Public Service Commission

2022-23
Annual Report
Activating our strategy

NSW
GOVERNMENT

Letter of submission

The Hon Chris Minns MP

Premier of New South Wales

GPO Box 5341

Sydney NSW 2001

Dear Premier

It is my pleasure to forward the NSW Public Service Commission Annual Report 2022-23 to you, in accordance with Division 7.3 of the *Government Sector Finance Act 2018*, for presentation to the Parliament of New South Wales.

This report is an account of the establishment, activities and performance of the NSW Public Service Commission for the period 1 July 2022 to 30 June 2023.

The report 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 will be forwarded to you in January 2024 for the purposes of section 15(1) of the *Government Sector Employment Act 2013*.

The report has been prepared in accordance with the *Government Sector Finance Act 2018, Government Sector Finance Regulation 2018 and Government Sector Audit Act 1983*.

Yours sincerely

Kathrina Lo
Public Service Commissioner

Date: 19.10.2023

Acknowledgement of Country

The NSW 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.

Aboriginal Artwork by Nikita Ridgeway

About this report

Welcome to the NSW Public Service Commission's 2022-23 annual report.

This report summarises our activities and performance against the goals and measures set out in our Strategic Plan 2022-25. It includes case studies to illustrate our impact and looks to the year ahead.

The report also shows our financial results for 2022-23. The financial statements have been audited by the Audit Office of New South Wales.

This and earlier reports are available on our website: www.psc.nsw.gov.au.

Enquiries about this annual report can be directed to:

NSW Public Service Commission

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Sydney NSW 2000

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

The external cost of producing this annual report is $0. This annual report was first published in October 2023.

Message from the Chair

Sandra McPhee AM, PSC Advisory Board Chair

As Chair of the Advisory Board, over the last 12 months, it has been heartening to see the continued commitment of the Public Service Commission (PSC), inspired by our collective vision within the sector, as we work together towards becoming a world-class public sector delivering high quality services to the community.

This year we have focused our efforts on workplace inclusion, disability support, Aboriginal employment initiatives and cross-agency collaboration.

Enabling purposeful program delivery

The PSC plays a critical role in working alongside NSW public sector colleagues sharing necessary insights to allow them to work together to better serve the diverse needs of the NSW community. Collaborating and co-designing programs and services with our sector customers allows us to develop fit-for-purpose programs in constantly changing environments.

I was pleased to see positive results from our first ever internal customer satisfaction survey run in October 2022. Our customers told us we are delivering on our promise of being a trusted partner, are respectful and act with integrity.

We have listened to their feedback and our customer action plan includes additional areas of focus to demonstrate that we listen well and understand their needs. Acting with empathy and listening closely to the needs of customers is critical for the whole NSW public sector, and the PSC is making this a priority.

Supporting disability inclusion across the sector

Our work enabling diversity, belonging and inclusion is vital in creating workplaces that reflect the communities we serve. The NSW Government is committed to increasing the number of sector employees with disability, and the PSC has a critical role to play in helping agencies do this successfully.

Employees with disability have told us how important it is to feel welcome and be able to fully participate in their workplaces. We are collaborating with the sector on a workplace adjustment policy to support equity in how our employees ask for and access these necessary adjustments to their work environments.

Working alongside people managers, who are highly influential in creating inclusive workplaces for their teams, we released additional programs and training to support this work. This will continue over 2023-24 in order to make more open and supportive environments for people with disability.

I was pleased to support the establishment of the PSC Board Observership Program in November 2022. This important initiative supports the career of a NSW Government employee with disability. Our first Board observer, Dalia Spiers, has provided valuable insights and perspectives which have greatly contributed to our deliberations for which we thank her.

Delivering against our Aboriginal Employment Strategy

Our refreshed Aboriginal Employment Strategy 2022-25 was launched in August 2022 and we have made significant progress.

A key priority is to increase employees' cultural capability to enhance Aboriginal employment outcomes and focus on priorities. This encompasses cultural awareness, safety and competence. It is important that sector employees understand the history of interactions between Aboriginal communities and government. Being culturally capable helps us to design and deliver better services so that Aboriginal and Torres Strait Islander people can access government services safely and easily.

Our Everyone's Business Learning about Stolen Generations e-learning modules are a key enabler of building cultural capability across the sector. Over 2023-24 we will continue to support the uplift of cultural capability through the development of further guidance and resources.

Facilitating agency collaboration

As a central agency the PSC is not the solver of all problems, but we are uniquely positioned to understand where good practice exists and are able to coach, collaborate and share information to enable the sector in the delivery of world-class services to the people of NSW.

This year forums, networks and collaborations have facilitated supported employment in regional NSW, sector talent acquisition and mobility, and provided insights on supporting employee mental health and wellbeing.

Additionally, our workforce profile data collection provides the only comprehensive whole-of-sector view of the workforce. It is relied on by leaders and decisionmakers to allocate resources where they are most needed. For example, our data has informed ongoing disaster recovery efforts for the tragically flood affected communities of the Northern Rivers.

My thanks

I would like to thank Kathrina Lo for her continued stewardship of the PSC through her commitment to creating an ethical and inclusive public sector and leading an engaged and highly effective team.

It is a privilege to chair the PSC Advisory Board and work alongside my Board colleagues, who provide an indispensable contribution to our work through their passion and expert knowledge.

To all the committed staff at the PSC – thank you, I look forward to the important work ahead.

Sandra McPhee AM

Chair
NSW Public Service Commission Advisory Board

Message from the Commissioner

Kathrina Lo, NSW Public Service Commissioner

As we reach the mid-way point of our Strategic Plan 2022-25, the PSC continues to deliver on our role to enable a world class NSW public sector workforce.

Activating our strategy

This year we have further activated our strategy, with significant progress being made in priority programs across all of our strategic focus areas.

We've increased the number of participants in the NSW Government Graduate Program to a new high of 284. We've uplifted the capability of over 460 sector employees through our mentoring and leadership development programs. We have also responded to more than 18,000 queries supporting sector recruiters and candidates.

Our new Belonging and Inclusion resource library and Inclusion forum events have enabled better sharing of inclusive practice across the sector.

The People Matter Employee Survey is an important evidence tool in identifying workforce insights and this year we've increased the sector response rate by 5%.

Our customer survey provided valuable insights to guide us in better meeting the needs of our core customers: HR professionals in the public sector. Our action plan directly responds to the survey findings and we are committed to continuous improvement in our customer service.

Combatting negative workplace behaviours

In May 2023 I exercised my function under the *Government Sector Employment Act 2013* (GSE Act) to issue a Direction, requiring agencies to implement and comply with a sexual harassment prevention policy by 1 March 2024.

We have developed a model policy and implementation guide to help agencies create appropriate processes for dealing with incidents of sexual harassment and prevent these negative behaviours.

I was proud to join with my colleagues on the NSW Secretaries Board in a shared leadership statement, affirming that there is no tolerance for sexual harassment and other harmful behaviours in public sector workplaces. During our sector-wide International Women's Day event we called on everyone in the sector to join us in committing to a respectful and inclusive workplace culture.

Focus on ethics and integrity

It is vital the NSW community can rely on public services being delivered ethically and by a workforce that live the public sector values of trust, service, integrity and accountability.

This year we updated our Behaving Ethically Guide and I issued updated Directions on Managing Gifts and Benefits, and the Code of Ethics and Conduct. Next year, we will build on this work through a review of the Code of Ethics and Conduct and development of resources to support ethical behaviour capability uplift among sector employees. We have already started consultation with the sector, industrial organisations and academics.

We also developed guidelines and procedures to support a new requirement from 1 July 2023 under the GSE Act that government sector senior executives intending to accept an offer of employment in the private sector seek my guidance where that employment directly relates to their current role or responsibilities, or a role or responsibilities held during the previous 2 years.

To enable ethical, merit-based recruitment practices, we released e-learning modules in February and 14 sector agencies have already integrated the modules into their own learning tools.

Looking ahead

For the year ahead, we will take an adaptive and flexible approach to our work with the sector, and continue to lead the strategic development and management of the government sector workforce, including by developing a whole of sector strategic workforce plan.

We will deliver tools and resources to help embed an updated Code of Ethics and Conduct, undertake a review of the NSW Capability Framework, and continue to work with agencies on attracting, developing and retaining high quality talent. Next year we will be providing agencies with near real time workforce data, enabling them to make timely, strategic, evidence-based decisions through our Dataflow program.

As innovative technologies rapidly enter the market, we will look at the impacts of artificial intelligence on recruitment processes, roles and people. Applying an inclusive, intersectional lens to the development and implementation of new tools is important to ensure the public sector workforce reflects the diversity of the community we serve.

My thanks

I would like to express my thanks to the staff of the PSC. Their collaborative approach and commitment to delivering for the sector is unmatched.

I would also like to thank our Senior Leadership Team who inspire and empower their people to deliver impactful work for our sector customers.

My thanks to the PSC Advisory Board for their ongoing guidance, support and role in our success over the past year.

Kathrina Lo

NSW Public Service Commissioner

Contents

Overview

This section provides an overview of who we are, our history and context, and a snapshot of our year.

Who we are

The NSW Public Service Commissioner (the Commissioner) is an independent statutory office holder appointed under the *Government Sector Employment Act 2013* (NSW) (GSE Act).

The NSW Public Service Commission (PSC) supports the Commissioner in the exercise of her functions. We are a separate Public Service agency under the GSE Act and form part of the Premier's Department portfolio of agencies.

The Commissioner reports to the Premier in connection with the exercise of the Commissioner's functions but is not subject to the control and direction of the Premier in the exercise of those functions. The Commissioner is to exercise her functions in accordance with the general policies and strategic directions determined by the PSC Advisory Board.

Our governance structure includes our Advisory Board, Management Board and Senior Leadership team. Information on our Governance Framework is detailed in the Management and accountability section of this report on page 74.

From 1 July 2023, the PSC will be subject to a new accountability mechanism through the Joint Parliamentary Committee on the Ombudsman, the Law Enforcement Conduct Commission and the Crime Commission (Parliamentary Joint Committee), as detailed in the Legal change section on page 80.

What we do

Our work supports the strategic leadership and development of the NSW government sector workforce.

The Commissioner's principal objectives, as set out in the GSE Act, 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 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 Government in achieving positive budget outcomes through strengthening the capability of the government sector workforce.

The Commissioner's primary functions under the GSE Act include to:

- promote and maintain the government sector core values

- adopt a code of ethics and conduct with which government sector employees must comply (from 1 July 2023)

- identify reform opportunities for the government sector workforce and advise the Government on policy innovations and strategy in those areas of reform

- lead the strategic development and management of the government sector workforce on various matters

- advise the Government on matters such as leadership structure for the government sector, appropriate strategies, policies and practices in relation to the structure of the government sector workforce, and service delivery strategies and models for the government sector, and

- 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 GSE Act establishes and regulates the organisation and leadership of the NSW Public Service, the employment of Public Service senior executives and non-executives, and establishes an ethical framework for the government sector. The GSE Act also regulates matters such as workforce diversity, mobility and performance management in relation to the government sector.

The GSE Act is supported by the:

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

Government Sector Employment (Senior Executive Bands) Determination 2014.

Statutory functions under other legislation

The Commissioner is consulted in relation to remuneration and conditions of appointment for certain government sector statutory corporations, boards and advisory committees, and the remuneration and conditions of employment for staff of certain government sector services.

Under the *Statutory and Other Offices Remuneration Act 1975*, the Commissioner may notify the Statutory and Other Offices Remuneration Tribunal (SOORT) of matters which the SOORT should take into consideration when making determinations of the remuneration packages for senior executives. The Public Service Commission provides secretariat services for the SOORT.

The Commissioner is a member of the Public Interest Disclosures Steering Committee established by the *Public Interest Disclosures Act 1994*. The Steering Committee prepares a separate annual report on its work, which is required to be tabled in Parliament by the Minister under the *Public Interest Disclosures Act 1994*.

Joyce Low, Chris Lamb, Kathrina Lo, Brooke Wilson.

Our executive team

Management Board

The PSC Management Board is the most senior governance and decision-making body in the organisation. It provides executive leadership, strategic oversight, risk management and assurance for the planning and delivery of the PSC's program of work.

- Kathrina Lo, NSW Public Service Commissioner (Chair)
- Chris Lamb, Deputy Commissioner
- Joyce Low, Chief Financial Officer and Director, Finance, Governance and Risk
- Brooke Wilson, Associate Director, People and Engagement
- Sarah Bradshaw, Executive Officer to the Commissioner (observer)
- Dr Sam Nielsen, Acting Deputy Commissioner (from June – October 2022)
- Narelle Barnes, Associate Director, People and Engagement (from June – August 2022)

Senior Leadership team

Our Senior Leadership Team provides organisational leadership by promoting and delivering the PSC's strategic direction and priorities and ensuring risks are managed. It also facilitates information sharing, collaboration and consultation among the PSC's senior leaders on matters affecting the organisation.

Movements within the year included the:

- departure of Jennifer Perry from the role of Director, Workforce Strategy and Capability

- appointment of Tianna Jaeschke to the role of Director, Workforce Strategy and Capability in December 2022

- departure of Karen Davis from the role of Director, Leadership and Talent

- appointment of Anita Hawtin to the role of Director, Leadership and Talent in March 2023

- temporary appointment of Brooke Wilson to the role of Associate Director, People and Engagement in August 2022 while Narelle Barnes is on leave from the role of Associate Director, People and Engagement.

Kathrina Lo
Commissioner

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

Kathrina joined the PSC 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, NSW Audit Office and NSW Information and Privacy Commission. Kathrina is on the board of the Australia and New Zealand School of Government and is a member of Chief Executive Women. She is passionate about working in the public interest and is a champion for diversity and inclusion.

Chris Lamb
Deputy Commissioner (on secondment to the NSW Department of Education, June – October 2022)

Master of Counselling, Graduate Diploma of Management, Graduate Certificate Aboriginal Studies, Diploma of Business (Banking & Finance), GAICD, FCPHR, MPACFA

Chris joined the PSC in October 2020 after previous senior leadership roles in people and culture, talent and organisation development for Lendlease, American Express and Westpac. He is committed to achieving outcomes related to diversity and inclusion and has overseen award winning programs for gender diversity, Indigenous engagement, LGBTIQA+ inclusion and mental health. He is a graduate of the Australian Institute of Company Directors and a certified Practising Fellow of the Australian Human Resources Institute.

Tianna Jaeschke
Director, Workforce Strategy and Capability

Bachelor of Commerce (Human Resource Management)

Tianna joined the PSC in January 2022. As well as experience in the private sector, Tianna has 10 years' experience in the public sector with the NSW Department of Premier and Cabinet, TAFE NSW and the NSW State Emergency Service. With experience in specialist and generalist human resources roles, Tianna has supported and implemented a range of people initiatives and strategies across workforce strategy, talent management and change.

Emilie Priday

Director, Workforce Inclusion and Experience

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.

Dr Sam Nielsen

Director, Performance and Insights, Acting Deputy Commissioner (June – October 2022)

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 work uses strategy, analytics and data science to ensure an organisation has insightful and empowering evidence to optimise success in key decisions and transformations. Sam worked in the higher education sector for more than 20 years as a researcher, administrator, and manager, previously leading the Strategic Intelligence Unit, International Strategy Unit and the Department of Reporting and Analysis at the Queensland University of Technology.

Anita Hawtin PSM

Director, Leadership and Talent

Bachelor of Arts, Diploma of Human Resources Management

Anita joined the Public Service Commission in 2011 and her experience includes the design and delivery of whole of government talent acquisition programs including the award-winning NSW Government Graduate program, Public Service Talent Pools and Internship Programs. She has a strong commitment to building on NSW Government's reputation as an employer of choice by applying leading practice recruitment, tailored sourcing and candidate-centric approaches to specific talent cohorts.

Joyce Low
Chief Financial Officer and Director, Governance and Risk

Master of Commerce (Financial Accounting), Bachelor of Commerce, Fellow of the Institute of Chartered Accountants in Australia and New Zealand

Joyce commenced her role at the PSC in January 2019. Her previous 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.

Sarah Sandstad
General Counsel

Master of Laws, Bachelor of Laws (Honours), Bachelor of Arts, Graduate Certificate in Legal Practice

Sarah joined the PSC as General Counsel in June 2020 with over 20 years' experience in senior legal roles. Before joining the PSC, Sarah held the role of Director Legal, NSW Department of Customer Service and its predecessor the NSW Department of Finance Services and Innovation for over 4 years. Earlier in her career Sarah advised a broad range of NSW Government agencies in her capacity as a Senior Solicitor, NSW Crown Solicitor's Office.

Brooke Wilson
Associate Director, People and Engagement

Certificate IV Human Resources

Brooke joined the PSC in August 2022 from the Department Planning & Environment (DPE) and has over 15 years' experience working in People & Engagement and Diversity & Inclusion. Brooke was involved in leading the COVID -19 response team and developing a new way of working for DPE. Brooke is passionate about people and ensuring they have the right tools and support to enable them to be successful in their role.

Chris Mace
Associate Director, ICT and Business Services

Bachelor of Arts, GAICD

Appointed in November 2017, Chris is responsible for ICT, Business Services and Cyber Security. Chris holds the role of Chief Information & Security Officer at the Public Service Commission and has over 15 years of experience in technology, security, and corporate services. Chris has held various senior ICT roles across government, university, and private sectors.

Jen Black
Associate Director, Strategic Communication

Bachelor of Commerce, Bachelor of Arts

Jen joined the PSC at the beginning of 2020. She is an award-winning communication professional with more than 20 years' experience in both the United Kingdom and Australia. Since moving to Australia, Jen has worked in both state and federal government roles. She has extensive experience in leading strategic initiatives that deliver customer-centred outcomes.

Sarah Bradshaw
Executive Officer, Commissioner's Office

Bachelor of Arts, Graduate Certificate in Human Resource Management

Sarah has been with the PSC since 2012, having previously been a Senior Advisor at the Department of Premier and Cabinet. She has worked across remuneration tribunals, senior executive employment, and government boards and committees. As Executive Officer to the Commissioner, Sarah liaises regularly with senior external stakeholders, including board members and ministerial staff.

Organisational structure

Our organisation is comprised of 2 divisions – Capability and Culture, and Corporate Services.

The Capability and Culture division has 4 operational branches: Leadership and Talent, Performance and Insights, Workforce Inclusion and Experience, and Workforce Strategy and Capability.

The Corporate Services division has 5 branches: Finance, Governance and Risk, ICT and Business Services, Legal Services, People and Engagement, and Strategic Communication.

Figure 1: Organisation structure

Capability & Culture Division

Deputy Commissioner Chris Lamb

Commissioner Kathrina Lo

Leadership & Talent Director Anita Hawtin
- Leadership Academy
- Talent Programs & Policy
- eRecruitment & Workforce Systems

Performance & Insights Director Dr Sam Nielsen
- Analytics & Insights
- Data Architect
- Data Futures
- Intelligent Systems

Workforce Inclusion & Experience Director Emilie Priday
- Employee Experience
- Inclusion

Workforce Strategy & Capability Director Tianna Jaeschke
- Capability Design
- Digital Capability
- Employment Strategy & Advice
- Workforce Strategy & Design

Corporate

Finance, Governance & Risk Director / Chief Financial Officer Joyce Low
- Finance

ICT & Business Services Associate Director Chris Mace
- ICT & Business Services

Legal Services General Counsel Sarah Sandstad
- Legal Services

People & Engagement Associate Director Brooke Wilson
- People & Engagement

Strategic Communication Associate Director Jen Black
- Strategic Communication

Our **purpose** is to be a trusted partner and advisor to the NSW public sector in shaping a world-class workforce.

Because our **ambition** is a contemporary, diverse, inclusive and highly capable public sector that delivers the best outcomes for the people of NSW.

We bring our **values** of integrity, trust, service and accountability to life through our leadership commitments of being:

- **accountable** – we take responsibility for our actions, communicate transparently and promote personal accountability

- **inclusive** – we use self-awareness and empathy to support others, encourage diversity and build trust

- **empowering** – we engage in two-way dialogue to support and grow ourselves and each other

- **connected** – we foster connection and purposefully collaborate to leverage combined strengths

Our customer landscape

Our core customers are NSW public sector HR professionals at all levels. This includes professionals with a range of generalist expertise and those who specialise in talent acquisition, employee experience, diversity and inclusion, organisational design, and learning and development.

Secretaries, Agency Heads and the Chief People Officers of public portfolios are also important customers. They share their insights and knowledge and set the 'tone from the top' for the changes we want to see across the workforce.

These people lead and drive change in our strategic focus areas. Together we create better outcomes for the people of NSW.

All the work we do comes under the focus areas of our Strategic Plan 2022-25

Smarter ways of working

A mobile and flexible workforce where talent is responsive to areas of need and focused on the delivery of customer-centric services.

Capability for high performance

Public sector workforce focuses on evolving capabilities for high performance.

Inclusive, ethical public sector

Workplace cultures that foster diversity, belonging and respect, enabled by the government sector ethical framework and core values.

Measuring up to world-class

A key foundation in addressing sector-wide challenges and priorities is our ability to provide decision-makers with quality data and insights across all strategic focus areas.
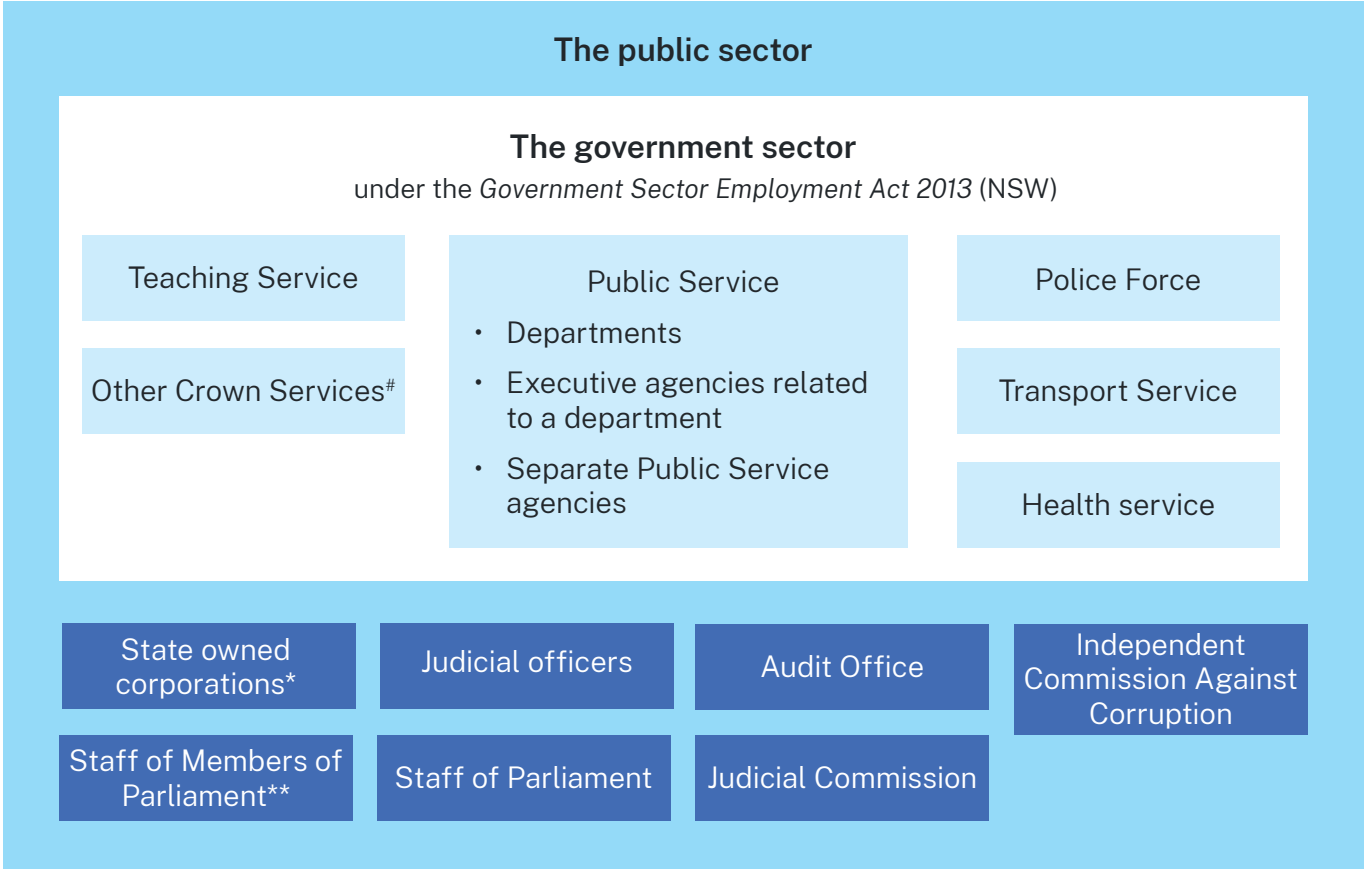
Our context

The over 430,000 public sector employees delivering a vast range of services and regulatory functions to the NSW community are the beneficiaries of our programs and initiatives. Our core customers drive implementation and engagement with our programs at a department and agency level to help ensure our programs are deep and impactful across the workforce.

