program include the provision of industrial relations information and policy advice, inspections and regulation of New South Wales workplaces, hearings and adjudication of appeals against promotion and disciplinary decisions in the public sector.

Objectives: To ensure industrial laws in New South Wales are understood and complied with, and administration of the public sector appeals process.

3. Office of Information and Communications Technology (OICT)

3.1 Information Technology

This program has a focus on electronic government service delivery and incorporates the Corporate Services Reform Unit to reflect a shared services focus on implementation of Government-wide agendas for process improvement.

Objectives: To reduce the cost of and enhance the use of information and communication technology within and between Government, industry and the community.

4. Commercial Activities

The Office of Government Business and the Office of Government Procurement have been restructured from the former Department of Public Works and Services. Both Offices operate on a commercial basis.

4.1 Office of Government Business (OGB)

The Office of Government Business brings together the primarily contestable commercial services provided on a fee-for-service basis.

4.2 Office of Government Procurement (OGP)

The Office of Government Procurement brings together the procurement function and services as well as other functions which are mandated across the NSW Public Service.



Transfer of Programs

1) Office of Fair Trading

The Office was transferred from the Department of Fair Trading to the Department of Commerce as a consequence of a restructuring of administrative arrangements with effect from 2 April 2003. The following summarises the expenses and revenues of the various programs, recognised by the Office of Fair Trading for the operating period:

(a) Fair Trading Strategy

	01.07.02 to 01.04.03	02.04.03 to 30.06.03	2003 Total	2002 Total
	\$'000	\$'000	\$'000	\$'000
Expenses				
Operating expenses				
Employee related	4,409	1,448	5,857	5,889
Other operating expenses	1,864	579	2,443	2,737
Maintenance	–	–	–	–
Depreciation and amortisation	339	129	468	368
Grants and subsidies	1,150	453	1,603	886
Other expenses	7	11	18	119
Total Expenses	7,769	2,620	10,389	9,999
Retained Revenue				
Sale of goods and services	1,321	449	1,770	1,838
Investment income	2	3	5	99
Retained taxes, fees and fines	–	–	–	171
Grants and contributions	390	205	595	560
Other revenue	3	13	16	12
Total Retained Revenue	1,716	670	2,386	2,680
Gain/(loss) on disposal of non-current assets	–	–	–	–
Net Cost of Services	6,053	1,950	8,003	7,319

(b) Marketplace Performance

	01.07.02 to 01.04.03	02.04.03 to 30.06.03	2003 Total	2002 Total
	\$'000	\$'000	\$'000	\$'000
Expenses				
Operating expenses				
Employee related	9,981	3,170	13,151	11,909
Other operating expenses	3,181	1,343	4,524	4,809
Maintenance	–	–	–	–
Depreciation and amortisation	791	308	1,099	643
Grants and subsidies	2,567	943	3,510	1,847
Other expenses	111	113	224	352
Total Expenses	16,631	5,877	22,508	19,560
Retained Revenue				
Sale of goods and services	3,783	1,244	5,027	4,796
Investment income	5	6	11	218
Retained taxes, fees and fines	10	12	22	421
Grants and contributions	895	213	1,108	1,204
Other revenue	74	115	189	615
Total Retained Revenue	4,767	1,590	6,357	7,254
Gain/(loss) on disposal of non-current assets	–	1	1	–
Net Cost of Services	11,864	4,286	16,150	12,306

(c) Fair Trading Standards and Registers

Expenses				
Operating expenses				
Employee related	9,180	3,370	12,550	11,184
Other operating expenses	3,473	1,233	4,706	4,541
Maintenance	–	–	–	–
Depreciation and amortisation	1,146	458	1,604	1,195
Grants and subsidies	2,856	1,160	4,016	2,252
Other expenses	27	55	82	177
Total Expenses	16,682	6,276	22,958	19,349
Retained Revenue				
Sale of goods and services	5,287	1,749	7,036	7,001
Investment income	5	5	10	247
Retained taxes, fees and fines	1,214	432	1,646	1,985
Grants and contributions	948	225	1,173	1,367
Other revenue	36	31	67	38
Total Retained Revenue	7,490	2,442	9,932	10,638
Gain/(loss) on disposal of non-current assets	–	1	1	–
Net Cost of Services	9,192	3,833	13,025	8,711

**(d) Consumer and Trader Services**

	01.07.02 to 01.04.03	02.04.03 to 30.06.03	2003 Total	2002 Total
	\$'000	\$'000	\$'000	\$'000
Expenses				
Operating expenses				
Employee related	26,039	9,077	35,116	32,013
Other operating expenses	11,162	3,819	14,981	14,525
Maintenance	–	–	–	–
Depreciation and amortisation	4,661	1,744	6,405	4,074
Grants and subsidies	12,884	2,968	15,852	8,890
Other expenses	1,166	170	1,336	841
Total Expenses	55,912	17,778	73,690	60,343
Retained Revenue				
Sale of goods and services	12,045	5,251	17,296	18,005
Investment income	1,971	670	2,641	1,363
Retained taxes, fees and fines	23,487	9,212	32,699	24,728
Grants and contributions	3,174	440	3,614	3,701
Other revenue	86	116	202	125
Total Retained Revenue	40,763	15,689	56,452	47,922
Gain/(loss) on disposal of non-current assets	–	(377)	(377)	(6)
Net Cost of Services	15,149	2,466	17,615	12,427

(e) Tribunals

Expenses				
Operating expenses				
Employee related	13,522	4,531	18,053	16,566
Other operating expenses	5,486	2,085	7,571	7,691
Maintenance	–	–	–	–
Depreciation and amortisation	1,278	479	1,757	1,259
Grants and subsidies	2,112	777	2,889	1,693
Other expenses	20	20	40	86
Total Expenses	22,418	7,892	30,310	27,295
Retained Revenue				
Sale of goods and services	3,712	1,228	4,940	5,100
Investment income	6	3	9	202
Retained taxes, fees and fines	–	–	–	350
Grants and contributions	1,222	375	1,597	1,210
Other revenue	3	24	27	32
Total Retained Revenue	4,943	1,630	6,573	6,894
Gain/(loss) on disposal of non-current assets	–	–	–	–
Net Cost of Services	17,475	6,262	23,737	20,401

2) Office of Industrial Relations

The Office was transferred from the Department of Industrial Relations to the Department of Commerce as a consequence of a restructuring of administrative arrangements with effect from 2 April 2003. The following summarises the expenses and revenues, recognised by the Office of Industrial Relations for the operating period:

	01.07.02 to 01.04.03	02.04.03 to 30.06.03	2003 Total	2002 Total
	\$'000	\$'000	\$'000	\$'000
Expenses				
Operating expenses				
Employee related	10,956	3,847	14,803	17,547
Other operating expenses	3,861	1,446	5,307	5,826
Maintenance	115	39	154	305
Depreciation and amortisation	570	246	816	1,218
Grants and subsidies	346	3,165	3,511	1,322
Total Expenses	15,848	8,743	24,591	26,218
Retained Revenue				
Sale of goods and services	1,495	538	2,033	2,239
Investment income	41	13	54	72
Retained taxes, fees and fines	–	–	–	–
Grants and contributions	–	–	–	4,451
Other revenue	8	1	9	76
Total Retained Revenue	1,544	552	2,096	6,838
Gain/(loss) on disposal of non-current assets	46	(44)	2	(26)
Net Cost of Services	14,258	8,235	22,493	19,406



3) Office of Information and Communications Technology

The Office was transferred from the Department of Information Technology and Management to the Department of Commerce as a consequence of a restructuring of administrative arrangements with effect from 2 April 2003. The following summarises the expenses and revenues, recognised by the Office of Information Technology for the operating period:

	01.07.02 to 01.04.03	02.04.03 to 30.06.03	2003 Total	2002 Total
	\$'000	\$'000	\$'000	\$'000
Expenses				
Operating expenses				
Employee related	5,907	2,043	7,950	8,556
Other operating expenses	16,582	5,374	21,956	26,516
Maintenance	20	153	173	491
Depreciation and amortisation	3,257	1,041	4,298	5,346
Grants and subsidies	8,612	11,451	20,063	11,132
Total Expenses	34,378	20,062	54,440	52,041
Retained Revenue				
Sale of goods and services	5,959	359	6,318	14,359
Investment income	481	277	758	872
Grants and contributions	2,805	1,225	4,030	4,024
Other revenue	72	225	297	661
Total Retained Revenue	9,317	2,086	11,403	19,916
Gain/(loss) on disposal of non-current assets	(300)	(1)	(301)	(329)
Net Cost of Services	25,361	17,977	43,338	32,454

4) Office of Government Business & Office of Government Procurement

The Offices were transferred from the Department of Public Works and Services (DPWS) to the Department of Commerce as a consequence of a restructuring of administrative arrangements with effect from 2 April 2003. The following summarises the expenses and revenues, recognised by the Department of Public Works and Services for the operating period:

	DPWS 01.07.02 to 01.04.03	OGB 02.04.03 to 30.06.03	OGP 02.04.03 to 30.06.03	2003 Total	2002 Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses					
Operating expenses					
Employee related	242,022	41,663	9,683	293,368	270,746
Other operating expenses	137,007	31,600	18,082	186,689	182,146
Maintenance	781	466	30	1,277	789
Depreciation and amortisation	9,991	1,992	2,110	14,093	14,023
Borrowing costs	–	–	–	–	291
Other expenses	–	123	–	123	–
Total Expenses	389,801	75,844	29,905	495,550	467,995
Retained Revenue					
Sale of goods and services	313,751	76,278	30,010	420,039	397,333
Investment income	1,207	307	65	1,579	889
Other revenue	298	17,406	4,911	22,615	3,564
Total Retained Revenue	315,256	93,991	34,986	444,233	401,786
Gain/(loss) on disposal of non-current assets	(1,149)	(51)	(380)	(1,580)	(483)
Net Cost/(Surplus) of Services	75,694	(18,096)	(4,701)	52,897	66,692

9. CURRENT ASSETS – CASH

	Consolidated 2003 \$'000	Department of Commerce 2003 \$'000
Cash at bank and on hand	186,468	183,617
Cash Facility	8	8
Cash Plus Facility	967	967
	187,443	184,592

For the purposes of the Statement of Cash Flows, cash includes cash on hand, cash at bank, Cash Facility and Cash Plus Facility.

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

Cash (per Statement of Financial Position)	187,443	184,592
Closing cash and cash equivalents (per Statement of Cash Flows)	187,443	184,592



10. CURRENT ASSETS – RECEIVABLES

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Sale of goods and services	114,843	114,529
Retained taxes, fees and fines	10,727	10,727
Accrued bank interest	1,526	1,526
Administrative assistance due	1,649	1,649
Long service leave reimbursable by the Crown Entity	6,210	6,210
Work in Progress*	64,782	64,782
Other	14,750	14,717
	214,487	214,140
Less: Provision for doubtful debts		
Motor Dealers' Compensation Fund	2,186	2,186
Property Services Compensation Fund	5,737	5,737
Other	1,485	1,485
	205,079	204,732

* Work in Progress

The Department of Commerce acts as principal in the contract for construction works undertaken for clients. The role of the Department includes the payment of contractors on the clients' behalf.

Work in progress represents the cost of all works in progress less progress billings received from clients and is net of a provision for uncollectable work in progress of \$20.2M. At 30 June 2003, work in the ground was valued at \$78.6M and this accrual is reflected in current liabilities [refer Note 17].

The contract conditions allow the Department to require performance bonds from the contractors in the form of cash deposit, unconditional bank guarantee or insurance bonds to cover the Department against losses that may arise from uncompleted or faulty jobs.

Australian Accounting Standard AAS11 "Construction Contracts" requires the amount due from customers for contract work to be disclosed as an asset (Work in Progress) and the amount due to customers for contract work as a liability (Advance Claim). The Standard also requires disclosure of the aggregate of contract costs and aggregate of consideration received and receivable as progress billings. Gross Work in Progress and billings to date are as follows:

	2003 \$'000
Gross work in progress as at 30 June	5,245,669
Billings to date	5,160,658
Net work in progress	85,011
Provision for uncollectable work in progress	(20,229)
Work in progress as per Statement of Financial Position	64,782

Under the security of payment legislation, General Conditions of Contract AS 2124 and C21 contracts, there are specific conditions relating to the payment of contractor claims for work completed. Penalties for failure to adhere to these conditions include payment of interest. To ensure contractual payment obligations are met, agreements have been made for major clients to pay according to a monthly cash flow determined on the basis of client funds being lodged in the DPWS bank account to facilitate the payment of contractors claims. The Standard requires advances received from clients to be disclosed as a liability. Advance claims shown in the Statement of Financial Position as a current liability are as follows:

	2003
	\$'000
Advance Claims as per Statement of Financial Position (refer Note 17)	<u>104,718</u>

Cash received against advance claims is estimated to be \$47M as at 30 June 2003.

11. CURRENT ASSETS – INVENTORIES

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Finished Goods		
At cost	8,775	8,775
	<u>8,775</u>	<u>8,775</u>

12. CURRENT ASSETS – OTHER FINANCIAL ASSETS

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
TCorp – Hour-Glass investment facilities	25,076	25,076
	<u>25,076</u>	<u>25,076</u>

13. OTHER – CURRENT ASSETS

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Prepaid superannuation	90,913	90,913
Other prepayments	3,177	3,141
	<u>94,090</u>	<u>94,054</u>



Prepaid Superannuation

Superannuation liabilities relating to the commercial operations are fully funded by the Department and surplus/(deficit) is carried in the Department's Statement of Financial position. Details of the Superannuation Schemes are as follows:

- State Superannuation Scheme (SSS);
- State Authorities Superannuation Scheme (SASS);
- State Authorities Non Contributory Superannuation Scheme (SANCS);
- First State Super Scheme (FSS);
- Public Sector Executives Superannuation Scheme (PSESS).

For FSS and PSESS employee contributions are fully funded and vested to individual officers.

The assessed liability for the Department at 30 June 2003 and funds held in the reserve accounts at the Pillar Administration (including accrued interest) are:

	Reserve Balance 2003	Assessed Liability 2003	(Over) Under Provided 2003
	\$'000	\$'000	\$'000
SANCS	24,890	24,213	(677)
SSS	520,090	429,854	(90,236)
SASS	48,321	51,306	2,985
	593,301	505,373	(87,928)

The 2003 assessment of SANCS, SASS and SSS is based on the requirements of AAS 25 "Financial Reporting by Superannuation Plans". This requires that a "market determined risk adjustment discount rate" be applied to the valuation interest rate in the calculation of the value of accrued benefits. The financial assumptions that have been applied for the calculations are:

	2003/04 % pa	2004/05 % pa	2005/06 % pa
Rate of Investment Return	7.0	7.0	7.0
Rate of Salary Increase	4.0	4.0	4.0
Rate of Increase in CPI	2.5	2.5	2.5

Assumptions with regard to rates of mortality, resignation, retirement and other demographics are those used for the 2003 triennial valuation.

During 2000/01 the former DPWS was granted a "superannuation contribution holiday" in respect of contributions, excluding Senior Executive Service employees, to the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS). The contribution holiday was extended in 2001/02 and 2002/03 by the SAS Trustees Corporation for the respective financial years.

14. NON CURRENT ASSETS – OTHER FINANCIAL ASSETS

	Consolidated 2003 \$'000	Department of Commerce 2003 \$'000
Shares	455	-
	455	-



15. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Land and Buildings		
At fair value	38,650	38,650
Less: Accumulated depreciation	–	–
	38,650	38,650
Plant and Equipment		
At fair value	239,088	235,014
Less: Accumulated depreciation	103,987	101,595
	135,101	133,419
Leasehold Improvements		
At fair value	6,507	6,507
Less: Accumulated depreciation	3,111	3,111
	3,396	3,396
Total Property, Plant and Equipment At Net Book Value	177,147	175,465

Reconciliation

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year is set out below:

	Land and Buildings	Plant and Equipment	Leasehold Improvements	Total
	\$'000	\$'000	\$'000	\$'000
2003 – Consolidated				
Carrying amount at 2 April 2003	32,514	100,738	3,246	136,498
Additions	–	44,333	405	44,738
Disposals	(74)	(1,575)	(37)	(1,686)
Acquisitions through administrative restructures				
Net revaluation increment less revaluation decrements	6,295			6,295
Depreciation expense	(85)	(8,395)	(218)	(8,698)
Carrying amount at end of year	38,650	135,101	3,396	177,147

16. NON CURRENT ASSETS – OTHER

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Long service leave recoverable from Treasury	58,317	58,317
Other	1,607	1,594
	59,924	59,911



17. CURRENT LIABILITIES – PAYABLES

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Accrued salaries, wages and on-costs	11,287	11,287
Trade creditors	71,796	71,602
Advance Claims	104,718	104,718
Amounts due to contractors for work in progress	78,624	78,624
Interest	190	190
Telephone services rebate	7,455	7,455
Other	5,877	5,418
	279,947	279,294

18. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Current Provisions		
Employee benefits and related on-costs		
Recreation leave	24,027	23,942
Long service leave	5,766	5,766
Payroll tax	354	354
	30,147	30,062
Other Provisions		
Provision for outstanding claims	2,800	2,800
	2,800	2,800
Total Current Provisions	32,947	32,862
Non Current Provisions		
Employee benefits and related on-costs		
Recreation leave	380	380
Long service leave	57,990	57,990
Payroll tax	5,592	5,592
	63,962	63,962
Total Non-Current Provisions	63,962	63,962
Aggregate employee benefits and related on-costs		
Provisions – current	30,147	30,062
Provisions – non-current	63,962	63,962
Accrued salaries, wages and on-costs (Note 17)	11,287	11,287
Employer contribution for superannuation	2,985	2,985
	108,381	108,296



	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Movements in other provisions		
Movements in each class of provision during the financial year, other than employee benefits are set out below:		
Provision for Income Tax		
Carrying amount as at 2 April 2003	94	94
Reductions in provisions from remeasurement or settlement without cost	94	94
Carrying amount at end of financial year	–	–
Provision for Dividend		
Carrying amount as at 2 April 2003	125	125
Reductions in provisions from remeasurement or settlement without cost	125	125
Carrying amount at end of financial year	–	–
Provision for Outstanding Claims		
Carrying amount as at 2 April 2003	2,800	2,800
Carrying amount at end of financial year	2,800	2,800

19. CURRENT/NON-CURRENT LIABILITIES – OTHER

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Current Liabilities		
Liability to Consolidated Fund	2,083	2,083
Employer contribution for superannuation	2,985	2,985
Real Estate licenses prepaid	673	673
Other creditors and accruals	343	56
	6,084	5,797
Non Current Liabilities		
Entertainment Industry Interim Council Securities held	168	168
Other	29	–
	197	168



20. CHANGES IN EQUITY

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
<u>Balance as at 2 April 2003</u>		
Accumulated funds	329,942	325,083
Asset revaluation reserve	9,058	9,058
Total	339,000	334,141
<u>Changes in equity – transactions with owners as owners</u>		
Reversal of provision for dividend	125	125
<u>Changes in equity – other than transactions with owners as owners</u>		
Surplus for period ending 30 June 2003	29,432	29,961
Increment on revaluation of land and buildings	6,295	6,295
Total	35,727	36,256
<u>Total equity as at 30 June 2003</u>		
Accumulated funds	359,499	355,169
Asset revaluation reserve	15,353	15,353
Total	374,852	370,522

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Department's policy on the 'Revaluation of Physical Non-Current Assets' and 'Investments', as discussed in Note 1.

21. INCREASE/DECREASE IN NET ASSETS FROM EQUITY TRANSFERS

Following is a summary of assets and liabilities transferred to the Department of Commerce on 2 April 2003. Details of the programs transferred are set out in Note 8.

	OFT	OIR	OICT	OGB & OGP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	27,548	601	17,696	31,963	77,808
Current receivables	6,723	549	8,005	158,463	173,740
Other current assets	26,713	–	6	169,895	196,614
Plant and equipment	27,305	4,826	23,576	80,791	136,498
Other non-current assets	–	–	–	59,413	59,413
Total assets	88,289	5,976	49,283	500,525	644,073
Accounts Payable	5,719	606	18,642	106,277	131,244
Other current liabilities	8,716	1,338	1,732	104,054	115,840
Non-current liabilities	1,073	152	370	61,253	62,848
Total Liabilities	15,508	2,096	20,744	271,584	309,932
Net assets transferred	72,781	3,880	28,539	228,941	334,141



22. COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Aggregate capital expenditure for the acquisition of Information Technology equipment and office equipment contracted for at balance date and not provided for:		
Not later than one year	3,559	3,559
Later than one year and not later than five years	–	–
Later than five years	–	–
Total (including GST)	3,559	3,559

(b) Other Expenditure Commitments

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Aggregate other expenditure for the acquisition of office supplies and grant payments contracted for at balance date and not provided for:		
Not later than one year	931	862
Later than one year and not later than five years	–	–
Later than five years	–	–
Total (including GST)	931	862

(c) Operating Lease Commitments

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	33,418	33,361
Later than one year and not later than five years	71,371	71,177
Later than five years	3,480	3,480
Total (including GST)	108,269	108,018

The Department has entered into operating lease agreements with Government agencies and private companies for provision of accommodation, motor vehicles, computers and plant and equipment for the Department's use.



Property Leases

Accommodation leases are entered into with the Crown Property Portfolio and private sector companies. The term of accommodation leases range from 2 to 5 years with the option for renewal for further terms. The lease agreement allows the lessor to review rents on specified dates. There is no option for the purchase of buildings at the expiry of the lease term. Recurrent outgoings including cleaning, electricity, rates, management fee and public liability insurance is the responsibility of the Department and all repairs and maintenance of a structural or capital nature is the responsibility of the lessor.

Motor Vehicle Leases

Motor vehicles for the Department's use are leased from StateFleet Services (a business unit of the Department of Commerce) under the New South Wales Government motor vehicle leasing arrangement with Macquarie Bank Limited. StateFleet Services is the fleet manager of the NSW Government for this facility. The motor vehicles are generally leased for a period of up to 36 months and are returned to the lessor on the expiry of the lease term. The cost of maintaining the vehicle including fuel and repair and maintenance is the responsibility of the Department of Commerce.

Penalties are applicable for return of vehicles either more than 3 months prior to or more than 3 months later than the lease expiry date. There is no option for purchase of the motor vehicles on expiry of the lease term.

Computer Leases

The Department leases standard personal computers from private sector agencies under the NSW Government IT Master Leasing Agreement. The lease term is 3 years and the computers are returned to the lessor on the expiry of the term. Early termination fee is payable for termination of the contract before the expiry of the contract term. There is no option for the purchase of computers at the expiry of the lease term.

Equipment Leases

The Department leases equipment, including document reproduction machines and scanning machines, from private sector companies. The lease term is generally 5 years with the option for renewal for further term. Early termination fee is applicable for termination of the contract before the expiry of the contract term. There is no option for the purchase of equipment at the expiry of the lease term.

The total commitments above includes input tax credits of \$10.3M that are expected to be recoverable from the Australian Taxation Office.



23. CONTINGENT LIABILITIES

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Contingent liabilities		
Estimated legal liability	294	294
	<u>294</u>	<u>294</u>

The Department is currently involved in 6 legal case where costs have been awarded against it. It is estimated that these costs may total \$294,000.

24. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Net cash used on operating activities	(150,324)	(150,955)
Cash Flows from Government/Appropriations	52,846	52,846
Acceptance by the Crown Entity of employee benefits and other liabilities	1,390	1,390
Depreciation	8,698	8,507
Provision for doubtful debts	869	842
(Decrease)/increase in provisions	7,055	6,998
(Increase)/decrease in Work in Progress	23,322	23,322
(Increase)/decrease in prepayments and other assets	16,915	16,570
Increase/(decrease) in advance billings	35,892	35,892
Increase/(decrease) in creditors	25,682	25,949
Net loss/(gain) on sale of plant and equipment	851	851
Net cost of services	<u>23,196</u>	<u>22,212</u>

25. TRUST FUNDS

The Department holds money in a Miscellaneous Trust Fund which is used for payments to Funeral Fund claimants. These monies are excluded from the financial statements as the Department cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust account:

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Funeral Fund		
Cash balance as at 2 April 2003	112	112
Add: Receipts	-	-
Less: Expenditure	-	-
Cash balance as at 30 June 2003	<u>112</u>	<u>112</u>



26. SPECIAL PURPOSE FUNDS ADMINISTERED BY THE DEPARTMENT

	Motor Dealers Compensation Fund	Property Services Compensation Fund	Statutory Interest Account	Home Building Administration Fund
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2002	1,663	24,678	14,901	1,260
Receipts	441	3,079	25,785	6,289
Expenditure – Administrative	(389)	(2,060)	(21,398)	(2,886)
Expenditure – Capital	–	(117)	(2,149)	(1,658)
Balance as at 30 June 2003	1,715	25,580	17,139	3,005

The Motor Dealers Act 1974 established the Motor Dealers Compensation Fund to provide protection to persons who have suffered a loss in connection with a motor vehicle through their dealings with a motor dealer or a car-market operator. Licensing fees paid by full dealers and car-market operators finance the fund. Claims are usually made on the fund when a motor dealer ceases to trade either on a voluntary basis or a forced closure.

The Property, Stock and Business Agents Act 1941 established the Property Services Compensation Fund which is supported by:

- (i) investment income earned on the investments of the fund;
- (ii) contributions or levies paid by licensees; and
- (iii) other lawful receipts.

Money in the Compensation Fund is applied to:

- (i) payment of claims, as provided by the Act;
- (ii) legal expenses in relation to claims, licensing objections and complaints for cancellation, incurred in relation to the Fund;
- (iii) the expense involved in the administration of the Fund; and
- (iv) other lawful expenses.

The Statutory Interest Account is supported, under Sections 36AC and 63D of *the Property, Stock and Business Agents Act 1941*, by interest earned on trust money held by agents and investments made by the Department.

The Statutory Interest money is applied to:

- (i) Schemes for establishing and conducting courses leading to license qualifications prescribed by the Act and educational meetings organised by or for the Department for licensees;
- (ii) trustee status housing programs;
- (iii) the payment to the Department for expenses of the collection of interest and investment administered under Sections 36D and 36AC of the Act; and
- (iv) meeting half the costs, charges and expenses of the Tenancy Advice and Advocacy Program and the residential tenancy functions of the Consumer Trader and Tenancy Tribunal and the full costs, charges and expenses of the Strata Schemes and Mediation Service.

The Home Building Administration Fund is supported by:

- (i) prescribed fees for contractor licences, registration certificates, owner-builder permits and building consultancy licences;
- (ii) investment income earned on the investments of the Fund; and
- (iii) other lawful receipts.

Money in the Home Building Administration Fund is applied to:

- (i) meeting the costs of operating the scheme;
- (ii) meeting the costs of administering the *Home Building Act 1989*; and
- (iii) the making of any authorised investments.

27. ADMINISTERED ASSETS AND LIABILITIES

	Consolidated 2003 \$'000	Department of Commerce 2003 \$'000
Administered Assets		
Receivables	5,180	5,180
Other	28	28
Total Administered Assets	5,208	5,208
Administered Liabilities		
Liability to Consolidated Fund	28	28
Total Administered Liabilities	28	28

28. ADMINISTERED REVENUE AND EXPENSES

(a) Public Monies

	Consolidated 2003 \$'000	Department of Commerce 2003 \$'000
Balance as at 2 April 2003	7	7
Add: Receipts	81	81
Less: Payments	81	81
Balance as at 30 June 2003	7	7

(b) Unclaimed Wages

Balance as at 2 April 2003	27	27
Add: Receipts	65	65
Less: Payments*	34	34
Balance as at 30 June 2003	58	58

* Of this amount, \$0.028M was transferred to NSW Treasury under Section 14 of the Public Finance and Audit Act 1983.

(c) Crown Revenue

Receipts		
Certificate and Licences	19	19
Fines and Fees	4	4
Motor vehicle lease fee	30,471	30,471
	30,494	30,494



29. ADMINISTERED REVENUE AND EXPENSES – DEBTS WRITTEN OFF

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Business Name Registration	30	30
	30	30

30. ADMINISTERED REVENUE AND EXPENSES – SCHEDULE OF UNCOLLECTED AMOUNTS

Schedule of Uncollected Amounts

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Home building fees	59	59
Business registrations	7	7
Trade measurement	34	34
Total Administered Assets	100	100

Aged Analysis of Administered Receivables

Current	5,121	5,121
Between 30 days and 59 days old	2	2
Between 60 days and 89 days old	57	57
Over 90 days old	–	–
Total Administered Assets	5,180	5,180

31. FINANCIAL INSTRUMENTS

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate adjusted for a management fee to Treasury.

Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on 30 day terms.

Bank Overdraft

The Department does have a bank overdraft facility of \$45M.

Trade Creditors and Accruals

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. There were no penalty interest payments during the year.

Hour-Glass Investment Facilities

The Department has investments in TCorp's Hour-Glass Investment facilities. The Department's investments are represented by a number of units in managed investments within the facilities. Each facility has different investment horizons and comprises a mix of asset classes appropriate to that investment horizon. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

The Department's investments are:

	Consolidated	Department of Commerce
	2003	2003
	\$'000	\$'000
Cash Facility	8	8
Cash Plus Facility	967	967
Bond Market Facility	25,076	25,076
	26,051	26,051

These investments are generally able to be redeemed with up to five business days notice (dependent upon the facility). The value of the investments held can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit risk exposure is the net fair value. The value of the above investments represents the Department's share of the value of the underlying assets of the facility and is stated at net fair value.

32. AFTER BALANCE DATE EVENTS**Office of the Minister for Public Works and Services**

The Office of the Minister for Public Works and Services has been abolished as at 30 June 2003 and all assets and liabilities have been transferred to the Department of Commerce with effect from 1 July 2003.

StateFleet Services' Motor Vehicle Leasing Arrangements

The Government motor vehicle leasing facility with Macquarie Bank Limited, Commonwealth Bank of Australia and Banque Nationale de Paris expired for new vehicle acquisitions in June 2003. A new facility "StateFleet Lease Arrangement" commenced in July 2003 to finance all new motor vehicles delivered after 1 July 2003. The existing arrangements, under the previous leasing facility, will continue until all the motor vehicles under this facility are disposed of. Under the new model, the Department of Commerce will finance the purchase of motor vehicles through borrowings from NSW Treasury Corporation. It is estimated that the total cost of motor vehicle purchases under the new facility, over the next five years, will be in the order of \$500M.

END OF AUDITED FINANCIAL STATEMENTS

GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

Office of the Minister for Public Works and Services

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Office of the Minister for Public Works and Services:

- (a) presents fairly the Office's financial position as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 45E of the *Public Finance and Audit Act 1983* (the Act).

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

The Director-General's Role

The financial report is the responsibility of the Director-General of the Department of Commerce. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows, the summary of compliance with financial directives and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Director-General in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Director-General had failed in her reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Office of the Minister for Public Works and Services,
- that it has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.



Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

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

P Carr FCPA
Director of Audit

SYDNEY
22 October 2003

OFFICE OF THE MINISTER FOR PUBLIC WORKS AND SERVICES FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003 STATEMENT BY AGENCY HEAD

Pursuant to Section 45F of the Public Finance and Audit Act 1983, I state that:

- a) The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit Regulation 2000, the Treasurer's Directions and the Financial Reporting Code for Budget Dependent General Government Sector Agencies.
- b) The financial statements exhibit a true and fair view of the financial position and transactions of the Office of the Minister for Public Works and Services.
- c) There are not any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Kate McKenzie
Director-General
Department of Commerce
17 October 2003



Office of the Minister for Public Works and Services

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

		Actual 2003	Budget 2003	Actual 2002
	Notes	\$'000	\$'000	\$'000
Expenses				
Operating expenses				
Employee related	2(a)	735	908	763
Other operating expenses	2(b)	536	529	577
Depreciation and amortisation	2(c)	79	96	79
Other expenses	2(d)	30,253	29,574	40,552
Total Expenses		31,603	31,107	41,971
Less:				
Retained Revenue				
Investment income	3(a)	174	170	138
Other revenue	3(b)	–	–	130
Total Retained Revenue		174	170	268
(Loss) on disposal of non-current assets	4	(316)	–	–
Net Cost of Services	23	31,745	30,937	41,703
Government Contributions				
Recurrent appropriation (net of transfer payments)	5	30,002	30,914	39,367
Capital appropriation		10	10	29
Acceptance by the Crown Entity of employee entitlements and other liabilities	6	45	40	55
Total Government Contributions		30,057	30,964	39,451
SURPLUS/(DEFICIT) FOR THE YEAR FROM ORDINARY ACTIVITIES		(1,688)	27	(2,252)
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		–	–	–
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		(1,688)	27	(2,252)

The accompanying notes form part of these statements.



