



Public
Service
Commission

ANNUAL REPORT 2018/2019

Acknowledgement

The Public Service Commission acknowledges the traditional custodians of the lands on which we work and gather, and their continuing connection to land and waters. We pay respects to Elders past, present and emerging.

We pay tribute to the diversity of Aboriginal and Torres Strait Islander peoples, their ongoing culture and to our Aboriginal and Torres Strait Islander colleagues.

In this report the terms “public sector” and “sector” are used in their most general sense to refer to NSW Government agencies and authorities. The terms Public Service and government sector are defined in the *Government Sector Employment Act 2013*, and where used in this report have the same meaning as in that Act.

Letter of transmittal

The Hon. Gladys Berejiklian MP
Premier of New South Wales
GPO Box 5341
SYDNEY NSW 2001

The Hon. Don Harwin MLC
Special Minister of State, Minister for
the Public Service and Employee
Relations, Aboriginal Affairs and the Arts
GPO Box 5341
SYDNEY NSW 2001

Dear Premier and Minister,

Under the terms of the *Annual Reports (Departments) Act 1985*, it is my pleasure to submit to you the *Public Service Commission Annual Report 2018/2019* for the financial year ending 30 June 2019, for presentation to the Parliament of New South Wales.

The *Public Service Commission Annual Report 2018/2019* also provides an account of my work and activities, which I am required to forward to the Premier under section 15 of the *Government Sector Employment Act 2013*.

The *Public Service Commission Annual Report 2018/2019* has been produced to comply with the *Annual Reports (Departments) Act 1985*, and the *Annual Reports (Departments) Regulation 2015*, the *Public Finance and Audit Act 1983*, and the *Public Finance and Audit Regulation 2015*.

I have also provided a copy of the Report to the Treasurer, the Hon. Dominic Perrottet MP.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Emma Hogan', followed by the date '18/10/19'.

Emma Hogan
Public Service Commissioner

A Message from the Commissioner



As I write this message for my first full-cycle Annual Report as the NSW Public Service Commissioner, I am proud to reflect on all we have achieved at the Public Service Commission (PSC) in the last year, particularly during an election year, in supporting the wider NSW public sector to best deliver to the citizens of NSW.

In 2018/2019, we consulted heavily with the sector to formalise the Strategic Directions for the PSC through to 2025 (see page 19), positioning the citizens of NSW at the centre of our thinking. It is our ambition to be a world class public service, in which our people can do their best work for NSW. I see our thinking, efforts and outputs anchored in this ambition daily at the Commission. Our Key Focus Areas are: Work of the Future; Capability and Performance; Diversity and Inclusion: Culture and Values; (sector-wide) Performance Reporting, Data Analysis and providing sector guidance and advice, and being a Role Model Agency. This year's Annual Report follows these focus areas, mapping out our key achievements and providing updates on significant projects and programs of work.

It was important in developing the Strategic Directions that we continued to build on the great work of the PSC to date, but also that we developed strategies for where we will head in the future. For this reason, we introduced the theme of 'Work of the Future' to support sector leaders to confidently navigate their people through transformation and change, while simultaneously uplifting capability. In late 2018, we developed a *2030 Human Capital Outlook Report* which sought to provide a future view of what NSW Government might look like, as well as a *Three Year Workforce Strategy Roadmap*. The Report and Roadmap will help us prepare for and leverage the opportunities for better citizen outcomes that technological development and the changing nature of work present. We share some of this work in more detail in this report.

In the area of Capability and Performance, we were thrilled this year to build upon our successful graduate program with just over 180 new recruits (bringing us to more than 500 graduates recruited since the program's inception in 2016) and were excited to be placed fourth in the 2018 Australian Financial Review's Top 100 Graduate Employers listing.

We have also continued to build on the findings from the 2018 Lynelle Briggs review on recruitment this year by improving the usage of recruitment pools and implementing our "recruiting right" program. This year also saw us evaluate the success of the NSW Leadership Academy. The findings of that evaluation are being utilised to develop the next evolution of the Academy, which will commence in 2020.

One of the highlights of my role as Commissioner, and that of the team, is to drive and co-ordinate agency efforts to meet the Premier's Priority on diversity and inclusion in order to reflect the diversity of the citizens we serve. We have positively progressed again this year to 40.3 per cent of women in senior leadership roles (up from 38.7 per cent last year), and to 98 senior Aboriginal leaders (up from 87 last year). Following the election, the Premier refreshed her priority on diversity to include increasing the number of employees with disability from 2.5 per cent to 5.6 per cent. The PSC and the Department of Communities and Justice have been leading a sector-wide initiative to increase the employment of people with disability in the NSW public sector and have several programs already underway with full support of the Secretary's Board.

Another highlight this year in the area of diversity was the launch of our third Aboriginal Employment six-year Strategy called *NSW Working Together for a Better Future*. This builds on the progress of the 2014-2017 plan, setting new targets of 3 per cent of Aboriginal employment at every level of government to ensure we have a talent pipeline through to our most senior roles, and ensure we exceed our premier's priority target of 114 senior Aboriginal leaders by 2025.

The PSC continues to drive the values of integrity, service, trust and accountability across government through everything it does. In the last year, we have sought to provide more support to key decision makers joining the sector with the launch of the Senior Executives Fundamentals website. We have also organised the Premier's Awards, which recognise the great work of public servants in NSW who live those values each day.

It has been a particularly busy year with the 2019 NSW State Government election bringing with it significant Machinery of Government (MoG) changes. The former structure of 10 clusters and departments was reduced to eight, which resulted in major change across the sector. The PSC endeavoured to support this change by working closely with the Secretary's Board and key senior leaders on consistent change and communications planning, supporting incoming Secretaries with workforce profiles of their new clusters, providing a mobility program for displaced Senior Executives who were immediately impacted. We also created a Premier's Address to the Public Service, which took place immediately after the changes took effect on 1 July 2019.

Another important function of the PSC is sector data collection and reporting. We coordinate the People Matter Employee Survey (PMES), the *Workforce Profile Report* and the *State of the NSW Public Sector Report* (SOPSR).

The SOPSR is produced as required by the *Government Sector Employment Act 2013*. The 2019 PMES achieved a response rate of 52.5 per cent (or 185,000 responses), the highest since its inception in 2012. The *Workforce Profile Report* in 2018 marked the 20th anniversary of this work, which provides a cross-sector view of the size and composition of the NSW public sector. This year's report introduced more detail on regional employment, with a regional profile of the public service, including a focus on senior executive employment in regional areas.

Handing down my first SOPSR was a highlight of my first year as Commissioner. It provides an unparalleled picture of the sector and provides an opportunity for me to consider and acknowledge excellence and, importantly, areas that need a deeper focus moving forward. While there are many wonderful things to report on, there are still areas for improvement, particularly in the areas of bullying and harassment. We have commenced taking a much closer look at this and are evolving a workplan in this area for 2020.

The work we do at the PSC is a huge team effort internally and is also reliant on great collaboration with the sector. I want to thank and acknowledge the dedicated staff for their

focus and drive across our wide scope of programs and projects and for always keeping our sector partners in mind. Thank you also to the Secretaries Board for their ongoing collaboration and assistance – this is vital to the success the PSC's cross-sector function.

I would also like to acknowledge the commitment and contribution made by the PSC Advisory Board. Their guidance and belief in the work we do at the PSC is invaluable. I would like to personally thank our outgoing Chair, Professor Peter Shergold AC, for his six years of service on the Board – his contributions and enthusiasm have greatly benefitted the PSC and the wider sector, but he has also been a personal mentor to me since I commenced in 2017, for which I am very grateful.

Our work at the PSC is dynamic, far-reaching, challenging and rewarding – putting the citizen at the centre of all we do gives us measurable results and daily momentum to keep working towards our goals.

Emma Hogan

Public Service Commissioner

A Message from the Chair



I have spent more than 30 years working in and with Commonwealth and State public services. My concept of what successful governance looks like has significantly shifted during that time. This evolution has been partly in response to reading, writing and

reflecting on many reviews, re-evaluations and reports. I'm interested in when, how and why governments often fail to achieve real and lasting successful outcomes for citizens – and how that can be avoided.

This has led me to believe passionately that lasting success can only come about by learning from the mistakes of the past. We need, progressively, to bring about a radical transformation of the public sector. As the then Premier stated when the Public Service Commission was established in 2011, “the same old, same old is never going to be enough”. Or as I have come to firmly believe, “if you always do what you always did, you’ll always get what you always got.”

I write this foreword in my last full year as Chair of the Public Service Commission (PSC) Advisory Board. It is a responsibility I have found extraordinarily rewarding. I was appointed in 2011, leading a Board equipped with a wealth and variety of expertise. We set about taking the opportunity to boldly re-imagine what a new, confident NSW Public Service could become. We talked of a public sector imbued with values that manifest in practice as agile, adaptive, flexible and capable

and that could deliver the highest standards of service to citizens.

The Board, working closely with the Commissioner, envisaged that the new Public Service, at every level of leadership, would need to be motivated by values of integrity, trust and accountability. Collectively, we must build a Public Sector workforce that reflects the diversity of people in the community, supported by practical guidelines, tools and resources. Our goal was to create public servants encouraged to be innovative and customer-orientated in the minds of the public they serve.

During my time as Chair, the Board significantly contributed to developing a range of initiatives that have positively contributed to the sector and its workforce. These include:

- The design of the *Government Sector Employment Act 2013*, that established the roles, core sector values, functions and responsibilities of the government sector workforce.
- The production of *Behaving Ethically: A guide for NSW government public sector employees*, a detailed resource outlining the behaviours necessary to create a culture that is inclusive, safe, and rewarding, and encourages people to deliver their best work.
- The development of the People Matter Employee Survey (PMES) to provide the statistical evidence which forms the basis for the *State of the NSW Public Sector Report (SOPSR)* – a survey which has revealed stronger levels of employee engagement each year it has been conducted.

Committed to evidence-based research, the Board has overseen various projects which sought to create and improve a high-performing sector. Designed to enhance productivity, performance and sector capability, they have been incorporated into the PSC's current Strategic Directions, now so capably driven by the Public Service Commissioner. The Board's large body of work includes:

- initiatives to promote diversity based on merit
- establishment of the NSW Leadership Academy, which develops the talent capability and mobility of senior executives
- building networks that encourage partnerships between citizens and the private, not-for-profit and government sectors
- promotion of flexible working on an "if not, why not?" basis in order to support alternative working arrangements for employees to better manage their work and family commitments
- the development of an Aboriginal Employment Strategy, focused on increasing participation and representation of Aboriginal and Torres Strait Islander peoples at every level
- initiatives to improve support, representation and equal opportunity for women in senior leadership roles
- a strong focus on cross-sectoral collaboration through the *Collaboration Review*, *Collaboration Blueprint* and *Collaboration between sectors to improve customer outcomes for citizens of NSW*

- creation of the Disability Employment Advisory Council to promote jobs for people with disability
- support for strategy mapping for the NSW Public Sector, as a means by which senior leaders can align, measure and monitor organisational strategy with performance management systems.

The transformation of the public sector workforce was what inspired the Board from the start. We have been delighted to watch the NSW government become a highly preferred employer for graduates. But the Board can only do so much. Change is the direct result of the Public Service Commission's drive and commitment. Continual assessment and review of systems and processes are necessary to ascertain and maintain their effectiveness and relevance.

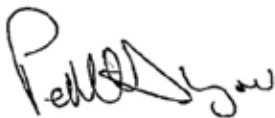
The annual SOPSR is a rich data resource that provides an opportunity for creative and innovative development solutions. Of course, we will not always be happy with all it reveals. Its warts-and-all nature bears tribute to its honesty. This should not evoke defensive responses of fear and resistance, but rather generate a positive and productive approach that spurs remedial action. We can learn. We have learned.

With the results and insights gained from the SOPSR and the PMES, the Public Service Commissioner is in a privileged position to facilitate and negotiate the vital elements of change that NSW citizens want to see in the public sector. In truth, these changes are driven by the PSC daily. The whole Commission is contributing to work that makes a significant difference to the capability of the

sector's workforce, whether they work on the frontline of service or behind the scenes.

I very much enjoyed working with Graeme Head. I am confident in the continued efficiency of his successor, Emma Hogan. Supported in her office of Public Service Commissioner by the Board, as well as by her committed PSC staff, Emma will continue to make an invaluable contribution to the evolution of a service-oriented public sector. I look forward to a public sector that continues to build respectful relationships, tailored to citizens' needs in engaging ways.

In stepping down, I want to thank members of the Board and PSC staff, past and present, for the opportunity to be a part of this important work. I have learned so much from them. My time at the PSC has been rewarding. I am proud to have contributed a little to the changes that I have seen enacted as a result of our collective endeavours, and I wish the Commission well for the future.

A handwritten signature in black ink, appearing to read 'Peter Shergold'.

Peter Shergold AC

Chair

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Our Organisation

Who we are

The Public Service Commissioner is an independent statutory office holder. The Public Service Commission (PSC) is a Public Service agency that exists to support the Commissioner in the execution of their statutory functions.

The PSC acts as a connector, trusted advisor and partner to the NSW public sector by shaping and aligning world class workforce strategy to assist the sector in improving outcomes for the citizens of NSW.

What we do

The PSC works collaboratively with the sector to deliver best practice models for workforce management and drives their implementation across the sector at cluster and agency levels. The PSC uses evidence and data to create insights and deliver whole of sector reporting, providing regular and clear assessments of how the sector is progressing in its uptake of best practice models. The PSC is committed to creating solutions that remove complexity and red tape for the benefit of the workforce and the citizens of NSW.

The PSC leads the NSW public sector in the transformation of culture by assisting agencies to properly reflect the sector's core values in their processes and work. The PSC is committed to exemplifying the NSW government sector core values of integrity, trust, accountability and service in its own work.

The Public Service Commissioner has a role in reporting on major issues that face the NSW public sector workforce, supported by the PSC. This includes an annual *State of the NSW Public Sector Report* (SOPSR) that the Premier tables in Parliament on behalf of the Commission.

Who the Commissioner reports to

The Public Service Commissioner reports to the NSW Premier on the exercise of the Public Service Commissioner's functions under the *Government Sector Employment Act 2013* (GSE Act), but is not subject to the control and direction of the Premier in the exercise of these functions.

Role of the Commissioner

The GSE Act establishes the role of the Public Service Commissioner in order to develop a modern, high performing government sector.

The principal objectives of the Commissioner are to:

- Promote and maintain the highest levels of integrity, impartiality, accountability and leadership across the government sector.
- Improve the capability of the government sector to provide strategic and innovative policy advice, implement the decisions of the NSW Government and meet public expectations.
- Attract and retain a high calibre professional government sector workforce.
- Ensure that government sector recruitment and selection processes comply with the merit principle and adhere to professional standards.
- Foster a public service culture in which customer service, initiative, individual responsibility and the achievement of results are strongly valued.
- Build public confidence in the government sector.
- Support the NSW Government in achieving positive budget outcomes through strengthening the capability of the government sector workforce.

The Commissioner has the following functions:

- To identify reform opportunities for the government sector workforce and to advise the NSW Government on policy innovations and strategy in those areas of reform.
- To lead the strategic development and management of the government sector workforce in relation to:
 - » workforce planning, including identifying risks and strategies to minimise risks
 - » recruitment, particularly compliance with requirements relating to appointment and promotion on merit performance management and recognition
 - » inclusion and diversity, including strategies to ensure the government sector reflects the diversity of the wider community
 - » general conduct and compliance with ethical practices
 - » learning and development
 - » succession planning
 - » redeployment, including excess employees
 - » staff mobility
 - » executive staffing arrangements.