Most of the services are delivered by agencies or services that are part of the government sector, including the Public Service, Teaching Service, NSW Police Force, NSW Health Service, Transport Service of New South Wales, and other Crown services. The public sector incorporates the government sector and certain other public bodies, including the Independent Commission Against Corruption, the Audit Office of New South Wales, NSW Parliament, the Judicial Commission of New South Wales, and State owned corporations, as shown in Figure 2: Structure of the NSW public sector.
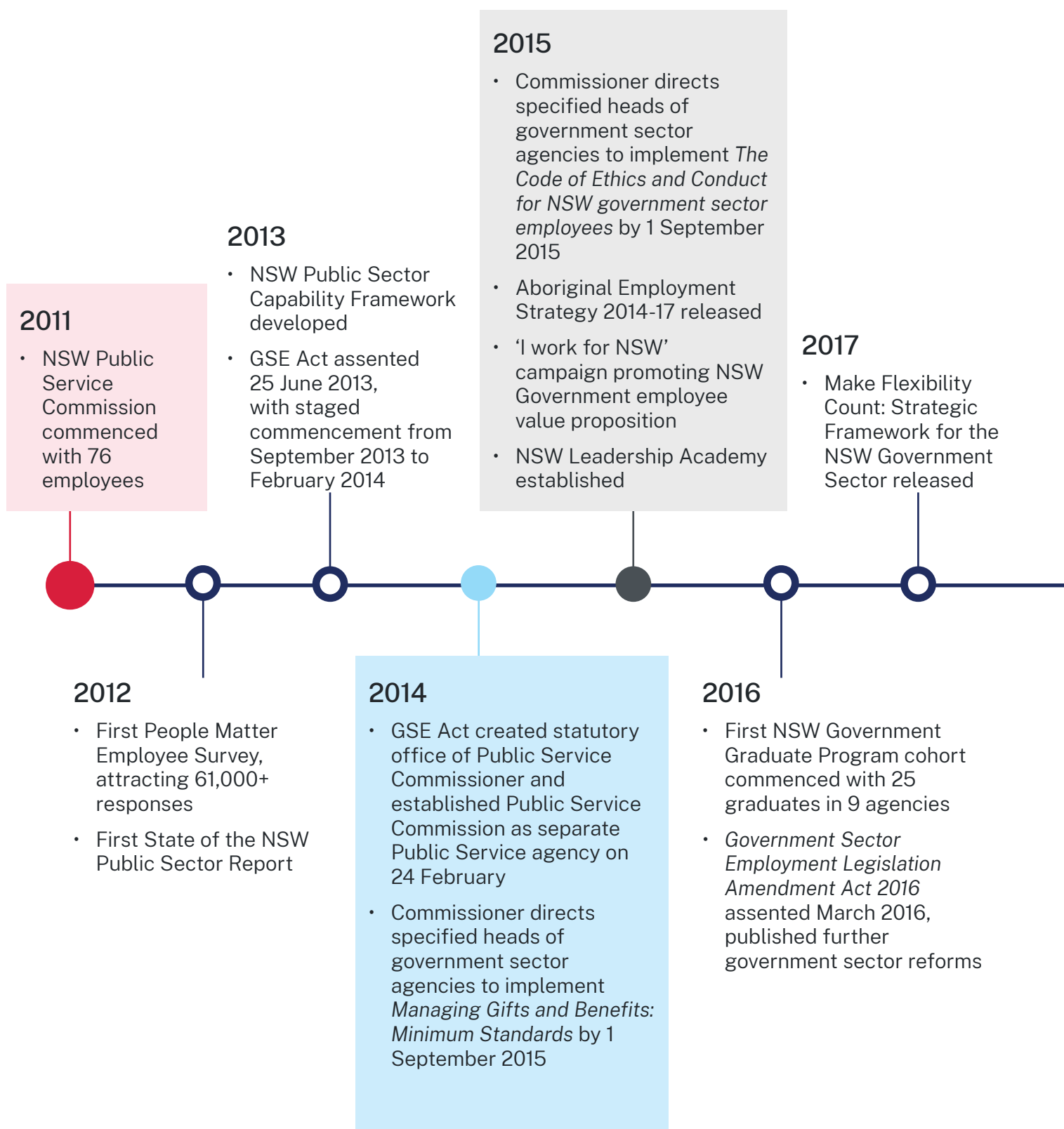
Figure 2: Structure of the NSW public sector

The public sector

The government sector
under the *Government Sector Employment Act 2013* (NSW)

Teaching Service

Other Crown Services#

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

Police Force

Transport Service

Health service

State owned corporations*

Judicial officers

Audit Office

Independent Commission Against Corruption

Staff of Members of Parliament**

Staff of Parliament

Judicial Commission

Examples of other Crown services include the TAFE Commission, School Administrative and Support Staff, and Sydney Trains.
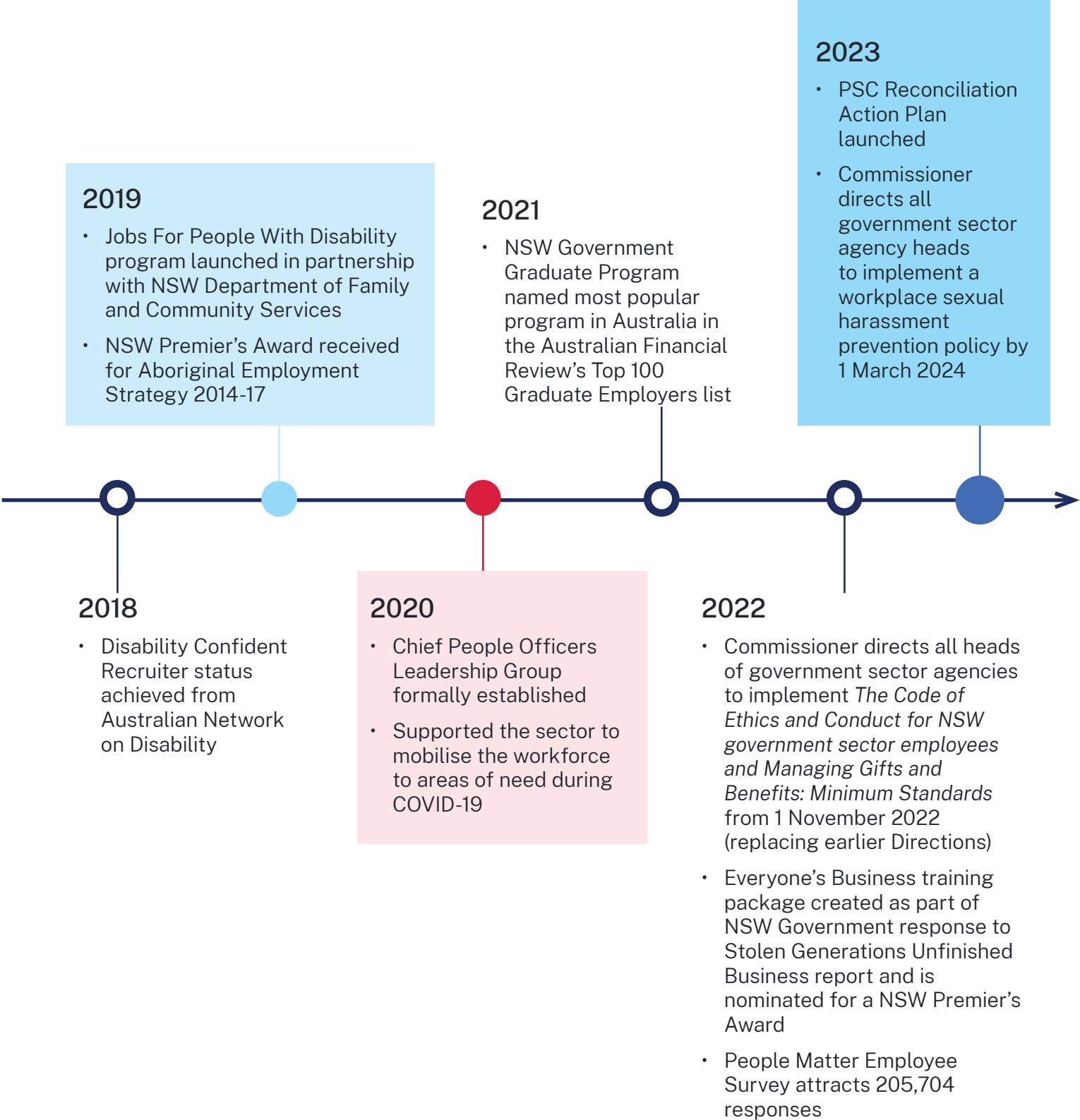
* *Under the GSE Act, State owned corporations are included in the government sector for certain specified purposes. In this report, they are treated as part of the public sector but not the government sector.*

** *The PSC does not collect data on these employees.*

Under the GSE Act, NSW universities are part of the government sector for certain specified purposes. The PSC does not collect data on the employees of NSW universities.

Our history

2011

- NSW Public Service Commission commenced with 76 employees

2012

- First People Matter Employee Survey, attracting 61,000+ responses
- First State of the NSW Public Sector Report

2013

- NSW Public Sector Capability Framework developed
- GSE Act assented 25 June 2013, with staged commencement from September 2013 to February 2014

2014

- GSE Act created statutory office of Public Service Commissioner and established Public Service Commission as separate Public Service agency on 24 February
- Commissioner directs specified heads of government sector agencies to implement *Managing Gifts and Benefits: Minimum Standards* by 1 September 2015

2015

- Commissioner directs specified heads of government sector agencies to implement *The Code of Ethics and Conduct for NSW government sector employees* by 1 September 2015
- Aboriginal Employment Strategy 2014-17 released
- 'I work for NSW' campaign promoting NSW Government employee value proposition
- NSW Leadership Academy established

2016

- First NSW Government Graduate Program cohort commenced with 25 graduates in 9 agencies
- *Government Sector Employment Legislation Amendment Act 2016* assented March 2016, published further government sector reforms

2017

- Make Flexibility Count: Strategic Framework for the NSW Government Sector released

2023

- PSC Reconciliation Action Plan launched
- Commissioner directs all government sector agency heads to implement a workplace sexual harassment prevention policy by 1 March 2024

2019

- Jobs For People With Disability program launched in partnership with NSW Department of Family and Community Services
- NSW Premier's Award received for Aboriginal Employment Strategy 2014-17

2021

- NSW Government Graduate Program named most popular program in Australia in the Australian Financial Review's Top 100 Graduate Employers list

2018

- Disability Confident Recruiter status achieved from Australian Network on Disability

2020

- Chief People Officers Leadership Group formally established
- Supported the sector to mobilise the workforce to areas of need during COVID-19

2022

- Commissioner directs all heads of government sector agencies to implement *The Code of Ethics and Conduct for NSW government sector employees and Managing Gifts and Benefits: Minimum Standards* from 1 November 2022 (replacing earlier Directions)
- Everyone's Business training package created as part of NSW Government response to Stolen Generations Unfinished Business report and is nominated for a NSW Premier's Award
- People Matter Employee Survey attracts 205,704 responses

2022-23 at a glance

July 2022

2023 NSW Government Graduate Program, applications opened

Spark HR Mentoring Program launched

Refreshed Senior Executive Fundamentals website launched

August 2022

Direction to all heads of government sector agencies to implement *Code of Ethics and Conduct for NSW government sector employees*

Direction to all heads of government sector agencies to implement *Managing Gifts and Benefits: Minimum Standards*

2022 People Matter Employee Survey opened

Refreshed Aboriginal Employment Strategy 2022-25 launched

NSW Government virtual internship program marketing and communication module launched

September 2022

Everyone's Business named a finalist at 2022 Premier's Awards

Capability Application Tool launched

October 2022

PSC customer satisfaction survey run for the first time

First Aboriginal Senior Leaders Forum hosted

New enhanced paid parental leave policy launched

November 2022

2022 Premier's Awards hybrid event held at NSW Parliament House

PSC Advisory Board Observership program launched

December 2022

Sector-wide International Day of People with Disability event

NSW Government Graduate Program named a finalist in GradConnection's Top 100 Graduate Employers list

January 2023

Matthew West, Administrative Assistant, awarded Public Service Medal in Australia Day Honours list

Government Sector Employment Amendment Act 2022 commences in part, introducing various integrity reforms

February 2023

2023 Leadership Academy and Graduate Program cohorts commenced

March 2023

PSC hosts International Women's Day event for the sector

People Manager mentoring program applications opened

NSW general election

April 2023

Inclusion Forum for the International Day Against Racism held, featuring Mr Chin Tan, Race Discrimination Commissioner

May 2023

PSC's first Reconciliation Action Plan launched during National Reconciliation Week

Elevate & Advocate sponsorship program for culturally and linguistically diverse employees launched

Direction to all heads of government sector agencies to implement a workplace sexual harassment prevention policy

June 2023

NSW Public Sector Clerk grade 5/6 talent pool launched

Information sheet issued on Commissioner's guidance function ahead of commencement of balance of *Government Sector Employment Amendment Act 2022* on 1 July 2023

Our year in numbers

This year we continued to progress our work with the NSW public sector against our strategic focus areas including a record number of graduates accepted into our graduate program, an extra 1,000 users of the learning experience platform and responding to a 29% increase in workforce data requests than the previous year.

Smarter ways of working

NSW Government Graduate Program

2,319
applicants

284
graduates hired

10%
of graduates based in regional NSW

Capability for high performance

4,300	Learning Experience Platform users
92	Spark HR mentoring program participants
120	People Manager group mentoring program participants
800	Digital Career Pathways tool users
248	Leadership Academy participants

Internship programs

10 disability interns

10 Aboriginal interns

6,049 virtual interns

40 hires from NSW Public Service talent pools

Inclusive, ethical public sector

500+ International Women's Day 2023 event attendees

455 registrants for International Day of People with Disability 2022 event

1,500 Pride in NSW members

Measuring up to world-class

160 workforce data requests

90+ data items collected for 400,000+ employees

Our people

This year we were pleased to increase our employee engagement score by 5%, giving us one of the highest employee engagement scores in the NSW public sector.

80% employee engagement score

44% customer satisfaction score

$31.633 million net cost of services

Our 118 employees are...

71% female

75% female senior leaders

4% Aboriginal and Torres Strait Islander

25% first language other than English

12% employees with disability

Our digital presence

PSC website

263,616 users

888,246 page views

8.48 minutes average time on page

PSC LinkedIn

18,384 followers

389,453 impressions

6.2% engagement rate

Awards received

Public Service Medal

Matthew West, our Administrative Assistant, was awarded a Public Service Medal in the 2023 Australia Day Honours List. Matthew started his public service career in 1986 and joined the PSC in 2010. During the COVID-19 pandemic, Matthew began volunteering at the Addi Road Food Pantry to help his community and continues to regularly volunteer there. Matthew is instrumental in keeping our office COVID-safe and providing an excellent office experience for staff and visitors. His friendly nature, willingness to help and attention to detail are incredibly valued and respected.

Ragan Communication Awards

The 2021 NSW Premier's Awards event was selected as the winner of Ragan Communications and PR Daily's Video, Visual and Virtual Awards in the category Virtual Employee Recognition Event. Selection as a winner positions the Premier's Awards as a global best practice example of a virtual event that connects with audiences and plays a key role in the success of its organisation.

Australasian Reporting Awards

The Australasian Reporting Awards are open to all private sector, public sector and not-for-profit organisations located in the Asia-Pacific region and beyond. We won a gold award for our 2021-22 report for the first time, after receiving silver awards in 2022 and 2021.

Chartered Accountants Award

Our Chief Financial Officer, Joyce Low, was awarded the highly esteemed Chartered Accountants Australia and New Zealand 'Outstanding Contribution to the Public Sector' award for 2022. This award reflects the positive influence Joyce has had on her team, the PSC, and the broader NSW public service.

Top Chief Information Security Officers in Australia

Chris Mace, Associate Director of ICT & Business Services was named in the top 20 Chief Information Security Officers by CSO Australia, recognising cyber security executives who are thought leaders, driving security innovation, strengthening resilience, and cyber advocates.

Our ICT team was also recognised as a top 3 finalist for the Australian Cyber Security Awards – Government Professionals category.

Partnership award

We work closely with internship partners, CareerTrackers and the Australian Network on Disability, to ensure candidates are well matched and supported and that they succeed in their internships.

We were proud to receive the Partnering for Excellence Award from CareerTrackers in their 2023 Gala Awards. This is awarded to businesses 'that have thought outside of the box and gone above and beyond to create opportunities in support of the CareerTrackers partnership'.

Strategy

This section shows progress under our strategic focus areas, challenges and what's next.

Smarter ways of working

Strategic outcome

A mobile and flexible workforce where talent is responsive to areas of need and focused on the delivery of customer-centric services.

Action

Our work supports the sector to deliver world-class talent attraction, mobility and recruitment experiences. We facilitate strategic workforce planning so that the right people are in the right roles at the right time and produce employment frameworks and structures to enhance sector performance.

Impact

Agencies are increasingly hiring through our talent acquisition programs and most employees are continuing their careers in the sector. We also improved strategic workforce planning maturity through masterclasses and events. Our new Strategic Workforce Planning Framework was launched to enable agencies to develop their own plans.

Key achievements

- Established the 5/6 NSW Public Service talent pool.
- Launched the engineering stream for the NSW Government Graduate Program.
- Launched updated NSW Government Strategic Workforce Planning Framework and shared PSC plan as an example.

For detailed information about our operations under Smarter ways of working see pages 41-47.

- Managed 18,700 enquiries through the I work for NSW website.
- Replaced our recruitment e-learning module with Navigating Recruitment.
- Aligned our change management and organisation and role design programs to develop a restructure toolkit and additional sector resources.

What's next

- Support workforce reform and look at strategic workforce planning through a sector lens.
- Refresh of strategic workforce planning tools and resources to ensure they are fit for purpose and meet our customers where they are.
- Additional guidance to help agencies better manage restructures and align their structures to best practice organisational and role design principles.
- Revitalise our employee value proposition to be contemporary and relevant.
- Support exposure to working in the NSW public sector through internship programs.

Challenges

- Continuing to attract and retain top talent.
- Labour and skill shortages across the sector.

Measures of success

Year-on-year increase in number of candidates hired by agencies through the talent acquisition programs
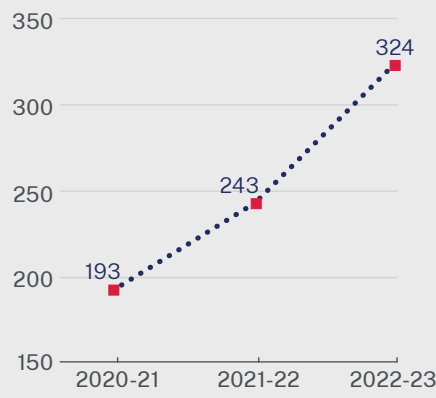
Maintain percentage of graduates retained in the public sector upon completion of the program, target 75%
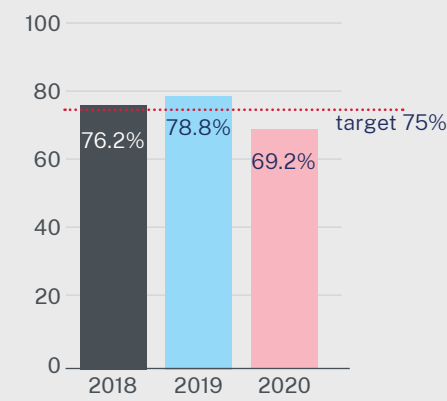
Number of agencies with a strategic workforce planning process in place, target: 25% by 2025

This target is under review as we will see change in this space over the coming year. Strategic workforce planning will remain a priority for PSC with a sector-wide project established in 2023-24.

Capability for high performance

Strategic outcome

Public sector workforce focuses on evolving capabilities for high performance.

Action

Our work prioritises developing the capability of HR professionals, supports the growth of customer-centric service design and delivery and helps ensure leaders have the mindsets, capabilities and behaviours to lead high-performing, outcomes-focused workplaces.

Impact

There is a high level of satisfaction with our capability building initiatives across the senior leadership, HR professional and people manager cohorts.

Key achievements

- Hosted 2 Executive Connections events for over 500 executives, showcasing best practice in leadership.

- Hosted the Executive Leadership Essentials course for 269 new executives.

- Delivered a group mentoring program for 120 people managers and 4 virtual masterclasses to uplift people manager capability.

For detailed information about our operations under Capability for high performance see pages 48-51.

- Delivered our Spark mentoring program for 92 HR professionals.

- Hosted 4 events for the Community of HR Professionals.

What's next

- Further refine Leadership Academy program to strengthen impact.

- Continue to offer training for new executives and thought leadership events for all executives.

- Review the NSW Capability Framework.

- Continue to drive engagement with the People Manager Fundamentals e-learning program.

- Continue to deliver the People Manager group mentoring program.

- Continue delivering Community of HR Professionals events.

Challenges

- Resourcing and time constraints make it difficult to enable engagement with capability uplift and leadership programs.

- High turnover of HR professionals impacts engagement with capability uplift programs.

Measures of success

Improved positive results for managing change[1], target 50%

Year	Value
2019	42%
2020	41%
2021	43%
2022	39%
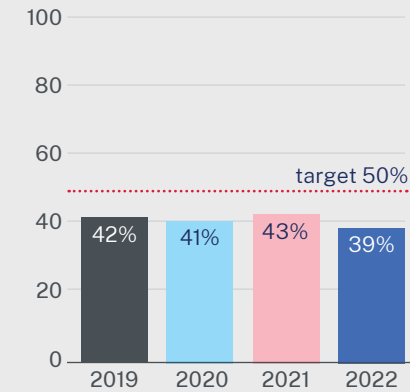
target 50%

Improved positive results for people managers[2], target 68%

Year	Value
2021	61%
2022	55%

target 68%
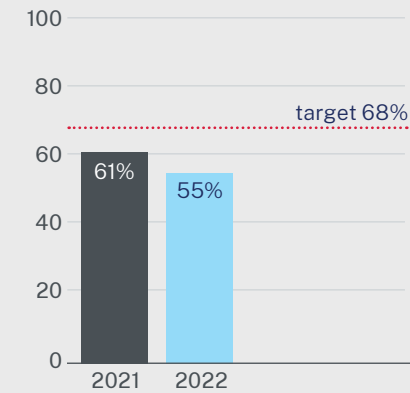
Measuring the uptake and impact of digital and customer capabilities

Next year, we will be undertaking a review of the NSW Capability Framework and will investigate the incorporation of digital and customer capabilities into the core framework to increase the application of these capabilities across the sector workforce.

[1] Measured by 'Change is managed well' question, People Matter Employee Survey NSW Public Sector results.
[2] Measured by total score Feedback and performance management questions in People Matter Employee Survey, NSW Public Sector results.

Inclusive, ethical public sector

Strategic outcome

Workplace cultures that foster diversity, belonging and respect, enabled by the government sector ethical framework and core values.

Action

Our work supports leaders to create positive and productive workplaces that are culturally safe and inclusive. This is achieved through designing equitable recruitment and employee experience practices and developing resources to improve cultural capability and foster ethical behaviour.