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Notes	Actual 2003 \$'000	Budget 2003 \$'000	Actual 2002 \$'000
ASSETS				
Current Assets				
Cash	9	1,723	878	765
Receivables	10	134	82	82
Inventories	11	138	272	272
Prepayments	12	–	29	29
Other	13	–	1,408	1,408
Total Current Assets		1,995	2,669	2,556
Non-Current Assets				
Plant and equipment	14	–	270	356
Inventories	15	6,580	6,619	6,619
Total Non-Current Assets		6,580	6,889	6,975
Total Assets		8,575	9,558	9,531
LIABILITIES				
Current Liabilities				
Payables	16	3	49	49
Provisions	17	–	47	47
Other	18	825	–	–
Total Current Liabilities		828	96	96
Total Liabilities		828	96	96
Net Assets		7,747	9,462	9,435
EQUITY				
Accumulated funds	19	7,747	9,462	9,435
Total Equity		7,747	9,462	9,435

The accompanying notes form part of these statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	Actual 2003	Budget 2003	Actual 2002
Notes	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related	(737)	(868)	(708)
Other	(29,322)	(30,103)	(38,813)
Total Payments	(30,059)	(30,971)	(39,521)
Receipts			
Interest received	136	170	149
Other	54	–	201
Total Receipts	190	170	350
Cash Flows from Government			
Recurrent appropriation	30,827	30,914	39,367
Capital appropriation	10	10	29
Cash transfers to the Consolidated Fund	–	–	(38)
Net Cash Flows from Government	30,837	30,924	39,358
NET CASH FLOWS FROM OPERATING ACTIVITIES	968	123	187
23			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment	(10)	(10)	–
NET CASH FLOWS FROM INVESTING ACTIVITIES	(10)	(10)	–
NET INCREASE/(DECREASE) IN CASH			
Opening cash and cash equivalents	765	765	578
CLOSING CASH AND CASH EQUIVALENTS	1,723	878	765
9			

The accompanying notes form part of these statements.



SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES FOR THE YEAR ENDED 30 JUNE 2003

	2003				2002			
	Recurrent Appropriation	Expenditure/ Net Claim on Consolidated Fund	Capital Appropriation	Expenditure/ Net Claim on Consolidated Fund	Recurrent Appropriation	Expenditure/ Net Claim on Consolidated Fund	Capital Appropriation	Expenditure/ Net Claim on Consolidated Fund
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Original Budget Appropriation/Expenditure								
■ Appropriation Act	30,999	30,044	10	10	39,042	39,032	29	29
	30,999	30,044	10	10	39,042	39,032	29	29
Other Appropriations/ Expenditure								
■ Treasurer's Advance	–	–	–	–	510	510	–	–
■ Section 22 – expenditure for certain works and services	–	–	–	–	–	–	–	–
	–	–	–	–	510	510	–	–
Total Appropriations/ Expenditure/Net Claim on Consolidated Fund (incl. transfer payments)	30,999	30,044	10	10	39,552	39,542	29	29
Amount drawn down against Appropriation		30,869		10		39,452		29
Liability to Consolidated Fund*		825		–		–		–

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed).

* This represents the difference between the "Amount drawn down against Appropriations" and "Total Expenditure/Net Claim on Consolidated Fund".

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Office of the Minister for Public Works and Services, as a reporting entity, comprises the operating activities of the Minister's Office and the appropriation of Consolidated Fund allocations for Risk Management and Policy Development for Government.

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

From 1 July 2003, the Office's only program 'Risk Management and Policy Development' will be the responsibility of the Department of Commerce. The Office has not received any appropriations from consolidated fund for 2003–04.

(b) Basis of Accounting

The Office's financial statements are a general purpose financial report that have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views;
- the requirements of the *Public Finance and Audit Act* and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncements of the AASB or UIG Consensus Views, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

The financial statements are prepared in accordance with the historical cost convention. Plant and equipment are recorded at book values, and management considers that these are a surrogate for fair value. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

The accounting policies adopted are consistent with those of the previous year.

(c) Administered Activities

The Office administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion to deploy the resources for the achievement of the Office's own objectives.

Transactions and balances relating to the administered activities are not recognised as the Office's revenues and expenses, but are disclosed in the Note 24 as "Administered Revenues" and "Administered Expenses".

The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of the administered activities.

(d) Revenue Recognition

Revenue is recognised when the Office has control of the good or right to receive, it is probable that the economic benefits will flow to the Office and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

(i) Parliamentary Appropriations and Contributions from Other Bodies

Parliamentary appropriations are generally recognised as revenues when the agency obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are now accounted for as liabilities rather than revenue.

The liability is disclosed in Note 18 as part of "Other current liabilities".

(ii) Investment Income

Interest revenue is recognised as it accrues.

(e) Employee Entitlements**(i) Salaries, Annual Leave, Sick Leave and On-Costs**

Liabilities for salaries and wages (including non-monetary benefits), annual leave and vesting sick leave are recognised and measured in respect of employees' services up to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled.

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

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

(ii) Long Service Leave and Superannuation

The agency's liabilities for long service leave and superannuation are assumed by the Crown Entity. The agency accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of Employee Benefits and other Liabilities".

Long Service Leave is measured on a short hand basis. The short hand method is based on the remuneration rates at year-end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

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

(f) Insurance

The agency's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

(g) Accounting for the Goods and Services Tax (GST)

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

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

(h) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Office. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

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

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

(i) Plant and Equipment

Plant and equipment costing \$2,000 and above individually are capitalised. All plant and equipment were transferred to the private office of the Minister for Health as at 30 June 2003.

(j) Depreciation/Amortisation of Non-Current Physical Assets

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each depreciable asset as it is consumed over its useful life to the entity. The cost of leasehold improvements were amortised over the term of the lease up to the date of disposal.

(k) Leased Assets

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

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

(l) Inventories

Inventories comprise stocks of sandstone and are stated at the weighted average cost method. Because of its nature and use, no inventory has been valued at net realisable value.

(m) Financial Instruments

Financial instruments give rise to positions that are financial assets or liabilities (or equity instruments) of either the Office or its counterparties. These include Cash at Bank, Receivables and Payables. Classes of instruments are recorded at cost and are carried at net fair value.

(i) Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation 11am unofficial cash rate adjusted for a management fee to Treasury, 3.62% in 2002/03 (3.52% in 2001/02). The Office does not have any bank overdraft facility.

(ii) Receivables

All debtors are recognised as amounts receivable at balance date. Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on debtors. The carrying amount approximates net fair value.

(iii) Creditors and Accruals

All liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Treasurer's Direction 219.01 allows the Minister to award interest for late payments. No interest was applied during the year.

(n) Budgeted Amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations.

The budgeted amounts in the Statement of Financial Performance and the Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Statement of Financial Position, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on the carried forward actual amounts, ie per the audited financial statements (rather than carried forward estimates).

(o) Comparatives

Where necessary previous year figures have been reclassified to facilitate comparison.

(p) Program Statement

A Program Statement has not been prepared as the Office has only one program (refer to note 8). Details of the Office's expenses and revenues are already available in the Statement of Financial Performance. Details of transfer payments are included in Note 7.



2. EXPENSES

	2003 \$'000	2002 \$'000
(a) Employee related expenses comprise the following specific items:		
Salaries and wages (including recreation leave)	630	658
Superannuation	42	34
Workers' compensation insurance	5	3
Long service leave	–	19
Payroll tax and fringe benefits tax	58	49
	735	763
(b) Other operating expenses		
Operating lease rental expense	383	404
Travel and motor vehicles	61	30
Printing and stationery	9	8
Postage and telephones	32	18
Auditor's remuneration		
– audit of the financial reports	18	18
Insurance	4	–
Other	29	99
	536	577
(c) Depreciation and amortisation expense		
Amortisation – Leasehold improvements at GMT	79	79
	79	79
(d) Other expenses		
Stoneworks program	4,500	4,250
Cost of stones used	733	771
Public buildings	172	197
Parliament House maintenance	2,173	2,562
Government House maintenance	870	974
Parramatta government property strategy	1,390	1,430
Government property information system	140	375
CBD core accommodation strategy	1,408	11,294
IT master lease facility	–	153
Construction industry development	2,421	3,297
Information services	2,345	2,192
Procurement risk management	5,911	5,336
Regulatory compliance	859	754
Specialist policy advice and investigations	3,685	4,221
Total asset management	300	450
Whole of government procurement & purchasing	3,346	2,296
	30,253	40,552

3. REVENUES

	2003 \$'000	2002 \$'000
(a) Investment income		
Interest	174	138
(b) Other revenue		
Sale of stone*	–	130

* Represents sale of stone (at cost) to the former Department of Public Works and Services.

4. (LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

	2003 \$'000	2002 \$'000
Proceeds from disposal	0	–
Written down value of assets disposed	316	–
(Loss) on disposal of non-current assets	(316)	–

Leasehold improvement and equipments at the Governor Macquarie Tower private office was disposed due to changes in ministerial portfolio. These assets are no longer controlled by the Office.

5. APPROPRIATIONS

	2003 \$'000	2002 \$'000
Total recurrent drawdowns from Treasury (per summary of compliance)	30,869	39,452
Less: Liability to Consolidated Fund (per summary of compliance)	(825)	–
Total	30,044	39,452
Comprising:		
Recurrent appropriations (per statement of financial performance)	30,002	39,367
Transfer payments	42	85
Total	30,044	39,452

6. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE ENTITLEMENTS AND OTHER LIABILITIES

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

	2003 \$'000	2002 \$'000
Superannuation and payroll tax	45	36
Long service leave	–	19
	45	55

7. TRANSFER PAYMENTS

Transfer payments to the former Department of Public Works and Services and the Department of Commerce are detailed below:

	2003 \$'000	2002 \$'000
Government Cleaning Service sick leave liability	42	55
Total Transfer Payments	42	55

Government Cleaning Service sick leave liability represents funding to meet the existing sick leave liability of employees transferred following privatisation of the Government Cleaning Service in January 1994.

8. PROGRAMS/ACTIVITIES OF THE OFFICE

Program 1 – Risk Management and Policy Development

Program Objective: Effective utilisation of resources and minimal risk exposure of government procurement activities.

9. CURRENT ASSETS – Cash

Cash at the end of the reporting period comprises cash at bank and on hand and as shown in the Statement of Financial Position is the same as the related items in the Statement of Cash Flow.

	2003 \$'000	2002 \$'000
Cash (per Statement of Financial Position)	1,723	765
Closing cash and cash equivalents (per Statement of Cash Flows)	1,723	765

10. CURRENT ASSETS – Receivables

	2003 \$'000	2002 \$'000
Accrued interest from Treasury	106	68
Trade Debtors	20	–
GST receivable from the Australian Taxation Office	8	14
Total	134	82

Office management considers that the amounts owing are recoverable and accordingly a provision for doubtful debts has not been established.

11. CURRENT ASSETS – Inventories

	2003 \$'000	2002 \$'000
Sandstone (at cost)	138	272

The amount of sandstone inventories valued at cost, which is anticipated to be used in the next financial year, 2003/04.

12. CURRENT ASSETS – Prepayments

	2003 \$'000	2002 \$'000
Prepayments	–	29

The prepayments as at 30 June 2002 was to CCSU to cover the Windows XP rollout in September 2002, further capital appropriations also provided in 2002/03 to complete the project.

13. CURRENT ASSETS – Other

	2003 \$'000	2002 \$'000
Work in Progress – Leasehold improvements	–	1,408

All leasehold improvements under the control of the Office, were transferred to agencies in 2002/03 as part of the CBD Core Accommodation Strategy. Transferred assets of the project are shown in Note 2(d) as 'CBD core accommodation strategy'.

14. NON-CURRENT ASSETS – Plant and Equipment

	Leasehold Improvements \$'000
At cost	
Balance 1 July 2002	501
Addition in the year	39
Disposals	(540)
Balance 30 June 2003	–
Provision for Amortisation	
Balance 1 July 2002	145
Amortisation for the year at GMT	79
Disposals	(224)
Balance 30 June 2003	–
Written Down Value	
At 1 July 2002	356
At 30 June 2003	–

**15. NON-CURRENT ASSETS – Inventories**

	2003 \$'000	2002 \$'000
Sandstone (at cost)	6,580	6,619

A program to purchase yellowblock sandstone commenced in the 1996/97 financial year for ongoing restoration of heritage buildings. Inventories above represent unused sandstone which has been stockpiled for future use (Refer Note 1(l)).

16. CURRENT LIABILITIES – Payables

	2003 \$'000	2002 \$'000
Creditors	3	49

Creditors comprise amounts payable to the Department of Commerce and trade creditors.

17. CURRENT LIABILITIES – Provisions

	2003 \$'000	2002 \$'000
Employee benefits – Recreation Leave	–	47

18. CURRENT LIABILITIES – Other

	2003 \$'000	2002 \$'000
Liability to Consolidated Fund	825	–

19. CHANGES IN EQUITY

	2003 \$'000	2002 \$'000
Accumulated funds at the beginning of the financial year	9,435	11,687
Changes in equity – transactions with owners as owners	–	–
Changes in equity – other than transactions with owners as owners		
Surplus/(deficit) for the year	(1,688)	(2,252)
Accumulated funds at the end of the financial year	7,747	9,435



20. COMMITMENTS FOR EXPENDITURE

The Office of the Minister for Public Works and Services has no commitment for expenditures as at 30 June 2003.

	2003 \$'000	2002 \$'000
Operating Lease Commitments		
Commitments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	-	393
Later than one year and not later than five years	-	1,377
Later than five years	-	-
Total (including GST)	-	1,770

21. CONTINGENT LIABILITIES

As at 30 June 2003 no claims were pending (nil claims as at 30 June 2002).

22. BUDGET REVIEW

Net Cost of Services

The actual net cost of services was higher than budget by \$0.808M, primarily due to the transfer of assets as a result of the completion of the CBD Core Accommodation Strategy project.

Assets and Liabilities

Current Assets

The variance between actual and budget total current assets is due to the previously mentioned reduction in the work-in-progress.

Current Liabilities

The variance between actual and budget total current liabilities is due to the unexpected liability to consolidated fund.

Cash Flows

Cash flows were largely consistent with budget expectations.



23. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2003	2002
	\$'000	\$'000
Net Cash used on operating activities	(968)	(187)
Recurrent appropriations	30,002	39,367
Capital appropriations	10	29
Depreciation and amortisation	79	79
Loss on disposal of non-current assets	316	–
Acceptance by the Crown Entity of employee entitlements and other liabilities	45	55
Increase/(decrease) in employee entitlements	(47)	14
Increase/(decrease) in payables	(46)	34
Increase/(decrease) in other liabilities	825	(38)
Decrease/(increase) in receivables	(52)	202
Decrease/(increase) in inventories	173	(15)
Decrease/(increase) in prepayments	–	(29)
Decrease/(increase) in work in progress	1,408	2,192
Net cost of services	31,745	41,703

24. ADMINISTERED EXPENSES AND REVENUES

	2003	2002
	\$'000	\$'000
Administered Expenses		
Transfer payments	42	55
Administered Revenues		
Transfer receipts	85	85
Administered Revenues less Expenses	43	30

The remaining balance will be repaid to Consolidated Fund and has been recognised as both Cash and Other Current Liability.

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

RENTAL BOND BOARD

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Rental Bond Board:

- (a) presents fairly the Rental Bond Board's financial position as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

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

The Role of the Members of the Board

The financial report is the responsibility of the members of the Board of the Rental Bond Board. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Board in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Board members had failed in their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Rental Bond Board,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.



Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

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

S R Stanton CPA
Assistant Director of Audit

SYDNEY
17 October 2003



STATEMENT BY MEMBERS OF THE BOARD

Pursuant to Section 41C of the Public Finance and Audit Act 1983 we declare, on behalf of the Board, that in our opinion:-

- (1) the accompanying financial statements exhibit a true and fair view of the financial position of the Rental Bond Board as at 30 June 2003 and transactions for the period 1 July 2002 to 30 June 2003;
- (2) the statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2000 and the Treasurer's Directions.

Further, the Members of the Board are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the Board.

DAVID O'CONNOR, Chairperson

BRIAN WADDINGTON, Member

Dated at Sydney 16.10.03



RENTAL BOND BOARD

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 \$'000	2002 \$'000
Revenue from Ordinary Activities			
Interest income	1(c),7	33,400	33,158
Total Revenue		33,400	33,158
Expenses from Ordinary Activities			
Administrative Assistance:			
Operating Expenses	1(a),8	16,436	17,284
Grants and subsidies	8(b)	10,960	9,975
Other operating expenses	8(a)	630	668
Interest on rental bonds	1(f)	70	134
Total Expenses		28,096	28,061
SURPLUS FOR THE YEAR FROM ORDINARY ACTIVITIES		5,304	5,097
NON-OWNER TRANSACTION CHANGES IN EQUITY		-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		5,304	5,097

The accompanying notes form part of these statements.



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Notes	2003 \$'000	2002 \$'000
ASSETS			
Current Assets			
Cash	2	14,387	16,649
Receivables	3	201	136
Other financial assets	4	22,613	20,419
Total Current Assets		37,201	37,204
Non Current Assets			
Other financial assets	4	234	313
Total Non Current Assets		234	313
TOTAL ASSETS		37,435	37,517
LIABILITIES			
Current Liabilities			
Payables	6	1,271	6,681
Total Current Liabilities		1,271	6,681
Non Current Liabilities			
Payables	6	24	-
Total Non Current Liabilities		24	-
TOTAL LIABILITIES		1,295	6,681
NET ASSETS		36,140	30,836
EQUITY			
Accumulated funds		36,140	30,836
TOTAL EQUITY		36,140	30,836

The accompanying notes form part of these statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 \$'000	2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Maturity of investments		98	177
Interest received		33,325	32,321
Other		679	1,326
Total Receipts		34,102	33,824
Payments			
Investments		(2,194)	(1,071)
Payment of interest on bonds		(70)	(134)
Trade creditors		(17,122)	(18,503)
Grants and subsidies		(16,978)	(9,975)
Total Payments		36,364	(29,683)
NET CASH FLOWS FROM/(USED BY) OPERATING ACTIVITIES	11	(2,262)	4,141
NET INCREASE/(DECREASE) IN CASH		(2,262)	4,141
CASH AT 1 JULY		16,649	12,508
CASH AT 30 JUNE	2	14,387	16,649

The accompanying notes form part of these statements.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Rental Bond Board as a Reporting Entity comprises all activities under its control. The administrative functions for the Board are performed by the Office of Fair Trading and costs associated with these functions are paid for on an operational basis in relation to activities performed (Note 8).

(b) Basis of Accounting

The financial statements are a general purpose financial report which has been prepared on a going concern, accrual and historical cost basis (except as otherwise stated) in conformity with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Urgent Issues Group Consensus Views, to exhibit a true and fair view of the financial position and transactions of the Board. The financial statements of the Board comply with the provisions of the *Public Finance and Audit Act 1983*, its regulation and Treasurer's Directions. The accounting policies adopted are consistent with those of the previous year.

(c) Revenue Recognition

Interest revenue is recognised to the extent that it is probable that the economic benefits will flow to the Board and the revenue can be reliably measured, and control of a right to receive consideration for the provision of, or investment in, assets has been attained.

(d) Insurance

A full comprehensive range of insurances covering areas such as Workers Compensation, Motor Vehicles, Fidelity Guarantee, Public Liability, and Industrial Special Risk is carried by the Office of Fair Trading with the Treasury Managed Fund. This coverage extends to the operations of the Rental Bond Board. These insurance covers are reviewed periodically to ensure they are adequate.

(e) Presentation

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(f) Interest Received on Investments and Interest Paid on Rental Bonds

Interest received on investments is deposited into the Rental Bond Interest Account. This account is used to fund the Board's operations, half of the operating costs of the tenancy functions of the Consumer Trader and Tenancy Tribunal and certain tenancy support programs. The Board pays interest on rental bonds at the time the bond is refunded. The interest rate paid is linked to the rate paid on a Streamline Account balance of \$1,000 by the Commonwealth Bank of Australia. The rate is cumulative six monthly and paid from the Rental Bond Interest Account in accordance with Section 11A and Section 20(2D) of the *Landlord and Tenant (Rental Bonds) Act 1977*.

(g) Financial Instruments

Financial Instruments give rise to positions that are a financial asset of either the Rental Bond Board or its counterparty and a financial liability (or equity instrument) of the other party. For the Rental Bond Board these include cash, receivables, investments and payables. The specific accounting policy in respect of each class of such financial instrument is stated hereunder.

Classes of instruments recorded at cost comprise:

- cash
- receivables
- payables

Classes of instruments recorded at market value comprise:

- investments

All financial instruments including revenue, expenses or other cash flows arising from instruments are recorded on an accrual basis.



2. CURRENT ASSETS – CASH

Cash at bank is held with the Commonwealth Bank. Interest is earned on daily bank balances and calculated each month. The average interest rate for the period was 4.5% (4.75% 2001/2002). NSW Treasury Corporation interest for Hour-Glass Cash Facility Trust was 4.85% (4.61% 2001/2002).

	2003 \$'000	2002 \$'000
Cash at Bank	458	101
NSW Treasury Corporation Hour-Glass Cash Facility Trust	13,929	16,548
	<u>14,387</u>	<u>16,649</u>

For the purposes of the Statement of Cash Flows, cash includes money deposited with banks, NSW Treasury Corporation Hourglass 'Cash' Facility Trust and cash on hand.

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

Cash (per Statement of Financial Position)	14,387	16,649
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	<u>14,387</u>	<u>16,649</u>

3. ASSETS – RECEIVABLES

	2003 \$'000	2002 \$'000
Items classified as receivables are as follows:		
Accrued Interest	176	121
Debtors	25	15
	<u>201</u>	<u>136</u>

4. OTHER FINANCIAL ASSETS

	2003 \$'000	2002 \$'000
Current	22,613	20,419
Non-Current	234	313
	<u>22,847</u>	<u>20,732</u>
Funds are invested as follows:		
NSW Treasury Corporation Hour-Glass Bond Market (i)	22,613	20,419
Co-operative Housing Societies (ii)	66	125
Other Housing (iii)	168	188
	<u>22,847</u>	<u>20,732</u>



(i) The Board has investments in NSW Treasury Corporation's Hour-Glass Bond Market facility. The Board's investment is represented by a number of units of a managed investment pool, with each particular pool having different investment horizons and being comprised of a mix of asset classes appropriate to that investment horizon. NSW Treasury Corporation appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

The investments are generally able to be redeemed with seven days notice (dependent upon the facility). The value of the investments held can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit risk exposure is the net fair value. The value of the investments represents the Board's share of the value of the underlying assets of the facility and those assets are stated at net fair value, as advised by NSW Treasury Corporation as at 30 June 2003, with an effective interest rate of 7.6% (5.53% 30 June 2002).

(ii) Funds made available to Co-operative Housing Societies for the purpose of providing low interest housing loans to low income earners were advanced prior to June 1986. Interest rates commenced at a minimum of 5% pa and increased at a rate of 0.5% pa. until the interest rate reached a level 1% pa below the Commonwealth Bank Home Lending Rate. The loan period is 31 years. The Board holds the Certificates of Registration of Charges with respect to these loans.

(iii) The Board has made funds available via arrangements with councils and community organisations to provide rental accommodation to low income and retired persons. All legal documents relating to these loans are held by the Department of Housing. Interest rates vary from 7.5% pa to 9.5% pa, with loan periods up to 31 years.

5. RENTAL BONDS

In accordance with Section 8 of the *Landlord and Tenant (Rental Bonds) Act 1977*, and Regulations to the Act, bonds received by landlords or their agents must be deposited with the Board's Rental Bond Account within seven days of receipt. The Board invests funds from the Rental Bond Account in accordance with Sections 19(3) and 7E(2) of the *Landlord and Tenant (Rental Bonds) Act 1977* and the *Public Authorities (Financial Arrangements) Act 1987*. Interest received on investments is paid into the Rental Bond Interest Account. Funds awaiting disbursement are invested on the short-term money market in accordance with the Board's legislation for periods not exceeding 180 days.

Rental Bond Trust Funds

	2003 \$'000	2002 \$'000
Trust Investments (i)	534,968	505,627
	534,968	505,627
Less: Unpresented Cheques	(4,116)	(4,960)
Rental Bonds	<u>530,852</u>	<u>500,667</u>



	2003 \$'000	2002 \$'000
(i) Rental Bonds are invested as follows:		
NSW Treasury Corporation Hour-Glass Facility Trust	46,001	31,025
Direct Fixed Interest Portfolio(a)	485,910	470,992
Private Shared Equity Scheme (b)	3,057	3,610
	534,968	505,627

(a) Treasury Corporation restructured the Rental Bond Board Trust investments to include a direct fixed interest portfolio, which is being managed with a buy and hold strategy, so that capital losses within the portfolio are minimised. In addition to this, Treasury Corporation is managing an overlay and stock lending portfolio with the view of adding value to the 'physical' fixed interest portfolio.

(b) The Private Shared Equity Rent/Buy Scheme was established to assist low income tenants and those on the public housing waiting list, to achieve home ownership. The Board initially invested \$20 million with a yield of 4% plus the CPI per annum. For the year to 30 June 2003, the return was 1.38% (2.4% – 30 June 2002).

Market Valuation of Rental Bond Investments

Market valuations were obtained on the investments listed below:

NSW Treasury Corporation Hour-Glass Facility	46,001	31,025
Direct Fixed Interest Portfolio	505,900	472,434
Private Shared Equity Scheme	3,099	3,726
	555,000	507,185

Market values as at 30 June 2003 were either equal to book values or book values plus interest accrued as at 30 June 2003.

6. CURRENT / NON-CURRENT LIABILITIES – PAYABLES

Office of Fair Trading	772	144
Grants (i)	381	6,400
Other Accrued Charges	142	137
	1,295	6,681

(i) The final instalment of the Board's contribution toward the Affordable Housing Initiative was paid during the year to the Department of Housing.



7. INTEREST

	2003 \$'000	2002 \$'000
Rental Bond Trust Account	35,388	37,052
Amortisation of Premium/Discounts on Trust Account Investments	(4,215)	(5,499)
	<u>31,173</u>	<u>31,553</u>
Rental Bond Interest Account	2,227	1,605
	<u>2,227</u>	<u>1,605</u>
	<u>33,400</u>	<u>33,158</u>

Interest is derived from of number of sources. These include interest on bank accounts, TCorp Hourglass Cash, Cash Plus and Bond Market Facility Trusts, Private Shared Equity Scheme and interest on loans.

8. EXPENSES

As mentioned in Note 1(a), the Office of Fair Trading has applied an Administrative Assistance Charge of \$16,436,000 (\$17,284,000 2001/2002) for the recovery of expenses that it has incurred on behalf of the Board, ie. associated employee related costs and other operating expenses. Included in the administrative assistance charge for the period ended 30 June 2003 is an amount of \$1,730,000 for the Board's share of capital expenditure (\$2,390,000 – 30 June 2002).

	Notes	2003 \$'000	2002 \$'000
(a) Other operating expenses:			
Auditor's remuneration		46	44
Bank charges		145	148
Bad and doubtful debts		17	24
Investment Management Fee		422	452
		<u>630</u>	<u>668</u>
(b) Grants and Subsidies:			
Tenancy Services	9(a)	300	334
Tenants' Advice and Advocacy Program	9(b)	3,243	2,628
Tenancy Function of Consumer Trader and Tenancy Tribunal	9(c)	6,817	7,013
Tenancy Guarantee Pilot Project	9(d)	600	–
		<u>10,960</u>	<u>9,975</u>



9. GRANTS AND SUBSIDIES

(a) Tenancy Services

Within the framework of the *Residential Tenancies Act 1987* and the *Retirement Villages Act 1999*, the Tenancy Services provides impartial information, mediation and education services to tenants, village residents, landlords, their agents and village management about their rights and obligations under this legislation.

The Rental Bond Board funds Tenancy Services in accordance with the *Landlord and Tenant (Rental Bonds) Act 1977*.

(b) Tenants' Advice and Advocacy Program

The Tenants' Advice and Advocacy Program was implemented to provide advice, information and advocacy to public and private tenants, and where appropriate to people seeking to become tenants. The service also undertakes community education on the issues of tenants' rights.

The Program is jointly funded by the Office of Fair Trading and the Rental Bond Board in accordance with the *Property, Stock and Business Agents Act 1941*, and the *Landlord and Tenant (Rental Bonds) Act 1977*.

(c) Tenancy Functions of the Consumer Trader and Tenancy Tribunal

The Consumer Trader and Tenancy Tribunal has the jurisdiction to determine matters under the *Residential Tenancies Act 1987* and the *Retirement Villages Act 1989*. These matters include requests to terminate tenancy agreements, payment of rental bonds on termination of tenancies, breaches relating to terms of the tenancy agreement and payment of compensation.

This function is jointly funded by the Office of Fair Trading and the Rental Bond Board.

(d) Tenancy Guarantee Pilot Project

At a meeting on 5 September 2002 the Rental Bond Board approved a grant of \$600,000 to the Department of Housing for the Tenancy Guarantee Pilot Project.

10. CONTINGENT LIABILITIES

The Rental Bond Board is not aware of any contingent liabilities at the date of this report.



11. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO OPERATING SURPLUS

	2003 \$'000	2002 \$'000
OPERATING SURPLUS	5,304	5,097
Increase (Decrease) in Liabilities		
Creditors and accrued charges	(5,386)	(526)
(Increase) Decrease in Assets		
Other financial assets	(2,115)	(920)
Accrued interest receivable	(55)	500
Accounts receivable	(10)	(10)
Net Cash from/(used in) Operating Activities	(2,262)	4,141

12. AFTER BALANCE DATE EVENTS

The Rental Bond Board is not aware of any circumstances that occurred after balance date which would render particulars included in the financial statements to be misleading.

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
SYDNEY NSW 2001

Tel 9285 0065

Ref Z1055/JS

Mr D B O'Conner
Commissioner for Fair Trading
Office of Fair Trading
1 Fitzwilliam Street
PARRAMATTA NSW 2150

17 October 2003

Dear Mr O'Conner

STATUTORY AUDIT REPORT

for the Year Ended 30 June 2003

FAIR TRADING ADMINISTRATION CORPORATION

I have audited the accounts of the Fair Trading Administration Corporation as required by the *Public Finance and Audit Act 1983* (the Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2003, and details any significant matters that in my opinion call for special notice. The Act requires that I send this report to the Minister and to the Treasurer.

This report is not the Independent Audit Report, which expresses my opinion on the Corporation's annual financial report. The Independent Audit Report, together with the Corporation's annual financial report, is attached.

Audit Result

I expressed an unqualified opinion on the Corporation's annual financial report and I have not identified any significant matters since I wrote to you on 18 October 2002. My audit is continuous and I may therefore identify new significant matters before the Auditor-General next reports to Parliament on the Corporation's audit. If this occurs, I will write to you immediately.

Auditor-General's Report to Parliament

Comment on the Corporation's activities, financial operations, performance and compliance will appear in the Auditor-General's Report to Parliament. I will send a draft of this comment to you for review before the Report is tabled during December.



Scope of the Audit

As advised in the Engagement Letter, my audit procedures are targeted specifically towards forming an opinion on the Corporation's financial report. This includes testing whether your agency has complied with key legislation that may materially impact on the financial report. The results of the audit are reported in this context.

Acknowledgment

I thank the staff of the Office of Fair Trading for their courtesy and assistance.

