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Department of
Public Works
and Services

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R E P O R T



NEW SOUTH WALES GOVERNMENT

Department of Public Works and Services

A N N U A L

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R E P O R T

'Better Solutions for a Changing World'



*Director-General
Department of Public Works and Services*

The Honourable Carl Scully, M.P.
Minister for Public Works and Services
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

31 October 1996

Dear Minister

I am pleased to submit the Annual Report of the Department of Public Works and Services for the year ended 30 June, 1996, for presentation to Parliament.

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

Yours sincerely,

Dick Persson,
Director-General

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DIRECTOR-GENERAL'S MESSAGE

I am proud to report the year has been marked by significant progress and achievement in the new Department's first full year of operation.

The recommendations from the functional review conducted in mid-1995 have been implemented and we are now well positioned to realise the Government's vision for the new organisation.

Considerable time was spent during the year building on our recognised strengths by investing in our people, advancing technologies and introducing quality management systems to ensure we can offer to clients a broad mix of professional services and products which meet their needs.

Following a series of planning workshops, our strategic plan, *Vision 2001*, was launched in April, establishing the framework for more detailed annual business plans. In the latter part of the year a number of staff participated as interdivisional teams in the development of our inaugural Corporate Plan. By year end, actions and targets necessary to implement the key objectives presented in the Strategic Plan had been identified. Following endorsement by the Minister the plan will be actioned in the first quarter of 1996/97.

A Best Practice Program was announced in April as part of our commitment to ongoing process improvement and total quality service. This initiative will build on our past investments in quality assurance, and allow us to benchmark our performance against other world-class organisations. While feedback from recent client surveys has been positive and encouraging we recognise the need to continually measure our performance in the area of customer service and satisfaction.

I am also pleased to report our financial performance for the year was excellent. Through strict budgetary controls and

continued efficiencies we finished the year on a positive note. Overall turnover was marginally up on last year at \$1.3 billion, while comparative operating costs were reduced by approximately \$13 million. As an off-budget agency we continued to meet all our financial commitments under difficult economic circumstances. An operating surplus of \$20.7 million was achieved and provision for payment to Government of dividend and taxation equivalents totalled \$14.5 million. A special dividend of \$138.9 million was paid to the Government during the year from the sale and leaseback of the Department's vehicles to the Macquarie Bank (\$102.9 million) and a capital restructure (\$36 million).

Significant progress was made during the year in the development of whole of government policies, practices and guidelines for agency application in information management and telecommunications. An IM&T 'blueprint' was being developed in partnership with agencies, and its release is expected in 1996/97. All chief executive officers were linked electronically as the initial stage of a similar arrangement with their agencies. Work was well progressed on an IM&T policy and procedures manual for government agency guidance with its release expected in the first quarter of 1996/97.

The Department continued to assist the Government and its agencies on a range of complex asset management issues by identifying alternative service outcomes through 'non-build' solutions. A draft master plan addressing future government accommodation requirements was developed for submission to Cabinet in the first quarter of 1996/97. Once approved, it will be used to strategically manage the State's 1.1 million square metres of office accommodation.

We continued to take a leading role in establishing the Government as Australia's pacesetter in environmental design, energy

efficiency and economically sustainable development, with the development of a comprehensive suite of environmental policies to be applied across the construction industry and in whole of government purchasing. Implementation of these guidelines will commence over the coming months, in consultation with affected agencies and industry stakeholders.

During the year, a number of significant personnel changes occurred, including the transfer in October of the then Director-General Ron Christie to the Roads and Traffic Authority and my subsequent appointment to the position in early December. On behalf of the Department, I would like to extend my appreciation to Mr Christie for his valued direction and service to the former NSW Public Works and to the new organisation in the first six months from its formation. I would also like to acknowledge the stewardship of the Hon Michael Knight as our Minister up until December, when he handed over to the Hon Carl Scully who, since that time, has given us strong support and leadership.

Finally, a special thanks to staff who, despite the major changes and disruptions that occurred through the year, have remained enthusiastic, dedicated and continued to make an invaluable contribution to our future direction.



Dick Persson

Director-General

THE YEAR IN SUMMARY

ORGANISATIONAL DEVELOPMENT AND ACHIEVEMENTS

The 1995/96 year saw the continued implementation of management strategies designed to enhance the performance of the Department in delivering quality services to the Government and its agencies.

Staffing levels at 30 June were 2423. Natural attrition and voluntary redundancies reduced 1994/95 staff numbers by eight per cent. Staff training focused on key result areas of client service, quality management and business practices. The Department's salaried Enterprise Agreement was registered during the year. A number of projects received prestige external awards, in recognition of the high standard of service provided to clients.

Four graduates were selected for the Graduate Development Scheme, bringing to 12 the total number of participants currently in the two-year program. The Women's Network was re-aligned with the Spokeswomen's Program and an International Women's Day lunch for staff was hosted by the Director-General.

Improved Financial Performance

A strong financial result for the first full year of operations was achieved despite budgetary constraints and the internal restructuring of a number of major client organisations during the year. Turnover for the year was \$1.3 billion, with approximately \$733 million expended on behalf of clients. Operating costs were reduced by approximately \$13 million and the Department paid company tax equivalents of \$7.4 million and dividends of \$7.1 million to Treasury.

Planning Initiatives

Corporate planning included the development and launch of the Department's inaugural five year Strategic Plan, *Vision 2001*, and the development of the 1996/97 Corporate Plan. To align the whole organisation with *Vision 2001* a Corporate Best Practice Plan was initiated, focusing on improvements to the organisation's core processes.

The Occupational Health and Safety Manual was

revised and reissued during the year to better reflect all aspects of the Department's activities.

Whole of Government Focus

Key strategic activities undertaken on a whole of government basis included:

- chairing the State Contracts Control Board
- chairing the Construction Policy Steering Committee
- developing a new Code of Practice and Code of Tendering for the construction industry
- developing a draft Master Plan for government accommodation
- developing an Information Management and Telecommunications 'Blueprint'
- developing an Information Technology and Telecommunications Policy and Procedures Manual for government agencies
- completing a Chief Executive Officers' electronic messaging network
- achieving communication carrier rebates to Government of \$26 million
- achieving communication discounts to clients of \$30 million
- launching a new Contractor Accreditation Scheme for government contracts over \$20 million
- expanding and improving the Government Radio Network service
- forming a management team to develop a Government Procurement Policy.

Delivery of Infrastructure Projects

The Department let 307 major construction contracts during the year, and completed a range of significant infrastructure projects, including the New Children's Hospital, the Sydney Hospital/Sydney Eye Hospital redevelopment and Enfield Marshalling Yards. A total of 48 major educational projects were completed, including a new high school at Cecil Park and 7 new or replacement primary schools. All projects were completed within clients' approved budgets. A further three projects were 'partnered' following the success in recent years of this technique of promoting teamwork and closer communication between participants in construction contracts.

Projects continuing on behalf of clients include:

- Metropolitan Remand and Reception Centre
- Central 2000 redevelopment
- Honeysuckle redevelopment

- Hunter Sewerage Project
- Sydney Opera House Upgrade Program
- City West redevelopment, including the Australian Technology Park, and
- a range of educational, health, law and order and water supply and sewerage projects.

The Department continued to manage the operations of the South West Tablelands and Fish River Water Supply Schemes. Their activities are reported in separate annual reports.

Better Efficiencies in Property Management

The Department's property management and strategic planning service continued to play a key role in the management of the Government's property assets. Achievements included:

- a 99-year lease for the State Office Block and disposal of the Ritz-Carlton site and Wentworth Chambers
- 66,000 square metres of government office space secured at competitive rentals
- annual savings of \$2.3 million in rentals for clients
- selection of a preferred tenderer for the Walsh Bay redevelopment project
- selection of a shortlist of tenderers for the Eastern Creek Raceway/Reen property project.

Conservation of Heritage Assets

Restoration of stonework continued under the Minister's Program with \$3.95 million expended on projects at the Australian Museum, Government House and other sites. A 'make-safe' program was commenced to review the condition of government-owned sandstone buildings. Under a special conservation grant from Treasury, work continued to restore the historic Coffs Harbour Jetty to its 1914 configuration.

Response to Natural Disasters

Under the Natural Disaster Relief Program, \$1.736 million was provided to 54 councils and authorities for emergency works and repairs to public assets.

Improved Access to Government

The Department commenced the development of an Internet policy and guidelines for whole of government use and progressed a Government

home page to link to each agency. The Department went live on the Internet during the year with a regularly updated home page.

The Government Information Service assisted with more than 125,000 public enquiries and published the 1995 NSW Government Directory.

Consolidating Client Relationships

Memorandums of Understanding and Service Agreements were established with 11 major clients and a further six draft documents were prepared. During a visit to Sydney by a South African Public Works Department delegation a Declaration of the Establishment of a Closer Relationship was signed between the two organisations.

Savings across Government

Clients expended \$1.3 billion using 300 period contracts managed by NSW Supply. Period contracts for electromedical equipment saved \$2 million, with \$16.5 million spent on orders. The new Air Travel contract saved agencies approximately \$2.8 million over the year.

The sale and leaseback of vehicles allowed \$102.9 million in capital to be returned to Treasury.

The Government Advertising Agency placed 22,000 advertisements for clients, achieving \$10 million in savings.

Purchases using Information Technology Service contracts exceeded \$198 million during the year, and two Government Selected Application Systems computer software contracts were finalised for use by government agencies.

Q Stores increased its overall client base, resulting in sales of \$51.08 million, an increase of 32 per cent over last year.

Minimising Environmental Impact

Five new environmental policies were developed, reflecting the Department's commitment to the protection and enhancement of the environment. In addition, a new environmental purchasing policy was announced which will lead to NSW being the first State to set environmental performance as a key factor in government purchasing.

CHARTER AND ROLE

'The Government's mandate for the organisation'

The Government created the Department to provide a sharper focus on service delivery, reduce waste and eliminate duplication. As a result, one of our strengths is the tremendous breadth and diversity of our work, ranging from developing and implementing whole of government policies to providing client focused commercial services.

Our charter involves using a combination of these skills and experience to harness this diversity to meet our clients' needs by developing creative solutions for a changing world. The main areas in which we will achieve our objectives are information technology and telecommunications, total asset management, procurement and supply of a wide range of goods and services, environmentally sensitive design, the strategic management of government property assets, and in the building and construction industry.

SERVICE PROVIDER

To provide strategically selected commercial and professional services to the New South Wales Government.

IMPARTIAL ADVISER

To provide genuine impartial advice and innovative solutions to meet the needs of other public sector agencies.

INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

To provide leadership in using IT&T to transform the way services are delivered and reduce the cost of delivering services to clients.

ENVIRONMENT

To be a pacesetter in environmental design, energy efficiency and ecologically sustainable development.

PROCUREMENT

To provide expert procurement services and advice, harnessing the Government's purchasing power to benefit the people of New South Wales.

INDUSTRY/GOVERNMENT INTERFACE

To manage the commercial interface between industry and government agencies, especially those which do not have the relevant skills in-house.

BUILDING AND CONSTRUCTION INDUSTRY

To provide leadership by setting and maintaining standards focusing on probity, competitiveness, sound eco-management and use of technology.

COMMERCIAL FOCUS

To strengthen the commercial focus of the organisation and its off-budget status while ensuring the provision of competitive services to clients.

OUR MARKET

To maximise the benefits to Government by providing services to the public and private sectors in Australia and overseas.