Impact

Measures for incidence of bullying and sexual harassment have remained steady, with a 1% increase in threatened physical harm. We have initiated conversations with the sector to increase understanding and maturity around fostering ethical behaviours.

Key achievements

- Launched the 'Elevate & Advocate' sponsorship program for culturally and linguistically diverse (CALD) employees.

- Launched our Belonging and Inclusion Library resource hub.

- Launched the refreshed Aboriginal Employment Strategy 2022-2025.

- Hosted an International Women's Day event for over 500 sector employees.

- Launched an e-learning course to support people managers to embed disability inclusion in their workplace.

- Grew the Pride in NSW membership to 1,500+ members.

- Hosted 3 Inclusion Forums.

- Delivered a refreshed Behaving Ethically Guide.

- Issued Commissioner Directions for Workplace Sexual Harassment Prevention, Managing Gifts and Benefits: Minimum Standards, and the Code of Ethics and Conduct for NSW government sector employees.

- Established a sector-wide working group on ethical behaviour to ensure we consider ethics in different contexts and environments.

- Delivered the 2023 Premier's Awards hybrid event for over 500 sector employees.

The year ahead

- Deliver an interactive information assistant to help prevent sexual harassment in the workplace.

- Deliver a model workplace adjustment policy to enable greater workplace participation by people with disability.

- Develop sexual harassment prevention e-learning for people managers in the sector.

- Continue to deliver initiatives under our Aboriginal Employment Strategy.

- Undertake a substantial review of the Code of Ethics and Conduct for NSW government sector employees to ensure it is fit for purpose and in line with changes to the GSE Act.

- Develop an ethics e-learning module and additional support resources.

- Create an Ethics Community of Practice to support ethical behaviour across the sector.

Challenges

- Employment and retention of people with disability.

- Developing a Code of Conduct across a diverse sector in terms of service delivery, occupations and people.

For detailed information about our operations under Inclusive, ethical public sector see pages 54-68.

Measures of success

Increase in positive rating of senior leaders' impact on workplace culture[3], target: 62%
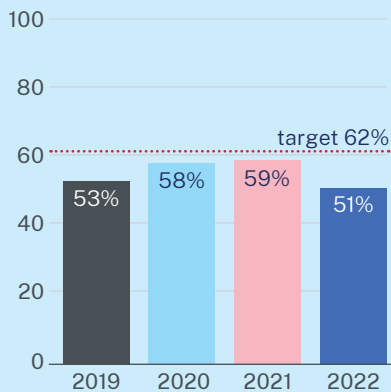
Increase in favourable scores on inclusion and diversity measures[4], target: 75%
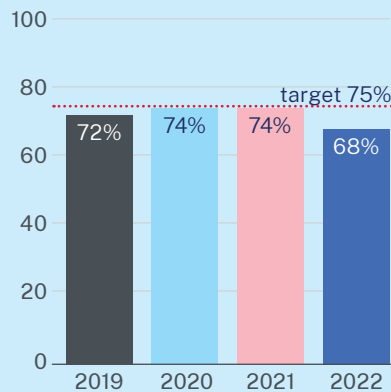
Year-on-year decrease in incidence of bullying, sexual harassment, and harm[5]

Witnessed bullying
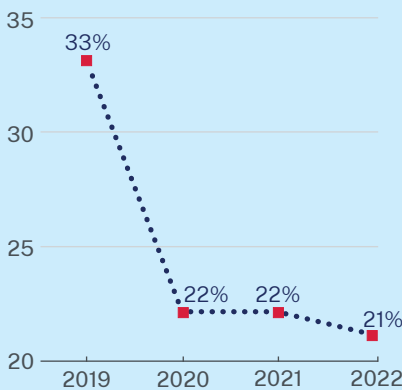
Experienced bullying
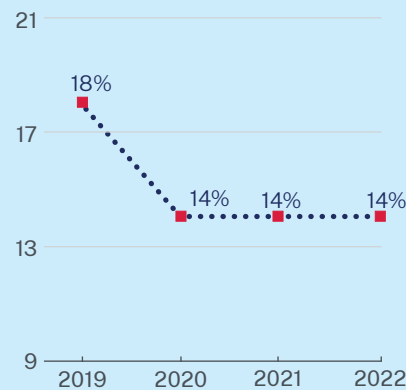
Experienced sexual harassment
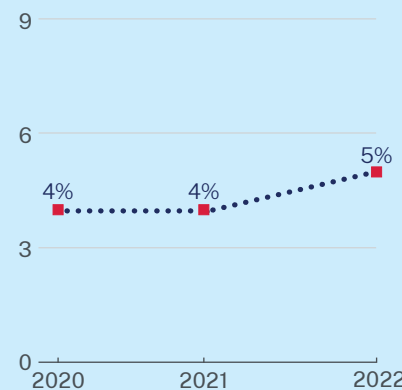
Threatened with physical harm
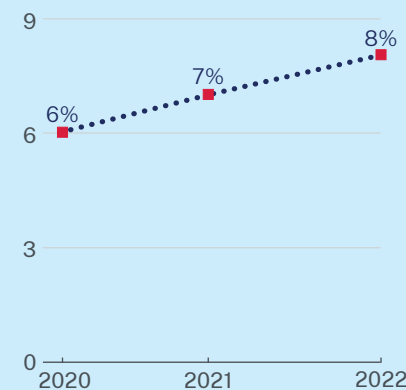
[3] Measured by total score Senior Managers' questions in *People Matter Employee Survey*
[4] Measured by *People Matter Employee Survey*
[5] Measured by *People Matter Employee Survey*

Measuring up to world-class

Our data on the NSW public sector workforce remains the authoritative source for NSW Government agencies. We provide decision-makers with quality data and insights, across all strategic focus areas, to address sector-wide challenges and priorities. We collect in-depth workforce data and information, measure and report on employee experience and engagement, and deliver integrated analysis and insights.

Key achievements

- Achieved a 49% People Matter Employee Survey (PMES) response rate, up 5% annually with all portfolios involved.

- Managed 160 requests for workforce data analysis.

- Established an ongoing Data Science capability in the workforce data team.

- Established the Data Experts Group as part of the PSC Strategic Workforce Data Strategy.

- Completed phase 1 of our new Dataflow platform.

- Piloted virtual reality technology to assess opportunities for workforce engagement.

- Evolved PMES design to reflect workforce management priorities including burnout.

What's next

- Continue to produce high-quality flagship reports that are the 'sources of truth' for the sector – State of the Public Sector Report, Workforce Profile, PMES.

- Expand our insights reporting to include a focus on the skills profile of the sector workforce.

- Progress with phase 2 of our Dataflow project.

- Evaluate our PMES survey design and processes to ensure we are meeting best practice.

- Continue to monitor social and cultural workforce data trends to inform work.

Challenges

- Potential impact of environmental factors on the readiness of departments and agencies to implement Dataflow.

- Machinery of government changes affecting workforce reporting.

For detailed information about our operations under Measuring up to world class see pages 69-72.

Operations and performance

This section reports on our key operations and performance against our strategic plan, our use of technology and our research activity supported through the year.

Smarter ways of working

Graduate Program creates a pipeline of future leaders

The 2023 NSW Government Graduate Program received 2,319 applications, and the largest ever intake of graduates since the program began in 2016, with 284 graduates hired across all streams.

The program was again named in the Australian Financial Review's Top 100 Graduate Employers list 2023.

Attracting talented graduates to the sector, building capability and developing a cohort of future leaders are key program outcomes. Over 18 months, graduates experience 3 rotations in different government agencies and benefit from a mentor, an executive sponsor, a development program tailored to their stream and networking events.

Increasing sector participation

We saw an increase to 27 agencies taking graduate placements this year, 6 more than in 2022. The Graduate Program Steering Committee includes representatives for all agencies involved in the program, ensuring collaborative decision-making and alignment with agency and program objectives.

The program expanded with the addition of a new engineering stream, joining the primary, legal, digital and social work streams. Graduates work across NSW with most in Greater Sydney, and 10% spread across the Hunter, Central Tablelands, North Coast, South Coast, Southeast and Southwest regions.

51% of graduates are women	**9%** of graduates are living with a disability	**1%** of graduates are Aboriginal and Torres Strait Islander
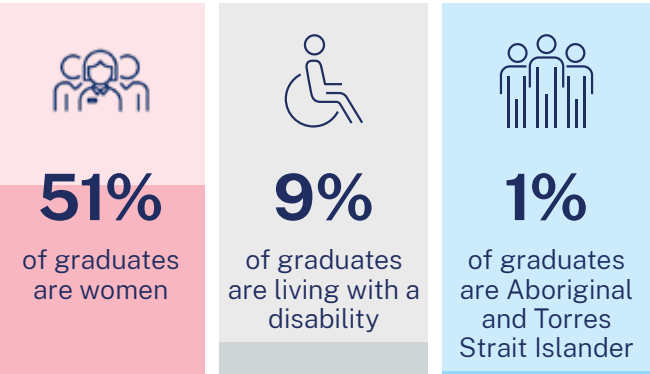
Retaining strong application rates

We use comprehensive stakeholder and market analysis to develop our marketing and advertising campaign. Our goal is to attract high-performing talent that reflects our community, so we include strategies to reach key diversity and groups and candidates in regional areas.

Internship programs create valuable career pathways

Our Aboriginal and disability internship programs provide students with an opportunity to experience working in the NSW Government while completing their university studies.

This year, 10 students started the Aboriginal internship program. Students are on this program for the duration of their university degree and therefore complete the internship at different times. This year one intern graduated from the program and another successfully obtained a place in the 2023 NSW Government Graduate Program legal stream.

The disability internship program comprised 10 students in 2023, with all participants successfully graduating.

We also manage a virtual internship program, which attracts students by showcasing the meaningful work available in the sector as well as providing them with skills to support their Graduate Program application. There were 6,049 new enrolments for 2023, totalling 31,771 enrolments since the program's launch in 2019. This year we launched a new Communications and Marketing module, adding to the existing modules in policy, digital, data, legal and economics.

Talent pools facilitate high quality recruitment at different levels

NSW Public Service talent pools provide agencies with access to diverse, high calibre talent. Candidates in these talent pools have already gone through a rigorous comparative assessment process, allowing hiring managers to fill roles quickly.

This year we had talent pools for Grade 5/6, 7/8 and 9/10 roles. There were 69 hires from across each of these pools in 2022-23. There is strong representation in each of the pools of people who live with disability and Aboriginal people.

Grade 9/10 talent pool experience

'Thank you talent pool, without you I would not have found my amazing new team member... all the hard work had been done for me... the person you provided exceeded all my expectations.' – Public sector recruiter

The 2022-23 Grade 9/10 talent pool is an example of how this PSC program helps recruiters to save time and costs by not having to run lengthy recruitment processes themselves.

Candidates simply need pre-employment checks before they are 'good to go', says Vincent Lancey, Senior Advisor in the Talent Acquisition team.

This year, a key focus for Vincent was revamping the digital platform that hosts the pool. This continuous improvement mindset transformed the platform into a dynamic, user-friendly, and informative one-stop shop. It now includes easily accessible information about a talent pooled candidates for hiring managers.

Samuel Myers, Project Officer in the Talent Acquisition team, recognises the importance of sector recruiters feeling confident and supported using the talent pool. To help agencies understand the process, Samuel does live demonstrations of the platform and invites sector recruiters to participate as assessors during the recruitment process.

'The platform is easy and clear to navigate.' – Public sector recruiter

The Grade 9/10 pool process also keeps 'candidate care at the forefront', says Samuel, who himself was employed from a talent pool. Moving to an entirely virtual recruitment process has enabled inclusion of candidates from across the state including those who might otherwise not have been able to attend. The PSC is a Disability Confident Recruiter and has dedicated Aboriginal support providers throughout the process, in line with our ongoing commitment to diversity and inclusivity.

'The recruitment process was so smooth. I have done a few applications and found this talent pool recruitment process to be the most enjoyable.' – Talent pool candidate

Navigating Recruitment

In February 2023, we launched Navigating Recruitment, a new e-learning program designed to help assessors use ethical and merit-based processes and deliver a positive recruitment experience for candidates.

To date, 1,400 people have accessed the program via the PSC website and 14 agencies have made the program available to their staff through their learning management systems.

Our next step will be the creation of e-learning 'bites', complementing existing modules by focusing on other key areas of recruitment. The first of these is on selecting the right assessment and will launch in late 2023.

I work for NSW website

The I work for NSW website is a whole-of-government jobs board and the primary destination for candidates seeking a career with the NSW Government. The site has continued to grow in line with the recruitment needs of the sector, with the number of job advertisements increasing by 143% since 2019-20. I work for NSW also has a thriving social media presence, with strong activity across LinkedIn and Facebook, particularly supporting the recruitment campaigns of frontline services.

Real-time support for recruiters and job seekers

For agencies that use the I work for NSW Oracle Taleo platform, we continued to provide hands-on support from the approval of a vacancy through to the onboarding of a successful candidate.

Our support desk managed over 18,700 queries received from recruiters and candidates via our support desk, resolving 92% of cases within 24 hours. Our system administrators facilitated 3 agencies to transition from Oracle Taleo to other human capital management systems, ensuring seamless integration with the I work for NSW site.

I work for NSW website 2022-23

73,600 jobs advertised

960,000 applications

4.7 million website users

18,700 enquiries, 24 hours handling time

I work for NSW social media 2022-23

LinkedIn
117,414 followers
480,548 impressions
3.8% engagement rate

Facebook
17,556 followers
914,235 impressions
4.2% engagement rate

Instagram
9,696 followers
112,461 impressions
1.2% engagement rate
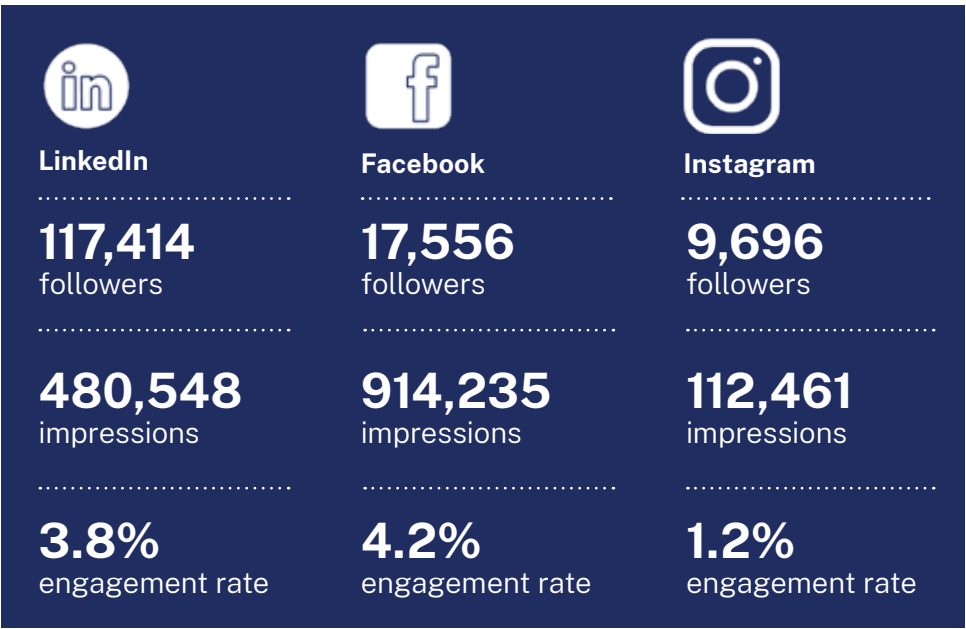
Staff profile: Shakeela Ahmed

> *'On average, we receive about 500 enquiries per week from the public, agency recruiters and hiring managers about job applications via the I work for NSW website.'*

Shakeela Ahmed, Senior Technology Business Partner in the eRecruitment & Workforce Systems team, works with her team to action these important, time-sensitive enquiries quickly and with diligence. This means maintaining empathy, being organised, and problem solving every day. Shakeela says her team is 'all about attending to the public', given their ongoing direct contact with candidates.

> *'It is wonderful being able to contribute to people who need it across NSW.'*

When she is not busy responding to enquiries, Shakeela supports sector agencies on large-scale recruitment campaigns. This has included implementing an automated solution to progress thousands of job applications during COVID-19.

The continuously evolving challenges of the job are what Shakeela enjoys the most. Even after more than 10 years at the PSC, she says there is always 'something to learn and people to help, which is very fulfilling.'

Her next area of interest is looking at the technical governance around the use of artificial intelligence in recruitment.

Kathrina Lo (second from right, bottom row) meets with Chief People Officers from across the NSW public sector.

Connecting senior executive people leaders across the sector

Our Commissioner chairs the Chief People Officers (CPO) Group, an important forum for providing leadership cohesion across the sector. The group meets formally each month and comes together for stand-up meetings as required.

Priorities for 2022-23 included evolving talent attraction and mobility strategies for areas of need, strategies to improve mental health and wellbeing, disability employment initiatives, opportunities to strengthen integrity and ethical behaviour and responding to the new Government's priorities.

Growing government roles in regional NSW

Frontline public sector agencies are experiencing ongoing difficulties attracting and retaining essential workers to regional, rural and remote NSW. This year, we supported the Department of Regional NSW in attracting talent to government roles in regional NSW through our work with the CPO Group. In February, CPOs endorsed 2 key initiatives:

- Enable public sector employees who are the partners of essential workers relocating to regional NSW to take their job with them to regional locations where practical.

- Adopt the following phrase in job advertisements where practical: *'The NSW Government supports flexible working, including from regional, rural and remote locations'*

During the year, we continued to facilitate regular reporting to the NSW Secretaries Board on collective progress towards growing government roles in regional NSW, as well as opportunities and risks for regional employment.

Building strategic workforce planning confidence

Strategic workforce planning is the process of identifying and bridging gaps between current and future workforce needs to meet strategic goals and objectives.

Attendance of our sector-wide strategic workforce planning learning events remains high, with a 22% increase in average attendance across our 5 INSPIRE Collaborative events this year. We held 4 masterclasses for the sector and saw a 74% increase in access to our online tools.

Agencies are experiencing a range of challenges in their operating environments, resulting in a shift away from a strategic focus. In response, we have developed resources that translate strategic workforce theory into an actionable plan such as a 'how to' template. We have also developed and shared our own PSC Strategic Workforce Plan to guide agencies in creating their own plans.

Capability to manage change and organisation design

This year we developed a suite of resources to help our sector customers navigate organisational change more effectively and ensure they are aware of best practice organisational and role design principles.

Taking a human-centred design approach, we worked with nearly 80 people from 30 agencies to develop practical tools for restructures including:

- a framework outlining the steps to effective organisation design

- an exploratory discussion tool to assist HR professionals in effectively partnering with senior leaders in their organisation on a restructure

- assistance in identifying and prioritising the key building blocks and design principles for a restructure.

We will publish further change tools and resources on our website in the coming year.

Participants of the people manager mentoring groups meet at the PSC office in Sydney.

Capability for high performance

Growing HR capability and community

This year, we continued The Spark HR capability uplift program, running a second cross-sector mentoring program for over 92 HR professionals.

Our vision is to position the HR profession as a key business enabler by equipping HR leaders and practitioners with the tools and capabilities they need to support a modern workforce. This program is developed with the input of our Spark working group, made up of HR professionals from across the sector.

Participants of the mentoring program were highly engaged:

94% program satisfaction rate

91% event satisfaction rate

89% mentor partnership satisfaction rate

Bringing the HR community together

We continued to facilitate an active community of HR professionals across the sector through the HR Community of Practice (HR ComPrac), a group of over 1,400 employees who want to take charge of their professional development. We also support 5 other active Communities across the sector by convening a ComPrac leads working group.

The HR ComPrac is governed by an Advisory Board of sector HR professionals and chaired by the Chief People Officer, NSW Treasury.

We hosted 4 educational and networking events about current HR trends and capability interest areas. Most of these events were held face-to-face, with approximately 180 members attending each event. Overall, 98% of attendees reported finding the events engaging and 96% said they would recommend future events to their HR colleagues.

Our HR ComPrac bi-monthly newsletter continues to grow and is a key channel for communicating new initiatives, sector achievements and learning opportunities. This year the newsletter open rate increased by 4% and content engagement increased by 3%.

People manager resources for all learning styles

We held 4 virtual people manager masterclasses this year, with each session reaching registration capacity within days of release. Delivered in partnership with HFL Leadership, masterclass topics included inspiring outstanding performance, coaching, prioritisation for success and leading successful change.

On average, over 90% of participants were satisfied with the events and would recommend them to their colleagues. Post-event knowledge checks indicated most participants understood the key concepts of each masterclass.

Our People Manager Fundamentals online learning modules have been adopted by over 40 agencies, with more than 400 people managers completing the introductory module. We saw early success in a pilot activation session for one of the online learning modules where 88% of pilot participants were more motivated to complete the module and nearly 70% of participants completed the module within 3 weeks of the session.

This year, we have also refreshed the People Manager Hub on our website, bringing together information about learning opportunities and key resources to help people managers lead through change, manage and develop people, plan and organise resources, and establish purpose and direction. The People Manager Hub has been accessed by over 5,900 website users this year.

People manager mentoring groups drive capability uplift

'It was valuable to build connections with others across departments and to learn about their challenges and problem solve collectively, each participant drawing on their own experiences.'
– Group mentee participant

In November 2022, we completed our first cross-sector group mentoring program for people managers and there were over 120 participants. Overall satisfaction for the program was high at 94%, and participants self-reported an 11% increase in their people manager capabilities.

Our second round opened in May 2023 and attracted more than double the number of applications than the first round for both mentors and mentees.

With over 70,000 people managers across the sector, this cohort is key to driving positive workforce outcomes and high-quality service delivery for the people of NSW. The program was informed by our goal to uplift people management results in the PMES.

'A wonderful initiative that has promoted growth and a change in mindset.'
– Manager of participant

Group mentoring allows people to receive mentoring from an experienced people manager, and to learn from other mentees in the same group. Participants share and discuss learning resources and role-play real-life situations. This holds them accountable and encourages them to meaningfully embed their new skills and learnings in their day-to-day roles.

Participants build sector-wide connections and gain a diversity of viewpoints. Mentor participants are also able to hone their coaching and leadership skills.

'The group setting allows you to absorb the learnings of the other group members, some of which you might not even have considered.'
– Group mentor participant

Digital skills for future career pathways

To drive sector workforce capability across digital and customer skills, we have continued to leverage use of our 2 digital-specific tools – the Learning Collective learning experience platform (LXP) and the Digital Careers Pathway (DCP) tool. Both tools were funded by the Digital Restart Fund.

Developing and retaining ICT talent

After launching in 2021, the DCP tool has been visited over 3,000 times, with 800 career questionnaires completed. By using the DCP tool, ICT staff can identify growth opportunities, career pathways and upskilling resources to help them drive development conversations with their managers. The tool evolves our former ICT Career Pathway Framework, providing a consistent approach to recruitment, development and retention of ICT talent in a competitive market.

In this embedding phase of the DCP tool, we have worked with cross-sector ICT and HR professionals to promote, educate and maintain the tool. We will continue to work with agencies on leveraging existing development resources to better support ICT professionals across the sector.

Piloting digital capability uplift

In partnership with the Department of Customer Service, we ran a pilot of the Learning Collective LXP, with platform access given to over 4,300 sector staff. The LXP enables users to undertake self-paced training aligned to our digital and customer capability framework, shifting mindsets to think creatively and focus on the customer.

Those who used the LXP had generally positive experiences, and were most engaged with content that was targeted, tailored and curated for their work context and personal development. As the LXP pilot is now complete, the content will be migrated onto existing learning platforms across sector agencies in 2023-24, giving more staff the opportunity to grow their digital skills.

Strengthening skills of public sector leaders

The NSW Leadership Academy delivers world class programs that develop leaders who are committed to NSW public sector stewardship and citizen-centric service delivery.

This year our signature programs – for high potential NSW public sector senior executives and Aboriginal emerging leaders – were completed by 248 leaders. These programs focus on strengthening participants' ability to lead with integrity, self-awareness, resilience and innovation.