- To advise the NSW Government on leadership structure for the government sector.
- To advise the NSW Government on appropriate strategies, policies and practices in relation to the structure of the government sector workforce.
- To advise the NSW Government on appropriate strategies, policies and practices in relation to other government sector matters as the Ministers administering the GSE Act may determine from time to time. As well as monitoring, co-ordinating and assisting the implementation of NSW Government strategies, policies and practices in other areas as the Ministers administering the GSE Act may determine from time to time.
- To develop and advise the NSW Government on service delivery strategies and models for the government sector through collaboration with the private sector, the not-for-profit sector and the wider community.
- To set standards, subject to any legislative requirements, for the selection of persons for appointment as members of boards or committees of public authorities (including

Government business enterprises).

The Commissioner has and may exercise such other functions as are conferred or imposed on the Commissioner by or under the GSE Act or any other Act. For example, the Commissioner has the power to conduct inquiries into any matter relating to the administration or management of a government sector agency.

The Commissioner is to exercise her functions in accordance with general policies and strategic directions determined by the PSC Advisory Board.

Our Structure

The Public Service Commission's organisational structure

As at 30 June 2019, the PSC's organisational structure includes four operational branches; Leadership and Talent, Workforce Strategy, Performance and Reporting, and Workforce Analytics and Systems. In addition, the General Counsel, Director Corporate and Chief Financial Officer (CFO), Communications Manager, People and Engagement Manager and two Assistant Commissioners report directly to the Commissioner.

The Executive Leadership Team is represented on the organisational chart on the following page and listed in Appendix B: Our people. The Public Service senior executive (PSSE) headcount for the PSC is a total of nine executives.

Other movements within the year included:

- The appointment of Elizabeth Ball to the role of General Counsel, on secondment from Transport for NSW from July 2018 to March 2019.
- The appointment of Jane Spring to the role of Assistant Commissioner, Capability and Leadership Strategy in October 2018, replacing Catherine Grummer who joined TAFE NSW in August 2018.
- The appointment of Emilie Priday to the role of Director, Performance and Reporting in October 2018.
- The appointment of James Harper to the role of Director, Workforce Analytics and Systems in October 2018 (until July 2019).
- The appointment of Joyce Low to the role of Director Corporate and CFO in January 2019.
- The appointment of Julia Carland to the role of General Counsel in March 2019, for an 18-month secondment from the Department of Premier and Cabinet (DPC), until September 2020.
- The appointment of Gail Le Bransky to the role of Director, Disability Employment in April 2019, for an 18-month secondment from Transport for NSW, until October 2020.

Senior Leadership Team

Core leadership team



Emma Hogan

Public Service
Commissioner



Jane Spring

Assistant Commissioner
Capability and
Leadership Strategy



Scott Johnston

Assistant Commissioner
Performance and
Analytics



Joyce Low

Director Corporate/
Chief Financial Officer



Karen Davis

Director Leadership and
Talent



Emilie Priday

Director Performance
and Reporting



Julia Carland

General Counsel



Jennifer Perry

Director Workforce
Strategy



James Harper

Director Workforce
Analytics and Systems
(until July 2019)



Gail Le Branksy

Director Disability
Employment

The Public Service Commission Advisory Board

The PSC Advisory Board is established by the GSE Act.

The Advisory Board determines general policies and strategic directions in relation to the functions of the Public Service Commissioner and advises the Premier, either on request or on its own initiative, on any matter relating to the management or performance of the government sector.

Members include a Chair and four others appointed by the Premier, together with the Public Service Commissioner and Secretaries of DPC and the Treasury (or their respective senior delegates).

The Premier's appointees must together have expertise in: human resources management; probity and accountability; strategic planning; budget and performance management; and service delivery across the public, private, tertiary and not-for-profit sectors.

The Advisory Board Members during the 2018/2019 period were:

- Professor Peter Shergold AC (Chair)
- Ms Sandra McPhee AM
- Mr Vince Graham AM
- Ms Susan Lloyd-Hurwitz
- Mr Tim Reardon (Secretary, DPC)
- Mr Michael Pratt (Secretary, Treasury)
- Ms Emma Hogan (Public Service Commissioner)
- Mr Jordan O'Reilly (joined the Board in December 2018)
- Mr Martin Lavery (retired from the Board in October 2018).

Biographies of the external members of the Advisory Board are as follows:

Mr Peter Shergold AC (Chair) is Chancellor of the University of Western Sydney. For two decades he was a senior public servant in the Australian Public Service, serving from 2003-2008 as Secretary of the Department of the Prime Minister and Cabinet. Peter is NSW Coordinator General of Refugee Resettlement; Chair of Opal Aged Care and Joblife; and Chair of AMP Foundation and the Centre for Social Impact.

Ms Sandra McPhee AM has extensive experience as a non-executive director and senior executive in a range of major public, Commonwealth and State government, and not-for-profit organisations including utilities, energy, health, retail, tourism and aviation.

Sandra is a Non-Executive Director of Kathmandu Holdings and St Vincent's Health Australia. She is a member of the Advisory Council of JP Morgan, Chief Executive Women and Women Corporate Directors, and a Fellow of the Australian Institute of Company Directors.

In 2003, she was awarded the Centenary Medal for her contribution to the community through business leadership. In 2013, she was awarded a Member of the Order of Australia for significant service to business and the community through leadership and advisory roles.

In 2015, Sandra authored the Commonwealth Public Service Commission Workforce Planning Strategy Report, “Unlocking Potential”.

In 2019, she chaired the Australian Government, Expert Advisory Panel review of Employment Services. The resultant report, “I Want to Work’ was accepted by Government in March 2019 and recommendations are being prepared for implementation.

Mr Vince Graham AM is a Director of the Australian Rail Track Corporation Board and the Western Sydney Airport Corporation. He retired as CEO of Ausgrid, Endeavour Energy and Essential Energy in December 2015, having led the NSW Government’s electricity network reform program since July 2012. Vince was first appointed to a chief executive role in September 1986 as Managing Director of the Grain Handling Authority. He spent 10 years as Managing Director of the National Rail Corporation, five years as Chief Executive of RailCorp and four years as CEO of Endeavour Energy. His leadership career has been in State and Commonwealth owned corporations; where his role was to lead strategic reform to improve the safety, customer service and efficiency of capital and operating programs. In June 2017, Mr Graham was honoured with a Member of the Order of Australia, for his significant contribution to the rail and electricity sectors.

Susan Lloyd-Hurwitz was appointed CEO & Managing Director of Mirvac in August 2012 and an Executive Director in November 2012.

Prior to this appointment, Susan was Managing Director at LaSalle Investment Management. Susan has also held senior executive positions at MGPA, Macquarie Group and Lend Lease Corporation, working in Australia, the US and Europe.

Susan is the immediate Past President of the Property Council of Australia, Chair of the Green Building Council of Australia, President of Institut Européen d’Administration des Affaires (INSEAD) Australasian Council and a member of the INSEAD Global Board.

Susan holds a Bachelor of Arts (Hons) from the University of Sydney and an MBA (Distinction) from INSEAD in France.

Mr Jordan O’Reilly is the CEO and co-founder of Hireup, an online platform connecting Australians with disability with support workers who fit their needs and share their interests. With over six years’ experience in establishing and growing both not-for-profit and for-profit disability service providers, Jordan has spent much of his adult life working in the Australian disability sector. He was awarded the NSW Young Carer of the Year Award in 2011, the Rotary Community Service Award in 2012 and the

Sydney University Faculty of Health Science Leadership award in 2013. Jordan has also been awarded the Foundation for Young Australians Changemaker of the Year Award 2014, a Myer Foundation Innovation Fellowship in 2015, Sydney University's Young Alumni Achievement Award 2015, NSW State Finalist, Young Australian of the Year Award 2015 and more recently, he's also been recognised as EY's 2018 Emerging Entrepreneur of the Year

Dr Martin Lavery is the Secretary General of the Australian Medical Association. He was formerly the Chief Executive of the Royal Flying Doctor Service of Australia and Chief Executive of Catholic Health Australia. He is Deputy Chair of the Australian Charities and Not-for-Profit Commission Advisory Board, and is a Board Director of the National Disability Insurance Agency and Health Direct. He is a former Chair of the Heart Foundation NSW and former Chair of disability service providers Challenge Southern Highlands and Unison. Dr Lavery completed his term on the Board in October 2018.

Strategic Directions — Towards 2025

With the appointment of a new Public Service Commissioner in 2018, it was timely to review the strategy of the PSC to align with the objectives and functions of the Commissioner under the GSE Act, as well as the sector's key workforce focus areas in the years ahead. In consultation with the sector and multiple stakeholders, the Commissioner took the opportunity to develop the '*Strategic Directions - Towards 2025*' document.

Following the election in 2019, the PSC's ambitions were modified to further align with the Premier's Priority to have a world class public service, where our people can deliver their best work for the citizens of New South Wales.

The strategic directions document seeks to build upon the work that has occurred since the inception of the PSC in 2011. It applies to aspects of workforce strategy, reporting and providing sector wide guidance and advice, whilst also taking a forward view of how NSW may be impacted by changes in citizen expectations, advances in technology, societal and geopolitical shifts and changing work.

As the PSC works independently, but collegiately with our colleagues across government, it is important to describe what progress will be seen across the sector if the PSC and the sector are successful in their endeavours. These are outlined in the 'progress indicators' section.

Strategic Directions – Towards 2025

Our Ambition

A world class public service where our people can do their best work for the citizens of NSW.

Our Purpose

We are the NSW public sector's trusted partner and advisor; shaping and aligning world class workforce strategy, to underpin the sector's outcomes for the citizens of NSW.

Our Approach is to...

- **Align** and prioritise our work to match the strategic needs and desired outcomes of the sector
- **Collaborate** with people across the sector to design and deliver practical solutions to workforce issues
- Use **innovative and contemporary** design principles when developing and shaping our work
- Use **evidence and data** to drive insights and effective decision making
- Uphold the **values** of integrity, trust, service and accountability
- Present information in an **easy to understand** way, and create solutions that remove complexity and red tape
- **Measure** the impact of our work, and take a **continuous improvement** approach
- **Walk the talk**, we don't ask of others things we aren't prepared to test or implement ourselves.

Our Progress Indicators

- ≥65% average **employee engagement**
Increase in internal and external **customer satisfaction**
Government's **overall progress** on its published goals
- YOY **increase in women in senior leadership** (50% gender equality by 2025)
- YOY **increase in Aboriginal participation at all levels** (114 Aboriginal leaders by 2025)
- YOY **increase in disability participation at all levels** (5.6% participation by 2027)
- YOY **decrease in reported bullying**
- Measurable **talent mobility** across the sector
- Recognised as an **Employer of Choice**

Our sector Enablers

- Sponsor, design and deliver leading **workforce strategy**
Provide workforce and performance **data and analytics**
Develop **thought leadership** on workforce challenges
Deliver practical **frameworks, guidelines, tools and resources**
- Sponsor sector-wide **projects and events** that enable capability development
- Build high performing sector **capability**
- Deliver nation leading **digital platforms**
- Provide highly valued advice on **legislation**
- Act as the **sector connector**, ensuring great work is being shared to avoid reinventing wheels



Our Work

Work of the Future

The PSC partners with the sector to ensure leaders are equipped to lead the workforce through transformation and change associated with the work of the future. This includes building the skills of the public sector workforce in the areas that best align with citizen outcomes. Work undertaken in this area includes the following projects and initiatives.

2030 Human Capital Outlook report

In 2018, the PSC began work on a 'Work of the Future' strategy, one of our strategic direction focus areas. The strategy aims to assist public sector leaders to confidently navigate their people through transformation and change, enabling them to uplift workforce capability in the areas that best align with desired citizen outcomes.

As a first step, the PSC commissioned a report to provide a *2030 Human Capital Outlook* report for NSW Government. This report identified trends that could impact the Public Service workforce over the next 10 years. These trends have been categorised under four thematic areas: changing expectations, advances in technology, societal and geo-political shifts and changing work.

The PSC will use this information to play a role in supporting the NSW Public Service to ensure that we leverage the opportunities for better citizen outcomes that technological transformation and the changing nature of work present.

Three Year Workforce Strategy Roadmap

In response to the *2030 Human Capital Outlook* report, the PSC partnered with all NSW clusters to collaboratively explore emerging future trends and developed a *Three Year Workforce Strategy Roadmap*.

The Roadmap focusses on the six key areas where the PSC can support the sector to be best prepared for a changing workforce. These areas are: change leadership, strategic workforce planning, ways of working, recruitment and skills management, sector-wide capability, learning and development.

In addition, there are already areas across the public sector where there are pockets of excellence in some aspects of developing their workforce for the future. The PSC will facilitate the sharing of learnings from these areas to assist in lifting capability across the Public Service.

The PSC is also partnering with the sector on two immediate focus areas. These are:

- supporting the sector to develop strategic workforce plans partly based on the impacts of future trends
- building capability in new ways of working, primarily in the areas of digital, agile and co-design and flexible ways of working.

Building digital capability

In early June 2019, the PSC committed to devising a strategy that would build the digital capability of the Public Service and delivering this at scale. The demand for this capability is high but the supply is currently insufficient and at times disconnected to where the need is at its greatest. To further understand the digital maturity (which is varied across the clusters) across the NSW Government, the PSC embarked on the first phase: discovery.

The starting point of this phase was to understand the meaning of digital across the NSW Government. Over a four-week period, the PSC engaged with a committed group of practitioners from across the sector, using various forms of outreach. Some avenues included interviews, design workshops, drop-in sessions and regional discussions.

The discovery phase confirmed the varying levels of digital maturity across the NSW Government and uncovered a strong demand for capability uplift. It also found that there are a range of initiatives already in play that

build on the digital ways of working. These include the Department of Customer Service's DNA Lab and Transport for NSW's Digital Accelerator.

Based on the iterative feedback and lessons already learned from those pockets of excellence in the NSW Government, six digital capability areas have been drafted which will form the basis of a learning pathway for public servants looking to increase their capability. These are: Customer at the Centre; Collaboration and Agility; Data, Decisions and Ethics; Ideas to Impact; Enabling Technology; and Digital Leadership.

The next phase is to test and validate the findings with an aim to ensure that any digital capability uplift program is feasible, compatible, sustainable and relevant. The 14 Premier's Priorities also include creating a world class public service through implementing best practice productivity and digital capability in the public sector, which provides important visibility on this imperative, capability-focused piece of work.

Launch of Strategic Workforce Planning Framework

Technical advances, increasing customer expectations and demographic shifts are just some of the challenges facing agencies in the NSW government sector. Having a capable, agile and diverse workforce is critical to ensuring agencies can respond to those challenges and deliver the services the people of NSW expect from government. Strategic workforce planning is critical to achieving this outcome, as it aligns longer-term workforce requirements with an agency's strategic objectives.

The PSC launched the Strategic Workforce Planning Framework for the NSW Government Sector (the Framework) in February 2019. The Framework was developed in collaboration

with agencies and departments across the sector, to assist them to better understand and prepare for their future workforce needs.

The Framework outlines a practical, principles-based approach to implementing strategic workforce planning, which can be easily adapted to meet the circumstances and workforce needs of individual agencies. The Framework can be used when undertaking workforce planning in all areas of an agency and may facilitate cross-sector workforce planning to achieve the best outcomes for the people of NSW.

A program of work including case studies, training, tools and resources is currently being developed to support implementation of the Framework across the sector.

Supporting sector flexibility

In 2019 the PSC has successfully delivered the second phase of the *Make Flexibility Count: Strategic Framework for the NSW Government Sector*, developed following the Premier's commitment in 2016 to all roles being flexible on the basis of 'if not, why not' by 2019. The Framework also aligns with the Premier's Priority for driving public sector diversity.

