



**ENABLING A
WORLD CLASS
PUBLIC SERVICE**

ANNUAL REPORT 2019-2020



**Public
Service
Commission**



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.

Letter of submission



Public
Service
Commission

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

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

Dear Premier and Minister

In accordance with the *Annual Reports (Departments) Act 1985*, it is my pleasure to submit the Public Service Commission Annual Report 2019-2020 to you for presentation to the Parliament of New South Wales.

The Public Service Commission Annual Report 2019-2020 is an account of the establishment, activities and performance of the Public Service Commission for the period 1 July 2019 to 30 June 2020.

The report also provides an account of my work and activities, as required by section 15(1) of the *Government Sector Employment Act 2013*. The annual *State of the NSW Public Sector Report* and *Workforce Profile Report* for the purposes of section 15(2) of the *Government Sector Employment Act* will be submitted in 2021.

The Public Service Commission Annual Report 2019-2020 has been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, the *Annual Reports (Departments) Act 1985*, and the *Annual Reports (Departments) Regulation 2015*.

As required by the *Annual Reports (Departments) Act*, I have also provided a copy of the Public Service Commission Annual Report 2019-2020 to the Treasurer, the Hon. Dominic Perrottet MP.

Yours sincerely

A handwritten signature in blue ink that reads 'Kathrina Lo'.

Kathrina Lo
Public Service Commissioner

Message from the Chair



My thanks

As the Chair of the Advisory Board and as a member of the New South Wales (NSW) community I thank each and every person in the Public Service Commission (PSC) and NSW public sector. In 2020 you responded to the needs of our community with agility, integrity and resilience.

Your response provides me with confidence, ambition and hope. Confidence in our ability to respond to critical issues in adaptive, flexible and human focused ways of working. Ambition to build on our achievements and deliver a world class public service. And hope,

that we will learn and utilise our newly discovered capabilities, not only in times of crisis, but as we progress strategic imperatives which improve the lives of the people of NSW.

Over 400,000 people in the NSW public sector have contributed to our highest ever level of community trust. Across the world we have seen a shift in community trust for government and public administration. The 2020 Edelman Trust Barometer has reported trust for government services surged 11 points since January, to an all-time high of 65%.¹ Similarly, research shows that trust in NSW Government services now sits at 71% which is exceptional.²

The combination of the lessons learned over the past 12 months, with continued focus on our strategic priorities have provided the scaffolding for the PSC to support the public sector in taking the next steps to become a world best public service provider.

Our achievements across 2019-2020 include:

- Progress in key areas of strategic focus including transformational work practices; capability and performance; diversity and inclusion; and culture and values.
- Expansion of digital service delivery and the use of data and analytics to deliver new insights in targeting our programs to increase their value and effectiveness.

¹ Edelman, 'Spring Update: Trust and the Covid-19 Pandemic', *2020 Edelman Trust Barometer*, Edelman, n.d., accessed 2 November 2020.
<https://www.edelman.com/research/trust-2020-spring-update>

² NSW Department of Customer Service (DCS), *COVID19 – weekly customer insights*, DCS, NSW Government, unpublished, accessed 2 November 2020.

- Advancing aspects of inclusion and diversity including Aboriginal workforce development, disability employment and women in leadership so that we truly reflect the diversity of the community we serve and allow every employee to contribute their best.
- Leading work to achieve meaningful outcomes in areas including behavioural insights research, disruptive recruitment practices and targeted career sponsorship. These interventions are beginning to make measurable improvements for women in leadership and Aboriginal employment targets.
- Developing learning pathways for digital capabilities. A highly successful collaboration with eight agencies which proved the value of new 'Customer at the Centre' capabilities for employees and citizens.
- Supporting agencies enhance their preparedness for times of rapid change through the implementation of the Strategic Workforce Planning Framework.

We at the PSC are committed to embracing rapid change and the potential for further opportunity. Kathrina Lo has 'hit the ground running' in taking up the leadership role of Commissioner and is already making an enormous contribution.

I am privileged to have taken up the PSC Chair and to work alongside my Board colleagues who are bringing passion, expertise and insight to our work and thank them for their contribution. On behalf of the Board and the PSC I would like to thank Peter Shergold, MC, who

Chaired the Board with such vision and energy from 2011 to 2020. I wish to express my thanks to Emma Hogan who made an immense contribution to the PSC and the sector during her time as Commissioner as well as Scott Johnston who carried out his role as Acting Commissioner with dedication and focus. And finally to thank the PSC team for their contribution and commitment over the past year.

Our goals for the next year are simple. Together, our Senior Leaders, every PSC team member and the Board aim to work alongside the sector to support the recovery of our state and the delivery of a world class public service for the people of NSW.

I look forward to 2021.

Sandra McPhee AM

Chair

Public Service Commission Advisory Board

Message from the Commissioner



This year, in NSW and around the world, we have witnessed the importance of connection, collaboration, and evidence based decision making. These are areas in which the PSC excels.

Our capabilities in research and data and ability to link people across government have played a critical part in helping the public sector adapt and respond extremely effectively to the year's significant challenges.

During the bushfires, drought and pandemic we have kept a strong people focus, committed to enabling our sector colleagues to deliver a world class service for citizens.

At the end of 2019, we established a Chief People Officers forum, which connected leaders throughout the bushfires and proved invaluable in coordinating responses for the challenges that followed.

At the onset of the COVID-19 pandemic, we provided access to sophisticated data tools to support the planning and redeployment of essential services. Our knowledge of employment legislation and policy helped ensure mobility and employment matched areas of critical need. Similarly, our flexible work program provided proven and practical tools agencies could immediately use to enable their people to transition to remote working arrangements. The necessity for many of us to work from home acted as a catalyst in driving this program to a greater level of maturity.

Despite the unprecedented circumstances we have experienced this year we have also made considerable progress in other strategic focus areas. This success is a result of strong partnerships with the sector and the unrelenting enthusiasm of the PSC team.

Our capability and performance program continued to drive skills growth and talent management at all levels. The NSW Public Sector Capability Framework V2:2020 launched in February. Our graduate program was again placed fourth in the Australian Financial Review's Top 100 Graduate Employer's listing. And we enrolled 330 participants in our Leadership Academy programs.

Our partnerships with sector colleagues were important in advancing Premier's Priority diversity targets. We tested behavioural insights research identifying that simple measures like a feedback phone call from hiring managers can help achieve gender parity at senior levels. This is one of a range of PSC programs including Flexible work, Leadership Academy and career sponsorship that have contributed to women holding 40.3% of roles at senior executive levels for the first time this year.

We launched the NSW Public Sector Aboriginal Employment Strategy 2019-2025 to coincide with NAIDOC Week. This will build on the success of our Aboriginal Employment Strategy 2014-2017, which won a 2019 Premier's Award for supporting the increase in NSW Public Sector Aboriginal employment from 2.8% to 3.3%.

This year's Disability Employment Program established key enablers to support the recruitment and retention of people with disability through awareness and education campaigns and trialling innovative employment practices. The highly successful Tailored Talent pilot matched neurodiverse employees with hard to fill roles, achieving benefits for agencies and making a life changing difference for participants.

This year also saw the establishment of a team at the PSC dedicated to supporting the inclusion of LGBTIQ+ employees across the sector.

Our strategic focus areas 2018-2020 have provided us with a strong overarching framework, but in the light of COVID-19 we are assessing our future priorities to ensure we have a sharp focus on outcomes, are driven by the needs of an evolving sector and deliver programs that are deep and impactful.

My thanks

I would like to thank the former Commissioner Emma Hogan and Acting Commissioner Scott Johnston for their contribution to the PSC's achievements. When I joined in April 2020, the PSC was well equipped to meet the needs of the sector at a very demanding time.

Thank you to my leadership team, who welcomed me to the PSC in April. They have given me great support as I have settled in and have demonstrated exceptional commitment throughout the year. PSC employees make a real difference for the NSW public sector workforce and I thank them for the passion they bring to their roles every day.

I would also like to acknowledge and thank the PSC Advisory Board, for their part in our success over the year. As a new Commissioner, I have valued their ongoing support and guidance, and appreciate the depth of experience and knowledge they provide.

Kathrina Lo

Public Service Commissioner



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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.

At the PSC, we partner with and advise agencies on strategic workforce strategy, helping ensure the sector is up-to-date with contemporary best practice, has the data and insights for sound decision making and supports inclusive, ethical, values driven workplaces.

Together, we create better outcomes for the people of NSW.

Role of the Commissioner

The Public Service Commissioner reports to the NSW Premier and the Special Minister of State, and Minister for the Public Service and Employee Relations, Aboriginal Affairs, and the Arts (“the Minister”) 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 or the Minister in the exercise of these functions. The GSE Act is jointly administered by the Premier and the Minister.

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

**A trusted partner
and advisor to the
NSW public sector in
shaping a world class
workforce.**

The Act also states 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
 - » equity 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, and to monitor, co-ordinate and assist 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 business 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 his or her functions in accordance with general policies and strategic directions determined by the PSC Advisory Board.

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 PSC.

Applying the GSE Act

The GSE Act establishes two main employment structures: the 'government sector', and within that, the 'Public Service'.

The Public Service consists of the departments and agencies listed in Schedule 1 to the GSE Act. The components of the Public Service are:

- Departments – listed in Part 1 of Schedule 1
- Public Service executive agencies related to Departments – listed in Part 2 of Schedule 1
- separate Public Service agencies – listed in Part 3 of Schedule 1.

The government sector, as defined by the GSE Act, includes the Public Service, the Teaching Service, the NSW Police Force, the NSW Health Service, the Transport Service of New South Wales, any other service of the Crown (including the service of any NSW Government agency) and the service of any other person or body constituted by or under an Act or exercising public functions (such as a State owned corporation), being a person or body that is prescribed by the regulations for the purposes of this definition.

The public sector incorporates the government sector and the service of certain other public bodies including the Independent Commission Against Corruption, the Audit Office of New South Wales, the Parliament, the Judicial Commission, and the service of State owned corporations such as water and energy companies.

Regulation and rules

The GSE Act is supported by:

- Government Sector Employment Regulation 2014 (GSE Regulation)
- Government Sector Employment (General) Rules 2014 (GSE Rules)
- Government Sector Employment (Health Service Senior Executives) Rules 2016
- Government Sector Employment (NSW Police Force) Rules 2017
- Government Sector Employment (Transport Service Senior Executives) Rules 2017



NSW public sector

Government sector

Government Sector Employment Act 2013

Teaching Service

Other Crown services*

State owned corporations†

Public Service

- Departments
- Executive agencies related to a Department
- Separate Public Service agencies

Police Force

Transport Services

Health Services

State owned corporations

Judicial Officers

Independent Commission Against Corruption

Audit Office

Other NSW public sector entities‡

Staff of the Parliament

Judicial Commission

* Other Crown services include the TAFE Commission.

† State owned corporations may be part of the government sector for specified purposes.

‡ Other NSW public sector entities include statutory corporations whose staff are outside the Public Service, such as New South Wales Treasury Corporation (TCorp).

Organisation structure

As at 30 June 2020, our organisational structure included 4 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.

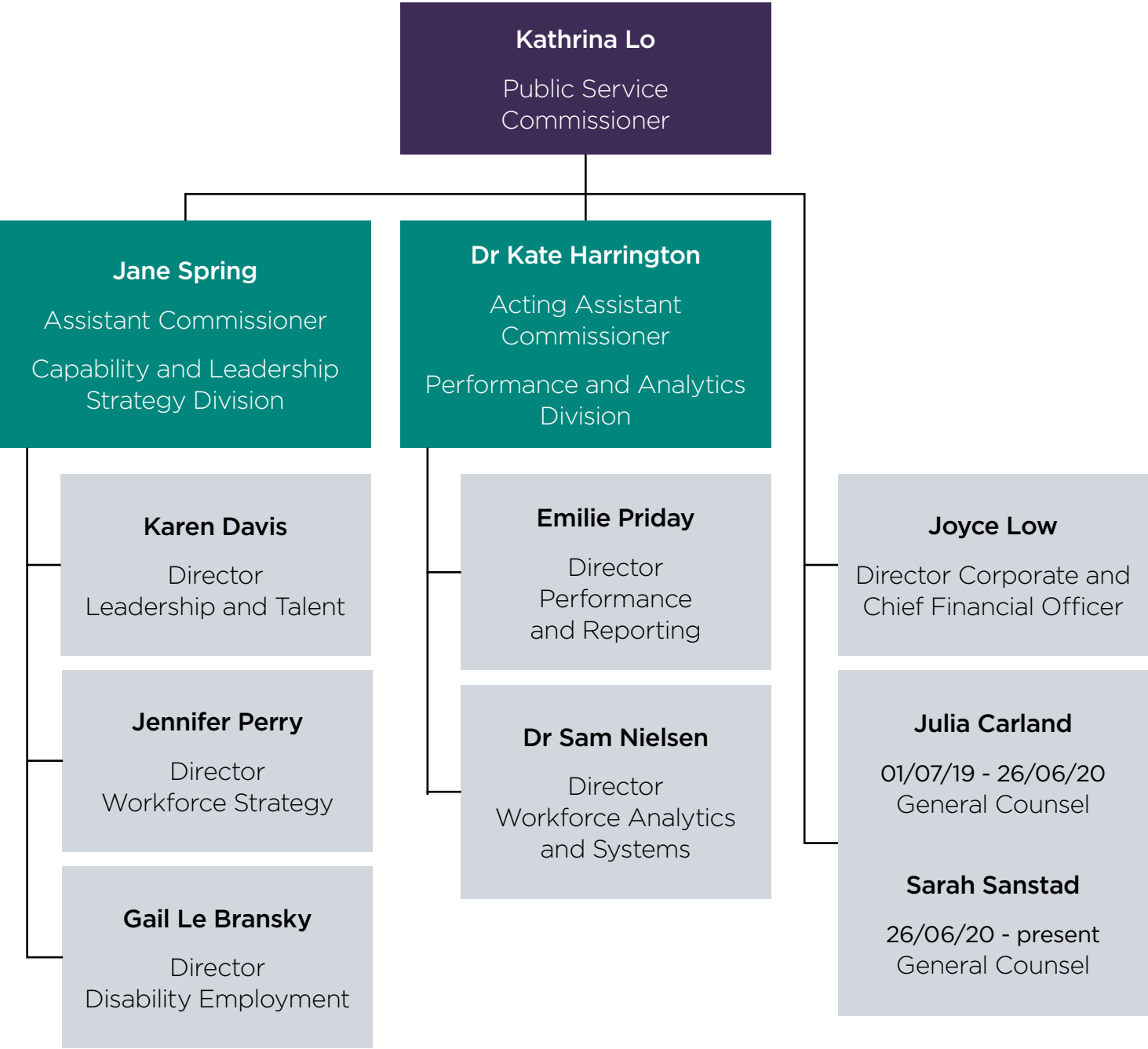
The Executive Leadership team is represented on the organisational chart on the following page and listed in Appendix A. The Public Service senior executive (PSSE) headcount for the PSC is a total of 10 executives.




Movements within the year included the:

- appointment of Scott Johnston to the role of Acting Public Service Commissioner in October 2019 to April 2020, following Emma Hogan's appointment as Secretary, Department of Customer Service.
- appointment of Dr Kate Harrington to the role of Acting Assistant Commissioner, on secondment from the Department of Customer Service from November 2019.
- appointment of Dr Sam Nielsen to the role of Director, Workforce Analytics and Systems in January 2020, replacing James Harper.
- appointment of Kathrina Lo to the role of Public Service Commissioner in April 2020, taking over from Scott Johnston.
- departure of Assistant Commissioner Scott Johnston, who joined Revenue NSW in April 2020.
- appointment of Sarah Sandstad to the role of General Counsel in June 2020 on secondment from the Department of Customer Service, taking over from Julia Carland whose secondment from Department of Premier and Cabinet finished at the end of June 2020.



Senior Executive Structure as at 30 June 2020



-  Independent public office holder
-  Senior Executive Band 2
-  Senior Executive Band 1

Senior leadership team



Left to right: Joyce Low, Sam Nielsen, Sarah Sandstad, Jane Spring, Kate Harrington, Kathrina Lo, Emilie Priday, Karen Davis, Gail Le Bransky, Jennifer Perry

Kathrina Lo

Public Service Commissioner

Master of Laws, Bachelor of Laws, Bachelor of Economics, Graduate Diploma in Legal Practice

Kathrina joined the Commission in April 2020 after previously working as a Deputy Secretary for the Department of Communities and Justice. Kathrina has extensive public sector experience with both state and federal governments. She has held senior executive roles in the NSW Department of Justice, Audit Office of New South Wales and NSW Information and Privacy Commission. She is passionate about working in the public interest and is a champion for diversity and inclusion.

The Public Service Commissioner is an independent office holder.

Jane Spring

Assistant Commissioner, Capability and Leadership Strategy Division

Master of Public Administration, Bachelor of Economics (Honours), Bachelor of Laws.

Jane is a highly experienced senior executive in the NSW public sector and became Assistant Commissioner, Capability and Leadership Strategy Division in October 2018. Jane has held a wide variety of senior executive roles across a number of NSW government departments and sporting organisations including 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.

Dr Kate Harrington

Acting Assistant Commissioner, Performance and Analytics Division

Doctor of Philosophy in eGovernment, Bachelor of Arts (Honours), Graduate Diploma in Information Management, Graduate Diploma in Public Administration

Kate joined the PSC in October 2019 as Acting Assistant Commissioner, Performance and Analytics Division. Kate has over 10 years' experience in executive level and leadership roles across the public and not-for-profit sectors, and has more than 20 years' experience in the NSW Government across 5 clusters. Most recently, Kate was the Head of Strategic Digital Initiatives at the Department of Customer Service where she managed the Office of the NSW Government Chief Information and Digital Officer. Earlier in her career, Kate led the establishment of the NSW Data Analytics Centre and successfully introduced the *Data Sharing (Government Sector) Act 2015*. Kate also developed the first state-level data catalogue in Australia (data.nsw) and led a program of citizen/developer events around building apps using NSW Government data, for which she won the Premier's Award for 'Innovation Through Technology'.

Emilie Priday

Director, Performance and Reporting

Master of Criminology, Bachelor of Social Work (Honours), Bachelor of Arts

Emilie joined the PSC in October 2018 as the Director of Performance and Reporting. Emilie has 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.

Gail Le Bransky

Director, Disability Employment

Master of Management, Bachelor of Arts (Honours)

Gail was seconded to the PSC until September 2020 as Director of Disability Employment. Gail has worked as Director of Social Policy at Transport for NSW and was responsible for delivering an inclusive customer service and ensuring transport infrastructure and services deliver positive social outcomes. 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 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. Gail was the recipient of the NSW Public Service Medal in the 2019 Queens Birthday Honours list.

Jennifer Perry

Director, Workforce Strategy

Master of Public Administration, Bachelor of Laws, Bachelor of Arts (Honours)

Appointed in September 2017, Jennifer 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 Legal Aid NSW. 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.

Joyce Low

Director, Corporate/Chief Financial Officer

Master of Commerce (Financial Accounting), Bachelor of Commerce

Joyce is the Director Corporate and Chief Financial Officer at the PSC and has over 20 years' experience in the public sector. Joyce commenced her role at the PSC in January 2019. 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.

Karen Davis

Director, Leadership and Talent

Bachelor of Education, Diploma in Teaching, Graduate Certificate in Social Administration

As Director of the Leadership and Talent Branch, Karen brings more than 15 years of government and consulting experience. 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 – 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 included the NSW Department of Health, NSW Office of Water, NSW Food Authority, Roads and Maritime Services and more.

Dr Sam Nielsen

Director, Workforce Analytics and Systems

Doctor of Philosophy in Disaster Management, Master of Education (Research), Bachelor of Science, Bachelor of Information Technology, Bachelor of Arts

Sam joined the PSC in January 2020 as the Director of Workforce Analytics and Systems. His responsibilities have consistently involved using strategy, analytics and data science to ensure an organisation has insightful and empowering evidence to optimise success in key decisions and transformations. He worked in the higher education sector for more than 20 years as a researcher, administrator and manager. He has previously developed and led the Strategic Intelligence Unit, International Strategy Unit and the Department of Reporting and Analysis at the Queensland University of Technology (QUT). He has used his analysis and research skills in various consultancies with NGOs.

Sarah Sandstad

General Counsel

Master of Laws, Bachelor of Laws (Honours), Bachelor of Arts

Sarah joined the PSC as General Counsel in June 2020, taking over from Julia Carland. Sarah brings a wealth of government legal experience to the role of General Counsel, having over 20 years' experience in senior legal roles, with time spent as Director Legal, NSW Department of Customer Service and its predecessor the NSW Department of Finance Services and Innovation and as a Senior Solicitor, NSW Crown Solicitor's Office.

Julia Carland

General Counsel (departed 26 June 2020)

Master of Laws, Bachelor of Laws (Honours), Bachelor of Arts

Julia joined the PSC in March 2019 as General Counsel. Julia has held a number of 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. Julia also spent 2 years working in legal policy at the Department of Justice.

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. The Advisory Board has such other functions as are conferred or imposed on it by or under this or any other Act.

Members include a Chair and 4 others appointed by the Premier, together with the Public Service Commissioner and Secretaries of the Department of Premier and Cabinet (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.