Program evaluations showed that face-to-face learning and networking were a priority for Leadership Academy participants, and so in 2022-23, our programs were delivered in-person to allow participants to share learnings, solve problems together, and maximise opportunity and outcomes.

Our program curriculums integrate theoretical knowledge with practical applications, empowering participants with a comprehensive understanding of leadership principles and the ability to apply them to their real-world challenges.

Leadership Academy at a glance 2022-23

248
participants

54
Aboriginal participants

56.3%

female participants
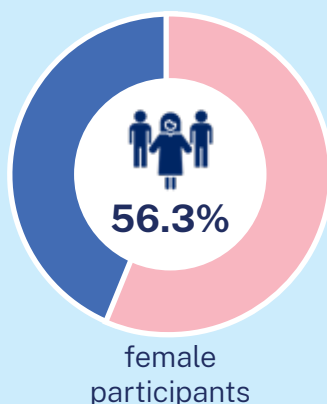
Net promoter scores over **40** for all signature programs

Kathrina Lo and Chris Lamb (centre) with the PSC Leadership Academy team at the 2023 academy graduation.

Connecting all executives to learning opportunities

In addition to our signature programs, we delivered 3 thought leadership events as part of our ongoing Executive Connections event series. Over 500 executives attended these events, hearing from global experts on how to 'see around corners' in a volatile world and build inclusive cultures for high performance. We also ran our Executive Leadership Essentials program for 269 new executives.

The NSW Leadership Academy has made significant progress in engaging with key sector stakeholders and program alumni, creating an environment that fosters NSW public sector leadership excellence and cross-sector collaboration.

Customers at the centre

During 2022-23, we undertook work to gain a better understanding of PSC customers and their experience of our programs and services.

Customer survey

We ran our first customer satisfaction survey through a quantitative online survey sent to 1,700 public sector HR professionals in October 2022. This was followed with 15 qualitative interviews with selected HR leaders and practitioners in November, to draw out further data on themes emerging from the survey.

For the online survey, the largest number of the 250 completions were from the Transport, Health, Stronger Communities (now Communities and Justice) and Education portfolios of agencies, making up two thirds of our total sample.

Most survey responders identified themselves as HR generalists, but our customers also work in learning and development, organisation design, workforce planning, diversity and inclusion, and recruitment and talent acquisition.

Results

The strongest scores we received were for being respectful 72%, showing integrity 66%, being a trusted partner 63%, providing easy to understand advice 58% and collaboration 53%.

We received below average scores for listening well and understanding customer needs 37%, providing appropriate solutions 44%, customers knowing our services and programs 44% and accountability – providing a timely and responsive service 43%.

'They are wonderful to work with and have a fabulous culture that sets a really good example for the sector.'
- HR leader

'Engage us in co-design of work. So that they can understand our business needs.'
- HR practitioner

'It would be good for the PSC to articulate what they can do for us, what they require from us. They have an important role to play but it is not always clear to us.'
- HR practitioner

Satisfaction drivers

Our survey showed there are 5 key drivers of customer satisfaction. For our customers, quality service means:

1. **Personalised service** – being able to speak to real people

2. **Accountability** – the PSC provides timely service and is responsive

3. **Two-way communication** – clarity of when and how to contact us

4. **Listening well** – knowing solutions are suited to customer contexts

5. **Clarity on the role of the PSC** – knowing what's coming from us and our priorities

Action plan

In response to survey findings, we have developed a customer action plan. Implementation is being driven by an internal working group comprised of staff across the PSC that have a role in improving customer engagement and the internal processes and staff development that support effective, high quality customer service.

Working group actions prioritise the following focus areas:

External communications

Evolving our channels to show the face, role and personality of the PSC.

This focus links to customer satisfaction drivers 1, 2 and 3.

Strengthening internal processes

Improving accountability and coordinated communication to customers.

This focus links to customer satisfaction drivers 2 and 3.

Empathy building with our sector customers

Helping our people understand and take action based on the needs of sector HR professionals.

This focus links to customer satisfaction drivers 1 and 4.

Next steps

In 2023-24, activities will include:

- Launching our customer list management tool to simplify the management of customer contact details.
- Progressing actions against our Customer Action Plan.
- Publishing our customer strategy to show our commitment to our customer focus.

Inclusive, ethical public sector

Creating workplaces where everyone belongs

We play a crucial role in supporting the sector to embed belonging and inclusion into workplace cultures, fostering a workforce that reflects the diversity of the NSW population.

After launching our Belonging and Inclusion Strategy in February 2022, we have continued to work on innovative programs that enhance sector collaboration. Our priority is to actively co-design initiatives with people with diverse lived experiences.

We take an intersectional approach to developing our programs, understanding that people have multiple characteristics and experiences that make us different and can influence how we experience discrimination. Our work is inspired by Kimberlé Crenshaw, who developed the term 'intersectionality' in the 1980s: 'Intersectionality is a lens through which you can see where power comes and collides, where it locks and intersects. It is the acknowledgement that everyone has their own unique experiences of discrimination and privilege.'

Improved information sharing

This year, we commenced a series of Inclusion forums to connect sector diversity and inclusion practitioners. Forum topics have included putting intersectional thinking into practice and anti-racism, with a focus on showcasing examples of best practice in the sector and leading research. Transitioning from COVID-19, the forums have provided an opportunity for face-to-face networking, sharing experiences and solutions, and forging partnerships.

2022-23 also saw the launch of our Belonging and Inclusion Library, an online repository of diversity, equity, inclusion and belonging resources created by the sector. These practical resources include toolkits, templates, training resources and guidance on a range of key topics. The library is designed as a one-stop platform for inclusion and employee experience knowledge sharing and skills development.

Establishment of a sector-wide Inclusion Council

In 2023-24, the PSC will establish a sector-wide Inclusion Council. Membership will reflect the diversity of the public sector workforce and will take an intersectional approach to ensure diverse perspectives are heard, key issues are identified, and genuine consultation is enabled.

Equity and respect at work

The 2022 PMES results show that 5% of respondents have experienced sexual harassment, of those who experienced sexual harassment 23% reported it, and of those who reported it 43% were satisfied with how the complaint was handled.

Changing to a more trauma informed approach

To support the sector address and respond to sexual harassment in the workplace, we developed the Equity and Respect Framework that aligns with the *Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022* (Cth) that came into effect following the Australian Human Rights Commission's Respect@Work report and recommendations.

The long-term goal of this work is to achieve a decline in the numbers experiencing or witnessing sexual harassment, improving the levels of reporting and the satisfaction with how complaints are handled.

More immediately, we want to enable the sector to comply with the new framework for workplace sexual harassment prevention. In accordance with the Australian Human Rights Commission Respect@Work Report, this framework moves from a grievance handling approach to one of prevention and trauma informed responses.

Kathrina Lo and Nikki Aquiatan-Muhi at the Women of Colour Leadership and Allyship Summit in Canberra after Kathrina gave the keynote address.

Joint leadership statement on sexual harassment

In March 2023, all members of the NSW Secretaries Board released a leadership statement affirming that there is no place for sexual harassment and other negative behaviours in public sector workplaces and calling on everyone in the sector to commit to a respectful and inclusive workplace culture.

On 8 May 2023, our Commissioner gave a Direction to the heads of all NSW government sector agencies, requiring them to implement a sexual harassment prevention policy by 1 March 2024 for their agencies which meets the minimum standards set out in the Direction, and to require their employees to comply with that policy.

Guidance and tools to support the response to sexual harassment

We have developed a model sexual harassment prevention policy and implementation guide to help agencies meet the requirements of the Direction. We also facilitate a sector-wide Equity and Respect working group to support agencies.

Our Equity and Respect Framework includes the development of a support and response online information resource, which sector employees may access anonymously. The purpose of this resource is to address potential gaps in knowledge of sector employees, such as which behaviours constitute sexual harassment, and to provide information about how to raise a concern, seek help, and offer support. The tool does not provide advice to employees or replace support and advice from the workplace.

Work is also underway to develop sexual harassment prevention and response training targeted at people managers.

Supporting the sector to address negative workplace behaviours

'So often there is legislation, but it's not embedded in policy and even more concerningly it's not embedded in practice. What we want to do through this entire piece of work is bring the policy to life.'
- Emilie Priday, Director Workforce Inclusion and Experience

Emilie Priday and Monica Rose were part of the team that worked on developing a model sexual harassment policy and implementation guide for the public sector. These resources were designed to give agencies a strong foundation to build on when seeking to follow the Commissioner's Direction.

The model policy was created in partnership with the Equity and Respect sector-wide working group, academics, other PSC teams, and a variety of people from across the sector including the Secretaries Board and Chief People Officers group.

'It really is innovative work', Emilie says. 'People are looking to us and asking what we considered in terms of making a Direction.'

The impact of this important work will become clear as agencies start to develop and implement their sexual harassment prevention policies. There has already been increased engagement from the sector in work on preventing sexual harassment.

'We anticipate initially that levels of sexual harassment reporting may increase because there is an increased awareness of what sexual harassment is and an increased sense of confidence that employers will take it seriously. Then in the long term we hope to see levels of sexual harassment decline' says Monica.

International Women's Day event. From left to right: Aimee Cassels, Abbie Galvin, Claire Smith, Nikki Aquiatan-Muhi, Rae Johnston, Dr Morley Muse, Laura Christie, Monica Rose.

Celebrating International Women's Day

For our third annual sector-wide International Women's Day event, we hosted an online panel discussion on the theme of 'Innovating for a gender equal future'. Open to all NSW public sector employees, the event saw 520 people tune in.

Hosted by science, technology, engineering and mathematics ('STEM') journalist Rae Johnston, our panel featured female senior STEM leaders: Dr Morley Muse, Women's Agenda Emerging Leader in STEM, Abbie Galvin, Chief NSW Government Architect, and Laura Christie, Government Chief Information and Digital Officer and Deputy Secretary, Digital.NSW.

Our Commissioner gave an address, inviting the sector to embrace an intersectional approach to gender equity. We also shared a video of NSW public sector Secretaries calling on everybody to support safe, inclusive and respectful workplaces.

Women in the NSW public sector

44%

of senior leadership roles held by women[6]

66%

employee engagement rate[7]

[6] 2022 Workforce Profile Report, which is information provided by employees to their employing agency.
[7] 2022 People Matter Employee Survey
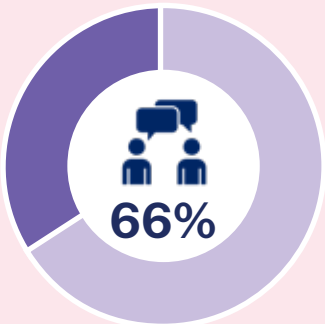
Launching Elevate & Advocate. From left to right: Emilie Priday, Hannah Grant-Dolev, Div Pillay, Antonia Berg, Nikki Aquiatan-Muhi, Tad Nolan.

'Elevate & Advocate' to increase cultural diversity in leadership

> *I am very impressed by the commitment and dedication of the Public Service Commission in promoting diversity and inclusion. Their proactive approach in recognising the value of cultural diversity and actively supporting it through programs like this is highly commendable. I am grateful for the opportunity to be a sponsor in this program.*
> **– Sponsor**

In May, we launched Elevate & Advocate, a sponsorship program to increase cultural diversity in senior leadership.

Over 500 sector employees applied to take part in the 6-month program. After an expression of interest process, 32 CALD employees were paired with sponsors. Sponsorship pairs meet monthly and are supported with additional coaching and accountability sessions.

Developed in partnership with MindTribes and based on consultations with CALD employees across the sector, the program is designed to remove identified barriers to career progressions for CALD employees and foster mutual learning. Participants in the program receive tailored support to achieve career goals, and sponsors become advocates for increasing inclusivity in sector workplaces.

Responding to the high level of interest in Elevate & Advocate, we have created additional workshops for those not selected for the program.

Already, we have seen 2 participants in the program successfully obtain new leadership roles due to the support and coaching of their sponsors. We look forward to continuing this ground-breaking program in 2023-24.

> *Elevate & Advocate has been instrumental not only in my career growth but personal growth. The program has created a space for introspection for the bias experiences which I have faced in my early career. It's rare to see a program so thoroughly thought out, which at heart values personally lived experiences along with psychological safety, cultural safety, and cultural strength. This program has empowered me to continually grow as a leader.*
> **– Participant in the Elevate & Advocate sponsorship program**

Disability employment

During the final year of the target to increase disability employment in the NSW public sector, we continued to play a key role in supporting agencies to improve employment rates of people with disability and create a more inclusive public sector workforce.

A sector-wide review of disability employment

Alongside the Premier's Implementation Unit, we worked with consultancy firm EY to undertake a Disability Review. The Secretaries Board endorsed the review recommendations in August 2022 and agreed to lead the following actions:

1. A consistent definition of disability across our sector based on the social model

2. Workplace adjustment passports to improve employee experience

3. Authentic communication and leadership to build an inclusive culture

4. Practical recruitment guidance and tools to deliver a more inclusive recruitment process

5. Training and support to upskill people managers and embed inclusive practices

6. Improve information sharing and reporting

7. Better procurement practices to create more accessible environments

8. Tailored action for larger agencies that will deliver the greatest contribution to the Premier's Priority disability workforce target.

We are co-leading implementation of recommendations 2, 5 and 6.
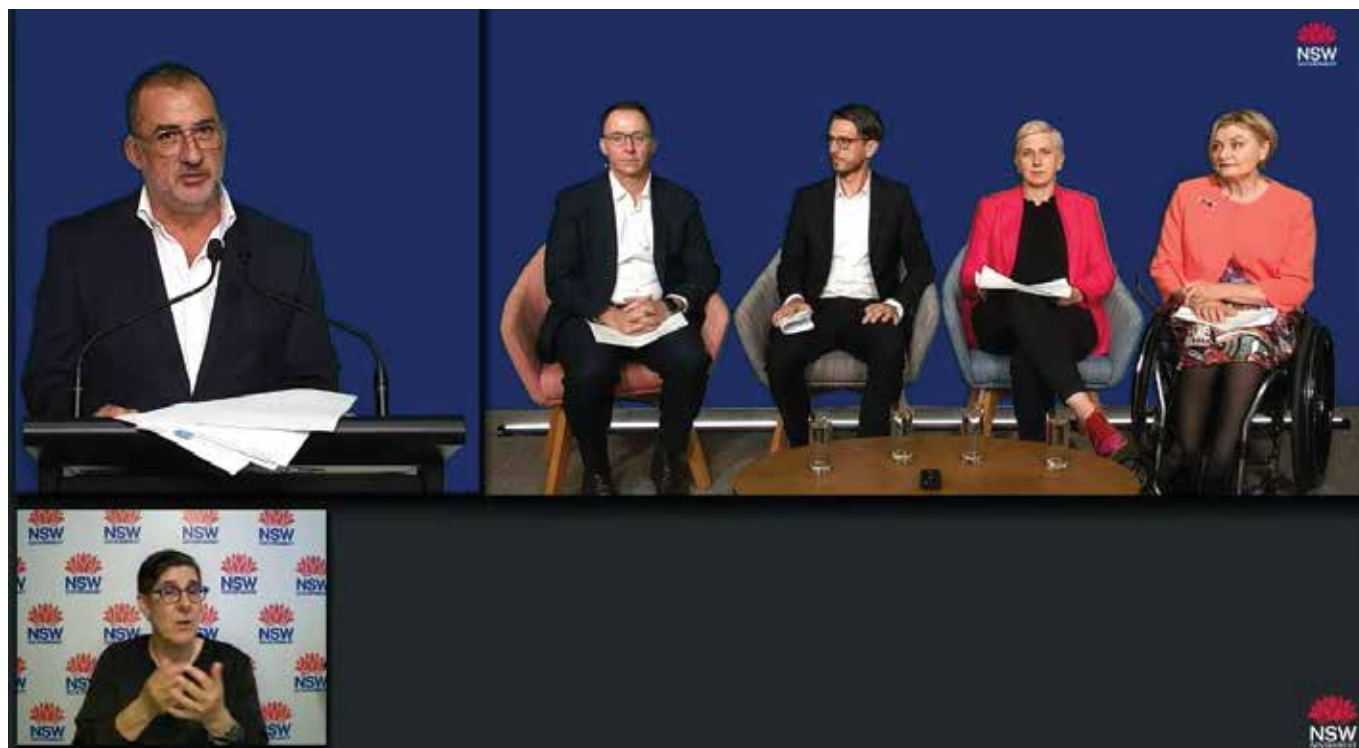
International Day of People with Disability virtual event presenters and pannelists.

In 2023-24 we will take on a new role managing the governance of the implementation of the Disability Review, following machinery of government changes affecting the Department of Premier and Cabinet. We have formed a Steering Committee, co-chaired by our Commissioner and the Secretary of Education, a cross-sector delivery group and an expert reference group to coordinate the review actions. These governance groups include sector representation and people with lived experience of disability. This coordination role provides unique challenges in managing a complex stakeholder group with varied expectations and experiences.

Workplace adjustment passport

A workplace adjustment passport supports mobility as employees move from one government agency to another. The purpose of the passport is to reduce, as far as possible, the need for people to repeat their story and detail their required workplace adjustments each time they start a new role in their current agency or they move to a different agency. The Department of Customer Service (DCS) is working on the technical passport solution, engaging its Customer Experience team to conduct user research with people with lived experience of disability and managers with experience in existing adjustment processes.

Next year, we will release a model policy to give agencies principled, consistent guidance on workplace adjustments. It will provide employees and agencies with information on the relevant legal framework, including their responsibilities and options in relation to workplace adjustments, consistent with the *Disability Discrimination Act 1992* (Cth) and the *Anti-Discrimination Act 1977* (NSW). We will consult extensively on the policy to ensure it incorporates the perspectives of people with lived experience of disability and of government sector agencies.

Training and support to upskill people managers

This year, we launched the *Removing the barriers: Inclusion of people with disability* eLearning course. The course helps people managers identify and remove barriers that people with disability may encounter in the workplace and foster an inclusive and positive working environment for all staff.

The course can be completed by individuals online or in facilitated group training sessions, with agencies able to choose how they will deliver the training for their people.

First PSC Board Observer Dalia Spiers

PSC Board Observership Program

We established the PSC Board Observership Program in November 2022. This is a career development initiative providing a NSW Government employee with disability (at Grade 9/10 level or above) with the chance to observe and participate in the PSC Advisory Board. It also ensures that board decision-making has the benefit of diverse perspectives from people with intersectional lived experience.

The observer is funded to undertake the Foundations in Directorship course offered by the Australian Institute of Company Directors.

Our first Board observer is Dalia Spiers, senior project officer at Aboriginal Affairs NSW. Dalia is an experienced social worker with a strong professional background in policy development, advocacy, change management, and social work practice.

Career development workshop for Deaf employees

To support the career development of Deaf Auslan speaking employees, we hosted a one-day workshop delivered entirely in Auslan and designed with input from the Deaf community. The workshop gave participants the knowledge and confidence to identify and apply for career growth opportunities within the NSW public sector. Topics included understanding the requirements of a role and the capability framework, accessing adjustments throughout the application and interview process and building confidence for interviews.

Celebrating International Day of People with Disability

This year, we hosted a virtual event for all sector employees to celebrate International Day of People with Disability. The theme for the event was innovation and transformative solutions for the inclusion of people with disability. Hosted by our Commissioner, over 290 attendees heard from a diverse range of speakers who challenged us to think differently about disability inclusion and the importance of innovation as a tool to create a workplace accessible for everyone.

People with disability in the NSW public sector

2.5%
of government sector roles held by people with disability[8]

6%
of PMES respondents identify as being a person with disability

60%
disability employee engagement score[9]
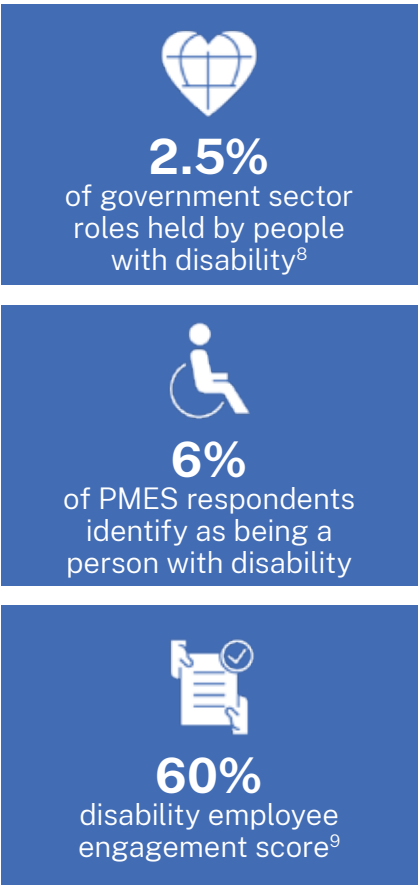
[8] This data is from our 2022 Workforce Profile Report, which is information provided by employees to their employing agency. In the 2022 People Matter Employee Survey (PMES), which is anonymous, 6% of respondents identified as being a person with disability.
[9] 2022 People Matter Employee Survey

Growing LGBTIQ+ network membership

Since its inception in 2020, Pride in NSW has grown to over 1,500 members at the end of 2022-23. The network facilitates connections and collaboration for the LGBTIQ+ community and practitioners working on LGBTIQ+ inclusion, through regular Rainbow Leads meetings.
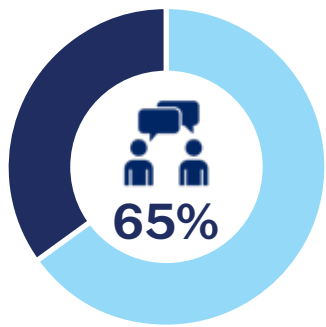
People Matter Employee Survey data shows an increase in LGBTIQ+ identification, increasing from 4.7% in 2021 to 5.6% in 2022.

Next year, Pride in NSW will continue to work towards the goals of increased participation in PMES by LGBTIQ+ employees, and increased satisfaction results.

Refreshing our Aboriginal Employment Strategy 2022-25

In August, we launched our refreshed Aboriginal Employment Strategy (AES) 2022-25. The AES aligns with other key NSW Government inclusion strategies, including the NSW Closing the Gap Implementation Plan, *Reparations for Stolen Generations: Unfinished Business* report and our Belonging and Inclusion Strategy.

NSW public sector Aboriginal workforce

154
Aboriginal senior leaders[10]

65%
Aboriginal employee engagement score[11]

[10] 2022 Workforce Profile Report
[11] 2022 People Matter Employee Survey

Participants in our May Aboriginal Senior Leaders Forum.

Aboriginal senior leadership

This year, the number of Aboriginal senior leaders increased from 130 to 154, further exceeding the former government's target of 114 by 2025.

This is an exceptional result for the sector, achieving 170% growth compared to 2014. In 2022, 3.8% of the public sector workforce identified as Aboriginal and Torres Strait Islander[12], an increase from the 2014 baseline of 2.9%.

We have continued to refine our Aboriginal Career and Leadership Development Program as part of our Leadership Academy.

Supporting the career mobility and growth of our Aboriginal Workforce

This year, we established and led 2 significant Aboriginal public sector networks. The Aboriginal Workforce Inclusion Champions Network, established October 2022, comprises Aboriginal employees in roles that drive Aboriginal workforce inclusion. The group provides valuable perspectives on AES initiatives as well as a platform for agencies to share information, resources and best practice on programs and initiatives.

The Aboriginal Senior Leaders Network was also established in October 2022 and is open to Aboriginal NSW public sector leaders Clerk Grade 11/12 (or equivalent) and above. During the year, we hosted quarterly forums attended by over 50 Aboriginal leaders.

Creating inclusive and respectful workplaces for our Aboriginal workforce

We are committed to being a strong voice on the importance of cultural capability and safety for employees and communities. Our *Everyone's Business* cultural capability uplift package was delivered to the sector in 2022, with the *Learning about Stolen Generations* trauma informed e-learning program recognised as a finalist in the 2022 Premier's Awards.

Agencies report to us on their Aboriginal Cultural Capability Training Plans to demonstrate how they are meeting Recommendations 6 and 29 of the Unfinished Business report. Over 30,000 sector employees have completed cultural capability training.