Yours sincerely

S R Stanton
Assistant Director of Audit

Enc

cc The Hon R P Meagher MP, Minister for Fair Trading and Minister Assisting the
Minister for Commerce

The Hon M R Egan MLC, Treasurer

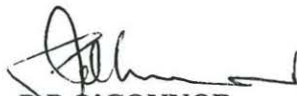
STATEMENT BY COMMISSIONER

In accordance with section 41C of the Public Finance and Audit Act 1983 I state that:

- (1) the accompanying financial statements exhibit a true and fair view of the financial position of the Fair Trading Administration Corporation as at 30 June 2003 and transactions for the year then ended.
- (2) the statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2000 and the Treasurer's Directions.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the Corporation



D B O'CONNOR,
Commissioner for Fair Trading

Dated at Sydney 16.10.03



Fair Trading Administration Corporation

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 \$'000	2002 \$'000
Revenue from Ordinary Activities			
Grants and Contributions	6	20,500	12,000
Investment Income		78	120
Other Revenue		10	77
Total Revenue		20,588	12,197
Expenses from Ordinary Activities			
Administrative Assistance:			
Operating Expenses	1(a),7	5,074	5,669
Other Operating Expenses	7(a)	427	1,096
Net Insurance Claims and Provisions	7(b)	(468)	(1,313)
Total Expenses		5,033	5,452
SURPLUS FOR THE YEAR FROM ORDINARY ACTIVITIES		15,555	6,745
TOTAL REVENUES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY		-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		8	8
		15,555	6,745

The accompanying notes form part of these statements.



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Notes	2003 \$'000	2002 \$'000
ASSETS			
Current Assets			
Cash	2	1,232	297
Receivables	3	2,704	1,835
Total Current Assets		3,936	2,132
Non Current Assets			
Receivables	4	–	282
Total Non Current Assets		–	282
TOTAL ASSETS		3,936	2,414
LIABILITIES			
Current Liabilities			
Payables	5	186	2,330
Outstanding Claims	6	8,438	10,891
Admin Costs – Outstanding Claims	6	3,885	5,035
Total Current Liabilities		12,509	18,256
Non Current Liabilities			
Outstanding Claims	6	21,614	24,774
Admin Costs – Outstanding Claims	6	8,239	13,365
Total Non Current Liabilities		29,853	38,139
TOTAL LIABILITIES		42,362	56,395
NET LIABILITIES		38,426	53,981
EQUITY			
Accumulated Deficiency	8	(38,426)	(53,981)
TOTAL EQUITY		(38,426)	(53,981)

The accompanying notes form part of these statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 \$'000	2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating and Insurance Claim Payments		(15,844)	(18,232)
Insurance Recoveries		(3,275)	1,329
Grants and Contributions		20,500	12,000
License Fees, Premiums and Miscellaneous Income		(505)	237
Interest Received		59	134
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	10	935	(4,532)
NET INCREASE/(DECREASE) IN CASH		935	(4,532)
CASH AS AT 1 JULY		297	4,829
CASH AT 30 JUNE	2	1,232	297

The accompanying notes form part of these statements.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Fair Trading Administration Corporation is a Reporting Entity established under the *Home Building Act, 1989*. The administrative functions for the Corporation are performed by the Office of Fair Trading and costs associated with these functions are paid for on an operational basis in relation to activities performed. Refer Note 7.

(b) Basis of Accounting

The financial statements are a general purpose financial report which has been prepared on a going concern, accrual and historical cost basis in conformity with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group (UIG) Consensus Views, the *Public Finance and Audit Act, 1983*, its Regulations and Treasurer's Directions. In the absence of applicable Accounting Standards, the hierarchy of other pronouncements, as outlined in AAS 6 "Accounting Policies" is considered.

(c) Insurance

A full comprehensive range of insurances covering areas such as Workers Compensation, Motor Vehicles, Fidelity Guarantee, Public Liability, and Industrial Special Risk is carried by the Office of Fair Trading with the Treasury Managed Fund. This coverage extends to the operations of the Fair Trading Administration Corporation. These insurance covers are reviewed periodically to ensure they are adequate.

(d) Accounting for the Goods and Services Tax (GST)

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

- the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

- receivables and payables are stated with the amount of GST included.

(e) Presentation

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(f) Financial Instruments

Financial Instruments give rise to positions that are a financial asset of either the Fair Trading Administration Corporation or its counterparty and a financial liability (or equity instrument) of another party. For the Fair Trading Administration Corporation these include cash, receivables and payables. The specific accounting policy in respect of each class of such financial instrument is stated hereunder.

Classes of instruments recorded at cost comprise:

- cash
- receivables
- payables

(g) Revenue Recognition

- (i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. Interest Revenue is recognised as it accrues.



2. CURRENT ASSETS – CASH

Cash at bank represents the ledger balance of the Corporation's account with the Westpac Banking Corporation and funds deposited in NSW Treasury Corporation's Hour-Glass Cash and Cash Plus Facility Trusts. Cash at bank is held within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation 11am unofficial cash rate adjusted for a management fee to Treasury. The average rate for the period was 3.75% (30 June 2002: 3.73%).

	2003 \$'000	2002 \$'000
Cash at Bank	1,232	297
	1,232	297

For the purposes of the Statement of Cash Flows, cash includes money deposited with banks.

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

Cash (per Statement of Financial Position)	1,232	297
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	1,232	297

3. CURRENT ASSETS – RECEIVABLES

Claim Recovery Debtors	35,127	46,240
Less: Provision for Doubtful Debts	(34,425)	(45,315)
	702	925
Insurance Underwriters	–	705
Determination Penalties	266	265
Less: Provision for Doubtful Debts	(261)	(260)
	5	5
Master Builders Association (d)	282	175
Accrued Income	44	25
Other	1,671	–
	2,704	1,835

(a) Claim Recovery Debtors

Section 98 of the *Building Service Corporation Act*, 1989 provided that the Corporation may recover claims paid under the Corporation's various insurance schemes.

From 1 January 1994, the policy of the Corporation has been to seek recovery of all insurance claim payments, exceptions being where the claim did not arise from any fault on behalf of the contractor who carried out the work. Each insurance file is individually reviewed and assessed for recovery prospects at which time a decision is taken to either continue with recovery or alternatively write the debt off as irrecoverable as in the case of bankruptcies, liquidations etc.

As at 30 June 2003 the total of claim debts which were subject to recovery action was \$35,126,969 (30 June 2002: \$46,239,804).

(b) Doubtful Debts for Claim Recovery Debtors

Provision for Doubtful Debts has been assessed at 98 percent of Claim Recovery Debtors. This assessment is based on recent experience in relation to claim recoveries.

(c) Credit Risk

The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors.

(d) Master Builders Association

This amount represents the settlement sum arising from a dispute between the former Building Services Corporation and the Master Builders Association (MBA) of New South Wales. Conditions of settlement, reached on 15 February 1993, included payment by the MBA of a settlement sum of \$1,500,000 by installments over eleven years. Payments received to date total \$1,218,000.

4. NON CURRENT ASSETS – RECEIVABLES

	2003 \$'000	2002 \$'000
Master Builders Association	–	282

5. CURRENT LIABILITIES – PAYABLES

Amounts owed to the Office of Fair Trading	–	2,076
Payables	186	254
	186	2,330

6. CURRENT/NON CURRENT LIABILITIES – PROVISIONS**Current liabilities**

Outstanding claims	8,438	10,891
Administrative cost – outstanding claims	3,885	5,035
	12,323	15,926

Non current liabilities

Outstanding claims	21,614	24,774
Administrative cost – outstanding claims	8,239	13,365
	29,853	38,139



An Actuarial Review of the Outstanding Claim Liability arising from the Corporation's Insurance activities was undertaken by Trowbridge Deloitte Limited as at 30 June 2003.

The economic assumptions used by the Actuary in their valuation for 2002/03 are:

Discount Rate	5% per annum	(30 June 2002: 6.0%)
Allowance for CPI	3% per annum	(30 June 2002: 3.0%)
Superimposed inflation	5% per annum	(30 June 2002: 5.0%)

On 16 November 1999, the Office of Fair Trading received a "Letter of Comfort" from NSW Treasury in regard to the Fair Trading Administration Corporation. Treasury has issued a guarantee to fund any shortfall in respect of any payments associated with the Corporation's Statutory Insurance. The Treasury's guarantee was called upon during the 2002/2003 financial year with a grant from the Consolidated Fund of \$20,500,000 (2001/02: \$12,000,000).

The provisions for outstanding claims liability as at 30 June 2003 also include \$5,000,000 (30 June 2002: \$5,000,000) which has been set aside to cover the risk exposure to major claims which have arisen from the decision to discontinue with Stop Loss Insurance cover. The former Building Services Corporation made that decision in January 1993 and carries the full risk of insurance written since 1 February 1993.

With the creation of the Fair Trading Administration Corporation on 1 May 1997, the insurance schemes were privatised and are now underwritten by private insurers. As a result, the Fair Trading Administration Corporation is only responsible for the run-off of claims under the schemes.

7. EXPENSES

As mentioned in Note 1(a) the Office of Fair Trading has applied an Administrative Service Charge for the recovery of those expenses it has incurred on behalf of the Fair Trading Administration Corporation. The amount paid to the Office of Fair Trading for the year ending 30 June 2003 was \$5,073,860 (30 June 2002: \$5,669,000).

(a) Other operating expenses:

	2003 \$'000	2002 \$'000
Auditor's Remuneration	36	39
Bank Charges	8	9
Fees for Service	380	1,041
Refund of Insurance Premiums	3	7
	427	1,096

(b) Insurance Claims and Provisions

Claims Paid	13,659	13,249
Less: Claims Subject to Recovery	(11,448)	(11,476)
Add: Increase/(Decrease) in Provision for Outstanding Claims	(11,889)	(13,769)
Increase/(Decrease) in Provision for Doubtful Debts	(10,890)	(25,115)
Bad Debts	20,100	35,798
	(468)	(1,313)



8. ACCUMULATED FUNDS

	Accumulated Deficiency	
	2003 \$'000	2002 \$'000
Balance at the beginning of the financial year	(53,981)	(60,726)
Changes in equity – other than transactions with owners as owners		
Surplus for the year	15,555	6,745
Balance at the end of the financial year	(38,426)	(53,981)

9. CONTINGENT LIABILITIES

The Corporation currently has approximately 46 cases (30 June 2002: 135) with its three legal service providers and 13 cases currently being handled by the Office of Fair Trading's Legal Services Division. The providers estimate that the Corporation's total legal costs are approximately \$1,165,000 (30 June 2002: \$5,619,000), based on the assumption that the Corporation is unsuccessful and is required to pay both its own costs and those of the Defendant. The Corporation does not proceed with cases unless it is confident of gaining a favourable outcome.

Management is of the view that, while it will always have to pay its own fees, it is unlikely to lose all its proceedings.

10. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO OPERATING SURPLUS

	2003 \$'000	2002 \$'000
OPERATING SURPLUS	15,555	6,745
Changes in Assets and Liabilities:		
(Increase)/Decrease in debtors	10,303	25,801
Increase/(Decrease) in doubtful debt provision	(10,889)	(25,115)
Decrease in provision for outstanding claims	(11,889)	(13,769)
Increase/(Decrease) in creditors and accruals	(2,145)	1,806
Net Cash Flows Provided by/(Used in) Operating Activities	935	(4,532)

11. AFTER BALANCE DATE EVENTS

The Fair Trading Administration Corporation is not aware of any circumstances that occurred after balance date which would render particulars included in the financial statements to be misleading.

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

Building Insurers' Guarantee Corporation

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Building Insurers' Guarantee Corporation:

- (a) presents fairly the Corporation's financial position as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

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

The Commissioner's Role

The financial report is the responsibility of the Commissioner for Fair Trading. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Commissioner in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Commissioner had failed in his reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Corporation,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.



Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

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

S R Stanton CPA
Assistant Director of Audit

SYDNEY
20 October 2003



STATEMENT BY COMMISSIONER

In accordance with section 41C of the *Public Finance and Audit Act*, 1983 I state that:

- (1) the accompanying financial statements exhibit a true and fair view of the financial position of the Building Insurers' Guarantee Corporation as at 30 June 2003 and transactions for the period 1 July 2002 to 30 June 2003;
- (2) the statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act*, 1983, the *Public Finance and Audit Regulation*, 2000 and the Treasurer's Directions.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the Corporation

D.B O'CONNOR,
Commissioner for Fair Trading,
Office of Fair Trading

Dated at Sydney 16.10.03



Building Insurers' Guarantee Corporation

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 \$'000	2002 \$'000
Revenue from Ordinary Activities			
Grants and Contributions	7	27,474	22,778
Interest Income		35	91
Other		1	–
Total Revenue		27,510	22,869
Expenses from Ordinary Activities			
Administrative Assistance:			
Operating Expenses	1(a),8	604	537
Other Operating Expenses	8(a)	3,691	2,371
Net Insurance Claims and Provisions	8(b)	44,374	57,077
Total Expenses		48,669	59,985
DEFICIT FOR THE PERIOD FROM ORDINARY ACTIVITIES		(21,159)	(37,116)
TOTAL REVENUES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY		–	–
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		9	(21,159)

The accompanying notes form part of these statements.



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Notes	2003 \$'000	2002 \$'000
ASSETS			
Current Assets			
Cash	2	72	60
Receivables	3	11,028	5,373
Other	4	-	75
Total Current Assets		11,100	5,508
TOTAL ASSETS		11,100	5,508
LIABILITIES			
Current Liabilities			
Payables	5	375	624
Outstanding Claims	6	20,000	12,000
Total Current Liabilities		20,375	12,624
Non Current Liabilities			
Outstanding Claims	6	49,000	30,000
Total Non Current Liabilities		49,000	30,000
TOTAL LIABILITIES		69,375	42,624
NET LIABILITIES		(58,275)	(37,116)
EQUITY			
Accumulated Deficiency	9	(58,275)	(37,116)
TOTAL EQUITY		(58,275)	(37,116)

The accompanying notes form part of these statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 \$'000	2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating and Insurance Claim Payments		(27,516)	(22,775)
Grants Received		27,474	22,778
Interest Received		54	57
NET CASH FROM OPERATING ACTIVITIES	11	12	60
NET INCREASE IN CASH		12	60
CASH AS AT 1 JULY		60	–
CASH AT 30 JUNE	2	72	60

The accompanying notes form part of these statements.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Building Insurers' Guarantee Corporation is a Reporting Entity established under the *Insurance (Policyholders Protection) Legislation Amendment Act, 2001*. The administrative functions for the Corporation are performed by the Office of Fair Trading and costs associated with these functions are paid for on an operational basis in relation to activities performed. Refer Note 8.

(b) Basis of Accounting

The financial statements are a general purpose financial report which has been prepared on a going concern, accrual and historical cost basis in conformity with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group (UIG) Consensus Views, the *Public Finance and Audit Act, 1983*, its regulations and Treasurer's Directions. In the absence of applicable Accounting Standards, the hierarchy of other pronouncements, as outlined in AAS 6 "Accounting Policies" is considered.

(c) Insurance

A full comprehensive range of insurances covering areas such as Workers Compensation, Motor Vehicles, Fidelity Guarantee, Public Liability, and Industrial Special Risk is carried by the Office of Fair Trading with the Treasury Managed Fund. This coverage extends to the operations of the Building Insurers' Guarantee Corporation. These insurance covers are reviewed periodically to ensure they are adequate.

(d) Accounting for the Goods and Services

Tax (GST)

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

- the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

- receivables and payables are stated with the amount of GST included.

(e) Presentation

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(f) Financial Instruments

Financial Instruments give rise to positions that are a financial asset of either the Building Insurers' Guarantee Corporation or its counterparty and a financial liability (or equity instrument) of the other party. For the Building Insurers' Guarantee Corporation these include cash, receivables and payables. The specific accounting policy in respect of each class of such financial instrument is stated hereunder.

Classes of instruments recorded at cost comprise:

- cash
- receivables
- creditors

All financial instruments including revenue, expenses or other cash flows arising from instruments are recorded on an accrual basis.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured.

The following specific criteria must also be met before revenue is recognised:

- (i) Investment Income
 - Interest Revenue is recognised as it accrues.
- (ii) Grants and Contributions
 - Grants and contributions from other bodies are recognised as revenue when the Corporation obtains control over the relevant assets or receipts of cash.



2. CURRENT ASSETS – CASH

Cash at bank represents the ledger balance of the Corporation's account with Westpac Banking Corporation. Cash at bank is held within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation 11am unofficial cash rate adjusted for a management fee to Treasury. The average rate for the period was 3.75% (30 June 2002: 3.73%).

	2003 \$'000	2002 \$'000
Cash at Bank	72	60
	72	60

For the purposes of the Statement of Cash Flows, cash includes money deposited with banks.

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

Cash (per Statement of Financial Position)	72	60
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	72	60

3. CURRENT ASSETS – RECEIVABLES

Debtors (i)	44,043	21,360
Less: Provision for doubtful debts (ii)	33,032	16,020
	11,011	5,340
Accrued Interest	15	33
Other	2	–
	11,028	5,373

(i) Section 103H of the *Insurance (Policyholders Protection) Legislation Amendment Act, 2001* provides that the Corporation may recover the amounts for claims paid.

(ii) Provision for doubtful debts has been assessed at 75%.

4. CURRENT ASSETS – OTHER

Prepayments	–	75
	–	75

5. CURRENT LIABILITIES – PAYABLES

Other Creditors	375	624
	375	624

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. There were no claims for late payment interest during the reporting periods.



	2003 \$'000	2002 \$'000
6. CURRENT/NON CURRENT LIABILITIES –PROVISIONS		
<u>Current liabilities</u>		
Outstanding claims	20,000	12,000
	20,000	12,000
<u>Non current liabilities</u>		
Outstanding claims	49,000	30,000
	49,000	30,000

Trowbridge Deloitte carried out an Actuarial Review of home warranty claims as at 30 June 2003. The purpose of this review was to ascertain the possible liability of the Building Insurer's Guarantee Corporation. The outstanding claim estimate of \$69 million, (\$42 million 2002) inclusive of claim administration costs with no prudential margin has been discounted by 5.5% (5% 2002) per annum.

The actuarial review highlighted the considerable uncertainty in the outstanding claim estimates due to the lack of data and the variability of claim costs. As various elements of the liability could be significantly under or over estimated, the ultimate cost could be outside the actuary's estimate.

7. GRANTS

Grants received from Government	27,474	22,778
	27,474	22,778

The Corporation was constituted under the *Insurance (Policyholders) Protection Act, 2001*. Grants are received from the Crown to provide for the payment of claims under the home insurance policies of insolvent insurers, and for the administrative costs of the Corporation.

8. EXPENSES

As mentioned in Note 1(a) the Office of Fair Trading has applied an Administrative Service Charge for the recovery of those expenses it has incurred on behalf of the Building Insurers' Guarantee Corporation. The amount paid to the Office of Fair Trading for the year ending 30 June 2003 was \$604,000 (30 June 2002: \$537,385).

(a) Other operating expenses:

Auditor's Remuneration	27	28
Bank Charges	–	1
Fees for Service	3,664	2,322
Other	–	20
	3,691	2,371

	2003 \$'000	2002 \$'000
(b) Insurance claims and provisions		
Claims Paid	23,058	20,417
Less: Claims subject to recovery	(22,696)	(21,360)
Add: Provision for outstanding claims	27,000	42,000
Provision for doubtful debts	17,012	16,020
	44,374	57,077

9. ACCUMULATED FUNDS

	Accumulated Deficiency	
	2003 \$'000	2002 \$'000
Balance at the beginning of the financial year	(37,116)	–
Changes in equity – other than transactions with owners as owners	–	–
Deficit for the year	(21,159)	(37,116)
Balance at the end of the financial year	(58,275)	(37,116)

10. CONTINGENT LIABILITIES

The Corporation is currently involved in 36 legal matters where costs may be awarded against it. It is estimated that these costs may total \$8,115,000.

11. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO OPERATING DEFICIT

OPERATING DEFICIT	(21,159)	(37,116)
Changes in Asset and Liabilities		
Increase in debtors	(5,655)	(5,373)
Decrease/(Increase) in prepayments	75	(75)
Increase in outstanding claims	27,000	42,000
(Decrease)/Increase in creditors and accruals	(249)	624
Net Cash Provided by Operating Activities	12	60

12. AFTER BALANCE DATE EVENTS

The Building Insurers' Guarantee Corporation is not aware of any circumstances that occurred after balance date which would render particulars included in the financial statements to be misleading.

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

New South Wales Government Telecommunications Authority

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the New South Wales Government Telecommunications Authority

- (a) presents fairly the Authority's and the consolidated entity's financial position as at 30 June 2003 and their financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

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

The Acting Managing Director's Role

The financial report is the responsibility of the Acting Managing Director. It consists of the statements of financial position, the statements of financial performance, the statements of cash flows and the accompanying notes for the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities controlled at the year's end or during the financial year.

Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Acting Managing Director in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Acting Managing Director had failed in his reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Authority or its controlled entities,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

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



G J Gibson FCPA
Director of Audit

SYDNEY
20 October 2003



NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY (TELCO)

Consolidated Financial Statements for the year ended 30th June, 2003

Pursuant to the requirements of the Public Finance and Audit Act, 1983, I declare that in my opinion:

1. the accompanying consolidated financial statements exhibit a true and fair view of the financial position of the NSW Government Telecommunications Authority and its subsidiaries as at 30 June 2003 and transactions for the year then ended;
2. the statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit Regulation 2000 and the Treasurer's Directions.

Further, I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

R. Wheeler
A/Managing Director
NSW Government Telecommunications Authority

20 October 2003

NSW Government Telecommunications Authority

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	Notes	CONSOLIDATED		TELCO	
		Actual	Actual	Actual	Actual
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
REVENUE FROM ORDINARY ACTIVITIES					
Sale of Goods and Services	2(a)	1,077	1,356		
Investment Income	2(b)	207	84		
Grants and Contributions	2(c)	923	5,236	287	4,388
Other Income	2(d)	63	16		
TOTAL REVENUE FROM ORDINARY ACTIVITIES		2,270	6,692	287	4,388
EXPENSES FROM ORDINARY ACTIVITIES					
Operating Expenses					
Employee Related	3(a)	1,128	984		
Other Operating Expenses	3(b)	3,513	3,452	7	7
Maintenance		500	466		
Depreciation and Amortisation		943	862		
Other Expenses	3(c)			10,800	
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		6,084	5,764	10,807	7
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		(3,814)	928	(10,520)	4,381
NET LOSS ATTRIBUTABLE TO OUTSIDE EQUITY INTEREST		(1,760)	(1,484)		
NET GAIN (LOSS) ATTRIBUTABLE TO MEMBERS OF TELCO	13	(2,054)	2,412	(10,520)	4,381
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		(3,814)	928	(10,520)	4,381

The accompanying notes form part of these statements.


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Notes	CONSOLIDATED		TELCO	
		Actual	Actual	Actual	Actual
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current Assets					
Cash	4	2,852	4,976		
Receivables	5	344	359	2	
Other	8	35	35		
Total Current Assets		3,231	5,370	2	
Non-Current Assets					
Property, Plant and Equipment					
– Plant and Equipment	7	1,682	2,313		
Total Property, Plant and Equipment		1,682	2,313		
Other Financial Assets	6	455	175	1,655	12,175
Other	8	13	38		
Total Non-Current Assets		2,150	2,526	1,655	12,175
Total Assets		5,381	7,896	1,657	12,175
LIABILITIES					
Current Liabilities					
Payables	9	492	713	40	38
Provisions	10	85	39		
Other	11	574	70		
Total Current Liabilities		1,151	822	40	38
Non Current Liabilities					
Other	12	29	99		
Total Non Current Liabilities		29	99		
Total Liabilities		1,180	921	40	38
Net Assets/(Liabilities)		4,201	6,975	1,617	12,137
EQUITY					
Retained Profits		6,068	8,122	1,617	12,137
Total Parent Interest		6,068	8,122	1,617	12,137
Outside Equity Interest		(1,867)	(1,147)		
Total Equity		4,201	6,975	1,617	12,137

The accompanying notes form part of these statements.


CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	Notes	CONSOLIDATED		TELCO	
		Actual 2003 \$'000	Actual 2002 \$'000	Actual 2003 \$'000	Actual 2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Payments to suppliers and employees		(5,472)	(5,806)	(413)	
Total Payments		(5,472)	(5,806)	(413)	
Receipts					
Receipts from operations		2,413	2,839	413	
Interest Received		207	84		
Grants and Subsidies		210	4,703	210	4,703
Total Receipts		2,830	7,626	623	4,703
NET CASH FLOWS (USED IN) / FROM OPERATING ACTIVITIES	15	(2,642)	1,820	210	4,703
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment		(312)	(243)		
Purchase of Investments		(210)	(490)	(210)	(4,490)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(522)	(733)	(210)	(4,490)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from Issue of Ordinary Shares		1,040	940		
Repayment of Treasury Loan			(213)		(213)
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,040	727		(213)
NET INCREASE IN CASH HELD		(2,124)	1,814		
Add Opening Cash		4,976	3,162		
CLOSING CASH	4	2,852	4,976	0	0

The accompanying notes form part of these statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The NSW Government Telecommunications Authority (Telco), as a reporting entity, comprises Telco in its own right and the Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) in which Telco has a controlling interest.

The mission of the Authority (Telco), which is a wholly owned subsidiary of the Department of Commerce (DC) following an administrative restructure on 2nd April 2003 (formerly of the Department of Information Technology and Management) is to enable the use of telecommunication infrastructure networks of government agencies for the common carriage of government communications and to enable the best commercial advantage to be obtained from any excess network capacity, infrastructure or facilities of government agencies.

The Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) was registered as a proprietary company limited by shares under the Corporations Act 2001 on 10 November 2000. Telco holds 57% of the shares on behalf of the NSW Government and the remaining 43% are held by eight NSW based Universities.

Telco holds a five percent share of Cooperative Research Centre for Smart Internet Technology Pty Ltd (CRCSIT) which was established to bring together Government and commerce to capitalise for Australia the outcomes of fundamental research and development of future internet and global connectivity.

The financial statements of the consolidated entity are general purpose financial reports which have been prepared, except where stated, on an accrual basis at historical cost and in accordance with applicable Australian Accounting Standards; other authoritative pronouncements of the Australian Accounting Standards Board (AASB); Urgent Issues Group (UIG) Consensus Views and the requirements of the Public Finance and Audit Act and Regulation.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncement of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

All amounts are rounded to the nearest one thousand dollars.

b) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and money market investments readily convertible to cash.

c) Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

d) Property, plant and equipment

All classes of property, plant and equipment are measured at fair value or at cost as a surrogate for fair value where appropriate. Depreciation is provided on a straight-line basis on all property, plant and equipment.

Plant & equipment costing \$5,000 and above is capitalised. Individual items of computer equipment costing \$1,000 and above are capitalised when they form part of the network.

Major depreciation periods are:-

Plant and equipment	4 years
Furniture and Fittings	5 years

e) Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

f) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Rendering of Services

Where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent that costs have been incurred.

Interest

Control of the right to receive the interest payment.

h) Income tax

Telco is a tax-exempt entity. Telco's controlled entity is not tax exempt and applies tax effect accounting.

i) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and sick leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits are measured at their nominal amounts.

j) Administrative and managerial support

Department of Commerce continues to provide expertise, assistance and administrative support to Telco. No fee was paid for the services during 2002/03 because Telco's operations have been minimal. ac3 manages its own affairs.

(k) Revaluation of Investment Assets

Revaluation decrements are recognised immediately as expenses in the surplus/deficit.



	CONSOLIDATED		TELCO	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
2. REVENUES				
(a) Sale of Goods and Services				
– Fees and charges	1,077	1,356		
	1,077	1,356		
(b) Investment Income				
– Interest	207	84		
	207	84		
(c) Grants and Contributions				
– Department of Commerce	287	4,388	287	4,388
– Australian Partnership for Advanced Computing Grant (APAC)	636	848		
	923	5,236	287	4,388
(d) Other Revenue				
– Rental Income		16		
– Other Income	63			
	63	16		
3. EXPENSES				
(a) Employee Related Expenses				
Employee-Related Expenses comprise the following specific items:				
– Salaries and Wages (including Recreation Leave)	962	822		
– Superannuation	90	117		
– Payroll Tax	22	10		
– Provision for Annual Leave & Recruitment Costs	54	35		
	1,128	984		
(b) Other Operating Expenses				
– Operating Lease Rental Expense-minimum lease payments	865	1,099		
– Information Management & Technology	276	882		
– APAC Membership Fee	300	400		
– Grants	356	416		
– Telecommunications	192	195		
– Auditor's Remuneration – audit or review of financial reports	28	35	7	7
– Director's Remuneration	74	70		
– Rent	173	238		
– Other	1,249	117		
	3,513	3,452	7	7

No payment was made to the directors of Telco in the current financial year.

Fees paid to the directors of ac3 totalled \$74,000. (1 in the band \$0 – \$9,999; 3 between \$10,000 – \$19,999 and 1 in the band \$20,000 – \$29,000).

The audit fee for the audit of ac3 financial report was \$21,000. The auditor received no other benefit.

	CONSOLIDATED		TELCO	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(c) Other Expenses				
– Revaluation decrement – Investment in ac3			10,800	
			10,800	

4. CURRENT ASSETS – CASH

Cash at bank and on hand	2,852	4,976		
	2,852	4,976		

For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash at bank.

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

Cash (per Statement of Financial Position)	2,852	4,976		
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	2,852	4,976		

5. CURRENT/NON-CURRENT ASSETS – RECEIVABLES

CURRENT RECEIVABLES				
– Sale of goods and services	310	165		
– GST recoverable	32	194	2	
	342	359	2	

6. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS

Shares in CRCSIT	455	175	455	175
Shares in ac3 Ltd			1,200	12,000
	455	175	1,655	12,175



	CONSOLIDATED		TELCO	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
7. NON CURRENT ASSETS – PROPERTY, PLANT & EQUIPMENT				
Plant and Equipment				
At Fair Value	4,074	3,762		
	4,074	3,762		
Accumulated Depreciation	2,392	1,449		
	2,392	1,449		
Net Book Value	1,682	2,313		
Reconciliations				
<i>Plant & Equipment</i>				
Carrying amount at start of year	2,313	2,932		
Additions	312	246		
Disposals		(3)		
Depreciation expense	(943)	(862)		
Carrying amount at end of year	1,682	2,313		
Management considers that the written down value of all other assets as at 30 June 2003 approximates the fair value.				
8. CURRENT/NON CURRENT ASSETS – OTHER				
CURRENT ASSETS – OTHER				
– Prepayments	35	35		
	35	35		
NON CURRENT ASSETS – OTHER				
– Prepayments	13	38		
	13	38		
9. CURRENT LIABILITIES – PAYABLES				
– Creditors	194	713	40	38
– Other	298			
	492	713	40	38
10. CURRENT / NON-CURRENT LIABILITIES – PROVISIONS				
Current Employee benefits and related on-costs				
– Recreation Leave	85	39		
Total Current Employee benefits and related on-costs	85	39		



	CONSOLIDATED		TELCO	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
11. CURRENT LIABILITIES – OTHER				
Prepaid Revenue	574	70		
	574	70		
12. NON CURRENT LIABILITIES – OTHER				
Prepaid Revenue	29	99		
	29	99		
13. CHANGES IN EQUITY				
<i>Contributed Equity</i>				
Retained Profits				
Balance at the beginning of the financial year	8,122	5,710	12,137	7,756
Net Profit / (Loss) Attributable to Members of Telco	(2,054)	2,412	(10,520)	4,381
Balance at the end of the financial year	6,068	8,122	1,617	12,137
<i>Outside Equity Interest</i>				
Outside equity interest in controlled entity comprises:				
Australian Centre for Advanced Computing and Communications Pty Limited	(1,867)	(1,147)		
Represented by:				
Interest in accumulated losses at end of financial year	(4,787)	(3,027)		
Interest in contributed equity	2,920	1,880		
Total outside equity interest	(1,867)	(1,147)		
14. COMMITMENTS FOR EXPENDITURE				
(a) Other Expenditure Commitments				
Aggregate other expenditure for the acquisition of items as detailed below contracted for at balance date and not provided for:				
– Agreements with various communication suppliers				
Not later than 1 year	69	278		
Later than 1 and not later than 5 years		70		
Total (including GST)	69	348		

**(b) Operating Lease Commitments**

Future non-cancellable operating lease rentals not provided for and payable for accommodation and equipment for varying contract periods/suppliers.