THE ORGANISATION

EXECUTIVE TEAM AT 30 JUNE 1996

D PERSSON, BA
Director-General

R J EAGLE, BE, FIE Aust
Director, Commercial Business Division

A GRIFFIN, BSc (Civil Eng), Grad Dip Admin,
MIE (Aust)
Director, Policy Division

M HANNON, BE, LGE, MIE (Aust)
Director, Operations Division and Acting
Director, Client Service Division

J LEEK,
Director, Information Technology and
Telecommunications Division

D LEWIS, BBus, MBA
Director, Finance and Management Services
Division

S MUDGE, FINA
Acting Manager, Corporate Finance

A RENOUE, BArch, MAIM
Manager, Strategy Unit

DEPARTURES & ORGANISATIONAL CHANGES

Mr R Christie, Director-General, transferred to
the Roads and Traffic Authority on 13 October

Mr L Kelly, Acting Director, State Projects
resigned on 16 August

Mr C Poulter, Deputy Director, Client Service
Division resigned on 14 November

Mr D Persson was appointed Director-General
on 4 December

Mr A Griffin was appointed Director, Policy
Division on 13 December

Mr M Hannon was appointed Director,
Operations Division on 15 December

Mr R Tout, Acting Director, Information
Technology and Telecommunications Division
resigned on 26 February

Mr M Lilley, Acting Director, Corporate
Services Division resigned on 27 March

Mr R Eagle was appointed Director,
Commercial Business Division on 1 April

Mr B Hunt, Acting Director, Client Service
Division resigned on 10 April

Mr P Scarlett, Manager, Corporate Finance,
transferred to the Roads and Traffic Authority
on 3 May

Mr D Lewis was appointed Director, Finance
and Management Services Division on 6 May

Mr J Leek was appointed Director, Information
Technology and Telecommunications Division
on 20 May.

The Corporate Support Division was renamed
Finance and Management Services Division in
August.

The Riverina and Western Regions were merged
into a new Riverina-Western Region on 29
September with the regional office located in
Bathurst.

CORPORATE STRUCTURE



VISION MISSION VALUES

Our Vision

*‘What we will **achieve** within five years’*

To establish New South Wales as a world leader in providing government services.

Our Mission

*‘How we will **get there**’*

By delivering maximum benefit to the community on behalf of the NSW Government through the provision of exceptional value added services in:

- Information technology and telecommunications
- Asset management, infrastructure and procurement
- Whole of government policy and service delivery.

Our Values

‘We value...’

Staff - their creativity and commitment.

Teamwork to ensure the best solutions for our clients.

Integrity in all our dealings with our clients, colleagues and suppliers.

Client service - both internal and external.

Innovation to ensure better solutions for a changing world.

OUR KEY OBJECTIVES

Objective 1
Effective & strategic management of the State's physical assets & infrastructure.

Objective 2
Significantly better, faster, more comprehensive and cheaper services across the whole of Government.

Objective 3
Maximum benefits using the Government's purchasing power.

Objective 4
Establish the NSW Government as Australia's pacesetter in environmental design, energy efficiency and ecologically sustainable development.

Objective 5
Competitive business services that satisfy client needs.

Objective 6
Recognition as the best performing public sector organisation in New South Wales.

Objective 1

Effective & strategic management

of the State's physical assets and infrastructure.

TOTAL ASSET MANAGEMENT

The Department has a key role for Government in the development and implementation of total asset management (TAM) policies and procedures for application across all NSW government agencies.

In recent years total asset management has been instrumental in effecting a substantial cultural shift in the way agencies manage public infrastructure through all phases - specifying the need, procurement, operation and disposal. This includes the redirection from the provision of services being highly dependent on capital expenditure and asset creation to an investment regime where innovative service strategies and alternative service options are an integral component of the planning process.

The Department's Total Asset Management Manual continued to serve as the benchmark of best practice for the management of assets of governments throughout Australia.

During the year updated Heritage Asset Management Guidelines were released on the long-term management of heritage assets as part of the broader asset management policies and procedures of the NSW public sector. These guidelines enable agencies to take a proactive approach in their management of heritage issues, and ensure they apply sound asset management practices to their heritage assets.

State Projects' Asset Management Unit continued to help government clients plan their asset strategies for infrastructure, with a particular

emphasis on local government. Staff evaluated how clients' service requirements are being met by non-asset and asset solutions.

BUILDING INDUSTRY REFORM

Code of Practice & Code of Tendering

The Government's Code of Practice and Code of Tendering for the construction industry are pivotal elements of the Government's reform program. They establish principles and standards of behaviour which must be observed by any contractor, subcontractor, consultant or supplier wishing to do business with the Government, or who may work on government projects.

Between May and July 1995 the Construction Policy Steering Committee, chaired by DPWS, undertook a two stage consultation process with the Labor Council, unions, relevant employers, industry associations and contractors to develop a new Code of Practice.

A further round of consultation with the industry parties was finalised in early April 1996.

The new code will be more robust and will provide direction to contractors, subcontractors, consultants, suppliers, unions, employer and industry associations on what the Government expects in tendering for government work, workplace reform, occupational health, safety and rehabilitation and industrial relations. Also, this new code has a wider scope & embraces unions, employers and industry associations. The code is scheduled for release in the first quarter of 1996/97.

Objective 1

Workplace Reform

Workplace reform initiatives, which aim to achieve far-reaching changes in the construction industry culture are being trialed on a number of major DPWS project managed works.

Improving Skills

DPWS is encouraging and facilitating the establishment of skills centres at the Liverpool and Canterbury Hospitals projects. The project-based learning centres offer opportunities for project personnel to broaden their skills and enhance their career development.

Encouraging Contractor Best Practice

In August a new Contractor Accreditation Scheme was launched to encourage and accelerate reform in the construction industry by ensuring contractors who were able to demonstrate the highest level of performance and reliability have increased opportunities to tender on projects.

Contractors tendering for contracts reserved under the scheme and valued over \$20 million must be able to demonstrate a record of implementation of best practice in workplace reform. The reforms will provide benefits for clients, with accredited contractors committed to achieving client satisfaction by being client-focused and by providing quality products. The first contract under the new scheme is scheduled to be let in the second quarter of 1996/97. The new Code of Practice also reinforces the priority to be given to workplace reform, occupational health, safety and rehabilitation, training and skill formation by the Government over the coming years.

Consultant Management

A major revision to the Consultant Management Manual was issued in August 1995. The significant upgrades included:

- amendment for payment by electronic transfer
- amendment to quality system procedures
- expansion of guide notes for the preparation of the brief.

A training program on the Consultant Management Manual was developed and delivered

to 166 staff between April and June. A 'help desk' for staff enquiries on consultant matters was established.

The 'two envelope' procurement system is under development for the procurement of consultant services. This system splits the proposal into two envelopes - one containing all price information, the other non-price information - thereby eliminating any perception of bias towards the cheapest price during the assessment. This system is being trialed on a Department of Health project.

Partnering

Partnering is a formal management technique that promotes teamwork and communication between all participants of a contract, with an aim of early problem resolution, dispute avoidance and a more effective and efficient delivery of projects.

The promotion and trialing of partnering continued to be carried out on a number of public sector projects with three new projects commenced during the year, bringing the total number of partnered projects to twenty-nine.

A review of the first 10 completed departmental partnered projects compared to a similar number of non-partnered projects has highlighted the effectiveness of the partnering process, including reduced disputation and reduced project cost growth. This review has resulted in a revised strategy by the Construction Policy Steering Committee that 40 per cent of all projects within the NSW Government's overall capital program, which have a value of \$5 million and above, are to be partnered from 1996 on.

CONSTRUCTION INDUSTRY FORECASTING

During the year, an economic forecasting model was established to predict future levels of activity in the construction industry to assist government agencies and Treasury in formulating budget policies in respect of capital works. The model has forecast that the industry will peak at around \$18 billion in 1998/1999. The Department is developing a 'Green Paper' on opportunities and

challenges in the lead up to the year 2000. The paper will be released for public discussion and comment in the first half of 1996/97.

NEW CONTRACTS DEVELOPED

Century 21 Contract

During the year, a new General Conditions of Contract for architectural and engineering contracts over \$500,000 was being developed. The new contract (to be known as a C21 contract) is intended to complement and reinforce the wider industry reform agenda, especially cooperative contracting. It is planned to release the final version of the contract in the second quarter of 1996/97.

New Minor Works Contract

A new flowchart Minor Works and Services contract is being developed by the Department for projects up to \$500,000. The format provides a simpler form of contract for contractors and is currently being trialed on a project. It is scheduled for general release in late 1996.

CAPITAL PROJECT PROCUREMENT MANUAL (CPPM)

Revision of the Contractor Reporting Guidelines, as contained in the Capital Project Procurement Manual included the development of a new policy covering exchange of information between government agencies on the performance of contractors and consultants on government projects.

STRATEGIC VISION FOR THE CONSTRUCTION INDUSTRY

The Department of Public Works and Services hosted a workshop in November entitled 'Strategic Vision for the Construction Industry'. Participating in the workshop were representatives from a broad cross-section of the construction industry, including clients, contractors, consultants, subcontractors, academics and unions.

The vision generated through the workshop focused on a construction industry which is able

to efficiently meet a forecast increased workload. A major component of the strategy was the encouragement of best practice contractors who would develop, trial and refine improvements over a number of selected projects.

SECURITY OF PAYMENT

The Department of Public Works and Services hosted an industry forum on behalf of the National Public Works Council (NPWC) and Australian Construction Industry Council on security of payment in May. The forum was part of the NPWC initiative to develop a common set of principles and strategies for adoption by all Australian jurisdictions.

A review is being undertaken to identify measures on security of payment that will address the underlying structural causes of problems in this area. It is proposed to release a 'Green Paper' for industry comment in the first half of 1996/97.

SUMMARY OF TENDER & CONTRACTING PERFORMANCE ACTIVITIES

Board of Advice and Reference	201 submissions received
Consultant Proposal Review Committee	19 submissions received
Tenders closed in Tenders Section	304 for works over \$250,000
Building Contractor Registration	44 for \$0.5M to \$3M
	27 for \$3M to \$6M
	19 for \$6M and above
Total Consultant Registration	632
Major Contracts Awarded	307 for works over \$250,000
Selection Committee (Selective Tenders)	93 selective tenders
Consultant Selection Committee	56 panel selections
Contractor/Consultant Review	18 contractors/consultants on list

SPECIALIST SERVICES

DPWS' Strategic Services embrace value management workshops, training, research, advice on policy and practice, partnering workshops, strategic planning workshops and design reviews.

Workshop services are generally tailored toward capital works projects at the strategic or concept stage of a project, but the methodology has been successfully adopted to policy and system development.

The benefits of a facilitated workshop at the strategic stage of a project involving multi-stakeholder participation are:

- greater clarity and agreement to objectives and project focus
- examination of non-build solutions and options
- sharpened focus for project planning
- the considered option range.

Workshop services were provided during the year for various public and private sector clients, including:

- Roads and Traffic Authority
- Sydney Water Corporation
- Department of Land and Water Conservation
- Department of Corrective Services
- NSW TAFE Commission.

DPWS carried out over 60 value management studies and facilitated workshops, with more than 20 per cent of these conducted for interstate clients or private sector project managers. DPWS has been active in developing the total asset management (TAM) framework to help client agencies implement the Government's policies in this area.

An interactive computer program, *InterTAM*, was developed to allow users to explore the philosophy of total asset management and related DPWS services at their own speed. *InterTAM* can be readily adapted to a client's business and used as a training tool. DPWS has developed models to enable clients to clarify the methodology most appropriate to their individual agency requirements.

Through an association with the University of Canberra, DPWS was active in developing the Strategic Asset Planning course module of the Graduate Certificate in Strategic Asset Management. The Graduate Certificate provides a theoretical and practical underpinning for the TAM framework and a training opportunity for NSW Government staff and others in strategic asset management.

PROJECT AND PROPERTY MANAGEMENT ADVICE

One of the Department's key roles is to provide the best available professional advice to the Government and agencies on all matters related to the strategic management of property and built assets.

DPWS aims to ensure that property assets are managed in a low-risk and cost-effective manner, giving the community real value in terms of social and economic benefits from government property development and infrastructure programs.

DPWS services the Government in a number of areas, including:

Property Development

DPWS provides professional project management of high profile projects on behalf of the Government, managing State building and property projects which are significant because of size, complexity or political sensitivity.

During the year, DPWS managed a range of property development projects including the \$350 million Walsh Bay redevelopment, Eastern Creek Raceway and adjoining Reen property and Darling Harbour Berths 9 and 10. With Walsh Bay to undergo a major redevelopment over the next four years, DPWS managed the process of calling for expressions of interest (EOI) from the private sector, evaluation of the EOI, evaluation of the three shortlisted developers and ultimately the selection of the preferred tenderer in February.

Strategic Planning

The Government currently occupies 1.1 million square metres of accommodation across the State

at an annual cost of approximately \$200 million. By using strategic facility planning competitive strategies are being developed and implemented to reduce the Government's exposure to recurrent expenditure through the realignment of government accommodation to present and future agency needs.