As at 30 June 2020, the Advisory Board members include:

- Sandra McPhee AM (current Chair – from January 2020 to June 2020)
- Vince Graham AM
- Susan Lloyd-Hurwitz
- Jordan O'Reilly
- Kathrina Lo (Public Service Commissioner)
- Tim Reardon (Secretary, DPC)
- Michael Pratt (Secretary, Treasury)

Other members during the 2019/2020 period included:

- Professor Peter Shergold AC (former Chair – between June 2019 to December 2020)
- Emma Hogan (former Public Service Commissioner – between June 2019 to October 2019)
- Scott Johnston (former Acting Public Service Commissioner – between October 2019 to April 2020)

Biographies of external Advisory Board members can be found in Appendix C.



YEAR IN REVIEW HIGHLIGHTS

We were very pleased with our results and the impact we had this year in progressing our key focus areas.

Our goals are focused on enabling the public sector to do its best work, which in turn drives better outcomes for citizens.

Enabling a contemporary, diverse, inclusive and highly capable public sector who deliver the best outcomes for the people of NSW.

Progress towards key focus areas 2018 – 2020

Work of the future

The sector is strategically and operationally prepared for the work of the future.

Action	Performance	What's next
Deliver sector wide guidelines for strategic workforce planning, including capabilities required to meet future work demands	On track	<p>Make Faethm data insights and scenario planning tools available to inform sector strategic workforce planning</p> <p>Roll out strategic Workforce Planning Accelerator series and masterclasses</p>
Drive development and take up of new ways of working including flexible work, digital and co-design methodologies	On track	Further embed new ways of working through 3 project streams with representatives from all clusters
Build transformation and change capability	On track	Develop a workforce transition and change management resource
Launch online learning academy	On track	Roll out learning pathways for all 6 digital capabilities
Drive the implementation of talent management approaches for the tailored development of talent pools, career development and mobility	On track	<p>Further develop internship programs including those targeting Premier's Priority 14 diversity groups: women in senior leadership, Aboriginal people in senior leadership and people with disability</p> <p>Manage and promote talent pools, applying the principles of leading practice recruitment</p>

Capability and performance

The sector has the leadership and capability development, recruitment, talent management, and performance management to deliver productivity and service excellence to citizens.

Action	Performance	What's next
Evolve executive leadership capability through the Leadership Academy and Graduate Programs	On track	Continue to work with the sector to increase leadership impact and build the talent pipeline Design and deliver a digital learning platform
Deliver guidelines for contemporary performance management systems, processes and practice	On track	Continue to work with the sector to ensure performance management systems and practices are contemporary, fit for purpose and meet identified needs
Build broader capability in management, HR, customer experience and digital	On track	Roll out people manager capability uplift program including online training and resources
Influence the engagement of diversity and inclusion as a core strategy	Upcoming	Develop inclusion strategy and communication plan
Evolve the Aboriginal Employment Strategy to progress towards 2025 targets	On track	Launch Everyone's Business toolkit Progress Aboriginal Employment Development Program and Jawun Secondment Program

Diversity and inclusion

The sector exemplifies best practice for a diverse, inclusive and accessible workforce, reflecting the communities it serves .

Action	Performance	What's next
Evolve women in leadership strategy to progress towards 2025 targets	On track	Develop Gender Equality Strategy Conduct Senior Executive pay gap audit Develop behavioural insights recruitment intervention
Partner with Department of Communities and Justice to progress towards 2025 targets for jobs for people with disability	On track	Deliver final components of Jobs for People with Disability program and embed ongoing commitments within integrated inclusion strategy
Develop and implement the flexible working 'If not why not' strategy	On track	Provide continuing support to embed and extend flexible work practices to office-based and frontline services
Coordinate and deliver the People Matter Employee Survey, <i>State of the NSW Public Sector Report</i> and <i>Workforce Profile</i>	On track	Continue to respond to current environment and sector needs in delivery of flagship reports
Provide an advanced analytical function through an enhanced benchmarking capability, linking workforce management initiatives to organisational and service outcomes	On track	Investigate new analytical and benchmarking solutions as part of the Workforce Dataflow & Analytics project

Performance reporting, data and digital

Senior leaders have access to high-quality workforce analytics providing insights and evidence for continuous improvement.

Action	Performance	What's next
Develop effective data flow management enabling real-time data for reporting, mobility and predictive analysis	On track	Deliver the Workforce Dataflow & Analytics project to deliver real-time workforce data and enhanced information services
Develop and implement a research agenda to tackle the most difficult workforce challenges	On track	Use recent sector feedback to prioritise research initiatives
Develop a Workforce Technology Roadmap that interfaces with cluster specific human capital management systems	Upcoming	Develop the roadmap through our new Data Futures team
Embed the values of integrity, trust, service and accountability in systems and practices	On track	Develop a data and analytics strategy to enshrine these core values in practices
Develop ways to improve the employee experience using digital approaches to cross cluster work	On track	Partner with the sector to identify opportunities

Culture and values

Values and ethics are upheld; cultures are inclusive and safe and customer service, initiative, results are strongly valued.

Action	Performance	What's next
Identify sector-wide issues and drive solutions	Upcoming	Partner with sector to progress prevention of bullying and sexual harassment project
Evolve the employee value proposition and employment brand	On track	Enhance the I work for NSW website Develop employee experience model
Strive to create workplaces that are ethical positive and productive, and safe	On track	Launch sector wide LGBTIQ+ and undertake targeted engagement to encourage identifying staff and allies to join Implement Jobs for People with Disability program



World class public service

The PSC, together with the Premier's Implementation Unit, are directly accountable to the Premier for Premier's Priority 14: World class public service (PP14).

This Premier's Priority seeks to implement best-practice productivity and digital capability in the NSW public sector, as well as drive public sector diversity by 2025 through:

- 50% of senior leadership roles held by women
- increasing the number of Aboriginal people in senior leadership roles
- 5.6% of government sector roles held by people with a disability

We lead delivery of the priority in partnership with the sector, regularly reporting to the Secretaries Board on sector progress.

Productivity and digital capability

Digital capability is a key element of delivering world class public service. We have initiated work on how to assess the digital maturity of an organisation and are working to establish a digital maturity baseline for the sector using the Harvard Kennedy School of Government Digital Maturity Indicator.

During 2019-2020 we explored the use of employee engagement as an indicator of public sector productivity. Gallup research¹ shows that engaged workforces are better equipped to deliver services that meet customer needs.³ We continue to explore approaches to implementing best-practice productivity to account for diverse range of services delivered by the public sector.

Diversity

Improved diversity and inclusion in the workplace can improve organisational performance, employee engagement, attraction and retention of talent and customer service.

In 2019-2020 6 clusters shared their data, insights and targeted interventions on diversity at Secretaries Board meetings to showcase good practice and support cross-sector collaboration on the priority. We led a collaborative cross-sector workshop where participants identified opportunities in their cluster to progress action. The events of the past year have required the sector to focus on response and recovery, impacting some initiatives. However, we continued to support targeted interventions to support progress on the priority.

Further detail of these interventions is provided in the Women in leadership, Aboriginal employment, Disability employment and Digital capability sections of this report.

³ JK Harter, FL Schmidt, S Agrawal, SK Plowman and A Blue, *The Relationship Between Engagement at Work and Organizational Outcomes*, Gallup, 2016, accessed 18 September 2020.

Sector performance on diversity targets 2019-2020

- 40.3% senior leadership roles held by women, the first time it has moved past 40% since the priority was announced and a 1.6 percentage point increase on 2018-2019
- 98 Aboriginal senior leaders, keeping us on track to exceed the target of 114
- 2.5% government sector roles held by people with disability



Joyce Low, Leadership Academy participant

2019-2020 snapshot of the range of our work on PP14



Women in leadership

20 women participated in the Opendoors pilot program

26 women participated in the Future Women Platinum+ program pilot

142 senior executives and future leaders attended International Women's Day event



NSW Government Digital Capability Framework

6 digital capabilities co-designed with the sector

80 sector employees trialled Customer at the Centre learning pathway



Flexible working

31 flexibility pilots led across the sector

82% of surveyed agencies agreed that our program helped their agency develop more robust policies and guidelines



Disability & inclusion

Launched EmployABILITY newsletter

215 members joined the newly launched DENconnect disability employment network

24 Executive Directors completed Inclusive Leadership Certification

10 employees with Autism hired through the Tailored Talent program

LGBTIQA+ team established to develop a whole-of-sector network and advisory board



Talent & mobility

330 people registered Leadership Academy programs

PSC Talent pools **reduced time to hire** by 33 days

189 graduates commenced the NSW Government Graduate Program

Over 13,000 enrolments in the NSW Government Virtual Internship Program

35,121 NSW Government jobs advertised and over 800,000 applications for roles



Aboriginal leadership and participation

54 Aboriginal employees registered in Leadership Academy

10 Aboriginal interns placed in NSW Government agencies

12 Aboriginal sponsees participated in the Opendoors pilot program
W Public Service Commission **Annual Report 2019**



HELPING THE SECTOR DURING COVID-19

With the emergence of the COVID-19 pandemic in March 2020, it was essential agencies were supported for the implementation of remote working and had help to rapidly mobilise staff from under-utilised areas to those of need.

As we know the workforce requirements of all NSW public sector agencies, the PSC was in a unique position to pivot existing programs and expertise to very quickly help the sector.

Activities March - June 2020

Adapting to remote and flexible working

Prior to COVID-19 many organisations were already transforming their working models. We used insights from the past 2 years of research and pilot programs in our flexible work program to rapidly develop guidance and resources for agencies who were accelerating this transition because of the pandemic.

Our help focused on providing people managers with information about how to ensure productivity and wellbeing. We also created and managed a supportive online community where ideas could be shared.

2,000 managers and people leads attended our flexible work information webinars

343 managers joined our NSW Gov Flexible Working Support LinkedIn group

2,500+ web page views including how to onboard new starters, short-term role adjustments, keep people engaged and motivated, manage for outcomes and monitor wellbeing.

Mobilising people to areas of need

We worked with human resource leaders across the sector to find people whose current roles were not as critical due to changes in service delivery during the emergency. We identified where staff could be moved to help in areas that had a high demand for services.

50 sector employees were redeployed to NSW Health for roles in contact tracing and answering calls from concerned citizens and media

100 employees were mobilised into standby response teams, created to respond to workforce needs

We provided expert input on the talent strategy for the recruitment of 1,000 roles at Service NSW

Making COVID related employment easier

We worked on an amendment to the GSE Rules to accelerate recruitment to COVID-related roles and allow for temporary roles to be extended. We also provided guidance on how to use existing mobility provisions to swiftly fill roles.

1,500+ web page views for Rule amendment content including recruitment, secondments and transfers

25 unique enquiries (telephone helpline and email) from the sector about how to apply legislative provisions

Supporting leaders

We helped leaders by providing deep workforce insights, facilitating connection and planning, and opening-up resources from our Leadership Academy, Executive Connections and Senior Executive Fundamentals programs.

The range of support included:

- working with clusters to ensure they had contingency plans for up to 20% of their frontline staff being absent
- renewing the Faethm analytics platform to February 2021 to access tools yielding insights across the public sector workforce
- tracking employee sentiment for 13 agencies via 17 pulse surveys on engagement, productivity, inclusion, wellbeing and capacity to delivery. These will continue to be delivered on a needs basis as the pandemic continues
- opening up the Leadership Academy's 12-week Learning bites program on leading in context, wellbeing, ways of adapting and connection for 3,313 leaders
- providing enhanced learning resources for executives, including leadership for digital government, through the update of the Senior Executive Fundamentals website
- hosting webinars with international experts on Reimagining service delivery, Leadership in the Digital Age, and Managing Wellbeing for Leaders.

Supporting employee wellbeing

Our People Matter Employee Survey (PMES) analysis of workplace bullying and engagement pivoted to focus on bullying in the changed working environments and employee wellbeing.

The products produced to support wellbeing were:

- guidelines on understanding and addressing bullying in the COVID-19 environment
- wellbeing website content.

The web resource included information on a number of aspects critical to wellbeing including physical health, managing stress, communicating productively, managing competing demands and supporting colleagues. It also included information designed for those groups of employees that, we know from the PMES, report lower engagement, lower confidence with managing stress or higher bullying.

Recovery and renewal

Following the initial crisis response, the government is focused on recovery and renewal. To support this, the Public Service Commissioner co-chaired a steering committee to develop a program of work to realise the benefits of new ways of working and embed the gains made on workforce issues. This work included developing core principles for returning to offices to ensure safe workers, workplaces and travel and establishing cultures and capability development informed by data and focused on outcomes.

During 2020-2021 the Public Service Commissioner will convene working groups to roll out the work program collaboratively with the sector.

Mobilising to help at NSW Health

When the call went out requesting assistance at NSW Health, PSC staff Hugh and Renee jumped at the chance. The opportunity to support their colleagues in the sector and contribute during a time of worldwide uncertainty and disruption gives them a real sense of purpose.

The secondment, based at St Leonards, involves working in a role in either the call centre or contact tracing department. Hugh works full-time 5 days a week at Health, whereas Renee's role is flexible with 3 days at NSW Health and 2 days in her role at the PSC.

The call centre operates from 8.30am to 5.00pm and is available to the general public and business owners. Contact tracing provides information to those who have been in close contact with a person who has tested positive to COVID-19. It is a vital tool in stopping the spread of the disease. Clinical tracing is different and involves medical teams processing and testing patients' COVID-19 samples.

Despite the serious nature of the role, Hugh says it offers a dynamic working environment with a great sense of camaraderie.

Interviewees

Hugh Mitchell, Administrative Support Officer, PSC

Renee Roylance, Advisor, Diversity and Inclusion, PSC



'To be given the opportunity to work with colleagues from across the sector and provide a service to NSW citizens is incredibly rewarding.'

Hugh, Administrative Support Officer, PSC



'It really appealed to me, working with people across the sector was really exciting'

Renee, Advisor, Diversity and Inclusion, PSC



Attendees sharing their ideas for job sharing

WORK OF THE FUTURE

We partner 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.

Digital capability uplift program

Digital capabilities are vital for an agile, modern public sector workforce able to meet citizen expectations. The arrival of COVID-19 has accelerated the need for digital service delivery requiring a digitally capable workforce.

During 2019-2020 we continued our program in collaboration with the sector including partnering with clusters on specific projects. The program built on work commenced in 2018-2019 when 6 digital capabilities were drafted. These have now been confirmed through the launch of the Digital Capability Framework. This framework applies to all employees, not only information and communications technology specialists.

The full framework is shown on the following page.

NSW Government Digital Capability Framework

1. Customer at the Centre

Driving a human-centered approach to everything we do.

Designing for, and with, citizens, employees, and our industry partners.

- Human-Centered Design
- Service & Experience Design Storytelling
- Customer Research & Community Engagement
- Leading with 'Customer at the Centre'

4. Ideas of Impact

Changing the way we get things done and fund projects.

Using lean startup methods to accelerate outcomes to our customers.

- Lean Startup & Entrepreneurship
- Ecosystem Partnerships
- Disruption & Innovation
- Growth Mindset
- Fail-friendly leadership & Culture

2. Collaboration & Agility

Working together across clusters and agencies, being proactive, motivating others, and delivering outcome and value at speed.

- Agile Project Methodology
- Blended Waterfall & Agile
- Working in the Open
- Virtual Collaboration
- Leading collaborative teams

5. Enabling Technology

Prioritising the Industry 4.0 Technology that will help us delivery better outcomes to our customers. Keeping up with, and practicing, digital ways of working.

- Cyber Security
- Internet of Things
- Artificial Intelligence & Machine Learning
- Platform as a Service
- Crypto-currency and Blockchain
- Leading through Constant Change

3. Data, Decisions & Ethics

Understanding data and privacy, interpreting data through code, gaining insights to drive decision making, and telling stories about what we learn.

- Data Literacy
- Coding
- Open Data & API Usage
- Privacy of Citizen Data, Ethics, and Social License
- Data-informed leadership

6. Digital Leadership

Digital ways of working and technology have the potential to advance the way government services are delivered.

- Diplomacy & Public Relations
- Ethical Leadership in the Digital Age
- Leading the Purpose
- Resilience Skills
- Inclusive Leadership
- Growth Mindset
- Change Management

In November 2019 we were granted funding through the Department of Customer Service Digital Restart Fund to create and pilot a learning pathway for the 'Customer at the Centre' elements of the Digital Capability Framework. This was delivered via a digital learning platform available on demand to staff across computer and mobile devices.

We recruited 8 project teams (in total 80 people) to trial the learning pathway and platform. The project teams were chosen to reflect the diversity of work undertaken by the sector and included a regional Indigenous education project, a digital procurement project for contingent labour and a project to create health education materials for a high priority cohort.

Participant response to learning design and approach was overwhelmingly positive, valuing what they saw as 'learning in a contemporary way' anywhere, anytime. They reported a measurable uplift in confidence in understanding and applying 'Customer at the Centre' skills and knowledge and a changed approach to product and service design through the adoption of new skills, tools and techniques. This resulted in changed project scopes to better reflect the needs of customers. We are planning further work in collaboration with Department of Customer Service to design learning pathways for the remaining elements of the Digital Capability Framework.

We received Digital Restart funding to partner with the NSW Transport Accelerator and Department of Primary Industries in building the capability of regional staff in human-centred design, which is a component of the Customer at the Centre capability. 17 regional staff participated in one day training with 5 participants completing further training to become human-centred design advocates

and help regional teams incorporate methodologies into their project designs. Project evaluation has been positive especially for the role of the advocates. The project includes support for the creation of a Community of Practice to encourage ongoing human-centred design learning in the regions.

Data informed decision making

During 2019-2020 we engaged the Faethm platform to help predict the impact of artificial intelligence and automation technologies on the workforce. The platform has since supported the planning and redeployment of essential services during the COVID-19 pandemic. Faethm was trialled with 5 agency clusters and in February 2020 we initiated a 12-month engagement. We supported use of the platform by facilitating monthly working groups with human resource and data leaders from each cluster.



Uplifting capability in strategic workforce planning across the sector

Strategic workforce planning (SWP) is more important now than ever as it helps us navigate the rapid pace of change in the workplace and make informed decisions for long-term workforce planning.

Following extensive research and a cross-sector consultation process, we developed a program to support agencies in their implementation of our Strategic Workforce Planning Framework, launched in February 2019. The program is designed to help HR leaders and other stakeholders across regional and metropolitan NSW better understand and prepare for their future workforce needs.

The SWP program includes:

- sharing tools, resources and case studies launched at an HR Community of Practice in October 2019
- regional initiatives, which commenced with a workshop delivered in March 2020 to support the New England North West region
- accelerator workshops, which commenced in June 2020 and aim to build knowledge sharing and peer-to-peer learning
- piloting masterclasses, which were co-designed with experts from across NSW Government and commence in 2020-21.



Modernising organisation and role design

Modernising organisation and role design is essential for achieving a world class public service that is agile, customer-centric and strategically and operationally prepared for the work of the future.

In 2019-2020, we partnered with Third Horizon to identify and understand leading contemporary practice in organisation and role design in private, government and non-government organisations. Adopting best practice will strengthen how the public sector workforce can respond to and engage with future challenges such as technological advances, demographic changes, rapidly changing operating environments and customer expectations, and shifts in government priorities.

This project will establish agile and adaptable organisation and role design practices that embed outcomes focused work, and reduce the costs of change to realise benefits faster.

Flexible working

In 2019-2020 we delivered the final portion of tools and guidance to support the flexible working strategic implementation framework, Make Flexibility Count. This work was developed to implement the Premier's commitment in 2016 that all roles in the government sector could be flexible on an 'if not, why not' basis, provided service delivery could be maintained or improved. We worked with the sector to develop best practice policies, guidance and advice, assessed sector progress and developed targeted actions and support to fill gaps.

An independent evaluation of the project found the work was highly effective, with clearly demonstrated evidence that it drove enhanced progress in the implementation of flexible working across the sector. It also noted the work demonstrated a successful model of flexible, on the ground implementation support for agencies.