[12] 2022 Workforce Profile Report

The year ahead

We will launch a cultural capability guide in 2023-24 to help agencies recruit Aboriginal talent in a culturally safe manner and to support Aboriginal staff through the employee lifecycle. We also plan to host 'Listen and Learn' sessions for Aboriginal employees to connect and share stories and perspectives, and an Inclusion forum on the topic of trauma informed workplaces.

Supporting anti-racism initiatives in the sector

This year, we began working on anti-racism projects, starting with our Inclusion forum to increase awareness of racism and anti-racism. Attended by over 100 diversity and inclusion practitioners, the event shared anti-racism resources and leading practice in the NSW public sector.

The 2022 PMES shows that 4.7% of respondents had experienced racism in their workplace, and 10% had experienced discrimination. This is even more prevalent for Aboriginal staff in the sector, with 16% reporting experiences of racism and 20% reporting experiences of discrimination. In late 2022, we hosted focus groups with Aboriginal staff from across the sector to understand the lived experience of racism in our workplaces, and how we can build an anti-racist public service.

In February 2023, we formally pledged our support for the Australian Human Rights Commission's campaign *Racism. It Stops With Me.*

In 2023-24, we will launch our anti-racism education resources and tools and share an insights paper on the experiences of sector employees based on the focus groups.

Addressing cultural load

The 2023 Voice to Parliament Referendum brings a unique challenge for agencies. There is an anticipated increase in the cultural load that will be placed on Aboriginal employees and in the experiences of racism for Aboriginal employees. We will continue our work to raise awareness of the lived experiences of employees and provide best practice resources and guidance on creating anti-racist workplace cultures.

Staff profile: Danny Sampson

'The Aboriginal Employment strategy isn't just about people getting jobs, it's the knock-on effect that increased opportunities create... Not only does it build the talent pipeline for our public sector and increase our Aboriginal workforce, but it supports another family and another community.'

Before Danny Sampson was a Senior Advisor in the PSC's Aboriginal Workforce Inclusion team, he worked for several different NSW Government agencies: Greater Sydney Parklands, Aboriginal Housing Office, and the Department of Community Services. He recognises the breadth of opportunity working at the PSC has provided. 'Since joining the PSC, I've had the opportunity to build on my skill sets and capabilities not only as a project manager, but as a policy writer, people manager and leader.'

Danny started at the PSC in December 2021 and played a central part in the roll-out of the refreshed Aboriginal Employment Strategy.

Danny has relished the chance to enhance relationships with Aboriginal employees, reflecting: 'A highlight for me has been working strongly with other Aboriginal staff across the PSC but also across the sector. It has provided me with a really great opportunity to connect with Aboriginal senior leaders.'

Danny led the delivery of Aboriginal senior leader forums as a key initiative of the AES. He designed the forums to create opportunities for Aboriginal senior leaders to connect and discuss issues that were important to their ongoing career development. He has valued the chance to collaborate with Aboriginal senior leaders to ensure the forums were fit for purpose and would achieve the desired outcomes.

'We share our knowledge, we share our skills, and we share our experiences and that's the underlying point of the Aboriginal Employment Strategy. The bigger picture is that it delivers much more than just employment.'

Image to the left of Danny Sampson attending an event.

Our Premier's Awards event team. From left to right: Rachel Hennessy, Aimee Cassels, Kathrina Lo, Claire Smith, Jodie Avati, Jen Black, Hugh Mitchell.

NSW Premier's Awards

The [NSW Premier's Awards](#) recognise outstanding work in the NSW public sector. Setting the benchmark for exemplary public service and with a workforce of more than 400,000 people, winning a Premier's Award is a special achievement.

We lead the awards program, and in 2022 the awards ceremony was designed as a hybrid event. The Premier, finalists and honoured guests gathered at NSW Parliament House for the first in-person Premier's Awards ceremony since 2019. Online attendees tuned in from across NSW, sharing real-time messages of congratulations through the live chat.

Over 260 nominations were received for 9 awards in the following categories:

- Anthea Kerr award for future public sector leaders
- NSW Public Servant of the Year
- A strong economy
- Excellence in digital innovation
- Highest quality education
- Putting the customer at the centre
- Recovery and resilience
- Securing justice and opportunity for vulnerable people
- Well-connected communities with quality local environments

Amanda Causley and Kathrina Lo.

Public Servant of the Year

The 2022 NSW Public Servant of the Year award was presented to Amanda Causley, Welfare Services Functional Area Coordinator for Northern NSW and Community Services Caseworker, Department of Communities and Justice.

During the 2022 northern NSW floods, Amanda spent countless hours coordinating 54 evacuation centres. Working around the clock, she prioritised the care and safety of disaster-impacted communities, evacuation centres and staff to ensure they were supported.

Focus on ethical behaviour

In August 2022, we updated and replaced 2 Public Service Commissioner Directions: *Managing Gifts and Benefits: Minimum Standards* and the *Code of Ethics and Conduct for NSW government sector employees*. The updated Directions reflect changes to legislation, policy and the machinery of government that have occurred since their initial release. More information about the code is set out in the Internal ethics and conduct control section of this report on page 108.

We also updated the Behaving Ethically Guide, an important resource to ensure sector employees behave in ways that are lawful, ethical and build trust in the sector.

Reviewing the Code of Ethics and Conduct

Following feedback from sector stakeholders, and because of amendments to the GSE Act in 2022, we commenced a significant review of the Code of Ethics and Conduct for NSW Government Employees, to ensure that it was fit for purpose and reflective of current best practice.

This review encompassed the guidance that we provide on gifts and benefits, as well as social media use. During this review, we have reflected on how we can enable ethical behaviour and have engaged in extensive consultation with representatives from across the sector, industrial organisations and key academics. During consultation, we have identified diverse views on key policy positions and are considering how to settle these views to drive consistent behaviour across the sector.

A new Code for the sector, including new supporting resources, is expected to be issued next year.

Staff profile: Kieran Gregory

'It is important that the people of NSW trust our government and have faith in our institutions. It is exciting that we can contribute to that through the Code of Ethics review.'

The Code of Ethics and Conduct for NSW Government Sector Employees guides every NSW government employee in their working relations with other government sector employees, clients and customers, stakeholders and the government of the day.

Kieran Gregory, a Principal Advisor at the PSC, is leading our team reviewing the Code to ensure that it stays current. Joining the PSC nearly 2 years ago, Kieran is a passionate advocate for ethical behaviour, which he brings to life as part of the Code review.

In November 2022, Kieran delivered the first phase of the Code refresh, crucial in ensuring that the Code reflects the current legislative environment.

For the next phase, Kieran is working directly with the people the Code impacts – sector agencies and industrial bodies.

'There is a balance to find in creating a fit for purpose Code while avoiding a 'one size fits all' approach, with a goal to help people know the behaviour expected from them, ensure managers set the right tone, and enable leaders to model appropriate behaviour.'

Kieran is excited to share the updated Code of Ethics and Conduct for NSW government sector employees in 2024.

'We all work for the people of NSW, and I want to use my interest in the ethical framework and how we conduct ourselves – 2 things that underpin the government – to enable positive behaviour right across the sector'.

Image to the right of Kieran Gregory liaising with colleagues.

Measuring up to world-class

Reporting on Australia's largest workforce

The [Workforce Profile Report](#) is an annual census of the more than 430,000 employees in the NSW public sector that provides insight into the composition of the workforce and changes over time.

The demographic information we provide gives a whole-of-sector view, enabling strategic analysis of the workforce and showing potential or actual impacts of policy changes. We share data reporting on age, gender, employment information, remuneration, location and mobility across the sector.

To support the sector in completing their workforce data inputs, we have developed a suite of data quality tools and dashboards to enable consistent data submissions. Our analysts work closely with over 250 contacts from across the sector to develop the report each year.

Responding to customer data requests

We responded to 160 data analysis requests from our sector customers this year. Each request varies in complexity, type and urgency. Our customers ask for analysis on our areas of expertise including senior executives, remuneration, veteran employment, parental leave entitlements, gender pay gap and diversity representation.

Ensuring our data is secure

This year we trialled the CSIRO's Data61 tool – Re-identification Risk Ready Reckoner (R4) – to improve how we assess and manage risk when providing data to our stakeholders. The tool helped us analyse, understand and respond to re-identification risk in our data.

The R4 tool showed our data is relatively secure regarding re-identification risk and highlighted some changes we can make to handle the more frequent input of data that will occur through the Dataflow initiative.

Future-proofing our data collections

There is strong demand from the sector for additional and more timely data about our workforce to support evidence-based decision making.

Funded by the Digital Restart Fund, our Workforce Dataflow and Analytics (Dataflow) program has been building system capability and greater capacity to deliver impactful, transformative data and insights when it's needed most.

We have made significant progress this year in developing the technology to support the Dataflow program. The new platform went live in June 2023 to receive annual collection information, in parallel with the existing method of collection.

Supporting transition to a new model

We are working closely with agencies in a coordinated onboarding effort to ensure they are supported to utilise this new model of more frequent and automated collection of workforce information.

From 2023-24, this automated approach to workforce profile collection will replace our existing methods.

The Dataflow program is guided by our Strategic Workforce Data Strategy and the PSC Data Experts Group, working towards a coordinated and strategic approach for data and information services.

Measuring employee experience across the sector

The People Matter Employee Survey (PMES) is a significant event in the PSC calendar. The survey asks employees about their experiences and perceptions of a range of issues and practices at work.

Shared with agencies, PMES data and insights are used as an important indicator of employee engagement across the sector. Survey results show areas of strength and improvement for teams, agencies and the sector in general. PMES data is often used to shape employee experience strategies for the coming year.

Participation and response rates are a key measure of success for the survey. All government sector agencies participated in 2022.

A response rate of 49%, equivalent to 205,704 responses, was achieved in 2022. This is 5-points higher than 2021's 44% which is commendable considering the challenges of promoting the survey to dispersed workforces.

While the survey is voluntary for employees, agencies work hard to market the survey to employees and encourage participation.

We commenced consultation on survey and reporting design for the next survey early in 2023.

Showcasing the sector's performance

The annual State of the NSW Public Sector Report is our Commissioner's independent assessment of the performance of the NSW public sector. The report showcases achievements and priorities, plus the challenges faced in delivering positive outcomes for the people of NSW.

The report keeps the sector accountable for workforce management and educates the sector on best and innovative practice, drawing on a range of sources including the PMES, the NSW Government Customer Experience Survey, and the Workforce Profile Report.

The 2022 report featured 8 case studies that were written in collaboration with agencies. They highlight excellent stories of collaboration, productivity and customer service from across the sector with a focus on diversity initiatives and supporting the community after natural disasters.

Provision and tabling of report

The Commissioner has a statutory obligation to submit the State of the Sector Report each year. This year the report was submitted in December 2022 and was tabled in Parliament 6 months later. This delay was due in part to the dissolution of the Legislative Assembly of Parliament and change of Government following the March 2023 election. The tabling delay meant the 2022 Workforce Profile Report could not be published until 6 months after it was finalised, as the Commissioner publishes both reports together after the State of the NSW Public Sector Report is tabled by the Premier.

Future of work

It is important that we continue to show thought leadership in hybrid ways of working as part of our effort to enable a world class public service. While many technologies are in an early form, they are evolving rapidly and will likely play a greater and accelerating role in the workplace and more general digital interaction.

Virtual reality pilot

'Collaboration is a big part of what's in our strategic plan... That's what this project was trying to achieve in a world where we were all working from home.'
- Russell Symons, Principal Systems Administrator

To understand the impact of new modes of connection on work activities, our Intelligent Systems team, led by Russell Symons, ran a pilot testing the effectiveness of in-person, online and virtual reality (VR) modes of connection in different work activities.

Participants completed 4 activities – group training, a meeting, analysing data and watching an event – face-to-face, on Microsoft Teams and in the Metaverse. Each environment was evaluated against criteria including efficiency, engagement, achievement of core task, accessibility, connectedness, and overall participant experience.

The results were clear that 'face-to-face won hands down for employee preference. So, it was then between Teams and Metaverse, and it ended up with Teams coming out on top' Russell said.

The team was not surprised that being in person was best for collaboration, but they were surprised Microsoft Teams won out over the Metaverse. This result could be attributed to the challenges that arose with VR such as trouble connecting, lack of familiarity with the devices and adverse side effects from the devices.

'What we could have done better is taken more time to get the person familiar with the technology first. Then send the person home to practise and do the test with everyone remotely,' Russell noted.

The pilot identified some fundamental requirements that need to be addressed as part of any scaling up of VR technology in the workplace, including understanding relevant challenges and using high-quality technology. Results have been shared with sector stakeholders working on similar projects in the VR and artificial intelligence space.

What is the future of VR at the PSC? For now, Russell and his team are eagerly watching the VR space to see what comes next and how future technology advancements could work for public sector roles. 'It's an evolving space' said Rohini Kannan, PSC Solutions Architect.

Kathrina Lo and guests from the New Zealand delegation.

Greeting visitors from international jurisdictions

This year we welcomed visiting international delegations from New Zealand, Nepal, Republic of Korea and Vietnam. It was wonderful to share knowledge and insights with each other.

Research and development

We represent NSW in the Australia & New Zealand School of Government (ANZSOG) Research Program. ANZSOG engages with jurisdictions to prioritise public policy research projects and brokers expertise from 21 applied research institutes working on public policy.

Through this work, we partnered with the Department of Premier & Cabinet, which was the sponsor of a large project investigating enablers and barriers to co-governance arrangements with communities to enhance public trust. The NSW Government benefits from insights gained through the exchange of knowledge across jurisdictions and academic expertise on key challenges for our sector.

Chris Lamb (centre) meets with guests from the Nepalese delegation.

Management and accountability

This section includes information on our governance structure, legislative settings and our risk management activities through the year.

Governance framework

Our Governance Framework sets out the relationships, rules, systems and processes within and by which authority is exercised and controlled within the PSC. It incorporates the mechanisms by which we are held to account.

Figure 3: PSC Governance Framework
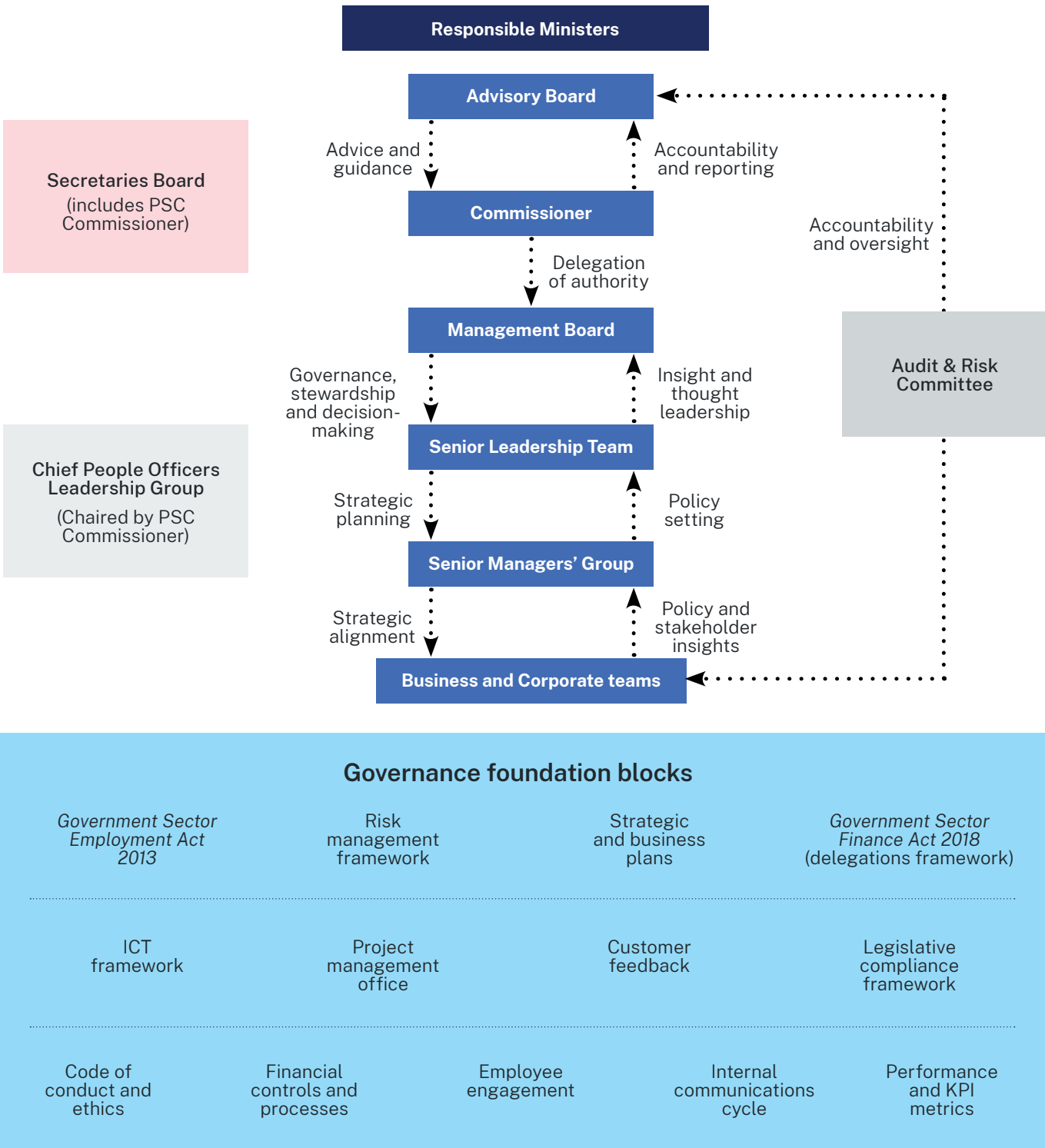
Advisory Board

Sandra McPhee AM (Chair)

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. She is Chancellor of Southern Cross University and a Non-Executive 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.

In 2013, Sandra was awarded a Member of the Order of Australia for significant service to business and the community through leadership and advisory roles.

Jordan O'Reilly

Bachelor of Applied Science (Occupational Therapy)

Jordan O'Reilly OAM is the co-founder and Executive Director of Hireup, an online platform that gives Australians with disability the power to find, hire and manage their own personal care support team. As the leading support platform for people with disability and their families in Australia, Hireup supports 10,000 clients annually and employs a similar number of support workers. Previously, Jordan co-founded Fighting Chance, an award-winning not-for-profit organisation which creates social enterprise solutions to some of the most pressing challenges in the disability sector. Mr O'Reilly recently served on the Westpac Stakeholder Advisory Council and currently sits on the NSW Skills Board. Jordan has been awarded numerous honours for his service to the disability community, including an Order of Australia Medal (OAM), the Westpac Social Change Fellowship, the EY Young Entrepreneur of the Year award, and the Queen's Young Leaders Medal.

Geoff Stalley

Masters of Economics, Bachelor of Business

Geoff is the former Chief Executive and Chief Financial Officer for Booktopia and was previously the Chief Growth Officer for Serco Asia Pacific. Geoff has a long career working for major professional services firms (AT Kearney, Andersen, EY and Deloitte) providing services for global and Australian clients. His expertise spans corporate innovation and growth, business strategy and execution, major transformational change, as well as operational management and people leadership. Geoff has substantial Consumer, Retail, Profession Services and Technology industry experience. Geoff is also a member of the Council for Southern Cross University, a Board member for Maurice Blackburn Lawyers and the Advisory Board Chair for Exent.

Michael Coutts-Trotter
Secretary, NSW
Treasury

Bachelor of Arts in Communications

Michael Coutts-Trotter was first appointed to head a NSW Government department in 2004 and has since led 7 agencies. Before joining the public service, Michael was chief of staff to a NSW Treasurer for 7 years. Michael is a fellow of the Institute of Public Administration of Australia. Between July 2022 and April 2023, Michael was a member of our Advisory Board in his role as Secretary, NSW Department of Premier and Cabinet.

Peter Duncan
Acting Secretary, NSW
Department of Premier
and Cabinet

Peter Duncan has worked as Chief Executive in areas such as transport, infrastructure, forestry, parks, maritime, technology and services and held various senior public sector roles including at the Department of Premier and Cabinet, Transport for NSW, Primary Industries and for the Olympic Coordination Authority. Peter is a National Fellow of Institute of Public Administration Australia and a Companion of the Institute of Engineers Australia. Peter joined our Advisory Board after his appointment to Acting Secretary, NSW Department of Premier and Cabinet in April 2023.

Kathrina Lo
NSW Public Service
Commissioner

See biography in the Senior Leadership Team section on page 15.

Former members of our board:

- Dr Paul Grimes, until April 2023, former Secretary, NSW Treasury

- Susan Lloyd-Hurwitz, until February 2023

Senior executives

At 30 June 2023, 6 (75%) of the 8 senior executive roles at the PSC were held by female employees. This compares to 7 (87%) of the 8 senior executive roles at 30 June 2022.

In 2022-23, 13.62% of the PSC's employee-related expenditure was related to senior executives, compared with 14.53% in 2020-21.

Kathrina Lo was appointed Public Service Commissioner effective from 14 April 2020. The Public Service Commissioner is an independent statutory office holder appointed under the GSE Act and her remuneration is determined by the SOORT. For this reporting period, the Public Service Commissioner's salary was $560,860.

Senior executive remuneration

Table 1: Average total remuneration package of senior executives in each band at the end of the reporting year, compared with the average at the end of the previous reporting year

Salary band	2022-23 range	2022-23 average	2021-22 range	2021-22 average
Band 4	N/A	N/A	N/A	N/A
Band 3	361,301-509,250	415,152	354,201-499,250	407,002
Band 2	N/A	N/A	N/A	N/A
Band 1	242,363-271,330	251,286	197,400-281,550	241,970

Number of senior executives

Table 2: Total number of senior executives employed at end of reporting year, by band and gender

Salary band	2022-23 female	2022-23 male	2021-22 female	2021-22 male
Public Service Commissioner	1	0	1	0
Band 3	0	1	0	1
Band 2	0	0	0	0
Band 1	5	1	6	0
Total	6	2	7	1

PSC staff recognise R U OK? Day with an afternoon wellbeing event.

Our employees

As at 30 June 2023, the PSC had a headcount of 118 employees. Our headcount is the total number of employees working for the PSC in either a full-time or part-time capacity, inclusive of employees externally seconded and on parental or unpaid leave. Our headcount does not include contractors.

Non-executive employees

Table 3: number of non-executive employees by category, compared to prior year

Salary band	2022-23 total	2021-22 total	2020-21 total
General Scale	1	1	1
Grade 1/2			
Grade 3/4	10	14	13
Grade 5/6	14	11	13
Grade 7/8	28	31	33
Grade 9/10	45	45	41
Grade 11/12 & below Senior Executives1	20	24	22
Total census headcount[13]	118	126	123

[13] Totals exclude the Commissioner

Legal change

Government Sector Employment Amendment Act 2022

The Government Sector Employment Amendment Act 2022 (the Amendment Act) was assented to on 28 November 2022, and commenced in part on 1 January 2023, with the balance commencing on 1 July 2023.

The Amendment Act amended the GSE Act to give effect to recommendations made in 2 reports:

- the report *DPC Inquiry: Appointment of Senior Trade and Investment Commissioner to the Americas* prepared for the then NSW Department of Premier and Cabinet by Mr Graeme Head AO dated 12 August 2022 (the Head Report) after an inquiry conducted by Mr Head under section 83 of the GSE Act.

- the report *Independent Review of the NSW Government Sector Employment Act 2013* prepared by the Hon Greg Pearce, Gabrielle Trainor AO and Jane Halton AO PSM dated 30 November 2020 (the GSE Act Review Report) after an independent statutory review conducted under section 89 of the GSE Act.

The Head Report made recommendations with a view to strengthening the independence of the public service and the integrity of public sector recruitment processes. The NSW Government supported most of those recommendations and made several additional recommendations.

The key amendments to the GSE Act made as a result of the Head Report are:

Code of ethics and conduct: providing for the Commissioner to publish a code of ethics and conduct binding government sector employees that has legislative force (section 8A).

Role and responsibilities of Secretary of a Department: inserting a statement on the role of a Secretary of a Department that includes, but is not limited to, the role of policy adviser, manager, leader and employer (section 25(3)) and a non-exhaustive list of the responsibilities of a Secretary of a Department (section 25(4).