Work continued on a number of regional and agency strategies, which are to be combined with the strategic accommodation master plan. This plan will identify agencies and regions where significant occupancy costs can be saved through the amalgamation of agencies, reduction in floor space per employee and enhanced work practices and technology improvements.

During the year the Department was successful in achieving significant savings for a number of clients. A four-year lease on behalf of a government agency resulted in an annual saving of \$500,000 for the client by applying professional knowledge of market conditions, client criteria and negotiating skills. DPWS also negotiated a 10-year lease in new premises for a client at the same cost as a four-year lease in the client's existing building. Other projects undertaken during the year included planning office accommodation for the Sydney Organising Committee for the Olympic Games, the Departments of Industrial Relations, State and Regional Development, Land and Water Conservation and the Crown Solicitor.

The Department joined an international group of facility management practitioners during the year committed to 'advancing global best practice in the design and management of the workplace'. The objective of the group, 'The Workplace Forum', is to identify the contribution of workplace infrastructure to enhancing business performance. This is particularly relevant to Government given the current trend towards measuring the performance of physical resources, such as office accommodation, in supporting service delivery aims. The forum will exchange information and experiences which support leading-edge research.

Infrastructure Partnerships

In an era of capital conservation across government, alternative solutions for delivering necessary government infrastructure is vital. DPWS facilitates private sector involvement in public infrastructure projects and services, including strategic assessment, appraisal, calls for proposals, agreement negotiation, delivery and concession management.

During the year a key focus for **Infrastructure Partnership Services** was the strategic assessment of opportunities for agencies to achieve value added services from their existing assets or through new developments. Projects included Waverley development sites for the Department of Community Services, Rozelle Hospital Site Strategic Management Study for the Department of Health, Minda/Minali sites for Department of Corrective Services, Sydney Tourist Accommodation Sites Study for Tourism NSW and the Broken Hill Education Facility and Mining Museum for the Line of Lode Association.

Key projects for which appraisals were undertaken to establish the commercial viability for the private sector participation in the provision of infrastructure included the No 1 Fire Station in Castlereagh Street, Joint Authorities Facility, Nelson Bay and Bega Shire Sewerage Development.

Private sector submissions were sought to develop the heritage Post Office Parcels Building and to provide for a commercial development as part of Central Station redevelopment project for the State Rail Authority.

The provision, including funding, of onshore commercial facilities, safe marina access by private developers was completed at Coffs Harbour. The developer now manages the facilities and the marina under a long term lease.

The Infrastructure Partnerships Implementation Guidelines were released in March to help agencies implement the Government's policies on private sector provision of infrastructure/services.

The Guidelines were developed in consultation with Treasury, the Department of State and Regional Development, the Audit Office and the Independent Commission Against Corruption. They provide strategic direction in issues associated with private sector participation in projects, and complement the Government's Guidelines for Private Sector Participation in the Provision of Public Infrastructure (1995).

In response to industry inquiries, DPWS established the Infrastructure Partnerships Directory in March to provide an industry network to encourage and facilitate participation in infrastructure partnerships projects.

The database is a resource for contractors wishing to identify prospective consortium partners for infrastructure partnership projects. Financial feasibility models have been developed for projects to identify income and expenditure streams for development projects and to provide a basis for benchmarking private sector submissions.

Property Services and Disposals

The Department provides a property disposal and consultancy service on behalf of government agencies, utilising a wide range of skills, including property development, valuation and planning. DPWS acts as project director for agencies, providing strategic direction in activities, including development strategy, programming, appointment of subconsultants and supervision of a project to its successful conclusion.

Achievements during the year included the disposal of the State Office Block site and building on a 99-year lease. The Government accepted an unconditional tender for \$69 million, which was about 40 per cent more than the valuation. Other Sydney CBD properties in the year's disposal program included the Ritz-Carlton site, the St. James Building and Wentworth Chambers.

DPWS was commissioned by Rail Estate to renovate and sell 111 residential units in the Chullora Housing Estate. To make the estate self-funding and to promote an orderly rate of sales, DPWS subdivided the estate into 24 lots,

comprising 15 blocks of flats, five townhouses and four vacant blocks of land. The sales program began in March 1994 and concluded in June 1996 with a total revenue of \$9.2 million realised.

During the year proposals to occupy 65,919 square metres of office space were approved, affecting 3660 employees, at an annual rent of \$15,160,577. Annual savings of \$2.3 million were achieved through more competitive rentals and better space utilisation. The average space utilisation rate achieved through these changes was 18 square metres per person.

A major study into Sydney CBD office space with leases expiring before 1999 identified all opportunities to optimise space use and to negotiate lower rentals. The next stage of the project will assess the costs and benefits of rationalising CBD office space over the next five years.

Project Land Services was formed in October 1995 to provide a comprehensive land acquisition service to State and local government agencies, particularly in relation to infrastructure projects such as transmission lines, dams, rail lines and water supply and sewerage schemes. Services generally involve securing sites for construction and acquisition of affected land after construction.

During the year, DPWS won the tender to carry out compulsory acquisitions for the State Rail Authority (now Rail Access Corporation) for the new railway from Central Station to Sydney Airport.

RESPONSE TO NATURAL DISASTERS AND EMERGENCIES

The Department has a central role in responding to emergencies through the State Emergency Management Committee and implementation of the State Disaster Plan (DISPLAN).

Representatives are drawn from various areas within the organisation to coordinate and assist with engineering services, telecommunications, supply and media management in emergency situations.

Under the Government's Natural Disaster Relief Program administered by DPWS, financial

assistance totalling \$1.736 million was provided to 54 councils and authorities for emergency and ongoing repairs to public assets caused by 12 declared natural disasters during 1995/96. A further \$3.8 million is expected to be paid out in 1996/97 to councils in relation to these events.

SAVING OUR HERITAGE

Restoration of the stonework on historic public buildings continued during the year under the Minister's Program. The main projects were ongoing work at the Australian Museum, Government House and the former Museum of Applied Arts and Sciences (TAFE Building C) in Ultimo, and the completion of work on the former Marcus Clarke Building (TAFE Building W) in Railway Square.

Minor works included preliminary repairs to the main portico of the Art Gallery of NSW, to the facades of Newtown North Public School and to Newington House at Silverwater.

A 'make-safe' program began in early 1996 to review the condition of stone on older government-owned masonry buildings.

Research into the extraction of yellowblock sandstone to help sustain the program continued during the year, and suitable local supplies should become available in 1996/97.

The Stone Program budget was \$3.95 million in 1995/96.

The 103-year-old Coffs Harbour Jetty, one of the area's most significant historical sites, is being restored under DPWS project management, in partnership with Coffs Harbour City Council and the local historical society.

The \$3.8 million project involves conservation of the timber jetty in its 1912 configuration, using as much recycled timber as possible to preserve its heritage quality. At year end, the outer 91 metres of jetty had been removed and work had commenced on laying the new decking.

DIRECTIONS FOR 1996/97

The Department will strengthen its approach to total asset management by integrating the Government's ecologically sustainable development objectives with information management and telecommunications and by expanding asset strategic planning to include property management.

In preparation for a forecast construction boom in the lead up to the year 2000, a more strategic approach to construction will be required by all industry participants. On behalf of the NSW Government, the Department will continue in its leadership role by setting standards for industry performance and will use its position to drive and facilitate industry reform initiatives.

A new Code of Practice becomes operational from 1 July, 1996 and a Green Paper identifying opportunities and challenges is under development for release later in the year for public comment. These documents provide direction for the construction industry and will lead to greater client satisfaction. A Best Practice Accreditation Scheme for contractors will be piloted and its performance will be monitored before broader application.

Following the Government's adoption of a strategic approach to management of the State's future accommodation needs, DPWS will be responsible for developing a more cost effective accommodation plan, along with a similar model for the Government's facilities areas such as education, health and transport.

The Department plans to build on its success and acceptance as a leader in total asset management, by expanding its range of impartial advice service to include other activities. This will be achieved by establishing partnerships with key clients, as well as research and development organisations, to deliver the best service in the areas of asset and infrastructure management.

Objective 2

*Significantly better, faster,
more comprehensive
& cheaper services*

across the whole of Government.

SETTING THE PACE IN INFORMATION MANAGEMENT AND TECHNOLOGY

The Government is committed to seeking new and cost-effective ways to deliver social programs, innovative customer service and information. Better management of information management and technology (IM&T) across all government organisations is the key to this process.

A key Government priority is to establish NSW as the public sector pacesetter in the use of IM&T resources to:

- provide affordable, accessible and responsive government services
- increase the efficiency and effectiveness of government processes, and
- enhance the economic well-being of NSW.

KEY ROLE FOR DPWS

The Department of Public Works and Services is responsible for realising the Government's vision to establish a coordinated and balanced public sector-wide approach to planning, managing and using IM&T resources.

The Department's Information Technology and Telecommunications Division is developing whole of government IM&T strategies, standards and guidelines to establish NSW as the pacesetter in the use and application of computer and

telecommunications technologies for the benefit of the community and the State.

The Division, (which includes the former Telecommunications Unit from Commercial Services Group, the Information Technology Planning and Policy Unit from Premier's Department and NSW Public Works personnel), is in the process of being restructured to reflect its current role and focus.

IM&T BLUEPRINT FOR NSW

A major task undertaken during the year was to develop strategies to implement the Government's vision and policies for IM&T in the public sector. The Government announced it was developing an Information Management and Telecommunications 'Blueprint' to establish a managerial framework to optimise the benefits of the Government's substantial investment in IM&T resources. To develop the blueprint the Department:

- consulted with key public and private sector representatives
- reviewed the Government's policy statements on IM&T and researched similar groups in other governments
- reviewed technology trends, and
- presented draft strategies to selected groups for feedback.

The blueprint is expected to be released in 1996/97.

IMPROVED EFFICIENCY AND COSTS

The Government believes standard IM&T policies and procedures within all agencies will produce efficiency and cost benefits by consolidating information for better government decision-making and business and community access. To achieve this objective the Department is well progressed with an IM&T Policies and Procedures Manual, with its release expected in August 1996.

The manual contains the following guidelines:

- Develop the Strategy
- Prepare the Tactical Plan
- Conceptual Framework
- Develop the Business Case
- Acquisition of Information Technology
- Acquisition of Corporate Application Systems (GSAS)
- Contracting Out
- Project Management
- Management of Change
- Risk Management
- Security of Information Systems
- NSW Government Internet Implementation & Style Guide.

Further policies and guidelines will be circulated when completed.

SPOTLIGHT ON IM&T PROJECT BUDGETS

Under an agreement with Treasury, the Department screens information technology projects expected to cost \$1 million or more which were included in budget sector agencies' 1996/97 capital program bids. During the year 40 bids from 17 agencies were reviewed, with project value totalling \$96.3 million.

The screening process paid particular attention to strategic planning, business case justifications and measures to ensure benefits are realised. Results of the screening process were sent to Treasury.

Agencies wishing to establish, renew or extend a telephone or data service network at a cost greater than \$500,000 (or in the case of a radio or microwave network, at a cost greater than \$20,000), must apply to the Department's Information Technology and Telecommunications Division (Telco Authority) seeking the Minister's approval.

INTERNET OPPORTUNITIES

NSW Government Home Page and Directory of Agencies

The Government is encouraging use of the Internet to provide the community with effective and efficient service through seamless and direct access to government information and services. The Department is developing an Internet policy and guidelines to help people access and search government sites.

The second step is to construct a NSW Government Internet entry point and directory of agencies. This will provide a central structure to help members of the community access information through the Internet. The entry point will provide information about each agency, with pointers to individual agency home pages or services, while each agency will provide a link back to the NSW Government entry point. Construction of this site is underway and is being monitored by a CEO Internet Sub-committee.

A number of private organisations have been contacted to provide technical expertise on Internet services to the public sector under a contract which began in February 1996. Provision of services under the contract will conform with the Government's Internet policy.

Use of the Internet is initially limited to activities which are non-confidential, non-transactional and non-commercial. However, this is a rapidly evolving environment which will be monitored closely to ensure government agencies make the most appropriate use of this medium as a vehicle for electronic service delivery.

Stronger Links to Remote & Regional Areas

During the year work continued with a Premier's

Objective 2

Department regional coordinator to establish the Internet as a medium to deliver locally relevant information to people in remote and regional centres. As with the NSW Government home page, services will initially be non-transactional. However, the infrastructure and enthusiasm of agency representatives in the initial area of activity make it an ideal location to test electronic service delivery which can be used in other locations.