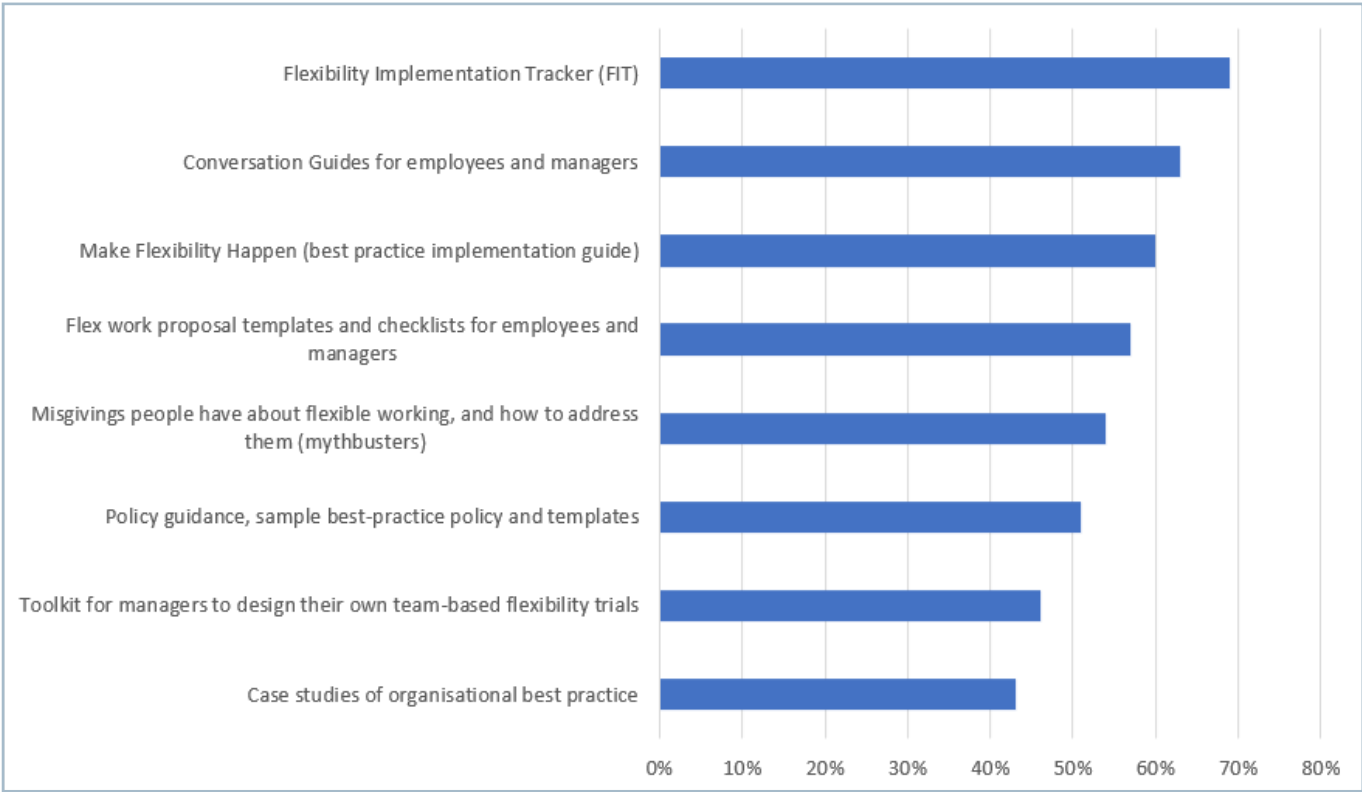
Table 1: Most agencies found the program of work efficient effective and impactful

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	N/A	Total respondents
This program of work helped more people access flexibility in my agency, or use more of it	21%	46%	26%	5%	0%	3%	39
This program of work has helped my agency to develop more robust flexible work policies and guidelines	33%	49%	15%	3%	0%	0%	39
The program of work made my agency's implementation of flexibility more efficient	23%	54%	15%	3%	3%	3%	39
The program of work helped to create more consistency in our agency's approach to flexibility	26%	54%	18%	0%	3%	0%	39

Source: Adapted from Third Horizon, *Agency evaluation survey on flexible working* [unpublished report], PSC, Sydney, 2020.

Resources provided included sponsoring and leading 31 pilots of flexibility across a range of diverse workplaces, a job share platform and guidance on using this innovative arrangement. A significant range of toolkits and practical resources were developed, such as manager conversation guides, skill sets with development guides, change guides, workshop and policy templates, and a targeted support program during COVID-19.

Figure 1: Which PSC-built resources were of the most utility and impact



Source: Adapted from Third Horizon, *Agency evaluation survey on flexible working*.

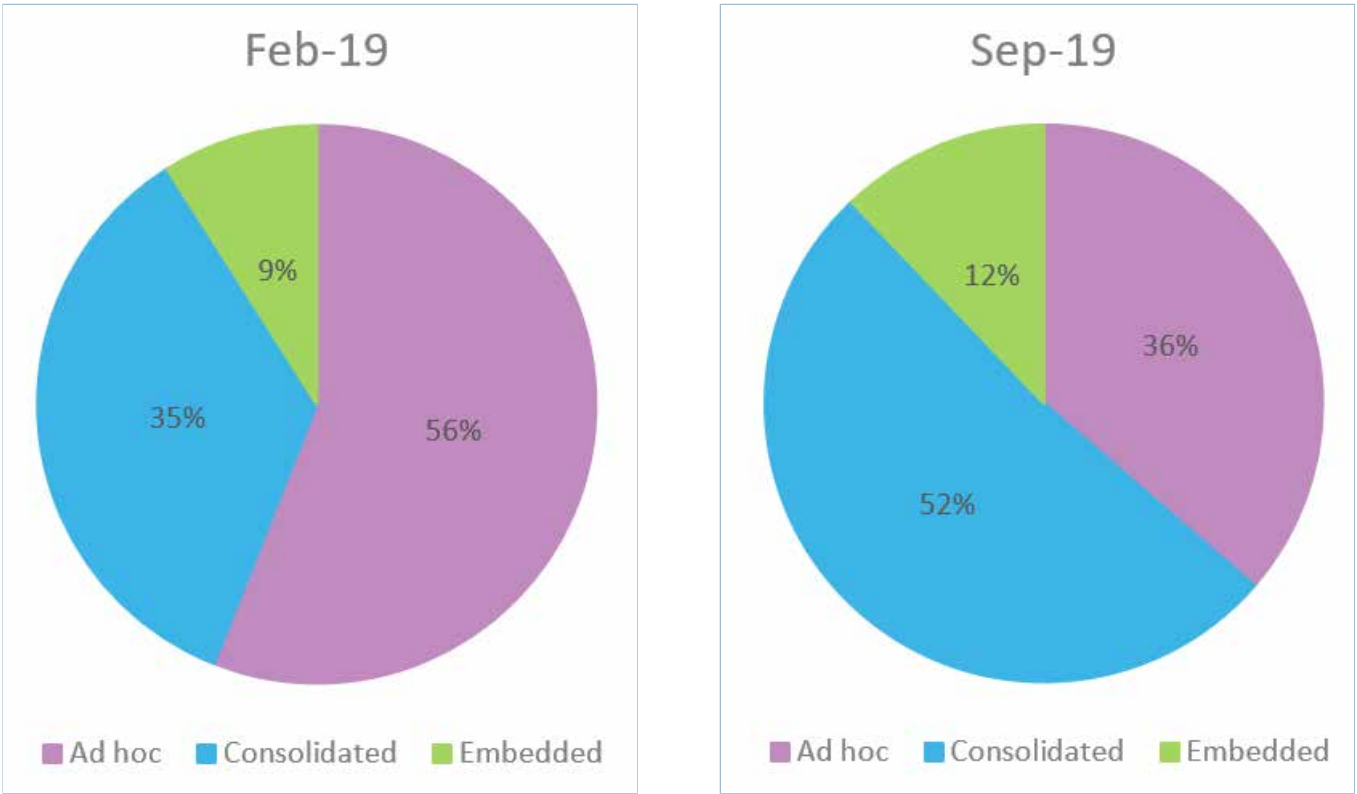
‘They took a lot of time to understand what issues were happening in agencies. How quickly they went on to develop resources that agencies could pick up and use was extremely helpful. They continued to keep evolving those resources, they kept running with it. I don’t think there’s much more they could’ve done.’

- NSW Government agency representative

PMES data shows that more employees are accessing flexible work, with significant improvements in teams participating in the team-based flexibility trials. Trial participants also reported an increase in productivity, quality of service provision and efficiency in their teams, as well as significantly improved wellbeing for individuals.

The PSC’s Flexibility Implementation Tracker (FIT) data found a significant improvement in the number of agencies at a consolidated or embedded position on flexible work, see Figure 2.

Figure 2: Comparison of FIT findings for agencies between February 2019 and September 2019



Source: Adapted from PSC, *Flexibility Implementation Tracker*, PSC, NSW Government, unpublished, accessed 6 October 2020.

‘We’ve had workers who have worked 14 Christmas Days in a row and we’ve now had a situation where if someone doesn’t have family, or it’s not important to them, they can swap... Now the talk amongst all the workers is how much better it is going now within their relationships, with all their connections, with all their peers... Because of this ability to swap, sick leave has gone down. Before, if you had something you had to do, family wise, you had no choice but to not go [to work]’

- NSW Government agency representative

Helping employees in regional NSW design and deliver better services

The PSC partnered with the Department of Primary Industries (DPI) and Transport for NSW's Digital Accelerator to host free human-centred design (HCD) workshops for regional public sector employees.

Dom (TAFE NSW) and Lee (NSW Subsidence Advisory) participated in these workshops in November 2019. Since then, they have been offering support to regional project teams at DPI to help them solve problems using HCD methodology.

This training was a natural next step for Dom — as a user experience (UX) designer, there are areas of UX and HCD that overlap. He was intrigued to understand and shape what is being taught across agencies and excited by the opportunities for cross-government collaboration.

For Lee, the opportunity to upskill herself and teach others was appealing. Lee leads an administration team who provide services within their organisation and to the public. She is excited to share these new skills with her team and drive innovation within her organisation.

Interviewees

Dom Kipps, TAFE NSW

Lee Camlin, NSW Subsidence Advisory

'Design isn't just for user experience teams. It's for product teams, business analysts, project managers... anyone involved in designing, building or shaping a product or service.'

Dom Kipps, TAFE NSW.



CAPABILITY AND PERFORMANCE

We work with the sector to implement best practice leadership and capability development, recruitment, talent management, and performance management. This is to enable a high-performing and productive sector providing service excellence to citizens. Work undertaken in this area includes the following projects and initiatives.

Graduate program

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

Now in its fifth year, the graduate program placed fourth in the Australian Financial Review's Top 100 Graduate Employer's listing for the second consecutive year competing with both public and private sector organisations. It has also been awarded the Most Popular Government and Defence Employer in Australia for the third year running.

The 2020 NSW Government Graduate Program saw a growth in application numbers from 3,420 for the 2019 Program to 3,937 for the 2020 Program. This supports the commitment by agencies to grow the program, which started in 2016 with 25 graduate roles and has grown to 182 roles for 2020. The 2020 program also expanded its regional presence with the addition of the New England region and

increased roles in the Central West region. A total of 19 roles were offered across regional NSW, which included Armidale, Bathurst, Dubbo, Gosford, Newcastle, Maitland, Orange and Tamworth.

In response to a request from General Counsels across the public sector, the 2020 program is piloting a new Legal Stream. The aim of the Legal Stream is to attract entry-level law graduates into NSW Government and provide them with exposure and development over 18-months so that they are ready to apply to be admitted as a solicitor and have a clear career pathway within NSW Government.

The NSW Government also introduced a Virtual Internship Program and an Aboriginal Internship Program. These internships were identified to provide early exposure and understanding of work in NSW Government while students are still completing their university degree and deciding on their future career. The Virtual Internship Program offers students an internship like experience while showcasing the breadth of opportunities available to graduates across NSW Government agencies. The program offers virtual work modules in areas of policy, and digital and data analysis, with a legal work module due to be launched in July 2020.

The Aboriginal Internship Program commenced in November 2019 with 10 Aboriginal interns placed across NSW Government agencies. It supports Aboriginal students to complete their university studies and gain valuable on-the-job experience necessary to be competitive in the NSW Government Graduate Program. Work is underway to launch a Disability Internship Program in 2020-2021.

Talent Pools

Public Service Talent Pools (formerly known as recruitment pools) provide government agencies access to diverse, high calibre talent by applying leading recruitment practices. A talent pool is a group of pre-qualified candidates who have been rigorously assessed and meet the standards to perform a role. The approach is time and cost effective, removing the need for agencies to conduct their own recruitment, and means talent can be mobilised easily across the NSW Government sector.



Chris Duncan speaking at the 2020 Graduate Breakfast

In 2019, amendments to Rule 19 of the GSE Rules, extended the time a person can be included in a talent pool to 18 months, giving agencies more flexibility to use Public Service talent pool to fill roles.⁴ We also introduced a co-design approach with agencies to increase the use of talent pools and determine suitable role types for future pools. As a result, 74 candidates were hired from the Policy Officer talent pool which expired on 3 September 2019 and 27 candidates have been hired from the Customer Service talent pool which expires on 3 January 2021.

Through this process, a need was also identified by agencies for Grade 1/2 frontline essential roles. Responding to this need, we delivered a virtual assessment and selection process to establish a talent pool for various Grade 1/2 roles. The campaign attracted 981 applications with 91 successful candidates placed in the talent pool.



The team celebrating their wins at the Australian Financial Review's Top 100 Graduate Employers 2020 gala dinner

⁴ Talent pools, under section 19 of the Government Sector Employment (General Rules) 2014

I work for NSW

The I work for NSW brand was launched by the PSC in 2016, replacing the Jobs NSW job board. It aims to attract and retain talent to the sector, both from general and targeted diversity groups.

In 2019, the PSC undertook a review to understand how the I work for NSW brand can be improved to meet the evolving needs of the public sector. Research showed the I work for NSW brand has been effective as a marketing tool, positioning NSW Government as modern and progressive with a diverse workforce (75% agree) and having a pool of talented and knowledgeable employees that contribute to NSW being a great place to live (72% agree).⁴

The evaluation highlighted that as an employee value proposition, I work for NSW can be enhanced by connecting better with regional NSW employees, frontline workers and diversity groups. Research insights have been applied to the I work for NSW visual brand assets and messaging, with consideration of Premier's Priority 14 diversity target groups.

Updates to the Capability Framework

NSW Public Sector Capability Framework V2:2020 was launched in February 2020, following significant review and sector feedback. The new version includes:

- revised introductory pages written in plain English to ensure users can understand its intent
- modified icons to meet accessibility standards
- wording of the 'Value Diversity' capability extended to 'Value Diversity and Inclusion', to reflect current trends
- more meaningful capability descriptors
- revised behavioural indicators to ensure they are appropriate to the capability level and reflect changes in public sector work and service delivery models.

The PSC, in collaboration with NSW Treasury, communicated the key changes via a webinar supported by fact sheets, posters and other accessible collateral.

The role description template and guidelines have been aligned with the refreshed Capability Framework and the amendment to the GSE Rules in 2019 which allows agencies to simplify recruitment practices to assess on focus capabilities only.

⁴ KPMG, *I work for NSW Evaluation Report* [unpublished report], NSW Public Service Commission, Sydney, 2019.



Scott Johnston, former
Acting Public Service
Commissioner

Infrastructure and construction project leadership capability set

We have partnered with Infrastructure NSW to develop an infrastructure and construction project leadership capability set (ICPL). A working group of infrastructure and construction subject matter experts from across the sector and participants in the Victorian Major Projects Leadership Academy Program reviewed and guided the development of the ICPL.

It is the first leadership framework for roles at, or near, senior executive level in a highly specialised occupation. Launched in September 2019 it provides detailed indicators for the progressive development of project-related leadership capabilities over several levels.

Like other occupation specific sets, the ICPL has been designed to work in conjunction with the core NSW Public Sector Capability Framework.

Making merit-based employment easier

In August 2019, the Public Service Commissioner amended the GSE Rules to improve the merit-based employment provisions. The changes were the outcome of a consultation process with Public Service agencies and public sector unions. The changes commenced on 2 September 2019.

The changes:

- simplify assessment processes by making clear that the minimum requirement is for an assessment of focus capabilities, knowledge and experience, rather than an assessment of all the capabilities in the role description along with knowledge and experience
- improve talent pools by extending their maximum duration from 12 to 18 months and allowing referee checks to be done when considering a person for employment.

Simplified assessment processes mean:

- they retain their rigour while having a greater emphasis on assessing the most important capabilities needed for effective performance of a role
- focus capabilities are clearly defined and distinguished from other capabilities
- agencies and candidates are clear that focus capabilities must be assessed
- agencies have flexibility to decide if other capabilities are also assessed.

Changes to Rule 19 improve the way Public Service talent pools are set up and operate. The main benefits of the change are:

- agencies have access to talent for a longer period
- the benefit of the resources invested in establishing talent pools are maximised
- candidates have increased opportunity to be employed
- referee checks will be current and relevant to the role.

Review of Research Scientist Classification

This year we released the Research Scientist Classification Policy and Guidelines 2020. This followed a review of the role classification in consultation with sector agencies and the Public Service Association. The new guidelines replace the 2012 edition.

The Research Scientist Classification recognises the importance of scientific research in the public service by providing a career structure for employees who mainly conduct and publish original research. The role classification is used to develop and maintain the quality of scientific research and the resulting advice that is made available to the public service.

The classification has 4 levels:

- Research Scientist
- Senior Research Scientist
- Principal Research Scientist
- Senior Principal Research Scientist

Entry to, progression and continuation within the classification, are subject to peer review to ensure an equitable and comparable assessment of applications across the public service. The Research Scientist Classification Committee reviews applications annually and makes recommendations to the Public Service Commissioner for approval. In addition to assessing applications to enter, continue or progress along the levels of the classification, it also evaluates whether employees should regress or cease working under the classification.

Leadership Academy

During 2019-2020 the Leadership Academy underwent a significant redesign, guided by the 2018-2019 program evaluation. Over the next 3 years, we will deliver 69% more places for 10% less budget compared to the academy's first 3 years of operation.

From 2020 onwards, we will deliver contemporary, blended delivery executive development programs, leveraging a new digital learning platform service, to extend the academy's reach and impact across the sector. The Leadership Academy supports the Premier's priority of developing a world class public service by building the sector's leadership capabilities and strengthening a diverse talent pipeline.

There are currently 330 people on Leadership Academy programs, 57.3% of whom are women, 16.4% Aboriginal and 2.1% declaring a disability. The new design and blended, virtual delivery options also facilitates access to Leadership Academy programs for employees based in regional areas. An additional 47 people graduated from existing Leadership Academy programs in 2020.



Graduates flourishing in regional NSW

When Syed Hashmi (Hash) was offered a role as part of the NSW Government Graduate Program, he packed and moved interstate in just 3 days.

Hash moved from Brisbane to NSW in February 2019 to start his career with NSW Government. He spent one day in Sydney for orientation, then moved straight to Maitland to start work with NSW Resources Regulator*.

After 8 months in their Compliance Coordination Unit, Hash completed his second rotation at Hunter and Central Coast Development Corporation in Newcastle. He returned to Resources Regulator for his third rotation as a graduate environmental officer in mine safety.

There were many things that appealed to Hash about the graduate program: flexible working arrangements, support networks and mentoring initiatives were just a few. But as someone who identifies as ethnically diverse, what inspired Hash most was the inclusive nature of the NSW public sector workforce.

Despite the rushed start to his government career, Hash didn't feel stressed at all. He felt supported by the PSC every step of the way, and his home agency were incredibly welcoming.

An easy commute, learning and development opportunities and supportive networks are just some of the reasons Hash loves working in regional NSW. He has embraced the regional lifestyle and would recommend graduate candidates consider working in the regions.

When asked what advice he'd give to future NSW Government graduates, Hash urged them to 'take challenges as opportunities'. The program provides a platform for graduates to not only develop their existing skills but learn new ones too.

Just a few months into his third rotation, Hash accepted a permanent role with his home agency. When he completes the program, he'll start his new role as an Assistant Environment Inspector.

*NSW Resources Regulator was formerly part of NSW Department of Planning, Industry and Environment and is now with Department of Regional NSW.



'Even though my move was a little dramatic, I didn't feel stressed at all because the PSC provided great support and was always in touch.'

Syed Hashmi, Regional NSW



Attendees at the Premier's Awards 2019 event

DIVERSITY AND INCLUSION

We partner with the sector to embed best practice for a diverse, inclusive and accessible workforce that reflects the communities we serve. Diversity and inclusion programs help ensure the public sector can anticipate and deliver community needs more effectively. Work undertaken in this area includes the following projects and initiatives.

NSW Public Sector Aboriginal Employment Strategy 2019-2025

NAIDOC Week is a special time when we celebrate Aboriginal and Torres Strait Islander cultures and we took the opportunity to launch NSW Working Together for a Better Future: the NSW Public Sector Aboriginal Employment Strategy 2019-2025. Guest speakers included Brendan Thomas of Legal Aid NSW and Executive Sponsor for the strategy, Jason Ardler, the former head of NSW Aboriginal Affairs, and Stan Grant who highlighted the importance of taking action to advance Aboriginal and Torres Strait Islander peoples.

The previous Aboriginal Employment Strategy 2014-2017 (AES 2014-17) won the Premier's Award in the Building a Stronger Economy category in late 2019 for supporting the increase in NSW Public Sector Aboriginal employment from 2.8% in 2014 to 3.3% in 2018.

The new strategy builds on the success of AES 2014-17 by including an ambitious target to achieve 3% Aboriginal representation across all non-executive grades by 2025. It also contributes to achievement of the Premier's Priority 14 target to increase the number of Aboriginal people in senior leadership roles from 57 to 114 by 2025.

The strategy takes a career pathway approach with 3 key elements:

1. Building a talent pipeline
2. Improving Aboriginal cultural capability
3. Engaging with our Aboriginal workforce

Programs to build our talent pipeline

During 2019-2020 we successfully co-ordinated the Career Trackers Indigenous Internship and Aboriginal Career and Leadership Development Programs and attracted Aboriginal people to participate in the award-winning Graduate Program.

We also delivered the Aboriginal Employment Development Program to further grow our Aboriginal employment representation.