Minister cannot direct a Secretary in exercise of employment functions: clarifying that a Secretary of a Department is not subject to the direction or control of a Minister in the exercise of their employer functions (section 26(3)).

Parliamentary Joint Committee oversight: providing that the function of Committee on the Ombudsman, the Law Enforcement Conduct Commission and the Crime Commission (Joint Committee) includes monitoring and reviewing the Public Service Commissioner's execution of the Commissioner's functions under the GSE Act and to report the Joint Committee's findings to both Houses of Parliament (section 86A).

Senior public servants who leave employment to seek ethics advice: senior executives employed in the two most senior bands are now required to seek the Public Service Commissioner's guidance before accepting an offer of employment in the private sector, if the employment directly relates to the senior executive's roles or responsibilities during the previous 2 years (section 83B).

The GSE Act Review Report concluded that the GSE Act continued to serve its purpose well, that its objectives remain valid and that neither the GSE Act nor its objectives required significant amendment. However, the GSE Act Review Report recommended minor legislative amendments to improve the operation of the GSE Act.

The key amendments made as a result of the GSE Act Review Report are:

Assignment to lower band/grade with senior executive's consent: Providing that a Public Service senior executive may be assigned to a role in a lower senior executive band or to a non-executive classification of work with the prior written consent of the senior executive (section 38(2), (2A), (8)-(10)).

Clarification concerning refund of compensation on termination or removal: Clarifying that termination compensation is required to be refunded by a Public Service senior executive or statutory office in the event of appointment to a statutory office within the compensation period.

Statutory review

During the reporting year, we worked in consultation with the NSW Department of Premier and Cabinet, Parliamentary Counsel and sector stakeholders on the implementation of the NSW Government's Response to both the Head Report and Pearce Report.

In addition to development and implementation of the above GSE Act amendments, our statutory review work included progressing the development of amendments to the GSE Rules to address GSE Act Review Report and Head Report recommendations. This work is ongoing.

We also led work to improve resources and support available to the sector in response to the GSE Act Review Report and Head Report.

Administrative changes

The GSE Act was amended by various Administrative Arrangements Orders made under the *Constitution Act 1902* during the annual reporting period. They established, merged or abolished certain Public Service agencies (including staff agencies) to implement machinery of government changes made by the Premier. The GSE Act was also amended by the *NSW Reconstruction Authority Act 2022* to establish the NSW Reconstruction Authority as a 'Public Service agency' for the purposes of the *GSE Act*.

Statutory instruments

The *Government Sector Employment Regulation 2014* was amended by the *Government Sector Employment Amendment Regulation 2023* notified on 23 June 2023 and commencing on 1 July 2023 to provide that an overseas trade employee means a person who is employed in the Department of Enterprise, Investment and Trade to work in the area of international trade and investment and who ordinarily resides and works overseas (and to make certain consequential amendments).

The GSE Rules were amended by the *Government Sector Employment (General) Rules (Amendment No 12- Appointment Reports) 2023* published on 30 June 2023 and commencing on 1 July 2023. The GSE Rule amendments updated arrangements for reports relating to proposed appointments of Secretaries of Departments to reflect the establishment of the Premier's Department and The Cabinet Office.

There were no other changes to the statutory instruments under the GSE Act during the annual reporting period.

Significant judicial decisions

No significant judicial decisions on the GSE Act were handed down in the annual reporting period.

Internal audit and risk management

Risk Management Framework

We completed an internal audit of risk management in March 2023 that considered and assessed the operationalisation of our Risk Management Framework (RMF), specifically:

- governance structures
- regular review of the RMF
- consideration of risk appetite
- identification of emerging strategic, operational and project risks
- analysis and assessment of risks to identify risk management priorities
- monitoring and reporting on risks and risk mitigation strategies.

The internal audit found that considerable work has occurred to improve operational risk practices and support a positive risk culture at the PSC. It did not identify any significant or high-rated risks. The report was reviewed and approved by the Audit and Risk Committee.

Promoting a best practice risk culture

Risk management was included as a mandatory performance objective in all individual performance plans for PSC staff for 2022-23. All branch Directors in the Capability and Culture division presented to the Audit and Risk Committee on their business plans and risks.

To further promote a best practice risk culture, our Chief Financial Officer and the Chief Risk Officer collaborated on improving processes for monitoring and reporting risks to our Management Board and Audit and Risk Committee. A project was initiated to replace the manual excel spreadsheets currently used to update and report risks.

Identified strategic risk

We have identified only one strategic risk and that is in relation to cyber security. This is a standing agenda item in the monthly Management Board meeting. The Risks Register and Reports including the register of active risk issues is reported to the Management Board and Audit and Risk Committee on a quarterly basis.

Audit and Risk Committee

Our risks were monitored and assessed by our Audit and Risk Committee to ensure reporting practices align with the requirements of the Internal Audit and Risk Management Policy for the General Government Sector (TPP 20-08) and the Committee's charter.

In 2022-23, consistent with the requirements of its charter and TPP 20-08, the committee reviewed our approach to maintaining an effective risk management approach, adequacy of internal control processes, legislative compliance and financial management aspects.

Committee members

The members of our Audit and Risk Committee are drawn from the buy.NSW Prequalification Scheme: Audit and Risk Committee

Independent Chairs and Members. All appointments of independent chairs and members to audit and risk committees of NSW Government agencies must be made from this scheme.

Our committee members have extensive skills and expertise in governance, risk management and financial management; knowledge of financial management of government agencies; and exemplify the NSW public sector values of integrity, trust, service and accountability.

Carolyn Walsh

Appointed as independent chair 1 February 2022 to 1 February 2025. Independent member 1 December 2017 to 31 January 2022.

Mary Haines

Appointed independent member 1 January 2020 to 1 January 2026.

Jon Isaacs

Appointed independent member 1 February 2022 to 1 February 2025.

Report from the Audit and Risk Committee

Committee meeting dates and attendance in 2022-23

- July 2022 (Carolyn Walsh, Jon Isaacs, Mary Haines)
- September 2022 (Carolyn Walsh, Jon Isaacs, Mary Haines)
- December 2022 (Carolyn Walsh, Jon Isaacs, Mary Haines)
- March 2023 (Jon Isaacs, Mary Haines)
- April 2023 (Carolyn Walsh, Jon Isaacs, Mary Haines)
- June 2023 (Carolyn Walsh, Jon Isaacs, Mary Haines)

Reporting practices aligned with the requirements of NSW Treasury policy TPP 20-08 and the Audit and Risk Committee charter.

The Committee reviewed the PSC's financial statements in September 2023 and recommended that the statements be signed by the Commissioner. There were no identified weaknesses in internal controls and all significant risks identified in the risk management process were managed effectively.

Internal audit program

During the financial year, the committee endorsed our annual internal audit plan and monitored progress against the plan and internal audit recommendations. This year, 2 internal audits were reviewed and accepted by the committee on strategic and business planning, and risk management framework. Fieldwork was also completed for an internal audit of vendor and contract management.

As at 30 June 2023, there were 7 open recommendations being addressed by the PSC:

- 1 against the 2021-22 program assurance internal audit report
- 3 against the 2022-23 strategic and business planning internal audit
- 3 against the 2022-23 risk management framework internal audit

All 7 open recommendations are low or moderate risk.

The contract between the PSC and KPMG Australia for the provision of internal audit services ended on 30 June 2023. A select tender under the NSW Government Performance and Management Services Scheme for the provision of future internal audit and risk services is underway to select a new provider for Internal Audit services.

External audit

The committee noted the Commissioner's Internal Audit and Risk Management Attestation Statement and the Audit Office of New South Wales' opinion that the financial year 2022-23 financial statements were a true and fair view of the PSC's financial position.

Internal Audit and Risk Management Attestation Statement for the 2022-2023 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 exemptions or transitional arrangements described below, compliant with the seven (7) core requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core requirements	For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework	
1.1 The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2 The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
Internal Audit Function	
2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant
Audit and Risk Committee	
3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

Membership

The independent chair and members of the Audit and Risk Committee are:
- Independent Chair, Carolyn Walsh (Independent Member 1 December 2017 to 31 January 2022; Independent Chair 1 February 2022 to 1 Feb 2025)
- Independent Member, Mary Haines: (1 January 2020 to 1 January 2026)
- Independent Member, Jon Isaacs (1 February 2022 to 1 Feb 2025)

Kathrina Lo
Public Service Commissioner

Sam Nielsen
Chief Audit Executive

Insurance

Our insurance cover is provided through the Treasury Managed Fund and includes worldwide coverage for:

- workers' compensation liabilities arising under NSW legislation
- property (for repair or full replacement, and consequential loss)
- legal liability, including but not limited to public liability, products liability, environmental liability, professional indemnity and directors and officers' liability, cyber liability and legal expenses
- miscellaneous losses including those due to employee dishonesty, personal accident, cancellation of events and domestic and international travel.

Certain exposures are not covered, including certain liability arising from illegal activities, and wear and tear.

Using enabling technology to support productivity and collaboration

We take a cloud-first approach to technology usage ensuring efficiency, scalability and innovation. Our cloud-based infrastructure helps ensure that we are preventing overprovisioning and accommodating surges in user demand without compromising performance or customer satisfaction.

Our focus during 2022-23 has been on enhancing productivity, streamlining processes, and improving collaboration and accessibility in hybrid working.

Security and data have been crucial in moving to a cloud-first environment with the implementation of robust security measures that safeguard our sensitive data through encryption, multi-factor authentication and zero trust capability.

This year, we deployed a new fleet of end-user laptops that are Windows 11 enabled and provide the security, flexibility and performance required for our workforce technology requirements.

Cyber security

Our commitment to cyber security was recognised by our strong performance in 2022-23 awards programs, see details in the Awards received section page 32.

We maintain our own Information Security Management System (ISMS) to manage risk related to digital information and information systems. The ISMS policies are consistent with the core requirements of the NSW Government Cyber Security Policy (CSP).

This year, we continued to improve our Essential 8 maturity across our multi-cloud ICT and end user environment. We achieved a higher overall maturity against our CSP compliance from 3 points to 3.5 points, and are continuing work to uplift our Essential 8 scoring.

We maintain a robust cyber security culture through our internal communications including an intranet Cyber Security Hub, e-Learning module and in-person training events.

Public Service Commission

Reference: A7501663

Date: 13 October 2023

Cyber Security Annual Attestation Statement for the 2022-2023 Financial Year for the Public Service Commission

I, Kathrina Lo, am of the opinion that the Public Service Commission 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 Public Service Commission have been assessed and are managed.

Governance is in place to manage the cyber-security maturity and initiatives of the Public Service Commission.

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) and the effectiveness of controls and reporting against the mandatory requirements of the NSW Cyber Security Policy was undertaken and found to be adequate or being properly addressed in a timely manner.

The Public Service Commission has a commitment to continuous improvement towards the management of Cyber Security.

Kathrina Lo
Public Service Commissioner

Privacy and personal information

We take seriously our responsibility to comply with the requirements of the *Privacy and Personal Information Protection Act 1998* (PPIP Act) and *Health Records and Information Privacy Act 2002* (HRIP Act).

We promoted the Information and Privacy Commission's Privacy Awareness Week 2023 campaign *Back to Basics: Privacy foundations in NSW* to our staff through information and resources on our intranet. Our Privacy Management Plan is accessible on our website and describes how we comply with the PPIP Act and the HRIP Act.

The PSC has a Privacy Code of Practice made under the PPIP Act and a Health Code of Practice made under the HRIP Act. These are accessible on our website. The Privacy Codes of Practice modify the application of certain information protection 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 PSC did not receive any complaints or requests for review relating to privacy during the reporting year.

We are continuing work to review our Privacy Management Plan and Privacy Codes of Practice. We are also developing a new Data Breach Policy in response to amendments to the PPIP Act due to commence in late 2023.
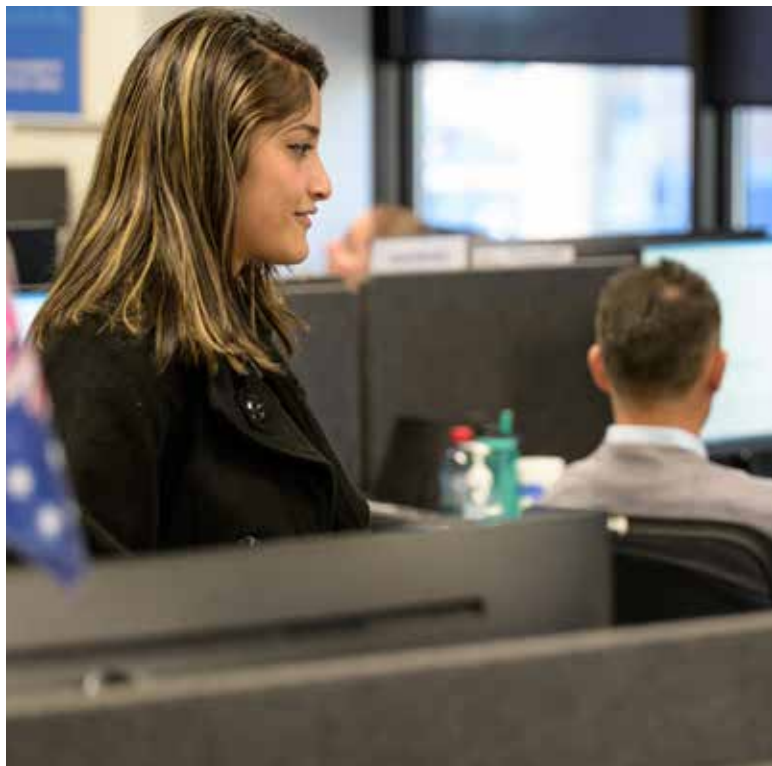
Public access to NSW Government information

The *Government Information (Public Access) Act 2009 (GIPA Act)* provides the framework for access to government information and encourages the proactive public release of government information. It provides members of the public with the enforceable right to access government information not usually available to the public, unless releasing this information is against the public interest.

Proactive release of information

Our website includes comprehensive information about the PSC and our responsibilities, policies and programs. We publish policy documents, documents concerning the PSC tabled in Parliament, a disclosure log of access applications received, and *Government Advertising Act 2011* compliance certificates. Some of our open access information includes:

- register of government contracts
- Directions issued by the Public Service Commissioner
- Determinations issued under the GSE Act
- reports of the Statutory and Other Offices, Parliamentary and Local Government Remuneration Tribunals
- information for senior executives leaving the public service in response to new section 83B of the GSE Act
- a record of open access information (if any) that we do not make publicly available.

During 2022-23, we released the State of the NSW Public Sector Report 2022 and the Workforce Profile Report 2022.

This year we reviewed our program for release of government information. We proactively release government information if the release does not impose unreasonable additional costs on the PSC and the disclosure is not against the public interest.

Access applications

During 2022-23, we received 2 formal applications under the GIPA Act. Both applications were refused. The first was refused on the basis that there was more than one public interest consideration against disclosure. The second was refused on the basis that it would require an unreasonable and substantial diversion of our resources.

The Local Government Remuneration Tribunal, Parliamentary Remuneration Tribunal, Statutory and Other Offices Remuneration Tribunal are declared by Schedule 3 of the *Government Information (Public Access) Regulation 2018* to be part of the PSC for the purposes of the *GIPA Act*.

Statistical information about access applications can be found in the following tables.

Table 4: 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	0	1	0	0	0	0	0
Members of Parliament	0	0	0	0	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	1	0	1	0	0
Members of the public (by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0
Total	0	0	1	1	0	1	0	0

Table 5: Number of applications by type and application 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	0	1	1	0	1	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0
Total	0	0	1	1	0	1	0	0

Table 6: 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
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table 7: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the 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 transactions under *Lad and Property Information NSW (Authorised Transaction) Act 2016*	0
Information provided to High-Risk Offenders Assessment Committee	0
Total	0

Table 8: Other public interest considerations against disclosure: matters listed in section 14 of Act

	Number of times when application not successful
Responsible and effective government	1
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
Total	2

Table 9: Timeliness

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

Table 10: 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 the Act	0	0	0
Review by NCAT	0	0	0
Total	0	0	0

Table 11: 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
Total	0

Table 12: Applications transferred to other agencies

	Number of applications transferred
Agency-initiated Transfers	0
Applicant-initiated Transfers	0
Total	0

Public interest disclosures

The *Public Interest Disclosures Act 1994 (PID Act)* provides a framework for public officials and others to report serious wrongdoing to their workplace, another public authority, a Member of Parliament, or a journalist. Serious wrongdoing includes alleged corrupt conduct, maladministration, serious and substantial waste, and government information contravention.

We did not receive any public interest disclosures (PIDs) concerning the PSC in the 2022-23 financial year.

Where we receive a PID concerning another public authority, the Public Service Commissioner will refer it to that authority or to an investigating authority. We did not receive any PIDs concerning other public authorities this year.

Our PID Policy

Our Public Interest Disclosures Policy provides information for our staff and other public officials on how they can report serious wrongdoing, how reports of serious wrongdoing will be dealt with by the PSC, as well as information in relation to protections available under the PID Act. Our PID Policy is accessible to all PSC staff on our intranet, as well as on our website.

The *Public Interest Disclosures Act 2022* (PID Act 2022) will commence on 1 October 2023, replacing the PID Act 1994. We are updating our PID policy to comply with the new legislative provisions under the PID Act 2022, in line with the new model policy issued by the NSW Ombudsman.

Ensuring our people understand PIDs

To ensure employee awareness as required by section 6E(1)(b) of the PID Act, all new employees are required to read our PID Policy as part of their induction and confirm that they have understood it. PID awareness and reporting resources developed by the NSW Ombudsman are accessible to our employees on our intranet.

Consultants

The Public Service Commission's total expenses for the engagement of consultants in 2022-23 were $111,000. A consultant refers to a person or an organisation engaged under contract on a temporary basis to provide recommendations or professional advice to assist decision-making by management (NSW Procurement Board Direction 2021-03).

Table 13: Consultancy expenses for the 2022-23 financial year

Consultant	Nature and purpose of consultancy	Amount Paid ($)
Contracts $50,000 or more		
Deloitte Consulting Pty Limited	Evaluate Leadership Academy program	111,000
Total	(1 Contract)	111,000
Contracts less than $50,000	(0 Contracts)	-
Total expenditure for 2022-23		111,000

Sustainability

This section provides information about how our organisational activities impact economic, social and environmental sustainability matters and provides a summary of our workforce information and management.

Energy, water, waste

NABERS is a national rating system that measures the environmental performance of Australian buildings, tenancies and homes. Our building is rated 4 stars out of 6 for both the energy and water rating.

We have energy-saving devices fitted to light fittings and power-saving devices on audio visual equipment when meeting rooms are not in use. We also have water saving taps fitted in our bathrooms and kitchen areas.

From 1 July 2023, Shell Energy became our energy provider under a whole-of-government contract. Shell and the PSC are aligned in ensuring we comply with the NSW Electricity Strategy, Government Resource Efficiency Policy and the Net Zero Plan which support NSW's transition to a lower emissions electricity system.

As well as having both waste and recycling bins in our office, our building at 255 George Street has implemented organic bins throughout each office. Building facilities also have refundable bins (10c) for drink containers, with all proceeds donated to a charity at the end of each financial year.

We encourage staff to reduce printing and paper usage and use digital communication methods. The paper that we do purchase is recycled.

This year we donated over 10 x 100L boxes of unused stationery to NSW public schools, NSW Police and NSW Health as part of our sustainability focus and to prevent waste ending up in landfill.

Workforce diversity

We seek diversity-related data from employees when they commence employment with us. Providing diversity-related data is voluntary and relies on employees self-reporting their diversity characteristics. We have recruited one Identified role during 2022-23 to continue building our diverse workforce.

As at 30 June 2023, we reported the following progress on diversity measures.

Table 14: Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark	2023	2022	2021	2020	2019
Women	50%[14]	71.4%	69.4%	71.0%	69.3%	65.2%
Aboriginal and/or Torres Strait Islander people	3.3%[15]	4.8%	2.9%	1.1%	2.5%	2.5%
People whose first language spoken as a child was not English	23.2%[16]	25.6%	24.9%	21.0%	9.2%	8.1%
People with disability	5.6%	12.3%	13.2%	12.8%	8.0%	5.0%
People with disability requiring work-related adjustment	N/A	4.4%	4.5%	5.6%	3.7%	3.7%

[14]The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.
[15]The NSW Public Sector Aboriginal Employment Strategy 2019–25 takes a career pathway approach in that it sets an ambitious target of 3% Aboriginal employment at each non-executive grade of the public sector by 2025.
[16]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.

Table 15: Trends in the distribution index for workforce diversity groups

Workforce diversity group	Benchmark	2023	2022	2021	2020	2019
Women	100	101	100	100	104	107
Aboriginal and/or Torres Strait Islander people	100	N/A	N/A	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	98	97	98	N/A	N/A
People with a disability	100	N/A	N/A	N/A	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A	N/A	N/A

71.4% Women in the workforce

75.0% Women in senior leadership roles

4.8% Aboriginal and Torres Strait Islander employees

25.6% People whose first language spoken as a child was not English

12.3% Disability representation

We continue to lead the way in participation of women in our workforce and exceed the current benchmark for women in leadership roles.

During 2022-23 we continued to work on our targeted recruitment strategies and are pleased to report an increase of staff who identify as Aboriginal or Torres Strait Islander from 2.9% to 4.8%.

People whose first language spoken as a child was not English make up 24.9% of our employees, an increase of 0.7% from last financial year.

People with disability make up 12.3% of our employees, which is above the former NSW public sector target of 2.5%.

We continue to focus on strategies to employ more people with disability and drive representation upward. We actively encourage hiring managers to do targeted role advertisements and regularly showcase the benefits and importance of targeting roles. For information on our other workforce diversity strategies see Disability inclusion action plan on page 104 and Reconciliation Action Plan on page 104.

Work Health and Safety

The PSC's Work Health and Safety Committee is a consultative forum to address workplace health and safety (WHS) matters and meets at least quarterly. In accordance with our internal Workplace Health and Safety Policy, the committee's functions include:

- helping eliminate or minimise health and safety risks
- acting as a mediator where relevant
- advocating for strategies and activities that create a healthy work environment
- making recommendations on WHS issues referred to the committee for action
- communicating relevant health and safety updates to staff.

During 2022-23 we received 2 notifications of injury and/or illness and one workers compensation claim.

As at 30 June 2023, we had 2 first aid officers, 1 CPR-trained staff member, 3 emergency wardens and 11 mental health first aid officers.

During 2022-23, we introduced updated Work Health and Safety tours to strengthen our safety in the office for new staff and staff returning to the office following earlier Covid office closures. All staff are required to complete this tour to ensure staff are aware of safety procedures and how to look after each other.

Prioritising staff wellbeing

We remain committed to providing our people with a healthy work environment, both within the office and when working remotely.

Throughout the year we:

- conducted Mental Health First Aid training
- offered staff the *Headspace for work* mobile app
- continued to offer access to our employee assistance program including free confidential counselling services for staff and their families
- provided free flu vaccination vouchers
- continued to offer the Fitness Passport, providing discounted access to over 850 gyms and pools across NSW.

For the year ahead, we will implement a wellbeing program for staff championed by our Senior Leadership Team. The Wellbeing Program will cover different focus areas including sleep, healthy eating, and a staff event recognising RUOK? Day.

Strategic workforce plan

Our strategic workforce plan was launched in September 2022 and sets out our workforce priorities over the next 3 years.

The plan comprises the following 5 initiatives, which are each led by a different member of our Senior Leadership Team:

1. Enable internal consultancy with a skills and capability register using talent profiles.

2. Participate in the virtual reality/augmented reality pilot.

3. Build key future capabilities.

4. Rebrand the PSC employee value proposition (EVP) and improve recruitment templates and practices.

5. Pursue a family inclusive workplace certification.

Our strategic workforce plan is a living, dynamic document which will continue evolving as we monitor, evaluate and revise initiatives and priorities.

Corporate Services customer survey

Our Corporate Services Division ran their first customer survey in July 2022 to measure how they were fulfilling their purpose to be a trusted partner and strategic advisor to the PSC.