Key achievements in supporting the sector to drive sector flexibility include:

- establishment of a cross-sector implementation committee to monitor progress and ask agencies to self-assess their progress via the Flex Implementation Tracker
- production of digital change playbooks to help agencies identify what systems, skills or processes need to be shifted to embed flexible working
- creation of a Dashboard that helps agencies understand their use of flexibility and monitor progress
- partnering with 27 different teams across the public sector to pilot flexible working

by designing it into the way they work — these pilots are ongoing with early results indicating improvements in perceptions of productivity, engagement and wellbeing

- launch of a significant initiative in job share by piloting the use of a platform for potential job sharers from seven different agencies to meet, and releasing job share guides, case studies, a communications strategy and videos on the PSC website for agencies to promote job share
- release of Conversation Guides to help managers and employees to negotiate a flexible working arrangement, make it successful, or resolve it if it is not working
- release of skillsets for leaders, managers, employees and HR staff that define what someone in these roles needs to know, say and do to successfully work flexibly, including a self-assessment and a development guide.

In the next and final phase of this project, the PSC will assist the sector to embed the tools developed and foster cross-sector support and collaboration.

Capability and Performance

The PSC works with the sector in relation to practice leadership and capability development, recruitment, talent management, and performance management to ensure a high-performing and productive sector that always provides service excellence to citizens. Work undertaken in this area includes the following projects and initiatives.

NSW Government Graduate Program

The NSW Government Graduate Program (the Program) is a structured employment and development program designed to attract and retain talented graduates, build public sector capability and develop a cohort of future leaders. The Program offers graduates a rewarding 18-month experience across different NSW Government agencies, and includes a mentor, executive sponsor, study towards a Diploma of Government and a series of networking events. Graduates are also offered an ongoing role following successful completion of the Program.

Now in its fourth year, the Program has jumped to fourth place in the *Australian Financial Review's* Top 100 Graduate Employer's listing, up from 40 in 2017 and 12 in 2018. The Program has also been awarded the Most Popular Government and Defence Employer in Australia for the second year running.

The 2019 NSW Government Graduate Program saw a growth in applications and graduate roles. The number of applications grew from 2,810 in 2018 to 3,420 in 2019. This supports the continued growth in the number of graduate roles from 168 in 2018 to 189 in 2019, with a starting cohort of 25 in 2016. The pilot of regional roles in 2018 was successful and resulted in the expansion in 2019 to include Dubbo as a location, plus 19 roles offered across the Hunter and Central West regions.

The other major change for the 2019 NSW Government Graduate Program was replacing the two-stream approach (Information Communication and Technology/Digital and Policy) with 11 functional areas of interest: analytics; audit and risk; communications and marketing; digital design; digital development; finance/business/economics; HR (people); policy; procurement; project management and service delivery. The move away from the stream-based approach was in response to agency feedback and allows greater options for graduates who have a specific career aspiration.

Recruitment Pools

The PSC continues to establish Public Service recruitment pools, offering NSW Government agencies access to diverse, high calibre talent in a timely and cost-effective way.

The PSC has worked with multiple NSW Government agencies to uplift the use of the recruitment pools and in August 2018 created new recruitment pools for policy officers (Grade 5/6 to 11/12 or equivalent) using a single application process for all levels. This streamlined candidate-centric approach helped attract over 1,180 high-quality candidates to the campaign.

Satisfaction with the recruitment pools continues to grow, with 94.5 per cent of hiring managers reporting that they were satisfied with the performance of the employee they hired from the recruitment pools and would utilise the recruitment pools again if they had the opportunity. Further effort to increase the utilisation and mobility of the recruitment pools will be made to enhance the program and maximise opportunities for successful candidates.

The PSC will continue to work with agencies to broaden the rollout of Public Service recruitment pools to other job families.

NSW Leadership Academy evaluation, recommendations and redesign

A key focus of the NSW Leadership Academy (the Academy) in 2018/2019 was to evaluate performance and identify areas of improvement. To achieve this the Academy undertook an extensive evaluation of all its leadership programs. The evaluation reflected the successful delivery of objectives in the program and indicated that amendments are required to extend the impact of programs, build in “fit for future” executive development components, modernise delivery modes and improve value for money. The approach taken is to refresh, realign and redesign all programs to meet capability gaps and emerging needs in the public sector.

While the redesign work continues into the next financial year, the Academy has achieved several significant milestones. These include conducting research and a needs analysis – which involved seeking market views – to come up with the right requirements for the next phase of the Academy, and the development of an alumni strategy.

Several programs ran in parallel to this work including Leading Managers and Leading Executives, and our aligned programs such as Delivering Business Results, Executive Leadership Essentials and the Aboriginal Career and Leadership Development Program.

Launch of career sponsorship pilots

The Opendoors sponsorship program builds on a foundation of cluster and sector-wide programs including leadership programs, mentoring and networking groups. The six-month program provides emerging senior leaders with the opportunity to understand, develop and improve their readiness for more challenging roles and ultimately join and grow within sector leadership teams.

The first pilot of the program was launched in March 2019 with a cohort of 32 sponsors and sponsees from the Department of Communities and Justice. A second pilot of the program at a more senior level commenced in May 2019. This program connects high potential female employees from Infrastructure NSW and Health Infrastructure with leaders from across the sector.

The pilot programs will close in September and November 2019 respectively and will be followed by evaluation to refine the approach. Early insights from the evaluation will be shared sector-wide to promote uptake of the sponsorship program in clusters to support engaging and mobilising high potential, emerging senior leaders.

HR Capability Report

The PSC co-designed the approach to data gathering and output design for the *Insights in HR Capability Report* (the Report) with HR leaders from across the sector. The Report, released in October 2018, found that the NSW government sector's overall HR capability requires improvement and reorganisation if it is to successfully manage the major workforce transitions predicted to occur as a result of digital disruption.

This ties in with the PSC's work on digital capability in the sector — the PSC is taking on the role of uplifting digital capability in the sector, identifying degrees of maturity across clusters and between roles and levels.

The Report proposes areas and initiatives for enhancing the sector's capability to manage its workforce into the future; and a sector reform narrative (roadmap) for commencing the sector's journey toward the future of HR.

The roadmap and a program of work are currently being finalised to address the Report's findings and recommendations.

Employment Portal relaunched

The Employment Portal forms part of the PSC website and hosts all information relating to public sector employment and performance, providing a thorough knowledge base for sector employees, HR practitioners and agency leaders.

The Employment Portal had not been refreshed since the commencement of the PSC. A redesign was conducted to ensure it was more user friendly and it was relaunched to the sector in April 2019. To plan and deliver the new resource, the PSC team drew upon insights gained from research with colleagues from across the sector, and the redesign followed the Digital Design Standard approach to delivering user-centred services.

Since the relaunch, the Employment Portal has seen an increase in usage. The update to content has made it easier for PSC's customers to find the information they need to best do their jobs.

A survey of users after the launch of the new Employment Portal indicated a marked improvement in satisfaction regarding usability, and provided feedback which will help to continually improve the site's content and functionality.

Recruiting Right

The PSC is working to evolve the sector's recruitment capability through the development of the Recruiting Right program, which delivers on the supported recommendations of the 2018 *Review of NSW Public Service Recruitment Reforms*.

The fieldwork conducted to inform this program provided perspectives from hiring managers, human resources practitioners and candidates about the experience of the recruitment process. While the fieldwork found inconsistent candidate experience across the sector, there was very favourable feedback from agencies where HR offers high touch recruitment support.

Insights highlighted opportunities to improve the use of capability-based assessments (especially psychometric testing) and the application of the capability framework. Launched in August 2013, the NSW Public Sector Capability Framework describes the core capabilities and behaviours required of all employees, both executive and non-executive, in the NSW public sector.

There are four streams of work within the Recruiting Right program, which is due for completion in December 2020:

- driving quality candidate care
- optimising workforce mobility
- ensuring recruitment decisions are based on sound reasoning, with fit for purpose assessment methods selected
- improving use of technology in the recruitment process.

Diversity and Inclusion

The PSC endeavours to exemplify best practice for a diverse, inclusive and accessible workforce that reflects the communities the sector serves, unlocking the ability to anticipate and deliver community needs more effectively. Work undertaken in this area includes the following projects and initiatives.

Premier's Priority: Driving public sector diversity

The PSC is coordinating agency planning and action to meet the Premier's Priority of driving public sector diversity. The PSC led efforts across the sector to meet the targets of the Premier's Priority 9, advancing engagement of diversity and inclusion as a core workforce strategy across the sector. Following the March 2019 election, the Premier's Priorities were expanded to 14 and the new diversity priority was broadened to include a goal of world class public service. This affords the PSC the opportunity to embed an inclusive approach in all our work, enabling diversity, improved performance and enhanced employee experiences.

This Premier's Priority sets targets of:

- increasing the representation of women in senior leadership to 50 per cent
- doubling the number of Aboriginal and Torres Strait Islander peoples in senior leadership roles from a baseline of 57 (in 2014) to 114
- increasing the representation of people with disability across the government sector to 5.6 per cent (introduced in 2019).

A diverse public sector is agile and resilient, driving creativity and innovation and better reflecting the community it serves.

The 2019 statistics on workforce diversity are:

- **Gender equity**

In 2019 women made up 65.4 per cent of the NSW public sector workforce, and held 40.3 per cent of senior leadership roles – this increased from 38.7 per cent in 2018.

- **Aboriginal and Torres Strait Islander representation**

In 2019, the number of Aboriginal and Torres Strait Islander senior leaders increased from 87 (in 2018) to 98.

- 63.3 per cent of Aboriginal and Torres Strait Islander employees were based in regional areas during 2019.

- **Representation of people with disability**

In 2019, the number of NSW public sector employees with disability remained stable at 2.5 per cent.

The PSC, together with the Premier's Implementation Unit, are directly accountable to the Premier in relation to the Premier's Priority, and twice a year provide a delivery report on the progress of the diversity targets. Sustainable success against the Premier's Priority targets will come from cross-sector collaboration and innovation. The PSC leads a monthly discussion at the Secretaries Board on progress across the sector, providing a regular forum for Secretaries to discuss the strategies their clusters have trialled and to learn from other agencies' experiences. Secretaries have also agreed to a set of actions to progress both targets, which are:

- ensure at least one woman is on all executive recruitment shortlists
- include target focused KPIs in senior executive performance plans
- ensure all roles can be flexible on an 'if not, why not' basis
- ensure all clusters have a Diversity & Inclusion Council.

Aboriginal Employment Strategy 2019-2025

A public sector that attracts and nurtures Aboriginal employees will increase economic participation in Aboriginal communities and improve access to quality services and support. In this way, the sector will benefit future generations and help advance the wellbeing of every Aboriginal person in NSW.

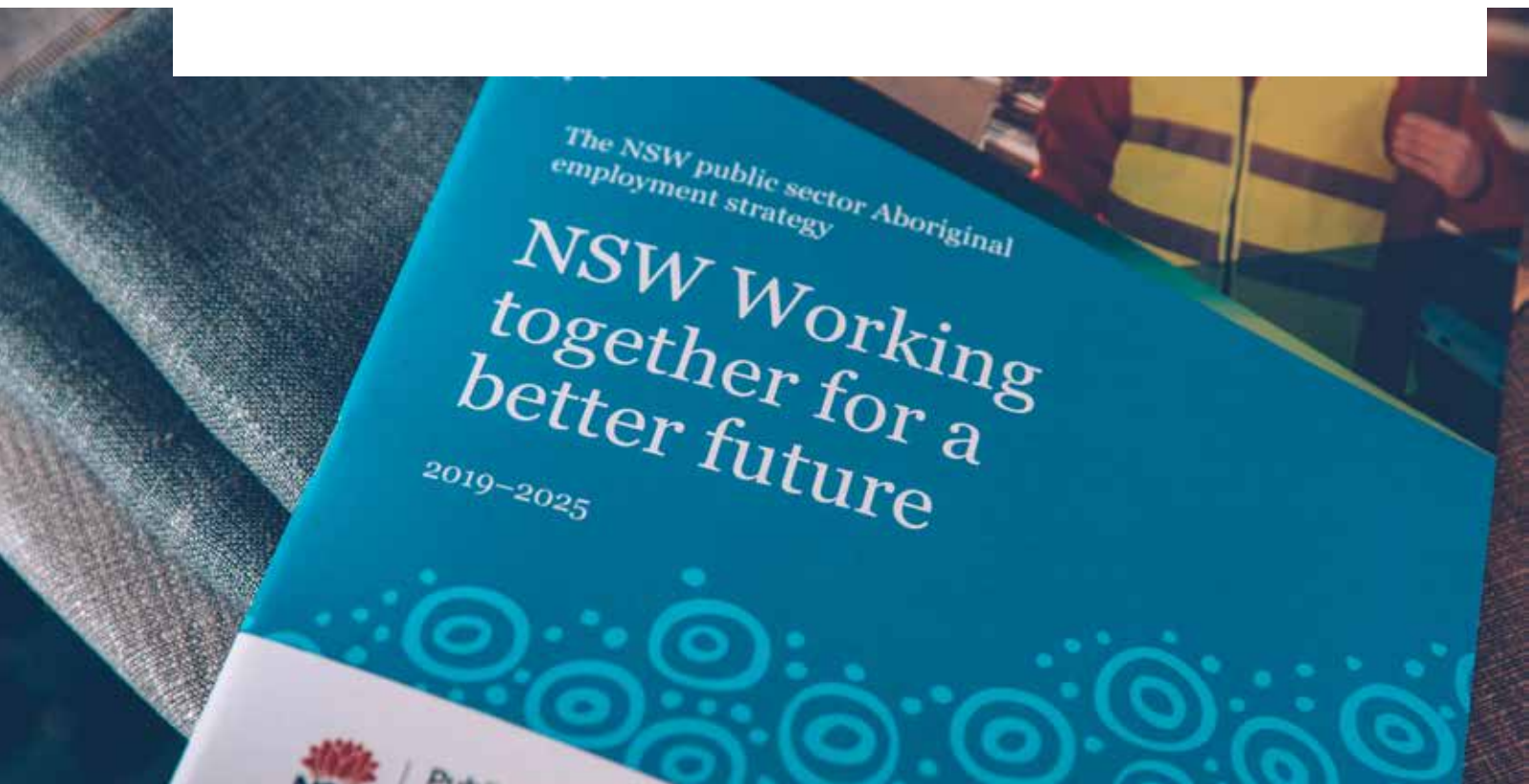
An independent evaluation of the 2014-2017 NSW Public Sector Aboriginal Employment Strategy reported that NSW leads Australian practice by:

- having a strategy to increase Aboriginal representation at all levels, including executive levels
- developing purpose-built Aboriginal employment initiatives backed by independent research
- emphasising the importance of data collection, monitoring and evaluation as key drivers of performance.

Following the evaluation of the 2014-2017 strategy, the PSC collaborated extensively with the sector through co-design workshops to develop a new strategy that builds on the progress made under that strategy. Secretaries and other senior Aboriginal leaders, the Aboriginal Employment Advisory Committee, the Aboriginal Workforce Development Community of Practice, and other Aboriginal employees from across the sector were also interviewed and consulted.

The results of the research and consultation were incorporated into *NSW Working together for a better future*: the NSW Public Sector Aboriginal Employment Strategy 2019-2025. The strategy title reflects the 2019 NAIDOC theme of 'Voice. Treaty. Truth. Let's work together for a shared future'.

The new strategy takes a holistic approach to creating inclusive and culturally competent workforces as well as increasing Aboriginal representation at each grade. It will come to term in 2025, in line with the Premier's Priority to increase Aboriginal senior leaders in the sector.