The program provides participants with temporary 18-month employment within a NSW government agency at the clerk Grade 3/4 level in both metropolitan and regional locations. They receive a nationally recognised qualification delivered by TAFE NSW, tailored development coaching delivered by CBeyond Coaching and mentoring by senior Aboriginal public sector staff. Participants and their mentors also took part in a workshop by Benny Button to support them to maintain their wellbeing through their program journey and studies.

Some study blocks were delivered through digital e-learning options because of the impacts of bushfires, flooding and the COVID-19 epidemic. Successful participants are set to graduate from the program in September 2020 and commence ongoing employment in the NSW public sector.



Improving Aboriginal cultural capability

During 2019-2020 we carried out development and design for Everyone's Business, a program to build a trauma informed and culturally capable NSW public sector. It will be an online toolkit, including a cultural awareness journey, e-learning about the impacts of past forcible removal policies and practices on Aboriginal communities, and tools to support our workforce to create culturally safe service delivery and work environments. It will also give guidance on how to engage with Aboriginal communities to co-design and deliver trauma informed culturally capable services.

Engaging with our Aboriginal workforce

We worked with our Aboriginal workforce to understand their experiences and to develop Everyone's Business. We have also worked in partnership with Stolen Generations survivors to learn about the impacts of past practices on their lives and those of their family. Our senior Aboriginal public sector leaders have also shared important messages about why learning the history of the Stolen Generations is 'everyone's business'.

Everyone's Business responds to recommendations 6 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 and is expected to be launched in late 2020.





Disability employment

Employee and manager forums and behavioural insight research drove our program of work for 2019-2020. The findings from these forums and the research led us to:

- develop a strategy for the employment of people with disability
- better understand existing barriers within the sector
- identify enablers to improve outcomes for people with disability.

Both the forums and research identified recurring themes for employees with disability around barriers to employment and career development. For managers, themes focused on the need for more tools and resources to be able to support staff who need adjustments.

Using these insights, we focused our efforts on 3 areas during 2020-2021:

1. Recruitment and retention of people with disability
2. Education, awareness and leadership
3. Enabling accessible workspaces, systems and tools

Recruitment and retention of people with disability

We developed an information hub on the PSC website targeting employees with disability, hiring managers and HR practitioners. Content included a hiring managers toolkit and information on how to establish accessible workplaces, apply Rule 26, and share disability information.⁵ A new page was added to the I work for NSW website providing information about public sector recruitment for people with disability. This included making adjustments to support individuals, an inclusive recruitment video and the different pathways to join the NSW public sector.

⁵ Employment of eligible persons, under section 26 of the Government Sector Employment (General) Rules 2014

A pilot program called Tailored Talent was delivered in partnership with social innovation company Specialisterne, to attract autistic and neurodiverse talents into a range of hard to fill roles such as cyber-security, software testing, data analytics and coding across NSW Government agencies.

Education, awareness and leadership

Education, awareness and visible support, particularly from leaders, for disability employment was boosted in the following ways:

- The Age of Inclusion — communications campaign comprising videos, posters, digital and social media. Managing in the Age of Inclusion educational webinars educated participants about how to be inclusive and create a healthy positive workplace.
- EmployABILITY — a monthly newsletter developed to promote and celebrate good practice and new initiatives.
- Inclusive Leadership Certification — a program designed and delivered to 24 public sector Executive Directors to develop a business as usual inclusion framework which guides the identification and implementation of tangible programs that are empirically proven to create inclusion.
- DENConnect — the establishment of a safe and accessible online forum for and by employees with disability.

Enabling accessible workspaces, systems and tools

The following initiatives were developed:

- Design for Inclusion guide — accessible office design, with full costings of implementation at each level of accessibility beyond compliance, in partnership with Property NSW.
- A comprehensive resource list of ICT and assistive technology tools that can be applied in workplace adjustments.
- A partnership with Digital NSW and Microsoft to increase capabilities in accessible ICT and deliver artificial intelligence solutions for accessibility.

Women in leadership

In 2019, we led 3 pilot interventions to help the sector achieve 50% of women in senior leadership roles by 2025.

Behavioural Insights intervention

We partnered with the Behavioural Insights Unit (BIU) and the Customer Service, Stronger Communities and Transport clusters to pilot 2 behaviourally informed recruitment interventions to increase the proportion of women reapplying for senior roles. The pilot analysed whether an email and a phone call with a recruitment manager that focused on how well the applicant had done, and encouraged them to apply again, impacted the reapplication rates of high-performing, unsuccessful candidates.

The pilot found the interventions:

- increased the likelihood of women reapplying by 27%
- significantly reduced the gender gap between men and women reapplying for senior roles from 45% to 4%.

When scaled across the NSW Government this intervention could increase the number of women in senior roles by up to 0.5% each year and make a significant contribution to achieving gender parity in senior leadership roles. Together with the BIU we are developing practical guides for departments and agencies to implement the intervention more widely across the sector.



Opendoors career sponsorship program pilot

We led two pilots of the Opendoors career sponsorship program in 2019 in partnership with the Department of Communities and Justice, Infrastructure NSW and Health Infrastructure. This 6 month program connects highly influential senior leaders with diverse high achievers, supporting them to build a sponsorship relationship with a senior leader who can offer access to stretch, shadowing and networking opportunities to accelerate and advance their career. There were 27 sponsors and 27 high achievers including 20 women in the pilot. We are reviewing the program to inform refinements and identify opportunities to increase the program's reach.

Future Women Platinum+ program pilot

The PSC is currently piloting the Future Women Platinum+ program to support increasing the number of women in senior leadership roles. 26 high-potential and high-performing women across the sector from Grade 11/12 and equivalent who have been identified as future leaders are participating in the program. The program will be completed in March 2021 and an evaluation will inform next steps for implementation of the program.



Facilitated conversation between sponsor and sponsee at the conclusion of the Opendoors pilot program

Further initiatives to support women in leadership

In March 2020 we hosted an International Women's Day breakfast, using the United Nations Women's theme Generation Equality. Event attendees heard from keynote speaker Leigh Sales (author and ABC journalist) and a panel of public sector women who shared their insights on the topic of gender equality and the actions required to improve gender equality in the sector. The event was attended by 142 NSW Government senior executives. Each executive invited a future public sector leader as their guest.



Australian author and journalist
Leigh Sales speaking at our
International Women's Day event

To support the delivery of the Premier's Priority for a world class public service, we have continued to monitor key cluster-based actions, including:

- at least one woman is on all executive recruitment shortlists
- target focused KPIs in senior executive performance plans
- all roles can be flexible on an 'if not, why not' basis.

Pay equity

In 2019 the overall gender pay gap between the median remuneration of NSW public sector females and males was 2.2% (or \$2,002).⁶ The gender pay gap in the senior executive (Bands 1-3) was 2.2% (or \$5,236).

In 2019-2020 we supported the sector to analyse their own cluster-level senior executive data on gender pay equity and consider strategies for future action. This program of work stems from a commitment made under the NSW Women's Strategy 2018-22 Year One Action Plan.

⁶ PSC, *Workforce Profile Report 2019*, PSC, NSW Government, 2019, accessed 1 July 2020. <https://www.psc.nsw.gov.au/reports---data/workforce-profile/workforce-profile-reports/workforceprofile-report-2019>

LGBTIQA+ network

In October 2019, the Secretaries Board made a commitment to support the inclusion of current and future LGBTIQA+ employees across the public sector.⁷ In the PMES 2019, 4% of respondents identified as lesbian, gay, bisexual, transgender, intersex or gender diverse. Of these respondents, 22.4% personally experienced bullying in the workplace.⁸ This indicates there is scope to further build an inclusive workforce, reflective of the people it serves.

April 2020 saw the establishment of a team within the PSC to support LGBTIQA+ inclusion and ensure we are building a workforce that is representative of NSW communities. Two fulltime equivalent (FTE) roles were approved to operate from the PSC, with a program approved to run for a duration of 4 years. This is the first time the NSW public sector has had a dedicated resource to address inequities faced by LGBTIQA+ employees.

The program will see:

- the establishment of a self-sufficient sector wide LGBTIQA+ peer support network to bring LGBTIQA+ employees and their allies together, building on the work of current networks run voluntarily by employees in some clusters and agencies. The network will focus on ensuring LGBTIQA+ employees across the sector feel safe, included and valued and will steer improvements to LGBTIQA+ inclusion for regional, remote and frontline employees. The ability to engage with this network is open to all employees, but not required of any



- the creation of an Advisory Committee to report to the Secretaries Board. This allows Secretaries to seek advice from employees with lived experience and connections to broader LGBTIQA+ community experts to build the NSW public sector as an employer of choice for LGBTIQA+ employees
- each cluster host one LGBTIQA+ focused event per annum in partnership with their LGBTIQA+ staff network and visibly supported by their Secretary. We will coordinate these events and support the relevant staff networks to host them.

We will lead sector efforts to increase LGBTIQA+ inclusion by reviewing existing resources and sourcing and creating new resources. Our focus is on implementing leading practice inclusion of the most marginalised groups within the community, including those that face intersectional challenges. Policy, practice and systems review, training and awareness raising, and thought leadership will all be addressed. This will include parental leave policies, gender data in HR systems and gender affirmation guidelines.

⁷ LGBTIQA+: lesbian, gay, bisexual, transgender, intersex, queer, asexual and questioning.

⁸ PSC, *People Matter Employee Survey 2019*, PSC, NSW Government, 2019, accessed 1 July 2020. <https://www.psc.nsw.gov.au/reports/pmes-2019/>



Jane Turner, winner of the Anthea Kerr Award 2019, speaking with Australian comedian Adam Spencer at the Premier's Awards 2019

CULTURE AND VALUES

We enable workplace cultures 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.

Premier's Awards

The PSC leads the delivery of the annual Premier's Awards, which showcase the important contributions of teams and individuals in our workforce who are doing great work to serve the citizens of NSW.

On 6 November 2019, the Premier, the Hon. Gladys Berejiklian MP announced this year's winners at a ceremony held at Sydney's Museum of Contemporary Art.

Over 200 nominations were received for 6 awards in the following categories:

- A strong economy
- Providing high-quality education
- Creating well connected communities
- Providing world class customer service
- Tackling longstanding social challenges
- Anthea Kerr award

The 2019 Anthea Kerr Award was presented to Jane Turner, for her excellent work as an exercise physiologist in the Sydney Cancer Survivorship gym. Jane helps motivate patients and provides individualised programs at all stages of the cancer journey catering to their needs and abilities, instilling enthusiasm for exercise for patients, some of whom have been sedentary for some time. This award recognises future public sector leaders (under the age of 35) who exhibit a deep commitment to public sector values in their work.

Inclusive leadership

In 2019-2020 we launched a communications campaign profiling the stories of 6 leaders from across the public sector and their journey to being more inclusive.

The campaign raises awareness of the practical actions leaders can take to be more inclusive in their workplace. It is based on an Inclusive Leadership Experience program we ran with Deloitte Australia in partnership with the State Insurance Regulatory Authority, Department of Justice and TAFE NSW. The program supported approximately 50 leaders across 3 pilots to develop capability in the 6 traits identified by Deloitte research as fundamental to inclusive behaviour.

An evaluation of the program released in late 2019 found positive results. After the pilots ended all leaders from two pilots, and most leaders from a third, agreed or strongly agreed that they:

- knew what they had to do to be inclusive of the diverse staff around them
- had employed practical strategies to be more inclusive
- had taken greater responsibility for creating an inclusive culture within their team and workplace.

This work builds on the findings of the A Conversation report in 2018, which recommended that the PSC work with the sector to communicate a shared understanding of diversity and inclusion and engage sector leaders to build support and commitment for inclusion.



Charlene Davison accepting our team's award from Premier Gladys Berejiklian

Bullying deep dive

Each year self-reported bullying rates are collected through the PMES. Survey response rates have increased significantly over the past 5 years. In 2019 there were 185,000 responses making this a substantial source of data on employee experience.

Reported bullying rates across the NSW public sector declined from 2014 to 2017 before stabilising for the last 3 years at 18%.⁹ To understand this trend, we conducted in depth analysis into the PMES bullying data. Our aim was to look for any trends or correlated PMES questions which could provide greater insight on the nature of bullying in the sector, and to use this information to support agencies to design targeted and effective interventions to further reduce bullying.

University of Technology Sydney, Data Science Institute was engaged to conduct sophisticated analysis on the 2016-2019 PMES data. To maintain confidentiality, teams were de-identified and strict rules were applied to use of the team data including requiring a minimum of 20 responses each year for 3 of 4 years.

Responses were analysed to identify teams with bullying scores fitting one of 4 trends: consistently high, consistently low, increasing or decreasing. A small number of the teams fitted one of these trends. However, with survey response rates increasing each year it is likely similar analysis in future years will produce greater results and more insightful trends. Analysis was also undertaken on comparing responses to other PMES questions from those that reported experiencing or witnessing bullying. It was found that 4 of the 5 questions which determine employee engagement are strongly aligned with experiences or witnessing bullying, reinforcing the connection between known bullying and lowered engagement.

Data analysis was supplemented by an environmental scan to identify best practice in preventing and addressing workplace bullying. Taken together, these two pieces of research provide a data driven evidence base to frame future interventions to support the sector to prevent workplace bullying.

⁹ PSC, State of the NSW Public Sector Report 2019, PSC, NSW Government, 2019, accessed 1 July 2020. <https://www.psc.nsw.gov.au/reports---data/state-of-the-nsw-public-sector/state-of-the-sector-2019>



Using PMES to improve the people experience at Transport

David and Jess work for Transport in the People and Culture division. They are part of a team responsible for driving a strategic approach to culture, engagement and leadership across the Transport cluster.

The PMES is an important tool for the team to formally check-in with their people on how they are feeling about working at Transport. As a longer-form survey, it provides deep insights into employee experiences and perceptions, complementing the cluster's own regular Transport Pulse Check survey which was implemented in the midst of the COVID-19 pandemic.

In 2019, Transport used PMES as a discovery exercise to baseline how they were tracking on their recently co-designed people aspiration of “thriving people doing meaningful work” in their 10 Year Blueprint. David and Jess have used insights from PMES to inform people and business initiatives. One example is when they partnered with NSW TrainLink to understand and influence the experience of workplace change. The team conducted a pilot program to better understand employee engagement in a frontline and regional context of Transport. PMES is being used to measure progress in engagement across key workforce segments.

Other areas of the Transport cluster are using PMES engagement measures to help with decision making at divisional, agency and local levels. David and Jess report that the cluster has seen more business areas coming together to share knowledge and insights and address areas of improvement.

Interviewees

David Monti, Senior Manager Culture and Engagement

Jess McCrea, Employee Engagement Specialist

‘We know that when our people have a great experience at work, they are better able to deliver great outcomes for our customers, communities and stakeholders. PMES plays a key role in helping us understand the attitudes of our workforce segments and where we should focus our efforts to improve our people experience.’



PERFORMANCE REPORTING, DATA AND DIGITAL

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

The 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 the NSW public sector.

The results of the survey provide evidence of areas of strength and improvement for teams, clusters, agencies, and the sector in general. Employees benefit from participating in the survey when agencies act on the results.

PMES 2020, the seventh in the series, was due to run in June 2020. However, due to the COVID-19 pandemic, the survey start date was moved to 19 October 2020.

Response rates is a key measure of success for the survey. PMES 2019 saw the highest ever response rate of 52.8%. Though COVID-19 might impact response rates for PMES 2020 — particularly among frontline employees who have been mobilised to respond to the pandemic — it will be important to check in with employees and have a consistent measure of employee experience across the sector.

Workforce Profile Report

The *Workforce Profile Report* is an annual census of all NSW public sector employees and has been collected since 1999. The PSC manages this census and works closely with around 250 contacts from departments and agencies across the sector.

The NSW public sector workforce represents 10% of all employees in NSW and over 80 data items are collected in the workforce profile for the more than 400,000 employees.

Census date for the collection is the last pay date in June, and the data provides insight on the composition of the public sector workforce and change over time, an important evidence base for government policy settings. It includes demographic information such as age and gender, and employment information such as hours worked, remuneration and mobility across the sector. The data also includes location items enabling geographic analysis of the public sector workforce.

The 2019 workforce profile collection occurred during July to August 2019 and was published in both the *State of the NSW Public Sector Report* and *Workforce Profile Report* where more detailed data is published. Extensive machinery of government changes were accommodated in the structure of the data collected enabling reporting under both the former and new cluster arrangements.

An extended timeframe was provided to all NSW public sector departments and agencies to submit their 2020 workforce profile data to the PSC. This acknowledged the impact of COVID-19 on their operations, and 2020 data will be available in late 2020.

State of the NSW Public Sector Report

The *State of the NSW Public Sector Report* is required by the GSE Act, and is the Public Service Commissioner's independent assessment of the performance of the NSW public sector. It discusses the sector's achievements and priorities, plus the challenges it faces in delivering positive and enduring outcomes for the people of NSW.

The purpose of the report is to keep the sector accountable for its workforce management and educate on best and innovative practice. To achieve these aims, the report draws on evidence from a range of sources, including the PMES, the Customer Satisfaction Measurement Survey and the *Workforce Profile Report*. It also uses data from reviews and projects that have assessed the capability and performance of the sector.



Government Employee Number

Following successful migration to the new Government Employee Number (GEN) solution in June 2019, the PSC has ensured the continuity and relevance of the only unique identifier for the NSW Government workforce.

We have further enhanced features and usability of the GEN solution, improving quality of information captured and reported and continued support for sector-wide communication and mobility. The solution has proven to be very stable and easily maintained at considerably less ongoing cost, without the need to cost recover from the sector.

Agencies have performed over 125,000 updates to the GEN data this year, reflecting the nature of movement of the workforce. We have piloted automated collection and allocation of the GEN data and are working with agencies for further integration, increasing the accuracy and timeliness of the GEN data, while reducing overhead for the agency HR administrators. We are currently seeking additional funding to expedite the rollout of further automation in line with the NSW digital strategy and sector wide efficiency goals.

Enabling public sector recruitment

The NSW Government is the largest employer in the southern hemisphere. The PSC enables recruitment for the sector by managing the online recruitment systems, Oracle Taleo, and the iworkforNSW.nsw.gov.au website. This site advertised 35,121 NSW Government jobs and attracted over 33 million page views of job advertisements during 2019-2020. The number of users visiting the site increased from 3.0 million in the previous financial year to 3.8 million, an increase of 24.35%. These visits resulted in over 800,000 applications for roles.

We support the recruitment process, for agencies using this centralised recruitment platform, from the approval of a vacancy through to the appointment and onboarding of the successful candidate. The I work for NSW support team managed over 20,000 enquiries in relation to jobs from candidates and recruiters during 2019-2020.

The recruitment team works closely with many agency recruiters to continuously improve business processes. In April 2020, in response to the NSW Premier's announcement of 1,000 additional jobs in Service NSW, the team assisted the Department of Customer Service by creating a platform for the COVID-19 1,000 Jobs Intake Program. A robust recruitment program was created within 3 weeks, where jobs were advertised, backed by a tailored, highly automated process to shortlist, assess, hire and onboard candidates quickly.

Dataflow

During 2019-2020 we successfully transformed our existing workforce information warehouse to a cloud-based platform, enabling future integration of workforce data across the public sector. We continued to collaborate with the sector to design a near real-time data warehouse of sector wide workforce information. This work supports the NSW Digital Government Strategy and enables sector wide efficiency goals.

We worked closely with the NSW Government Enterprise Resource Planning 2.0 (ERP) modernisation team in preparation for integration with the new ERP platform. The program seeks to deliver a single consolidated ERP solution that supports a world class public service.

A repository of use cases has been developed which will continue to grow as further engagement across the sector progresses. A data strategy is being defined to meet the requirements for future workforce analytics capability and services to the sector.





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 NSW public sector core values of integrity, trust, service and accountability. Work undertaken in this area includes the following projects and initiatives.

Enabling an inclusive internal culture

Job share initiative

We participated in the sector-wide job share pilot program which included partnering with Gemini3 to develop a fit for purpose job share platform. We have 2 job-share arrangements in place at the PSC. We continue to actively support the successful implementation of job-share in various ways including:

- raising awareness among our leaders and hiring managers
- providing tools and resources

- highlighting in all job advertisements that job share working arrangements are an option: ‘Ongoing opportunity open to applications from full-time, part-time and job share applicants’
- updating our diversity and flexible working paragraph in job advertisements to include: ‘As supporters of flexible working, we understand that flexibility means different things to different people. We welcome discussions about how our roles can be undertaken flexibly, including through job share arrangements.’

Human-centred design sprints

Human-centred design has become a regular part of the PSC's work, supporting a culture of continuous improvement and embedding new ways of working. Two cross-organisational sprints were undertaken in 2019-2020 to investigate opportunities for performance management and inclusion within the PSC. Diverse cross-organisational teams worked together using human-centred techniques and presented their proposals at showcases to all-staff who then voted for their favourite initiatives. This collaborative approach has achieved a range of benefits including building informal communication channels across the organisation, capability in design thinking and encouraging agile collaboration in cross-organisational teams.

Pride in PSC

Pride in PSC (PiPs) is our employee-led support group for LGBTIQ+ staff and their allies. In 2019-2020, PiPs built on the work of the previous year. Events were held for PSC staff celebrating Mardi Gras, recognising IDAHOBIT and raising awareness during Pride Month.¹⁰ PiPs members are now also active in the building of the all of sector LGBTIQ+ network.