	CONSOLIDATED		TELCO	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Not later than 1 year	57	1,271		
Later than 1 and not later than 5 years	194	261		
Total (including GST)	251	1,532		

15. RECONCILIATION OF NET PROFIT TO NET CASH FLOWS FROM OPERATIONS

Net Profit	(3,814)	928	(10,520)	4,381
Loss on revaluation			10,800	
Non-Cash Items				
- Depreciation	943	862		
- Non-cash operating grant	(70)	(85)	(70)	(85)
Changes in Assets and Liabilities				
- (Increase)/Decrease in Receivables	12	(237)	(2)	
- (Increase)/Decrease in Other Assets	25	(41)		
- (Decrease)/Increase in Payables/Provisions	(16)	(176)		7
- (Decrease)/Increase in GST Payable	2	400	2	400
- (Decrease)/Increase in Liabilities	276	169		
Net Cash Flow from / (used in) Operating Activities	(2,642)	1,820	210	4,703

16. INDIVIDUALLY SIGNIFICANT ITEMS

The Authority revalued its investment in ac3 and reduced the carrying amount to \$1.2 million to reflect the current position. The decrement has been charged to expenses.

17. AFTER BALANCE DATE EVENTS

There were no after balance date events.

END OF AUDITED FINANCIAL STATEMENTS



Appendices





Appendix 1. Accounts payable performance

Office of Fair Trading

Aged analysis at the end of each quarter:

Quarter	Current \$	Less than 30 days overdue \$	30-60 days overdue \$	60-90 days overdue \$	More than 90 days overdue \$
September Quarter	567,838	0	0	0	0
December Quarter	203,010	1,270	0	0	0
March Quarter	812,795	0	0	9,922	0
June Quarter	1,490,412	1,045	0	0	0

Accounts paid on time within each quarter:

Quarter	Target %	Actual %	Paid on Time \$	Total Paid \$
September Quarter	96.00	97.59	27,985,046	28,373,999
December Quarter	96.00	99.23	19,776,469	19,900,992
March Quarter	96.00	99.18	24,223,755	24,355,544
June Quarter	96.00	98.46	34,560,815	34,730,611

During 2002/03 there were no instances of interest being paid in respect of late payments.

Office of Industrial Relations

Industrial Relations' accounts payable policy is to pay all claims against Industrial Relations within 30 days of the invoice date, unless otherwise specified by the vendor. Accordingly, all claims at 30 June 2003 fell within that category. During the past reporting year, the total dollar value of accounts paid by Industrial Relations equalled \$14.02 million of which 90 percent were paid on time.

Aged analysis at the end of each quarter:

Quarter	Current \$	Less than 30 days overdue \$	30-60 days overdue \$	60-90 days overdue \$	More than 90 days overdue \$
September Quarter	24,479	9,066	44,770	5,882	1,457
December Quarter	18,465	12,553	7,392	3,994	534
March Quarter	46,596	634,297	11,487	1,111	32,541
June Quarter	13,372	36,187	14	1,564	21,286

Accounts paid on time within each quarter:

Quarter	Target %	Actual %	Paid on Time \$	Total Paid \$
September Quarter	90	93	2,100,521	2,370,769
December Quarter	90	90	2,078,783	2,547,546
March Quarter	90	92	2,333,276	3,237,808
June Quarter	90	87	5,595,315	5,864,766

The issues affecting prompt payment relate to purchase orders and invoices not being received on a timely basis which gives rise to payments not being met on time. Industrial Relations is taking positive measures to ensure that the processing of payments to suppliers will be met promptly.

Industrial Relations has not paid any interest for the delay in making payment.

Offices of Government Procurement and Government Business

The table below demonstrates the Offices of Government Procurement and Government Business' payment performance for trade creditors for the four quarters of 2002/03.

Aged analysis of accounts unpaid at the end of each quarter:

Aged Analysis	September Qtr 2002		December Qtr 2002		March Qtr 2003		June Qtr 2003	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Current (i.e. within due date)	33,741	99.6	19,970	99.6	27,878	99.6	23,625	99.9
Less than 30 days overdue	91	0.3	59	0.3	104	0.4	19	0.1
Between 30 and 60 days overdue	52	0.1	20	0.1	0	0.8	4	0
Between 60 and 90 days overdue	0	0.1	5	0.0	6	0.0	4	0
More than 90 days overdue	0	3.1	0	0.0	0	0.8	0	0
Total	33,884	100.0	20,054	100.0	27,988	100.0	23,652	100.0



Value of accounts paid within supplier's terms:

	September Qtr 2002 \$'000	December Qtr 2002 \$'000	March Qtr 2003 \$'000	June Qtr 2003 \$'000
Payments				
Total dollar amount of accounts paid on time	368,834	370,800	368,800	388,250
Total dollar amount of accounts paid	470,146	472,400	470,100	493,952
Percentage of accounts paid on time	73.1	77.0	74.5	74.3

The Offices of Government Procurement and Government Business' payment performance was below the target rate of 85.0% throughout the year. However, the Offices are continuously endeavouring to improve their payment processes on an ongoing basis. Additionally, the Offices are continuing to increase the number of payments made by electronic funds transfer (EFT). EFT payments make funds available to suppliers earlier than payment by cheque.

No penalty interest was paid during the financial year in respect of late payments.

Appendix 2. Annual report production

External consultant costs for the Department of Commerce 2002/03 Annual Report are estimated to be \$31,142.33.

Appendix 3. Building Insurers' Guarantee Corporation

The Building Insurers' Guarantee Corporation is a reporting entity established under the *Home Building Act 1989*.

The Corporation's principal role is to administer the Building Insurers Guarantee Fund, which commenced on 30 June 2001.

The Fund was a key part of the NSW Government's rescue package, established as a consequence of the collapse of the HIH Insurance Group in March 2001. This collapse created a range of serious home warranty insurance difficulties for consumers, builders and developers in NSW.

The Fund provides indemnity for homeowners to the same extent that would have applied under home warranty policies issued by the HIH Group. Between 1 July 2002 and 30 June 2003, \$22.7 million was paid to 375 claimants affected by the HIH collapse.

The Corporation is managed and controlled by the Minister for Commerce. All of its activities and administrative functions are carried out by the Office of Fair Trading. Costs associated with these functions are recouped by the Office from the Corporation on an operational basis in relation to the activities performed.

For further information, contact: Rod Elliott, Director, Insurance, Office of Fair Trading, telephone (02) 9895 9949.



Appendix 4. Code of conduct

During 2002/03 the agencies that came together to form Commerce were covered by their individual Codes of Conduct and Ethics. Industrial Relations made a minor amendment to their Code of Conduct, and the revised section is included below. This was the only change to codes during the reporting period. A new Code for Commerce is currently being formulated.

In October 2002, a revised Code of Conduct commenced in Industrial Relations incorporating a minor change in the corporate values that underpin the Office's Code. The following is the amended section:

Department of Industrial Relations

Corporate value	Explanation
Respect:	Treating others with consideration and earning respect in return
Ethical Behaviour:	Being trustworthy and honest in all our dealings
Working Together:	Valuing individuals and teamwork
Equitable:	Being fair and reasonable in our dealings with clients and colleagues
Service Orientation:	Ensuring that the focus of our work is client satisfaction

Appendix 5. Consultants

Office of Fair Trading

Consultant	Category	Purpose	Expenditure \$
Engagements Over \$30,000			
IBM Business Consulting Services Pty Ltd	Information Technology	Planning, architecture, and detailed design of the on-line Customer Assistance System	304,498
Meridian Health Informatics Pty Ltd	Information Technology	Project planning, requirements, and specifications for voice recognition technology in the REVS call centre	158,000
SMS Management & Technology	Information Technology	Development of a technical and functional specification for an Employee Self Service system	74,800
Gibson Quai Pty Ltd	Information Technology	Preparation and evaluation of a Request for Quotes for a data network	49,535
Microsoft Pty Ltd	Information Technology	Undertaking of scoping and needs analysis to determine replacement/upgrade of operating environment and PCs	46,566
Compaq Computer Australia Pty Ltd	Information Technology	Development of a business continuity plan for Information Management and Technology	37,780
Gibson Quai Pty Ltd	Information Technology	Preparation and evaluation of a Request for Quotes for carriage services	33,120
Ernst & Young	Management Services	Development of a builder's financial soundness test	50,000



Office of Fair Trading (cont.)

Consultant	Category	Purpose	Expenditure \$
Total Engagements Over \$30,000			754,299
Engagements Under \$30,000			
Number of Engagements:			15
	Information Technology		196,601
	Management Services		53,619
	Organisational Review		18,375
Total Engagements Under \$30,000			268,595
Total Cost of Consultancies			1,022,894

Office of Industrial Relations

Consultant	Category	Purpose	Expenditure \$
Total Engagements Over \$30,000: Nil			
Engagements Under \$30,000			
Number of Engagements:			2
	Management Services		24,600
Total Engagements Under \$30,000			24,600
Total Cost of Consultancies			24,600



Office of Information and Communications Technology

Consultant	Category	Purpose	Expenditure \$
Engagements Over \$30,000			
Gibson-Quai	Information Technology	Multi-channel Contact Centre Planning framework	84,000
Future Train	Training	Interactive Guidelines	50,325
APP Strategic Partners	Management Services	Knowledge Management Environmental Scan	55,000
Cooling Consulting	Information Technology	Contact Centre Hubs	106,140
Handshake Media	Management Services	NSW Digital Content Strategy	39,732
Total Engagements Over \$30,000			335,197
Engagements Under \$30,000			
Number of Engagements:			39
	Management Services		162,024
	Information Technology		142,232
Total Engagements Under \$30,000			304,256
Total Cost of Consultancies			639,453



Offices of Government Procurement, Government Business and Strategic Management and Corporate Support

Consultant	Category	Purpose	Expenditure \$
Engagements Over \$30,000			
Timothy Pascoe Professional	Business Development and Marketing	New business model for State Property	30,000
PricewaterhouseCoopers	Management Services	Transfer Payment Risk Study	30,000
PricewaterhouseCoopers	Organisational Review	Consultation on formation of the Department of Commerce	92,273
CMG IT Services Pty Ltd	Information Technology	DPWS Security Review	40,500
Deloitte Touche Tohmatsu	Management Services	Probity Audit Services	42,072
PricewaterhouseCoopers	Management Services	Risk and Corruption Study	120,210
Prime Consulting	Business Development and Marketing	Electronic Marketplace Project	71,948
Legato Services	Organisational Review	Review of Project Documents	35,692
Total Engagements Over \$30,000			462,695
Engagements Under \$30,000			
Number of Engagements:			7
	Business Development and Marketing		32,762
	Information Technology		23,100
	Management Services		25,650
	Organisational Review		23,000
Total Engagements Under \$30,000			104,512
Total Cost of Consultancies			567,207

Appendix 6. Consumer response

The Office of Fair Trading operates a customer feedback system, known as 'Your Opinion Counts', providing forms for that can be lodged by mail or through the website. In 2002/03 a total of 232 forms were lodged, which included 50 complaints and 182 compliments. The complaints were resolved either through Ministerial correspondence or by conciliation with program managers. Complaints related to:

■ Service delays	28%
■ Actions of staff	36%
■ Inability to register/pay online	4%
■ Fair Trading website inadequacies	12%
■ Accuracy of information given	6%
■ Other/misc	14%

Increased use of the Fair Trading website to submit feedback saw a general increase in feedback received. A major redesign of the website during 2001/02 resulted in a reduction of complaints concerning website inadequacies.

The Office of Industrial Relations also has a formal complaint handling system, including a complaints register, which enables information on the nature of complaints to be collected and monitored so opportunities to improve customer service can be identified. While there was only one formal complaint lodged in 2002/03, a number of informal complaints were received. The majority of these related to the findings of industrial complaint investigations. This has usually been a result of customer expectations exceeding the actual outcomes Industrial Relations can deliver within the legislative framework. Accordingly, Industrial Relations has developed an Industrial Complaints Processing Policy to outline the policy issues underpinning its role and functions, and to facilitate consistency and transparency in the processing of industrial complaints.

During 2002/03, almost 700 email messages were received through the Office of Information & Communication Technology (OICT) website feedback mechanism. These were received from NSW residents and agencies, interstate agencies and organisations from Fiji, Japan, Malaysia, and the Netherlands. The most common request received through the website relates to the application of OICT Guidelines.

In the Offices of Government Procurement and Government Business and Strategic Management and Corporate Support for 2002/03 a total of 71 complaints and 197 compliments were received.

Appendix 7. Contracting and market testing

Due to its operational size, the Office of Industrial Relations contracts out a range of services including:

- property management and lease negotiations
- staff training and development programs
- preparation of tenders
- vehicle fleet maintenance and reporting.

Appendix 8. Credit card certification

In accordance with the NSW Treasurer's directions and Premier's Memorandum 99/6, the Director-General certifies that credit card use during 2002/03 has been in accordance with established government requirements and practices. This certification is qualified to the extent that a small number of transactions did not fully comply with current departmental credit card usage policy and procedures. These have been rectified and additional controls put in place to prevent their recurrence.

Appendix 9. Electronic service delivery

The former Departments of Fair Trading, Industrial Relations and Public Works & Services have submitted final reports to the Office of Information Technology confirming that they have met their commitments in delivering all appropriate services electronically in accordance with Premier's Memorandum 2000-12 *Meeting The Government's Information And Communications Technology Strategic Agenda*. Commerce continues to identify and develop appropriate electronic services to ensure compliance with all new electronic service delivery initiatives of the NSW government. An electronic service review project is being established to review electronic service delivery to further improve the efficiency of service delivery across Commerce. The following are some examples of Commerce's new and continuing online services in 2002/03.



Check your pay

Industrial Relations commenced development of an online wages calculator, Check Your Pay, to enable employers and employees to calculate wages and other entitlements under four key awards: Hairdressers' (State) Award (372), Clerical and Administrative Employees (State) Award (135), Shop Employees (State) Award (601), Restaurants & Employees (State) Interim Award (577). Check Your Pay enables users to calculate the minimum pay rate applying to the work described, check pay against hours worked and include allowances, penalties and loadings for a specific pay period. Users can also calculate long service leave and annual leave entitlements.

jobs.nsw

The Office of Government Procurement reports an increase in the use of online recruitment advertising via jobs.nsw, which is a public sector wide electronic service available to government agencies for advertising vacant positions. There was also a substantial increase, to 95%, in the use of email for advertising instructions and copy/artwork, improving timely booking and confirmation of advertisements.

eTendering

eTendering is an internet based electronic tendering system initiated, developed, hosted and managed by Commerce and used by an increasing number of government agencies. The main driver for its development was to make distribution and collection of tendering related material easy and accessible, whilst maintaining the strict probity and security that government tendering demands.

As a result of the success of the NSW eTendering application, the Federal Government has decided to licence a copy of the NSW eTendering application to meet the Commonwealth's online tendering needs. Since the introduction of eTendering in 2000:

- more than 14,000 people have registered on the system
- over 2,200 work opportunities covering both construction and goods and services have been advertised
- service providers have down loaded over 8,000 sets of documents and lodged over 3,300 responses
- more than 12,800 service providers have registered on eTendering

- approximately 65 work opportunities are advertised on eTendering at any one time
- Commerce has experienced a decrease in the number of hard copy tenders distributed and an increase in the overall number of tenders distributed
- electronic lodgments are already approaching 20 percent of the opportunities downloaded from eTendering.

Information and Communications Technology

The Office of Information and Communication Technology (OICT) as a leader in electronic service delivery facilitates a number of online delivery channels including:

- the OICT website is the vehicle by which OICT distributes whole-of-government information including; ICT directions, OICT programs, initiatives and publications (including; Guidelines and the Connection Newsletter)
- the Agency Resource Centre is a dedicated, secure website for ICT issues in NSW government. The site enables OICT to deliver advice and assistance to government agencies in a cost-efficient manner, and promotes and facilitates information sharing between agencies
- GovLink is a portal that aims at "Connecting the NSW Public Sector", providing NSW public sector officers with convenient online access to useful whole-of-government services and information
- ServiceNSW, the NSW government portal is the community's one stop internet entry point to NSW Government. Established in 1998, ServiceNSW provides 24-hour access to government information and services.



Appendix 10. Employment statistics

Employees by category

Office of Fair Trading

Category	30 June 2003
Clerical Assistant	2
Clerical Officer	51
Clerk	1,027
Legal Officer	24
Senior Officer	17
Senior Executive Service	8
*Total	1,129

Office of Industrial Relations

Category	30 June 2003
Clerk	160
Legal Officers	4
Clerical Officers	4
Librarian/Library Technicians	1
Chairpersons	6
Senior Executive Service	5
*Total	180

Offices of Information and Communications Technology, Government Procurement, Government Business and Strategic Management and Corporate Support

Category	30 June 2003
Crown Employees (Department of Public Works and Services) Award 1998	2,265
Crown Employees (Department of Public Works and Services Wages Staff) Award 2002	230
Crown Employees (NSW Department of Information Technology and Management) Conditions of Service Award 2002	65
Crown Employees (Public Sector – Salaries January 2002) Award	5
Crown Employees (Senior Officers Salaries 1997) Award	1
Senior Executive Service	51
*Total	2,617

* Equivalent Full Time positions

Senior executive service

Senior Executive Service positions by level	30 June 2003
8	1
7	1
6	2
5	6
4	8#
3	21
2	17
1	8
Total	64
Positions filled by women	14

Includes four positions pending approval to create

Unattached SES staff who are not included in above figures:

J. Devlin, Level 1, D. Persson, Chief Executive Officer Level 7 and D. Barrett, Level 3.



Appendix 11. Fair Trading Administration Corporation

The Fair Trading Administration Corporation (FTAC) is a reporting entity established under the *Home Building Act 1989*. The FTAC receives and expends funds for administration of the Government Home Warranty Insurance Scheme, which ceased writing policies on 30 April 1997. The date for lodgement of the claims under the scheme expires on 30 April 2004.

The FTAC is managed and controlled by the Minister for Commerce. All of its activities and administrative functions are carried out by Office of Fair Trading. Costs associated with these functions are recouped by the Office from FTAC on an operational basis in relation to the activities performed. Costs of the scheme are met from the consolidated fund.

For further information, contact: Rod Elliott, Director, Insurance, Office of Fair Trading, telephone (02) 9895 9949.

Appendix 12. Freedom of information

Statement of affairs

Section 14(1)(a) of the *NSW Freedom of Information Act 1989* (FOI Act) requires the Minister responsible for an agency to ensure that a current Statement of Affairs of the agency is published every 12 months.

Structure and functions of agency

The structure and functions of the NSW Department of Commerce are outlined on page seven of this annual report.

Effect of agency's functions on members of the public

The NSW Department of Commerce has a direct effect on members of the public, in particular through facilitating compliance with NSW industrial relations and fair trading legislation. Details of the effect of the Department's functions on members of the public are detailed in the key result areas in the Corporate Performance section of this annual report.

Arrangements for public participation in policy formulation

Commerce regularly consults with stakeholders, including industrial organisations or employers and employees, other government agencies, community groups and individuals, in the formulation of policy.

The Department also coordinates a number of committees and working parties as part of its consultation processes. Details of these can be found in Appendix 20 of this annual report.

Description of the kinds of documents held by the agency

Policy and information documents held by Commerce are available for inspection and or purchase and are listed in the Publication Section of this appendix. A range of information and documents are also available on the Department's website www.commerce.nsw.gov.au.

Access arrangements, procedures and points of contact

Enquiries about the procedures for inspecting and purchasing policy documents should be made to the contacts provided with the list of publications at the end of this section. Contact details and office hours are detailed at the end of this report.

Requests under the FOI Act for access to documents in the possession of the Department of Commerce should be accompanied by \$30 application fee and directed in writing to:

Freedom of Information Coordinator
Department of Commerce
Level 22
McKell Building
2-24 Rawson Place
Sydney NSW 2000

Freedom of Information Coordinator
Office of Industrial Relations
PO Box 847
Darlinghurst NSW 2010

Freedom of Information Coordinator
Office of Fair Trading
1 Fitzwilliam Street
Parramatta NSW 2150

Statistical report

The following statistical information complies with Appendix B of the FOI Manual. This report consolidates FOI statistics from each agency that came together to form the Department of Commerce in April 2003, and represents Commerce's position at the end of the reporting year.



SECTION A – Number of new FOI requests

Information relating to numbers of new requests received, those processed and those completed from the previous period.

FOI Requests	Personal	Other	Total
A1 New (including transferred in)	16	122	138
A2 Brought forward	0	7	7
A3 Total to be processed	16	129	145
A4 Completed	15	105	120
A5 Transferred out	0	2	2
A6 Withdrawn	1	12	13
A7 Total processed	16	119	135
A8 Unfinished (carried forward)	0	10	10

SECTION B

What happened to completed requests?

(Completed requests are those on Line A4)

Result of FOI request	Personal	Other	Total
B1 Granted in full	11	30	41
B2 Granted in part	1	52	53
B3 Refused	3	23	26
B4 Deferred	0	0	0
B5 Completed*	15	105	120

* Note: The figures on Line B5 should be the same as the corresponding ones on A4.

SECTION C

Ministerial Certificates – number issued during the period.

C1 Ministerial Certificates issued	0
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SECTION D

Formal consultations – number of requests requiring consultations (issued) and total number of formal consultation(s) for the period.

	Issued	Total
D1 Number of requests requiring formal consultation(s)	58	58

SECTION E

Amendment of personal records – number of requests for amendment during the period.

Result of Amendment Request	Total
E1 Result of amendment – agreed	0
E2 Result of amendment – refused	2
E3 Total	2

SECTION F

Notation of personal records – number of requests for notation processed during the period.

F3 Number of requests for notation	0
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SECTION G

FOI requests granted in part or refused – Basis of disallowing access – Number of items each reason cited in relation to completed requests that were granted in part or refused.

Basis for disallowing or restricting access	Personal	Other
G1 Section 19 (applic. incomplete, wrongly directed)	0	0
G2 Section 22 (deposit not paid)	0	7
G3 Section 25(1)(a1) (diversion of resources)	0	0
G4 Section 25(1)(a) (exempt)	0	53
G5 Section 25(1)(b), (c), (d) (otherwise available)	0	0
G6 Section 28(1)(b) (documents not held)	1	11
G7 Section 24(2) – deemed refused, over 21 days	2	1
G8 Section 31(4) (released to Medical Practitioner)	0	0
G9 Totals	3	72



SECTION H

Costs and fees of requests processed during the period (i.e. those included in lines A4, A5 and A6).

Does not include costs and fees for unfinished requests (i.e. those requests included in Line A8).

	Assessed Costs	FOI Fees Received
H1 All completed requests	\$31,960	\$12,387

SECTION I

Discounts allowed – numbers of FOI requests processed during the period* where discounts were allowed.

Type of Discount Allowed	Personal	Other	Total
I1 Public interest	0	1	1
I2 Financial hardship – Pensioner/Child	40	5	9
I3 Financial hardship – Non profit organisation	0	0	0
I4 Totals	40	6	10
I5 Significant correction of personal records	0	5	0

* Note: Except for Item 15. Items 11, 12, 13 and 14 refer to requests processed as recorded in A7. For 15 the actual number of requests for correction of records processed during the period is shown.

SECTION J

Days to process – Number of completed requests (A4) by calendar days (elapsed time) taken to process.

Elapsed Time	Personal	Other	Total
J1 0 – 21 days	12	62	74
J2 22 – 35 days	2	24	25
J3 Over 35 days	2	19	21
J4 Totals	15	105	120

SECTION K

Processing time – Number of completed requests (A4) by hours taken to process.

Processing Hours	Personal	Other	Total
K1 0 – 10 hrs	15	82	97
K2 11 – 20 hrs	0	10	10
K3 21 – 40 hrs	0	7	7
K4 Over 40 hrs	0	6	6
K5 Totals	15	105	120

SECTION L

Reviews and Appeals – number finalised during the period.

L1 Number of internal reviews finalised	10
L2 Number of Ombudsman reviews	2
L3 Number of Administrative Decisions Tribunal appeals finalised	0

Details of Internal Review Results – in relation to internal reviews finalised during the period.

Bases of Internal Review	Personal		Other	
	Upheld*	Varied*	Upheld*	Varied*
Grounds on which internal review requested				
L4 Access refused	0	0	6	2
L5 Deferred	0	0	1	0
L6 Exempt matter	0	0	0	0
L7 Unreasonable charges	0	0	0	0
L8 Charge unreasonably incurred	0	0	0	0
L9 Amendment refused	1	0	0	0
L10 Totals	1	0	7	2

* Relates to whether or not the original agency decision was upheld or varied by the internal review.

General impact of FOI matters

There has been no disruption to the provision of service or impact on the operation of Commerce as a result of the FOI requirements. No major issues have arisen during the year in connection with Commerce's compliance with FOI requirements.



Publications

Office of Fair Trading

° *New and revised publications produced in the 2002/03 financial year*

* *Electronic only*

Customer service standards – our guarantee of service ° – English*, Arabic*, Chinese*, Greek*, Italian*, Vietnamese*

Fair Trading and the NSW Privacy Law – Our Services – English °

We can help you ° – English, Arabic, Bosnian, Chinese, Croatian, Farsi*, Fijian*, Filipino*, Greek, Hindi*, Indonesian, Italian, Japanese*, Khmer*, Korean, Macedonian, Polish*, Portuguese*, Russian*, Serbian*, Spanish, Tamil, Thai, Turkish, Vietnamese

Advertising checklist for the use of media staff*°

Property and tenancy publications

Buying a home

Buying into a strata scheme °

Buying or selling at auction

Conveyancing*

Discrimination and renting

Ending a tenancy

Holiday lettings*

Living in a community scheme °

New laws for holiday vans °

New strata schemes management laws °

Property management

Renting holiday homes*

Residential park liaison committees

Residential park living °

Residential park owners °

Residential park residents' rights – what you should do if you hear that the park may close °

Retirement village living

Retirement village repairs °

Retirement village residents' rights – what you should do if you hear that the village may close °

Retirement Villages Act – Dealing with prospective clients

Retirement Villages Act – Effect of the new Act on existing contracts

Retirement Villages Act – Financial accounts

Retirement Villages Act – Recurrent charge variations

Retirement Villages Act – Residents committees

Retirement Villages Act – Statements of expenditure

Retirement Villages Act – Strata retirement villages

Selling your home*

Starting a tenancy

Strata disputes °

Strata living ° – English, Chinese, Vietnamese*, Arabic*

Strata mediation °

The renting guide – English °, Arabic, Chinese, Croatian, Farsi, Greek, Italian, Japanese, Khmer, Korean, Macedonian, Polish, Portuguese, Russian, Serbian, Spanish, Turkish, Vietnamese

What is a retirement village? °

What you should know before you rent ° – Bosnian*, Dari*, Indonesian*, Tamil*, Vietnamese*

Building publications

A builder's guide to customer service °

Becoming an owner/builder °

Building a pool °

Building inspections – a home buyer's guide °

Buying off the plan °

Electrical accidents in 1999

Electrical accidents in 2000

Electrical safety for plumbers

Electrical safety for workers

Getting a contractor licence °

Guide to standards and tolerances °



Home building checklist ° – English, Arabic, Chinese, Macedonian, Vietnamese

Home building contract ° – packet 2 (cost \$10.85)

Home building contracts – why you should use one

Home building reforms as at 1 July 2002 °

Home warranty insurance °

Minor works building contract pad 10 °(cost \$10.85)

NSW HIH rescue package – consumers

NSW HIH rescue package – builders and developers

Owner-builder approved courses °

Owner-builder approved equivalent qualifications °

Post construction °

Protect your home from termites °

Renewing your contractor licence °

Renovations contract pad 10 (cost \$10.85)

Resolving building disputes °

Swimming pool contract – packet 2 (cost \$21.50)

Consumer publications

A student's guide to consumer rights °

A senior's guide to consumer rights °

Backpacker accommodation*

Banking – reducing your transaction costs ° – English, Arabic, Chinese, Vietnamese

Booking a holiday through a travel agent*

Borrowing money – English, Arabic, Chinese, Vietnamese

Buying a mobile phone ° – English, Arabic, Chinese, Italian, Vietnamese

Buying a used car – English, Arabic, Chinese, Italian, Vietnamese

Car rental*

Check the safety of your pool

Child safe blind and curtains

Consumer help for the busy traveller

Consumer tips for travellers: authenticity of indigenous art and crafts

Credit cards, and 'interest free' deals – English, Arabic, Chinese, Vietnamese

Door-to-door sales – English, Arabic, Chinese, Italian, Vietnamese

Electrical power tools °

Electrical safety guide °

Exercise your rights – new rules for fitness service providers

Gas water heaters °

Help with credit problems

In good hands – baby products and you °

Inflatable pools – consumers °

Introduction to comparison rates °

Lay-bys information for consumers

Little black book of scams °

Love and loans °

Moneystuff kit

Nursery furniture and baby products °

Pyramid schemes

Relationship debt – English, Arabic, Chinese, Vietnamese

REVS brochure – cars and boats °

REVS poster – one in 5 used cars repossessed

REVS poster – would you buy a car or boat

Safety switches – information for consumers

ScamSmart kit °

Scams and how to avoid them ° – Arabic*, Chinese*, Greek*, Italian*, Korean*, Spanish*, Vietnamese*

Shopping and refunds – information for consumers °

Some things to consider before you borrow money – English, Arabic, Chinese, Vietnamese

The hard sell °

The seniors' guide °



The shoppers' guide °	Model rules for incorporated associations °
Toughened glass °	Online services for business °
Toy safety checklist °	Recliner chair
Vanity publishing*°	Refunds info for business °
Work from home scams ° – English, Arabic, Chinese, Italian, Vietnamese	Refunds poster
Your statutory warranty poster °	Registry of co-operatives
<u>Business publications</u>	Running an incorporated association
Advertising °	Sale of meat
A guide to co-operatives ° – English, Arabic*, Italian*, Spanish*, Vietnamese*	Sales methods °
Balloon Payments – a guide for business	Setting up an association ° – English, Arabic*, Italian*, Spanish*, Vietnamese*
BLIS brochure	Signage for the sale of meat °
Building customer relationships °	Soda siphon brochures
Business names °	Warranties and repairs °
Compulsory sign for pawnbrokers	<u>Aboriginal publications</u>
Corded internal window coverings °	Aboriginal housing providers
Credit °	Book-up
Customer service °	Book-up: What to look for
Customer service guide*	Buying a car
Dealing with business scams ° – English, Arabic*, Chinese*, Greek*, Italian*, Korean*, Spanish*, Vietnamese*	Discrimination and renting
Disposable cigarette lighters – safety laws	Don't get caught out with credit
Good business matters kit °	Fair go °
Handling complaints and repairs °	Fair go poster
How to form a co-operative	Keeping your kids safe
Inflatable pools – suppliers °	Know your rights poster
Interest free offers and promotions – a guide for business	Mad choices °
Invoice fraud °	Need credit? Well, think again!
Knives – full kit	Not just surviving poster
Knives brochure	Problems leasing your home
Laser pointers – safety laws	Renting a home °
Lay-by sales °	Renting information for Aboriginal housing providers
	Shopping refunds and lay-bys



Starting a business °

Sorting out your tenancy problems °

Survival day poster

Thinking of starting a cooperative* °

Toy safety checklist °

What REVS can do for you °

Your rights on renting your home

Retirement village green – newsletter issue 3, 2002°

Contact: Peter Ryan **ph:** (02) 9338 8958

e-mail: pryan@fairtrading.nsw.gov.au

Office of Industrial Relations

Plain english guides

Awards and Enterprise Agreements (also available in Chinese and Vietnamese)

Annual Holidays

Employee pay slips and employment records (also available in Chinese and Vietnamese)

Long Service Leave

Personal Carers' and Bereavement Leave (also available in Chinese and Vietnamese)

Parental Leave(also available in Chinese and Vietnamese)

Part Time Work

Unfair Dismissals (also available in Chinese and Vietnamese)

Your Rights at Work – a guide for employees in NSW (also available in Arabic, Chinese, Korean, Spanish, Turkish and Vietnamese)

Government and Related Employees Appeal Tribunal (GREAT)/ Transport Appeal Boards

Promotion appeals to GREAT

Disciplinary Appeals to the Government and Related Employees Appeal Tribunal

Promotion appeals to Transport Appeal Boards

Disciplinary Appeals to the Transport Appeal Boards

Police Appeals to GREAT

Behind The Label

Help for Clothing Outworkers

Information for the Clothing Industry

Strategy Overview Fact Sheet

Outwork Fact Sheet

New Legislation Fact Sheet

Ethical Clothing Trades Council Fact Sheet

Newsletters/ reports

Work and Family Experts' Seminar, Collected Proceedings

New Workplace – Office of Industrial Relations quarterly newsletter

Two Rivers – ATSI newsletter

Equity

Maternity at Work (third edition)

Pay Equity Inquiry Report

Pay Equity Research Series – Executive Summary

Pay Equity Research Series – Research Series

Gender Equity in Red Meat and Poultry Processing

Pay Equity in Children's Services in NSW

Trade Credentials: Do They Help Pay Equity?