Jobs for People with Disability strategy launched

The PSC and the Department of Communities and Justice are leading a sector-wide initiative to increase the employment of people with disability in the NSW public sector to 5.6 per cent by 2025. Representation of people with disability in our workforce has declined since 2007 to 2.5 per cent in 2018. The rate has remained at 2.5 per cent in 2019.

Achieving sector-wide change to reverse this decline requires coordinated action and support by leaders, as champions and allies across our diverse workforce.

In March 2019, Secretaries renewed their commitment to immediate action and resourced the PSC to drive a central program of work.

A cross-agency implementation committee meets quarterly to drive the project. It includes people with disability representing disability employment networks from all clusters. Key areas for action are removing barriers to recruitment, improving access to workplace adjustments and improving the accessibility of systems and processes.

In 2018/2019 the PSC commenced delivering the following projects:

- best practice research on workplace adjustments for people with hidden disability
- promotion of the Commonwealth funded Employee Assistance Fund for workplace adjustments
- discovery project with the Behavioural Insights Unit within the Customer Service cluster to identify and address barriers and opportunities for managers to support the engagement and retention of people with disability
- partnership with Property NSW to make our sector more conscious of accessibility when selecting new office spaces and completing fit outs
- data modelling to understand and set projections for achieving the 2025 target.

Inclusive leadership pilots

In 2017, as part of a PSC Advisory Board project, the Commission consulted with public sector employees to develop a shared understanding about why diversity and inclusion matters. One of the key messages heard was that progressing the diversity and inclusion of the public sector workforce depended on genuine support of leaders. One of the focus areas arising from this consultation identified the goal of building inclusive leadership capability across the sector.

As part of ongoing efforts to create a culture of inclusion across the NSW public sector, the PSC partnered with the Department of Finance, Service and Innovation, Department of Justice and TAFE NSW to pilot the Inclusive Leadership Experience program.

The pilot program has four key components designed to:

- explore the traits of inclusive leadership
- explore Deloitte's the Six Signature Traits of inclusive leadership
- develop inclusive leadership capability
- calibrate development with other leaders.

Approximately 50 leaders have participated in the pilots, exploring their individual and collective leadership shadow through the lens of inclusion and committing to individual and collective actions for change. An evaluation is currently underway to assess the outcomes of the pilot. Inclusive leadership is a key concept in the PSC's leadership development offerings.

Contribution to the OECD project on Senior Civil Service Leadership

In February 2019, Assistant Commissioner Scott Johnston travelled to Ottawa, Canada, for the meeting of the Multi-Country Project on Senior Leadership run by the Organisation for Economic Cooperation and Development (OECD). The conference was run by the Public Employment and Management directorate of the OECD, with diversity and inclusion in the civil service a primary interest of the meeting.

The Assistant Commissioner attended on behalf of the PSC to discuss how the NSW Government uses analytics to create momentum and action in improving the diversity of the public sector. The presentation spoke to the impact that data modelling workforce and recruitment has made on strategy development and actual improvement in the level of representation of Aboriginal senior leaders and women in senior roles.

The OECD is compiling a case study on the work undertaken by the PSC, which will be published in late 2019. The work of the PSC was noted as being in advance of similar work being done by OECD nations. Attending OECD nations (including the UK, France, Canada and Israel) were positive about the work that is being undertaken and indicated that they appreciated the global perspective from a workforce as large as the NSW Government sector.

Trauma informed workforce training

The PSC is leading the development of trauma informed workforce training. This e-learning training package will include information about the impacts of past forcible removal policies and practices on Aboriginal communities, to build a trauma informed public sector workforce.

The trauma informed workforce training relates to recommendations six and 29 of *Unfinished Business*, the report of the NSW Legislative Council's General Purpose Standing Committee No. 3 into reparations for the stolen generations in NSW. The NSW Government considered these recommendations together so that they could be addressed meaningfully and holistically.

To demonstrate the PSC's leadership in this sector-wide work, in 2019 the Senior Leadership Team undertook trauma informed training delivered by Yamurrah to understand the complexity of the impacts trauma has had on Stolen Generations survivors. Yamurrah provides professional services, training and planning advice that is trauma-informed and guided by Aboriginal worldviews and Aboriginal healing frameworks.

The PSC has ensured Stolen Generations survivors are consulted meaningfully and that their experiences are at the very centre of the work being undertaken on the trauma informed workforce training.



Culture and Values

The PSC fosters a culture in which customer service, initiative, and the achievement of results is strongly valued. The aim is to create a world-class employee experience, where values and ethics are upheld, the culture is inclusive and safe, and the environment is one where people are enabled to deliver their best work for citizens. Work undertaken in this area includes the following projects and initiatives.

Launch of the Senior Executive Fundamentals website

The PSC launched the Senior Executive Fundamentals (SEF) in September 2018.

The NSW Government is committed to investing in its leaders, to ensure it can attract and retain a world class, highly capable workforce in a competitive employment environment. The SEF is one of several programs and initiatives developed to increase and support the capability of public sector leaders.

The SEF is an online learning resource which provides foundational information essential for operating and performing to a high standard in government. It contains information, insights and directions on a broad range of matters including but not limited to:

- the Premier's Priorities
- the ethical framework
- inter-government relations
- parliamentary processes
- cross-government collaboration
- the NSW legislative framework
- policy development
- dealing effectively with the media
- the budget process
- conditions of employment
- delegations and procurement.

The SEF is a key resource designed to help senior executives in the first 12 to 18 months of their employment and an enduring reference guide at any stage throughout their career.



Premier's Awards

The PSC supports the annual Premier's Awards for Public Service, which showcase the important contributions of teams and individuals in our workforce who are undertaking great work to serve the people of NSW. On 7 November 2018, the Premier, the Hon. Gladys Berejiklian MP announced the winners of the Premier's Awards for Public Service at a ceremony held at Sydney's Town Hall.

A record number of nominations were received, leading to a strong field of high performing finalists. Awards were presented in the following categories:

- Improving government services
- Improving service levels in hospitals
- Delivering infrastructure
- Tackling childhood obesity
- Creating jobs
- Protecting our kids
- Driving public sector diversity
- Improving education results
- Making housing more affordable
- Reducing domestic violence reoffending
- Keeping our environment clean
- Reducing youth homelessness
- Anthea Kerr Award.

Notable individual winners included Tammy O'Connor and Gail Silman. Tammy was the winner of the Anthea Kerr Award. This award recognises future public sector leaders (under the age of 35) who exhibit a deep commitment to public sector values in their work. Tammy is a midwife from Western NSW Local Health District who improved access to antenatal and postnatal care for rural and remote women.

Gail Silman was the winner of the 2018 Premier's Award for Individual Excellence and Achievement and the individual winner in the Creating Jobs category. She was recognised for her work at the Department of Industry in establishing an infrastructure skills legacy program. This program upskills unemployed people so that they can benefit from employment opportunities related to infrastructure projects.

Assisting the sector on machinery of government changes

Immediately following the 2019 NSW State Government election, significant Machinery of Government (MoG) changes were announced effective 1 July 2019, reducing the number of clusters and departments from 10 to eight. To assist in the planning and implementation of the new arrangements, the PSC produced workforce profiles of the new clusters for the incoming Secretaries — these included estimated size and composition of the new clusters based on the 2018 workforce profile data.

The profiles detailed key workforce diversity metrics, and data from the 2018 People Matter Employee Survey was also used to provide insights into areas including employee engagement, level of reported bullying and employee perception of senior executives' handling of change management.

The PSC coordinated a sector-wide Senior Executive Mobility Support process to assist with the redeployment of senior executives potentially impacted by the MoG changes. The process was available from 22 May 2019 to 31 July 2019.

Performance Reporting, Data Analysis and Digital Platforms

The PSC has the digital platforms, tools, capability and capacity to drive a consistent and high-quality workforce analytics program. This analysis provides insight, direction and evidence that helps to develop an increasingly engaged workforce and supports continuous improvements to outcomes for citizens. Work undertaken in this area includes the following projects and initiatives.

People Matter Employee Survey, Workforce Profile and *State of the NSW Public Sector Report*

The People Matter Employee Survey (PMES) remains an important event on the PSC's calendar. A sector-wide initiative, the survey is used to gauge the experiences of employees working in NSW government. The results of the survey provide evidence of areas of strength and improvement for teams, clusters, agencies and the sector in general.

The 2019 PMES was the sixth in the series. For this survey, the sector achieved a response rate of 52.5 per cent (or 185,000 responses), the highest ever and an exceptional outcome considering the structural change the sector was experiencing at the time as a part of the Machinery of Government (MoG) changes. The ever-growing survey participation, from a base of 16 per cent in 2012, underscores the increasing value of the survey to employees and employers alike.

Over 100 reports featuring cluster and agency PMES results are published on the PSC's website annually. Transparent reporting ensures that there is good visibility of results and the prompt release of results enables workplaces to act in response to key findings.

Another major event for the PSC is the Workforce Profile (WFP) collection. The collection is a census of all 400,000 NSW public sector employees — who they are, what they do, and where they work, among other things. The collection of this data and the creation of the corresponding *Workforce Profile Report* in 2018 marked the 20th anniversary of this work.

This report provides a cross-sector view of the size and composition of the NSW public sector workforce and trends over time in key metrics, such as diversity representation. The 2018 report introduced more detail on regional employment, with a regional profile of the Public Service, including a focus on senior executive employment in regional areas.

Data from the PMES and WFP collection are combined with other sources of evidence to produce the *State of the NSW Public Sector Report* (SOPSR). SOPSR, as required by the GSE Act, is the Public Service Commissioner's annual assessment of the performance of the sector, including notable achievements, challenges and priorities.

Replacement of GEN Management tool and shift of ownership from Department of Finance, Services and Innovation to the Public Service Commission

The Government Employee Number (GEN), a unique identifier for all NSW public sector employees, is key to providing the NSW government with a sector-wide view of the workforce.

Following the announcement of the Identity Hub's closure in late 2018, the PSC efficiently reallocated delivery priorities in FY18/19 to procure and implement a new GEN management system. Working to a tight timeframe, the PSC successfully transitioned the GEN data into a PSC managed solution, at a significant cost saving from the previous solution. Administrators across the sector were trained and supported through the transition and have collectively enabled a smooth transition in June 2019.

PSC's new GEN provides a solution that is a cloud based platform for ongoing GEN management, enabling future integration of workforce data from across the sector, in line with the NSW Digital Strategy.

I work for NSW data

The PSC supports Australia's largest employer, the NSW Government, through the management of the largest online recruitment system, Oracle Taleo, and the iworkforNSW.nsw.gov.au website. This site advertised over 40,000 NSW Government jobs in the FY18/19 year. These jobs resulted in over 850,000 applications and 25,000 support requests. The PSC supports the recruitment process, from the approval of a vacancy through to the appointment and onboarding of the successful candidate.

The I work for NSW support team at the PSC fielded 25,000 queries.

The PSC has worked closely with many agency users to streamline and automate the recruitment process. For example, NSW Fire & Rescue have implemented a highly automated

process allowing them to run an intense three-month recruiting program with over 8,000 applications for 124 positions. The system has integrated psychometric testing, automated calendars, integrated reference checking and electronic offers.

In line with the NSW Digital First approach, the PSC digitised and automated several manual scholarship application processes run by agencies on the Oracle Taleo system. Additionally, the PSC has been running multiple cross-collaboration projects working with recruitment pools, graduate programs, mobility, data-warehouse and other Premier's Priority projects to deliver a range of enhancements which are reducing manual work and enhancing the user experience.

Premier's Priority analytics and Deliverology fieldwork

A key ingredient for achieving the Premier's Priorities is the application of Deliverology, a method for driving the implementation of government targets for the benefit of citizens. In NSW, the Premier's Implementation Unit (PIU) within the Department of Premier and Cabinet is responsible for using the Deliverology approach to drive the Premier's Priorities. The approach involves:

- a focus on performance – ensuring accountability by routinely reviewing progress, data collection, monitoring and problem solving
- data-informed decision making – gathering and analysing data and evidence to identify opportunities and focus implementation effort

- fieldwork – engaging with staff members to understand what works and gain insights on what will make a difference
- a small number of targeted actions and high-impact interventions.

Using the Deliverology approach, the PSC and PIU have established a robust monthly reporting regime with Secretaries to harness their commitment, visible support and accountability for reaching the Government's targets related to public sector workforce diversity. These meetings are informed by quarterly workforce recruitment data to monitor progress against the diversity targets, cluster reviews and discussions on emerging issues and planned interventions.

Role Model Agency

The PSC strives to be a role model agency with a strong customer focus, guided by the goal of being exemplary when it comes to living the values and honouring our approach to work in the sector. Work undertaken in this area includes the following projects and initiatives.

Flexible work at the PSC and participation in the Job Share pilot

As part of the NSW government's goal to make all roles flexible based on "if not why not" by 2019, the PSC is participating in several flexible work initiatives. The PSC Legal Services Branch, People & Engagement Team and Corporate Services Branch are currently participating in the sector-wide pilot for a team-based design approach to flexible working.

Team-based design recognises that no one can know their work better than the teams doing it. Accordingly, Legal, People & Engagement and Corporate have been involved in planning and designing their own flex work approach for this pilot. The pilot will examine how we

can plan and arrange work differently and more efficiently through working flexibly, so that these approaches can be rolled out more broadly across the sector.

The PSC is also a participant in the sector-wide pilot for the job share matching platform along with several other government agencies. The job share platform makes it easier for people interested in job share to find out more, meet other potential job sharers and see applicable roles advertised. The platform links potential job sharers with each other and provides them with some insight into their potential compatibility or areas they may need to work on.

The portal also hosts resources for managers, HR teams and agency leaders on how to support and enable job share. Within the first few months of the pilot, the PSC has filled one role through job share and is in the process of recruiting for two others. The pilot seeks to unlock the multitude of benefits of job share that will drive diverse ways of thinking, innovation and problem-solving.

Information and Communications Technology role modelling

The ICT and Business Solutions team has been working across a range of projects and areas to position the PSC as role model agency in this area of the business.

Laptop upgrades and Office 365 implementation

The PSC replaced all end-user computing devices with new HP laptops using the Windows 10 operating system, equipping staff with upgraded technologies enabling a secure and enhanced collaboration experience.

Office 365 has also been part of the end-user computing upgrade – this provides the workforce with greater capacity to collaborate using Microsoft Teams, Skype, Yammer and using the traditional Microsoft Office products in the cloud. The upgrade provides further benefit to business continuity and disaster recovery processes at the PSC by enabling the workforce to work remotely and securely when required.

Business continuity

The PSC conducted a review of the existing Business Continuity Plan (BCP) and disaster recovery processes to ensure operational stability during unforeseen events. Updates have been made to the BCP which are in line with staff movement and technology vendor changes.

The PSC conducted two disaster recovery scenarios which both involved impacts to the HR, Finance and ICT network systems. The scenario testing on both occasions was positive and further BCP testing will continue into the next financial year.

Cyber security program

A program of work started in June 2019, which included a full review and assessment of the Commission's cyber security policy and activities. The review focusses on four pillars of corporate governance: assessment, policy, people and technology, and is due to be completed in December 2019.

The initial assessment has identified the PSC's most critical, sensitive and confidential data. A further assessment of the NSW Government Cyber Security Policy and Essential 8 controls compliance is underway. As a result a new Cyber Security Policy tailored to the PSC will be created.

Project management framework

The Senior Leadership Team endorsed the new project management framework in March 2019.

The framework, which is an essential element of good corporate governance for decision making that is critical to successful delivery of project outcomes, focuses on:

- ensuring high quality and best practice
- providing a means of demonstrating project delivery capability
- ensuring the appropriate level of risk management is in place with the aim of achieving successful project outcomes
- clear accountability with defined roles and responsibilities
- accurate and reliable reporting mechanisms.