Celebrating diversity

It's a priority for us to recognise and celebrate diversity within our organisation. In 2019-2020, we celebrated several international and national diversity and inclusion days and multicultural celebration days to promote diversity and inclusion in the workplace. These included:

- International Day of People with Disability
- International Women's Day
- Harmony Day
- National Reconciliation Week
- National Sorry Day
- R U OK? Day
- Mardi Gras
- Diwali
- IDAHOBIT
- NAIDOC Week celebrations.¹¹

Staying connected

With the emergence of COVID-19, it was important we remained connected. Training was arranged for employees to upskill in Microsoft programs and tools to help work remotely. Employees shared anecdotes about working from home on Yammer. Our Commissioner changed her monthly staff gathering to a fortnightly virtual meeting, so employees had more frequent opportunities for face to face contact with senior leaders and other colleagues. She also has regular virtual coffee catch ups with teams since joining the Commission in April 2020.

¹⁰ IDAHOBIT: International Day Against Homophobia, Transphobia and Biphobia.

¹¹ NAIDOC: National Aboriginal and Islander Day Observance Committee.



Since working remotely, employees have been encouraged to take as many breaks as needed, consider spreading their work hours over the day, and continue to take leave. In May, our First Aid team arranged a virtual morning tea to celebrate Australia's Biggest Morning Tea and fundraise for cancer research. Over two thirds of the Commission attended. Employees heard from the First Aid team about how to remain safe and feeling comfortable while working from home. The event was also set up as scheduled time for colleagues to chat informally with each other and have a break.

Creating a content led website for our customers

Our corporate website is our most visited external communications channel with approximately 500,000 unique visitors each year. However, visitors reported finding the site difficult to use and data showed they were often unable to discover the information they needed to complete tasks. Between January and June 2020, we used a human-centred design approach to identify how to improve our website. We developed clear objectives for our site, developed behaviour-based user personas, completed user testing and piloted a new approach to content design. This discovery phase concluded with the development of a digital proof of concept, which will be scaled up across our online content in the first half of the 2020-2021 financial year.

Job sharing at the PSC

In their joint role as Executive Assistant to the NSW Public Service Commissioner, Em and Gab are proving that job share does work and works well supporting an executive.

During the hiring process, the PSC's Job Share Portal for candidates identified Em and Gab as having identical values. Although job share partners don't need to be identical, having similar values and expectations helps the partnership excel. If work ethics differ too much, there is a risk that the partnership will fail. Communication, attention to detail and trust are also critical to its success.

Em works Monday to Wednesday and Gab, Wednesday to Friday with one day overlap. Connecting on their overlap day is important to not only give them a chance to catch up with each other but also provide an opportunity to work on priority tasks.

Job share is a flexible working approach which offers employees a great work life balance. The trusting relationship between Em and Gab allows them to focus on their university and childcare commitments on their days out of the office. The Commissioner knows that regardless of who is working in the role on any given day, she will be fully supported.

Interviewees

Emma Byrne, Senior Executive Assistant, PSC

Gabrielle Beeby, Senior Executive Assistant, PSC



'People have uncertainties about job share, they want one dedicated person. But job share brings great benefits, it brings double the experience to one role.'

Em, Senior Executive Assistant, PSC



Gab, Senior Executive Assistant, PSC



OUR PEOPLE

Workforce profile and engagement

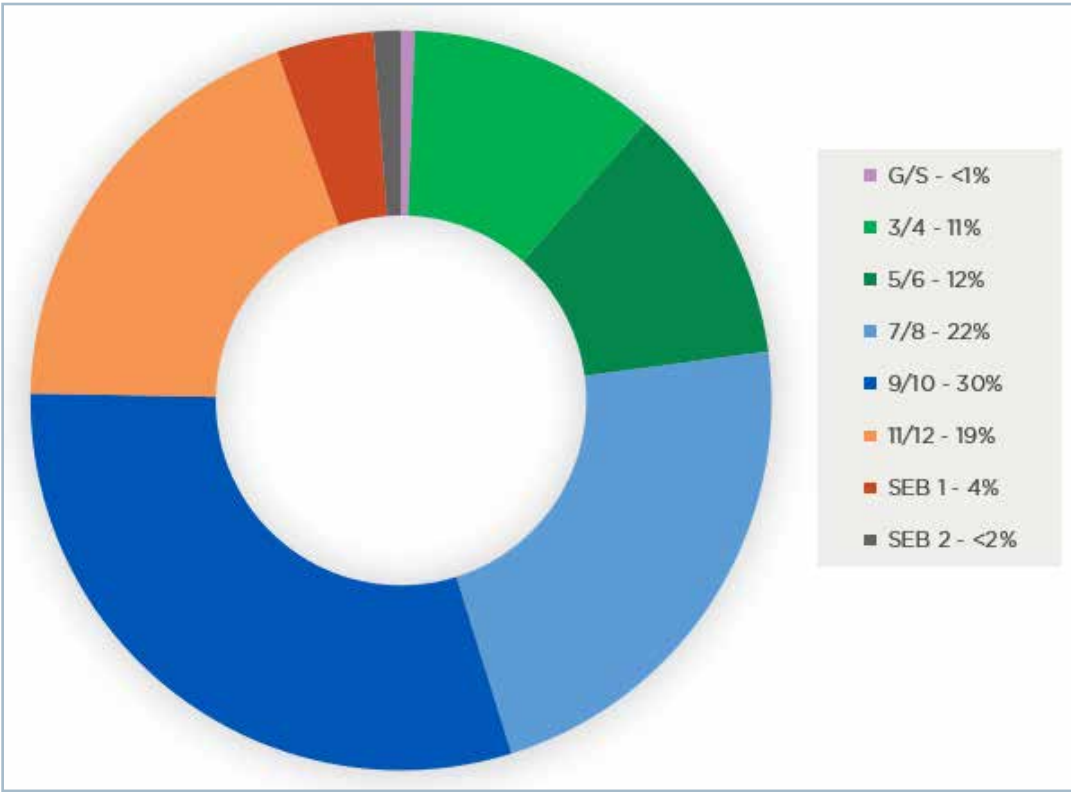
As of 30 June 2020, the PSC has a headcount of 167 employees. Our headcount is the total number of employees working for the PSC in either a full-time or part-time capacity, including 16 employees externally seconded and on parental or unpaid leave. Our headcount does not include contractors.

The PSC workforce is diverse in experience. Our people come 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.



Figure 3: PSC employees by classification level

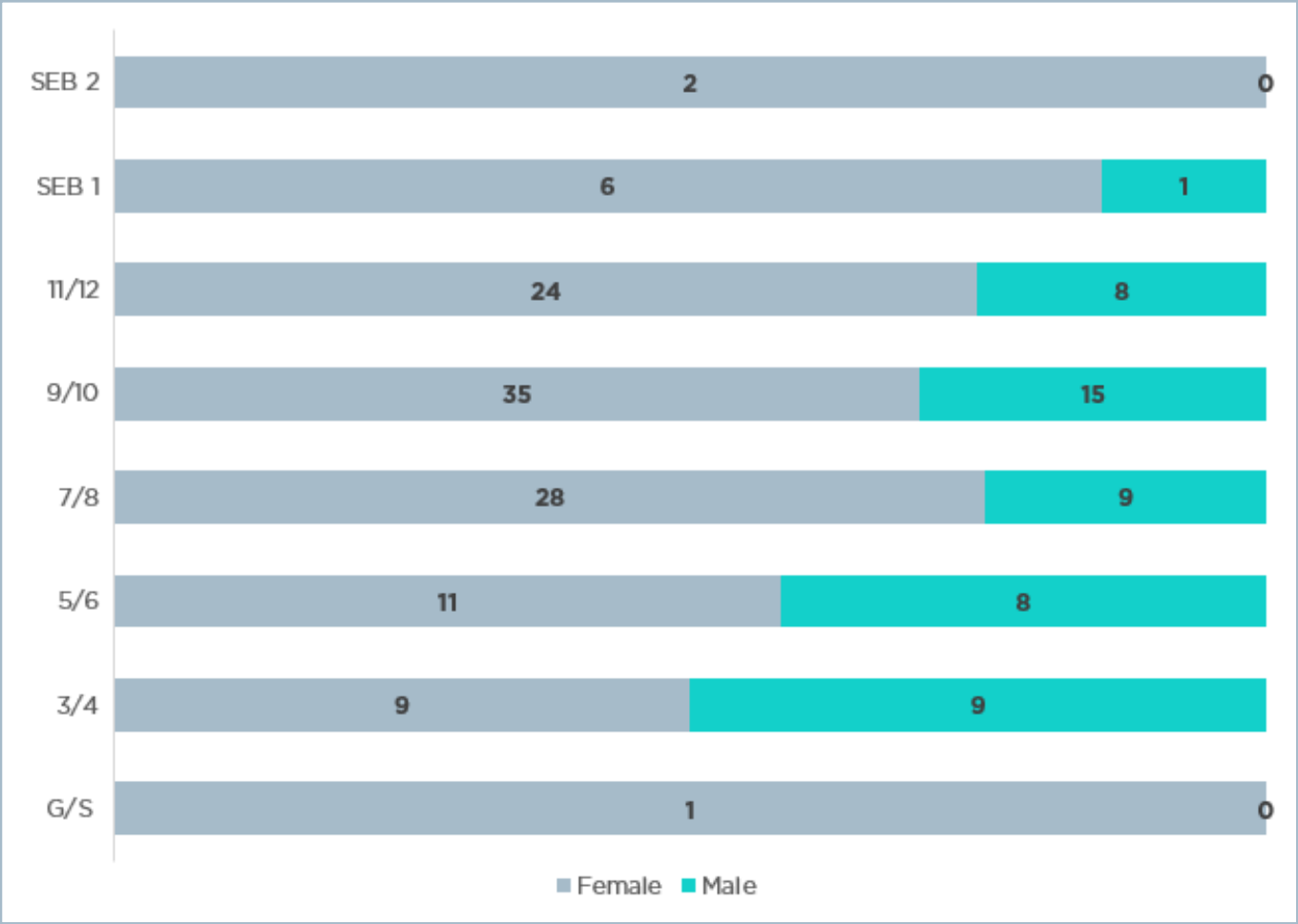
Includes employees on Secondment, Parental or Unpaid leave



Grade	2020 Total	2020 Male	2020 Female
G/S - <1%	1	0	1
1/2	0	0	0
3/4 - 11%	18	9	9
5/6 - 12%	19	8	11
7/8 - 22%	37	9	28
9/10 - 30%	50	15	35
11/12 - 19%	32	8	24
SEB 1 - 4%	7	1	6
SEB 2 - <2%	2	0	2
Totals	166	50	116

Figure 4: Gender breakdown by classification level

Includes employees on Secondment, Parental or Unpaid leave



Note for figures 3 and 4: The Public Service Commissioner is an independent public officer holder and has been excluded.

More information and exact workforce data figures can be found in Appendix A

Employee engagement

For the second year in a row, we had a high participation rate of 93% in the PMES 2019. Our employee engagement remains high at 72%, up 3% from 2018, with particularly good results showing diversity and inclusion at 86 per cent, an increase of 4% from 2018. Flexible work satisfaction is 85%, up 7% from 2018 and 26% higher than rest of the sector.

We are pleased to share that all of our results were well above the public sector average. Our positive results can be attributed to the range of initiatives implemented over the year which focused on agency-wide collaboration, performance management, career development and change management.

We will continue to place a priority on employee engagement initiatives and will create and adjust the strategy as per indicators in the PMES 2020 survey.

Culture and diversity

Internal progress on diversity targets

The representation and distribution of workforce diversity groups within the PSC as at 30 June 2020 are outlined below. We seek diversity related data from employees upon commencement of their employment. Provision of diversity related data is voluntary.

Benchmark data is provided by our Workforce Information team who produce Diversity Reports to NSW public sector agencies as part of our annual workforce profile collection. The collection of diversity data relies on employees self-reporting their diversity characteristics to their employing agency.