We Are All Sisters Here: A Case Study of Pay Equity and Non-English Speaking Women in NSW

Guides to Office of Industrial Relations Services

Aboriginal and Torres Strait Islander Workplace Services

Historical Award Information Service

Award Subscription Service

Workplace Advice NSW – Guide to Services

Employer guides

A guide to employing staff in NSW Restaurants, Cafes & Catering venues

A Quick Guide to Services for Small Business

Best Employment Practice

Enterprise Bargaining in NSW



Joint Consultation	Information Management – Liability Guideline
Small Business Employers Handbook	Information Management – Privacy & Personal Information Guideline Protection
Time to Care: Good Family Friendly Ideas for Small Business	Information Management and Technology Blueprint
<u>NSW Legislation</u>	Information Management and Technology Policy Framework Map
<i>Annual Holidays Act 1944 (NSW)</i>	Information Management and Technology Strategic Plan
<i>Banks and Banks Holidays Act 1912 (NSW)</i>	Information Management Audit – Guideline
<i>Employment Agents Act 1996 (NSW)</i>	Information Management Classification – Guideline
<i>Employment Protection Act 1982 (NSW)</i>	Information Management Framework – Guideline
<i>Long Service Leave Act 1955 (NSW)</i>	Information Management Inventory – Guideline
<i>Entertainment Industry Act 1989 (NSW)</i>	Information Security Guidelines
Publications available online : www.industrialrelations.nsw.gov.au or ph : 131 628	Intellectual Property – Copyright and Licensing
Office of Information & Communications Technology	Labelling Sensitive Information Guide
Acquisition of IM&T Guideline	Management of Change Guideline
Authentication – Digital Signatures Guideline	NSW AGLS Metadata Guideline
Benefits Management Guideline	NSW ICT Skills Action Plan
Business Case Development Guideline	Online Government Bookshop Strategy
Business Continuity Planning	Part 1 Risk Management Summary
Call Centre Establishment Guideline	Part 2 Threats & Vulnerabilities Summary
Call Centre Operational Guideline	Part 3 Baseline Controls Summary
Change Management Guideline	Post Implementation Review Guideline
Chief Information Officer Guideline	Project Management Guideline
Code of Conduct and Ethics Guideline	Provision of Information and Services using the Internet
connect.nsw An Internet Strategy for NSW	Quality Management Guideline
connect.nsw Implementation Framework	Risk Management Guideline
connect.nsw Implementation Framework – Summary	Security of Electronic Information Management
Contracting out Guideline	Use of the Internet for Electronic Messaging Guideline
Electronic Service Delivery Framework	X.500 Directories (1) Directory Architecture
Government Selected Application Systems Guideline	X.500 directories (2) Core Directory Information Tree and Schema
IM&T Strategic Planning Guidelines	
Information Management – Copyright Guideline	
Information Management – Data Quality Guideline	



Office of Government Procurement

Total asset management

Environmental Performance Guide for Buildings – 2002 (free) is on the asset.gov website at www.asset.gov.com.au/EnvironmentGuide.

Asset accommodation

Government Office Accommodation Workspace Guidelines – Management Guide and Workbook – July 1999 (free) www.gamc.nsw.gov.au

Construction

Aboriginal Participation in Construction Implementation Guidelines January 2001 (free.) www.cpsc.nsw.gov.au

Alternate Dispute Resolution Guideline (free) www.cpsc.nsw.gov.au

Bi-annual NSW Construction Activity Forecasts published on CPSC website (no hard copy) updated February 2003 (free) www.cpsc.nsw.gov.au

Build on your strengths – construct your future – March 2000 (free) www.cpsc.nsw.gov.au

Capital Project Procurement Manual (no hard copy) www.cpsc.nsw.gov.au/cppm

Code of Practice for the Construction Industry – July 1996 (free) www.cpsc.nsw.gov.au

Code of Tendering for the Construction Industry – July 1996 (free) www.cpsc.nsw.gov.au

Common Financial Assessment of Service Providers – October 2001 (free) www.cpsc.nsw.gov.au

Construct New South Wales – July 1998 (free) www.cpsc.nsw.gov.au/ConstructNSW

Consultant Performance Reporting and Exchange of Reports between Government Agencies Guidelines – October 2000 (free) www.cpsc.nsw.gov.au

Consultant Registration Guidelines – March 2002 (free) www.cpsc.nsw.gov.au

Contractor Performance Reporting and Exchange of Reports between Government Agencies Guidelines (Construction) – December 1999 (free) www.cpsc.nsw.gov.au

Developing and Implementing a Training plan for Small Business (Construction) – October 1999 (free) www.cpsc.nsw.gov.au

Environmental Management Systems Guidelines (Construction) – November 1998 (free) www.cpsc.nsw.gov.au

Environmental Performance Guide for Building 2002 (no hard copy – free access to online information) asset.gov.com.au/PerformanceGuide

Exposure draft Code of Practice for the Construction Industry – April 2002 (free) www.cpsc.nsw.gov.au/codesreview

Exposure draft Code of Tendering for the Construction Industry – April 2002 (free) www.cpsc.nsw.gov.au/codesreview

Implementation Guidelines for the Code of Practice and Code of Tendering for the Construction Industry – July 1996 (free) www.cpsc.nsw.gov.au

Industrial Relations Management Systems Guidelines.(Construction) December 1999 (free) www.cpsc.nsw.gov.au

OHS&R Guidelines for Auditing (Construction) – November 1998 (free) www.cpsc.nsw.gov.au

OHS&R Management Systems Guidelines (Construction) – November 1998 (free) www.cpsc.nsw.gov.au

Perceptions of the Construction Industry in NSW (CEO Survey) – February 2001 (no hard copy) www.cpsc.nsw.gov.au

Project Agreements – NSW Government Code of Practice for the Construction Industry Process (free) www.cpsc.nsw.gov.au

Security of Payment Act 1999 NSW (as amended 2002) information package – March 2003 (free) www.cpsc.nsw.gov.au

Training Management Guidelines – December 2000 (free) www.cpsc.nsw.gov.au

Online Training Resource Manual (no hard copy – free access to online information) training.cpsc.nsw.gov.au

Construct Improvement Roundtable Learning Networks and other information (free) www.nsw.gov.au/roundtable

Security of Payment – Information on *Building and Construction Industry Security of Payment Act 1999* (free) www.cpsc.nsw.gov.au

Procurement

NSW Government Policy Statement for NSW Government Procurement (free) www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

NSW Government Policy Preference Scheme www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

NSW Government Procurement – “at-a-glance” www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

Code of Practice for NSW Government Procurement Released 1999 (free) www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

Code of Tendering for NSW Government Procurement October 1999 (free) www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

Implementation Guidelines for the NSW Government Procurement Code of Practice and Code of Tendering – October 1999 (free) www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

Code of Practice on Employment and Outwork Obligations for Textile, Clothing and Footwear Suppliers (*English*) – February 1998 www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

Code of Practice on Employment and Outwork Obligations for Textile, Clothing and Footwear Suppliers (*Vietnamese*) – February 1998 (free)

Code of Practice on Employment and Outwork Obligations for Textile, Clothing and Footwear Suppliers (*Chinese*) – February 1998 (free)

Implementation Guidelines on Employment and Outwork Obligations for Textile, Clothing and Footwear Suppliers – February 1998 (*English*) (free)

Implementation Guidelines on Employment and Outwork Obligations for Textile, Clothing and Footwear Suppliers – February 1998 (*Vietnamese*) (free)

Implementation Guidelines on Employment and Outwork Obligations for Textile, Clothing and Footwear Suppliers – February 1998 (*Chinese*) (free)

Code of Practice on Employment and Outwork Obligations for Textile, Clothing and Footwear Suppliers – 1998 – “At-a-glance” – (free) www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

Code of Practice on Employment and Outwork Obligations for Textile, Clothing and Footwear Suppliers – 1998 – Model tender documentation and contract clauses (free) www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

Code of Practice on Employment and Outwork Obligations for Textile, Clothing and Footwear – Proforma for Quarterly returns to State Contracts Control Board (SCCB) (free) www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

Procurement guidelines

Disposals Procurement Guidelines (free) www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

Economic Development Procurement Guidelines (free) www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm



Environmental Management Procurement Guidelines (free)
www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm

Occupational Health Safety & Rehabilitation (OHS&R) Guidelines (free) [www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+ Procurement.htm](http://www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm)

2001 Procurement Planning Guidelines – April 2002 (free)
[www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+ Procurement.htm](http://www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm)

Reverse Auctions Guidelines (free)
[www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+ Procurement.htm](http://www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm)

Risk Management Guidelines (free)
[www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+ Procurement.htm](http://www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm)

Service Provider Performance Management Guidelines (free) [www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+ Procurement.htm](http://www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm)

Simple Procurement Guidelines (free)
[www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+ Procurement.htm](http://www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm)

Review of 2002 Procurement Planning Program – April 2002 (free) [www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+ Procurement.htm](http://www.dpws.nsw.gov.au/Government+Guidelines/Goods+and+Services+Procurement/Goods+and+Services+Procurement.htm)

Electronic procurement

NSW Government Electronic Procurement Implementation Strategy – July 2001, CD ROM or Printed versions (free)
www.nsw.gov.au/e-procurement

Electronic Procurement Implementation strategy guidelines – March 2002, CD-ROM or printed version (free)
www.nsw.gov.au/e-procurement

Managing delegations in e-procurement – October 2002, CD ROM or printed version (free)
www.nsw.gov.au/e-procurement

Smarter Buying for Government

Smarter Buying for Government – NSW Government Procurement Reform Strategy – March 2002, (free)
www.smarterbuying.nsw.gov.au

Establishing savings targets – interim guidelines – May 2002 (free) www.smarterbuying.nsw.gov.au

Procurement Capability Tool – November 2002, summary brochure and electronic or printed version of full materials (free) www.smarterbuying.nsw.gov.au

Procurement Capability Tool – Interactive version – March 2003 (free) www.smarterbuying.nsw.gov.au

Gateway Review Process – November 2002, summary brochure and electronic or printed version of draft guidelines (free) www.smarterbuying.nsw.gov.au

Gateway Risk Profile – November 2002, a model to help assess the type of Gateway review to be undertaken on a project. The model provides a spreadsheet that calculates the risk rating for the project (free)
www.smarterbuying.nsw.gov.au

A Guide to Procurement Cards and Expense Management Software – deciding to implement procurement cards and expense management software – May 2003 (free)
www.smarterbuying.nsw.gov.au

Contact: Communications Assistant **ph:** (02) 9372 8852
e-mail: orders@cpssc.nsw.gov.au

The following documents are available on the Internet site www.dpws.nsw.gov.au

Contract Manual for the C21 Construction Contract, Edition 2

C21 Construction Contract, Edition 2

C21 Construction Subcontract, Edition 2

Commercial Conditions Manual for Contracts using C21 Construction Contract (electronic version)

Commercial Conditions Manual for Minor Works Contracts – Government Agency Version

Guide to Performance Reporting on Construction Contractors and all categories of Consultants
 Guidelines for Preparation of Inspection and Test Plans
 2001-2003 Contractor Pre-qualification Scheme
 2001-2003 Consultant Best Practice Pre-qualification Scheme
 2002-2004 Contractor Best Practice Pre-qualification Scheme

The following documents are available for inspection

Commercial Conditions Manual (Including DD&C User Guide) for Design Development and Construct and Design and Construct Contracts (AS 2124)
 Commercial Conditions Manual for Construct Only Contracts (Including Demolitions) (AS 2124)
 Commercial Conditions Manual for Minor Works Contracts Mini Minor Works Contract and User Guide
 Construction Project Procurement Guidelines
 Consultant Management Manual (electronic version only)
 Contractor and Subcontractor Quality Assurance Requirements
 Contracts Manual (Construction Procedures and Precedents)
 Guide to Performance Reporting on Construction Contractors and all categories of Consultants
 Guidelines for Preparation of Inspection and Test Plans
 Service Contracting Guidelines
 Procedures Manual for Construction Management by the Private Sector
 Procedures Manual for Project Management by the Private Sector
 Risk Management in Electronic Procurement
 Tendering Manual
 Your Guide to Tendering

The following documents are available for purchase at the prices shown:

Commercial Conditions Manual (Including DD&C User Guide) for Design Development & Construct and Design and Construct Contracts (AS 2124) (\$200 – CD ROM \$150)

Commercial Conditions Manual for Construct Only Contracts (including Demolitions) (AS 2124) (\$200 – CD ROM \$150)
 Commercial Conditions Manual for Contracts using C21 Construction Contract (\$200 – CD ROM \$150)
 Commercial Conditions Manual for Minor Works Contracts (\$200 – CD ROM \$150)
 Commercial Conditions Manual for Minor Works Contracts, Government Agency Version (\$200 – CD ROM \$150)
 Consultant Management Manual (\$200 – CD ROM \$150)
 Contracts Manual (CD ROM \$150)
 Procedures Manual for Construction Management by the Private Sector (\$200 – CD ROM \$150)
 Procurement Systems Manual (CD Rom \$150)
Contact: Robert Hosking **ph:** (02) 9372 8837,
e-mail: robert.hosking@dpws.nsw.gov.au

Conference papers

Government Real Estate Group 2002, Adelaide, October 2002 – Colin Campbell – NSW Portfolio Report
 Government Property Forum 2002, Sydney, November 2002 – Vince Spanhel – Government Accommodation Policy and the Government Leasing Service
 Government Procurement Summit, February 2003 – Rosemarie Risgalla – Sustainability in Procurement
 Government Procurement Summit, February 2003 – Ted Smithies – Smarter Buying for Government
 Green Buildings Council and Australian Greenhouse Office Seminar October 2002 – Rosemarie Risgalla – The NSW Government's Commitment to Sustainable Development and the Property Industry
 Group for Health Architecture and Planning Insight Forum (2002) – Chris Oh – The Environmental Performance Guide for Buildings
 South Australia State Supply Board Procurement Conference Speech, March 2003 – Dick Persson – Value Achievement – Procurement's Purpose
 South Australia State Supply Board Procurement Conference, March 2003 – Dick Persson – Smarter Buying NSW Government Procurement Reform Strategy

Contact: Lina Wong **ph:** (02) 9372 8885
e-mail: lina.wong@dpws.nsw.gov.au

Office of Government Business
Sustainable water solutions

MHL1098 DLWC NSW Tidal Planes Data Compilation
 2000 Volume 1 Tidal Planes Analysis

MHL1155 DLWC Bellinger and Kalang Rivers Tidal Data
 Collection September-November 2001

MHL1158 DLWC Brooklyn Tidal Data Collection October
 – November 2001

MHL1205 NSW Ocean and River Entrance Tidal Levels
 Annual Summary 2001-02

MHL1207 NSW Coastal Rainfall Annual Summary 2001-02

Contact: M Jensen **ph:** (02) 9949 0266
e-mail: mjensen@mhl.nsw.gov.au

State project and regional services

Brochures – \$5 per copy

Built to Teach: Designed to Learn \$150 (video)

Colour Scheme Primary Schools \$800 (CD)

Colour Scheme Secondary Schools \$1200 (CD)

Design Standard (\$310)

Ecologically Sustainable Development in Schools
 Manual – \$55

Education Research Facilities Group Gazette
 (subscription \$15)

Guide to Setting & Guarding of Machinery \$100

Hot Topics Information Sheets – hardcopy \$ 50

Landscape Design Standard \$150 (CD)

Primary and Secondary Schools Facilities Standard
 \$800 (CD) and \$75 (Summary).

Primary School Facilities Standard \$412.50 (CD)

Primary Schools Accommodation Summary – \$55

School Specification Standard (\$450) or each Section (\$55)

Secondary School Facilities Standard \$495 (CD)

Secondary Schools Accommodation Summary – \$55

Special Education \$192.50 or \$45 Summary

Windows & Doors Drawing Set \$140 (14 drawings
 @ \$10 each)

Contact: Cecilia Wilson **ph:** (02) 9372 8697
e-mail: cecilia.wilson@dpws.nsw.gov.au

Project brochures

Albury TAFE Stage 5 – Metal Fabrication and
 Electrotechnology

Dubbo TAFE – The Yarradamarra Centre

Freshwater Education Centre

Narrabeen Lakes Public School

Ultimo Public School

Research brochures

Avoiding Bird Roosts in Schools, \$5 per copy

Chemical Stores for Existing Schools, \$5 per copy

Covered Ways, \$5 per copy

Darkrooms in Existing Schools, \$5 per copy

Ecologically Sustainable Design Policies, \$5 per copy

Ecologically Sustainable Development in Education
 facilities \$55

Energy Management in NSW Schools \$35

Fume Cupboards, \$5 per copy

Kiln Space in Existing Schools, \$5 per copy

Planning for Enrolment of Students with Disabilities,
 \$5 per copy

Primary School Relationships, \$5 per copy

Safety Guidelines for the Installation and Maintenance
 of Fixed Playground Equipment in Schools \$27.50

Seating, \$5 per copy

Sunshade in Schools \$11

Switch Boards, \$5 per copy

Water Tanks, \$5 per copy

Contact: Cecilia Wilson **ph:** (02) 9372-8697
e-mail: cecilia.wilson@dpws.nsw.gov.au



Conference papers

Building Science Forum of Australia, March 2003
 – John Zahn & Jon Pyke – Design & Construct in the
 21st Century, a Schools Experience

2003 NSW Floodplain Management Authorities 43rd Annual
 Conference, February 2003 – John Hall – Urban levees
 – How to Preserve Your Banks

Green Buildings – Norm Johnston – Government Initiatives
 to Promote Environmentally Sustainable Development

Public Private Partnerships for Social Infrastructure
 – Norm Johnston – Public Private Partnerships – How
 they Reflect True Value for Money Outcomes

Contact: Neil Birks **ph:** (02) 9372 8871
e-mail: neil.birks@dpws.nsw.gov.au

Strategic Management and Corporate Support

Corporate communications

Asset & Environmental Services client brochure
 (November 2002)

Asset.gov – Internet based project management and
 communications tool (September 2002)

Building Design (2000)

Business Solutions for Education (Produced 2001)

Client Focus Commitment (May 2001)

Delivering Solutions in Consulting Services (July 2000)

Delivering Solutions in Corporate & Business Services
 (July 2000)

DPWS Corporate Brochure – Delivering Solutions
 (July 2000)

Easier Buying (August 2002)

e-Procurement solutions (November 2002)

eTendering (November 2002)

Hassle Free Property & Purchasing (May 2002)

Making a Difference (July 2001)

NSW Health encourages community involvement in Rural
 Hospital & Health Service Program with asset.gov
 (October 2002)

Procurement Risk Management (September 2002)

Project Management (December 2002)

Property & Asset Management (2000)

Real Estate Valuation (SVO)

smartbuy – buyer fact sheet (November 2002)

smartbuy – e-Marketplace (November 2002)

smartbuy – supplier fact sheet (November 2002)

Contact: Teri Mrena **ph:** (02) 9372-8630

e-mail: teri.mrena@dpws.nsw.gov.au



Appendix 13. Funds granted to non-government community organisations

Office of Fair Trading

Figures shown do not include 10% GST allowance paid on all grants. This allowance is ultimately recouped from the Australian Taxation Office, as the Office of Fair Trading is not classified as an end user.

Program area: Consumer and Trader Services

Program: Tenants Advice and Advocacy Program (TAAP) 2002/03

Funded organisation	Purpose	*Funding \$
Canterbury-Bankstown Migrants Resource Centre Inc	Southern Sydney TAAP service	325,298.90
Central Coast Tenants Advice & Advocacy Service Inc	Central Coast TAAP service (provided by this organisation from May 2003 – June 2003)	70,110.28
Central West Community College Ltd	South Western NSW TAAP service	666,479.88
Central West Community College Ltd	North Western NSW TAAP service (provided by this organisation from July 2002-September 2002)	32,500.00
Combined Pensioners and Superannuants Association of NSW Inc	Older Persons Service	158,429.38
Combined Pensioners and Superannuants Association of NSW Inc	Park and Village Service	236,838.17
Dtarawarra Pty Ltd	Aboriginal Resource TAAP service	129,875.00
Durahrwa Training and Development Aboriginal Corporation	Northern NSW Aboriginal TAAP service	309,379.50
Eastern Area Tenants Service Inc	Eastern Sydney TAAP service	211,512.28
Hunter Region Neighbourhood Centre Forum Inc	Hunter TAAP service	298,199.64
Illawarra Legal Centre Inc	South Coast TAAP service	236,451.81
Inner West Aboriginal Community Company Ltd	Greater Sydney Aboriginal TAAP service (provided by this organisation from December 2002-June 2003)	129,716.90
Macarthur Legal Centre Inc	South Western Sydney TAAP service	265,198.71
Management & Advisory Services Aboriginal Corporation	South Western Aboriginal TAAP service	349,369.64
Marrickville Legal Centre Ltd	Inner Western Sydney TAAP service	216,111.78
Northern Area Tenancy Service Inc	Northern Sydney TAAP service	292,463.55
Northern Rivers Community Legal Centre Inc.	Far North Coast TAAP service	244,398.73



Funded organisation	Purpose	*Funding \$
North & North Western Community Legal Centre Inc.	North Western NSW TAAP service (provided by this organisation from October 2002 – June 2003)	290,283.32
Port Macquarie Neighbourhood Centre Inc.	Mid North Coast TAAP service	239,754.73
Redfern Legal Centre Ltd.	Inner Sydney TAAP service	209,468.06
Tenants Union of New South Wales Co-op Ltd.	TAAP Co-ordinator service	399,823.13
The Uniting Church in Australia Property Trust (NSW)	Western Sydney TAAP service	482,090.88
Thubbo Aboriginal Medical Co-op Ltd.	Western NSW Aboriginal TAAP service	387,315.54
Wirringa Baiya Aboriginal Women's Legal Centre	Greater Sydney Aboriginal Tenants Advice Service (provided by this organisation from July 2002 – Nov 2002)	55,275.50
Wyong/Gosford Community Legal Service Inc.	Central Coast TAAP service (provided by this organisation from July 2002- April 2003)	136,802.50
Special Purpose Fund	Provision for ad-hoc projects and interpreter and translator costs for services funded under the TAAP.	112,158.83
Total		6,485,306.64

* Note – All figures include SACS Award increases for eligible services for period 28 November 2002-June 2003)

Program area: Consumer and Trader Services

Program: Credit Counselling Program 2002/03

Funded organisation	Purpose	Funding \$
Macarthur Legal Centre Inc.	Macarthur Legal Centre Credit/Debt Legal Advice Service	25,182.87
CARE Queanbeyan	Queanbeyan Financial Counselling Service	35,370.48
Centacare Port Macquarie	Centacare Financial Counselling Service	28,078.92
Coffs Harbour Neighbourhood Centre	Coffs Harbour Financial Counselling Service – Coffs Harbour/Toormina	22,893.51
Coffs Harbour Neighbourhood Centre	Coffs Harbour Financial Counselling Service – Grafton Outreach	11,446.76
Consumer Credit Legal Centre (NSW) Inc.	Consumer Credit Legal Centre	133,387.45
Eastlakes Family Support Service Inc.	Eastlakes Financial Counselling Service	19,230.55
Illawarra Legal Centre Inc.	Illawarra Legal Centre – Credit/Debt Legal Advice Service	56,109.39
Kempsey Neighbourhood Centre Inc.	Kempsey Financial Counselling Service	34,912.62
Lismore Neighbourhood Centre Inc. (Now – Lismore & District Financial Counselling Service Inc.)	Lismore & District Financial Counselling Service	40,636.00



Funded organisation	Purpose	Funding \$
Lismore Neighbourhood Centre Inc. (Now – Lismore & District Financial Counselling Service Inc.)	Lismore & District Financial Counselling Service – Mullumbimby & Byron Bay	25,182.87
Mission Australia	Mission Australia Campbelltown	36,016.40
Mission Australia	Mission Australia Creditworthy Wollongong	33,765.37
Murwillumbah Community Support Centre Inc.	Murwillumbah Financial Counselling Service	26,899.88
Redfern Community Legal Centre	Redfern Legal Centre Credit/Debt Legal Advice Service	20,604.17
The Uniting Church in Australia Property Trust (NSW)	Credit Helpline	243,646.51
The Uniting Church in Australia Property Trust (NSW)	Creditline Sydney	103,028.22
The Uniting Church in Australia Property Trust (NSW)	Creditline Macarthur (Now Lifeline Macarthur)	21,176.50
The Uniting Church in Australia Property Trust (NSW)	Creditline Fairfield	57,765.36
The Uniting Church in Australia Property Trust (NSW)	Creditline, Newcastle and Hunter	34,340.27
Total		1,009,674.10

Program area: Consumer and Trader Services

Program: Other Funded Tenancy Projects

Funded organisation	Purpose	Funding \$
The Aged-Care Rights Service Inc.	Aged-Care Rights Service	292,598
Total		292,598

Program area: Consumer and Trader Services

Program: Ad Hoc Grants

Funded organisation	Purpose	Funding \$
Aged & Community Services Association and Retirement Villages Association	Education Program for Retirement Village Operators	7,000
Total		7,000



Program area: Consumer and Trader Services

Program: Department of Fair Trading supplementary funding to the Financial Counselling Trust Fund 2002/03

Funded organisation	Purpose	Funding \$
Uniting Church in Australia Property Trust (NSW)	Creditline Penrith	21,296.88
Total		21,296.88

Program area: Consumer and Trader Services

Program: Financial Counselling Trust Fund 2002/03

Funded organisation	Purpose	Funding \$
Anglicare—South East	Anglicare Financial Counselling Service	18,314.81
Bankstown Community Services Community Co-operative Ltd.	Bankstown Family Support Service	34,340.27
Christian Community Aid Service Inc.	Ryde/Eastwood Financial Counselling Service – Granville Outreach	17,170.14
Christian Community Aid Service Inc.	Ryde/Eastwood Financial Counselling Service – Auburn/Lidcombe Outreach	24,038.19
Christian Community Aid Service Inc.	Ryde/Eastwood Financial Counselling Service – West Ryde	45,787.03
The Entrance Neighbourhood Centre	Central Coast Financial Counselling Service	53,901.45
Eurobodalla Family Support Service Inc.	Eurobodalla Financial Counselling Service	35,484.95
Gosford City Community and Information Service Ltd.	Gosford Community Financial Counselling Service	36,629.63
Hunter Valley Financial Counselling Project	Hunter Valley Financial Counselling Project	40,063.65
Lifeline Central West Inc.	Creditline Central West Financial Counselling Service	48,074.32
San Remo Neighbourhood Centre Incorporated	San Remo Financial Counselling Service	22,893.51
The Salvation Army (NSW) Property Trust	Moneycare—Campsie	18,008.20
The Salvation Army (NSW) Property Trust	Moneycare Forster/Tuncurry	11,255.13
The Salvation Army (NSW) Property Trust	Moneycare—Parramatta	27,800.16
The Salvation Army (NSW) Property Trust	Moneycare—Lethbridge Park	27,800.16
The Salvation Army (NSW) Property Trust	Moneycare – Taree/Wingham	22,510.24
The Trustee of the Society of St. Vincent de Paul (NSW)	St.Vincent De Paul Society Broken Bay Financial Counselling Service	22,510.24
The Uniting Church in Australia Property Trust (NSW)	Creditline Penrith—Outreach Richmond	22,510.24



Funded organisation	Purpose	Funding \$
The Uniting Church in Australia Property Trust (NSW)	Creditline Penrith—Outreach Quakers Hill/ Blacktown	22,510.24
The Uniting Church in Australia Property Trust (NSW)	Creditline Financial Counselling Service—Penrith	26,195.18
The Uniting Church in Australia Property Trust (NSW)	Creditline Nowra	36,476.54
The Uniting Church in Australia Property Trust (Victoria)	St David's Care Credit Line Albury	28,616.89
Wagga Wagga Family Support Service Inc.	Wagga Wagga Financial Counselling Service	40,636.00
Woodrising Neighbourhood Centre Inc.	Creditline Westlake Macquarie Financial Counselling Service	34,340.27
Total		717,867.44

Program area: Consumer and Trader Services

Program: Home Building Grants Program 2002/03

Funded organisation	Purpose	Funding \$
Master Builders Association (MBA) of NSW	Feasibility study on alternate means of providing home warranty cover	100,000
Redfern Legal Centre Publishing	Building and the Law Seminars	9,100
MBA Newcastle Group Training Pty Ltd.	Group Training services for building trade apprentices	85,000
Total		194,100

Program area: Consumer and Trader Services

Program: Property Service Grants Program 2002/03

Funded organisation	Purpose	Funding \$
Stock & Station Agents' Association NSW Inc	Professional Development & Education Program	133,875
University of Western Sydney (School of Construction, Property and Planning)	Development and writing of the Bachelor of Commerce (Property Economics) External Course – Stage 4	66,000
University of Western Sydney	To develop income & evaluation methods for rural valuation practice	19,920
Real Estate Institute of NSW	Risk Management Course Development & Resource Kit	76,906
The Australian Quadriplegic Association	The 'SMARTA' Business of Access	42,750
Institute of Strata Title Management Ltd.	Continuing Professional Development Program	12,000



Funded organisation	Purpose	Funding \$
Australian Institute of Conveyancers NSW Division Ltd	Continuing Education – 6 Seminars	13,200
Australian Property Institute Inc.	Continuing Professional Development Program for Valuers and Related Property Professionals	72,030
Total		436,681

Program area: Fair Trading Standards & Registers

Program: Co-operatives Development Fund

Funded organisation	Purpose	Funding \$
Australia at Work Limited	Feasibility Study – “ <i>Bulahdelah Working Village</i> ”	2,730
Comboyne Rural Co-operative Society Limited	Business Plan	10,227
Co-operative Federation of NSW Limited	2002 Conference – “ <i>Making your co-operative status work for you.</i> ”	5,730
Holt Services Pty Ltd	Report on the impact of the <i>Trade Practices Act Review</i> on the co-operative sector.	6,000
NSW Cambodian Growers Marketing Co-operative Limited	Strategic Business Development Plan	9,800
Nambucca River Co-operative Society Limited	Printing Publication – “ <i>Undaunted – The Centenary History Nambucca River Co-operative Society Limited 1903-2003</i> ”	4,636
Scone Chamber of Commerce and Industry Limited	Feasibility Study – “ <i>SCOORE Scone Community Owned Organic Recycling Enterprise</i> ”	7,500
Shepherds Producers Co-operative Limited	Strategic Business Plan	21,350
University of Technology Sydney	Funding for the Australian Centre for Co-operative Research and Development (ACCRD)	**300,000
Walgett Special One Co-operative Limited	Business Plan	9,091
Total		377,064

* In line with the NSW Government Grants and Subsidies Programs Database, figures are GST exclusive.