In the coming months, Corporate Services will continue to provide project management tools to support project managers and an integrated solution to streamline project status reporting.

PSC's culture

The PSC had an extremely high participation rate of 93 per cent in this year's People Matter Employee Survey (PMES). The results showed an increased employee engagement result of 72 per cent, up 3 per cent from the previous year, with particularly good results showing diversity and inclusion, and flexible work satisfaction, to be 85 per cent and higher.

The PSC hosted several internal staff events throughout 2018/2019 to promote diversity

and inclusion in the workplace. These events were held for the following international and national diversity and inclusion days and multicultural celebration days:

- International Day of People with Disability
- International Women's Day
- Harmony Day
- National Reconciliation Week
- R U OK? Day
- Mardi Gras
- Diwali
- IDAHOBIT (International Day Against Homophobia, Transphobia, Intersexism and Biphobia.)
- Eid-al-Fitr
- NAIDOC Week celebrations.

Specific events are organised by different teams within the PSC. Each event has attracted significant attendance numbers and offered an opportunity for PSC staff to learn about their colleagues' different life experiences. Feedback continues to be very positive and it is evident that the PSC is truly invested in and appreciative of the work done in this space.

These regular fixtures on the PSC calendar will continue to be observed. This year the PSC also launched our Pride in PSC (PiPs) group for LGBTIQ+ staff and their allies, with events held to celebrate Mardi Gras and recognise IDAHOBIT.

Inclusive Design training

Aligning to the Strategic Directions' Role Model Agency focus area, the PSC is always looking at ways to raise awareness, improve internal practices, optimise the resources it produces and lead by example in the sector.

Inclusive design is a human-centred design approach that considers the full range of human diversity in the design process: ability, language, culture, gender, age and other forms of human difference.

As a leader in the diversity and inclusion space, the PSC knows the importance of inclusive design and accessibility standards in its work and uptake across the sector. The Communications and Diversity & Inclusion Teams worked together to design and plan training for all PSC staff to contribute towards being a Role Model Agency when it comes to inclusive design and accessibility. The workshops were run by the Centre for Inclusive Design (CfID) and developed in conjunction with training and inclusion specialists. The workshops examined bias, designing from the edge, different personas and technical accessibility tips.

The PSC worked with the CfID continuously through the delivery of the workshops. Adopting an iterative approach meant that the workshops were evolving and improving as they were delivered, honing in on the needs of staff and assessing what was working best and what could improve.

The training was designed to build greater awareness and understanding about inclusive design and accessibility, helping teams to produce improved resources and add value when project planning. It will also help the PSC to work better with the sector.

Multicultural initiatives based on Multicultural NSW Strategic Priorities

PSC-led programs continue to attract culturally and linguistically diverse (CALD) applicants, reflecting our multicultural state, and aligning our commitment and outputs to the Multicultural NSW Strategic Priorities. We work to these priorities in a range of our programs and initiatives including the NSW Graduate Program, our recruitment practices, our Employee Value Proposition and approaches, the I work for NSW communications, and our work in the diversity and inclusion space. In 2019, 25 per cent of NSW Graduate Program applicants identified that they speak a language other than English at home and 26 per cent (5 per cent undisclosed) were born overseas, closely reflecting the 25.2 per cent and 27.6 per cent overall NSW percentages respectively.

The I work for NSW website is managed by the PSC and serves as the central site for government sector recruitment. To assist CALD applicants, the site provides instructions on using online translation assistance to help when applying for roles.

The Public Service Commissioner's rules about Public Service recruitment continue to support the settlement of refugees in NSW. Since the rules were amended to allow modifications to be made to the recruitment process for refugees, 127 refugees have been employed by the NSW Government.

Appendix A: Our audited Financial Statements

Public Service Commission
Certification of the Financial Statements
for the year ended 30 June 2019

I state, pursuant to section 45F of the *Public Finance and Audit Act 1983*:

- 1) The financial statements of the Public Service Commission for the year ended 30 June 2019 have been prepared in accordance with:
 - a) Australian Accounting Standards (which include Australian Accounting Interpretations)
 - b) the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulations 2015* and the Treasurer's Directions;
 - c) the Financial Reporting Code for NSW General Government Sector Entities.
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Public Service Commission; and
- 3) There are no circumstances which would render any particulars in the accounts to be misleading or inaccurate.



Scott Johnston
A/Public Service Commissioner
25 September 2019



INDEPENDENT AUDITOR'S REPORT

Public Service Commission

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Public Service Commission (the Commission), which comprise of the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Commission as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Commission's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Acting Commissioner is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Acting Commissioner.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Acting Commissioner's Responsibilities for the financial statements

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

In preparing the financial statements, the Acting Commissioner is responsible for assessing the ability of the Commission to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the financial statements

My objectives are to:

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

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

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

My opinion does not provide assurance:

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



Min Lee
A/Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

27 September 2019
SYDNEY

Financial Statements
of
Public Service Commission
for the year ended 30 June 2019

Public Service Commission

Statement of Comprehensive Income for the year ended 30 June 2019

		Budget	Actual	Actual
	Notes	2019 \$000	2019 \$000	2018 \$000
Continuing operations				
Expenses excluding losses				
Employee-related expenses	2(a)	18,991	18,296	16,425
Other operating expenses	2(b)	21,427	21,872	19,820
Depreciation and amortisation	2(c)	1,122	1,071	889
Grants and subsidies	2(d)	----	126	165
Total expenses excluding losses		41,540	41,365	37,299
Revenue				
Appropriation	3(a)	29,050	26,737	33,167
Sale of goods and services	3(b)	----	4,106	4,099
Grants and other contributions	3(c)	9,056	9,591	3,131
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	432	837	218
Other income	3(e)	3,012	333	23
Total revenue		41,550	41,604	40,638
Operating result				
Losses on disposal	4	----	(32)	----
Net result from continuing operations		----	(32)	----
Net result		10	207	3,339
Total comprehensive income		10	207	3,339

The accompanying notes form part of these financial statements.

Public Service Commission
Statement of Financial Position as at 30 June 2019

		Budget	Actual	Actual
	Notes	2019 \$000	2019 \$000	2018 \$000
Assets				
Current Assets				
Cash and cash equivalents	6	800	5,216	4,862
Receivables	7	240	968	1,693
Total Current Assets		1,040	6,184	6,555
Non-Current Assets				
Property, plant and equipment	8	3,193	3,121	3,750
Intangible assets	9	666	291	478
Total Non-Current Assets		3,859	3,412	4,228
Total Assets		4,899	9,596	10,783
Liabilities				
Current Liabilities				
Payables	10	1,592	4,590	4,693
Provisions	11	1,973	1,927	1,903
Other current liabilities	12	—	92	1,319
Total Current Liabilities		3,565	6,609	7,915
Non-Current Liabilities				
Provisions	11	31	337	333
Other non-current liabilities	12	—	276	368
Total Non-Current Liabilities		31	613	701
Total Liabilities		3,596	7,222	8,616
Net Assets		1,303	2,374	2,167
Equity				
Accumulated funds		1,303	2,374	2,167
Total Equity		1,303	2,374	2,167

The accompanying notes form part of these financial statements.

Public Service Commission**Statement of Changes in Equity for the year ended 30 June 2019**

	Accumulated funds \$000	Total \$000
Balance at 1 July 2018	2,167	2,167
Net result for the year	207	207
Total other comprehensive income	-----	-----
Total comprehensive income for the year	207	207
Balance at 30 June 2019	2,374	2,374
Balance at 1 July 2017	(1,172)	(1,172)
Net result for the year	3,339	3,339
Total other comprehensive income	-----	-----
Total comprehensive income for the year	3,339	3,339
Balance at 30 June 2018	2,167	2,167

The accompanying notes form part of these financial statements.

Public Service Commission

Statement of Cash Flows for the year ended 30 June 2019

		Budget	Actual	Actual
		2019	2019	2018
	Notes	\$000	\$000	\$000
Cash flows from operating activities				
Payments				
Employee related		(18,595)	(17,642)	(16,719)
Grants and subsidies		----	(126)	(165)
Other		(22,996)	(24,788)	(17,100)
Total payments		(41,591)	(42,556)	(33,984)
Receipts				
Appropriations		29,050	26,737	33,167
Reimbursements from the Crown Entity		----	388	395
Sale of goods and services		----	5,281	4,262
Grants and other contributions		9,056	10,550	3,444
Other		4,641	241	54
Total receipts		42,747	43,197	41,322
Net cash flows from operating activities	16	1,156	641	7,338
Cash flows from investing activities				
Purchase of plant and equipment		(287)	(187)	(3,611)
Purchase of intangible assets		(300)	(100)	(112)
Net cash flow from investing activities		(587)	(287)	(3,723)
Net increase/(decrease) in cash		569	354	3,615
Opening cash and cash equivalents		231	4,862	1,247
Closing cash and cash equivalents	6	800	5,216	4,862

The accompanying notes form part of these financial statements.

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

1 Summary of Significant Accounting Policies

(a) Reporting entity

The Public Service Commission (the Commission) is a NSW government entity established under the *Government Sector Employment Act 2013* (GSE Act). The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The role of the Commission is to support the Public Service Commissioner (Commissioner) in the execution of their function. The Commission has the lead role in designing and implementing workforce management strategies, reform and the transformation of culture to ensure the NSW public sector workforce is capable to deliver high quality public services to the people of NSW.

A principal objective of the Commission is to promote and maintain the highest levels of integrity, impartiality, accountability and leadership across the government sector.

The Commission also has an Advisory Board established under the GSE Act.

These financial statements for the year ended 30 June 2019 have been authorised for issue by the Public Service Commissioner on 25 September 2019.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*, and
- Treasurer's directions issued under the act.

The Commission's financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operating activity and the realisation of assets and the settlement of liabilities in the normal course of operations.

Plant and equipment and certain financial assets and liabilities are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Commission's presentation and functional currency.

(c) Statement of compliance

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

(d) Accounting for the goods and services tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that:

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

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

(e) Comparative information

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

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

1 Summary of Significant Accounting Policies

(f) Changes in accounting policies, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2018-19

The Commission has adopted AASB 9 Financial Instruments (AASB 9), which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; and impairment of financial assets. AASB 9 also significantly amends other standards dealing with financial instruments such as the revised AASB 7 Financial Instruments: Disclosures (AASB 7R).

The Commission applied AASB 9 retrospectively but has not restated the comparative information which is reported under AASB 139 Financial Instruments: Recognition and Measurement (AASB 139). Any differences arising from the adoption of AASB 9 have been recognised directly in accumulated funds and other components of equity. There was no financial impact on application of this standard as the Commission's debtors are other government agencies.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective, in accordance with 'Mandates of options and major policy decisions under Australian Accounting Standards' (TC19-04):

- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 17 *Insurance Contracts*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments*
- AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*
- AASB 2017-7 *Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint*
- AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle*
- AASB 2018-2 *Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement*
- AASB 2018-3 *Amendments to Australian Accounting Standards – Reduced Disclosure Requirements*
- AASB 2018-4 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors*
- AASB 2018-5 *Amendments to Australian Accounting Standards - Deferral of AASB 1059*
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities*
- Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
- Interpretation 23 *Interpretation 23 Uncertainty over Income Tax Treatments*

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

1 Summary of Significant Accounting Policies

The adoption of AASB 16 Leases will see operating leases relating to real estate disclosed as a right to use asset offset by a lease liability. Based on the impact assessments the Commission has undertaken on currently available information, the Commission estimates additional lease liabilities of \$4.950 million and right-of-use assets of \$4.950 million will be recognised as at 1 July 2019 for leases in which the Commission is a lessee. Most operating lease expenses will be replaced by depreciation of the right of use asset and interest on the lease liability. The impact on the statement of comprehensive income is expected to be \$0.119 million.

The Commission anticipates that the adoption of the other Standards in the period of initial application will have no material impact on the financial statements.

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

2 Expenses excluding losses

	2019 \$000	2018 \$000
(a) Employee-related expenses		
Salaries and wages (including annual leave)	15,200	14,319
Superannuation - defined benefit plans	131	131
Superannuation - defined contribution plans	1,225	979
Long service leave	732	81
Workers' compensation insurance	50	50
Payroll tax and fringe benefits tax	958	765
Redundancy payments	-----	100
	18,296	16,425

	2019 \$000	2018 \$000
(b) Other operating expenses include the following:		
Auditor's remuneration		
- audit of the financial statements	50	48
Consultants	529	1,088
Corporate services	1,282	1,229
Other contractors	697	937
Fees - ICT	1,940	1,593
Insurance	12	14
Operating lease rental expense - minimum lease payments		
- minimum lease expense	1,707	1,411
Other expenses	5,502	3,014
Computer expenses	2,025	1,604
Boards and committees	302	321
Fees - management	7,826	8,561
	21,872	19,820

Recognition and measurement

Maintenance

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

Insurance

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

Operating leases

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

2 Expenses excluding losses

	2019 \$000	2018 \$000
(c) Depreciation and amortisation expense		
Depreciation		
Leasehold improvements	636	320
Plant and equipment	147	54
Amortisation		
Intangible assets	288	515
	1,071	889

Refer to note 8 and note 9 for recognition and measurement policies on depreciation and amortisation.

	2019 \$000	2018 \$000
(d) Grants and subsidies		
NSW Government	126	165
	126	165

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

3 Revenue

Recognition and measurement

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

(a) Appropriation Transfers to the Crown Entity

Summary of compliance	2019		2018	
	\$000		\$000	
	Appropriation Expenditure		Appropriation Expenditure	
Original budget per Appropriation Act	29,050	26,737	35,666	33,167
Other appropriations / expenditure				
Additional appropriations	----	----	----	----
Treasurer's advance	----	----	----	----
Section 22 PFAA - expenditure for certain works and services	----	----	----	----
Section 24 PFAA - transfer of functions between entities	----	----	----	----
Section 26 PFAA - Commonwealth specific purpose payments	----	----	----	----
Transfers to / from another entity (per Section 27 of the Appropriation Act)	----	----	----	----
Total Appropriations / Expenditure / Net Claim on Consolidated Fund	29,050	26,737	35,666	33,167
Appropriation drawn down*		26,737		34,394
Liability for unspent appropriations drawn down (refer Note 12)		----		1,227
*Comprising				
Appropriations (per Statement of Comprehensive Income)**		26,737		33,167
Liability for unspent appropriations drawn down		----		1,227
		26,737		34,394
** Appropriations:				
Recurrent		26,450		29,444
Capital		287		3,723
		26,737		33,167

Notes:

- The summary of compliance is based on the assumption that the Consolidated Fund monies are spent first (except for where otherwise identified or prescribed).
- If there is a 'Liability for unspent appropriations drawn down (formerly known as a "Liability to Consolidated Fund")', the Commission must state that this represents the difference between the 'Amount drawn down against Appropriation' and the 'Expenditure / net claim on Consolidated Fund'.

Recognition and measurement

Parliamentary appropriations and contributions

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are recognised as income when the Commission obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

Appropriations are not recognised as revenue in the circumstance when unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.

The liability is disclosed in note 12 Current / non-current liabilities - other liabilities. The amount will be repaid and the liability will be extinguished in the next financial year.

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

3 Revenue

	2019 \$000	2018 \$000
(b) Sale of goods and services		
Rendering of services	4,106	4,099
	4,106	4,099

Recognition and measurement**Rendering of services**

Revenue from rendering of services is recognised when the service is provided or by reference to the stage of completion.