Some issues which need to be addressed in providing electronic services to regional communities are the cost of communications and poor capacity in some areas. The Department is working with telecommunications carriers and service providers to encourage them to provide improved telecommunications and Internet service provider access in regional NSW.

INTRA GOVERNMENT ELECTRONIC MESSAGING SERVICE (IGEMS)

CEO Network

The CEO Network is an electronic mail (e-mail) link between the chief executive officers of major NSW government organisations which enables the central agencies to communicate more effectively and ensures a better flow of information between and at the highest level of all departments.

The objectives of the project are to provide:

- a private, secure link
- 24-hour, seven-days-a-week total support for the network
- high level 'total' service delivery.

The project is the first of its type for NSW and reflects the Government's commitment to faster, better service using electronic 'non-build' solutions. The result will be a growing commitment to electronic communication at senior levels of government, leading to more rapid cultural change across all agencies.

In time, the CEO Network will be integrated into the whole of government network, the Intra Government Electronic Messaging Service (IGEMS).

By the end of June, 100 users from 85 agencies were linked up to the CEO Network.

Messaging between Agencies

Government IM&T policy is that all agencies should be able to communicate electronically with each other by March 1999.

The electronic message system between government agencies will be a commercial service which meets the needs of government operations on a 'user pays' basis. Much of its cost will be covered by savings in post, courier, fax and phone.

Known as the Intra Government Electronic Messaging Service (IGEMS), the network will provide messaging between agencies, and between sites within an agency if it is the most cost effective solution.

IGEMS will provide a fully managed and reliable service between 'gateways' to member agencies where it will interface with their e-mail. Security will be important for privacy and the protection of agency systems. IGEMS will also support a private Government 'bulletin board' service where agencies can display information for use by other agencies.

Ten agencies are represented on the IGEMS Contract Management Committee. The final arrangement will be a head agreement between the contractor and the State Contracts Control Board, and a contract between the contractor and each agency taking the services. Tenders will be issued in July 1996.

PUBLIC SECTOR DATA COMMUNICATIONS REFORM

The Department is finalising a plan to reform data communications in the NSW public sector, in line with the Government's vision to provide totally electronic 'anyone to anyone' links across the whole of the NSW public sector.

The Government will achieve savings through open market competition between service providers. In high traffic areas, multiple providers will ensure low prices, while use of a single provider in remote locations will minimise infrastructure costs.

The aim is to establish standards for use across the entire NSW public sector. The plan proposes adopting data communications standards in areas such as protocols, security, network management and mechanisms to measure and report network costs and performance. It also proposes that the Government move from a framework where agencies each build and operate their own networks to one where agencies use public switched computer network suppliers. It recommends strong liaison between government agencies when procuring services at all levels and when formulating telecommunications policy.

Survey Identifies Information and Telecommunications

An essential element of successful long-term strategic planning is thorough research.

The Department conducted its annual Information Technology and Telecommunications (IT&T) Survey in January to provide a comprehensive profile of the NSW Government's IT&T environment. Comparative year-to-year analysis of survey data shows shifts and trends in the use of IT&T goods and services and helps plan effectively for the future.

The survey results were published and distributed among government agencies and industry.

Survey questionnaires were forwarded to 106 agencies and 104 responses were received from 91 of these agencies.

- 77% of agencies reportedly have a current IT&T Strategic Plan. This compares to 66% in 1995
- 75% of these IT&T strategic plans are less than two years old compared with 54% last year
- In 49% of agencies, the CEO approves all significant IT&T initiatives
- 46% of reported expenditure is for internal IT&T costs
- Approximately 3000 staff are engaged full time in IT&T activities
- Approximately 90,000 PCs are in use
- 71% of PCs are networked.

SOLUTIONS THROUGH GOVERNMENT RADIO NETWORK (GRN)

The Government Radio Network (GRN) was developed to rationalise government expenditure on radio systems and to provide a solution for agency networks displaced by the Commonwealth's decision to redistribute VHF (very high frequency) bands. A significant reason for building the network was the ability to link radio systems in times of emergency or to provide communications for major events.

The GRN is a wide area trunked network for government agencies owned by the NSW Government and managed by Telstra on behalf of DPWS under the Mobile Services Network Agreement. The Department manages the GRN's development, acting as a focal point for agencies on matters of radio strategy and policy and providing a forum for the network's users.

The trunked radio system provides improved communications efficiency, greater privacy, better security and more flexibility than conventional mobile radio systems. The network has been progressively developed since it became operational in 1994, and now covers more than 42,000 square kilometres, encompassing the Newcastle-Sydney-Wollongong region and the main arterial corridors to Orange, Queanbeyan and Muswellbrook. This area has the highest density radio usage in the State and offers the greatest opportunity to achieve efficiencies by introducing a single network for multiple radio users.

Comparative network statistics at the end of June 1996 were:

	1995/96	1994/95
Client Service Agreements (registered agency users)	24	18
Operational sites	36	31
Radios affiliated to the network	6912	4655
Radios configured on the network	10843	5060

By 30 June 1996, the network was averaging 1.7 million calls per month.

The Department is further developing the network to expand its coverage and better meet user needs. The major expansion of the GRN into the Central West of the State is well advanced, which will double the area presently served by the system. Construction of a mobile site was nearing completion and this unit will shortly be available for use anywhere in the State.

CARRIER CONTRACTS

Agreements Provide Choice of Long Distance Service

A tariff plan was introduced as one of many pricing plans under the Strategic Relationship Agreement with Telstra. Additionally, a Government Service Agreement was negotiated with Optus from December 1995 to initially provide long distance telephone services. Agencies are free to choose between Optus Long Distance or Telstra for this service.

STRATEGIC PARTNERSHIPS

Justice Agencies Data Exchange (JADE) Project

The Justice Agencies Data Exchange (JADE) project is an initiative of several agencies to ensure complementary systems and appropriate data exchange interactions are developed. The Department is working with the justice agencies to assess the project as a model for developing whole of government information exchange strategies.

DPWS and the Department of Corrective Services (DOCS)

A partnership between DPWS and the Department of Corrective Services (DOCS) in the area of information management and technology (IM&T), together with private sector involvement, has produced significant achievements and played a pioneering role in the best practice use of IM&T in the public sector. The achievements include:

ELECTRONIC DATA LINK

An electronic data link between DPWS and

DOCS computer networks was commissioned in April 1995. The link improves the service to DPWS from the Corrective Services Client Service Team and was endorsed by both DPWS and DOCS management.

The data link was initially between DPWS and DOCS Capital Works Branch, using the electronic mail system. The link has now been expanded to include DOCS Executive and Regional Commanders, DOCS Policy and Planning Branch, and DPWS Western Prisons Site Office.

The use of existing components, where possible, has resulted in a low-cost, effective link between the two organisations. It is proposed to expand the link by providing a shared directory containing DOCS/DPWS database material, including graphic presentations and financial spreadsheets.

DOCS and DPWS teams are working together closely to develop and utilise leading edge information management and technology. This prototype for intra-government cooperation utilises the complementary skills and expertise available in each Department and in the private sector, to provide cost-effective solutions, and develop appropriate uses for new technology to help achieve DOCS' core business targets.

THE METROPOLITAN REMAND AND RECEPTION CENTRE

The Government's commitment to added value, better management and economies through best practice IM&T is demonstrated in joint DOCS/DPWS activity at the new Metropolitan Remand and Reception Centre (MRRC) at Silverwater.

The development and planning process for the new centre has benefited from use of leading edge technology including:

- Implementation of 'brief and build' management software
- 3D modelling of the MRRC project, integrated with video technology, and
- Simulation software.

These packages are not only front-end planning tools, but will also play a part in the recruitment and training of officers and future management of the centre.

Integrated with development of the new centre is a range of new technologies, which will boost operational efficiency and reduce recurrent costs. These include:

SMARTCARDS

Smartcards differ from previous plastic cards because they contain digital information about the user. At MRRC and other correctional centres, they will contain information about the inmates' security status, health, education, programs and money available for telephone calls and shop purchases (known as 'buy-ups') as well as permitted phone numbers.

Smartcards are being used for security control in officer and prison management within and between centres. They are used for both security systems and corrective services information systems. Smartcards for inmate telephone access have been trialed successfully at Parramatta Correctional Centre.

SECURITY TECHNOLOGY

Different technologies such as microwave, acoustic detection, video motion detector systems and closed circuit television cameras are now being used in combination to provide reliability and backup, especially in perimeter security.

Other recent innovations such as touch screen technology make it easy for the operator to control and manage modern detection systems. They also provide detailed information on time, location and type of incidents.

Inmates will also be able to use touch screen technology in 'information kiosks' which provide information on 'buy-ups', availability of programs, etc.

Bail video links between a correctional centre and courts is now working very successfully at Long Bay Correctional Centre. Specially designed facilities will be included in the MRRC to allow an expansion of this program, which also has the

advantage of reducing inmate movements outside the correctional centre.

DPWS and the NSW TAFE Commision

An e-mail link between NSW TAFE and DPWS was established as a low cost effective means of communication between the two organisations. DPWS is investigating issues regarding software compatibility.

DPWS was connected to NSW TAFE's Capital Project Management System to allow DPWS development managers to update project data on-line.

DPWS is developing electronic links and sharing information on capital and maintenance programs with the Department of School Education (DSE) to enhance service provision to a major client. DPWS is also working to integrate internal reporting and management systems across divisions to reduce duplication and enable a single database of project/program information.

INTERNAL INITIATIVES

Landscape Design Group

The Landscape Design Group continued to integrate and apply new software (such as Pagemaker, Project and Photoshop), and to improve conventional word processing skills. As a result the group is better able to communicate design ideas and proposals to clients. It has adopted 'hot desking' and general sharing of electronic resources.

Government Information Service Introduces Barcoding

The Government Information Service has introduced product barcoding with point of sales scanners in the City and Parramatta bookshops to improve service delivery to customers. The electronic transfer of data has significantly enhanced the accuracy of inventory and sales information.

Government Printing Service Goes Digital

The major IM&T project this year for the Government Printing Service has been installation of a digital storage system using

optical modules. This has allowed GPS to digitise more than 1000 aged Acts of Parliament ready for 'print on demand' requests. This relieves the GPS of having to hold inventory of these items in case they are needed, and reduces its exposure to obsolete stock.

Model Contracts from Information Technology Service

Information Technology Service has been a leader in maximising benefits to the Government through the superior purchasing power of its contracts. Independent research has shown that NSW departments, agencies and other registered contract users are gaining major savings on wholesale and trade prices through ITS contracts, such as:

- the establishment of a highly specialised Geographic Information System (GIS) software/services contract
- new contracts for the procurement of Internet services for NSW Government and Department of School Education needs
- video-telephone products and services ranging from desk video-telephones to video-conferencing services.

DIRECTIONS FOR 1996/97

Building on successes during the year, the Department will continue to assist government agencies to provide cost-effective, responsive and accessible government services and information to communities across NSW.

In the coming year a number of new and exciting Government initiatives in information management and telecommunications will emerge, including the formation of an executive body to ensure a coordinated, whole of government approach to the planning and management of the Government's IM&T resources.

The Government's IM&T Blueprint, under development by DPWS following extensive consultation with government and industry organisations will further maximise the Government's investments and will create more

accessible and efficient services for the people of NSW.

In order to produce greater efficiencies and cost benefits across industrial agencies, an IM&T Policies and Procedures Manual is well progressed, with its release planned in the first quarter of 1996/97.

Improved access to government services and information will result from the Government's decision to make greater use of the Internet. Policy and guidelines are being developed by DPWS to help people access and search Government sites. A NSW Government home page is under development to link to all government agencies on the Internet.

Following the success of the electronic mail link between chief executive officers of major government agencies, work will commence on an integrated whole of government network, to achieve the Government's objective of having all agencies capable of communicating electronically with each other by early 1999.

The Government Radio Network will continue to be developed to expand its coverage and to better meet user requirements. Its present coverage will double in the coming year, with new sites becoming operational in the central west of the State and a mobile site to be commissioned for use anywhere in the State. A number of new GRN client service agreements are expected to be signed following recognition of improved communication features offered by the service.

Objective 3

Maximise benefits using the Government's purchasing power.