** This figure excludes amounts that should have been accrued for the 2001/2002 financial year. It also includes the full amount paid in respect of ACCRD and does not include the offset in salaries.



Office of Industrial Relations

Funded organisation	Purpose	Funding \$
Asian Women At Work	Regional Fair School Wear Project	29,364
Asian Women At Work	Chinese Outworker Network Project	71,000
Korean Resource Centre	Korean Outworker Exploration Project	19,723
Cambodian-Aust Welfare	Khmer Outworker Network Project	63,682
Asian Women At Work	Skills Recognition Program	34,217
Vietnamese Women's Association	Vocational Training Program	28,849
Ethnic Child Care	Vocational Training Program	7,445
Asian Women At Work	Vocational Training Program	108,752
Cambodian-Aust Welfare	Vocational Training Program	18,421
Asian Women At Work	Outreach English Classes	13,021
Union Education Foundation	Workplace Employee Training Program	3,000,000
Total		3,394,474

Appendix 14. Implementation of price determination

The Department of Commerce, or the agencies that came together to form the Department, have not been subject to a determination or recommendation of the Independent Pricing and Regulatory Tribunal.

Appendix 15. Information provided to insurers

The *Home Building Legislation Amendment Act 2001*, which was introduced after the reforms of 2001, requires that under section 103AC the annual report prepared for the Office of Fair Trading under the *Annual Reports (Department) Act 1985*:

- must identify all occasions on which information is provided to insurers under this section during the period to which the report relates
- must describe the nature of the information so provided (leaving out particulars that identify, or could lead to the identification of, any particular claimants or insured persons).

Section 103AC commenced on 30 May 2003 and no information was provided during the period ending 30 June 2003.

Appendix 16. Land disposal

No land has been disposed of in 2002/03 by the Department of Commerce or the agencies that came together to form Commerce.

Appendix 17. Legislation administered

Office of Fair Trading

Associations Incorporation Act 1984

Business Names Act 1962

Business Names Act 2002 – partially unproclaimed

Community Land Management Act 1989

Consumer Claims Act 1998

Consumer Credit Administration Act 1995

Consumer Credit (New South Wales) Act 1995

Consumer, Trader and Tenancy Tribunal Act 2001

Contracts Review Act 1980

Conveyancers Licensing Act 1995

Conveyancers Licensing Act 2003 – partially unproclaimed



- Co-operatives Act 1992*
Co-operative Housing and Starr-Bowkett Societies Act 1998
Credit Act 1984
Credit (Finance Brokers) Act 1984
Credit (Home Finance Contracts) Act 1984
Door-to-Door Sales Act 1967
Electricity Safety Act 1945 Part 4C (remainder Minister for Energy and Utilities)
Fair Trading Act 1987 No. 68
Fitness Services (Pre-paid Fees) Act 2000
Funeral Funds Act 1979
Gas Supply Act 1996 (Section 83A)
Holiday Parks (Long-term Casual Occupation) Act 2002
Home Building Act 1989
HomeFund Commissioner Act 1993
HomeFund Restructuring Act 1993, ss 14, 15, 16 and Schedule 2 (remainder Minister for Housing)
Landlord and Tenant Act 1899
Landlord and Tenant (Amendment) Act 1948
Landlord and Tenant (Rental Bonds) Act 1977
Mock Auctions Act 1973
Motor Dealers Act 1974
Pawnbrokers & Second-hand Dealers' Act 1996
Prices Exploitation Code (New South Wales) Act 1999
Prices Regulation Act 1948
Property, Stock and Business Agents Act 1941
Property, Stock and Business Agents Act 2002 – unproclaimed
Registration of Interests in Goods Act 1986
Residential Parks Act 1998
Residential Tenancies Act 1987
Retirement Villages Act 1999
Strata Schemes Management Act 1996
Trade Measurement Act 1989
Trade Measurement Administration Act 1989
Travel Agents Act 1986
Valuers Registration Act 1975
Warehousemen's Liens Act 1935
Office of Industrial Relations
Annual Holidays Act 1944
Banks and Bank Holidays Act 1912 (except parts NSW Treasurer)
Broken Hill Trades Hall Site Act of 1898
Broken Hill Trades Hall Site Extension Act 1915
Builders Labourers Federation (Special Provisions) Act 1986
Building and Construction Industry Long Services Payments Act 1986
Coal Industry Act 2001
Coal Industry (Industrial Matters) Act 1946
Employment Protection Act 1982
Entertainment Industry Act 1989
Essential Services Act 1988 (except parts Premier)
Funeral Services Industry (Days of Operation) Repeal Act 2000
Government and Related Employees Appeal Tribunal Act 1980
Industrial Arbitration (Special Provisions) Act 1984
Industrial Relations Act 1996 (except parts Attorney General)
Industrial Relations (Ethical Clothing Trades) Act 2001
Long Service Leave Act 1955
Long Service Leave (Metalliferous Mining Industry) Act 1963
Shops and Industries Act 1962
Transport Appeal Boards Act 1980



Offices of Government Procurement and Government Business

Architects Act 1921

Architects (General) Regulation 1995

Architects (Elections and Appointments) Regulation 1995

Bennelong Point (Parking Station) Act 1985 No. 189

Border Railways Act 1922 No. 16

Building and Construction Industry Security of Payment Act 1999 No. 46

Building and Construction Industry Security of Payment Regulation 2001

Government Telecommunications Act 1991 No 77

Glen Davis Act 1939 No. 38, Part 4 (remainder Minister for Local Government)

Land Acquisition (Charitable Institutions) Act 1946 No. 55

Land Acquisition (Just Terms Compensation) Act 1991 No. 22

Public Sector Employment and Management Act 2002 No. 43 Chapter 7 (jointly with the NSW Treasurer; remainder NSW Premier)

Public Sector Management (Goods and Services) Regulation 2000

Public Works Act 1912 No. 45 (except parts Minister for Energy and Utilities)

State Brickworks Act 1946 No.

Appendix 18. Legislative change

Office of Fair Trading

The administration of over 40 different acts by the Office of Fair Trading dictates an extensive and on-going legislative program. Ten bills were passed by Parliament following review or development by Fair Trading. Some other laws came into effect for the first time during the year. A number of the most significant changes involved home building reforms.

Bills assented

Building Legislation Amendment (Quality of Construction) Bill 2002

Business Names Bill 2002

Fair Trading Amendment (Employment Placement Services) Bill 2002

Holiday Parks (Long-term Casual Occupation) Bill 2002

Pawnbrokers and Second-hand Dealers Amendment Bill 2002

Strata Schemes Management Amendment Bill 2002

Valuers Bill 2003

Conveyancers Licensing Bill 2003

Consumer Credit Administration Amendment (Finance Brokers) Bill 2003

Statute law revision

The Statute Law (Miscellaneous Provisions) Act 2002 No. 2 amended the:

Property, Stock and Business Agents Act 1941

Strata Schemes Management Act 1996

Landlord and Tenant (Amendment) Act 1948

The Statute Law (Miscellaneous Provisions) Act 2003 No. 1 amended the:

Home Building Legislation Amendment Act 2001

Home Building Act 1989

Pawnbrokers and Second-hand Dealers Act 1996

Property Stock and Business Agents Act 2002

Strata Schemes Management Act 1996

Subordinate legislation review

Remade at September 2002:

Consumer Credit Administration Regulation 2002

Consumer Credit (NSW) Special Provisions Regulation 2002

Fair Trading (General) Regulation 2002

Gas Supply (Gas Meters) Regulation 2002

Trade Measurement Administration Regulation 2002

Trade Measurement Regulation 2002

Warehousemen's Liens Regulation 2002

Significant reforms

The *Consumer Credit Administration Amendment (Finance Brokers) Act 2003* was passed on 30 June 2003. It will improve the protection available to consumers who use finance brokers, and encourage competition in the industry. The Act provides for a written contract to be entered into and a copy given to the consumer before finance broking commences and should contain details of the credit to be obtained. Also a number of provisions related to commission and fees.

Building Legislation Amendment (Quality of Construction) Act 2002 was passed in November 2002. The legislation amended the *Environmental Planning and Assessment Act 1979* and *Regulation*, the *Home Building Act 1989* and *Regulation* and the *Conveyancing (Sale of Land) Regulation 2000*. The key changes to the *Home Building Act 1989* are:

- builders will have to undertake a financial test to be licensed
- new prescribed standard conditions in building contracts will be implemented
- work will have to conform to the Building Code of Australia and relevant standards
- inspectors will be empowered to make rectification orders against builders
- the Consumer, Trader and Tenancy Tribunal will be able to accredit experts to report jointly to the parties in dispute (the expert report and the Building Inspector's report will be the only reports used unless the Tribunal determines otherwise).

The Act also made a number of changes to the processes for the certification of building work.

The *Home Building Amendment (Insurance) Act, 2002* introduced major changes to the operation of home warranty insurance from 1 July 2002. Cover under the private home warranty insurance scheme is provided on a last resort basis. A home owner who suffers loss from a builder's defective or incomplete work can only make an insurance claim if they have been unable to recover compensation from the contractor or if work has not been rectified or completed due to the insolvency, death or disappearance of the contractor. In the case of a claim

for non-completion of work, the insurance contract may limit liability to an amount that is 20% of the contract price of the job. The amount of cover for defective and incomplete works remains at \$200,000, but the period of cover has changed from 7 years to 6 years for structural defects and 2 years for non-structural defects.

The *Home Building Amendment (Licences and Certificates) Regulation 2003* was introduced on 20 June 2003. This amendment reforms the licence and certificate renewal procedures in cases where a person was bankrupt or managing a company that was being wound up and enables the Commissioner of Fair Trading to issue a contractor licence or qualified supervisor certificate in certain circumstances. This includes where the Commissioner is satisfied the person has taken all reasonable steps to avoid the winding-up order or the appointment of a controller or administrator or if, in the Commissioner's opinion, there is no evident risk to the public that the applicant would be unable to complete any contracts. Previously, the Commissioner was required to automatically cancel the licence of any builder or contractor who became bankrupt.

The *Holiday Parks (Long-term Casual Occupation) Act 2002* was passed in October 2002 and came into effect on 28 February 2003. The legislation provides rights for long-term recreational park occupants who leave their vans on site on a permanent basis. Uncertainties over the rights and obligations of both park owners and occupants were removed, a standard occupation agreement provides, minimum notice periods and a dispute resolution provided through the Consumer, Trader and Tenancy Tribunal.

The *Valuers Act 2003* was passed by Parliament in May 2003. It provides for a range of registration scheme reforms including streamlining five categories of registration into one category with conditions and extending the duration of registration from one year to three years. It will provide greater flexibility in relation to qualification requirements and provide for a more responsive amendment of qualification requirements. Complaints, disciplinary action and enforcement provisions will be streamlined to bring them into line with other professional licensing schemes. Appeals will also be processed faster and cheaper by referring them to the Administrative Decisions Tribunal rather than the Land and Environment Court.

Conveyancers Licensing Act 2003 was passed on 20 May 2003. The Act improves consumer protection, allows conveyancers to incorporate, introduces 'rules' for conveyancers, clarifies and updates existing legislation and reforms the disciplinary scheme.

The *Fair Trading Amendment (Employment Placement Services) Act 2002* and the *Fair Trading (General) Amendment (Employment Placement Services) Regulation 2003* commenced on 17 February 2003. The new legislation means that employment agents are no longer required to be licensed. However they must comply with the new consumer protection provisions in the *Fair Trading Act 1987*. Employment agents must now inform each client in writing that it is illegal for them to charge the client a fee for finding them employment.

The *Fair Trading (Product Information Standards) Regulation 1997* was repealed by the *Subordinate Legislation Act 1989* on 1 September 2002. Three other regulations under the *Fair Trading Act 1987* were consolidated with this regulation: *Fair Trading (Product Safety Standards) Regulation 2000*; *Fair Trading (Penalty Notices) Regulation 1998*; and *Fair Trading (Savings and Transitional) Regulation 1997*. The consolidated *Fair Trading (General) Regulation 2002*, which commenced on 1 September 2002, covers safety standards for various goods, certain product information standards and the retail sale of regular unleaded petrol at petrol stations. The regulation will also include certain offences under the *Fair Trading Act 1987* for which penalty notices may be issued.

Many of the government's motor trade reforms, contained in the *Motor Trade Legislation Amendment Act 2001* were implemented during the year. The reforms promote consumer protection, crime prevention and administrative reform. They include:

- a one day cooling off period for cars bought on credit provided by the dealer
- allowing certain claims to be made on the Motor Dealers Compensation Fund
- a 10 year motor dealer or repairer licence ban on people convicted of motor vehicle or motor vehicle parts theft
- the establishment of the Motor Vehicle Repairs Industry Authority.

The *Business Names Act 2002* was assented to on 29 November 2002. The Act contains such provisions as exemptions for businesses trading solely over the Internet from the requirement to register and display business names. Traders can now register multiple business names and fees for updating details on the Register of Business Names have been abolished. The Act also provides for the Administrative Decisions Tribunal jurisdiction to review decisions of the Commissioner for Fair Trading with respect to the registration of a business name.

The *Property, Stock and Business Agents Act 2002* was passed by the NSW Parliament in June 2002 and was given the Governor's Assent on 10 July 2002. The Act, scheduled to come into effect on 1 September 2003, sets out a new regulatory framework for the contemporary property marketplace. This will simplify licensing and disciplinary procedures, remove unnecessary requirements and introduce measures to raise the competency and professional standards of agents.

The *Strata Schemes Management (Amendment) Act 2002* was passed in November 2002 and commenced on 10 February 2003. It brought caretaker contracts within the legislation and imposed a maximum 10-year term on such contracts. The Consumer, Trader and Tenancy Tribunal was given jurisdiction to deal with caretaker contract disputes. The Act also limited the use of proxy votes by strata managing agents and caretakers and placed some restrictions on priority voting rights of mortgagees.

Office of Industrial Relations

The *Industrial Relations Amendment (Industrial Agents) Act 2002* provides for the regulation of the activities of industrial agents (being persons, other than legal practitioners or employees or officers of industrial organisations, who represent a party for fee or other reward in the NSW Industrial Relations Commission) in terms of their appearance right and allowable fees arrangements. Commencement: 1 February 2003

The *Bank Holidays Legislation Amendment Act 2002* inserted new provisions in the *Shops and Industries Act 1962* enabling banks to make applications to the Director-General, Department of Commerce, to open branches on a Saturday or Sunday, or both days. The Act also inserted

a new provision in the *Banks and Bank Holidays Act 1912* to include Sunday as a 'close holiday'. Commencement: 24 January 2003.

The *Coal Industry Amendment (Fees for Rescue Services) Act 2003* amended the *Coal Industry Act 2001* with respect to the charging of fees for the provision of underground coal mine rescue services. Commencement: 16 December 2002

The *Public Sector Employment and Management Act 2002* includes, amongst other things, amendments to the *Government and Related Employees Appeal Tribunal Act 1980* and the *Transport Appeal Boards Act 1980*. The amendments relate to permissible appeal rights to, and the manner of hearing of appeals before, the tribunals. Commencement: 9 September 2002

The *Statute Law (Miscellaneous Provisions) Act 2003* included, amongst other things, an amendment of the *Shops and Industries Act 1962* to permit weekend bank trading applications and determinations to be delegated by the Director-General, Department of Commerce, to an officer within the Department of Commerce. Commencement: 22 July 2003

Shops (Trading) Amendment (Banks) Regulation 2003 prescribes a fee for an application by a bank under the *Shops and Industries Act 1962* to open one or more branches on a Saturday or Sunday, or both. Commencement: 24 January 2003

The *Shops (Trading) Regulation 2002* replaces and repeals the *Shops (Trading Hours) Regulation 1997* and is made under the *Shops and Industries Act 1962* as a result of the staged repeal provisions of the *Subordinate Legislation Act 1989*. Commencement: 1 September 2002

Offices of Government Procurement and Government Business

The *Building and Construction Industry Security of Payment Amendment Act 2002* makes clarifications and enhancements to the procedures for payment for construction work and for related goods and services under construction contracts in the *Building and Construction Industry Security of Payment Act*, including interest on unpaid progress payments and provision for claims to be adjudicated rather than pursued in court. The Amending Act also provides for an adjudication under the *Building*

and Construction Industry Security of Payment Act to form the basis of a debt certificate under the *Contractors Debts Act* to allow recovery of a payment under that legislation. Commencement: 3 March 2003

Repealed legislation

Snowy Mountains Engineering Corporation (New South Wales) Act 1972 No. 50

Snowy Mountains Hydro-electric Agreements Act 1958 No. 20, sections 10 and 11

Appendix 19. Major assets

Major asset acquisition during 2002/03:

StateFleet maintains a portfolio of 398 motor vehicle assets with a capital value of \$19.9 million. These motor vehicles are on lease to other NSW government agencies. Acquisitions during the year have been limited to the replacement of retiring vehicles only. StateFleet purchased the first batch of StateFleet Leasing Arrangement vehicles in June 2003. The 464 vehicles purchased have a capital value of \$14.4 million. These motor vehicles will be leased to other government agencies.

smartbuy™, the whole-of-government electronic marketplace developed for the NSW Government is a fully integrated set of software applications that can process up to 11 million transactions annually. The successful vendor is a consortium headed by LogicaCMG, with the software provider being Intershop. Acquisition of computer system software and hardware for the year amounted to \$6.48 million.

Central Corporate Services Unit spent \$6.21 million in the 2002/03 on information system upgrades for the unit. Major components of this acquisition were enhancements to the human resources electronic self serve system for the Unit's clients and a security certification project and infrastructure upgrades.



Appendix 20. Membership of boards and committees

Representation Key: Deputy Chair (DC), Chairperson (C), Member (M), Trustee (T).

Kate McKenzie, Director-General, Department of Commerce, is a member of the following Boards and Committees:

Austeel Project Steering Committee (M)

Australian Procurement and Construction Ministerial Council (M)

Australian Procurement and Construction Council of Chief Executives' (M)

Aboriginal Communities Development Program Steering Committee (M)

Building Coordination Committee (M)

Capital Works Review Taskforce (M)

Chief Executive Officers Committee (M)

Chief Executive Officers eGovernment Committee (DC)

Construction Improvement Council (M)

Council on the Cost and Quality of Government (M)

Government Asset Management Committee (M)

Industrial Relations Consultative Committee (M)

Industrial Relations Steering Committee (M)

Long Service Payments Corporation (C)

NSW Government Licensing Project Steering Committee (C)

NSW Government Business Licensing Project Steering Committee (C)

Perisher Taskforce (M)

Procurement Council (M)

Industrial and Environmental Land Development Taskforce (M)

WorkCover NSW Board (M)

WorkCover NSW Audit Committee (M)

Office of Fair Trading

Australia New Zealand Reciprocity Association, Michael Carroll (M)

Builders Licensing Australia, Peter Smith (M)

Building and Construction Council, Peter Smith (M)

Building Co-ordination Committee , David O'Connor (M), Lindsay Le Compte (M)

Business Broking Competency Standards Development Project Steering Committee, Barbara Fernandez (M)

Central Coast Regional Coordination Management Group, Sue Dean (M)

Community Relations Commission Hornsby – Wyong Regional Advisory Council, Sean Lonegran (M)

Community Relations Commission Northern Regional Advisory Council, Sally-Anne Burrow (M)

Construction Industry Training Advisory Board, Michael Carroll (M)

Consumer Products Advisory Committee, John Furbank (M)

Co-operatives Council, Brian Given (C)

Co-operative Housing & Starr-Bowkett Societies Standards Committee, Christine Gowland (M)

Co-operative Housing Society Advisory Committee, Brian Given (C)

Co-operatives National Working Party, Brian Given (C)

Electrical Equipment Safety Advisory Committee, Alex Krestovsky (C)

Electrical Regulatory Authorities Council, John Furbank (M), Michael Carroll (M)

Eurobodalla Community Forum, Christine Ambs (M)

Fair Trading Advisory Council, David O'Connor (M)

Fair Trading Operations Advisory Committee, Malcolm Finger (M)

Hazardous Chemicals Advisory Committee, Steve Hutchison (M)

Health Complaints and Consumer Protection Advisory Committee, Brian Given (M)	NSW Government Licensing Project Steering Committee, David O'Connor (M)
Home Building Advisory Council, David O'Connor (M)	NSW Government Licensing Project Legislation Consultative Committee, Leanne Porter (M)
Hunter Regional Coordination Management Group, Richard Buckley (M)	NSW Injury Prevention Forum, John Furbank (M)
Illawarra Regional Coordination Management Group, Christine Ambs (M)	Partnership Against Homelessness Committee, Susan Dixon (M)
Illawarra Building Forum, Christine Ambs (M)	Pawnbrokers & Second-hand Dealers Industry Consultative Committee, Gabbie Mangos (M)
Illawarra Migrant Resource Services Group, Christine Ambs (M)	Poisons Advisory Committee, Steve Hutchison (M)
Inter-agency Working Party on Residential Park Closures, Peter Berry (M)	Products Safety Committee, David Catt (C) John Furbank (M)
Jewellery and Timepieces Industry Code Administration Committee, Malcolm Finger (M)	Property Services Advisory Council, David O'Connor (M)
Joint Full Retail Competition Consultative Committee, Susan Dixon (M)	Redfern Waterloo Partnership Project, Human Services Senior Officers Group, Andrew Gavrielatos (M)
Ministerial Taskforce on Affordable Housing, David O'Connor (M)	Rental Bond Board, David O'Connor (C)
Motor Trade Advisory Council, David O'Connor (M)	Residential Parks Consultative Committee, Peter Berry (C)
Motor Vehicle Repair Industry Authority Council, Brian Given (M)	Retirement Village Advisory Council, David O'Connor (M)
National Inter-Departmental Committee on Migrant Settlement, Di Newcombe (M)	Office of Industrial Relations
National Time Committee, Victor Lawrence (C)	Coal Industry Act Monitoring Committee, Pat Manser (C), Ray Modini (M)
National Standards Commission, Victor Lawrence (Commissioner)	Community Language Allowance Working Party, John Carpenter (M), Paul Houston (M)
National trade Measurement Working Group, Brian Given (C)	NSW Construction Industry Consultative Committee, Paul Houston (M), Pat Manser (M), John Stockler (M)
North Coast Regional Coordination Management Group, Marilyn Richmond (DC)	NSW Labour Hire Licensing Working Party, Paul Houston (M), Pat Manser (M), George Petrovic (M)
North Coastal Sydney Region Co-ordination Management Group, Andrew Gavrielatos (M)	Public Institutions Steering Committee, Melinda Golding (M), Catherine Quealey (M)
Northern Tablelands Regional Coordination Management Group, Marilyn Richmond (M)	Office of Information & Communications Technology
NSW Car Theft Action Group, Brian Given (M)	Australia Centre Advanced Computer & Communications (ac3) Management sub-committee, Robert Wheeler (M)
NSW Financial Counselling Trust Fund, Susan Dixon (T)	Australia Centre Advanced Computer & Communications (ac3) Audit Committee, Robert Wheeler (M)
NSW Food Advisory Committee, Merilyn Betty (M)	Australia Centre Advanced Computer & Communications (ac3), Robert Wheeler (M)



- Australian Business Register Policy Advisory Committee, John Devlin (M)
- Bandwidth Assessment Task Force, Robert Wheeler (C)
- BioFirst High Bandwidth Network Committee, Jan Aalders (M)
- BioFirst High Bandwidth Network Implementation Committee, Jan Aalders (M), Colin Griffith (M)
- Broadband EOI Contract Management Committee, Robert Wheeler (C), Colin Griffith (C)
- Business Entry Point Advisory Committee, John Devlin (M)
- Chief Executive Officers Radio Management Committee, David Thomson (M), Anthony Gates (secretary)
- Community Technology Centre (CTC) Reference Group, Robert Wheeler (C)
- Computer Reuse Steering Committee, Marie Bonney (DC), Robert Wheeler (C)
- Cooperative Research Centre Research Committee, Colin Griffith (M)
- COPS2 Program Review Group, Warwick Watkins (M)
- Critical Infrastructure Protection Group, Nigel Evans (M)
- CTC Reference Group, Kerry Fraser (M), Susan Locke (M)
- Department of Community Services IM&T Steering Committee, Bill Butler (M)
- Grants Online Steering Committee, Linda Chin (M)
- ICT in the Department of Education and Training Agreement Management Committee, Warwick Watkins (M)
- ICT Industry Skills Consultative Committee, Warwick Watkins (M)
- Integrated Transactions Reference Group, Ken Bullock (M), Linda Chin (M)
- Juvenile Justice ICT Steering Committee, Bill Butler (M)
- Microsoft Special Provision Fund – Steering Committee, Marie Petrovski (M), Robert Wheeler (M)
- Mobile Data Computer Aided Dispatch Project Steering Committee, David Thomson (M), Robert Wheeler (M)
- Natural Resources Information Management Strategy Steering Committee, Ken Bullock (M)
- NSW Government Departmental Savings Taskforce, Bill Butler (M)
- NSW Government Licensing Project Steering Committee, Linda Chin (M), Robert Wheeler (M)
- NSW Health Dept Electronic Information Security Committee, Nigel Evans (M)
- NSW Networking the Nation Advisory Group, Robert Wheeler (C), Jan Aalders (M)
- Office of Fair Trading Licensing Project Steering Committee, Linda Chin (M)
- Online Council Officials Meeting, Robert Wheeler (M)
- Online Ministerial Council Officials Working Group – ICT Skills, Sue Shallis (M)
- Police Complaints Case Management Program Review Group, Nigel Evans (M)
- Senior Officers Radio Working Party, Anthony Gates (C), Phil Read (M)
- Standards Australia Committee – IT4 Geographic Information, Ken Bullock (M)
- Standards Australia Committee – Knowledge Management, Kristine Corcoran (M)
- State Emergency Management Committee, Anthony Gates (M)
- State Emergency Service Standing Committee on Information Management, Anthony Gates (C)
- Working Party Overseeing Central Corporate Services Unit Enhancement, Catherine Hanly (M)
- Office of Government Procurement**
- Advertising Sub-Committee of The Cabinet Standing Committee on the Budget, Bob Gallagher (officer Assisting the Committee)
- Australian Procurement and Construction Council Strategy Group, Ted Smithies (C) Rosemarie Risgalla (M)
- Cleaner Government Fleet Policies Inter-Agency Committee, Richard Gibbons (M) John Corney (M) John Barlow (M)



Cleaner Vehicles Package Task Force, Barry Crocker (M)	Cleaner Government Fleet Policies Inter-Agency Committee, Barry Crocker (C), John Corney (M)
Construction Industry Consultative Committee, Rosemarie Risgalla (M), Matthew Gissane (Alternate)	Cleaner Vehicles Package Task Force, Richard Gibbons (M)
Government Asset Management Committee (GAMC), Rosemarie Risgalla (M)	Commercial Office Committee, Property Council of Australia, NSW Division, Stephen Simpson (M)
GAMC Property Disposal Panel, Vince Spanhel, (M)	Cooperative Research Centre Wastewater & Pollution Control Committee, Guy Boncardo (M)
GAMC Senior Officer Sub-Committee, Rosemarie Risgalla (C)	Corporate Real Estate Committee, Property Council of Australia NSW Division, Stephen Simpson (M)
GAMC Total Asset Management Reference Group, Vince Spanhel (M)	Corruption Prevention Network, Michael Quirk (M)
Motor Vehicle Replacement Facility Steering Committee, Richard Gibbons (M)	Dams Safety Committee, Brian Cooper (M)
Motor Vehicle Review Working Group, Richard Gibbons (M)	Dams Safety Committee, Hydrology Sub Committee, Peter Cloke (M)
National Association of Women in Construction, Elizabeth Williams (Board Member)	Department of Education and Training /Dept of Commerce TAFE Program Review Committee, Malcolm Kite (M), Graham Griffith (M)
NSW Health Peak Purchasing Council, Don Murphy (M)	Department of Education and Training Facilities Standards Committee, John Zahn (M), Cecilia Wilson (M)
Schools Facility Maintenance Contracts Steering Committee, Christine Wong (M)	Department of Education and Training/Dept of Commerce Capital Works Steering Committee, Doug Anderson (M), John Zahn (M)
State Contracts Control Board, Alan Griffin (C), Don Murphy (M)	Department of Education and Training/Dept of Commerce Co-ordination and Finance Steering Committee, Doug Anderson (M), John Zahn (M), Malcolm Kite (M), Peter Drummond (M), Graham Griffith (M), Dale Lynch (M), Jon Pyke (M)
The Australian Centre for Construction Innovation, Board of Advice, University of NSW, Alan Griffin (M)	Department of Education and Training/Dept of Commerce Maintenance Control Group Committee, Christine Wong (M), Paul Christie (M), Dale Lynch (M), Kevin Williams (M), Faye McWhirter (M), Warwick Hooper (M), Stuart Hunter (M), Roger Davison (M)
WorkCover NSW Construction Industry Reference Group, Rosemarie Risgalla (M), Elizabeth Williams (M)	Fish Passage Reference Group (Murray Darling Basin Commission), Brian Cooper (M)
Office of Government Business	Fish River Management Board, Madi Maclean (M)
Australian Urban & Regional Information Systems Association, Terry Rogerson (Treasurer NSW Chapter)	Foot & Mouth Disease Sub-Committee, Mike Cush (M)
Australian Water Association Water Reuse & Recycling Committee, John Anderson (C)	Heritage Council of NSW, Chris Johnson (M)
Central Sydney Area Health Service Board, Glenn Wran (M)	Inter Agency Committee of the Fraud Prevention Group, Greg Cousley (M)
Central Sydney Planning Committee (Sydney City Council), Chris Johnson (M), Peter Mould (Alternate Member)	
CEO Steering Committee, Rural Hospital and Health Service Program, Glenn Monckton (M)	
Chatswood Transport Planning Coordinating Group, Chris Johnson (C)	



Local Government Management Authority, Gerry Brus (M)

Mines Subsidence Board, Phil Carter (M)

Motor Vehicle Replacement Facility Steering Committee, Richard Gibbons (M)

Motor Vehicle Review Working Group, Richard Gibbons (M)

NSW Board of Architects, Chris Johnson (M)

NSW Health Peak Purchasing Council, Don Murphy (M)

NSW Institute of Landscape Architects, Penny Allan (President)

NSW Public Sector Corruption Prevention Committee, Charlie Sherlock (M)

Parramatta Civic Centre Site Master Plan Steering Committee, Norm Johnston (M)

Parramatta Government Property Strategy Group, Tony Collins (C), Norm Johnston (M)

Parramatta Regional Environmental Plan Development Group, Norm Johnston (M)

Parramatta Transport Planning Coordinating Group, Chris Johnson (C)

Permanent Committee on Tides and Mean Sea Level, David van Senden (M)

Premier's Regional Coordination Management Committee – Riverina Region, Madi Maclean (M)

Premier's Regional Coordination Management Committee – Western Region, Madi Maclean (M)

Schools Facilities Maintenance Contracts Steering Committee, Doug Anderson (M), Christine Wong (M), John Zahn (M) and Tony Collins (M)

South Sydney Development Corporation, Chris Johnson (M)

State Emergency Management Committee, Mike Cush (Engineering Services Functional Area Coordinator)

State Greenhouse Network, Will Strachan (M)

State Water Monitoring Coordination Committee, David van Senden (M)

Survey and Mapping Advisory Committee, Greg McIlwaine (M)

Sydney Harbour Design Review Panel Chris Johnson (C)

Sydney Harbour Executive Stephen Simpson (M)

Sydney Olympic Park Authority Design Review Panel, Chris Johnson (M)

Sydney Opera House Trust Conservation Council, Chris Johnson (M)

Urban Design Advisory Committee, Chris Johnson (M)

Committees abolished 2002/03

Construction Policy Steering Committee

Significant agency committees

All significant corporate committees were abolished or came under review to make way for a new structure of corporate governance when the Departments that form Commerce were abolished.

Appendix 21. New South Wales Government Telecommunications Authority

The vision of the NSW Government Telecommunications Authority (Telco), as outlined by the *NSW Government Telecommunications Act 1991* (the Telco legislation) is to improve the integration of information and communications technology (ICT) capabilities and assets in NSW for the people of NSW.