	2019 \$000	2018 \$000
(c) Grants and other contributions		
NSW Government	9,591	3,131
	9,591	3,131

Recognition and measurement

Income from grants is recognised when the Commission obtains control over the contribution. The Commission is deemed to have assumed control when the grant is received or receivable.

	2019 \$000	2018 \$000
(d) Acceptance by the Crown Entity of employee benefits and other liabilities		
The following liabilities and / or expenses have been assumed by the Crown Entity.		
Superannuation - defined benefit	128	127
Long service leave provision	702	85
Payroll tax on superannuation	7	6
	837	218

	2019 \$000	2018 \$000
(e) Other income		
Payroll recoveries	241	23
Leasehold incentive	92	----
	333	23

4 Losses on disposal

	2019 \$000	2018 \$000
Net loss on disposal of plant and equipment	(32)	----
	(32)	----

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

5 Program group statements

The Commission has only one program group and no program group statement is prepared.

Purpose:

The program group 'Services and Capabilities Improvement' includes the promotion and maintenance of the highest levels of integrity, impartiality, accountability, capability and leadership across the public sector through innovative workforce management policies and programs.

6 Current assets - cash and cash equivalents

	2019	2018
	\$000	\$000
Cash at bank and on hand	5,216	4,862
	5,216	4,862

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, and cash on hand.

	2019	2018
	\$000	\$000
Cash and cash equivalents (per Statement of Financial Position)	5,216	4,862
Closing cash and cash equivalents (per Statement of Cash Flows)	5,216	4,862

Refer Note 17 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

7 Current assets - receivables

	2019	2018
	\$000	\$000
Sale of goods and services	595	904
Goods and services tax recoverable from Australian Taxation Office	366	326
Accrued income	7	463
	968	1,693

Details regarding credit risk of trade debtors that are neither past due or impaired, are disclosed in Note 17.

Recognition and measurement

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

Subsequent measurement under AASB 9 (from 1 July 2018)

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

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

7 Current assets - receivables

Subsequent measurement under AASB 139 (for comparative period ended 30 June 2018)

Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment under AASB 9 (from 1 July 2018)

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

For trade receivables, the entity applies a simplified approach in calculating ECLs. The entity recognises a loss allowance based on lifetime ECLs at each reporting date. The entity has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

Impairment under AASB 139 (for comparative period ended 30 June 2018)

Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The Commission first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

8 Property, plant and equipment

	Plant and equipment \$000	Leasehold improvements \$000	Total \$000
At 1 July 2018 - fair value			
Gross carrying amount	748	4,871	5,619
Accumulated depreciation and impairment	(172)	(1,697)	(1,869)
Net carrying amount	576	3,174	3,750
At 30 June 2019 - fair value			
Gross carrying amount	670	3,293	3,963
Accumulated depreciation and impairment	(200)	(642)	(842)
Net carrying amount	470	2,651	3,121

Reconciliation

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

	Plant and equipment \$000	Leasehold improvements \$000	Total \$000
Year ended 30 June 2019			
Net carrying amount at start of year	576	3,174	3,750
Additions	73	113	186
Disposals	(32)	---	(32)
Depreciation expense	(147)	(636)	(783)
Net carrying amount at end of year	470	2,651	3,121

	Plant and equipment \$000	Leasehold improvements \$000	Total \$000
At 1 July 2017 - fair value			
Gross carrying amount	323	1,691	2,014
Accumulated depreciation and impairment	(124)	(1,377)	(1,501)
Net carrying amount	199	314	513
At 30 June 2018 - fair value			
Gross carrying amount	748	4,871	5,619
Accumulated depreciation and impairment	(172)	(1,697)	(1,869)
Net carrying amount	576	3,174	3,750

Reconciliation

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

	Plant and equipment \$000	Leasehold improvements \$000	Total \$000
Year ended 30 June 2018			
Net carrying amount at start of year	199	314	513
Additions	431	3,180	3,611
Depreciation expense	(54)	(320)	(374)
Net carrying amount at end of year	576	3,174	3,750

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

8 Property, plant and equipment

Recognition and measurement

Acquisitions of property, plant and equipment

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

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

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

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

Restoration costs

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

Capitalisation thresholds

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

Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Commission.

All material identifiable components of assets are depreciated separately over their useful lives.

Category of Assets	2019	2018
	Depreciation Rates	Depreciation Rates
Office furniture and fittings	10 - 14%	10 - 14%
Computer equipment	25%	25%
General plant and equipment	20 - 25%	25%

Amortisation

Leasehold improvements (over the period of the lease)

Finance leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, 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.

Property, plant and equipment acquired under finance leases are depreciated over the asset's useful life. However, if there is no reasonable certainty that the lessee entity will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Revaluation of property, plant and equipment

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

The Commission's assets comprise of plant and equipment with short useful lives. These are measured at depreciated historical cost which approximates fair value.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

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

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus of the class of asset.

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

9 Intangible assets

	Software at cost \$000	Total \$000
At 1 July 2018		
Cost (gross carrying amount)	5,194	5,194
Accumulated amortisation and impairment	(4,716)	(4,716)
Net carrying amount	478	478
At 30 June 2019		
Cost (gross carrying amount)	5,295	5,295
Accumulated amortisation and impairment	(5,004)	(5,004)
Net carrying amount	291	291
Year ended 30 June 2019		
Net carrying amount at start of year	478	478
Additions	101	101
Amortisation (recognised in "depreciation and amortisation")	(288)	(288)
Net carrying amount at end of year	291	291
At 1 July 2017 - fair value		
Cost (gross carrying amount)	5,081	5,081
Accumulated amortisation and impairment	(4,201)	(4,201)
Net carrying amount	880	880
At 30 June 2018 - fair value		
Cost (gross carrying amount)	5,194	5,194
Accumulated amortisation and impairment	(4,716)	(4,716)
Net carrying amount	478	478
Year ended 30 June 2018		
Net carrying amount at start of year	880	880
Additions	113	113
Amortisation (recognised in "depreciation and amortisation")	(515)	(515)
Net carrying amount at end of year	478	478

Recognition and measurement

The Commission recognises intangible assets only if it is probable that future economic benefits will flow to the Commission and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the Commission's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

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

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

The Commission's intangible assets are amortised using the straight line method over a period of 4 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

10 Current liabilities - payables

	2019 \$000	2018 \$000
Accrued salaries, wages and on-costs	131	125
Creditors	2,648	3,253
Other accruals	1,806	1,315
Other payables	5	---
	4,590	4,693

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in Note 17.

Recognition and measurement

Payables represent liabilities for goods and services provided to the Commission and other amounts. Short term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

11 Current / non-current liabilities - provisions

	2019 \$000	2018 \$000
Current provisions		
Annual leave including on-costs	1,525	1,356
Long service leave on costs	402	358
Current employee benefits and related on-costs	1,927	1,714
Restoration costs	---	189
Total current provisions	1,927	1,903
Non-current provisions		
Long service leave on costs	35	31
Non-current employee benefits and related on-costs	35	31
Restoration costs	302	302
Total non-current provisions	337	333
Employee benefits and related on-costs	1,962	1,745
Restoration costs	302	491
Total provisions	2,264	2,236
Aggregate employee benefits and related on-costs		
Provisions - current	1,926	1,714
Provisions - non-current	35	31
Accrued salaries, wages and on-costs (note 10).	131	125
	2,092	1,870

In accordance with the NSW TC 18-13 *Accounting for Long Service Leave and Annual Leave* and AASB 101 *Presentation of Financial Statements*, all the annual leave and unconditional long service leave is presented as a current liability in the statement of financial position. All annual leave classified as a current liability is expected to be settled within 12 months of balance sheet dates.

The Commission's liability for long service leave is assumed by the Crown Entity. However the Commission has an obligation to meet the long service related on-cost.

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

11 Current / non-current liabilities - provisions

Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	2019	2018
	\$000	\$000
Provision for restoration costs		
Carrying amount at the beginning of financial year	491	189
Additional provisions recognised	-----	302
Amounts used	(189)	-----
Unused amount reserved	-----	-----
Unwinding /change in discount rate	-----	-----
Carrying amount at the end of financial year	302	491

Recognition and measurement

Employee benefits and related on-costs

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

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

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

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.

Long service leave and superannuation

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

Long service leave is measured at present value of future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the Commonwealth government bond rate at the reporting date.

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

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

11 Current / non-current liabilities - provisions

Consequential on-costs

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

Other Provisions

Provisions are recognised when: the Commission has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

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

12 Current / non-current liabilities - other liabilities

	2019	2018
	\$000	\$000
Other current		
Liability for unspent appropriations drawn down	—	1,227
Unamortised leasehold incentive	92	92
	92	1,319
Other non-current		
Unamortised leasehold incentive	276	368
	276	368

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

13 Commitments for expenditure

	2019 \$000	2018 \$000
Operating lease commitments		
Future minimum rentals payable under non-cancellable operating lease as at 30 June are, as follows:		
Within one year	1,433	1,416
Later than one year and not later than five years	5,042	6,475
Later than five years	-----	-----
Total (including GST)	6,475	7,891

The operating lease commitments relate to leasing of office space. The expenditure above includes input tax credits of \$0.589 million (2018: \$0.717 million) that are expected to be recoverable from the ATO.

14 Contingent liabilities and contingent assets

Contingent liabilities

The Commission is not aware of any contingent liabilities associated with its operations.

Contingent assets

The Commission is not aware of any contingent assets associated with its operations.

15 Budget review

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net result

The actual net result of \$0.207 million was \$0.197 million higher than budget net result of \$0.010 million. The major variations to the budgets are:

Total expenses of \$41.365 million was \$0.175 million lower than budget amount of \$41.540 million, mainly due to lower employee-related expenses.

Total revenue of \$41.604 million was \$0.054 million lower than budget amount of \$41.550 million, mainly due to lower appropriation revenues of \$2.313 million offset by additional revenue from the Sector of \$1.721 million.

Assets and liabilities

Net assets of \$2.374 million was \$1.071 million higher than budget amount of \$1.303 million. The major variances arising on the Statement of Financial Position are noted below:

Total assets of \$9.596 million were \$4.697 million higher than budget amount of \$4.899 million, mainly due to a higher closing cash balance.

Total liabilities of \$7.222 million was \$3.626 million higher than budget amount of \$3.596 million, mainly due to a timing difference resulting from a number of vendor payments falling due in the next financial year.

Cash flows

The net increase in cash of \$0.354 million was \$0.215 million lower than budget amount of \$0.569 million, mainly due to lower net cash from operating activities and lower asset purchases.

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

16 Reconciliation of cash flows from operating activities to net result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income is as follows:

	2019 \$000	2018 \$000
Net cash used on operating activities	641	7,338
Depreciation and amortisation expense	(1,071)	(888)
(Increase)/decrease in provisions	(27)	(187)
(Decrease)/increase in receivables	(725)	425
Decrease/(increase) in payables	1,421	(3,349)
Loss on disposal of property, plant and equipment	(32)	---
Net result	207	3,339

17 Financial instruments

The Commission's principal financial instruments are outlined below. These financial instruments arise directly from the Commission's operations or are required to finance the Commission's operations. The Commission does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

The Commissioner has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Commission, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee on a continuous basis.

(a) Financial instrument categories

i) as at 30 June 2019 under AASB 9

Class	Note	Category	Carrying Amount \$'000
Financial Assets			
Cash and cash equivalents	6	N/A	5,216
Receivables ¹	7	Amortised cost	602
Financial Liabilities			
Payables ²	10	Financial liabilities measured at amortised cost	4,454

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

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

ii) as at 30 June 2018 under AASB 139 (comparative period)

Class	Note	Category	Carrying Amount \$'000
Financial Assets			
Cash and cash equivalents	6	N/A	4,862
Receivables ¹	7	Amortised cost	1,367
Financial Liabilities			
Payables ²	10	Financial liabilities measured at amortised cost	4,568

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

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

The Commission determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Public Service Commission

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

17 Financial instruments

(b) Derecognition of financial assets and financial liabilities

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

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

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

(c) Offsetting financial instruments

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

(d) Financial risks

i. Credit risk

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

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

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

Receivables - trade debtors

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debtors which are known to be uncollectable are written off when there is no reasonable expectation of recovery. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The ageing analysis of trade debtors is as follows:

	2019 \$000	2018 \$000
Neither past due nor impaired	131	262
Past due but not impaired		
< 3 months overdue	285	276
3 months - 6 months overdue	94	224
> 6 months overdue	85	142
	595	904
Impaired		
< 3 months overdue	-----	-----
3 months - 6 months overdue	-----	-----
> 6 months overdue	-----	-----
Total receivables - gross of allowance for impairment	595	904

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

Public Service Commission

Notes to and forming part of the Financial Statements
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17 Financial instruments

(d) Financial risks

ii. Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its payment obligations when they fall due. The Commission continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances. The Commission's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risks.

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 TC11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Commissioner (or a person appointed by the Commissioner) may automatically pay the supplier simple interest. There was no interest for late payments applied during the period (2018: Nil). The Commission had a credit card facility for \$250,000 (2018: \$250,000) with Westpac Bank with the balance cleared monthly.

The table below summarises the maturity profile of the Commission's financial liabilities, together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

	\$000				Maturity dates		
	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
2019							
Payables	4,454	----	----	4,454	4,454	----	----
Total	4,454	----	----	4,454	4,454	----	----
2018							
Payables	4,568	----	----	4,568	4,568	----	----
Total	4,568	----	----	4,568	4,568	----	----

iii. Market risk

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

Interest rate risk

Interest rates risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission has no interest bearing assets or liabilities, therefore the Commission does not account for any fixed rate financial instruments at fair value through profit or loss or as fair value through other comprehensive income.

(e) Fair value measurement

(i) Fair value compared to carrying amount

The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value because of the short term nature of all of the financial instruments. There are no financial instruments where the fair value differs from the carrying amount.

Public Service Commission

Notes to and forming part of the Financial Statements
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18 Related party disclosures

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

Short-term employee benefits:

	2019 \$000	2018 \$000
Salaries	1,290	1,453
Other monetary allowances	----	----
Non-monetary benefits	----	----
Other long-term employee benefits	----	----
Post-employment benefits	57	----
Termination benefits	----	95
Total remuneration	1,347	1,548

During the year, the Commission did not enter into any transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, the Commission entered into transactions with NSW Government related entities that are controlled, jointly controlled or significantly influenced by NSW Government. These are all at arm's length transactions in the ordinary course of the business of the Commission.

19 Events after the reporting period

No events have occurred subsequent to balance date which will materially affect the financial statements.

End of unaudited financial statements

Appendix B: Our people

The Public Service Commission (PSC) — Executive Team (as at 30 June 2019)



Emma Hogan – Public Service Commissioner

The Public Service Commissioner is an independent office holder.

Emma Hogan was appointed the NSW Public Service Commissioner in May 2018. Emma joined NSW Government after an extensive c-suite career in the private sector, working with iconic Australian brands across hospitality, retail, aviation and media and entertainment.

Emma's career spans executive leadership roles in people (HR), culture, communications, change, customer experience, digital, operational business transformation, and project management in environments that have included start-up, growth, acquisition, disruption, maturation and divestment. She has led teams of up to 5,000 people both in Australia and off-shore.

Emma holds post graduate qualifications in HR & Business Management with Deakin University and is a graduate of the Stanford University Executive Program.



Jane Spring – Assistant Commissioner Capability and Leadership Strategy

Jane Spring is the Assistant Commissioner, Capability and Leadership Strategy Division. In her role at the PSC, Jane is responsible for leading strategies in the areas of diversity and inclusion, leadership development, graduate recruitment, Aboriginal Employment, talent management and driving these aspects of workforce reform across the NSW Public Sector. Jane's Division also ensures the legislative system architecture contained in the *Government Sector Employment Act 2013* is fit for purpose and provides regulatory and workforce policy advice to the sector.