As a major client of the private sector, the Department of Public Works and Services leads the way in introducing innovative approaches to procurement through goods and services contracts and capital investment delivery methods.

A consistent approach across government continues to reduce costs and to improve efficiencies for government agencies in procuring goods and services, construction, property and information management.

WHOLE OF GOVERNMENT PROCUREMENT POLICY

With the NSW Government spending more than \$10 billion a year on procurement, of which \$4 billion is on purchasing goods and services, procurement and purchasing policy reform is one of the Government's major goals.

DPWS has the charter for whole of government procurement policy, so maximising benefits using the Government's purchasing power is a key objective in the Department's five-year strategic plan, *Vision 2001*.

In partnership with the Council on the Cost of Government and other government agencies, DPWS is developing a comprehensive procurement policy framework to apply to all NSW government agencies.

A management team was established during the year to lead the development of the policy framework.

The strategy is to develop and implement the policy under the auspices of the State Contracts Control Board, which comprises representatives from major government purchasing and policy agencies.

The Board has six working parties which advise on management framework, standards of behaviour, economic development, best practice, environment and information technology.

The team will join with these working parties and, as a group, develop the general policy framework.

They will also coordinate the working parties and liaise closely with the Council to oversee the development of best practice and future strategic directions.

Key tasks in 1996/97 include:

- development of a policy statement and code of practice for government procurement
- development of guidelines for agency management
- identification and classification of goods and services expenditure as a basis for analysing purchasing trends and identifying future opportunities
- re-engineering of procurement processes by agencies to increase efficiency.

Most of the development should be completed by the end of 1996 and the guidelines available in the form of a government procurement manual by mid-1997. The policy will then be implemented

Objective 3

after a process of consultation and communication on the Government's procurement reforms.

NSW SUPPLY SERVICE

The Department's NSW Supply Service negotiates and manages common use goods and services contracts on behalf of government agencies and other approved customers, such as local government and charities.

Acknowledged experts in contracts and supply, NSW Supply Service provides substantial cost savings, access to a wide range of products, contract expertise and professional advice on purchasing. At year end there were over 300 period contracts in place covering in excess of 155,000 line items and the year's expenditure by customers was of the order of \$1.3 billion.

Business Opportunities

A major event organised by the Department was 'Meet the Buyers - Newcastle', an example of State, Commonwealth and local government agencies uniting to support industry. 'Meet the Buyers' is a reverse trade fair where exhibitors are buyers from government agencies and visitors are suppliers of products and services who would like to supply the government marketplace.

NSW Supply Service and the Information Technology Service coordinated the involvement of NSW government agencies in the event, held in Newcastle in October with some 35 exhibitors and more than 1,300 industry visitors attending.

'Doing Business with Government' seminars were held in Lismore, Penrith and Dubbo during the year to inform local businesses of purchasing procedures by the three levels of government.

New Contracts Offer Savings

New distribution contracts finalised during the year led to significant price and supply advantages for NSW government agencies. Major contracts for a full range of products in the categories of general hardware, plumbing, electrical and safety and protective clothing were negotiated.

Major wholesalers were selected who could offer a network of outlets throughout the State, allowing clients in rural areas to source products quickly in their local area and still enjoy the advantages of using a government contract where issues such as probity had already been addressed through the tendering process.

The new Air Travel and Related Services contract for travel agency services saved agencies \$2.8 million for the year through rebates and best fare of the day.

Under a performance agreement with the NSW Health Peak Purchasing Council 21 health-specific contracts were managed with sales exceeding \$100 million for the year. Seven food contracts primarily used by the public health sector also attracted sales of \$46 million.

Period contracts for large items of electromedical equipment purchased for hospitals saved about \$2 million during the year. There were 52 separate orders for electromedical equipment, with a value of \$16.5 million.

STATEFLEET SERVICES

StateFleet Services provides a range of services to government organisations, including a fleet management service to the Treasury's \$272 million vehicle lease facility represented by 11,300 vehicles at year end. This represented a 74 per cent increase in vehicles managed and a 95 per cent increase in the capital value of the fleet over 1994/95.

During the year, in conjunction with Treasury, the passenger vehicle facility was expanded to include commercial vehicles. The sale and leaseback operation, which occurred in June, allowed \$102.9 million in capital to be re-allocated in the State Government budget.

Under the contract for disposal of used government vehicles by auction, 12,577 vehicles were sold during the year compared to 10,742 in 1994/95, an increase of 17.1 per cent. The contract for petroleum products continued to grow, exceeding 210 million litres, an increase of 2 per cent over the previous year.

One-off contracts for unique or specialised requirements were negotiated for 25 different clients during the year, involving 48 contracts worth about \$125 million.

Other notable contracts included:

- Training courses for DTEC (\$30 million p.a.)
- Hire of aircraft for Bush Fire Services (\$2 million)
- Discover 2000 project (\$40 million).

GOVERNMENT ADVERTISING AGENCY

The **Government Advertising Agency (GAA)** coordinates the placement, billing and monitoring of all NSW government advertising undertaken by departments and authorities. The agency negotiates volume discount rates with all media to achieve overall public sector-wide savings, as well as providing overall consistency in advertising policy and procedures.

The GAA also published the Public Service Notices on behalf of the Public Employment Office, a weekly publication which details positions vacant within government departments, as well as appointments made to positions.

During the year GAA directly booked or coordinated the placement of about 22,000 display, positions vacant, and classified advertisements in the press, as well as \$1.3 million in radio advertisements. In addition, more than 9,000 advertisements were directly booked by clients, with suburban, regional and interstate newspapers, and specialist publications.

Media savings of more than \$10 million were achieved during the year through the operation of the Master Media arrangement. Government advertising expenditure was \$68.5 million.

Procedures for placing vacancy advertisements in the 'Government Positions Vacant' sections of the *Sydney Morning Herald* and *Daily Telegraph Mirror* were reviewed and amended, resulting in time and cost savings for clients, and allowing the GAA to reduce staffing requirements.

Contracts were tendered during the year for printing the Public Service Notices, maintaining a

computerised subscription database, and labelling and packaging the Public Service Notices.

Arrangements were made with the contracted typesetter to transmit advertisements to Fairfax and News Limited publications electronically, resulting in time and cost savings to client government agencies.

The Department closely monitored and reported to the Premier's Department on the targeted 25 per cent reduction in government advertising and expenditure by budget sector agencies. The 25 per cent reduction for the year was achieved.

The Department also liaised closely with the Premier's Office to develop a policy and framework to implement the Government's requirement to allocate 7.5 per cent of campaign press expenditure to the ethnic media.

Two 'Introduction to Advertising' seminars were arranged for 40 clients. The seminars, which focused on press advertising, provided information and advice to improve the effectiveness of advertising.

INFORMATION TECHNOLOGY SERVICE

The **Information Technology Service** continued to improve its comprehensive and professional information technology (IT) contract management service, further enhancing whole of government performance through more efficient acquisition of cost-effective information technology.

ITS is responsible for a wide range of IT 'common-use period' and specialised 'one-off' purchases for government agencies, as well as local government and non-profit organisations. Overall, purchases by these organisations exceeded \$198 million during the year, a rise of about \$10 million on the previous year.

An increasing range of specialist IT products and services were covered by contracts to ensure purchasers had the widest choice. Products and services cover computer equipment, software, mobile telephones, radio and satellite equipment, fax machines, specialised geographical information systems, printers, paging systems, video-telephone

Objective 3

systems, calculators and extensive IT maintenance services.

Work continued on the development of Government Selection Application Systems (GSAS) contracts, and new contracts which have the potential to be used extensively throughout government agencies were arranged for financial management systems and records management systems.

Benefits include:

- reduced cost and implementation times
- once-only customisation costs
- shared implementation and operation experience
- common-use panel contracts
- more efficient exchange and transfer of information throughout the public sector
- a standard data format across any future state-wide network, and
- common systems applications.

Q STORES

Q Stores supplies consumable products to government departments, government-funded organisations, charitable and not-for-profit organisations, providing significant savings in both the direct cost of product and indirect costs associated with procurement and inventory maintenance. Client service was improved during the year with the introduction of account managers to better service the needs of customers.

Education sales fell from 66.6 per cent of total sales to 62.9 per cent although overall expenditure from the client increased. Business with the Roads and Traffic Authority increased from \$300,000 to \$1.6 million over the year with the closure of the RTA warehouse. The overall customer base expanded by 12.8 per cent.

A Quick Order System (a catalogue ordering system on disk) was introduced to more than 20 per cent of the customer base.

Q Stores provides a free-into-store delivery service within NSW. The Facilities Manager contractor is required to deliver 90 per cent of metropolitan orders received by 12 noon by 5.00 p.m. on the

next working day and 100 per cent the following day. The target order fill rate of 92 per cent was surpassed with an actual achievement of 99 per cent during the year. Sales increased from \$38.6 million in 1993/94 to \$51.08 million in 1995/96.

PACKAGED CONSTRUCTION PROJECTS REDUCE COSTS

DPWS is undertaking a trial consultant scheme for NSW TAFE Commission, with similar projects packaged together to increase efficiency and economy achieved through lower consultant fees and reduced requirement for consultant briefings. Building and construction projects at Ourimbah, Nirimba and Wollongong TAFE colleges are involved. A full evaluation of this type of packaging will take place on completion of the last set of documents, scheduled for February 1997.

SCHOOL MAINTENANCE CONTRACTS

Advances in the building and construction industry have provided an opportunity for DPWS in conjunction with the Department of School Education to develop a better maintenance strategy for schools.

During the year work progressed on developing school facilities maintenance contracts that will replace current cyclic maintenance programs in 1997.

The new arrangements will see the State divided into large districts, with contractors appointed to service schools in their district for six years. Contractors will provide a range of services including urgent repairs, condition assessments, movement of demountable and minor capital works.

It is anticipated the first contractors will be appointed in March 1997.

STATE CONTRACTS CONTROL BOARD

The role of the Board is set out in the Public Sector Management (Goods and Services) Regulation 1995 in terms of inviting tenders and quotations and accepting tenders. The Board is

made up of senior representatives from major purchasing departments and authorities and provides a formal structure for user participation in the contracting system. The Board provides independent scrutiny and quality of major public service procurement decisions.

The Board held 21 fortnightly meetings in 1995/96. Its Senior Executive Service level membership is drawn from major departmental and statutory authority users of the period contracts, as well as from the Department of State and Regional Development. The Board is chaired by the Director, Policy Division, Department of Public Works and Services and is serviced by officers of the Department's NSW Supply Unit.

The members at 30 June were:

Mr A Griffin (Chair), Director, Policy Division, Department of Public Works and Services

Mr A Butler, Director, Finance & Administration, Sydney Water

Dr P Paterson, Director, Development Services, Department of State and Regional Development

Mr K Barker, General Manager, Finance and Assets Management, NSW Health Department

Mr T Rogers, Deputy Director-General, Department of Local Government

Mr K Dixon, Director of Finance (Administration), Department of School Education

Mr B Campbell, General Manager, NSW Supply, Department of Public Works and Services

Mr K Quince, Executive Director, Corporate Services, NSW Police Service

Mr G Johnson, Manager, Commercial Services, Delat Electricity

Mr G Waters, Director, Corporate Services, Premier's Department

Mr E Schmatt, Chief Executive, Judicial Commission of NSW

Mr G Schipp, Assistant Director-General, Corporate Services, NSW TAFE Commission

Mr R Bushrod, Director, Industrial Networks and Best Practice, Department of Training and Education Co-ordination.

During 1995/96 a number of significant contracts were let by the Board which resulted in innovative solutions being provided to government clients, as well as significant benefits accruing to industry. These contracts included:

- Acquisition and Processing of Airborne Geophysical Data Under Discovery 2000 - A NSW Government Minerals and Petroleum Exploration Initiative
- Air Travel and Related Services to the NSW Government
- Bullet Resistant Tactical Vests for the NSW Police Service
- GSAS - Electronic Mail Systems - Supply of Packaged Software for Electronic Mail Systems
- GSAS - Records Management Systems - Supply of Packaged Software for Records Management Systems
- Manufacture and Supply of Category I Bush Fire Tankers - Bush Fire Services
- Manufacture and Supply of Class I Ambulance Bodies for the Ambulance Service of NSW
- Provision of Internet Services and Products
- School Banking Services for the Department of School Education
- Supply of Controlled Telephone Services (CTS) for Inmates in NSW Correctional Centres for the Department of Corrective Services
- Supply, Installation and Maintenance of a Remote Access Communications System for the Register of Encumbered Vehicles (REVS)
- Wholesale Distribution Contract for General Stationery and Paper Products (Level I)
- Wholesale Distribution Contract for General Stationery and Paper Products (Level I)
- Wholesale Distribution Contract for timber (Level I)
- Workstation Systems.