The survey was open to all staff and measured favourability in 3 important areas: equal partnering, timeliness, and the quality of advice received. Results showed a high overall favourability rating of 83%, with 87% favourability for the quality of advice received and 85% for equal partnering. Timeliness was identified as an area for improvement, receiving a 75% favourability rating.

An action plan has been created, with a focus on clearer response times, proactively sharing knowledge about corporate services, and earlier involvement in Capability and Culture's program planning and development.

Celebrating our internal culture

This year, we have continued to recognise and celebrate our internal culture as well as enacting more initiatives to improve staff belonging and inclusion.

This work has led to another significant improvement in our employee engagement score, bringing our 2022 score to 80% – an improvement of 5% over 2021 – and comparing favourably to the sector average of 64%.
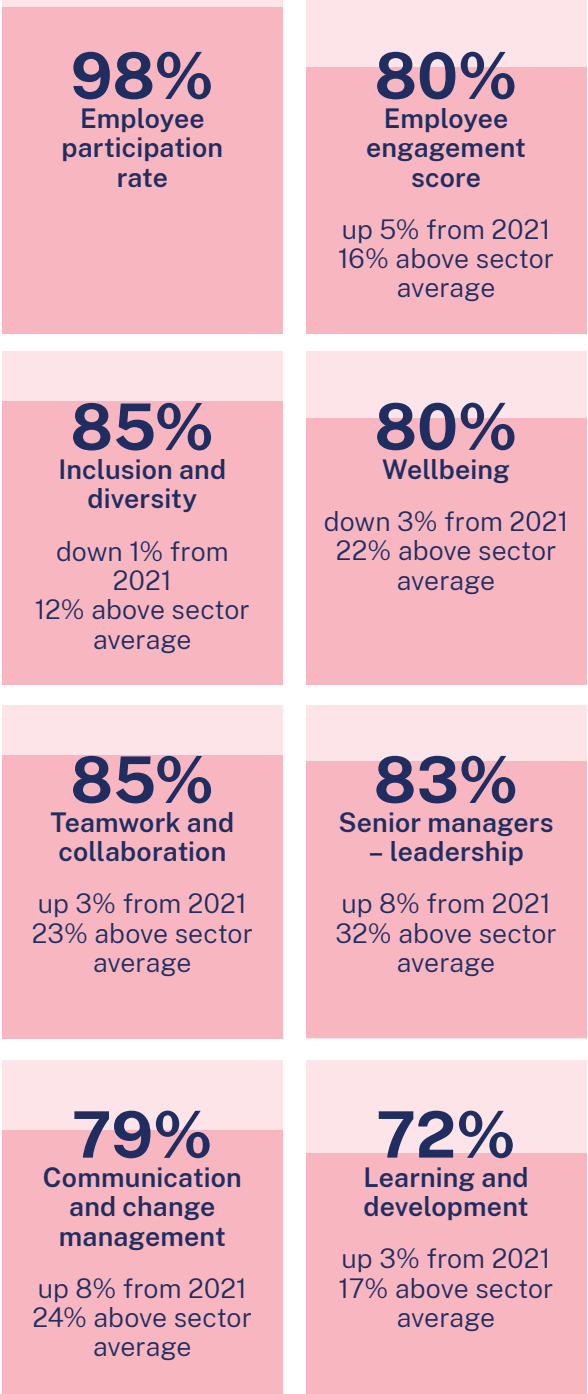
Acting on our PMES results

In response to PMES feedback, our PMES action plan has 2 key focus areas: creating a skills register to support career progression and development and re-establishing our social committee to support employee engagement. The plan was developed in consultation with staff through a series of action planning sessions. We report back on progress against this action plan regularly.

Our social committee provides employees more opportunities to interact socially at work, participate in group activities, support charities, and enjoy short walks together over lunch.

Measuring the impact

Our 2022 PMES results showed continued improvement in areas including collaboration, communication and change management, and how our employees view our senior managers. Importantly, our employees rate our ethics and values at 93%, well above the sector average of 69%. We will continue to measure leadership and employee engagement through the annual PMES and our action plan.

98%
Employee participation rate

80%
Employee engagement score

up 5% from 2021
16% above sector average

85%
Inclusion and diversity

down 1% from 2021
12% above sector average

80%
Wellbeing

down 3% from 2021
22% above sector average

85%
Teamwork and collaboration

up 3% from 2021
23% above sector average

83%
Senior managers – leadership

up 8% from 2021
32% above sector average

79%
Communication and change management

up 8% from 2021
24% above sector average

72%
Learning and development

up 3% from 2021
17% above sector average

PSC staff connecting at the launch of our Reconciliation Action Plan

Disability inclusion action plan

We continue to focus on strategies to employ more people with disability and drive representation upward. We actively encourage hiring managers to do targeted role advertisements and regularly showcase the benefits and importance of targeting roles.

We have been accredited as a Disability Confident Recruiter by the Australian Network on Disability for 6 years running and will continue to apply for this accreditation.

We also provide significant support to the sector in disability inclusion and recruitment initiatives, as detailed in the Disability employment section on page 59.

Reconciliation Action Plan

This year, we were excited to launch our first Reconciliation Action Plan (RAP). Our 'Reflect' RAP is our public commitment to making a meaningful contribution toward reconciliation. This plan has been endorsed by Reconciliation Australia.

Our RAP uses the framework of Relationships, Respect and Opportunities to prioritise our actions until the end of 2024. These actions also connect with the work we do with our sector partners to improve Aboriginal and Torres Strait Islander outcomes in our workforce, as detailed in the Refreshing our Aboriginal Employment Strategy 2022-25 section on page 62.

During National Reconciliation Week 2023, we launched our Reflect RAP. At our launch event, staff enjoyed a cultural performance from Nulungu Dreaming and reflected on their own actions towards reconciliation.

Procurement and supply chain

To ensure that money is spent fairly and efficiently, we comply with all applicable legislative and policy requirements (including the NSW Procurement Policy Framework, NSW Procurement Board Directions, Treasurer's Directions and Premier's Memoranda).

As a NSW Government agency, there are 5 objectives that guide all our procurement decisions:

Value for money – we take a big picture view that compares lifetime benefit to the lifetime cost.

Fair and open competition – promoting fair and open competition leads to more innovation and better results.

Easy to do business – streamlined and accessible processes to attract a broad supply base that includes small to medium and Aboriginal businesses.

Innovation – industry engagement and flexible procurement practices promote innovative services and solutions.

Social outcomes and sustainability – support for small to medium enterprises, Aboriginal-owned businesses, regional businesses and disability employment to enable businesses of all types to grow.

We maintain a Contracts Register and record all contracts entered with the private sector with a contract value over $30,000 (excluding GST). All contracts we enter with the private sector valued over $150,000 (including GST) are published on the NSW Government eTendering website within 45 working days of coming into effect.

In 2022-23, there were 25 contracts recorded in our Contracts Register that commenced during the financial year which were valued over $50,000 (excluding GST).

Of these, 20 contracts were with suppliers on prequalification schemes, NSW Government contracts or eligible Whole of Government policies, 2 were with Aboriginal businesses, and one was with a Disability Enterprise.

Uplifting internal procurement capability

To support our people to undertake best-practice, ethical procurement, this year our Corporate Services teams worked together to launch a new procurement hub. The hub includes guidance on how to proceed with procurements based on available budget, and templates to enable them to get under way.

Our Governance and Risk team and Legal Services team have also supported continued procurement capability uplift by hosting a series of 'ask me anything' sessions, where staff can learn more about best-practice procurement and ask questions directly of subject matter experts.

Modern Slavery Act

NSW Government agencies are required by the *Public Works and Procurement Act 1912* to take reasonable steps to ensure that goods and services procured are not the product of modern slavery within the meaning of the *Modern Slavery Act 2018* (NSW).

Information about our procurement activities is set out above under the section titled Procurement and supply chain. Our procurement activities primarily include sourcing service providers from NSW Government contracts and Whole of Government Prequalification schemes.

Action we have taken to address modern slavery risks

We have taken a targeted, risk-based approach to meeting our obligations. We have established a Modern Slavery working group, comprising staff from our legal, governance, procurement and finance teams, which meets regularly and reports to our Management Board, Senior Leadership Team and all staff on our obligations.

Actions we have undertaken since commencement of the *Modern Slavery Act 2018* on 1 January 2022 include:

- conducting an internal risk-based analysis of our procurement to identify areas recognised as having high risks of modern slavery, in line with our Risk Management Policy and NSW Procurement guidance

- updating our standard PSC request for tender and contract terms and conditions to include modern slavery clauses

- unless modern slavery risks are assessed as low or non-existent, where possible, we include modern slavery clauses in tender and procurement contracts requiring suppliers to provide assurances and take steps to ensure that goods and/or services supplied are not the product of modern slavery

- making training available to our staff on our obligations

- publishing a dedicated section on modern slavery on our procurement hub on the PSC staff intranet page, which contains links to NSW Procurement guidance on modern slavery and procurement including NSW Procurement's templates and resources.

In addition, we continue to comply with the NSW Procurement Policy Framework and all other applicable legislative and policy requirements. We also require suppliers to comply with the Supplier Code of Conduct, which includes an expectation that suppliers make all reasonable efforts to ensure that businesses within their supply chain are not engaged in, or complicit with, human rights abuses such as forced or child labour.

The Anti-slavery Commissioner did not raise any issues during the reporting year concerning the operations of the PSC.

We will continue work to ensure our goods and services are not the product of modern slavery in 2023-24, including reviewing any guidance issued by the Anti-slavery Commissioner to the sector and taking the necessary steps to comply with that guidance.

Internal ethics and conduct controls

The Public Service Commissioner issued The Code of Ethics and Conduct for NSW government sector employees (Code) under Commissioner's Direction 2 of 2022 with effect from 1 November 2022. From 1 July 2023, the Code has had legislative force under section 8A of the GSE Act.

We are currently conducting a review of the Code. More detail about this review can be found in the Focus on ethical behaviour section on page 67 of this report.

Mandatory code of conduct requirements

The Code identifies mandatory conduct requirements and best practice for all government sector employees consistent with Part 2 of the GSE Act (the Ethical framework for the government sector).

Requirements include acting in the public interest, management of conflicts of interests, treatment of colleagues, customers, clients and stakeholders, interaction with lobbyists, use of public resources, and reporting conduct contrary to the Code. Good practice guides include deciding and acting ethically and encouraging ethical behaviour by others.

We adopted *The Code of Ethics and Conduct for NSW Government Sector Employees* in its entirety from commencement on 1 November 2022. Prior to 1 November 2022, the PSC adopted *The Code of Ethics and Conduct for government sector employees* issued under the former Public Service Commissioner's Direction 1 of 2015 in its entirety.

How we meet the code

Roles and responsibilities for implementation of the Code are allocated in our PSC Code of Ethics and Conduct Policy and Fraud and Corruption Control Policy (Policy).

All staff requirements

All PSC staff, which means all ongoing, temporary or casual PSC employees as well as volunteers and contractors working with the PSC under the day-to-day oversight of a PSC employee, are required to comply with the Code and the Policy.

PSC employees are advised that they must act in ways that are lawful, ethical and build trust in the public sector. Information about the Code is available on our intranet and website.

All new PSC employees are required to read the Policy (which includes the Code) and accept that they are bound by the Code as part of their on-boarding. Induction procedures require managers to discuss the Code with their staff.

Requirements for Senior Leaders

Senior Leaders annually certify that they have informed all employees of the Code and that they have monitored compliance with the Code.

Senior Leaders and managers are required to complete a conflict-of-interest declaration when participating in tender evaluation panels. Declarations of private interest are completed by Senior Leaders on an annual basis, and new senior executive staff complete a declaration with their employment contract. Senior Leaders are required to update their conflict-of-interest declarations as soon as practicable following any relevant change in their private interests or following assignment to a new role or responsibility.

Financial performance

This section reports on our financial performance.

Message from the Chief Financial Officer

Expenditure and budget control limits

Our full year operating expenditure of $38.947 million was lower than the original budget of $40.730 million, mainly owing to higher-than-expected staff turnover. We have not been immune to the tight labour market post-pandemic, even though our time to hire continues to decrease.

We proactively managed any forecast underspend by prioritising and bringing forward unbudgeted pipeline projects. This is an important oversight measure performed by our Management Board each month as part of our ongoing tracking of progress against outcomes and allocated spend.

Our expenditure is managed within Net Cost of Service (NCOS) control limits set by NSW Treasury. We have delivered our programs and approved expenditure within the approved NCOS limits this year, as we have done for the last 5 years (shown in Figure 4: Net cost of services 2018 – 2023). NCOS excludes direct appropriations and Crown-accepted revenue items.

Continuous improvement approach for Corporate Services

This year our Corporate Services division instigated an internal customer survey to better understand how the organisation is experiencing our services. We measured an outstanding 83% favourability rating. This exercise has built trust across the PSC as well as sharpening our focus on enabling best practice risk management and procurement. It has also demonstrated the importance of timeliness and effective communication with our internal customers.

As part of our commitment to continuous improvement, we will make this survey an annual activity as well as enhancing our Executive Dashboard for the Management Board and the Advisory Board.

Looking forward to 2023-24 and beyond

The coming year is already promising to be a busy and exciting one with the addition of new reporting processes, governance measures and technologies. This includes whole of government climate-related reporting in 2024-25, sustainability accounting standards, and the impact of artificial intelligence on our systems and processes.

We will also continue to adapt to meet the commitments and priorities of the new Government.

Joyce Low

Chief Financial Officer and Director, Governance & Risk

Key financial statistics
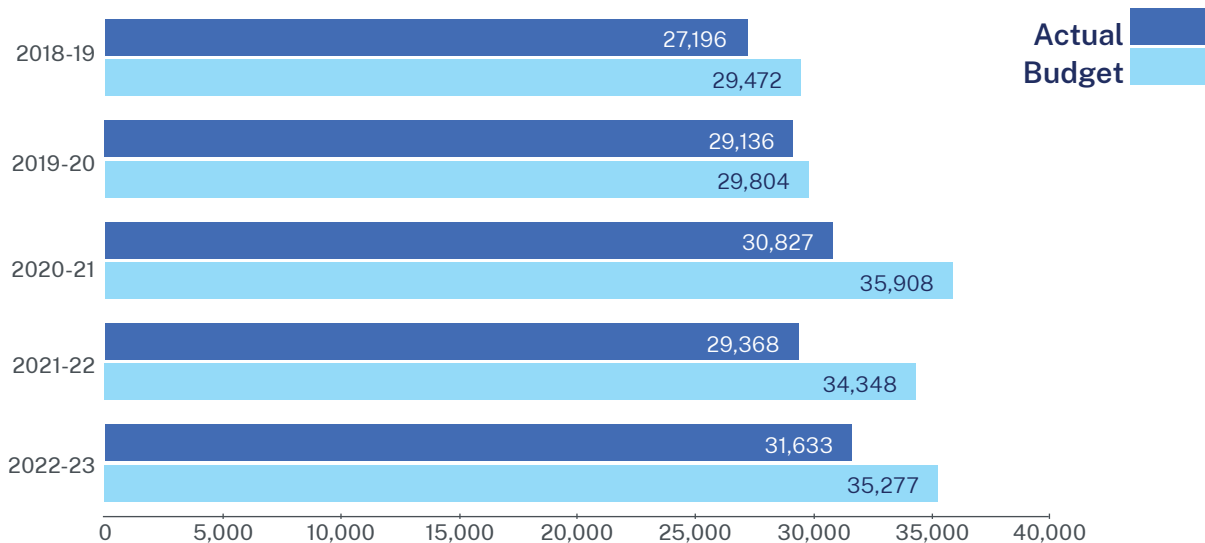
Figure 4: Net cost of services 2018 – 2023

Legend: Actual (dark blue), Budget (light blue)

Year	Actual	Budget
2018-19	27,196	29,472
2019-20	29,136	29,804
2020-21	30,827	35,908
2021-22	29,368	34,348
2022-23	31,633	35,277

Table 16: Financial position – 5 year trend
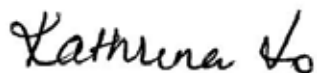
	2018-19	2019-20	2020-21	2021-22	2022-23
Five year trend	$'000	$'000	$'000	$'000	$'000
Financial performance					
Total revenue	41,604	44,102	39,563	32,132	40,170
Total expenses	41,365	43,095	38,638	35,243	38,947
Net result	207	1,011	255	- 2,735	2,228
Financial position					
Total assets	9,596	13,356	11,901	6,635	9,052
Total liabilities	7,222	9,971	8,197	5,666	5,855
Accumulated funds	2,374	3,385	3,704	969	3,197

Financial statements

Public Service Commission
Certification of the Financial Statements
for the year ended 30 June 2023

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* (the Act'), I state that these financial statements for the year ended 30 June 2023:

- have been prepared in accordance with the Australian Accounting Standards (which include Australian Accounting Interpretations) and the applicable requirements of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's directions, and

- present a true and fair view of the Public Service Commission's financial position, financial performance and cash flows.

- Further, at the date of this statement, I am not aware of any circumstances that would render the particulars included in the financial statements to be misleading or inaccurate.

Kathrina Lo
Public Service Commissioner
28 September 2023

Public Service Commission

Statement of Comprehensive Income for the year ended 30 June 2023

	Notes	Budget 2023 $'000	Actual 2023 $'000	Actual 2022 $'000
Continuing operations				
Expenses excluding losses				
Employee-related expenses	2(a)	21,913	19,724	18,594
Operating expenses	2(b)	17,949	18,639	14,902
Depreciation and amortisation expenses	2(c)	868	569	1,721
Grants and subsidies	2(d)	-----	15	-----
Finance costs	2(e)	-----	-----	26
Total expenses excluding losses		**40,730**	**38,947**	**35,243**
Revenue				
Appropriation	3(a)	33,124	33,099	26,529
Sale of goods and services	3(b)	3,042	3,100	2,983
Grants and other contributions	3(c)	2,897	2,886	2,815
Acceptance by the Crown of employee benefits and other liabilities	3(d)	479	792	(269)
Other income	3(e)	-----	293	74
Total revenue		**39,542**	**40,170**	**32,132**
Operating result				
(Loss) / gain on disposal	4	-----	(7)	376
Other gains	5	-----	1,012	-----
Net result from continuing operations		**-----**	**1,005**	**376**
Net result		**(1,188)**	**2,228**	**(2,735)**
Total comprehensive income / (loss)		**(1,188)**	**2,228**	**(2,735)**

The accompanying notes form part of the financial statements.

Public Service Commission

Statement of Financial Position as at 30 June 2023

	Notes	Budget 2023 $'000	Actual 2023 $'000	Actual 2022 $'000
Assets				
Current Assets				
Cash and cash equivalents	7	5,727	5,789	4,097
Receivables	8	294	1,434	1,529
Total Current Assets		**6,021**	**7,223**	**5,626**
Non-Current Assets				
Property, plant and equipment	9	1,416	1,829	991
Intangible assets	11	-----	-----	18
Total Non-Current Assets		**1,416**	**1,829**	**1,009**
Total Assets		**7,437**	**9,052**	**6,635**
Liabilities				
Current Liabilities				
Payables	12	785	2,900	2,406
Provisions	13	3,153	2,543	3,122
Other current liabilities	14	292	-----	92
Total Current Liabilities		**4,230**	**5,443**	**5,620**
Non-Current Liabilities				
Provisions	13	59	412	46
Other non-current liabilities	14	800	-----	-----
Total Non-Current Liabilities		**859**	**412**	**46**
Total Liabilities		**5,089**	**5,855**	**5,666**
Net Assets		**2,348**	**3,197**	**969**
Equity				
Accumulated funds		2,348	3,197	969
Total Equity		**2,348**	**3,197**	**969**

The accompanying notes form part of the financial statements.

Public Service Commission

Statement of Cash Flows for the year ended 30 June 2023

	Notes	Budget 2023 $'000	Actual 2023 $'000	Actual 2022 $'000
Cash flows from operating activities				
Payments				
Employee related		(21,434)	(18,901)	(18,845)
Grants and subsidies		-----	(15)	-----
Finance costs		-----	-----	(26)
Other		(17,950)	(19,308)	(15,499)
Total payments		**(39,384)**	**(38,224)**	**(34,370)**
Receipts				
Appropriations		33,124	33,099	26,529
Reimbursements from the Crown		-----	149	150
Sale of goods and services		3,042	3,873	4,534
Grants and other contributions		2,897	2,978	2,905
Other		1,000	201	72
Total Receipts		**40,063**	**40,300**	**34,190**
Net cash flows from operating activities		**679**	**2,076**	**(180)**
Cash flows from investing activities				
Purchase of plant and equipment		(1,270)	(384)	(29)
Net cash flows from investing activities		**(1,270)**	**(384)**	**(29)**
Cash flows from financing activities				
Payment of principal portion of lease liabilities		-----	-----	(1,205)
Net cash flows from financing activities		**-----**	**-----**	**(1,205)**
Net increase/(decrease) in cash and cash equivalents		(591)	1,692	(1,414)
Opening cash and cash equivalents		6,318	4,097	5,511
Closing cash and cash equivalents		**5,727**	**5,789**	**4,097**

The accompanying notes form part of the financial statements.

Public Service Commission

Statement of Changes in Equity for the year ended 30 June 2023

	Accumulated Funds $'000	Total $'000
Balance as at 1 July 2022	**969**	**969**
Net result for the year ended 30 June 2023	2,228	2,228
Total other comprehensive income	-----	-----
Total comprehensive income for the year ended 30 June 2023	**2,228**	**2,228**
Balance as at 30 June 2023	**3,197**	**3,197**
Balance as at 1 July 2021	**3,704**	**3,704**
Net result for the year	(2,735)	(2,735)
Total other comprehensive income	-----	-----
Total comprehensive income for year	**(2,735)**	**(2,735)**
Balance as at 30 June 2022	**969**	**969**

The accompanying notes form part of the financial statements.

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

1 Summary of Significant Accounting Policies

(a) Reporting entity

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

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

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

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

These financial statements for the year ended 30 June 2023 have been authorised for issue by the Public Service Commissioner on 28 September 2023.

(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 *Government Sector Finance Act 2018* (GSF Act)*, and*
- Treasurer's Directions issued under the GSF Act.

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

Plant and equipment and certain financial assets and liabilities are measured using the fair value basis. 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.

Superannuation on annual leave loading

The Commission has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

1   Summary of Significant Accounting Policies (cont.)

(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.

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

(i) 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' (TPG23-04):

- AASB 17 *Insurance Contracts*
- AASB 2020-1 Amendments to Australian Accounting Standards – *Classification of Liabilities as Current or Non-current*
- AASB 2021-2 Amendments to Australian Accounting Standards – *Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-5 Amendments to Australian Accounting Standards – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- AASB 2021-6 Amendments to Australian Accounting Standards – *Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- AASB 2021-7b Amendments to Australian Accounting Standards – *Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-7c Amendments to Australian Accounting Standards – *Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2022-1 Amendments to Australian Accounting Standards – *Initial Application of AASB 17 and AASB 9 - Comparitive Information*
- AASB 2022-5 Amendments to Australian Accounting Standards – *Lease Liability in a Sale and Leaseback*
- AASB 2022-6 Amendments to Australian Accounting Standards – *Non-current Liabilities with Covenants*
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-8 Amendments to Australian Accounting Standards – *Insurance Contracts: Consequential Amendments*
- AASB 2022-9 Amendments to Australian Accounting Standards – *Insurance Contracts in the Public Sector*
- AASB 2022-10 Amendments to Australian Accounting Standards – *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

It is not anticipated that the adoption of these standards will affect the financial statements of the Commission.

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

2 Expenses excluding losses

	2023 $'000	2022 $'000
(a) Employee-related expenses		
Salaries and wages (including annual leave)	16,333	16,563
Superannuation - defined benefit plans	48	28
Superannuation - defined contribution plans	1,495	1,417
Long service leave	792	(336)
Workers' compensation insurance	55	45
Payroll tax and fringe benefits tax	1,001	877
	19,724	**18,594**

	2023 $'000	2022 $'000
(b) Operating expenses include the following:		
Auditor's remuneration		
- audit of the financial statements	55	54
Consultants	111	148
Corporate services	817	672
Other contractors	881	440
Fees - ICT	4,273	2,323
Insurance	56	57
Other expenses	7,361	7,004
Computer expenses	1,758	1,371
Boards and committees	275	301
Fees - management	3,052	2,532
	18,639	**14,902**

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.