Jane is a deeply experienced senior executive in the NSW public sector and has held a wide variety of senior executive roles across a number of NSW government departments and sporting organisations. These include a period as the acting CEO of the NSW Institute of Sport and senior leadership positions with the Sydney Olympic Park Authority and the Sydney Organising Committee for the Olympic Games.

Jane has held board memberships with Western Sydney Local Health District, Venues NSW, University of Sydney Senate, Wheelchair Sports Australia and the Combat Sports Authority. She is a Fellow of the Governance Institute of Australia and the Australian Institute of Company Directors, an Honorary Fellow of the Institute of Public Administration and the University of Sydney and Company Secretary for the Institute of Public Administration (NSW). Jane holds a Masters of Public Administration, Bachelor of Law and a Bachelor of Economics (Hons) from the University of Sydney.



Scott Johnston – Assistant Commissioner Performance and Analytics

Scott is the Assistant Commissioner of the Performance and Analytics Division at the PSC. Scott Joined the PSC in June 2014 after a long career in official statistics for both the Australian Bureau of Statistics and the Office for National Statistics (UK), where his focus was primarily economic statistics including prices and national accounts. Scott has a Bachelor of Commerce degree and post graduate qualifications in statistics and finance and investment.

The Performance and Analytics Division compiles the annual Workforce Profile, sector wide reports including the *State of the NSW Public Sector Report* (SOPSR), coordinates the People Matter Employee Survey, coordinates the annual Premier's Awards and manages the various data assets that are contained within the PSC. An important role of the division is to provide workforce analytical support and leadership to the PSC and the Sector.



Julia Carland – General Counsel

Julia joined the Public Service Commission in March 2019 as PSC's General Counsel. Julia has held several senior legal roles in the NSW public sector, most recently as a Director in the Department of Premier and Cabinet's Legal Branch, where she has worked since 2013. She also spent two years working in legal policy at the Department of Justice.

Before joining the NSW public sector, Julia worked for several years in private practice as a competition lawyer and completed a year as an Associate to a Federal Court Judge. She holds a Bachelor of Arts (Media and Communications) degree and a Bachelor of Laws (Hons I) degree from the University of Sydney, and graduated from the University of Cambridge with a Master of Law (Hons I).

PSC Legal is responsible for the provision and management of all legal services for the Public Service Commissioner and the PSC across the full range of their activities. This extends from the day-to-day operations of the PSC as a Public Service agency and employer, to implementation of the government sector employment legislation. PSC Legal is also responsible for identifying and managing legal risks and providing advice on the legal aspects of policy matters.



Karen Davis – Director Leadership and Talent

As Director of the Leadership and Talent Branch, Karen brings more than 15 years of government and consulting experience to the Public Service Commission. Before joining the PSC in April 2018, Karen led, reformed, and implemented strategies for government departments and large organisations in the areas of mobility, people and culture, operations, human resources, training, organisational development, and leadership both locally and internationally.

In the past, Karen has held leadership roles with the NSW Department of Premier and Cabinet, NSW Department of Infrastructure, Planning and Natural Resources, the former NSW Department of Community Services, and managed her own consultancy firm whose clients include the NSW Department of Health, NSW Office of Water, NSW Food Authority, Roads and Maritime Services and more.

In her role with the PSC, Karen is responsible for leading strategies in the areas of diversity and inclusion, leadership development, graduate recruitment, Aboriginal Employment, talent management and driving these aspects of workforce reform across the NSW public sector.



Jennifer Perry – Director Workforce Strategy

Appointed in September 2017, Jennifer Perry is Director of the Workforce Strategy Branch. Jennifer has over 15 years' experience in HR and industrial relations, including roles with the NSW Department of Premier and Cabinet, the former Attorney General's Department and NSW Legal Aid. Jennifer brings an in depth knowledge of NSW public sector employment frameworks and extensive experience in working to deliver strategic workforce reform initiatives across government to the role.

The Workforce Strategy Branch develops and implements customer-focused workforce strategies for the NSW public sector that will enhance the quality and efficiency of services to the people of NSW. The Branch also ensures the legislative system architecture contained in the *Government Sector Employment Act 2013* is fit for purpose and provides regulatory and workforce policy advice to the sector.



Gail Le Bransky – Director Disability Employment

Gail Le Bransky is currently seconded to the PSC as Director Disability Employment at the Public Service Commission. Until September 2020, she will lead the development and implementation of a whole-of-sector approach to increase the employment of people with disability in the NSW government sector.

Gail has worked as Director of Social Policy at Transport for NSW and was responsible for delivering an inclusive customer service and to ensure that transport infrastructure and services deliver positive social outcomes. She has been responsible for leading and delivering strategic policy and planning projects to improve the provision of inclusive and accessible transport in NSW; and strategic policy on transport concessions, schemes and subsidies to improve access to the transport system for the transport disadvantaged.

Gail chaired Transport for NSW's Accessible Transport Advisory Committee and was NSW's representative on the Australian Government's Accessible Public Transport Jurisdictional Advisory Committee and the Australasian Rail Association's Disability Policy Working Group. Prior to joining Transport for NSW in 2011, Gail was proprietor of GML Social Research and worked with local councils and NSW Government agencies on a wide range of social capability strategy, development and assessment projects. In consultancy and as a public servant, Gail has worked in key policy areas including disability, environment, ageing, youth, drug and alcohol, child protection, and crime prevention issues.

Gail was the recipient of the NSW Public Service Medal in the 2019 Queens Birthday Honours list.



Emilie Priday - Director Performance and Reporting

Emilie joined the PSC in October 2018 as the Director of Performance and Reporting bringing with her extensive experience in social policy and research. Prior to joining the PSC, Emilie led significant programs of work at the Australian Human Rights Commission, including the collaboration with the Australian Defence Force to embed cultural reform priorities and increase diversity and inclusion. Emilie holds a Master of Criminology from the University of Sydney, as well as a Bachelor of Social Work (with Honours) and a Bachelor of Arts.

The Performance and Reporting Branch is responsible for the delivery of research, analysis and reporting initiatives that provide insight to drive performance across the sector. This includes the annual SOPSR, the People Matter Employee Survey and the Premier's Awards.



Joyce Low - Director Corporate/Chief Financial Officer

In January 2019, Joyce Low commenced as the PSC's the Director Corporate and Chief Financial Officer — she has over 15 years' experience in the public sector and is a member of Chartered Accountants, Australia and New Zealand.

Joyce's experience includes appointments at the Audit Office of New South Wales, various senior finance roles in Sydney Harbour Foreshore Authority and Housing NSW, Financial Controller at ASIC, CFO at the Ministry for Police & Emergency Services and Director, Financial Planning & Strategy at the NSW Department of Education.

In her role at the PSC, Joyce leads the financial and corporate functions, which include Information, Communications and Technology, Facilities, Project Management, Financial Management, and Procurement and Governance.



James Harper – Director Workforce Analytics and Systems

James Harper is the Director of Workforce Analytics and Systems within the Performance and Analytics Branch, joining the PSC in October 2018. James has worked in a range of areas including Engineering within the Royal Australia Air Force, extensively in the private IT Sector and in senior management roles.

James has had the opportunity to work extensively across all NSW Government Clusters, on a range of IT projects. At the PSC, James is responsible for the collection, management and analysis of data and analytics, which are utilised in the annual SOPSR and *Workforce Profile Report*.

Workforce profile

As of 30 June 2019, there were 153 employees working for the PSC in either a full-time or part-time capacity, excluding 21 staff on parental or unpaid leave. The PSC workforce has a diverse mix of working experience that comes from a range of career backgrounds such as health, education, human resource management, leadership development, legal practice, policy development and implementation, community and social work, planning and analytics. PSC employees are highly skilled and dedicated to supporting and contributing to the development of the NSW government sector.

The senior executive remuneration details are listed below.

In addition, the head of the agency is a statutory office holder remunerated in 2018/2019 at \$528,160 as determined by the Statutory and Other Office Holders Remuneration Tribunal.

Table 1: The average remuneration level of senior executives in each band at the end of the reporting year

	2019	2019	2018	2018
Remuneration level	Range	Average Remuneration	Range	Average Remuneration
Band 2 – Assistant Commissioner	\$268,001 – \$337,100	\$302,062	\$261,451 – \$328,900	\$296,853
Band 1 – Director	\$187,900 – \$268,000	\$231,017	\$183,300 – \$261,450	\$238,344

Table 2: The percentage of total employee-related expenditure relating to senior executives

	2018-19	2017-18
The percentage of total employee-related expenditure relating to senior executives	12.48%	12.40%

Note: this figure includes the Commissioner as part of the senior executive.

Table 3: The number of senior executives employed at the end of the reporting year, broken down by band and then gender within each band

	2019	2019	2018	2018
Remuneration level	Male	Female	Male	Female
Band 2 – Executive Director	1	1	1	1
Band 1 – Director	1	6	0	4

The total number (male and female combined) of senior executives employed in:

- 2019 is 10
- 2018 is 7.

Table 4: Number of non-Executive employees* by category – classification level

	2019	2019	2019	2018	2018	2018	2017	2017	2017
Grade Remuneration level	Total	Male	Female	Total	Male	Female	Total	Male	Female
G/S	1	0	1	1	0	1	1	0	1
1-2	0	0	0	0	0	0	0	0	0
3-5	36	16	20	14	6	8	28	9	19
6-9	58	19	39	46	16	30	43	14	29
10-12	69	24	45	71	20	51	53	12	41
Senior Officer	0	0	0	0	0	0	0	0	0
Total	174	59	105	132	42	90	125	35	90

*Includes employees on Parental Leave, Secondment or Unpaid leave.



Human resource management

Policy and practice

The below table outlines the areas of focus across HR business functions during FY18/19:

HR Strategy and Reporting	HR Operations and Development	GovConnect (Outsourced)
<ul style="list-style-type: none">• HR Strategy• Organisation Culture• HR policy and program management• Workforce Planning• HR Reporting and Analytics• Human Capital Management• Talent Management• Succession Planning• Mobility Management• Joint Consultative Committee support• PSC People Matter Employee Survey support	<ul style="list-style-type: none">• PSC Recruitment• GovConnect contract management and liaison• Employee conditions advice and support• HR Correspondence• Employee Development• Internal Training• PSC Orientation and onboarding• E-Learning• Health and Wellbeing	<ul style="list-style-type: none">• Contact centre support• Transactional payroll production• Off-cycle payroll• Onboarding• Payroll estimates• Defined reporting• Exits• SAP organisation management• Personnel file management• Workers compensation administration

The PSC continues to review and update all internal policies and procedures to ensure best practice and current legislative requirements are incorporated.

The successful implementation of the Human Capital Management (HCM) system, myCareer, has been in partnership with Department of Finance Services and Innovation (DFSI) and has included the availability of the following online modules available for PSC employees and managers:

- Probation
- Employee Recognition
- Performance Management — plan, mid and end year review
- Capability Development/Assessment
- myLearning.

The PSC outsourced transactional payroll and Organisation Management activity continues to be supported by GovConnect. PSC representatives work closely with the Service Management Office (SMO) and GovConnect management to monitor performance and service delivery.

The Commission participated in the People Matter Employee Survey and a range of initiatives were implemented which focused on agency-wide innovation and collaboration, performance management and strategy alignment, enhanced career and training support and cultural support.

The HR unit continue to utilise and enhance dashboard reporting on workforce metrics and measures for the monthly executive report. The accompanying data and analytics assisted to shape operational and strategic workforce related conversations and resulted in driving areas of focus for managers and the HR unit.

The PSC will continue to place a priority on employee engagement initiatives and will create and adjust the strategy as per indicators in the 2019 PMES survey.

Industrial relations

Policy and practice

The employment practices of the PSC are compliant with industrial relations requirements, including those contained in *Government Sector Employment Act 2013 (GSE Act)*, *Crown Employees (Public Service Conditions of Employment) Award 2009*. They are also compliant with the policies and practices published on the PSC's Employment Portal and internal policies (some adapted from the Department of Premier and Cabinet) listed on the PSC intranet.

Consultation mechanisms

Regular meetings of the Joint Consultative Committee (JCC) continued during 2018/2019. The impacts of any structural changes were discussed, and all policies developed during the year were shared for consultation.

Work Health and Safety

Policy and practice

Quarterly meetings of the Workplace Health and Safety (WHS) Committee continued during the year. Specific activity undertaken relating to health, safety and wellbeing initiatives included:

- six monthly workplace inspections where identified hazards have been eliminated or managed
- the provision of a seasonal flu vaccination program
- access to an Employee Assistance Program (EAP) for staff and their immediate family members

- ergonomic Assessments for all staff and the provision of specialist equipment during the week following the agency relocation to 255 George Street Sydney
- WHS Training in First Aid, CPR and Emergency Wardens
- the development of WHS e-learning to support on-boarding for new staff
- the introduction of emergency SMS notifications for staff
- the implementation of improved physical security measure via the office relocation
- promotion of special deals for staff at gyms and fitness facilities close to the agency
- underwriting of PSC 'City to Surf' team.

Incident Reporting

There were no reportable incidents or near misses in 2018/2019.

Workers compensation claims

There were no workers compensation claims during this period.

Overseas visits

The Assistant Commissioner Performance and Analytics undertook an overseas visit in 2018/2019 as part of the Organisation for Economic Cooperation and Development (OECD) program relating to public service capability and employment. The meetings were held Wednesday 20 and Thursday 21 February 2019, and were located in Ottawa, Canada.

Appendix C: Workforce diversity

Workforce Diversity — Outcomes

The representation and distribution of workforce diversity groups in the PSC workforce as at 30 June 2019 are provided in the tables below. The data reveals that the PSC continues to lead the way in terms of participation of women in our workforce, as well as a significant portion of the executive leadership team within the PSC being women.

Parliamentary Annual Report Tables

Table 5: Diversity Profile

	Benchmark	2019	2018	2017
Women	65.1%	65%	66.0%	68.9%
Aboriginal and Torres Strait Islander peoples	3.3%	2.3%	1.0%	3.0%
People whose First Language Spoken as a Child was not English	18.1%	7.5%	10.0%	13.6%
People with Disability	2.5%	4.6%	3.0%	2.3%
People with Disability Requiring Work-Related Adjustment	0.6%	2.9%	0.8%	0.8%

Sector Benchmark data Source: NSW Public Service Commission *Workforce Profile Report 2018*

Note: The collection of diversity data relies on employees self-reporting their diversity characteristics to their employing agency.

Appendix D: Legislative framework

Government sector employment legislation

As at 30 June 2019, the following Act allocated to the NSW Premier jointly with the Special Minister of State, Minister for the Public Service and Employee Relations, Aboriginal Affairs, and the Arts was administered by the PSC:

Government Sector Employment Act 2013

The PSC also administered the *Government Sector Employment Regulation 2014*, the *Government Sector Employment (General) Rules 2014*, the *Government Sector Employment (Health Service Senior Executives) Rules 2016*, the *Government Sector Employment (NSW Police Force) Rules 2017* and the *Government Sector Employment (Transport Service Senior Executives) Rules 2017*, which are made under the *Government Sector Employment Act 2013*.

During the reporting year the *Government Sector Employment Act 2013* was amended by:

- *Administrative Arrangements (Administrative Changes—NSW State Archives and Subsidence Advisory NSW) Order 2018*
- *Administrative Arrangements (Administrative Changes—Greater Sydney Commission) Order 2018*
- *Emergency Services Legislation Amendment Act 2018*
- *Administrative Arrangements (Administrative Changes—Western City and Aerotropolis Authority) Order 2018*
- *Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2019.*

During the reporting year the *Government Sector Employment (General) Rules 2014* were amended by:

- *Government Sector Employment Rules (Amendment No 9—Miscellaneous) 2018.*

Appendix E: Public information and access

Public access to NSW Government Information

The PSC website includes comprehensive information about the agency and its responsibilities, policies and programs.