The functions of the Telco Board are:

- to determine policy and strategic planning for the Authority
- to oversee the effective, efficient and economical management of the Authority
- to advise the Minister on any matter relating to the telecommunications requirements of the Government or on the commercial advantages available to the Government with respect to the State.

Telco's aims and objectives are:

- to utilise the provisions of the Telco legislation to better integrate ICT capabilities
- to utilise its functions, including the ability to conduct any business connected with telecommunications to the best advantage of the State.



Membership

The Board has not been reconstituted after lapsing in June 1996 and no meetings of the Board were held during the reporting year. Instead, the Government reviewed the role of the Board as part of an audit of government telecommunications infrastructure. It is currently considering options including the reconstitution of a new Board.

The acting Managing Director, under delegated authority as permitted by the Act under Section 34(4), carried out the Board's principal functions for the reporting period.

The acting Managing Director was appointed in January 2000. The Deputy Director-General, Office of Information and Communications Technology, Mr Robert Wheeler, is the appointee.

Administration

As provided for under the Telco legislation, the acting Managing Director is currently assisted by the Office of Information and Communications Technology, Department of Commerce.

Report on operations

During the reporting year Telco operations have been confined to an investment role on behalf of the NSW Government. Telco is a majority shareholder in the Australian Centre for Advanced Computing and Communications (ac3). Online service delivery activities have been undertaken by ac3. Two major projects were undertaken during the reporting year:

- Telco continued to be involved in ac3. Telco is the majority equity holder in ac3, a private company incorporated on 10 November 2000. The other equity holders are eight NSW universities. Super computing facilities for ac3 are in two locations, the principal node being at the Australian Technology Park in Sydney and a regional node in Bathurst
- Telco was used as the vehicle to hold the government shareholding in the Co-operative Research Centre for Smart Internet Technology.

ac3 activities

ac3 operates a purpose-built premium data centre occupying approximately 350 square metres. The data centre is highly secure and highly available, with power coming from three separate sources. Power for the data centre is coming from two independent and geographically separate 11KV Energy Australia sub-stations. Power conditioning and further power resilience is provided by two, redundant Liebert UPS units. This is also supplemented by a powerful diesel-generator capable of providing enough power for now and the foreseeable future.

The data centre is also highly connected. Commercial users access ac3 by means of a 155Mbps fibre connection to the Optus backbone, while academic users have access via two 100Mbps connections to AARNet, the academic network. Other connectivity include 1Gbps to GrangeNet, direct connection to the ARGUS Network and plans for connection to the Sydney Basin Network.

ac3 provides managed services for co-location and hosting of production servers. Co-location means that the customer owns and supplies all servers and equipment, which are housed in racks within ac3's highly secure, premium-grade data centre. ac3 provides a safe and reliable environment where government citizen-facing servers can be located and professionally managed. ac3 is the home of the NSW Government portal www.nsw.gov.au, and is the ISP for agencies such as the Department of Commerce, Land and Property Information, National Parks and Wildlife Services, Tourism NSW, Planning NSW, NSW Parliament, NSW Parliamentary Counsel's Office and NSW State Records Authority. ac3 also supports a range of small to medium size agencies by managing their production servers, providing an environment where their services are delivered to their clients over the internet.

Consultants

No Consultants were engaged by the Authority during the reporting year.

Payment of accounts

Corporate support services to Telco are provided by Commerce. All payments required to be made by Telco are processed on its behalf by the Department of Commerce. These payments are reflected in the payment performance



indicators published in the Department of Commerce Annual Report.

For all other administrative procedures, policies and processes for this report please refer to the Department of Commerce Annual Report Appendices.

New South Wales Government Telecommunications Authority

McKell Building

Level 21

2-24 Rawson Place

Sydney NSW 2000

Telephone 61 2 9372 8278

Fax 61 2 9372 8299

Appendix 22. Overseas travel

Officer (countries visited) purpose of trip

Guy Boncardo (China) Preparation of concept development of the Jiangying Water Treatment Plant, Shanghai, China.

Penny Allan (China) To act as a judge for Landscape Competition in Chengdu and to evaluate fee proposals for work in Shenzhen.

Chris Johnson (China) To assess the design for the Master Plan of the Beijing Olympic Games.

Bruce Pettman (China) To participate in International Expert Advisory Mission on Heritage in Taiwan and to inspect the progress of work in Hong Kong and to pursue the adaptive re-use of Heritage buildings.

Steve Hammond & Scott Hawken (China) To provide design direction on landscape projects in Shenzhen, China.

Guy Boncardo (China) To undertake project work in Kunming, China advising on pollution control strategies.

John Anderson (Greece) Invited to present a paper on water reuse at the IWA Mediterranean Regional Symposium on wastewater reclamation, recycling, and reuse in Iraklion.

Alan Griffin & Ed Shestovsky (Hong Kong) To monitor implementation of the China Capacity Building Program.

John Gan (Hong Kong) To participate in a Wetland Technical Conference, to undertake field visits and to conduct a workshop on Wetlands.

Paul Thurloe (Italy) Attended a Building Conservation Master course, the Marble Carbing Course in Azzano under a George Proudman Stonemasonry Fellowship.

Guy Boncardo (Malaysia) Presented IDEA sewage treatment technology to government officials in Kota Kinabalu and preparation of the preliminary design of the Kudat Sewage Treatment Plant, Sabah.

Phil Clarke (New Zealand) A series of seven trips from January 2003 until February 2004 to conduct coastal waters monitoring in the vicinity of a proposed ocean outfall at Waimakariri north of Christchurch.

Simon Gilkes, Kerry Anne Hogan, Robert Houlden and Phil Lucas (New Zealand) Provision of short term valuation services to Christchurch City Council.

Nicole Thompson (New Zealand) To assist in the completion of design intent and presentation drawings for stage two of the Chaffers Park Competition.

Tony Patterson (New Zealand) To conduct a site inspection for mechanical and hydraulics services design for the Wellington Hospital Redevelopment.

John Furbank (New Zealand) Attended meetings of the Gas Technical Regulators Committee, meetings with the New Zealand Ministry of Consumer Affairs

John Moen (New Zealand) Attended electrical standards regulatory conference

Linda Chin (Singapore) Invited speaker at the Intranet Content Management for Government conference.

Guy Boncardo (Spain) To evaluate specific applications of UNIFED Technology and assist CRC in its market development.

Norm Johnston (United Kingdom) Attended a study tour organised by Macquarie Bank to improve the Department's knowledge of the implementation of private sector funded projects.

Tony Collins (United Kingdom) To secure quotes for insurance premiums for construction projects.

Mike Cush & Anthony Gates (United States of America) Attended Emergency Management Conference

Brian Cooper (United States of America) Attendance at USBR Seminar and Study Tour on Dam Safety Operation and Maintenance.

Michael Cush (United States of America) Attendance at conferences and workshops on Project Management Roles.

Suzanne Grob (United States of America and Europe)
To examine world's best practice in developing criteria to specify and validate environmental and corporate citizenship claims made by suppliers for goods and services.

Appendix 23. Privacy management

The *Privacy and Personal Information Protection Act 1998* (Privacy Act) introduced a set of binding privacy standards for the NSW public sector. These standards, known as information protection principles, regulate the way public sector agencies deal with personal information in relation to its collection, storage, use and disclosure.

All of the Offices of Commerce have Privacy Management Plans that set out the policies and practices adopted to ensure compliance with the legislative provisions as well as establishing procedures to deal with complaints. These Plans have been lodged with the Privacy Commissioner and any Code of Practice related to Commerce's operations has been approved by the Attorney General. Copies of these documents and further information about the Privacy Act are available to the public on request.

Individuals can apply under the Privacy Act for access to personal information held by Commerce. A complaint, or internal review, can be lodged if a person believes the Department has breached an information protection principle under the Privacy Act or its Code of Practice.

Codes of practice

A Code of Practice is in place that modifies the application of the Privacy Act in respect of the functions of the Office of Fair Trading. The Code of Practice authorises non-compliance with the information protection principles where they prevent the Office of Fair Trading from carrying out its functions.

The Office of Fair Trading is also covered by the provisions of the Investigation Code of Practice, the Code of Practice for Inter-agency Transfers of Information and the Privacy Code of Practice for the NSW Public Sector Workforce Profile.

Applications made under the Privacy Act 2002/03

For the year 2002/03, the Office of Fair Trading did not receive any access applications. Of the two requests for internal review received for this period no breach of the Privacy Act or Code of Practice was identified. Although an appeal of one of the review decisions was made to the Administrative Decisions Tribunal, the matter was dismissed when the complainant failed to appear.

The former Department of Public Works and Services processed one application for access to information under the Privacy Act in 2002/03.

No applications were processed under the Privacy Act in 2002/03 by the former Office of Information Technology or Department of Industrial Relations, or the Offices of Industrial Relations, Information & Communications Technology, Government Procurement, Government Business and Strategic Management & Corporate Support.

Privacy Management is an area of Commerce that will be reviewed in 2003/04 to ensure consistency across the newly formed Department.

Fees and charges

The current Privacy Management Plans provide for the payment of an application fee of \$30 (plus GST). The fee is applicable to requests for access to personal information, which may be held by the Department.

A processing charge of \$30 per hour (plus GST) is applied after the first 20 hours of work.

No fees or charges apply for applications for reviews under Part 5 of the Privacy Act.

Contacts

Further information can be obtained from the following contacts.

Privacy Coordinator
Department of Commerce
Level 22
McKell Building,
2-24 Rawson Place
Sydney NSW 2000



Privacy Coordinator
Office of Industrial Relations
PO Box 847
Darlinghurst NSW 2010

Privacy Coordinator
Office of Fair Trading
1 Fitzwilliam Street
Parramatta NSW 2150

Appendix 24. Rental Bond Board

The Rental Bond Board was established in 1977 under the *Landlord and Tenant (Rental Bonds) Act 1977* to act as an impartial custodian of rental bonds paid for residential tenancies in NSW. The Board is a statutory body representing the Crown and is subject to the control and direction of the Minister for Fair Trading.

The Board is comprised of the Commissioner for Fair Trading as Chairperson, representatives of the Director-General of the Department of Housing and the Secretary of the Treasury and two persons with experience in real estate or tenancy matters appointed by the Minister.

The legislation gives the Board responsibility for the management and investment of bond money and interest

earned on investments and for the making of grants or loans, with the approval of the Minister, for rental advisory services and other projects which benefit the residential tenancy sector. Interest earned on the investment of bond money is used to pay interest on bond refunds, to partially fund the Consumer, Trader and Tenancy Tribunal and to contribute to the cost of administering tenancy legislation. The Board also provides funds for advisory services, including the Tenants Advice and Advocacy Program.

The Department provides administrative support to the Board, including:

- rental bond lodgement, refund and enquiry services
- tenancy information and education
- accounting, investment, financial and legal services
- assessment of applications for funding and preparation and administration of funding agreements.

The Rental Bond Board financial statements for the year ended 30 June 2003 are provided in the Financial Statements section of this Annual Report. Enquiries about the Board and requests for copies of funding guidelines may be directed to the Rental Bond Board Secretary on telephone (02) 9338 8992.

Rental Bond Board Members 1 July 2002 – 30 June 2003

Name	Term of appointment	Meetings attended
David O'Connor, Commissioner of Fair Trading (Chairperson) Alternate: Susan Dixon, Director, Projects, Funding and Equity	Ex officio	2
Director-General Department of Housing Deputy: Helen O'Loughlin, Director, Planning Unit	Ex officio	5
Secretary, NSW Treasury Deputy: Mr Brian Waddington, Principal Financial Analyst	Ex officio	4
Ms Lynette Tamsett, Licensee, KG Hurst, Eastwood	Ministerial appointment 25 June 2002 to 30 June 2003	4
Ms Michelle Burrell, Solicitor	Ministerial appointment 25 June 2002 to 30 June 2003, resigned 26 July 2002	1
Ms Katrina Harrison, Solicitor	Ministerial appointment 9 September 2002 to 30 June 2003	3



Appendix 25. Research and development

One of the key corporate projects for Industrial Relations in the reporting year was to examine new methods for best practice regulation through the Best Practice Regulation Project. This project brought together experts in policy and practice to develop new approaches to ensure that workers are adequately protected and employers are free from any unnecessarily complicated processes and requirements.

An expert consultant in government policy processes and regulation was engaged to conduct workshops to assist the Office in developing a best practice regulation model. This outcomes model is designed to develop a rigorous link between the issue or problem and the desired outcome. This model is now being used to develop and assess new policy proposals. The resources allocated to this project totalled \$12,540.

Information about the Commerce's research and development initiatives in relation to alternative fuel ('Green') vehicles in the Government fleet and sustainable water solutions is included in the Environment Health and Safety section of this report.

Appendix 26. Risk management and insurance

Office of Fair Trading

Fair Trading has implemented a risk management planning framework in line with Australian Standards (AS/NZS 4360). Risk management plans were produced for the 2002/03 year by most Divisions after workshops facilitated by Fair Trading Internal Audit. Monitoring of the risk management framework within the Office will be reviewed during 2003/04 due to the integration of Fair Trading into the newly created Department of Commerce.

Risk management strategies in place to protect our employees, assets and business reputation include:

- a business continuity plan to help ensure our ongoing operations in the event of a major disruption to essential services
- a staff code of conduct
- developed plans covering a range of essential functions such as information technology, telecommunications and accommodation
- emergency exit procedures and evacuation practices
- a monitored electronic access system in our major tenancies. This is being expanded to other tenancies as the opportunity arises
- a records management system complying with the *State Records Act 1998*
- policies on the use and maintenance of motor vehicles including minimum standard features for all departmental motor vehicles and other special features for vehicles used in country areas
- an active Occupational Health and Safety (OH&S) Working Committee that promotes our OH&S policy statement and actively pursues its implementation. During the year we reconstituted our workplace committees
- maintenance of up-to-date insurance policies for motor vehicles, property, workers compensation and public liability.

Office of Industrial Relations

The major risks to Industrial Relations involve the security of its assets and accidents resulting in workers compensation and motor vehicle claims. The Office is a member of the NSW Treasury Managed Fund, which is compulsory for all NSW Government departments and authorities. Members self-insure for risk exposure in the categories of workers compensation, property, motor vehicle, public liability and other risks.

Security measures include a full-time security attendant in the head office foyer, 24-hour camera surveillance of all entry and exit points and electronic access to provide safety and security of staff and property. The Office is also implementing an asset identification system to further safeguard its assets. Evacuation procedures are reviewed and continually monitored, evacuation drills are held regularly and designated floor wardens receive ongoing training.

Risk management issues are dealt with through the Internal Audit Plan, which includes regular performance reviews and audits of all business units and processes across the Department according to their risk profile. Major improvements to internal controls across the Office continue to be made, particularly in relation to information technology issues including network and information



security. The Office's risk profile is continuously reviewed and the related internal audit plan shaped appropriately. This includes periodic review of risks and hazards in the workplace by management and trained Occupational Health & Safety representatives, and the timely application of remedial strategies.

Industrial Relations has engaged Corpsych to provide an Employee Assistance Program for all staff and family members who wish to seek counselling and support in relation to any personal or work related matter. Statistics are provided to senior management each half year, identifying usage trends, and potential health risks. Corpsych also offers support initiatives for both management and staff, including a manager's hotline and lunchtime seminars on key health and behavioural issues. The Office uses this information and support, to develop remedial strategies particularly during periods of organisational change and restructure.

Offices of Government Procurement and Government Business and Strategic Management and Corporate Support

Risk management in the Offices of Government Business and Government Procurement is practised in various activities, including the delivery of services, construction project management, procurement and tendering.

In its role as project manager and project risk manager for construction projects, the Offices of Government Procurement and Government Business have exposures to contractors, clients and the general public for various liabilities, be they design fault, contractual, statutory or common law liability.

Examples of significant risks include the risks that services will be delayed or not be delivered, the chance of suffering some form of financial or economic loss, inefficient use or waste of public funds, or the loss of opportunities. The Offices of Government Business and Government Procurement have risk management strategies in place designed to monitor and control these risks.

Procedures are in place by which business and operational units report risk related incidents and seek advice and support from the Offices of Government Business and Government Procurement's Risk Management Office. An in-depth review of risk management was undertaken during

the year. A program of enterprise risk and hazard analysis is to be developed to further ensure that risk management resources are allocated to maximum effect.

Risk Management is seen as an integral part of the Offices of Government Business and Government Procurement's management framework that will:

- assist in achieving goals and objectives, and adding value
- contribute to the efficient and effective use of limited resources
- is an integral element of sound corporate governance.

The risk management process that has been developed consists of a series of actions that are taken by colleagues and managers to minimise loss or injuries and/or to identify opportunities.

The five steps in the risk management process are:

- identify the risk or opportunity
- assess and analyse the significance
- select the appropriate risk control method
- implement the selected method
- evaluate the risk management program.

Risk Management over the past 12 months has improved risk management practices by:

- identifying risks and developing risk control strategies
- improving the practice of risk management across the Offices of Government Business and Government Procurement
- better managing the crown's financial assets and controlling liability exposures
- reviewing risk management practices in terms of established best practice
- managing the insurance and claims program.

Financial risk management plan

The Offices of Government Procurement and Government Business have maintained their financial performance during 2002/03 and currently have a strong financial position. As at 30 June 2003 the Offices have no debt and their

superannuation liabilities are fully funded. In 2001/02 NSW Treasury approved an overdraft facility of \$45 million as it was anticipated that periodically, due to the nature of the Offices' business cycle, there will be a need for short-term financing to fund working capital requirements. In fact, the overdraft was only required for a few days during 2002/03.

As the Offices' client base is predominantly public sector and the incidence of bad debts minimal, the main focus of the Offices' Financial Risk Management Plan is on the risks impacting the Offices' ability to achieve financial targets. In arriving at financial targets, the budget process considers a number of factors including future revenue streams, client base and Government fiscal policies. The Financial Risk Management Plan includes the following strategies to address key risk factors:

- The Offices' revenue stream is predominantly from Government agencies and therefore any fiscal policy changes that are implemented across agencies will have a direct impact on their financial results. In addition, the Offices are heavily reliant on a small number of major customers. To address these issues, the Offices have implemented a Strategic Marketing Plan that will ensure that our product portfolio is market driven, not capability driven.
- The impact of salary award increases, without reference to the economies of the industries in which the Offices' operate, has the capacity to impact on performance and achievement of targets. The Offices have continued various cost reduction strategies including the refinement of the Shared Business Services model and the improved capability of the Integrated Information Management System to reduce operating costs.
- Management of surplus staff capacity is a continuing business challenge for the Offices. During 2002/03 a total of 15 staff accepted Voluntary Redundancy. Due to changing client needs, some staff are not fully engaged in revenue generating activities. While these staff are gainfully employed on activities, the financial performance would be enhanced by a reduction in staff numbers.
- A major new risk that has recently been assessed is the loss of key technical and client knowledge as a result of the ageing of the workforce and failure to capture,

attract and leverage knowledge. As 55% of senior managers of the Offices' workforce are aged 51 years or over, there is a major loss of knowledge as staff retire. An action plan containing a number of mitigation strategies has been developed to lessen this impact on the Offices. However, replacing staff that are retiring and the implementation of strategies to retain knowledge will add additional cost to the Offices.

Insurance cost and claims analysis

The Offices of Government Procurement and Government Business continue to have their Corporate Insurance Program placed with the NSW Treasury Managed Fund (TMF).

The insurance purchased provides cover for:

- Workers Compensation
- Motor Vehicle
- Property including consequential loss
- Public and Products Liability, including Professional Indemnity
- Travel and Personal Accident.

The cost of insurance has increased by 12 percent over the past 12 months due to the current insurance market conditions. Whilst this is a significant increase, it is minimal when compared to the general insurance market.

In addition, the Offices of Government Business and Government Procurement purchase Contract Works Insurance in the general insurance market to provide protection of the work and for any liability arising out of its activities as project manager and project risk manager.

This insurance is purchased on a Principal Nominated basis whereby Contractors are responsible for the payment of insurance premiums.

Premiums and claims for the past four fiscal years for the TMF insurance program are analysed below.

Workers compensation insurance costs

The Offices of Government Procurement and Government Business are committed to ensuring the health, safety and wellbeing of staff (including contractors) and visitors to the workplace. The Offices recognise that they have a legal

responsibility to provide people with a safe workplace. To fulfil this responsibility, the Offices of Government Business and Government Procurement are committed to ensuring that matters of occupational health and safety receive equal attention as operational and financial matters.

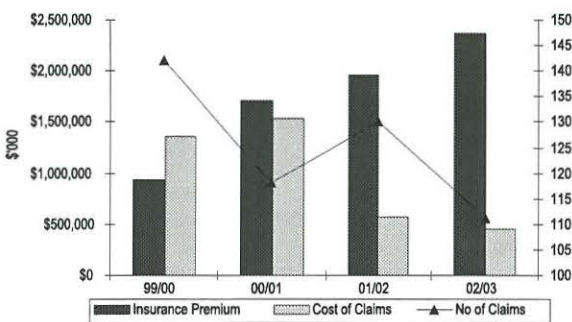
To assist staff and leaders to understand their roles and responsibilities, the Offices of Government Business and Government Procurement have undertaken occupational health and safety management education for all employees and managers and have introduced a Safety Management System (SMS).

Under the TMF Workers Compensation Insurance Program, claims are not finalised for five years. This way allowance is made for the late lodgement of claims, the success of rehabilitation and/or the results of drawn out litigation.

The severity of injuries, measured in cost, can be grouped into loss bands. Analysis of loss band costs indicates that the majority of workplace injuries continue to be of a minor nature and that rehabilitation is effective. The majority of claims have a cost of less than \$10,000.

Workers compensation claims

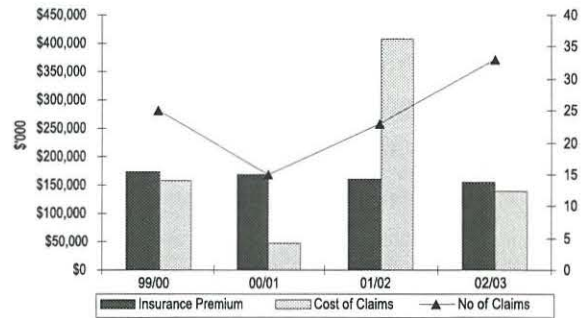
As shown in the graph below there has been a significant decrease in the frequency and cost of claims while the cost of insurance has increased. The cost of claims will develop over the next twelve months.



Property insurance costs

The annual insurance premium is dependent upon the replacement value of the assets and the claims experience. This year Corporate Risk Management arranged an independent valuation of significant property assets prior to renewal. The property premium for the coming year has been reduced by 2.5% to \$155,000.

Property insurance claims

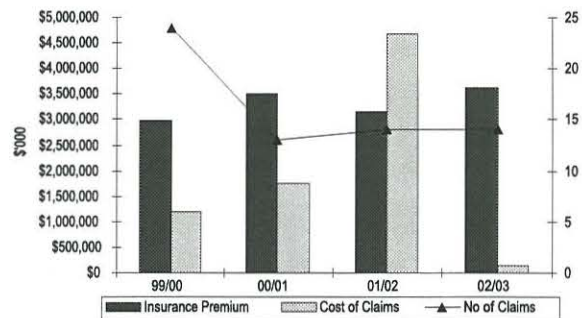


As shown in the above graph Claims have been on the increase mainly due to better reporting of losses whilst insurance premiums remain steady.

Liability insurance costs

Liability exposures have the potential to become a major cost for the Offices of Government Procurement and Government Business. The cost of claims has decreased significantly and it is anticipated that changes in personal injury liability will in future help control the number of liability claims. There has been no significant change in the number of claims reported. The personal liability claim in 2001/02, where the Offices of Government Procurement and Government Business were joined as a third party, was settled in favour of the Crown.

Liability insurance claims

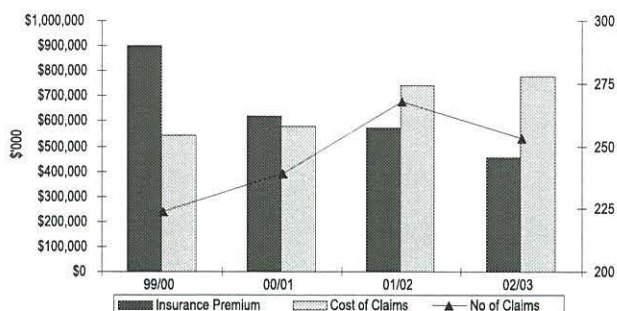


Motor vehicle insurance costs

The cost of insurance has been decreasing over the past four years whilst the cost of claims has been increasing. The number of claims is less than last years but is still relatively high as shown in the graph below. The Offices of Government Business and Government Procurement will be investigating initiatives to help control the number of motor claims.



Motor Vehicle Claims



Appendix 27. Senior executive service performance

Name Ms Kate McKenzie
Level SES Level 8
Positions (i) Director-General, NSW Department of Industrial Relations, and General Manager, WorkCover until 15 April 2003.
(ii) Director-General, NSW Department of Commerce
Periods in (i) From 1 July 2002 to 15 April 2003
Positions (ii) From 16 April 2003 to 30 June 2003
Remuneration \$342,000 +
Package \$30,000

2002/03 Highlights

- led the establishment of the NSW Department of Commerce and established a corporate and strategic framework for the agency
- positioned the Department of Commerce as a centre of expertise in fair trading, industrial relations, information technology and procurement for government
- managed improvements to service and advice delivery to promote consistent, fair and ethical business practices in NSW for government, industry, employees and consumers
- led the assessment and implementation of strategies to reduce the cost and risk in conducting government business through procurement, property, service, education and information technology activities.

Name Mr David O'Connor
Level SES Level 6
Positions (i) Director-General, Department of Fair Trading
(ii) Commissioner for Fair Trading, Deputy Director-General
Office of Fair Trading, Department of Commerce

Periods in (i) From 1 July 2002 to 1 April 2003
Positions (ii) From 2 April 2003 to 30 June 2003

Remuneration \$235,817
Package

2002/03 Highlights

- successfully addressed the priority projects and outcomes of performance agreement as Director-General, Department of Fair Trading by leading the implementation of a number of significant strategies
- managed all aspects of Office of Fair Trading including customer services, compliance with regulatory requirements and accountable use of public resources
- led Office of Fair Trading into integration with the Department of Commerce.

Name Ms Pat Manser
Level SES Level 5
Positions (i) Deputy Director-General, Department of Industrial Relations
(ii) Deputy Director-General, Office of Industrial Relations
Periods in (i) From 1 July 2002 to 16 June 2003
Positions (ii) From 17 June 2003 to 30 June 2003

Remuneration \$182,000
Package

2002/03 Highlights

- advanced Office of Industrial Relations as adviser to government on industrial relations matters
- enhanced services for small business in both compliance and policy areas and promoted OIR's role and services to small business



- developed the expertise of the policy advisory function of the Office consistent with regulatory best practice
- managed integration of the Office of Industrial Relations functions with the newly established Department of Commerce
- improved accessibility and quality of service to the public while meeting savings targets.

Name Mr Robert Wheeler

Level SES Level 5

Positions (i) Executive Director, Office of Information Technology
(ii) A/Deputy Director-General, Office of Information & Communication Technology

Periods in (i) From 1 July 2002 to 2 April 2003

Positions (ii) From 3 April 2003 to 30 June 2003

Remuneration \$210,000

Package

2002/03 Highlights

- managed all operational aspects of the Office of Information & Communications Technology, including policies, all strategic projects, and an annual strategic and business plan assessment program
- managed the ongoing development of the ServiceNSW portal allowing the public and government agencies to access a range of government services and information
- ongoing management of the Government Radio Network (GRN) which is one of the largest mobile radio networks in the world, regularly processing over 14 million calls per month
- state representation at Online Council forums aimed at ensuring NSW initiatives are addressed and NSW is aware and takes account of national agenda ICT initiatives
- managed the development of the Telecommunication Services Agreement (DITM 2000-1) which has been developed to provide increased access for NSW Government agencies to a wider range of telecommunications services at very competitive prices

- managed the Interoperability Program for NSW Government, aimed at enabling computer systems to transfer and receive information in a uniform and efficient manner, across multiple organisations with a minimum of human intervention.

Name Mr Alan Griffin

Level SES Level 5

Positions (i) Group General Manager, Corporate and Business Services Group
(ii) Deputy Director General, Office of Government Procurement

Periods in (i) From 1 July 2002 to 16 June 2003

Positions (ii) From 17 June 2003 to 30 June 2003

Remuneration \$209,960 per annum

Package

2002/03 Highlights

- identified savings for clients over \$20 million dollars through strategic business and procurement consulting product
- cmSolutions established to utilise synergies between Government Printing and State Mail
- new warehouse contract awarded – resulting in over \$1.5M savings per annum
- continued as Chairperson of State Contracts Control Board.

Name Mr Tony Collins

Level SES Level 5

Positions (i) Group General Manager, Project Management Group, SES Level 5
(ii) Deputy Director-General Office of Government Business

Periods in (i) From 1 July 2002 to 2 May 2003

Positions (ii) From 5 May 2003 to 30 June 2003

Remuneration \$194,000 per annum

Package

2002/03 Highlights

- effective service and support to Government provided

through management of and input to strategic projects and provision of capital reporting system

- projects and programs that have been delivered/progressed for client agencies include: expanded DET schools capital programs; various major works in Kosciusko National Park for NPWS; Gosford WorkCover Building; advancement of Walsh Bay Redevelopment; Centenary Stoneworks Program; Western Sydney International Dragway; Water Supply and Sewerage projects across NSW; North Coast Correctional Centre; TAFE Capital program
- financial performance for Year 2002/03 activities exceeded targets
- expenditure on Group overheads showed savings against budget
- Project Management Support Centre has been fully implemented to enhance the standard of project management service. This complements the existing Centre of Excellence.

Name Mr Chris Johnson
**B Arch, M Built Env, M Arch,
 M Cult Herit, LFRAIA**

Level SES Level 5

Positions General Manager, Government Architect's Office

Periods in 1 July 2002 to 30 June 2003

Positions

Remuneration \$189,362

Package

2002/03 Highlights

- continued to contribute to Government positions on architectural issues
- lifting the standards of residential flat designs through the membership of Urban Design Advisory Committee
- influence the city planning and architecture through the Central Sydney Planning Committee and the Sydney Harbour Design Review Panel
- involvement on many sub committees on planning and architecture

- influence on attitudes to Heritage Buildings through lectures, publications and as a member of the Heritage Council
- individual clients express satisfaction over key projects
- re-engineering of the design and documentation of public buildings across NSW
- development of the Government Architect's Website at www.govarch.dpws.nsw.gov.au to communicate information on architecture
- Building Design Services won a number of architectural and environmental awards over the last year.

Name Mr David Clyde Lewis
BBus, MBA

Level SES Level 5

Positions Group General Manager, e-Business Solutions

Periods in 1 July 2002 to 30 June 2003

Positions

Remuneration \$209,960

Package

2002/03 Highlights

- managed electronic procurement reforms and the implementation of the NSW Government Electronic Marketplace to achieve efficiencies and cost savings, including finalisation of contract negotiations with successful vendor and liaison with stakeholders and development of assessment tools
- promoted electronic reform initiatives undertaken by the Department.

Appendix 28. Significant judicial decisions

National and State Wage Cases

On 6 May 2003, the Australian Industrial Relations Commission handed down its Safety Net Review – Wages Decision 2003. The Commission awarded a \$17 per week increase in award rates up to \$731.80 per week and a \$15 increase in award rates above \$731.80 per week.



The decision was in response to the Australian Council of Trade Unions' (ACTU) application for an increase of \$24.60 in all Federal award rates. In a joint submission, the State and Territory Governments (including NSW), noted the ACTU' claim, but asked that the Commission grant an increase of \$18 per week in the minimum wage and all minimum award rates. The State and Territory Governments submitted that \$18 was a sustainable amount that was reasonable based on the current state of the economy as well as the need to establish a balance between economic concerns and the needs of the lowest paid workers.