The Board operates an accreditation system, requiring tenderers for cleaning contracts to be accredited. Procedures were developed during the

Objective 3

year whereby non-performing contractors have their accreditation withdrawn and are disallowed from tendering for any NSW Government cleaning contract for a period of two years.

The State Contracts Control Board also shifted its focus from operational issues to that of a strategic responsibility for procurement policy for the public sector. Additionally, a number of inter-agency working parties were established to inform the Board on key procurement policy areas.

DIRECTIONS FOR 1996/97

The coming year will see a continuing and consistent approach across government to improve efficiencies and to lower costs in capital investment delivery methods and in the procurement of goods and services contracts.

The Department is developing a whole of government procurement policy framework to maximise the Government's purchasing power. The policy will be implemented under the auspices of the State Contracts Control Board, which will coordinate a number of working parties in the development of best practice and future strategic directions.

The Government Selected Applications Systems programs will be extended to two more products, and further opportunities will be identified to extend procurement arrangements for 'broad-based' goods and services in order to optimise benefits for Government and clients.

The Department will again be involved in the coordination of a 'Meet the Buyers' Trade Fair. The State/Commonwealth 'reverse' trade show will be held in Sydney in mid 1997. Suppliers and manufacturers of products and services who wish to supply the government marketplace can meet with buyers from government agencies.

An improved maintenance arrangement for the State's schools will be introduced in 1997, replacing the current cyclic maintenance program. A number of contractors will be appointed to service groupings of schools, providing a range of services including urgent repairs, condition assessments and minor works.

The Department recognises it must identify and implement service systems which complement the changing role of government. It will continue to hold regular meetings with stakeholders to identify trends, industry capabilities and evolving client requirements. To assist in developing a vision for government procurement in the future, the Department will establish links with leading procurement organisations nationally and internationally.

Total government expenditure on goods and services, construction and maintenance, information technology, telecommunications and rental will be identified to prioritise future opportunities to consolidate purchasing.

Objective 4

Establish the NSW Government as Australia's pacesetter in environmental design, energy efficiency & ecologically sustainable development.

The NSW Government has nominated the Department of Public Works and Services as a lead agency in introducing environmental best practice across government.

This will be achieved through a coordinated approach in environmental management to infrastructure, development of projects and the delivery of goods and services across the whole of government.

The Department is committed to adopting responsible environmental policies and procedures which ensure all government activities achieve innovative environmental solutions, carried out in line with ecologically sustainable development.

ENVIRONMENTAL POLICY PROGRAM

During the year the Department's **Environment Design Unit** developed a framework of environmental policies, the most comprehensive of any government agency in Australia, in consultation with key authorities in government, industry, suppliers and the community.

The Department developed five new environmental policies which, together with the two previously adopted policies for timber and

ecologically sustainable development, reflect our formal commitment towards the protection and enhancement of the environment.

The policies deal with the following environmental issues:

Energy Efficiency

The draft policy and guidelines promote energy conservation and management in new and existing projects. The policy incorporates matters such as energy options in design, integration of solar design principles and technology, and energy management guidelines for existing buildings.

Water Conservation and Recycling

In its provision of services to water users (owners of facilities and buildings) and managers (water supply authorities and councils), DPWS encourages water conservation and recycling strategies and incorporates such strategies into the projects it manages. This initiative helps clients meet the Government's environmental objectives and shows that their environmental requirements are being met or even surpassed by the Department.

Objective 4

In the provision of services to water users, the draft policy promotes the following strategies/tasks:

- Installing water usage monitoring and reporting, and undertaking water audits and leakage detection programs
- Installing water-conserving plumbing devices and signage
- Using products that require little or no water
- Designing low water landscapes
- Considering reuse of reclaimed water, grey water or rainwater.

In the provision of services to water managers, the following strategies/tasks will be promoted:

- Installing river flow monitoring, water usage monitoring and reporting
- Undertaking a water audit of major users and leakage detection program of the supply distribution system
- Preparing drought management plans, demand management strategies, and reuse option studies
- Thorough assessment of environmental and social impacts and values and inclusion of these, as well as economic costs and benefits, in decision analysis
- Adherence to ESD principles in decision analysis.³

Protection of the Natural Environment

A draft policy has been prepared to improve environmental assessment in the selection and planning of sites, as well as the protection and enhancement of the biological diversity of sites and their surrounds.

Avoidance of Sensitive Materials

The Department is assessing building materials and associated products to identify those with unacceptable environmental impacts and to find acceptable alternatives. This exercise also looks at the identification and management of toxic materials in construction, and the development of practices to minimise on-site pollution of water, soil and air.

Healthy Working Environments

Work began on policies and guidelines to improve indoor air quality and reduce the risk of Legionella outbreaks.

Leaders in Environmental Purchasing

New South Wales has become the first State to set environmental performance as a key factor in the purchase of products and services by the public sector.

In April, the Minister for Public Works and Services, Carl Scully, announced a range of environmental considerations to be progressively introduced on all government purchases tendered through the State Contracts Control Board. The purchases total thousands of items, including building products and materials, office equipment and consumable items used in hospitals, schools and colleges.

The new purchasing criteria, to be introduced progressively, will give the Government a leading role in encouraging industry to strive for better environmental practice.

Companies seeking to supply goods and services to Government will be asked to provide details on the environmental impact of the manufacture, packaging, distribution, use and disposal of their products.

Areas covered by the new considerations will include:

- amount of raw materials used and their source
- energy used
- nature and amount of emissions to air and water, and solid waste to landfill, and
- recommended method of disposing of product after use, and the capacity to recycle or reuse.

WHOLE OF GOVERNMENT ENERGY MANAGEMENT

With the support of Treasury and the Minister, DPWS is preparing a whole of government Energy Management Action Plan, which aims to achieve significant energy savings (about \$13 million per year) and greenhouse gas reductions (about 200,000 tonnes per year) across the public

sector. Representatives from the Sustainable Energy Development Authority and the Department of Energy are also members of the working party.

DPWS is committed to achieving energy efficiency in government agencies including its own operations. The Department has appointed an energy manager and an energy management plan is being prepared. It will ensure that energy use is optimised in all offices including the Department's McKell Building.

In conjunction with the Department of School Education, DPWS introduced the Energy Efficiency in Education program during the year aiming to achieve energy savings of \$3 million across NSW schools over three years. The monitoring phase of this project is complete, with 27 per cent savings reported.

Teaching resources were prepared and distributed to schools in the Riverina area as a trial. The resources focus on how energy efficiency can be achieved in schools and at home.

In other areas, in cooperation with the Department of Energy and other agencies, the energy management plan is achieving the following reductions in energy consumption:

Correctional Centres	26 per cent
TAFE Campuses	10 per cent
Police Stations	31 per cent
NSW Art Gallery	15 per cent

BUILDING AN ENVIRONMENTAL PROFILE

During the year DPWS researched and developed information on the environmental profile of products, materials and systems used in the building and construction industry.

The aim is to assess the environmental burdens different building materials and/or systems place on the environment. This involves assessing the environmental costs associated with the use of non-renewable resources, the level of energy consumed in the production of materials and the measurement of associated waste by-products, both liquid and solid.

Information is being compiled in an internationally recognisable Life Cycle Analysis database, which will identify 'world's best practice' on environmental performance and produce a 'green card' report for individual materials/products that will provide scientific data for continual environmental improvements.

The major benefits to clients will be identification of low environmental cost solutions, which provide significant environmental returns, and assistance in improving their environmental accountability.

TRAINING

As part of its lead role in energy management, the Department held a series of energy manager training seminars for clients, including NSW Police Service, NSW TAFE, the Department of Agriculture and the Department of Corrective Services, to promote the benefits of effective energy management of facilities and operations.

The Department arranged for a number of guest speakers to address the energy managers on topics ranging from energy audits, energy management planning, monitoring and control systems, through to financial reporting.

The DPWS training seminars encourage a conservation ethic amongst clients and an awareness of the economic and environmental benefits of reducing energy use.

RESEARCH

A major research project is underway to examine the feasibility of introducing electric and other alternatively powered vehicles into the government fleet.

If the research shows electric vehicles are technically and commercially viable, a number of vehicles will be purchased and trialed to monitor and assess their road and environmental performance. If test results are favourable, a government-wide period contract will be considered.

In line with the Department's ecologically sustainable development (ESD) policy, it is proposed the Department purchase a number of

'Ecosport' orbital engine vehicles for trial and assessment. If approved, these vehicles will be allocated to the DPWS fleet and closely monitored to assess their claimed improved energy efficiency, reduced tail pipe emissions and running costs.

STRATEGIC PARTNERSHIPS

The Department is committed to forging strong partnerships with other agencies and organisations to achieve the Government's vision for environmental design, energy efficiency and ecologically sustainable development:

- In partnership with the Department of School Education, DPWS has developed a range of standard design solutions that respond to a broad range of environmental issues including energy, water and materials.
- DPWS conducted an energy efficiency workshop for NSW TAFE officers. Speakers included lecturers from the University of NSW and a range of topics including recycling of water and solar energy were discussed. The outcome of this workshop is that recommended energy efficiency initiatives have been included in subsequent client project briefs for NSW TAFE and DSE.
- Water management studies were undertaken for a number of NSW TAFE projects and recommendations were included in subsequent client project briefs. The anticipated outcomes are enhanced environmental responsibility and a reduction in operating costs. A full evaluation will be conducted following implementation of these strategies.
- DPWS continued to help local councils develop water conservation and reuse strategies. Effluent reuse proposals were developed for numerous sewerage schemes. This included extensive studies to define the requirements for a major regional effluent management and reuse scheme in the Shoalhaven area.
- A major program continued to help councils reduce the level of nutrients discharged from sewage treatment works. Development continued on the biological nutrient removal process developed by DPWS for intermittent extended aeration sewage treatment works. The first full size units were commissioned at Bathurst during the year. Demonstration projects to trial innovative nutrient removal systems for older style trickling filter treatment plants are being undertaken at Cowra in partnership with DLWC and Cowra Council. Significant capital savings may result if these trials are successful.
- DPWS provided technical input to a 'leading edge' project to develop direct water recycling from sewage using membrane systems, which should reduce water recycling costs. The project is being conducted through the Cooperative Research Centre for Waste Management and Pollution Control. A demonstration treatment plant is opening at South Windsor shortly.
- In collaboration with the Department of Land and Water Conservation, DPWS introduced environmental flow regimes for new water supply systems. The environmental flows system, consultation and community involvement in water conservation, won the project the 1995 Royal Australian Planning Institute Award for Excellence in Planning.
- In the Hastings District, DPWS developed water pumping arrangements from the Hastings River tailored to the requirements of aquatic fauna. This resulted in better operation of the water supply, faster filling of storages at the end of summer, cost savings and better flow conditions for fish and aquatic fauna in the spring breeding season.

A lead remediation program at Broken Hill has recorded a substantial decrease in blood lead levels. DPWS and the Broken Hill Environmental Lead Centre completed the remediation of 108 homes at Broken Hill at a total cost of \$1.4 million. DPWS will continue the project over the next five years, with approximate expenditure of \$500,000 per year.

SPECIAL SERVICES IMPROVE OUTCOMES

DPWS conducted several value management studies during the year aimed at improving environmental outcomes.

HAWKESBURY-NEPEAN RIVER SYSTEM

The Government is concerned about the environmental condition of the Hawkesbury-Nepean River system. DPWS worked with Sydney Water Corporation to develop an environmental impact statement on establishing environmental flows in the rivers dammed for water supply purposes by the Corporation. The Hawkesbury-Nepean Catchment Management Trust aims to improve water quality in the catchment and promote the use of constructed wetlands for treatment of urban run-off and sewage.

DPWS conducted a value management study on proposed guidelines for the use of constructed wetlands in the catchment. The studies were a key factor in establishing a whole of government approach to improving the environment outcomes in the catchment through participation of all agencies involved in the process.