The PSC publishes on its website policy documents, documents concerning the PSC tabled in Parliament, a disclosure log of access applications the PSC has received, and *Government Advertising Act 2011* advertising compliance certificates. In the 2018/2019 financial year the PSC also released the *State of the NSW Public Sector Report 2018* and the *Workforce Profile Report 2018*.

In addition to complying with its open access obligations under the *Government Information (Public Access) Act 2009* (GIPA Act), the PSC will continue to proactively release government information where possible, as long as its release does not impose unreasonable additional costs on the PSC.

Statistical information about access applications

During the period from 1 July 2018 to 30 June 2019, the PSC received no formal access applications under the GIPA Act and one informal request. The PSC provided a range of publicly available information in response to the informal request.

The following nine tables show details of the formal applications received and decisions made by PSC during the 2018/2019 financial year in accordance with the provisions of the GIPA Act and the *Government Information (Public Access) Regulation 2009*. As no formal applications were received in the relevant period, all data is “nil”.

Table 6: Number of applications by type of applicant and outcome*

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

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table 7.

Table 7: Number of applications by type of application and outcome

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

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

Table 8: Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	-
Application is for excluded information of the agency (section 43 of the Act)	-
Application contravenes restraint order (section 110 of the Act)	-
Total number of invalid applications received	-
Invalid applications that subsequently became valid applications	-

Table 9: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

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

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table 10.

Table 10: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

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

Table 11: Timeliness

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

Table 12: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	-	-	-
Review by Information Commissioner*	-	-	-
Internal review following recommendation under section 93 of Act	-	-	-
Reviewed by NSW Civil and Administrative Tribunal (NCAT)	-	-	-
Total	-	-	-

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

Table 13: Applications for review under Part 5 of the Act (by type of applicant)

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

Table 14: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications transferred
Agency-initiated transfers	-
Applicant-initiated transfers	-

Public Interest Disclosures

Under the *Public Interest Disclosures Act 1994*, the PSC is required to report information about public interest disclosures (PIDs) made between 1 July 2018 and 30 June 2019, internal reporting policies in place, and the Public Service Commissioner's staff awareness obligations. Between 1 July 2018 and 30 June 2019, three public officials made a PID to the PSC.

Table 15: Statistical information on Public Interest Disclosures

1 July 2018 – 30 June 2019

		Category 1 PIDs made in performance of day to day functions	Category 2 PIDs made under a statutory or other legal obligation	Category 3 All other PIDs
Number of public officials who made a PID	3	-	-	3
Number of PIDs received	3	-	-	3
Of PIDs received, the number relating to				
Corrupt conduct	--	-	-	-
Maladministration	3	-	-	3
Serious and substantial waste of public money	-	-	-	-
Government information contravention	-	-	-	-
Local Government pecuniary interest contravention	-	-	-	-
Number of PIDs finalised	3	-	-	3

Note: As part of their induction at the PSC, new employees are required to read the PSC's Public Interest Disclosures Policy, which is accessible on the PSC intranet and website. They are also required to complete the following NSW Ombudsman e-learning modules:

- PID Awareness e-learning module
- PID Reporting e-learning module.

Privacy and personal information

The *Annual Reports (Departments) Regulation 2015* requires a statement of action taken by the PSC in complying with the requirements of the *Privacy and Personal Information Protection Act 1998* (PPIPA) and details of any reviews conducted by or on behalf of the PSC under Part 5 of the PPIPA.

Privacy Management Plan

Upon its creation, the PSC adopted the privacy management practices of DPC. The PSC is currently finalising a new Privacy Management Plan, which is set for completion later in 2019.

In 2018/2019, the PSC published two new privacy codes of practice, after receiving approval from the Privacy Commissioner and the Attorney-General and the Minister for Health:

- Privacy Code of Practice for the Public Service Commission (published 3 August 2018)
- Health Privacy Code of Practice for the Public Service Commission (28 September 2018).

The new Codes are substantively similar to each other. The Codes modify the application of certain information privacy principles and health privacy principles to the activities of the PSC, especially in regard to the collection and use of workforce data and related information. The Codes permit the PSC to depart from the strict operation of certain principles on the condition that appropriate privacy protections in the Codes are fulfilled.

The new Codes replace the following former Codes, which were revoked when the new Codes commenced:

- Privacy Code of Practice for the NSW Public Sector Workforce Profile (gazetted 24 August 2012)
- Privacy Code of Practice and Management Arrangements for the Government Employee Number (gazetted 5 March 2015).

Internal reviews

In 2018/2019 no reviews were conducted by or on behalf of the PSC under Part 5 of the PPIPA.

Appendix F: Risk management and insurance activities

See statement on following page.

Internal Audit and Risk Management Attestation Statement for the 2018-19 Financial Year for NSW Public Service Commission

I, Emma Hogan, am of the opinion that the NSW Public Service Commission has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

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

Membership

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

- Gerry Brus: Independent Chair (appointed 1 February 2017 to 31 January 2021);
- Joan Wilcox: Independent Member (appointed 1 February 2017 to 31 January 2020); and
- Carolyn Walsh: Independent Member (appointed 1 December 2017 to 30 November 2020).

 5/8/19
 Emma Hogan
 Public Service Commissioner


 Scott Johnston
 Chief Audit Executive

Internal audit, risk management and insurance

The focus of the Audit and Risk Committee in 2018/2019 has been to establish good reporting practices that align with the requirements under NSW Treasury policy TPP 15-03 and the Committee's charter.

In 2018/2019, consistent with the requirements of its charter and NSW Treasury policy TPP 15-03, the Committee reviewed the Public Service Commission's (PSC) approach to maintaining an effective risk management approach, adequacy of internal control processes, legislative compliance and financial management aspects. The Committee also reviewed the 2018/2019 financial statements in September 2019 and recommended their signing by the Commissioner.

The Committee found no identified weaknesses in internal controls and was satisfied that all significant risks identified in the risk management process are being managed effectively.

Committee membership

The current Chair and Members of the Audit and Risk Committee are Ms Gerry Brus, (Independent Chair), Ms Joan Wilcox, (Independent Member), and Ms Carolyn Walsh, (Independent Member).

The terms of the Committee members are listed below:

- **Gerry Brus:** Independent Member (appointed as Chair 1 February 2017 to 31 January 2021)

- **Joan Wilcox:** Independent Member (current term: 1 February 2017 to 31 January 2020)
- **Carolyn Walsh:** Independent Member (current term: 1 December 2017 to 30 November 2021).

The Committee meeting dates and attendance in 2018/2019 were:

- July 2018 (Gerry Brus, Joan Wilcox, Carolyn Walsh)
- September 2018 (Gerry Brus, Joan Wilcox, Carolyn Walsh)
- December 2018 (Gerry Brus, Joan Wilcox, Carolyn Walsh)
- March 2019 (Gerry Brus, Joan Wilcox, Carolyn Walsh)
- April 2019 (Gerry Brus, Joan Wilcox, Carolyn Walsh)
- May 2019 (Gerry Brus, Joan Wilcox, Carolyn Walsh)
- July 2019 (Gerry Brus, Joan Wilcox, Carolyn Walsh).

Internal audit program

In 2018/2019, the Commission went to the market for an internal audit provider. The Chair of the Audit and Risk Committee participated in the selection process together with Scott Johnston, Assistant Commissioner and Joyce Low, Director Corporate/Chief Financial Officer. In March 2019, the Commission appointed KPMG with Craig O'Hagan as Internal Auditor for the PSC.

During 2018/2019, the Corporate Team continued to address audit items that had been raised Procurement and Contract

Management audits held in 2017/2018.

External audit

The Audit and Risk Committee noted the Commissioner's attestation and the NSW Audit Office's opinion that the 2018/2019 financial statements were a true and fair view of the PSC's financial position.

Insurance

Insurance activities are conducted through iCare NSW. The expense (premium) is determined by the Fund Manager based on past claim experience.

Insurance policies

In 2018/2019 the PSC held the following insurance policies:

Type	Coverge
Liability	For professional, product, directors and officers liability
Property	Provides coverage for owned assets, which includes consequential loss
Miscellaneous	Covers risks mainly due to employee dishonesty and agency specific travel overseas, including personal effects
Workers compensation	Workplace injury

Appendix G: Payment of accounts

Table 16: Aged analysis at the end of the quarter

Quarter	Current (i.e. within due date) (\$'000)	Less than 30 days overdue (\$'000)	Between 30 and 60 days overdue (\$'000)	Between 60 and 90 days overdue (\$'000)	More than 90 days overdue (\$'000)
September	\$407	-	\$5	\$3	\$3
December	\$850	-	\$9	\$11	\$56
March	\$344	-	-	-	\$4
June	\$2,091	-	\$15	\$6	-

Table 17: Accounts due or paid within each quarter

Measure	September	December	March	June
All suppliers				
Number of accounts due for payment	512	371	371	414
Number of accounts paid on time	303	226	139	251
Actual percentage of accounts paid on time (based on number of accounts)	59%	61%	37%	61%
Dollar amount of accounts due for payment (\$'000)	\$3,602	\$6,767	\$5,046	\$5,221
Dollar amount of accounts paid on time (\$'000)	\$1,454	\$4,421	\$1,822	\$3,101
Actual percentage of accounts paid on time (based on \$)	40%	65%	36%	59%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

Measure	September	December	March	June
Small suppliers				
Number of accounts due for payment	-	-	-	-
Number of accounts paid on time	-	-	-	-
Actual percentage of accounts paid on time (based on number of accounts)	-	-	-	-
Dollar amount of accounts due for payment (\$'000)	-	-	-	-
Dollar amount of accounts paid on time (\$'000)	-	-	-	-
Actual percentage of accounts paid on time (based on \$)	-	-	-	-
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

Commentary

Our percentage of accounts paid on time has improved throughout the year. We are currently working on the process to improve the percentage for FY19/20.

Interest on late payments

We had no instances of penalty interest for delayed payments to a supplier for the year.

Appendix H: Consultants

A consultant in the Public Service Commission is referred to as a person or an organisation that provides expert advice professionally to assist decision-making. The Public Service Commission consultancy expenses for 2018/2019 were \$528,980. The consultancy services were provided for information technology services, management services and organisational review.

Consultant	Nature of service	Amount \$
Contracts \$50,000 or more		
Boston Consulting Group Pty Ltd*	Management Services – Human capital strategic outlook	260,000
Code for Aus Pt Ltd	Information Technology – Digital maturity assessment	75,000
Sirius Strategy Pty Ltd	Information Technology – Future ready recruitment technology	64,000
Total	(3 Contracts)	399,000
Contracts \$30,000 to \$50,000		
Mercer Consulting (Australia) Pty Ltd	Management Services – Remuneration benchmarking data	40,000
Total	(1 Contract)	40,000
Contracts less than \$30,000 (total)	(4 Contracts)	89,980
Total expenditure for 2018-19		528,980

*NSW Department of Premier and Cabinet contributed \$182,000 towards the *Human Strategic Capital Outlook Report*.

Appendix I: Research and development

There were no Research and Development projects or activities undertaken by the PSC in 2018/2019.

Appendix J: Digital security policy attestation

Reference: A4394030

Date: 22nd August 2019

Cyber Security Annual Attestation Statement for the 2018-2019 Financial Year for the Public Service Commission.

I, Emma Hogan, am of the opinion that the Public Service Commission (PSC) have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Risks to the information and systems of the PSC have been assessed and are managed.

Governance is in place to manage the cyber-security maturity and initiatives of PSC.

There exists a current cyber incident response plan for the Public Service Commission which has been tested during the reporting period.

An independent review of the Agency's ISMS or effectiveness of controls or reporting against the mandatory requirements of the NSW Cyber Security Policy was undertaken by the Missing Link and found to be adequate or being properly addressed in a timely manner.



Emma Hogan
Public Service Commissioner

Appendix K: Major works in progress

There were no Major Works undertaken by the PSC in 2018/2019.

Appendix L: Statutory reporting compliance checklist

Compliance requirement	Page
Building Access	114
Additional matters for inclusion in annual reports	95, 114
Agreements with Multicultural NSW	N/A
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Budgets	N/A
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Digital information security policy attestation	104
Disability Inclusion Action Plan	N/A
Disclosure of Controlled Entities	N/A
Disclosure of Subsidiaries	N/A
Economic or other factors	N/A
Exemptions	N/A
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Funds granted to non-government community organisations	N/A
<i>Government Information (Public Access) Act 2009</i>	88-93
Human resources	81-85
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Inclusion of unaudited financial statements	N/A

Compliance requirement	Page
Internal audit and risk management policy attestation	97
Investment performance	N/A
Land Disposal	N/A
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Letter of Submission	3
Liability management performance	N/A
Management and activities	21-44
Management and structure	14-18
Multicultural Policies and Services Program	44
Numbers and remuneration of senior executives	81-82
Payments of Accounts	100-101
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Public Interest Disclosures (PID)	94
Requirements arising employment arrangements	N/A
Research and development	103
Risk Management and insurance activities	96-99
Summary review of operations	21-44
Time for Payment of Accounts	N/A
Work Health and Safety (WHS)	85
Workforce Diversity	86

Appendix M: Glossary of terms and abbreviations

Terms/Abbreviations	Meanings
ACLDP	Aboriginal Career and Leadership Development Program
AM	Member of the Order of Australia
BCP	Business Continuity Plan
CALD	Culturally and linguistically diverse
CEO	Chief Executive Officer
CfID	Centre for Inclusive Design
CFO	Chief Financial Officer
DFSI	Department of Finance Services and Innovation
DPC	Department of Premier and Cabinet
EAP	Employee Assistance Program
GEN	Government Employee Number
GIPA	<i>Government Information (Public Access) Act 2009</i>
GSE Act	<i>Government Sector Employment Act 2013</i>
HCM	Human capital management
HR	Human Resources
Hons	Honours
ICT	Information and communications technology
IDAHOBIT	International Day Against Homophobia, Transphobia, Intersexism and Biophobia
IworkforNSW	The jobs site for NSW Government
INSEAD	Institut Européen d'Administration des Affaires
JCC	Joint Consultative Committee
KPIs	Key Performance Indicators

Terms/Abbreviations	Meanings
MoG	Machinery of Government
MP	Member of Parliament
NAIDOC	National Aboriginal and Islander Day Observance Committee
NCAT	NSW Civil and Administrative Tribunal
NSW	New South Wales
OECD	Organisation for Economic Co-operation and Development
PID	Public Interest Disclosure
PIPs	Pride in PSC
PIU	Premier's Implementation Unit
PMES	People Matter Employee Survey
PPIPA	<i>Privacy and Personal Information Protection Act 1998</i>
PSC	NSW Public Service Commission
PSSE	Public Sector senior executive
SEF	Senior Executive Fundamentals
SMS	Short Message Service
SMO	Service Management Office
SOPSR	<i>State of the NSW Public Sector Report</i>
the Report	Insights in HR Capability Report
WFP	Workforce Profile
WHS	Workplace Health and Safety

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About this Annual Report

The external cost of producing this annual report is \$0.

Enquiries about this annual report can be directed to:

Public Service Commission

Level 4

255 George Street

Sydney NSW 2000

Telephone: +61 2 9272 6000

Email: enquiries-psc@psc.nsw.gov.au

Business Hours: 9am - 5pm, Monday to Friday.

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ISSN 2201-2338 (Online)

ISSN 2200-9817 (Print)

This annual report was first published in 2019. View and download this annual report from the PSC's website.



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