Following the Federal decision, the Industrial Relations Commission of NSW initiated proceedings in the State Wage Case. At the hearings, all parties and the Minister as intervener were prepared to support the flow on of the national increase. On 6 June 2003, the State Commission handed down a decision flowing on the national increase to state awards.

National and State Reasonable Hours Cases

In response to a claim by the ACTU, broadly supported by the State Governments, on 23 July 2002, the Australian Industrial Relations Commission handed down the decision in the Reasonable Hours Test Case. The Commission did not grant the ACTU claim in full, but did grant employees a right to refuse to work overtime in circumstances where this would result in the working of unreasonable hours.

In conferring the right to an employee to refuse to work overtime on that basis, the Commission set down five factors that must be regarded. These include health and safety issues, personal circumstances and family responsibilities and the needs of the workplace or enterprise.

On 26 July 2002, the Industrial Relations Commission of NSW on its own initiative issued a Summons to Show Cause as to why, after consideration of the national decision, it should not take such action as it deemed proper to flow on the decision to State awards.

The Commission announced its decision in the State Working Hours Test Case on 10 April 2003. The clause awarded essentially follows the national decision, and includes the same criteria for determining 'unreasonable' overtime. In its decision, the Full Bench amended the reference in the clause to the types of factors to be taken

into account in considering whether overtime was unreasonable, to expand the reference to 'family responsibilities' to include the term 'carer's responsibilities'. This recognises the obligations that employers have under the *Anti-Discrimination Act 1977* not to discriminate against employees on the basis of carer's responsibilities.

Review of Enterprise Agreements Principles

The *Industrial Relations Act 1996* requires the Commission to review the Principles for the approval of enterprise agreements at least once every three years. The Commission commenced the latest review in March 2002, and handed down its Review of the Principles for Approval of Enterprise Agreements 2002 on 19 December 2002.

As agreed by the parties, the Full Bench updated the Principles in line with recent amendments to the anti-discrimination legislation by including a reference to carers' responsibilities.

More contentious was the issue of whether enterprise agreements could include clauses requiring the payment of bargaining agent fees by non-unionists. The Full Bench held that there is 'no jurisdictional impediment' to the inclusion of such a provision in enterprise agreements. In appropriate factual circumstances, provisions concerning bargaining agent's fees could be defined as matters pertaining to 'conditions of employment' and thus were matters able to be included in enterprise agreements. The Full Bench held that the determination of whether an enterprise agreement is able to contain a provision concerning bargaining agent's fees is a matter to be determined on a case by case basis.

Appendix 29. State Contracts Control Board

State Contracts Control Board Annual Report 2002/03

The NSW State Contracts Control Board (SCCB) operates under the Public Sector Management (Goods and Services) Regulation 2000 and reports to the Minister for Commerce. The SCCB is the Government's central procurement policy and contracting authority for the provision of common use goods and services for the NSW public sector. The SCCB is also responsible for the disposal of goods and services for the public sector.

The SCCB develops and implements the government's strategic procurement policies for the public service and the letting of high value, high impact contracts that support the core business activities of its major clients. Additionally, the Chairperson of the SCCB is responsible for the investigation and resolution of grievances arising in the course of government procurement. The SCCB also investigates competitive neutrality complaints involving government agencies in relation to tenders.

The SCCB monitors the application by NSW government agencies, of the Code of Practice for NSW Government Procurement.

Membership of the Board

The SCCB, which meets on a monthly basis, is made up of senior representatives from central agencies and major purchasing departments and authorities, and provides a formal structure for user participation in the contracting system.

The members at 30 June 2003 were:

- Mr A Griffin (Chair), Deputy Director-General, Office of Government Procurement, Department of Commerce
- Mr K Barker, General Manager, Finance and Commercial Services, Department of Health
- Dr E Coombs, Assistant Director-General, Corporate Services Reform, Premier's Department
- Ms J Ricketts, Executive Director, Small Business Development, Department of State and Regional Development
- Ms B Soiland, Director, School and College Financial Support, Department of Education and Training
- Mr J Schmidt, Deputy Director-General, The Cabinet Office
- Mr W Hamilton, Director of Administrative Services, Department of Education and Training
- Mr C Plowman, Executive Director, Management Services, NSW Police Service
- Mr T Rogers, Chief Executive Officer, Resource NSW
- Ms R Goyal, Manager, Commercial Strategy and Management, Sydney Water Corporation

- Mr F Jordan, Director, Economic Strategy, NSW Treasury.

Procurement planning 2002/03

Procurement planning, an integral part of the government's strategic management framework, is a tool for an agency to identify and review its current procurement profile and practices, to determine future needs and to link procurement to its objectives.

Thirty-eight agencies submitted plans for the 2002/03 program. These were reviewed on behalf of the SCCB by the Policy Services Division, former Department of Public Works and Services. Agencies participating in the program were given feedback and a report on their plans. Overall, there was an improvement in the standard of procurement planning compared to previous years. A report on the program is published on the Smarter Buying website, www.smarterbuying.nsw.gov.au.

The key findings were:

- the aggregation initiatives promoted as part of the Smarter Buying for Government strategy are being, or have been, implemented by almost all agencies
- printing and design services is an area where aggregation of buying or a whole-of-government contract could realise further benefits
- the majority of agencies did not demonstrate how their procurement function has been aligned to support the agency's service delivery needs. This gave an impression that procurement was still seen in many agencies as a discrete support function that contributed little to the achievement of the agency's objectives
- the focus of procurement plans was savings and efficiency driven. This resulted in little planning being directed towards incorporating other objectives such as regional development and environmental management, which contribute to sustainable procurement practices
- the key change for the 2003/04 program will be the integration of the savings targets requirements of the Smarter Buying strategy into the procurement planning cycle, as the processes for preparing a procurement plan and savings targets have a number of similarities.



Contract documentation

New Contract Documentation for SCCB standing offer arrangements was finalised this year and all staff were trained to use the new template. Based on this documentation and the knowledge gained, a comprehensive rewrite of the range of basic contracts, templates, client specific arrangements and minor services is nearing completion.

An extensive redevelopment of the Government Information Technology Conditions Version 2 (GITC2) has been undertaken this year with the broad aim of making the documentation more user-friendly, streamlined, and more appropriate for the range of IT procurement.

SCCB period contracts cover over 150,000 unique goods and services provided by over 1,300 individual suppliers. In total, State Procurement on behalf of SCCB administers over 400 contracts and has 12,000 organisations registered to use State Procurement services – including Commonwealth, State, Local Government, private sector schools and not-for-profit groups. State Procurement covers all aspects of the contracting process, from working with agencies to identify user requirements through to preparing and releasing tenders, assisting in the assessment of bids, settlement of the contract documentation, post contract administration and supplier performance management.

Over 150 period contracts worth approximately \$3.0 billion per annum were managed in the 2002/03 financial year, covering motor vehicles, electrical products, furniture, computer software and services, computer hardware, health products, hardware products and services for the removal of household effects. In addition, 14 new contracts commenced, 62 contracts were extended and 33 renewed.

There are also whole-of-government services contracts for cleaning, security, waste management, furniture removal, and other services. State Procurement manages Government Cleaning Contracts for 3,560 sites across NSW, including schools, TAFE colleges, police stations and Government office buildings. Usage under these contracts is currently valued in the order of \$195 million per annum, with an estimated saving compared to previous arrangements of around \$150 million over the five-year life of the contract.

Delivering savings to government

In 2002/03 SCCB contracts made significant savings in key areas including fuel (\$10 million per annum); air travel (\$13 million per annum); electricity (\$10 million per annum) and motor vehicles (estimated to be \$110 million per annum). Through its consolidated purchasing government can achieve price reductions of up to 50 percent compared to market prices, with savings generally between 10 to 50 percent. On many items the prices achieved are 24 percent below trade price, 42 percent below average wholesale price and 51 percent below average retail price. The following are some of the contract highlights in 2002/03.

The aggregation facility within the Motor Vehicle Contract topped \$2 million in savings in 2002/03. This year's figure, on top of the result from 2001/02, shows savings achieved across all of government are now in excess of \$4 million. The last agreement signed in June 2003 was the first which involved a smaller agency, State Emergency Services (SES), obtaining further savings by joining up with a larger organisation. SES, with its fleet of 20 vehicles, has achieved a major discount by linking up with the larger Department of Corrective Services' fleet of 200.

In 2002/03 the Government Cleaning Contract (GCC) continued to enjoy an expansion of its client base which now includes over 180 Country Energy Sites located throughout the state. Other new clients that include the Sydney Catchment Authority, Ambulance Service of NSW and Department of Housing. The contract is now valued at over \$180 million per annum.

The contract for the retail supply of electricity has been expanded to cater for electricity supply to all metering types in NSW and ACT with savings of up to 25 percent on the retail price of conventional power. Clients will now be able to obtain electricity for all their sites, including traffic signals and street lighting, regardless of the usage/spend on electricity per annum. This contract also supports the government's environmental initiatives for the development of the ecologically sustainable generation of electricity and makes electricity marketed as Green Power available to buyers. Price savings were negotiated, delivering reductions of up to 20 percent on the retail price of Green power to encourage use.

Air Travel and Related Services Contract provides a travel agency type "one stop shop" service where bookings can be made for air travel, car hire and accommodation. The main purpose of the contract is to obtain the "best fare of the day" regardless of the carrier, based on each customer's needs, such as a flexible fare, cost, seat availability, timing and preferred airline. Significant rebates are available on domestic and international airfares with savings of approximately 20 percent.

This contract has been renewed until 2004 and will continue to achieve significant savings to the government. With an improvement in marginal savings by approximately 20 percent this year, the weighted average savings in this contract has reached 5.15 cents per litre. This represents approximately \$10 million per annum in savings to government.

Smartbuy™

smartbuy™ the whole-of-government electronic marketplace, developed for the NSW Government and its agencies, was officially launched in November 2002. Over 200 registered users within Commerce are currently piloting smartbuy™. As the pilot continues, the information and knowledge gained is being used to refine the system and will assist in the enrolment of agencies. To date the key achievements for smartbuy™ are listed below:

- in excess of \$2.2 million in purchases placed on smartbuy™
- five major agencies undertaking detailed planning for purchasing in smartbuy™ via integration with existing corporate management systems.
- outsourced electronic hub development began to facilitate inter-connectivity between corporate systems and smartbuy™
- eight SCCB contracts loaded and purchasable through smartbuy™. These include five temporary staff contracts, stationery, electronic office and presentation equipment, photocopier printer and specialist paper. Q Stores and cmSolutions catalogues also available
- 72 SCCB suppliers accessible through smartbuy
- four major software releases delivered on time.

New contracts

In February 2002 a new contract was established enabling salary packaging for non-Senior Executive Service officers in the NSW government. Individual departments and agencies can decide from a list of items available to be included in a salary package. Items in the package include employee superannuation contributions, novated leasing of a motor vehicle and the purchase of laptops.

A new contract for Motor Vehicle Disposals was established in April 2003. The SCCB approved the selection of the joint tender of Fowles Auction Group and D-Auction Internet for the provision of passenger motor vehicle disposal services in the Sydney Metropolitan Area. The new contract delivers multi-channel disposal systems that provide an attractive method for both the general public and dealers to buy highly sought after ex-government vehicles.

In order to reduce the tendering and administrative requirements and simplify the staff engagement process for SCCB clients, the four existing labour hire contracts were reduced to two new contracts. The two new contracts are administrative, accounting and specialist (new category) staff and technical professional and industrial staff. These amalgamations have also resulted in a reduced number of suppliers. This not only provides a greater degree of focus for our clients, but also better opportunities for significant levels of activity for the contractors.

SCCB tendering complaints handling function

The Chairperson of the SCCB has the responsibility for dealing with complaints in relation to all NSW Government tenders. The Chairperson investigates complaints to determine whether any tenderer has been treated unfairly and to examine whether the procurement process was undertaken in an appropriate manner and in accordance with NSW Government procurement policies and procedures. The Chairperson then advises complainants of the outcome of enquires and makes the appropriate recommendation to the government agency concerned.

During the year the Chairperson received 17 complaints about goods and services and construction-related tenders. The complaints related to a range of government agencies and issues. All complaints were investigated and agencies advised where any departures from NSW government procurement policies or procedures were identified.



SCCB competitive neutrality tendering complaints

SCCB as an extension of the complaint handling process set out above, has been appointed as the complaints handling body to review competitive neutrality complaints that relate specifically to tendering for government business. The Board deals with any such complaints referred to it by the relevant Minister.

The NSW Government is a party to the Competition Principles Agreement. This Agreement requires the elimination of resource allocation distortions by removing any net competitive advantage to government businesses', that arise simply as a result of public ownership, where they actually or potentially compete with other private or public sector businesses. During the year no complaints were referred to the SCCB for investigation.

SCCB statutory reporting requirements

The SCCB has a statutory requirement to report:

- details of investigations relating to competitive neutrality tendering complaints referred to it by the relevant Minister
- details of any directions given to the SCCB by the Minister under clause 11 of the *Public Sector Management (Goods and Services) Regulation 2000*.

During 2002/03, as mentioned above, there were no competitive neutrality tendering complaints referred to the SCCB by the relevant Minister. During 2002/03 there were no directions given to the SCCB by the Minister under clause 11 of the *Public Sector Management (Goods and Services) Regulation 2000*.

Appendix 30. Summary of land owned

Summary of Land Owned and Occupied at 30 June 2003.

All valuations on the following properties were made by the State Valuation Office.

Business Unit	Property Description	Valuation \$	Date of Valuation
Q Stores	47-49 Bourke Road, Alexandria	10,850,000	30.11.02
Manly Hydraulics Laboratory	110A King Street, Manly Vale	2,700,000	30.11.02
North Coast	120 Dalley Street, Lismore	260,000	30.11.02
North Coast	359 High Street, Coffs Harbour	650,000	30.11.02
Hunter / New England	Hall Street, Newcastle	150,000	30.11.02
Riverina / Western	White Street, Dubbo	50,000	30.11.02
Riverina / Western	Coleman Street, Wagga Wagga	206,000	30.11.02
Riverina / Western	454 Church Street, Hay	16,000	30.11.02
Riverina / Western	414 Moppet Street, Hay	26,500	30.11.02
South Coast	5 Horne Street, Port Kembla	595,000	30.11.02
Heritage and Building Services	92 Burrows Road, Alexandria	5,800,000	30.11.02
Sydney Region	236 Richmond Road, Doonside	3,600,000	30.11.02
Total		24,903,500	



Business addresses

Department of Commerce

McKell Building
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 8877
Fax: (02) 9372 7077
Business Hours: 8.30am – 5.30pm

Phone: 9338 7900 or
1800 451 431
Fax: 9338 7999

Standards Laboratory
Bradfield Road,
Lindfield West NSW 2070
Phone: (02) 8467 4400
Fax: (02) 8467 4444

19-21 Watt Street
Gosford 2250

50 Victoria Street
Grafton 2460

Level 3
4-8 Woodville Street
Hurstville 2220

29 Molesworth Street
Lismore 2480

Shop 1R
33 Moore Street
Liverpool 2170

Level 5
400 Hunter Street
Newcastle 2300

184-186 Lords Place
Orange 2800

1 Fitzwilliam Street
Parramatta 2150

518 High Street
Penrith 2750

30 Clarence St
Port Macquarie 2444

Shop T7, Civic Plaza
Morisset Street
Queanbeyan 2620

Level 21
227 Elizabeth Street
Sydney 2000

Cnr Kable Ave and Darling Street
Tamworth 2340

43 Wharf Street
Tweed Heads 2485

8 Baylis Street
Wagga Wagga 2650

63 Market Street
Wollongong 2500

Office of Fair Trading

Head Office

1 Fitzwilliam Street,
Parramatta NSW 2150
Phone: (02) 9895 0111
Fax: (02) 9895 0222

Registry of Cooperatives and Associations

154 Russell Street,
Bathurst NSW 2795
Phone: (02) 6333 1400 or
1800 502 042
Fax: (02) 6333 1444

REVS

1 Fitzwilliam Street,
Parramatta NSW 2150
Phone: (02) 9633 6333 or
1800 424 988
Fax: (02) 9891 5135

Fair Trading Centres

Our Fair Trading Centres are located at the following addresses. If you are located outside the Sydney Metropolitan region you can contact the Fair Trading Centre nearest you on 13 32 20. Calls to this number from within the Sydney Metropolitan region and from all mobile telephones will be received at our Penrith Call Centre.

490 David Street
Albury 2640

85 Faulkner Street
Armidale 2350

154 Russell Street
Bathurst 2795

Level 3A
13 Kildare Road
Blacktown 2148

32 Sulphide Street
Broken Hill 2880

22 Park Avenue
Coffs Harbour 2450

50 Wingewarra Street
Dubbo 2830

Rental Bonds

234 Sussex Street,
Sydney NSW 2000
Phone: (02) 9377 9000 or
1800 422 021
Fax: (02) 9377 9371

Tenancy Services

234 Sussex Street,
Sydney NSW 2000
Phone: (02) 9377 9100 or
1800 451 301
Fax: 9377 9371

Aboriginal Tenancy Information

234 Sussex Street,
Sydney NSW 2000
Phone: (02) 9377 9200 or
1800 500 330
Fax: (02) 9377 9371

Strata Schemes and Mediation Services

234 Sussex Street,
Sydney NSW 2000



Office of Industrial Relations

Head Office

1 Oxford Street,
Darlinghurst NSW 2010
PO Box 847,
Darlinghurst NSW 1300
Phone: (02) 131 628
Fax: (02) 9020 4700
Website: www.dir.nsw.gov.au
Business hours 8.30 to 5.00pm

Award Enquiry Service

Phone: 131 628
(from anywhere in NSW)
1800 356 648
(for callers outside NSW)
Fax: (02) 9020 4741
Faxback: 190 226 1019

Office of Industrial Relations Contact Centres

Sydney City

Level 2, 1 Oxford St,
Darlinghurst NSW 2010
Phone: 131628
Fax: (02) 9020 4739

Parramatta

Level 13, 130 George St,
Parramatta NSW 2150
Phone: 131628
Fax: (02) 9865 8989

Bankstown

Suite 1, Main Court Capital Centre,
41-45 Rickard Rd,
Bankstown NSW 2200
Phone: 131628
Fax: (02) 9782 3099

Wollongong

Level 2, Block F, 84 Crown St,
Wollongong NSW 2500
Phone: 131628
Fax: (02) 4251 1888

Coffs Harbour

Suite 49,
Jetty Village Shopping Centre
361 Harbour Drive,
Coffs Harbour Jetty,
Coffs Harbour NSW 2450
Phone: 131628
Fax: (02) 6652 2863

Newcastle

Level 3, 55 Bolton St,
Newcastle NSW 2300
Phone: 131628
Fax: (02) 4929 1180

Government and Related Employees Appeal Tribunal

Transport Appeals Board

Level 2, 1 Oxford Street,
Darlinghurst NSW 2010
Phone: (02) 9020 4750
Fax: (02) 9020 4790

Office of Information & Communication Technology

Head Office

McKell Building,
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 8278
Fax: (02) 9372 8299
Email: oit@ditm.nsw.gov.au
Website: www.oit.nsw.gov.au

Level 1, 20 Smith Street,
Parramatta NSW 2150
Phone: (02) 8837 6800
Fax: (02) 8837 6841

Level 3, LPI Building,
346 Panorama Ave, Bathurst 2795
Phone: 1800 282 679 (toll free)
or (02) 6332 8180
Fax: (02) 6332 8188

Office of Government Procurement

Level 22, McKell Building,
2-24 Rawson Place,
Sydney NSW, 2000
Phone: (02) 9372 8818
Fax: (02) 9372 8803
Website: www.dpws.nsw.gov.au

Client Advisory Service

Level 9, McKell Building,
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 7432
Fax: (02) 9372 7446
E-mail: client.service@dpws.nsw.gov.au
Website: www.bpc.dpws.nsw.gov.au

Government Advertising and Information

Level 9, McKell Building,
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 7400
Fax: (02) 9372 7421
Website: www.gaa.dpws.nsw.gov.au

Government Bookshop and TeleInfo Service

Goodsell Building,
Cnr Phillip and Hunter Streets,
Sydney NSW 2000
Phone: (02) 9238 0950
Fax: (02) 9228 7227
Business & service hours:
8.30am to 5.00pm

State Procurement

Level 10, McKell Building,
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 7500
Fax: (02) 9372 7599
Websites: www.supply.dpws.nsw.gov.au
www.buy.dpws.nsw.gov.au

StateFleet

Level 12, McKell Building,
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 7740
Fax: (02) 9372 7722
Website:
www.statefleet.dpws.nsw.gov.au

General Office Hours:
8.30am – 5.00pm

Repair & Maintenance Desk
(Repair Controllers): 8.00am – 5.30pm

Government Procurement Management

Level 23, McKell Building,
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 8929
Fax: (02) 9372 8844

Tender Section

Level 3, McKell Building,
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 8900
Fax: (02) 9372 8922

State Contracts Control Board

Level 22, McKell Building,
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 8818
Fax: (02) 9372 8844

Office of Government Business

Level 22, McKell Building
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 8734
Fax: (02) 9372 8899
Business Hours: 8.30am – 5.30pm

State Projects and Regional Services**Programs Branch**

Level 20, McKell Building,
2-24 Rawson Place,
Sydney 2000
Phone: (02) 9372 8515
Fax: (02) 9372 8588

Sydney Region – Regional Offices**Head Office**

Level 7, Civic Tower,
66-72 Rickard Road,
Bankstown NSW 2200
Phone: (02) 9795 0777
Fax: (02) 9795 0888
Business Hours: 8.30am – 5.30pm

236 Richmond Street,
Doonside NSW 2767
Phone (02) 9672 5111
Fax: (02) 9672 5255
Business Hours: 9.00am – 4.30pm

16-20 Edgeworth David Avenue,
Hornsby NSW 2077
Phone: (02) 9472 7900
Fax: (02) 9477 3356
Business Hours: 9.00am – 4.30pm

Bankstown State Valuation Office

Level 1, 402-410 Chapel Road,
Bankstown NSW 2200
Phone: (02) 9708 2822
Fax: (02) 9790 0340
Business Hours: 9.00am – 5.00pm

Gordon State Valuation Office

Level 1, 842 Pacific Highway,
Gordon NSW 2072
Phone: (02) 9499 7799
Fax: (02) 9499 7788
Business Hours: 9.00am – 5.00pm

Parramatta State Valuation Office

Ground Floor, 10 Valentine Avenue,
Parramatta NSW 2150
Phone: (02) 9895 7278
Fax: (02) 9895 7159
Business Hours: 9.00am – 5.00pm

North Coast Region – Regional Offices**Head Office**

120 Dalley Street,
Lismore NSW 2480
Phone: (02) 6626 5600
Fax: (02) 6626 5666
Business Hours: 8.30am – 5.00pm

359 High Street,
Coffs Harbour Jetty NSW 2450
Phone: (02) 6652 0411
Fax: (02) 6652 0405
Business Hours: 8.30am – 5.00pm

Maher Street,
Port Macquarie NSW 2444
Phone: (02) 6582 0563
Fax: (02) 6582 0482
Business Hours: 8.30am – 5.00pm

Government Office Building
135 Main Street,
Murwillumbah NSW 2484
Phone: (02) 6672 5716
Fax: (02) 6672 5740
Business Hours: 9.00am – 5.00pm

Taree State Valuation Office

Shop 17 Valley Fair Centre
112 Victoria Street, Taree NSW 2430
Phone: (02) 6552 7022
Fax: (02) 6552 3049
Business Hours: 9.00am – 5.00pm

Hunter/New England Region**Head Office**

117 Bull Street,
Newcastle West NSW 2302
Phone: (02) 4926 9920
Fax: (02) 4926 9954
Business Hours: 8.30am – 5.30pm

454-456 Peel Street,
Tamworth NSW 2340
Phone: (02) 6768 4222
Fax: (02) 6768 4233
Business Hours: 9.00am – 4.30pm

**Mudgee State Valuation Office**

Government Office Building
90 Market Street, Mudgee NSW 2850
Phone: (02) 6372 4628
Fax: (02) 6372 2082
Business Hours: 9.00am – 5.00pm

Gosford State Valuation Office

Suite 8, Level 1,
West Gosford Shopping Centre
299 Brisbane Water Drive,
West Gosford NSW 2250
Phone: (02) 4324 6978
Fax: (02) 4324 0207
Business Hours: 9.00am – 5.00pm

Tamworth State Valuation Office

Suite 1, 1st Floor, T & G Building
422-426 Peel Street,
Tamworth NSW 2340
Phone: (02) 6766 7184
Fax: (02) 6766 9546
Business Hours: 9.00am – 5.00pm

Riverina/Western Region**Head Office**

140 William Street,
Bathurst NSW 2795
Phone: (02) 6339 5900
Fax: (02) 6339 5949
Business Hours: 9.00am – 5.00pm

White Street,
Dubbo NSW 2830
Phone: (02) 6885 9333
Fax: (02) 6885 9300
Business Hours: 9.00am – 4.30pm

414 Moppett Street,
Hay NSW 2711
Phone: (02) 6993 1208
Fax: (02) 6993 2137
Business Hours: 9.00am – 4.30pm

2-6 Coleman Street,
Wagga Wagga NSW 2750
Phone: (02) 6938 2880

Fax: (02) 6925 2087
Business Hours: 9.00am – 4.30pm

Sulphide Street,
Broken Hill NSW 2880
Phone: (08) 8087 9366
Fax: (08) 8087 9365
Business Hours: 9.00am – 4.30pm

Orange State Valuation Office

Suite 2, Mezzanine level,
Centrepoint Arcade,
230 Summer Street,
Orange NSW 2800
Phone: (02) 6392 6399
Fax: (02) 6363 1753

Albury State Valuation Office

Level 1, 465 Olive Street,
Albury NSW 2640
Phone: (02) 6041 1340
Fax: (02) 6021 1390
Business Hours: 9.00am – 5.00pm

Deniliquin State Valuation Office

36 Hardine Street,
Deniliquin NSW 2710
Phone: (03) 5881 1258
Fax: (03) 5881 1346
Business Hours: 9.00am – 5.00pm

Griffith State Valuation Office

Government Office Building
104-110 Banna Avenue,
Griffith NSW 2680
Phone: (02) 6962 3414
Fax: (02) 6964 1286
Business Hours: 9.00am – 5.00pm

Nyngan State Valuation Office

65 Pangee Street,
Nyngan NSW 2825
Phone: (02) 6832 1399
Fax: (02) 6832 1388
Business Hours: 9.00am – 5.00pm

South Coast Region**Head Office**

84 Crown Street,
Wollongong NSW 2500
Phone: (02) 4226 8111
Fax: (02) 4226 8534
Business Hours: 8.30am – 5.30pm

Bourke Street,
Goulburn NSW 2580
Phone: (02) 4822 2311
Fax: (02) 4822 2315
Business Hours: 8.30am – 4.30pm

Eurobodalla Shire Council,
Vulcan Street, Moruya NSW 2537
Phone: (02) 4474 1088
Fax: (02) 4474 1028
Business Hours: 9.00am – 4.30pm

Bega State Valuation Office

86 Gipps Street,
Bega NSW 2550
Phone: (02) 6492 1086
Fax: (02) 6492 3311
Business Hours: 9.00am – 5.00pm

Goulburn State Valuation Office

167-173 Auburn Street,
Goulburn NSW 2580
Phone: (02) 4822 1208
Fax: (02) 4822 0128
Business Hours: 9.00am – 5.00pm

Queanbeyan State Valuation Office

Morisset House,
7-9 Morisset Street,
Queanbeyan NSW 2620
Phone: (02) 6297 7787
Fax: (02) 6297 1650
Business Hours: 9.00am – 5.00pm

Wollongong State Valuation Office

Level 2, Bailey Place,
310 Crown Street,
Wollongong NSW 2500
Phone: (02) 4224 8410
Fax: (02) 4224 8448
Business Hours: 9.00am – 5.00pm



State Property Services

Level 9, McKell Building,
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 8694
Fax: (02) 9372 8675
Business Hours: 8.30am – 5.00pm

Qstores

691 Gardeners Road,
Mascot NSW 2020
Phone: (02) 8304 7777
Freecall: 1800 424 613
Fax: (02) 8304 7799
Business Hours: 8.30am – 5.00pm

CmSolutions

Unit 5, Block V,
391 Park Road,
Regents Park NSW 2143
Phone: (02) 9743 8777
Fax: (02) 9743 9671
Business Hours: 8.30am – 5.00pm

Heritage and Building Services Group

236 Richmond Road,
Doonside NSW 2767
Phone: (02) 9672 5111
Fax: (02) 9671 5255
Business Hours: 8.30am – 5.00pm

Essential Repairs and Services

236 Richmond Road,
Doonside NSW 2767
Phone: 1800 422 110
24 Hour Service

Heritage Services Stoneyard

92A Burrows Road,
Alexandria NSW 2015
Phone: (02) 9565 9000
Fax: (02) 9516 2919
Business Hours: 8.30am – 5.30pm

Building Design Services

Level 19, McKell Building,
2-24 Rawson Place,
Sydney NSW 2000
Phone: (02) 9372 8877
Fax: (02) 9372 7077
Business Hours: 8.30am – 5.30pm

Central Corporate Services Unit

Level 3, Bligh House,
4-6 Bligh Street,
Sydney NSW 2000
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Index

Accounts payable performance	150	Funds granted to non-government community organisations	174
Annual report production	152	Guarantee of service	27
Building Insurers' Guarantee Corporation	152	Implementation of price determination	180
Business addresses	207	Information provided to insurers	180
Code of conduct	153	Land disposal	180
Consultants	153	Legislation administered	180
Consumer response	157	Legislation change	182
Contracting and marketing	157	Major assets	185
Corporate performance	10	Membership of boards and committees	186
Credit card certification	157	New South Wales Government	190
Disability action plans	25	Telecommunications Authority	
Electronic service delivery	157	NSW Government Action Plan for Women	26
Employment statistics	159	Occupational health and safety and rehabilitation	30
Energy management	32	Our people and partnerships	24
Environment, health and safety	30	Overseas travel	192
Environmental research and development	34	Privacy management	193
Equal Employment Opportunity statistics	26	Rental Bond Board	194
Equity and diversity	25	Research and development	195
Ethnic Affairs Priorities Statement	27	Risk management	195
Fair Trading Administration Corporation	160	Senior executive service performance	199
Financial highlights	36	Significant judicial decisions	201
Financial statements	42	State Contracts Control Board	202
Department of Commerce	42	Summary of land owned	206
Office of the Minister for Public Works and Services	86	Summary report	1
Rental Bond Board	102	Waste management	31
Fair Trading Administration Corporation	115		
Building Insurers' Guarantee Corporation	126		
NSW Government	136		
Telecommunications Authority (Telco)			
Freedom of information	160		



Contents and compact disc

A full version of the NSW Department of Commerce 2002/03 Annual Report is located on the attached compact disc and is available at www.commerce.nsw.gov.au.

The electronic version of the Annual Report includes:

Commerce summary report (this report)

Corporate performance

Our people and partnerships

Environment, health and safety

Financial highlights

Financial statements

- Department of Commerce
- Office of the Minister for Public Works and Services
- Rental Bond Board
- Fair Trading Administration Corporation
- Building Insurers' Guarantee Corporation
- NSW Government
- Telecommunications Authority

Appendices

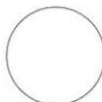
- Accounts payable performance
- Annual report production
- Building Insurers' Guarantee Corporation
- Code of conduct
- Consultants
- Consumer response
- Contracting and marketing
- Credit card certification
- Electronic service delivery
- Employment statistics
- Fair Trading Administration Corporation
- Freedom of information
- Funds granted to non-government community organisations
- Implementation of price determination
- Information provided to insurers

Land disposal

- Legislation administered
- Legislation change
- Major assets
- Membership of boards and committees
- New South Wales Government Telecommunications Authority
- Overseas travel
- Privacy management
- Rental Bond Board
- Research and development
- Risk management
- Senior executive service performance
- Significant judicial decisions
- State Contracts Control Board
- Summary of land owned

Business addresses

Index





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