Figure 5: Women in the workforce

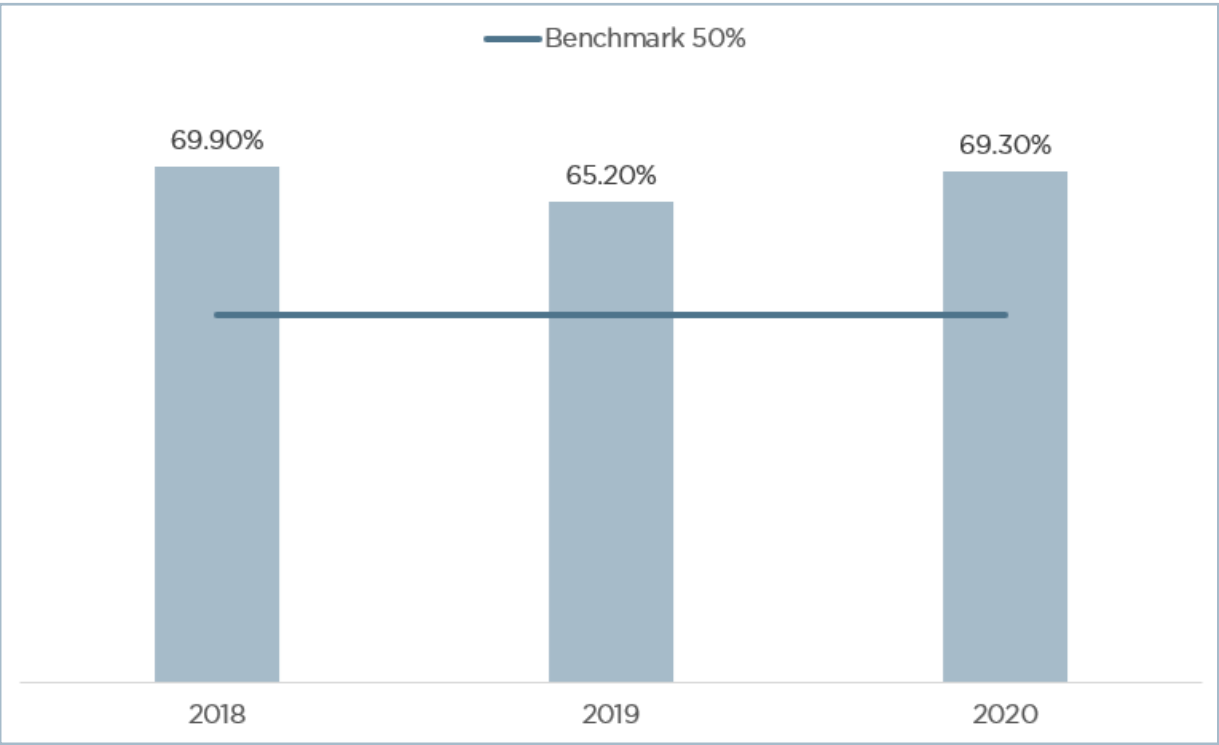


Figure 6: Women in senior leadership roles

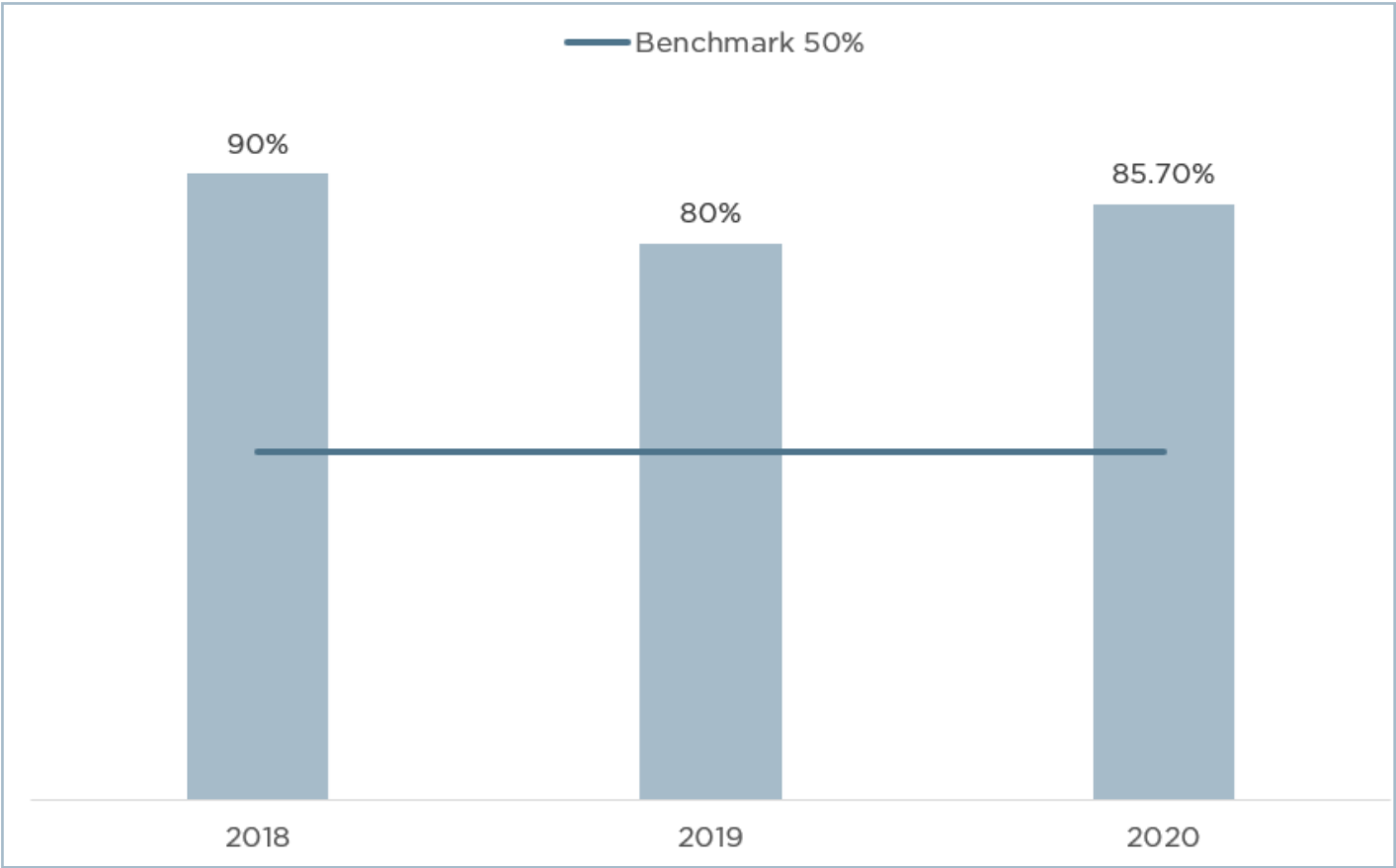


Figure 7: Aboriginal and Torres Strait Islander employees

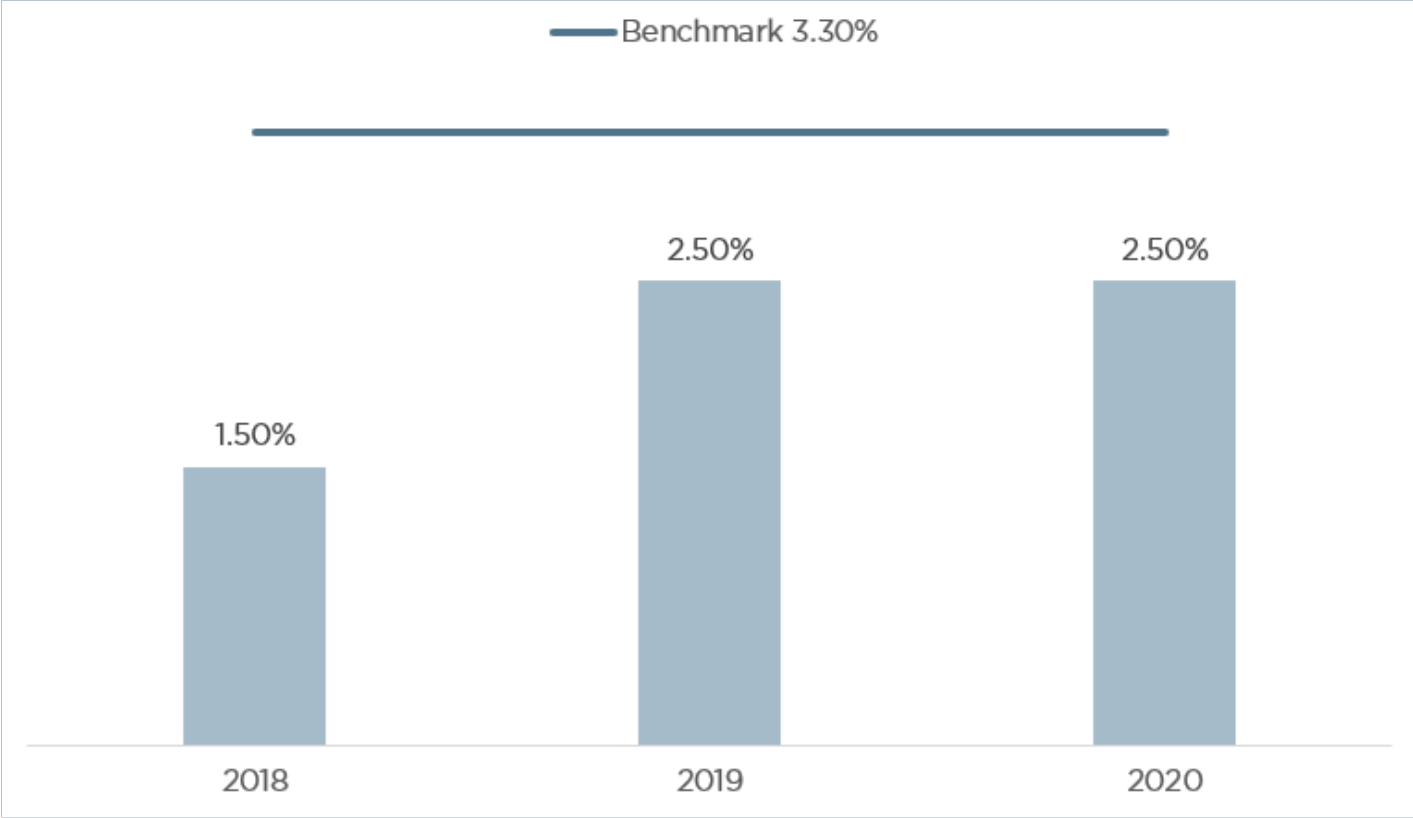


Figure 8: People whose first language spoken as a child was not English

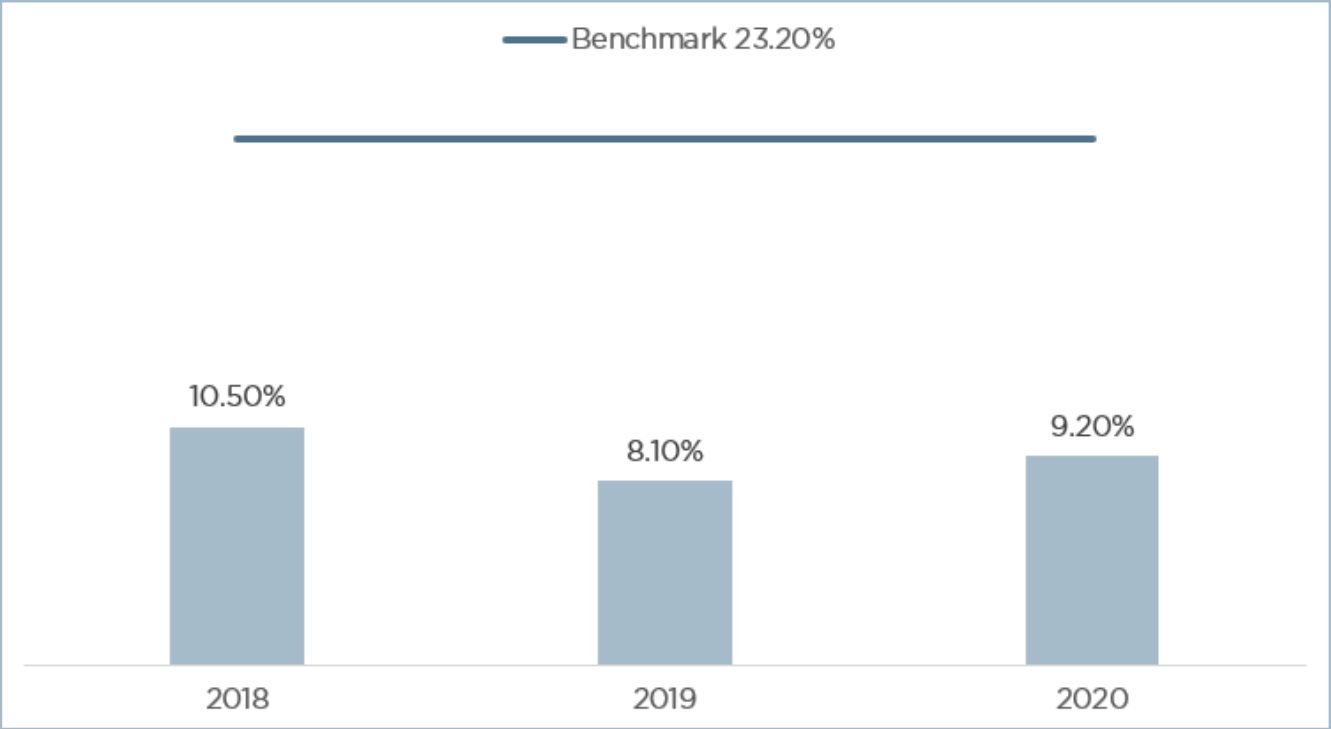
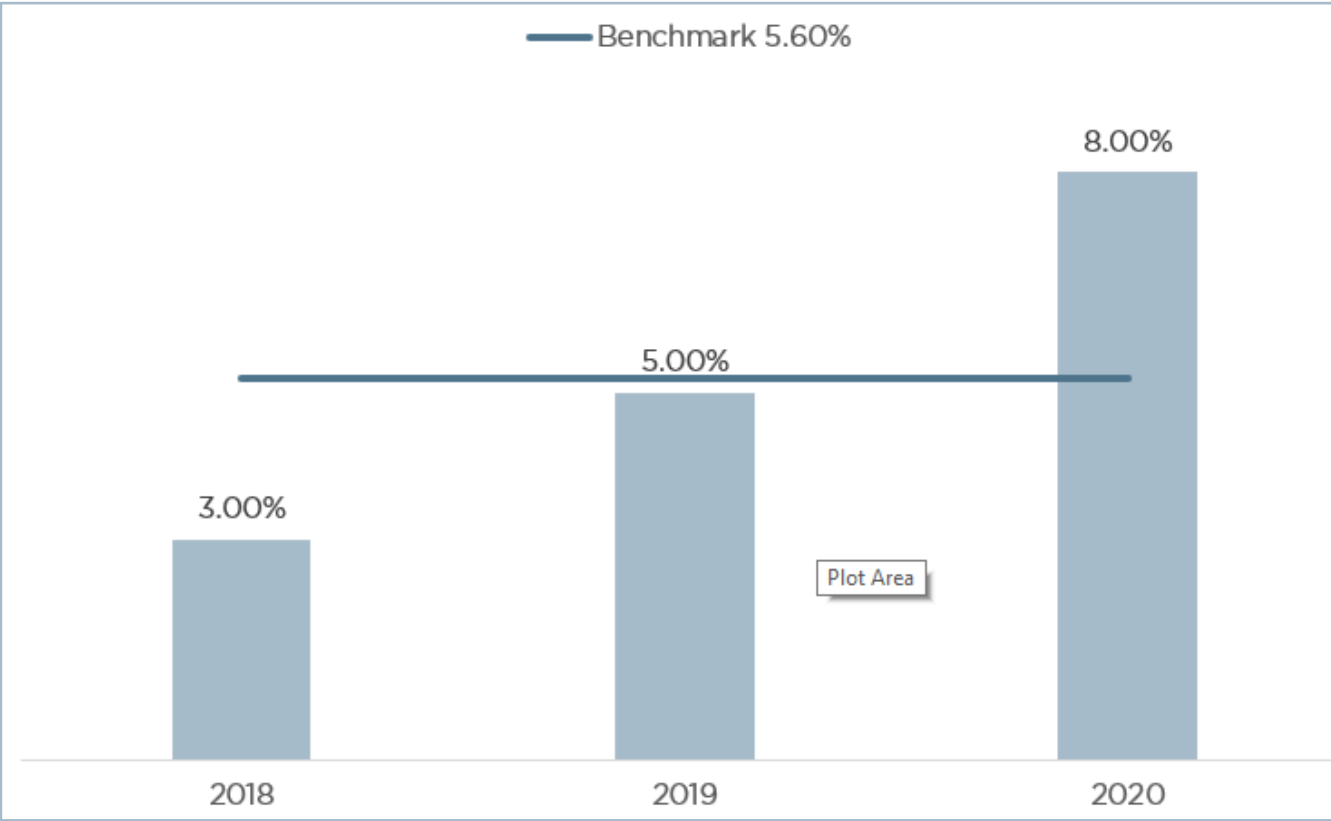


Figure 9: Disability representation



The data reveals that the PSC continues to lead the way in participation of women in our workforce and exceeds the current benchmark for women in leadership roles with 9 out of 10 of the PSC's executive leaders being women. We are also exceeding disability representation.

Aboriginal and Torres Strait Islander and people whose first language spoken as a child was not English participation has also increased between 2019-2020. However, we have further work to do to meet the sector benchmarks.

Exact diversity profile data can be found in Appendix A.

Multicultural policies and services program

In late 2019, the PSC began work to develop an official Multicultural Plan which would incorporate existing programs within the PSC to address the Multicultural NSW's requirements. Unfortunately, work progressing potential strategic partnerships and Multicultural Plan stalled in March 2020 due to a shift towards COVID response priorities. We plan to resume this work in partnership with Multicultural NSW in 2020-2021.

Although the PSC does not yet have a formal Multicultural Plan in place, many of our programs align with the principles in the *Multicultural NSW Act 2000* and Multicultural Policies and Services Program. One key feature of the PSC's work is its efforts to help create a pipeline of diverse leaders through the NSW Graduate Program, the promotion of inclusive recruitment practices and our work in the diversity and inclusion space. These initiatives aim to build a public sector that is more diverse and inclusive with leadership that represents the community that it serves.

In 2020-2021 we are working towards a holistic inclusion strategy which gives greater consideration of the intersectional dimensions of employee experience and inclusion. This will provide more opportunities to include multicultural perspectives in our strategy and programs, in partnership with the sector.

Health, safety and wellbeing

We value the health and wellbeing of our employees and are committed to providing a workplace environment that promotes motivated, productive and healthy staff.

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

- 6 monthly workplace inspections where identified hazards have been eliminated or managed
- 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
- WH&S Training in First Aid, cardiopulmonary resuscitation (CPR) and Emergency Wardens
- WH&S e-learning to support on-boarding for new staff
- the introduction of emergency SMS notifications for staff
- the implementation of improved physical security measures
- promotion of special deals for staff at gyms and fitness facilities close to our

office

- access to Mental Health First Aid training
- face-to-face sessions and virtual webinars for staff to promote wellbeing, mindfulness, stress reduction.

Supporting mental health

Mental health is an essential part of our general health and wellbeing and is a recognised priority within the PSC. Australian adults spend about a third of life at work, and we believe the workplace is a great opportunity to improve mental health.

We are committed to finding ways to contribute to an inclusive and positive culture where our staff feel safe and supported to talk about mental health. This is supported by the NSW Mentally Healthy Workplaces Strategy 2018-2022.

Incident reporting

There were no reportable incidents or near misses in 2019-2020.

Workers compensation claims

There were no workers compensation claims during this period.

Learning and development

Learning and development is not just conducted via formal training and development programs, but is also embedded in the workplace. We are committed to the development of individuals to see possibilities and choices, and work towards their own development and fulfilment. We support ongoing learning and capability development by offering a range of training and education opportunities to employees.

In 2019-2020, different courses and workshops focused on:

- diversity and inclusion
- health and wellbeing
- leadership programs
- role specific pathways
- ongoing learning.



A person wearing a white shirt is seated at a desk, typing on a silver laptop. The background is softly blurred, showing a warm, orange-toned interior. In the foreground, a large, semi-transparent blue circle overlaps the left side of the image. Within this blue area, the text 'OUR FINANCIAL STATEMENTS' is written in a bold, dark blue, sans-serif font. Below the text, faint, semi-transparent images of financial documents, including bar charts and line graphs, are visible.

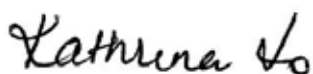
OUR FINANCIAL STATEMENTS

Commissioner's certification

**Public Service Commission
Certification of the Financial Statements
for the year ended 30 June 2020**

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 2020 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;
- 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.



Kathrina Lo
Public Service Commissioner
29 September 2020

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Public Service Commission

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Public Service Commission (the Commission), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, 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 2020, 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 (including Independence Standards)' (APES 110).

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

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

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

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

Other Information

The Commission's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The 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 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 Commissioner's Responsibilities for the Financial Statements

The 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 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 Commissioner is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:


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

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

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

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

- that 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.



Weini Liao
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

1 October 2020
SYDNEY

Financial statements

Financial Statements

of

Public Service Commission

for the year ended 30 June 2020

Public Service Commission
Statement of Comprehensive Income for the year ended 30 June 2020

		Budget	Actual	Actual
	Notes	2020 \$000	2020 \$000	2019 \$000
Continuing operations				
Expenses excluding losses				
Employee-related expenses	2(a)	20,171	23,722	18,296
Operating expenses	2(b)	22,050	16,930	21,872
Depreciation and amortisation	2(c)	2,403	2,036	1,071
Grants and subsidies	2(d)	122	350	126
Finance costs	2(e)	108	57	-----
Total expenses excluding losses		44,854	43,095	41,365
Revenue				
Appropriation	3(a)	28,287	27,899	26,737
Sale of goods and services	3(b)	-----	4,305	4,106
Grants and other contributions	3(c)	9,355	9,620	9,591
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	443	2,246	837
Other income	3(e)	5,695	32	333
Total revenue		43,780	44,102	41,604
Operating result				
Gain / (loss) on disposal	4	-----	4	(32)
Net result from continuing operations		-----	4	(32)
Net result		(1,074)	1,011	207
Total comprehensive income		(1,074)	1,011	207

The accompanying notes form part of these financial statements.

Public Service Commission
Statement of Financial Position for the year ended 30 June 2020

		Budget	Actual	Actual
	Notes	2020 \$'000	2020 \$'000	2019 \$'000
Assets				
Current Assets				
Cash and cash equivalents	6	2,113	5,960	5,216
Receivables	7	240	1,574	968
Total Current Assets		2,353	7,534	6,184
Non-Current Assets				
Property, plant and equipment	8	2,562	2,490	3,121
Right-of-use assets	9	3,713	3,204	-----
Intangible assets	10	114	128	291
Total Non-Current Assets		6,389	5,822	3,412
Total Assets		8,742	13,356	9,596
Liabilities				
Current Liabilities				
Payables	11	1,224	3,189	4,590
Borrowings	12	1,195	1,136	-----
Provisions	13	1,784	2,851	1,927
Other current liabilities	14	92	-----	92
Total Current Liabilities		4,295	7,176	6,609
Non-Current Liabilities				
Borrowings	12	2,637	2,434	-----
Provisions	13	333	361	337
Other non-current liabilities	14	184	-----	276
Total Non-Current Liabilities		3,154	2,795	613
Total Liabilities		7,449	9,971	7,222
Net Assets		1,293	3,385	2,374
Equity				
Accumulated funds		1,293	3,385	2,374
Total Equity		1,293	3,385	2,374

The accompanying notes form part of these financial statements.

Public Service Commission
Statement of Changes in Equity for the year ended 30 June 2020

	Accumulated funds \$000	Total \$000
Balance at 1 July 2019	2,374	2,374
Net result for the year	1,011	1,011
Total other comprehensive income	-----	-----
Total comprehensive income for the year	1,011	1,011
Balance at 30 June 2020	3,385	3,385
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

The accompanying notes form part of these financial statements.

Public Service Commission
Statement of Cash Flows for the year ended 30 June 2020

		Budget	Actual	Actual
		2020	2020	2019
	Notes	\$000	\$000	\$000
Cash flows from operating activities				
Payments				
Employee related		(19,728)	(20,560)	(17,642)
Grants and subsidies		(122)	(350)	(126)
Finance costs		(108)	(57)	-----
Other		(20,421)	(20,353)	(24,788)
Total payments		(40,379)	(41,320)	(42,556)
Receipts				
Appropriations		28,287	27,899	26,737
Reimbursements from the Crown Entity		-----	150	388
Sale of goods and services		-----	4,690	5,281
Grants and other contributions		9,355	10,591	10,550
Other		3,975	31	241
Total receipts		41,617	43,361	43,197
Net cash flows from operating activities	18	1,238	2,041	641
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		-----	4	-----
Purchase of plant and equipment		(174)	(168)	(187)
Purchase of intangible assets		-----	(6)	(100)
Net cash flow from investing activities		(174)	(170)	(287)
Cash flows from financing activities				
Payment of principal portion of lease liabilities		(1,118)	(1,127)	-----
Net cash flow from financing activities		(1,118)	(1,127)	-----
Net increase/(decrease) in cash and cash equivalents		(54)	744	354
Opening cash and cash equivalents		2,167	5,216	4,862
Closing cash and cash equivalents	6	2,113	5,960	5,216

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 2020

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 her 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 period ended 30 June 2020 have been authorised for issue by the Public Service Commissioner on 29 September 2020.

(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. Refer to note 3 (a) for additional information on the Commission's funding arrangements.

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.
- 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 2020

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 2019-20

The Commission applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases* for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in FY2019-20, but do not have an impact on the financial statements of the Commission.

AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue and related Interpretations* and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, the Commission has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019. The Commission has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all of the modifications that occur before 1 July 2019 when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price
- allocating the transaction price to the satisfied and unsatisfied performance obligations.

The impact of applying the above practical expedients does not have an impact on the financial statements.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- immediately, for all other income within the scope of AASB 1058.

Application of this standard does not have an impact on the accounts of the Commission.

AASB 16 Leases

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

1 Summary of Significant Accounting Policies

Lessee accounting

AASB 16 requires the Commission to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, the Commission recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

The Commission has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In relation to leases that had previously been classified as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.41%.

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019.

The effect of adoption of AASB 16 at 1 July 2019 increase/ (decrease) is, as follows:

Assets	
Right -of-use assets*	4,272
Total assets	4,272
Liabilities	
Borrowings	4,640
Total liabilities	4,640
Equity	
Accumulated funds	-----

* Adjusted for lease incentives (\$368k) as disclosed in Note 14 in the prior year.

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

Operating lease commitments as at 30 June 2019 (GST included)	6,475
(Less): GST included in operating lease commitments	(589)
(Less): outgoings, cleaning and make good expenditure (GST excluded)	(1,058)
Operating lease commitments as at 30 June 2019 (GST excluded)	4,828
Weighted average incremental borrowing rate as at 1 July 2019	1.41%
Discounted operating lease commitments as at 1 July 2019	4,640
Lease liabilities as at 1 July 2019	4,640

(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' (TC20-01):

- AASB 17 *Insurance Contracts*
- AASB 1059 *Service Concession Arrangements: Grantors*
- 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 2019-2 *Amendments to Australian Accounting Standards - Implementation of AASB 1059*
- AASB 2019-3 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform*
- AASB 2019-7 *Amendments to Australian Accounting Standards - Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations.*

The Commission anticipates that the adoption of these 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 2020

2 Expenses excluding losses

	2020 \$000	2019 \$000
(a) Employee-related expenses		
Salaries and wages (including annual leave)	18,595	15,200
Superannuation - defined benefit plans	93	131
Superannuation - defined contribution plans	1,433	1,225
Long service leave	2,347	732
Workers' compensation insurance	33	50
Payroll tax and fringe benefits tax	1,221	958
	23,722	18,296

	2020 \$000	2019 \$000
(b) Operating expenses include the following:		
Auditor's remuneration		
- audit of the financial statements	51	50
Consultants	113	529
Corporate services	1,170	1,282
Other contractors	551	697
Fees - ICT	1,270	1,940
Insurance	22	12
Operating lease rental expense - minimum lease payments		
- minimum lease expense	----	1,212
Other expenses	6,887	5,997
Computer expenses	1,621	2,025
Boards and committees	300	302
Fees - management	4,945	7,826
	16,930	21,872

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.

Lease expense (up to 30 June 2019)

Operating leases

Up to 30 June 2019, operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. An operating lease is a lease other than a finance lease.

Lease expense (from 1 July 2019)

From 1 July 2019, the Commission recognises the lease payments associated with the following types leases as an expense on a straight-line basis:

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

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

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

2 Expenses excluding losses

	2020	2019
	\$000	\$000
(c) Depreciation and amortisation expense		
Depreciation		
Leasehold improvements	497	636
Plant and equipment	302	147
Right-of-use assets	1,068	-----
Amortisation		
Intangible assets	169	288
	2,036	1,071

Refer to note 8, note 9 and note 10 for recognition and measurement policies on depreciation and amortisation.