HUNTER ESTUARY PROJECT

The Kooragang Wetland Rehabilitation Project has been established under the auspices of the Hunter Catchment Management Trust to rehabilitate degraded wetlands in the Hunter Estuary which are a key habitat of fish and birds.

DPWS conducted a value management study to review and improve the project and provide the rigour needed for allocation of government funding to the project.

SPECIAL PROJECTS HELP PROTECT OUR ENVIRONMENT

The Department was involved during the year in numerous special projects aimed at encouraging environmentally friendly design and saving energy. Examples included:

- Energy audits undertaken in correctional centres at Cooma, Lithgow, Bathurst, Parklea and Goulburn. Work began to implement the report at Cooma to make savings a reality. Energy savings will also reduce annual demand on power generation and greenhouse gas emission.
- Phasing out of chloro-fluoro carbon (CFC) gases. CFC gases are largely responsible for the depletion of the earth's ozone layer. CFC gases

in the refrigeration system at Goulburn Correctional Centre were replaced with environmentally friendly gases. Similar CFC gases in kitchen refrigeration systems at NSW Parliament House were also replaced.

- Water consumption. Surveys were carried out at all Department of Corrective Services (DOCS) properties to identify high water usage and possible wastage. In most areas, rates are assessed on the basis of water used, and every litre saved equates to savings in operating costs. Work at Goulburn Correctional Centre has resulted in a saving of some \$24,000 per year.
- Contamination of groundwater. All underground oil storage tanks including supply and vent lines belonging to DOCS were tested for leakage. Any undetected leakage into underground water can cause long-term environmental damage and also attract heavy fines and legal challenges from neighbouring properties. Remedial work is being undertaken at six locations and advice has been offered on decommissioning tanks no longer required.
- DPWS helped develop a master plan for Lidcombe TAFE College which incorporates biological control of stormwater before it flows into the drainage system. The plan enhances the landscape by incorporating water features and flora.
- As members of a joint private and government group, DPWS provided mechanical and electrical design expertise for a new wastewater treatment plant at Taronga Zoo. The new plant will minimise pollution of Sydney Harbour and utilise recycled effluent at the zoo.

ENVIRONMENTAL EFFORTS RECOGNISED

The Department was involved in the following projects which received awards for excellence during the year.

- Tidy Towns Award. DPWS received a Keep Australia Beautiful Council 1995 Tidy Towns Award in the Government Authority category for its involvement in the Coffs Creek Improvement project.

- Joint winner of the 1995 Royal Australian Planning Institute Award in the Planning Category for the Hastings District Water Supply Scheme.
- DPWS provided advice on numerous projects and proposals during the year on environmental design, energy efficiency and ecological sustainability, culminating in the Royal Australian Institute of Architects Environmental Design Award for Nemingha Public School. The Affordable Housing Project for City West Housing Pty Ltd received a commendation for its contribution to the environment. DPWS demonstrated commitment to ESD principles through:
 - ▀ adaptive reuse of old wharves to create a foreshore boardwalk at Pyrmont Point
 - ▀ concrete recycling
 - ▀ reuse of old timber recovered from disused wharves.

RECYCLING AND WASTE MINIMISATION

The deskside system for recycling of paper and the separation of glass and aluminium cans continued at the Department's offices in the McKell Building and at Francis Street.

A water audit was conducted on the McKell Building in April 1995. As a result, water consumption reduction strategies were implemented within the building during 1995/96. One strategy was the reduction of toilet flushing levels from 13 litres to 10 litres per flush.

Automatic light switching devices were installed in individual offices, tea rooms, conference rooms and toilets in the McKell Building, resulting in reduced power consumption.

DIRECTIONS FOR 1996/97

Recently adopted environmental policies as detailed in the body of this report will be implemented to ensure all DPWS projects reflect the Government's commitment towards the protection and enhancement of the environment.

The Department is well positioned within government to encourage the private sector to

adopt better environmental practices in order to minimise adverse environmental impacts. The Government has announced it will set environmental performance as a key factor in the future purchase of products and services. These considerations will be progressively introduced, and during 1996/97 the Department will liaise closely with the private and public sectors to raise awareness of the benefits of this initiative.

In conjunction with the Department of Energy, an energy management plan will be developed to assist key government agencies reduce energy costs and greenhouse emissions.

The Department will continue to work with its clients to ensure other resources are managed in the most efficient manner, using the principles of demand management and reuse and recycling of resources. To achieve best practice in water conservation and waste minimisation DPWS will develop and promote innovative methods for conserving water and whole of life use of our assets.

To assist in this strategy water usage will be benchmarked for three clients during the year and a number of pilot projects will be introduced for assessment. Following the success of a waste minimisation trial, a further five demonstration projects will commence in 1996/97 and the Department will continue benchmarking with industry on waste minimisation practices, widely publicising the findings.

The Department will increase environmental awareness within the organisation and define the detail of DPWS' responsibilities in its role of establishing the NSW Government as Australia's pacesetter in environmental design, energy-efficiency and ecologically sustainable development. This will involve senior managers attending regular presentations on key environmental issues and briefings to staff on how environmental issues relate to their business. The Department will also progressively implement environmental management plans into all new government construction projects.

Objective 5

Competitive business services *that satisfy client needs.*

The Department is working to attain a position where it becomes a valued partner and service provider of choice for all its clients, helping to develop solutions early in the strategic phases of their non-core business functions. To achieve this goal it must place itself at the leading edge of modern practices and techniques to ensure clients' evolving needs are best served.

As the Government's manager of contracting risk for capital works over \$500,000, DPWS contributes to the Government's strategy of achieving a consistent whole of government approach to planning, coordinating and managing the public sector capital works program. The Department also provides selected commercial and professional services, using both internal and external resources to meet clients' requirements.

STRATEGIC ALLIANCES

Education

The Department has traditionally designed and built education facilities for the Department of School Education (DSE) and the NSW TAFE Commission, and to a lesser extent for other educational institutions. Cyclic and emergency maintenance services are also provided.

A Heads of Agreement between DSE and DPWS was signed during the year. This initial agreement primarily focuses on delivery of the capital works program and leads the way to an 'umbrella' agreement under which specific service agreements

covering the breadth of DPWS services will be captured.

The electronic data link being trialed with DSE was further improved to ensure wider access to the data within DSE, and monitoring continued to ensure this important communication link maximises benefits to the client.

Education Facilities

This year's \$110 million capital works program consisted of 37 major projects, including one new high school and seven replacement new primary schools. The remainder of the projects were major upgrades and additions. All construction projects exceeded set performance targets, with 100 per cent of projects delivered on budget (target 96 per cent) and 97 per cent delivered on time (target 96 per cent).

In consultation with DSE, development of a new schools facilities maintenance contract was progressed during the year. Advances in the building and construction industry have provided an opportunity to implement a better maintenance strategy for schools by letting bulk service contracts for various areas of the State. It is planned to introduce the new contracts in 1996/97 after further consultation with industry and school communities. The new contract arrangements aim to improve the building environment and lead to an increased level of client satisfaction. All schools across the State will enjoy a consistent standard of school maintenance.

DPWS continued to work with DSE to achieve energy efficiency in existing and new school projects. Under the E3 Program (Energy Efficiency in Education) energy efficiency was trialed in 10 high schools, achieving electricity cost savings of up to 27 per cent. The E3 Program was taken a step further with the creation of the DPWS EcoSmart Program which saw the incorporation of energy management practices into environmental curriculum in schools.

The Department also continued to provide a number of support services to the education sector, including those of State Mail Service (SMS), Q Stores and NSW Supply. The SMS delivered examination papers for the Higher School Certificate, the School Certificate and the Basic Skills Test around the State efficiently and on schedule, under appropriate security conditions. The needs of the State's schools were well catered for by Q Stores, using normal ordering methods and the electronic system, Schooline, which is available to the State's 2200 public schools as well as to non-government schools. In 1995/96, schools business accounted for nearly 63 per cent of Q Stores' trade.

NSW TAFE Commission

During 1995/96 the Department managed a capital works program of approximately \$50 million and 11 major projects were completed.

At the request of the client, a DPWS representative travelled with a NSW TAFE Commission officer to the OECD Program on Educational Building Steering Committee Meeting in France. They also held discussions with education authorities in the UK and Germany in relation to vocational trends in Europe and their application to local practices.

In line with strengthening relationships with clients, an electronic link was established between DPWS and the NSW TAFE Commission to provide immediate access to NSW TAFE's Capital Works Management System, a database of major and minor works projects.

SPECIALISED SERVICES

The Department's comprehensive and complementary framework of specialised services continued to ensure the vast array of agency and intra-governmental activities were effectively and efficiently managed, with emphasis on client service.

STATE PROJECTS BUILDINGS integrates architecture, engineering and quantity surveying to provide comprehensive and quality-based design and consultancy services for natural and built assets. Project teams were selected to suit each client's specific needs to ensure the outcome provided value for money on a whole-of-life basis.

During the year a range of services were provided by specialist units:

The **Health and High Technology Unit** was involved in hospital and healthcare facilities, including electromedical and sterilising equipment, in hot and warm water systems and scald protection. Work was completed during the year on the State's most technically advanced hospital, the new Children's Hospital at Westmead. The Department won a commission to carry out a review of various Queensland hospital master plans, providing an opportunity to develop and build on a working relationship with interstate organisations.

The **Education Unit** was involved in new school designs incorporating low energy ideas and environmental management principles, as a result of initiatives jointly developed with the Department of School Education. Designs incorporated adaptability to technological developments if facilities have to change to meet future needs. Lifecycle studies were also carried out to provide the best balance between initial and in-use costs. Current principles of environmental design were incorporated in the design of schools to maximise energy savings.

The **Special Projects Unit** completed work on designs for the \$3.5 million Gorilla Exhibit at Taronga Zoo and was involved in refurbishment plans for St. Marys Cathedral and the redevelopment of Central Railway.

The **Interior Design Group** worked on a range of clients' buildings and office areas, incorporating the latest technology and ergonomic requirements. A major project was carried out at Parramatta's Heritage Resource Centre.

The **Engineering Services Group** continued to provide mechanical, electrical and structural services as part of teams or discrete specialist services covering:

- heating, air conditioning and ventilation, including unflued gas heaters
- electricity supply and emergency power, medium and high voltage reticulation
- building control and management systems, fire protection, specialist lighting
- hazardous substances including CFCs, artificial fibres and PCBs
- access and movement of people and materials.

The **Quantity Surveying Section** continued its role of capital budgeting and cost planning in the design of educational, civic and health buildings. Life cycle plans were prepared for high schools, a laboratory, police stations and workshops.

Other asset management services, including asset valuations and condition audits, maintenance budgets and development of cost models were prepared for traditional State Government agencies, as well as for local government and various semi-government and private sector clients.

The **Landscape Design Group** provided master planning, urban design, landscape architecture and heritage conservation to state and local government clients through NSW. The group worked closely in a team-based approach on projects ranging from a streetscape management plan for Warringah Council to assisting the Olympic Coordination Authority with master plan and design work at the 2000 Olympics site at Homebush Bay. Relationships were strengthened with the National Parks and Wildlife Service, particularly with landscape projects in the Sydney Harbour National Park and on the harbour's islands.

STATE PROJECTS INFRASTRUCTURE

provides consultancy services for community infrastructure with special expertise in water and wastewater systems, dams and river management covering:

- environmental site investigation
- project investigation
- feasibility studies
- concept studies for engineering projects
- design and documentation
- specifications
- project management
- asset strategies.

The **Dams and Civil Section** was re-organised during the year to provide a single investigation and design office and other specialised services to the water industry. Three specialist groups joined the Section:

- Water Technology - handling water quality issues and the design of water treatment plants
- Water Design - responsible for the detail design of water supply infrastructure
- Geotechnical - providing geotechnical investigation services for both building and infrastructure projects, with a special interest in the investigation of contaminated sites.

Dam engineering continued to provide the major work, increasingly directed to dam safety issues. Other services covered river management, urban flood protection and urban drainage projects.

Significant projects undertaken during the year included:

- final design of the Babagon Dam in Malaysia
- design of remedial works for Hume Dam
- water treatment projects at Adelong and Flat Rock and a new design membrane filtration plant at Collarenebri
- water quality reports completed for 20 country towns
- feasibility studies for effluent recycling for irrigation at Goulburn, Nowra and Picton.