	2023 $'000	2022 $'000
(c) Depreciation and amortisation expenses		
Depreciation		
Leasehold improvements	309	567
Plant and equipment	242	302
Right-of-use assets	-----	809
Amortisation		
Intangible assets	18	43
	569	**1,721**

Refer to Note 9, Note 10 and Note 11 for recognition and measurement policies on depreciation and amortisation.

	2023 $'000	2022 $'000
(d) Grants and subsidies		
NSW Government	15	-----
	15	**-----**

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

2 Expenses excluding losses (cont.)

	2023 $'000	2022 $'000
(e) Finance costs		
NSW Government	-----	26
	-----	**26**

3 Revenue

Recognition and measurement

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

Summary of compliance	2023 $'000	2022 $'000
Amount appropriated per *Appropriation Act*	33,124	32,439
Total spending authority from parliamentary appropriations, other than deemed appropriations	**33,124**	**32,439**
Add:		
The spending authority from deemed approrpiations during the current year	7,201	7,661
The unutilised spending authority from deemed appropriations in prior years	10,007	5,511
Total	**50,332**	**45,611**
Less: total expenditure out of ConFund	(38,608)	(35,604)
Variance	**11,724**	**10,007**
Less:		
The spending authority from appropriations lapsed at 30 June	-----	-----
Deemed appropriations balance carried forward to following years	**11,724**	**10,007**

Notes:

1. The summary of compliance includes deemed appropriations. It is based on the assumption that the annual appropriations monies are spent first (except where otherwise identified or prescribed).
2. Expenditure refers to cash payments. The term 'expenditure' has been used for payments for consistency with AASB 1058 *Income of Not-for-Profit Entities.*
3. Deemed appropriations is a legal concept under the *GSF Act* , that does not have a corresponding financial statement line item. Instead, deemed appropriations may come from various sources, such as sale of goods and services, and the corresponding revenue is disclosed in the relevant sections of these items in the financial statements.

The *Appropriation Act 2022 (Appropriations Act)* appropriates the sum of $33,124,000 to the Premier out of the Consolidated Fund for the services of the Public Service Commission for the year 2022–23.

The *Treasury and Energy Legislation Amendment Act 2022* made some amendments to sections 4.7 and 4.9 of the GSF Act. These amendments commenced on 14 November 2022 and are applied retrospectively. As a result, the lead Minister for the Public Service Commission, being the Premier, is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time the Public Service Commission receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the Public Service Commission. These deemed appropriations are taken to have been given for the services of the Public Service Commission.

In addition, government money that the Public Service Commission receives or recovers, from another GSF agency, of a kind prescribed by the GSF regulations that forms part of the Consolidated Fund, is now capable of giving rise to deemed appropriations.

On 16 June 2023, the *GSF Amendment (Deemed Appropriations) Regulation 2023* was approved to bring the GSF regulations in line with the above deemed appropriation amendments to the GSF Act.

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

3 Revenue (cont.)

The spending authority of the Minister from the *Appropriations Act* and deemed appropriation money, has been delegated/sub-delegated to officers of the Public Service Commission.

The summary of compliance has been prepared by aggregating the spending authorities for the services of the Public Service Commission. It reflects the status at the point in time this disclosure statement is being made.

The Public Service 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. The State Budget and related 2023-24 Appropriation Bill has been delayed until September 2023. 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 2023 until the earlier of 30 September 2023 or release of the 2023-24 Appropriation Act.

	2023 $'000	2022 $'000
(b) Sale of goods and services		
Rendering of services	3,100	2,983
	3,100	**2,983**

Recognition and measurement

Sale of goods

Revenue from sale of goods is recognised when the Commission satisfies a performance obligation by transferring the promised goods.

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, Taleo and executive search recoveries.

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.

	2023 $'000	2022 $'000
(c) Grants and other contributions		
Grants	2,886	2,815
	2,886	**2,815**

	2023 $'000	2022 $'000
(d) Acceptance by the Crown of employee benefits and other liabilities		
The following liabilities and / or expenses have been assumed by the Crown:		
Superannuation - defined benefit	45	26
Long service leave provision	746	(296)
Payroll tax on superannuation	1	1
	792	**(269)**

	2023 $'000	2022 $'000
(e) Other income		
Payroll recoveries	201	74
Lease incentive	92	-----
	293	74

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

4   (Loss) / gain on disposal

	2023 $'000	2022 $'000
Net loss on disposal of plant and equipment	(7)	-----
Derecognition of right-of-use assets and lease liabilities with Property NSW	-----	376
	(7)	**376**

The net gain as at 30 June 2022 is recognised from the derecognition of the right-of-use asset and lease liability with Property NSW. Please refer to Note 10 for further details of derecognition.

5   Other gains / (losses)

	2023 $'000	2022 $'000
Plant and equipment fair value	1,012	-----
	1,012	**-----**

The Commission reassessed that the useful life of leasehold improvements be extended to be 10 years, expiring on 30 June 2028, in accordance with the occupancy agreement entered into with Property NSW in 2023.

6   Program group statements

The Commission has only one program group and so 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.

7   Current Assets - Cash and cash equivalents

	2023 $'000	2022 $'000
Cash at bank and on hand	5,789	4,097
	5,789	**4,097**

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

	2023 $'000	2022 $'000
Cash and cash equivalents (per Statement of Financial Position)	5,789	4,097
	5,789	**4,097**

Refer Note 18 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

8 Current Assets - Receivables

	2023	2022
	$'000	$'000
Sale of goods and services	347	951
Goods and services tax recoverable from Australian Taxation Office	342	200
Accrued income	202	55
Other receivables	14	6
Prepayments	529	317
	1,434	**1,529**

Details regarding credit risk of Trade Receivbles that are neither past due or impaired are disclosed in Note 18.

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.

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

9 Property, plant and equipment

	Plant & Equipment $'000	Leasehold Improvements $'000	Total $'000
As at 1 July 2022 - fair value			
Gross carrying amount	1,397	2,832	4,229
Accumulated depreciation and impairment	(967)	(2,271)	(3,238)
Net carrying amount	**430**	**561**	**991**
As at 30 June 2023 - fair value			
Gross carrying amount	1,289	2,892	4,181
Accumulated depreciation and impairment	(785)	(1,567)	(2,352)
Net carrying amount	**504**	**1,325**	**1,829**

Reconciliation

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

	Plant & Equipment $'000	Leasehold Improvements $'000	Total $'000
Year ended 30 June 2023			
Net carrying amount at start of year	430	561	991
Purchases of assets	322	61	384
Disposals	(7)	-----	(7)
Increment relating to the adjustment in accumulated depreciation (refer Note 5)	-----	1,012	1,012
Depreciation expense	(242)	(309)	(551)
Net carrying amount at end of Year	**503**	**1,325**	**1,829**

	Plant & Equipment $'000	Leasehold Improvements $'000	Total $'000
As at 1 July 2021 - fair value			
Gross carrying amount	1,407	2,898	4,305
Accumulated depreciation and impairment	(769)	(1,704)	(2,473)
Net carrying amount	**638**	**1,194**	**1,832**
As at 30 June 2022 - fair value			
Gross carrying amount	1,397	2,832	4,229
Accumulated depreciation and impairment	(967)	(2,271)	(3,238)
Net carrying amount	**430**	**561**	**991**

Reconciliation

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

	Plant & Equipment $'000	Leasehold Improvements $'000	Total $'000
Year ended 30 June 2022			
Net carrying amount at start of year	638	1,194	1,832
Purchases of assets	28	-----	28
Transfer between asset classes	66	(66)	-----
Disposals	-----	-----	-----
Depreciation expense	(302)	(567)	(869)
Net carrying amount at end of year	**430**	**561**	**991**

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

9 Property, plant and equipment (cont.)

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 of 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	Depreciation Rates 2023	Depreciation Rates 2022
Office furniture and fittings	10 - 50%	10 - 50%
Computer equipment	25%	25%
General plant and equipment	20 - 25%	20 - 25%

Amortisation

Leasehold improvements (over the period of the lease).

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 21-09) and Treasurer's Direction '*Valuation of Physical Non-Current Assets at Fair Value'* (TD21-05). TD21-05 and TPP21-09 adopt fair value in accordance AASB 13 *Fair Value Measurement* and AASB 116 *Property Plant and Equipment*.

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 2023

10 Leases

Commission as a lessee

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

During financial year ended 30 June 2022, the Commission accepted changes in office accommodation arrangements with Property NSW (PNSW). The main change is the introduction of the "substitution right" clause for PNSW to relocate the Commission during the term of the agreement. The clause provides PNSW with a substantive substitution right. Therefore, these agreements are no longer accounted for as a lease within the scope of AASB 16. The corresponding right of use assets and lease liabilities have been derecognised on 30 June 2022, the effective date of the new clause. The net impact of the derecognition is recognised in "Other gains/(losses)" (refer to Note 4). From 1 July 2022, the accommodation charges will be recognised as expenses when incurred over the agreement duration.

The Commission continues to carry the responsibility to make good, and to control the fit-out during the remaining occupancy period as the Commission receives the economic benefits via using the fit-out or expected compensation from PNSW upon relocation. The incentives received prior to 30 June 2022 apply to the remaining occupancy period. Therefore, the Commission's accounting treatment for make-good provision and fit-out costs in relation to the relevant accommodation remains unchanged.

A liability in relation to the amortised balance of incentives received has been recognised as a liability as at 30 June 2022 and will be amortised over the remaining occupancy period.

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 as at 1 July 2022	-----	-----
Derecognition of right-of-use-asset	-----	-----
Depreciation expense	-----	-----
Balance as at 30 June 2023	-----	-----
Balance as at 1 July 2021	1,621	1,621
Derecognition of right-of-use-asset	(812)	(812)
Depreciation expense	(809)	(809)
Balance as at 30 June 2022	-----	-----

Lease liabilities

The following table presents liabilities under leases.

	2023 $'000	2022 $'000
Balance as at 1 July	-----	2,486
Additions	-----	-----
Interest expense	-----	26
Payments	-----	(1,231)
Derecognition of lease liabilities	-----	(1,281)
Balance as at 30 June	-----	-----

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

10 Leases (cont.)

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

	2023 $'000	2022 $'000
Depreciation expense of right-of-use assets	-----	809
Other movements (Impairment loss)	-----	-----
Interest expense on lease liabilities	-----	26
Gains arising from derecognising right-of-use assets and lease liabilities with Property NSW	-----	(376)
Total amount recognised in the statement of comprehensive income	**-----**	**459**

The Commission had total cash outflows for leases of $0 (FY2022: $1,205,291).

Recognition and measurement under AASB 16 until 30 June 2022

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

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

10 Leases (cont.)

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.

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

11 Intangible assets

	Software at cost $'000	Total $'000
As at 1 July 2022		
Cost (gross carrying amount)	3,681	3,681
Accumulated amortisation and impairment	(3,663)	(3,663)
Net carrying amount	**18**	**18**
As at 30 June 2023		
Gross carrying amount	-----	-----
Accumulated amortisation and impairment	-----	-----
Net carrying amount	-----	-----

	Software at cost $'000	Total $'000
Year ended 30 June 2023		
Net carrying amount at start of year	18	18
Additions	-----	-----
Amortisation (recognised in ''depreciation and amortisation'')	(18)	(18)
Net carrying amount at end of Year	-----	-----

	Software at cost $'000	Total $'000
As at 1 July 2021 - fair value		
Gross carrying amount	3,681	3,681
Accumulated amortisation and impairment	(3,620)	(3,620)
Net carrying amount	**61**	**61**
As at 30 June 2022 - fair value		
Gross carrying amount	3,681	3,681
Accumulated amortisation and impairment	(3,663)	(3,663)
Net carrying amount	**18**	**18**

	Software at cost $'000	Total $'000
Year ended 30 June 2022		
Net carrying amount at start of year	61	61
Additions	-----	-----
Amortisation (recognised in "depreciation and amortisation")	(43)	(43)
Net carrying amount at end of year	**18**	**18**

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.

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

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

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

12 Current Liabilities - Payables

	2023 $'000	2022 $'000
Accrued salaries, wages and on-costs	424	328
Creditors	607	498
Other accruals	1,865	1,576
Other payables	4	4
	2,900	**2,406**

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in Note 18.

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.

13 Current / Non-Current Liabilities - Provisions

	2023 $'000	2022 $'000
Current provisions		
Annual leave including on costs	1,802	1,999
Long service leave on costs	525	460
Parental leave including on costs	216	-----
Current employee benefits and related on-costs	**2,543**	**2,459**
Restoration costs	-----	663
Total current provisions	**2,543**	**3,122**
Non-current provisions		
Long service leave on costs	52	46
Non-current employee benefits and related on-costs	**52**	**46**
Restoration costs	360	-----
Total non-current provisions	**412**	**46**
Employee benefits and related on-costs	2,595	2,505
Restoration costs	360	663
Total provisions	**2,955**	**3,168**

	2023 $'000	2022 $'000
Aggregate employee benefits and related on-costs		
Provisions - current	2,543	3,122
Provisions - non-current	52	46
Accrued salaries, wages and on-costs (note 12)	424	328
Total provisions	**3,019**	**3,496**

In accordance with the NSW TC 21-03 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

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

statement of financial position. All annual leave classified as a current liability is expected to be settled within 12 months of balance sheet dates.

12   Current / Non-Current Liabilities - Provisions (cont.)

The Commission's liability for long service leave is assumed by the Crown. 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:

	2023 $'000	2022 $'000
Provision for restoration costs		
Carrying amount at the beginning of financial year	662	302
Additional provisions recognised	-----	360
Unused amount reserved	(302)	-----
Carrying amount at the end of financial year	**360**	**662**

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 8.4% 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. 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 of employee benefits and other liabilities'.

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

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

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

12 Current / Non-Current Liabilities - Provisions (cont.)

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

	2023 $'000	2022 $'000
Other current		
Unamortised lease incentive	-----	92
Total other liabilities	-----	**92**

15 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.

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2023

16 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 $2.298 million was $3.416 million higher than budget net result of ($1.118) million. The major variations to the budgets are:

Total expenses of $38.947 million was $1.783 million lower than budget amount of $40.730 million, mainly due to lower employee related expenses $2.189 million with a offset by higher operating expenses $0.690 million.

Total revenue of $40.170 million was $0.628 million higher than budget amount of $39.542 million, mainly due to higher acceptance by the Crown of $0.313 million and other income due to payroll recoveries and lease incentive $0.293m.

Assets and liabilities

Net assets of $3.197 million was $0.849 million higher than budget amount of $2.348 million. The major variances arising on the Statement of Financial Position are noted below:

Total assets of $9.052 million were $1.615 million higher than budget amount of $7.437 million, mainly due to higher closing receivables balance.

Total liabilities of $5.855 million was $0.766 million higher than budget amount of $5.089 million, mainly due to higher payables at year end.

Cash flows

The net increase in cash of $1.692 million was $2.283 million higher than budget amount of ($0.591) million, mainly due to higher net cash from operating activities and lower than budgeted purchases of plant & equipment.

17 Reconciliation of cash flows from operating activities to net result

	2023 $'000	2022 $'000
Net cash used on operating activities	2,076	(180)
Depreciation and amortisation expense	(569)	(1,721)
Net gain on right-of-use asset written off	-----	376
Net loss on disposal	(7)	-----
Other Gains	1,012	-----
Decrease/(increase) in provisions	213	(442)
Increase/(decrease) in prepayments and other assets	213	29
Increase/(decrease) in receivables	(308)	(1,376)
(Increase)/decrease in payables	(494)	579
Decrease/(increase) in other current liabilities	92	-----
Net result	**2,228**	**(2,735)**

Public Service Commission

Notes to and forming part of the financial statements
for the year ended 30 June 2023

18 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	
			2023 $'000	2022 $'000
Cash and cash equivalents	7	Amortised cost	5,789	4,097
Receivables[1]	8	Amortised cost	563	1,012
Financial Liabilities				
Payables[2]	12	Financial liabilities measured at amortised cost	2,472	2,074

[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.

(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.

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

18 **Financial instruments (cont.)**

(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 receivables

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Trade receivables 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 receivables. Sales are made on 30 day terms.

The ageing analysis of trade receivables is as follows:

	2023 $'000	2022 $'000
Neither past due nor impaired	151	-----
Past due but not impaired		
< 3 months overdue	-----	158
3 months - 6 months overdue	15	5
> 6 months overdue	182	790
	348	**953**
Impaired		
< 3 months overdue	-----	-----
3 months - 6 months overdue	-----	-----
> 6 months overdue	-----	-----
Total receivables - gross of allowance for impairment	**-----**	**-----**

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 8.

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

18 Financial instruments (cont.)

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 (2022: Nil).

The Commission had a credit card facility for $250,000 (2022: $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

| | | | $'000 | | | | |
| | | | Interest rate exposure | | Maturity dates | | |
	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
2023							
Payables	2,472	-----	-----	2,472	2,472	-----	-----
Total	**2,472**	**-----**	**-----**	**2,472**	**2,472**	**-----**	**-----**
2022							
Payables	2,074	-----	-----	2,074	2,074	-----	-----
Total	**2,074**	**-----**	**-----**	**2,074**	**2,074**	**-----**	**-----**

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.

Public Service Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2023

18 Financial instruments (cont.)

(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.

19 Related party disclosures

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

	2023 $'000	2022 $'000
Salaries	1,247	1,253
Other monetary allowances	-----	-----
Non-monetary benefits	-----	-----
Other long-term employee benefits	-----	-----
Post-employment benefits	59	55
Termination benefits	-----	-----
Total remuneration	**1,306**	**1,308**

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.

20 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

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 by the Commissioner, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Cash Flows and the Statement of Changes in Equity, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

I am independent of 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).

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

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

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, the GSF Act, GSF Regulation and Treasurer's Directions. The Commissioner's responsibility also includes 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.

Nirupama Mani
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

3 October 2023
SYDNEY

Investment and liability management performance

The PSC does not have approval to invest with TCorp and has no financial liabilities to report.

Machinery of government change costs and benefits

The PSC was not impacted by machinery of government changes this year and has no costs or benefits to report.

Glossary

Term	Meaning
Aboriginal	Aboriginal, when used in this document, is inclusive of Aboriginal and/or Torres Strait Islander people.
AES	Aboriginal Employment Strategy 2022-2025
AM	Member of the Order of Australia
ANZSOG	Australia & New Zealand School of Government
CALD	Cultural, linguistic and ethno-religious diversity
Capability	Transferrable 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)
Community of HR Professionals	Group of public sector employees working in human resources who have opted in to receive information from the PSC about events, updates and professional development opportunities. It is also known as the 'HR ComPrac'.
CPO	Chief People Officer
Crown	The Crown in right of New South Wales, and includes the Government of New South Wales, a Minister of the Crown in right of New South Wales, and a statutory corporation, or other body, representing the Crown in right of New South Wales.
CSP	Cyber Security Policy
Dataflow	The Workforce Dataflow and Analytics project, aiming to transform the current data collection process and deliver strategic insights in near-real-time.
DCS	Department of Customer Service (NSW)
Digital Restart Fund	A fund administered by the Department of Customer Service that funds iterative, multi-disciplinary approaches to planning, designing and developing digital products and services in NSW. Also known as 'DRF'.
DPC	Department of Premier and Cabinet (NSW)
DPE	Department of Planning and Environment (NSW)
Elevate & Advocate	A sponsorship program to increase cultural diversity in senior leadership
Everyone's Business	Everyone's Business is a cultural capability training package for the NSW public sector workforce.
EVP	Employee value proposition – the value offered by an employer to employees including salary, career development, values and organisational culture.

Term	Meaning
Essential8	A cyber security threat mitigation strategy developed by the Australian Cyber Security Centre.
GIPA Act	*Government Information (Public Access) Act 2009.*
GovConnect	A provider of government corporate services such as employee self-service, manager self-service and electronic forms.
Government sector	The government sector is defined in section 3 of the GSE Act. It includes the Public Service, Teaching Service, NSW Police Force, NSW Health Service, 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 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	*Government Sector Employment Act 2013.* The GSE Act and related instruments are the legal framework for NSW government sector employment and workforce management.
GSE Regulation	*Government Sector Employment Regulation 2014.* The GSE Regulation supports the GSE Act.
GSE Rules	*Government Sector Employment (General) Rules 2014.* The GSE Rules support the GSE Act.
HR ComPrac	Group of public sector employees working in human resources who have opted in to receive information from the PSC about events, updates and professional development opportunities. It is also known as the 'Community of HR Professionals'.
HRIP Act	*Health Records and Information Privacy Act 2002.*
Hybrid working	A model of flexible working where employees work partly remotely and partly in the physical workplace.
IDPWD	International Day of People With Disability, celebrated on 3 December each year.
INSPIRE Collaborative	Group of NSW public sector employees involved in or wanting to build capability in strategic workforce planning.
ISMS	Information Security Management System (ISMS). A collection of policies to help manage the risk related to digital information and information systems.
IWD	International Women's Day, celebrated on 8 March each year
LGBTIQ+	The initialism representing the lesbian, gay, bisexual, transgender, intersex and queer communities.

Term	Meaning
LXP	Learning Experience Platform.
MC	Master of ceremonies.
Metaverse	A single, shared, immersive, persistent, 3D virtual space where humans experience life in ways they could not in the physical world.
MLC	Member of the Legislative Council.
MP	Member of Parliament.
NCOS	Net cost of services.
NSW	New South Wales.
NSW Public Service	Defined in section 3 of the GSE Act and forms part of the government sector. It comprises departments, executive agencies and separate agencies listed in the GSE Act as Public Service agencies.
NSW Public Service talent pools	Groups of applicants who have been assessed through a comparative assessment process and have met the capabilities required for a type of role. Previously known as 'NSW Public Service recruitment pools'.
NSW Secretaries Board	The leadership group for the government sector comprising the Secretary of each Department, the Public Service Commissioner and the Police Commissioner.
PID	Public interest disclosures.
PMES	People Matter Employee Survey.
Portfolio of agencies	NSW Government departments and organisations are arranged into 11 groups, which are called portfolios of agencies. The list of portfolios of agencies is available on the NSW Government website. At the date of this report, the portfolios are: Premier's Department, The Cabinet Office, Education, Environment and Planning, Jobs and Tourism, Treasury, Health, Transport, Customer Service, Communities and Justice, and Regional NSW.
PPIP Act	*Privacy and Personal Information Protection Act 1998*
PSA	Public Service Association.
PSC	Public Service Commission (NSW).
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.
RAP	Reconciliation Action Plan.
Role	The duties and responsibilities of an employee.

Term	Meaning
SOORT	Statutory and Other Offices Remuneration Tribunal.
SOPSR	State of the Public Sector Report (NSW) prepared under section 15 of the GSE Act.
Strategic workforce planning	An ongoing process that aligns an organisation's workforce requirements to its business objectives. The process involves considering the future business environment and identifying expected future demand for workforce skills and capabilities.
TAFE	Provider of vocational education and training in Australia. Stands for 'Technical and further education'.
Talent pools	See NSW Public Service talent pools
The Hon	The Honourable.
The Spark	A capability uplift program for NSW Government HR leaders and practitioners.
The Voice	The national referendum on an Aboriginal and Torres Strait Islander Voice to the Australian Parliament.
TPP-20-08	NSW Treasury Policy Paper 20-08: Internal Audit and Risk Management Policy for the General Government Sector.
Unfinished Business	The report of the NSW Legislative Council's General Purpose Standing Committee No. 3 into reparations for the Stolen Generations in NSW.
VR	Virtual reality
WHS	Workplace health and safety.
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 that reflects the diversity of the wider community and achieve the government's broader social responsibility objectives.
Workforce Profile	An annual report prepared under section 15 of the GSE Act containing workforce data for the NSW public sector, including demographic information such as age, gender and diversity group membership, and employment information such as hours worked, leave patterns, remuneration, and mobility within the sector.

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