	2020	2019
	\$000	\$000
(d) Grants and subsidies		
NSW Government	350	126
	350	126

	2020	2019
	\$000	\$000
(e) Finance costs		
Interest expense from finance lease	57	-----
	57	-----

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

3 Revenue

Recognition and measurement

Until 30 June 2019, income is recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

(a) Appropriation and Transfers to the Crown Entity

Summary of compliance		2020 \$000		2019 \$000		
	Appropriation	Expenditure	Variance	Appropriation	Expenditure	Variance
Original budget per Appropriation Act	28,287	27,899	388	29,050	26,737	2,313
Other appropriations / expenditure						
Additional Appropriations	----	----	----	----	----	----
Treasurer's advance	----	----	----	----	----	----
Section 4.9 GSF Act / Section 24 PFAA – transfers of functions between entities	----	----	----	----	----	----
Section 4.11 GSF Act / Section 26 PFAA – Commonwealth specific purpose payments	----	----	----	----	----	----
Section 4.13 GSF Act Exigency of Government / Section 22 PFAA – expenditure for certain works and services	----	----	----	----	----	----
Exigency of Government (per Section 25(2) of the Appropriation Act	----	----	----	----	----	----
Any transfers (per Section 25(3) of the Appropriation Act)	----	----	----	----	----	----
Total annual Appropriations / Expenditure / Net Claim on Annual Appropriations	28,287	27,899	388	29,050	26,737	2,313
Appropriation drawn down*		27,899			26,737	
Liability for unspent appropriations drawn down (refer Note 14)		----			----	
*Comprising						
Appropriations (per Statement of Comprehensive Income)**		27,899			26,737	
Liability for unspent appropriations drawn down		----			----	
		27,899			26,737	
** Appropriations:						
Recurrent		27,725			26,450	
Capital		174			287	
		27,899			26,737	

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

3 Revenue

Movement of Section 4.7 GSF Act - deemed appropriations:

	2020 \$000	2019 \$000
Opening balance	-----	-----
Adjustments for appropriations deemed on commencement of section 4.7	5,216	-----
Add: additions of deemed appropriations	15,466	16,460
Less: expenditure charged against deemed appropriations	(14,722)	(16,460)
Closing balance	5,960	-----

Notes:

1. The summary of compliance is based on the assumption that the annual appropriations monies are spent first (except where otherwise identified or prescribed).
2. 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'.
3. If an entity receives an equity appropriation this must also be disclosed in the summary of compliance as part of the appropriation.
4. If there is a 'Liability for lapsed appropriations drawn down' (formerly known as 'Liability to Consolidated Fund'), the Commission must state that this represents the difference between the 'Amount drawn down against annual Appropriation' and the 'Expenditure / Net Claim on Annual Appropriations'.
5. 'Expenditure' refers to cash payments. The term 'expenditure' has been used for payments for consistency with AASB 1058 *Income of Not-for-Profit Entities*.

The Commission receives its funding under appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year. Due to COVID-19, the State Budget and related 2020-21 Appropriation Bill has been delayed until November/December 2020. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2020 until the release of the 2020-21 Budget or Appropriation Bill.

Recognition and measurement

Parliamentary appropriations

Until 30 June 2019, except as specified below, appropriations are recognised as income when the entity obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

Appropriations are not recognised as income in the following circumstances:

- Equity appropriations to fund payments to adjust a for-profit entity's capital structure are recognised as equity injections (i.e. contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity.
- Lapsed appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount is not controlled by the Commission.
- The liability is disclosed in note Current / non-current liabilities - other liabilities. The amount will be repaid and the liability will be extinguished in the next financial year.

After AASB 15 and AASB 1058 became effective on 1 July 2019, the treatment of appropriations remains the same, because appropriations do not contain an enforceable sufficiently specific performance obligation as defined by AASB 15.

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

3 Revenue

	2020 \$000	2019 \$000
(b) Sale of goods and services		
Rendering of services	4,305	4,106
	4,305	4,106

Recognition and measurement

Until 30 June 2019

Rendering of services

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

From 1 July 2019

Rendering of services

Revenue from rendering of services is recognised when the Commission satisfies the performance obligation in providing the services. These services are eRecruitment including iworkforNSW, graduate intakes into the NSW Government Graduate Program and the provision of the Executive Masters of Public Administration program.

The revenue is measured at the transaction price agreed under the contract. No element of financing is deemed present as payments are due when the service is provided.

	2020 \$000	2019 \$000
(c) Grants and other contributions		
Grants without sufficiently specific performance obligations	9,620	9,591
	9,620	9,591

Recognition and measurement

Until 30 June 2019

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.

From 1 July 2019

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

	2020 \$000	2019 \$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	90	128
Long service leave provision	2,151	702
Payroll tax on superannuation	5	7
	2,246	837

	2020 \$000	2019 \$000
(e) Other income		
Payroll recoveries	32	241
Leasehold incentive	----	92
	32	333

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

4 Gain / (loss) on disposal

	2020	2019
	\$000	\$000
Net gain/(loss) on disposal of plant and equipment	4	(32)
	4	(32)

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

	2020	2019
	\$000	\$000
Cash at bank and on hand	5,960	5,216
	5,960	5,216

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

	2020	2019
	\$000	\$000
Cash and cash equivalents (per Statement of Financial Position)	5,960	5,216
Closing cash and cash equivalents (per Statement of Cash Flows)	5,960	5,216

Refer Note 19 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

7 Current assets - receivables

	2020	2019
	\$000	\$000
Sale of goods and services	508	595
Goods and services tax recoverable from Australian Taxation Office	294	366
Accrued income	42	7
Other receivables	29	----
Prepayments	701	----
	1,574	968

Details regarding credit risk of trade debtors that are neither past due or impaired, are disclosed in Note 19.

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

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.

Impairment

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 Commission expects to receive, discounted at the original effective interest rate.

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

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

8 Property, plant and equipment

	Plant and equipment \$000	Leasehold improvements \$000	Total \$000
At 1 July 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
At 30 June 2020 - fair value			
Gross carrying amount	1,176	2,930	4,106
Accumulated depreciation and impairment	(477)	(1,139)	(1,616)
Net carrying amount	699	1,791	2,490

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 2020			
Net carrying amount at start of year	470	2,651	3,121
Purchases of assets	61	107	168
Transfer between asset classes	470	(470)	----
Disposals	----	----	----
Depreciation expense	(302)	(497)	(799)
Net carrying amount at end of year	699	1,791	2,490

	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

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

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	2020	2019
	Depreciation Rates	Depreciation Rates
Office furniture and fittings	10 - 14%	10 - 14%
Computer equipment	25%	25%
General plant and equipment	20 - 25%	20 - 25%

Amortisation

Leasehold improvements (over the period of the lease)

Right-of-Use Assets acquired by lessees (under AASB 16 from 1 July 2019)

From 1 July 2019, AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The Commission has elected to present right-of-use assets separately in the Statement of Financial Position.

Therefore, at that date property, plant and equipment recognised under leases previously treated as finance leases under AASB 117 are derecognised. The right-of-use assets arising from these leases are recognised and included in the separate line item together with those right-of-use assets arising from leases previously treated as operating leases under AASB 117. Further information on leases is contained at Note 9.

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 2020

9 Leases

Commission as a lessee

The Commission leases office space, the lease commenced on 1 June 2018 for a fixed period of five years. The lease agreement does not impose any covenants but lease assets may not be used as security for borrowing purposes. The Commission does not provide residual value guarantees in relation to leases.

Right-of-use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property.

	Buildings \$000	Total \$000
Balance at 1 July 2019	4,272	4,272
Additions	-----	-----
Depreciation expense	(1,068)	(1,068)
Balance at 30 June 2020	3,204	3,204

Lease liabilities

The following table presents liabilities under leases.

	Lease liabilities
Balance at 1 July 2019	4,640
Interest expense	57
Payments	(1,127)
Balance at 30 June 2020	3,570

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2020 in respect of leases where the Commission is the lessee:

Depreciation expense of right-of-use assets	1,068
Interest expense on lease liabilities	57
Total amount recognised in the statement of comprehensive income	1,125

The Commission had total cash outflows for leases of \$1,127,431 in FY2019-20

Future minimum lease payments under non-cancellable leases as at 30 June 2019 are, as follows:

	Operating lease
Within one year	1,433
Later than one year and not later than five years	5,042
Total (including GST)	6,475
Total (excluding GST)	5,886

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

9 Leases

Recognition and measurement (under AASB 16 from 1 July 2019)

The Commission assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Commission recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

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

Right of use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset, as follows:

- Buildings 5 years

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

The right-of-use assets are also subject to revaluation (except for those arising from leases that have significantly below-market terms and conditions principally to enable the Commission to further its objectives in note iv below) and impairment. Refer to the accounting policies in property, plant and equipment in Note 8.

ii. Lease liabilities

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

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- payments of penalties for terminating the lease, if the lease term reflects the Commission exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Commission's leases, the lessee's incremental borrowing rate is used, being the rate that the Commission would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

The Commission's lease liabilities are included in borrowings.

Recognition and measurement (under AASB 117 until 30 June 2019)

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets) is not explicitly specified in an arrangement.

Until 30 June 2019, a lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to the Commission was classified as a finance lease.

An operating lease is a lease other than a finance lease. Operating lease payments were 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 2020

10 Intangible assets

	Software at cost \$000	Total \$000
At 1 July 2019		
Cost (gross carrying amount)	5,295	5,295
Accumulated amortisation and impairment	(5,004)	(5,004)
Net carrying amount	291	291
At 30 June 2020		
Cost (gross carrying amount)	3,704	3,704
Accumulated amortisation and impairment	(3,576)	(3,576)
Net carrying amount	128	128
Year ended 30 June 2020		
Net carrying amount at start of year	291	291
Additions	6	6
Amortisation (recognised in "depreciation and amortisation")	(169)	(169)
Net carrying amount at end of year	128	128
At 1 July 2018 - fair value		
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 - fair value		
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

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 2020

11 Current liabilities - payables

	2020	2019
	\$000	\$000
Accrued salaries, wages and on-costs	261	131
Creditors	1,192	2,648
Other accruals	1,731	1,806
Other payables	5	5
	3,189	4,590

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in Note 19.

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.

12 Current / non-current liabilities - borrowings

	2020	2019
	\$000	\$000
Lease liability (see Note 9)	3,570	-----
	3,570	-----

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in Note 19.

Recognition and measurement

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

13 Current / non-current liabilities - provisions

	2020 \$000	2019 \$000
Current provisions		
Annual leave including on-costs	2,169	1,525
Long service leave on costs	682	402
Current employee benefits and related on-costs	2,851	1,927
Restoration costs	-----	-----
Total current provisions	2,851	1,927
Non-current provisions		
Long service leave on costs	59	35
Non-current employee benefits and related on-costs	59	35
Restoration costs	302	302
Total non-current provisions	361	337
Employee benefits and related on-costs	2,910	1,962
Restoration costs	302	302
Total provisions	3,212	2,264
Aggregate employee benefits and related on-costs		
Provisions - current	2,851	1,927
Provisions - non-current	59	35
Accrued salaries, wages and on-costs (note 11).	261	131
	3,171	2,093

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 leave related on-cost.

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:

	2020 \$000	2019 \$000
Provision for restoration costs		
Carrying amount at the beginning of financial year	302	491
Additional provisions recognised	-----	-----
Amounts used	-----	(189)
Unused amount reserved	-----	-----
Unwinding /change in discount rate	-----	-----
Carrying amount at the end of financial year	302	302

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

13 Current / non-current liabilities - provisions

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.

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. The Commission has assessed the time value of money on the restoration provision to be immaterial and as such has not discounted the provision.

Any provisions for restructuring are recognised only when the Commission has a detailed formal plan and the Commission 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.

14 Current / non-current liabilities - other liabilities

	2020 \$000	2019 \$000
Other current		
Unamortised leasehold incentive	----	92
	----	92
Other non-current		
Unamortised leasehold incentive	----	276
	----	276

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

15 Commitments

	2020 \$000	2019 \$000
Capital commitments		
Aggregate capital expenditure for the acquisition of office equipment contracted for at balance date and not provided for:		
Within one year	101	----
Later than one year and not later than five years	----	----
Later than five years	----	----
Total (including GST)	101	----

The expenditure above includes input tax credits of \$9 thousand (2019: \$0 thousand) that are expected to be recoverable from the ATO.

16 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.

17 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 Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net result

The actual net result of \$1.011 million was \$2.085 million higher than budget net result of (\$1.074) million. The major variations to the budgets are:

Total expenses of \$43.095 million was \$1.759 million lower than budget amount of \$44.854 million, mainly due to expenditure carried forward to FY2021.

Total revenue of \$44.102 million was \$0.322 million higher than budget amount of \$43.780 million, mainly due to higher acceptance by the Crown Entity of \$1.803 million for long service leave provisions, offset by lower sale of goods and services of \$1.266 million.

Assets and liabilities

Net assets of \$3.385 million was \$2.092 million higher than budget amount of \$1.293 million. The major variances arising on the Statement of Financial Position are noted below:

Total assets of \$13.356 million were \$4.614 million higher than budget amount of \$8.742 million, mainly due to a higher closing cash balance and prepayments.

Total liabilities of \$9.971 million was \$2.522 million higher than budget amount of \$7.449 million, mainly due to a timing difference resulting from a number of vendor payments falling due in the next financial year and an increase in employee provisions.

Cash flows

The net increase in cash of \$0.744 million was \$0.798 million higher than budget amount of (\$0.054) million, mainly due to higher net cash from operating activities.

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2020

18 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:

	2020	2019
	\$000	\$000
Net cash used on operating activities	2,041	641
Depreciation and amortisation expense	(2,036)	(1,071)
(Increase)/decrease in provisions	(949)	(27)
Increase/(decrease) in receivables	607	(725)
Decrease/(increase) in payables	1,344	1,421
Net gain/(loss) on sale of property, plant and equipment	4	(32)
Net result	1,011	207

19 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 regular basis.

(a) Financial instrument categories

Class	Note	Category	Carrying Amount	
			2020	2019
			\$000	\$000
Cash and cash equivalents	6	Amortised cost	5,960	5,216
Receivables ¹	7	Amortised cost	579	602
Financial Liabilities				
Payables ²	11	Financial liabilities measured at amortised cost	2,923	4,454
Borrowings	12	Financial liabilities measured at amortised cost	3,570	-----

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 2020

19 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 Commission 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 and cash equivalents

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 Commission 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:

	2020 \$000	2019 \$000
Neither past due nor impaired	160	132
Past due but not impaired		
< 3 months overdue	104	285
3 months - 6 months overdue	165	94
> 6 months overdue	79	85
	508	596
Impaired		
< 3 months overdue	----	----
3 months - 6 months overdue	----	----
> 6 months overdue	----	----
Total receivables - gross of allowance for impairment	508	596

Note: 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
for the year ended 30 June 2020

19 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. During the current and prior year, there were no defaults of borrowings. 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 Payment of Accounts. 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 (2019: Nil). The Commission had a credit card facility for \$250,000 (2019: \$250,000) with CitiBank 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

	Nominal Amount	Interest rate exposure			Maturity dates		
		Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
2020							
Payables	2,923	-----	-----	2,923	2,923	-----	-----
Borrowings							
Lease liabilities	3,570	3,570	-----	-----	1,136	2,434	-----
Total	6,493	3,570	-----	2,923	4,059	2,434	-----
2019							
Payables	4,459	-----	-----	4,459	4,459	-----	-----
Borrowings							
Lease liabilities	-----	-----	-----	-----	-----	-----	-----
Total	4,459	-----	-----	4,459	4,459	-----	-----

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
for the year ended 30 June 2020

20 Related party disclosures

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

	2020 \$000	2019 \$000
Salaries	1,430	1,290
Other monetary allowances	-----	-----
Non-monetary benefits	-----	-----
Other long-term employee benefits	-----	-----
Post-employment benefits	26	57
Termination benefits	-----	-----
Total remuneration	1,456	1,347

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.

21 COVID-19

To the best of our knowledge, the Commission has applied COVID-19 accounting guidance provided by NSW Treasury and has determined that the accounts of the Commission are not impacted by COVID-19. The Commission had implemented flexible working practices for its employees therefore operations of the Commission were also not impacted by COVID-19.

The Commission has undertaken impairment assessments of both financial and non-financial assets and has determined that no impairment exists, additional information on the Commission's right-of-use assets are contained in note 9.

The Commission receives its funding under appropriations from the Consolidated Fund, additional information on these arrangements are contained in note 3 (a).

22 Events after the reporting period

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

End of audited financial statements



OUR STATE OF OPERATIONS



Like other NSW Government sector agencies, our ways of working significantly changed from March 2020 to 30 June 2020 due to the COVID-19 pandemic.

However, our operations have not been adversely affected and the PSC continues to perform its statutory functions and deliver its services effectively.

As detailed elsewhere in this report, we provided guidance and support for COVID-19 response work across the sector.

Business continuity

Remote service delivery

PSC staff have been working remotely since late March or early April 2020, with services and operations almost exclusively performed online since that time.

Our staff were able to transition effectively and efficiently to online working arrangements with minimal interruption, through use of existing PSC laptops and other ICT, using phone, email and audio-visual platforms. Minor enhancements to performance of ICT systems were made to accommodate the large increase in demand for use of audio-visual platforms.

Despite the impact of the COVID-19 pandemic on working arrangements, our budgetary and financial position has not been affected by the crisis.

Emergency broadcasting

In the event of a crisis or emergency, staff are alerted by text message to their mobile device. The broadcast system was set up in March 2020 and is used to communicate major business or ICT disruptions to ensure safety. It is managed by our ICT team

ICT and operations support

PSC staff are supported by our internal ICT team and GovConnect, our shared service provider. Our ICT team is the primary contact for ICT issues and manage requests through their online JIRA portal, triaging and actioning requests as they come in. Escalated ICT issues, finance and human resources support is managed by GovConnect.

To aid employee self-servicing of ICT issues when working flexibly and remotely, a Confluence knowledge base was developed containing answers to the most common ICT problems.

Equipment and facilities

Portable and quality devices

All our employees have a HP laptop and charger, and a Jabra headset, allowing them to work from any location. Our laptops run the latest version of Windows operating system, Windows 10.

Each laptop also comes with a HP pen and touch screen that allows for documents to be remotely signed.

since late March or early April 2020, with services and operations almost exclusively performed online since that time.

Our staff were able to transition effectively and efficiently to online working arrangements with minimal interruption, through use of existing PSC laptops and other ICT, using phone, email and audio-visual platforms. Minor enhancements to performance of ICT systems were made to accommodate the large increase in demand for use of audio-visual platforms.

Despite the impact of the COVID-19 pandemic on working arrangements, our budgetary and financial position has not been affected by the crisis.

Collaboration through cloud systems and integrated services

Our employees are equipped with quality technology and software that enables a secure and effective collaboration experience.

Our workforce uses:

- Microsoft software and Office 365, to securely work remotely, store files and easily work together
- Skype Enterprise Voice (Skype EV), to make and connect regular phone calls using the Skype for Business desktop or mobile app
- Microsoft Teams communication suite to allow for online collaboration within the PSC, as well as with other Government agencies and external companies.

Access to a temporary office

The PSC's office was closed to the public and PSC staff from April 2020 due to the COVID-19 pandemic. We arranged with DPC for PSC employees to access office space at 52 Martin Place, Sydney when needed. This has provided our employees a safe and secure office space with equipment they may not have while working from home. It is also another work environment option for those who enjoy working from home or do not have ideal working from home circumstances.





Cyber security

Anti-virus and application white-listing

The PSC's devices come with Symantec Endpoint Protection software which protects them from cyber security threats. All machines also have security measures to protect and control applications running on our network.

VPN

Our laptops all come with Global Protect VPN software from Palo Alto, which allows employees to use a VPN connection to access any of their work programs from any location.

OKTA

We use OKTA single sign on most of our applications to provide a simple yet secure sign in method for our employees, whilst utilising Multi-Factor Authentication for added security.

A photograph of a group of people in a meeting room, viewed from the side. A large, semi-transparent blue circle is overlaid on the left side of the image. The text "OUR GOVERNANCE" is written in white, bold, uppercase letters within this circle. The background shows several people seated at a long table, looking towards the right. A man with a beard is visible in the foreground on the right, looking out a window. The window shows a view of a city building.

OUR GOVERNANCE

Legislative framework

Government sector employment legislation

As at 30 June 2020, the following Act allocated to the NSW Premier was administered by the PSC:

Government Sector Employment Act 2013

(Note: This Act was administered jointly with the Special Minister of State, Minister for the Public Service and Employee Relations, Aboriginal Affairs, and the Arts from 1 July 2019 to 14 April 2020, and again from 3 July 2020.)

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 the following to reflect various administrative changes:

- *Ageing and Disability Commissioner Act 2019*
- *Administrative Arrangements (Administrative Changes – Regional NSW and Independent Planning Commission) Order 2020*
- *Administrative Arrangements (Administrative Changes – Resilience NSW) Order 2020*
- *Law Enforcement Conduct Commission Amendment Act 2020*

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

- Government Sector Employment (General) Rules (Amendment No 10 – Miscellaneous) 2019
- Government Sector Employment (General) Rules (Amendment No 11 – COVID-19) 2020

The Government Sector Employment (General) Rules (Amendment No 11 – COVID-19) 2020 introduced provisions to facilitate temporary or term employment of persons with suitable capability, experience and knowledge if the purpose of the employment is to provide assistance in response, or otherwise related to, the COVID-19 pandemic.

Judicial decisions

In the reporting year, there have been no significant judicial decisions affecting the PSC or the users of its services.

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.

We publish policy documents, documents concerning the PSC tabled in Parliament, a disclosure log of access applications received by the PSC, and *Government Advertising Act 2011* advertising compliance certificates. In the 2019-2020 financial year we also released the *State of the NSW Public Sector Report 2019* and the *Workforce Profile Report 2019*.

In addition to complying with our open access obligations under the *Government Information (Public Access) Act 2009* (GIPA Act), we proactively release government information where possible, as long as its release does not impose unreasonable additional costs on the PSC. The PSC's annual review under section 7(3) of the GIPA Act did not identify any additional government information suitable for release in the public interest in the 2019-2020 financial year.

Access applications

During the period from 1 July 2019 to 30 June 2020, we received three formal access applications under the GIPA Act. One application had access granted in part (while some information was not disclosed due to the grounds of individual rights, judicial processes and natural justice). In regard to the second application, the PSC did not hold the requested information. The final application was withdrawn.

Statistical information about access applications can be found in Appendix G.

Public Interest Disclosures

Under the Public Interest Disclosures Act 1994 (PIDA), the PSC is required to report information about public interest disclosures (PIDs) made between 1 July 2019 and 30 June 2020, internal reporting policies in place, and the Public Service Commissioner's staff awareness obligations. Between 1 July 2019 and 30 June 2020, no PIDs were made to the PSC. Reported statistical information about public interest disclosures can be found in Appendix H.

As required by section 6E(1)(b) of the PIDA, as part of their induction at the PSC, new employees are required to read the PSC's Public Interest Disclosures (PID) Policy, which is accessible on the PSC intranet. The PSC PID Policy details the protections under PIDA for a person who makes a public interest disclosure. Staff are also required to complete the following NSW Ombudsman e-learning modules:

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

These e-learning modules are accessible on the PSC intranet website.

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 used at the DPC. The PSC completed and approved its own Privacy Management Plan in May 2019, which remains in effect. The PSC's Privacy Management Plan (2019) is accessible on the PSC intranet.

Privacy Codes of Practice for PSC — Workforce Profile Data

The PSC has two privacy codes of practice made respectively under PPIPA and the Health Records and Information Privacy Act 2002. These privacy codes of practice modify the application of certain information privacy principles and health privacy principles to the activities of the PSC, particularly with respect to the collection and use of workforce data and related information.

The Privacy Code of Practice for Public Service Commission (2018) and Health Privacy Code of Practice for Public Service Commission (2018) permit the PSC to depart from the strict operation of certain principles on condition that appropriate privacy protections in the Codes are fulfilled. These Codes are accessible on the PSC internet site and intranet.

Internal reviews

In 2019-2020 no reviews were conducted by or on behalf of the PSC under Part 5 of the PPIPA.



Risk management and insurance activities

Internal audit, risk management and insurance

The focus of the Audit and Risk Committee in 2019-2020 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 2019-2020, consistent with the requirements of its charter and NSW Treasury policy TPP 15-03, the committee reviewed the PSC's approach to maintaining an effective risk management approach, adequacy of internal control processes, legislative compliance and financial management aspects. The committee also reviewed the 2019-2020 financial statements in September 2020 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 Mary Haines (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 (term: 1 February 2017 to 31 January 2020)
- Carolyn Walsh: Independent Member (current term: 1 December 2017 to 30 November 2021)
- Mary Haines: Independent Member (current term: 1 January 2020 to 31 December 2022).

The committee meeting dates and attendance in 2019-20 were:

- July 2019 (Gerry Brus, Joan Wilcox, Carolyn Walsh)
- September 2019 (Gerry Brus, Joan Wilcox, Carolyn Walsh)
- November 2019 (Gerry Brus, Joan Wilcox, Carolyn Walsh)
- March 2020 (Gerry Brus, Carolyn Walsh, Mary Haines)
- April 2020 (Gerry Brus, Carolyn Walsh, Mary Haines)
- June 2020 (Gerry Brus, Carolyn Walsh, Mary Haines).

Internal audit program

During the financial year, the Audit and Risk Committee monitored progress against the internal audit plan, internal audit reports and the implementation of internal audit recommendations.

During 2019-2020 the Corporate team continued to implement mitigation strategies for the risks identified in procurement and off-boarding internal audit reports. A follow up internal audit for procurement and project management were conducted during this financial year.

External audit

The Audit and Risk Committee noted the Commissioner’s Internal Audit and Risk Management Attestation Statement (on page 92) and the NSW Audit Office’s opinion that the 2019-2020 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 2019-2020 the PSC held the following insurance policies:

Type	Coverage
Liability	For professional, product, directors and officers liability
Property	Provides coverage for owned assets. Includes consequential loss
Miscellaneous	Covers risk mainly due to employee dishonestly and agency specific travel overseas, including personal effects (1 Contract)
Workers compensation	Workplace injury

Credit card certification

The Purchasing Card Policy was last updated and approved in July 2020 and is considered current. The rules are consistent with government policy as outlined in Treasurer’s Directions and NSW Treasury Circulars. For the 2019-2020 financial year, credit/purchasing card use by officers of the PSC has been in line with government requirements.

Internal audit and risk attestation

Internal Audit and Risk Management Attestation Statement for the 2019-20 Financial Year for NSW Public Service Commission


I, Kathrina Lo, 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);
- Carolyn Walsh: Independent Member (appointed 1 December 2017 to 30 November 2020);
- Mary Haines: Independent Member (appointed 1 January 2020 to 1 January 2023).



Kathrina Lo
Public Service Commissioner



Jane Spring
Chief Audit Executive

APPENDICES



Appendix A: Workforce information

Number of senior executives and remuneration

At 30 June 2020, 9 (90%) of the senior executive roles at the PSC were held by female employees. This compares to 8 (80%) at 30 June 2019.

Table 2: The number of senior executives employed at the end of the reporting year, broken down by band and gender

	2020 Female	2020 Male	2019 Female	2019 Male	2018 Female	2018 Male
Public Service Commissioner	1	0	1	0	1	0
Band 3 (equivalent)	0	0	0	0	0	0
Band 2 (equivalent)	2	0	1	1	1	1
Band 1 (equivalent)	6	1	6	1	4	0
Totals	9	1	8	2	6	1

Kathrina Lo was appointed Public Service Commissioner effective from 14 April 2020. As a holder of an independent public office, the Public Service Commissioner is responsible to Parliament in the performance of the functions of their respective offices.

The Public Service Commissioner remuneration is determined by the Statutory and Other Office Holders Remuneration Tribunal. For this reporting period the Public Service Commissioner’s salary was \$541,365.

The remaining senior executive remuneration details are listed below.

Table 3: The average remuneration level of senior executives in each band at the end of the reporting year

	2020 Range	2020 Average	2019 Range	2019 Average	2018 Range	2018 Average
Band 4 (equivalent)	N/A	N/A	N/A	N/A	N/A	N/A
Band 3 (equivalent)	N/A	N/A	N/A	N/A	N/A	N/A
Band 2 (equivalent)	\$274,701 – \$345,550	\$295,689	\$268,001 – \$337,100	\$302,062	\$261,451 – \$328,900	\$296,853
Band 1 (equivalent)	\$192,600 – \$274,700	\$241,022	\$187,900 – \$268,000	\$231,017	\$183,300 – \$261,450	\$238,344

In 2019-2020, 15.13% of the PSC's employee related expenditure was related to senior executives, compared with 12.48% in 2018-2019. These figures include the Public Service Commissioner as part of the senior executive.

Number of non-executive employees

Table 4: Number of non-executive employees* by category — classification level

Includes employees on Secondment, Parental or Unpaid leave

Grade	2020 Total	2020 Male	2020 Female	2019 Total	2019 Male	2019 Female	2018 Total	2018 Male	2018 Female
G/S	1	0	1	1	0	1	1	0	1
1/2	0	0	0	0	0	0	0	0	0
3/4	18	9	9	20	12	8	18	8	10
5/6	19	8	11	19	5	14	16	5	11
7/8	37	9	28	34	12	22	30	9	21
9/10	50	15	35	53	16	37	41	12	29
11/12	32	8	24	27	9	18	26	8	18
Totals	157	49	108	154	54	100	132	42	90

Workforce diversity

Table 5: Trends in the representation of workforce diversity groups

	Benchmark	2018	2019	2020
Women in the workforce	50%	69.9%	65.2%	69.3%
Aboriginal People and Torres Strait Islander	3.3%	1.5%	2.5%	2.5%
People whose first language spoken as a child was not English	23.2%	10.5%	8.1%	9.2%
People with a disability	5.6%	3.0%	5.0%	8.0%
People with a disability requiring work-related adjustment	N/A	0.8%	3.1%	3.7%

Source: Adapted from PSC, *Diversity Report: Public Service Commission*, PSC, NSW Government, unpublished, accessed 28 October 2020.

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

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

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

Note 4: In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. The benchmark for people with disability requiring work-related adjustment was not updated.

Table 6: Trends in the distribution of workforce diversity groups

	Benchmark	2018	2019	2020
Women in the workforce	100	104	107	104
Aboriginal People and Torres Strait Islander	100	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	N/A	N/A	N/A
People with a disability	100	N/A	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A

Source: Adapted from PSC, *Diversity Report: Public Service Commission*.

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

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

Appendix B: Workforce management

Human resources strategy

The below outlines the areas of focus across HR business functions during 2019-2020.

HR Strategy and Reporting

- HR strategy
- Organisational 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 PMES support

HR Operations and Development

- 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

GovConnect (Outsourced)

- Contact centre support
- Transactional payroll production
- Off-cycle payroll
- Onboarding
- Payroll estimates
- Defined reporting
- Exits
- SAP org management changes, restructures, allocations
- Employee data management
- Personnel file management
- Works comp admin

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

Our 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.

We completed further work to enable a best practice approach to performance management. An employee-led group reviewed processes and delivered feedback to the Senior Leadership team with proposed improvements. We also plan to conduct an internal audit review later this year to provide a holistic view of how the performance management process can be enhanced.

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.

Industrial relations

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 between the PSC and PSA continued during 2019-2020. The impacts of any structural changes were discussed, and all policies developed during the year were shared for consultation.

Overseas visits

Our previous Commissioner Emma Hogan travelled to Wellington, New Zealand 13 – 15 August in 2019, as board member for Australia and New Zealand School of Government (ANZSOG).



Appendix C: Advisory Board member biographies

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

Sandra McPhee AM

Diploma in Education

Sandra has extensive experience as a non-executive director and senior executive in a range of consumer-related public, private and not-for-profit organisations in the utilities, retail, tourism and aviation industries.

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

Sandra recently Chaired the Commonwealth Government Employment Services Expert Advisory Panel. The resultant "I Want to Work: Employment Services 2020 Report" was accepted and recommendations are in the process of implementation by Government.

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

Vince Graham AM

Bachelor of Engineering (Civil), Graduate Diploma in Management

Vince has over 30 years' experience in senior and chief executive roles in infrastructure and public transport across the public sector. He is the former CEO of Networks NSW, Endeavour Energy, RailCorp, National Rail Corporation and the Grain Handling Authority, having led those organisations through times of major change, including mergers, privatisations and state significant capital acquisition programs.

Vince is a Director of the Australian Rail Track Corporation Board, Western Sydney Airport Corporation, Western City Aerotropolis Authority and Catholic Schools NSW Ltd.

In 2017 Vince was awarded a Member of the Order of Australia for his significant contribution to the rail and electricity sectors.

Susan Lloyd-Hurwitz

Master of Business Administration,
Bachelor of Arts (Honours)

Susan 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 MGP, 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 INSEAD Australian Council and a member of the INSEAD Global Board.

Jordan O'Reilly

Bachelor of Applied Science (Occupational Therapy)

Jordan 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.

Jordan has dedicated his adult life to building organisations and enterprises that empower people with disabilities and their families to live life to its fullest potential.

Jordan has been the recipient of a number of awards including Sydney University's Young Alumni Achievement Award 2015 and NSW State Finalist, Young Australian of the Year Award 2015. More recently he's been recognised as EY's 2018 Emerging Entrepreneur of the Year.

Professor Peter Shergold AC (former Chair)

Doctor of Letters, Doctor of Philosophy in Economics, Master of History, Bachelor of Arts (Honours)

Peter is Chancellor of the Western Sydney University. For two decades he was a senior public servant in the Australian Public Service, serving from 2003 to 2008 as Secretary of the Department of the Prime Minister and Cabinet. Peter is NSW Coordinator General for Settlement; Chair of Opal Aged Care and Joblife; Chair of AMP Foundation; Chair of the Centre for Social Impact and Chair of the NSW Education Standards Authority.

In 2007 Peter was awarded the Companion in the Order of Australia (AC) for service to the community.

Appendix D: Payment of accounts

Table 7: 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	\$1,063	0	0	\$53	\$14
December	\$385	\$60	\$36	0	\$17
March	\$379	\$135	\$49	0	0
June	\$33	\$1	\$7	0	0

Table 8: Accounts due or paid within each quarter

All suppliers

Measure	September	December	March	June
Number of accounts due for payment	302	294	263	356
Number of accounts paid on time	221	207	140	250
Actual percentage of accounts paid on time (based on number of accounts)	73%	70%	53%	70%
Dollar amount of accounts due for payment (\$'000)	\$3,099	\$5,450	\$4,877	\$6,534
Dollar amount of accounts paid on time (\$'000)	\$2,133	\$3,049	\$2,328	\$4,817
Actual percentage of accounts paid on time (based on \$)	69%	56%	48%	74%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

Small suppliers

Measure	September	December	March	June
Number of accounts due for payment	5	8	14	26
Number of accounts paid on time	0	2	2	5
Actual percentage of accounts paid on time (based on number of accounts)	0%	25%	14%	19%
Dollar amount of accounts due for payment (\$'000)	22	37	104	394
Dollar amount of accounts paid on time (\$'000)	0	7	17	168
Actual percentage of accounts paid on time (based on \$)	0%	19%	16%	43%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

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 financial year 2020-2021.

Interest on late payments

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

Appendix E: Consultants

A consultant in the PSC is referred to as a person or an organisation that provides expert advice professionally to assist decision-making. Our consultancy expenses for 2019-2020 were \$113,245. The consultancy services were provided for management services and organisational review.

Consultant	Nature of service	Amount \$
Contracts \$50,000 or more		
Levant Consulting	Organisational review	109,645
Total	(1 Contract)	109,645
Contracts less than \$30,000 (total)		
Total	(1 Contract)	3,600
Total expenditure for 2019-2020		113,245

Appendix F: Digital security policy attestation

Reference: A4744525

Date: 25 August 2020

Cyber Security Annual Attestation Statement for the 2019-2020 Financial Year for the Public Service Commission.

I, Kathrina Lo, am of the opinion that the Public Service Commission (PSC) has 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 the 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 Information Security Management System (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.



Kathrina Lo

Public Service Commissioner

Appendix G: GIPA application information

The following 9 tables show details of the formal applications received and decisions made by PSC during the 2019-2020 financial year in accordance with the GIPA Act and the *Government Information (Public Access) Regulation 2018*.

Table 9: 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	0	1	0	0	0	0	0	1
Members of Parliament	0	0	0	1	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

* 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 10 (on the following page).

Table 10: 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*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	1	0	1	0	0	0	1
Members of the public (other)	0	0	0	0	0	0	0	0

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

Table 11: Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Dollar amount of accounts due for payment (\$'000)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table 12: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

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

* 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 13 (on the following page).

Table 13: 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	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table 14: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
Total	3

Table 15: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

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

* 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 16: Applications for review under Part 5 of the Act (by type of applicant)

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

Table 17: 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	0
Applicant-initiated transfers	0

Appendix H: Public interest disclosures information

Under the Public Interest Disclosures Act 1994 (PIDA), the PSC is required to report information about public interest disclosures (PIDs) made between 1 July 2019 and 30 June 2020, internal reporting policies in place, and the Public Service Commissioner's staff awareness obligations. Between 1 July 2019 and 30 June 2020, no PIDs were made to the PSC.

Table 18: Statistical information on Public Interest Disclosures

1 July 2019 – 30 June 2020

		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	0	0	0	0
Number of PIDs received	0	0		0
Of PIDs received, number primarily about:		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
Corrupt conduct	0	0	0	0
Maladministration	0	0		0
Serious and substantial waste	0	0	0	0
Government information contravention	0	0	0	0
Local Government pecuniary interest contravention	0	0	0	0
Number of PIDs finalised	0	0	0	0

Glossary

Term	Meaning
ACLDP	Aboriginal Career and Leadership Development Program
AEDP	Aboriginal Employment Development Program
Aboriginal	Aboriginal, when used in this document, is inclusive of Aboriginal and/or Torres Strait Islander people.
AM	Member of the Order of Australia
Capability	Transferable knowledge (theoretical or practical understanding of a subject), skills (proficiencies developed through training, experience or practice) and abilities (qualities of being able to do something).
DPC	Department of Premier and Cabinet
EAP	Employee Assistance Program
Employee Value Proposition (EVP)	An overarching Employee Value Proposition to position the NSW Government as an employer of choice. That is, what the NSW Government offers and what it expects in turn from its employees such as rewards, opportunity, organisation, work and people.
Flexible working	<p>Flexible working means re-thinking the way we plan and arrange work – when it takes place, where it takes place and how we arrange it.</p> <p>A note on agile/activity-based working: agile work in the government context generally means activity-based working (or hot-desking) and refers to the physical workplace environment. While some concepts may overlap e.g. remote working – agile work is not the same as flexible working.</p>
Fulltime equivalent (FTE)	<p>A standardised way of describing the size of a workforce based on the total number of ordinary time paid hours worked (excluding overtime and unpaid work). The unit can be calculated to compare employees with different employment arrangements, such as fulltime, part-time or casual.</p> <p>FTE is calculated by dividing an employee’s scheduled hours by the number of hours in an employer’s workweek. For example, an employee scheduled to work 21 hours per week would be 0.6 FTE in a 35-hour workweek.</p> <p>FTE is not a count of the total number of employees. For example, 2 employees who both work half the standard number of fulltime hours will together be counted as one FTE employee.</p>

GEN	Government Employee Number
GIPA	<i>Government Information (Public Access) Act 2009</i>
Government sector	The government sector is defined in section 3 of the GSE Act. It comprises the Public Service, the Teaching Service, the NSW Police Force, the NSW Health Service, the Transport Service of New South Wales, any other service of the Crown (including the service of any NSW government agency) and the service of any other person or body constituted by or under an Act or exercising public functions (such as a State owned corporation), being a person or body that is prescribed by the regulations for the purposes of this definition.
GSE Act	<p>The <i>Government Sector Employment Act 2013</i> (GSE Act) and related instruments are the legal framework for NSW Government sector employment and workforce management.</p> <p>The GSE Act applies to workforce management in the Public Service. The GSE Act commenced on 24 February 2014 and repeals the Public Sector Employment and Management Act 2002 (PSEM Act).</p>
GSE Regulation	The Government Sector Employment Regulation 2014 (GSE Regulation) supports the GSE Act.
GSE Rules	The Government Sector Employment (General) Rules 2014 (GSE Rules) support the GSE Act.
Headcount	The total number of employees working for the PSC in either a full-time or part-time capacity, including employees externally seconded and on parental or unpaid leave. Our headcount does not include contractors.
HR	Human resources
ICT	Information and communications technology
I work for NSW	<p>I work for NSW has been the brand promoting the NSW Government employee value proposition since 2016.</p> <p>The I work for NSW website is the primary jobs board for vacancies in the NSW government sector. Advertising on I work for NSW satisfies the requirement for external advertising.</p>
Merit	<p>The GSE Rules set out the merit based employment principles that apply to roles in the NSW Public Service, including comparative assessment and suitability assessment.</p> <p>The GSE Act enhances the application of merit principles as all employment decisions are to be based on a holistic assessment of an applicant's capabilities against the requirements of a role.</p>

Mobility	Mobility is the movement of a government sector employee through assignment, transfer or secondment, including secondments and temporary assignments at a higher or (with the exception of temporary assignment) lower grade or band than the employee's ongoing employment.
MP	Member of Parliament
NAIDOC	National Aboriginal and Islander Day Observance Committee
NSW	New South Wales
PID	Public Interest Disclosure
PiPs	Pride in PSC
PMES	People Matter Employee Survey
PP14	Premier's Priority 14: World class public service
PPIPA	<i>Privacy and Personal Information Protection Act 1998</i>
PSC	NSW Public Service Commission
PSSE	Public Sector senior executive
Public sector	The term public sector usually refers to the government sector, State owned corporations and a range of other quasi-government entities, although as a term of general usage it is not defined in the GSE legislative framework.
Public Service	The Public Service of New South Wales is defined in section 3 and Part 4 of the GSE Act and consists of those persons employed under Part 4 of the GSE Act. It includes persons employed in Departments, Public Service executive agencies and separate Public Service agencies listed in Schedule 1 to the GSE Act. The Public Service forms part of the government sector.
Role	A role is the duties and responsibilities of an employee.
SEB	Senior Executive Band
Sector	Abbreviation for NSW public sector
SEF	Senior Executive Fundamentals
SOPSR	<i>State of the NSW Public Sector Report</i>
Talent pool	A pool of applicants assessed through comparative assessment as having the capabilities required for a type of role. Formerly known as a 'recruitment pool'.
WFP	Workforce Profile
WHS	Workplace Health and Safety

Workforce diversity	Workforce diversity encompasses initiatives to: build positive workplaces and provide support for all employees; strengthen workforce planning capability to integrate workforce diversity strategies; build a workforce which reflects the diversity of the wider community; achieve the Government's broader social responsibility objectives.
Workforce planning	Workforce planning is a strategic ongoing process, which aligns organisation's workforce requirements to its business objectives. The process involves considering the future business environment and identifying the expected future demand for workforce skills and capabilities.
World class public service	Premier's Priority 14: world class public service seeks to implement best-practice productivity and digital capability in the NSW public sector, as well as drive public sector diversity by 2025.

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