The **Hydraulics and Water Saving Section** provided a full range of hydraulic engineering, investigative and advisory services to State, Commonwealth and local governments. Water audits undertaken at various educational facilities, an abattoir and a correctional centre during the year will lead to improved water management techniques and will help the clients reduce operational costs.

In order for clients to better interpret two-dimensional plans and drawings, the Department's **Technology Unit** produces three-dimensional computer models in full colour. As well as visualising the finished product in a fly-through effect, adjustments can be made to plans before large costs are incurred. A number of clients requested this technique be incorporated into the planning phase of their projects, the most notable being the Metropolitan Remand and Reception Centre, the Gorilla Exhibit at Taronga Zoo and a range of schools.

The former Survey and Land Information Services was renamed **Geometrics Section** during the year to more accurately reflect the comprehensive range of services the Department provides in surveying, sewerage reticulation design, computer aided drafting and design, geographic information systems and the capture, presentation and management of spatial information.

In 1995/96 Geometrics supported a wide range of projects, including country town water and sewerage schemes, coast and estuary management, flood and dambreak studies, land subdivision and total asset management.

Stage 3 of the Department of School Education's major data capture project continued during 1995/96. This project comprises the capture of land and building asset information for 800 primary, infant and special purpose schools which will be incorporated into an asset management system.

Other works completed during the year covered reticulation designs for six towns, five water supply surveys, five hydrographic surveys, numerous building surveys and the Orange to

Cadia Mine effluent transfer system to provide for the reuse of treated wastewater from the city of Orange.

The **Materials Testing and Chemical Services Laboratory** expanded its client base during the year with increased demand for the laboratory's expertise in wastewater and trade waste analysis.

The laboratory provided regular analytical service to 20 local government clients, and eight private companies used its services through the year. The laboratory also secured an overseas commission for a project in Papua-New Guinea.

Manly Hydraulics Laboratory (MHL) provides specialist consulting services in the fields of water, coastal and environmental solutions. The laboratory has expertise in numerical modelling, physical modelling and field data collection.

MHL has a client base extending throughout Australia and overseas, particularly South-East Asia, the Pacific Rim and the Middle East, providing its services to consulting engineers, government and local government authorities.

The laboratory's turnover in 1995/96 was \$7.1 million with more than 240 projects completed for clients. These ranged from comprehensive investigations of complex issues such as water quality modelling of effluent disposal through to data collection exercises associated with specific projects.

MHL produced a range of annual data summaries for the waves, winds, tides and river water levels systems operated on behalf of its clients. During the year, MHL also published its sixth annual set of tide prediction charts for New South Wales.

Fourteen new water quality sites were established throughout NSW during the year, with a further three planned. Electromagnetic wave measuring systems were established in the ports of Fremantle and Brisbane, and successful project management of the protection of Aboriginal burial sites at Lake Victoria continued.

NSW Government Information Service (GIS) is the Government's only retail outlet for the sale of authorised legislation. The GIS also distributes

various public sector and commercial publications on behalf of clients and is the central contact point for public inquiries on government initiatives and services. Improved inventory control and monitoring ensured a high level of customer service in the two bookshops and through the mail order and subscription services.

The service published the 1995 NSW Government Directory, administered various subscription and standing order services and coordinated the involvement of government agencies in the Government Pavilion at the Sydney Royal Easter Show.

The telephone information service assisted more than 125,000 public inquiries during the year, an average of 520 per day.

State Mail Service (SMS) is responsible for the daily collection and delivery of mail for the public sector within the Sydney metropolitan area and to 65 NSW country locations.

The business operates 24 hours a day, seven days a week, including a special service for the NSW Police Service, that saves clients time, expense and effort.

SMS offers clients a door-to-door service in the Sydney metropolitan area and distribution centres in Gosford, Dubbo, Lismore, Bathurst, Orange and Wollongong.

SMS was the first government organisation in Australia to receive a grant under the Australian Best Practice Demonstration Program. This recognises the achievement of a corporate culture which empowers employees to take responsibility for providing superior quality service to customers and for commitment to continuous improvement.

During the year SMS was visited by many groups to learn from its successes, and a number of presentations were delivered at conferences and services to broader audiences by SMS staff.

The four major clients serviced during the year were the Department of School Education, NSW Police Service, Attorney-General's Department and Local Courts Administration. SMS prepared a profile of NSW TAFE Commission's mail

operations, including mail flows, costs, size, distribution and services used. As a result, NSW TAFE asked SMS to undertake an institute-based review to market-test the service and identify potential savings and efficiencies.

Through the **Government Printing Service (GPS)**, the Department carries out a wide range of printing and publishing services for the Government and its agencies.

There were 54 Special Government Gazettes during the year, including one late on Christmas Eve and one on New Year's Eve. All were produced on time.

The Service provided in-house training to clients' staff in the use of publishing systems, saving clients time and expense by selecting the most appropriate approach to meet their publishing needs. The warehouse manages all forms used by 37 government agencies and departments. Each agency has a specific contract stipulating service levels and individual requirements. The warehouse procures, stores and distributes to the client's offices across the State.

An electronic data interchange trading system is available and all customers receive monthly inventory, usage and re-order reports. Electronic trading is available to any government agency on the system. More than 1100 schools in NSW now use the facility via Schooline.

During the year the Contracts/Sales section issued 2420 quotations varying from \$1000 to \$1.4 million. Of these, 1822 became jobs produced, a success rate of 75.3 per cent for the year.

COUNTERPART RELATIONSHIPS

The **International Business Unit** draws on the support of all divisions of the Department and coordinates the Department's overall business effort which is primarily involved in building relationships, benchmarking with counterpart organisations and the private sector, and identifying project work.

A mutually beneficial working relationship between the Department and the National

Objective 5

Department of Public Works South Africa was formalised in Sydney in March during a visit by the South African Director-General and his management team. The visit focused on understanding the operations of DPWS as a commercial counterpart organisation, and included the signing of a Declaration of the Establishment of a Closer Relationship between the two organisations. A number of specialist DPWS staff subsequently visited South Africa to provide advice on institutional strengthening and capacity building.

The Department also provided specialist advice to the Public Works Department, Thailand and to the Seoul Metropolitan Government, Republic of Korea on environmental solutions, water supply and sewage treatment. Numerous overseas delegations visited DPWS offices and projects to exchange information and to study our methodologies and technologies.

OVERSEAS BUSINESS

The Department continued to expand into international markets, enhancing our overall capability and skills of staff, and ensuring our commercial competitiveness with the private sector.

Significant overseas projects included:

- designing a dam in Malaysia
- investigating a sewage treatment process in Korea
- an energy and water management project in Bahrain
- a coastal zone investigation in Thailand
- a heritage study in Indonesia
- training Papua-New Guinea Bureau of Water Resources staff in hydrologic, hydraulic and water quality monitoring.

DIRECTIONS FOR 1996/97

The Department will continue to form strategic relationships with clients, such as exist with the Department of School Education and Corrective Services, to help in developing solutions early in clients' planning phases.

To ensure our services are aligned with Government expectations of the Department and that they meet clients' requirements all services will continue to be reviewed through the course of the year and new services will be offered where the Department considers it can provide a marketing edge and an identified benefit for clients.

Cost analysis of DPWS products and services will be completed as part of the rationalisation of services and a benchmarking process will be established to improve services and to provide feedback. Further work will be undertaken to research and document the benefits of using DPWS risk management expertise, contracts, specialist services and systems. Overall, the Department will become more pro-active in developing marketing strategies to increase market share by strengthening present client relationships and building new ones.

Streamlined processes will be introduced within the organisation to ensure clients receive the highest level of service. The roles and services available in each Division will be critically assessed, with a view of ensuring that solutions for clients utilise the expertise within the organisation on a cross-divisional basis.

The Department will continue to seek opportunities to market the organisation nationally and internationally, recognising that these business development efforts generate project work and play a significant role in determining the market niche the Department will have in the future. Relationships with counterpart organisations overseas will be encouraged, with a number of established strategic alliances likely to result in project opportunities during the year.

Objective 6

Recognition as the best performing public sector organisation in New South Wales.

CONTINUOUS IMPROVEMENT

The year saw a continuing emphasis on focusing staff on our major role of adding value to the services we offer clients. To achieve this objective, the Department implemented measures to improve business performance and to develop skills across the organisation to meet the Government's commitment to increased efficiency and lower costs across the whole of government.

Strategies were implemented to improve the capability of the organisation to deliver appropriate services that meet our clients' emerging and future needs.

Senior management and staff investigated opportunities for continuous improvement in the way services are provided both externally and internally. A number of staff development programs were directed at the key result areas of:

- Client Service
- Quality Management, and
- Business Practices

in order to equip staff with the necessary skills to deliver the best service to the community of New South Wales.

Following a major review of Client Service Division's quality systems, a program was developed to better align existing quality system procedures with key business processes. Work began to:

- standardise and simplify the existing quality

system and its certification to release staff to achieve efficiencies in resources and operations

- minimise duplication between divisions and business units
- shift the quality system focus from process control to service improvement.

Last year, the State Mail Service received the first award presented to a government business operation in Australia under the Small and Medium Enterprise Round of the Australian Best Practice Demonstration Program. Building on that achievement, SMS conducted training this year related to the award for 100 of its staff. The Program's review panel undertook two on-site evaluations of the Service's business, and following endorsement of its current practices approved further progress payments under the award guidelines.

Two of the Department's business units, NSW Supply Service and Information Technology Service, developed an intensive training program for their staff involved in the core business of competitive tendering and contracting for goods and services. The aim was to increase staff skills and knowledge to improve the Department's ability to deliver new and innovative contractual solutions to clients. Staff furthered their career goals and developed technical and general competencies in areas such as negotiation and communication. The program was a joint project with NSW TAFE and had the added benefit of being articulated to other NSW TAFE courses,

thereby encouraging staff to undertake further personal development.

Through its association with the University of Canberra, the Department conducted a number of education and training courses in value management and facilitation skills to equip its staff with the necessary expertise to provide the best service to client agencies.

SPECIAL EMPLOYMENT PROGRAMS

Each year a number of high achieving final year graduates are chosen by the Department from over 100 applicants to participate in a two-year Graduate Development Scheme that prepares them for a career in Development Management. Participants are assigned to mentors who provide leadership in developing business skills and guidance in strategic thinking, building client relationships and career planning. This year four young graduates were selected for placement within DPWS, bringing the total to 12 participants currently placed across the organisation.

Employment opportunities were provided for three trainees under the DPWS Traineeship Program, which offers young people part-time on-the-job training and part-time study at a TAFE college over a 12 months' period. Four people were also placed for six months under the New Work Opportunities Scheme to help train and give experience in workplace practices to long-term unemployed persons.

SHAPING OUR FUTURE

Two major initiatives were launched in April at the Director-General's second address to Sydney central business district staff - the 'Vision 2001' Strategic Plan and the Best Practice Program.

Vision 2001 sets out the Department's vision, mission and values and outlines the six key objectives that must be met within the five-year plan to achieve our vision. In this Annual Report the Department's activities and performance are reported against these six objectives. *Vision 2001* was developed in consultation with over 300 staff and provides all staff with a focus for the future.

Following the launch a comprehensive communications program ensured all staff across the State were thoroughly briefed by senior management on the implications of the strategic plan and how it would be linked to their business plans.

The corporate Best Practice Program provides the framework to align the whole organisation with *Vision 2001*. The focus of the program is on improving the organisation's core processes and, as a result, reducing bureaucracy and hierarchy in the organisation, improving communication and achieving a measurable difference in client service, employee satisfaction and financial performance. The Best Practice Program will be driven in the coming year by a Best Practice group drawn from across the organisation.

ORGANISATIONAL DEVELOPMENT

A number of organisational development activities were undertaken or initiated during 1995/96 to improve current performance and develop capabilities for the future.

- Recognising the critical role of SES officers in the Department's performance, a survey was conducted in August on issues which included: organisational structure, strategy, planning, communications, teamwork and client service. Major issues have been addressed through more inclusive planning processes and staff briefings by the Director-General. The SES Performance Planning and Review System was also improved to provide a clearer focus on performance.
- An orientation program for staff was introduced to build a stronger understanding of the diversity of the Department and its role. The program included presentations by the Director-General and divisional Directors. During the year 70 staff from a cross-section of business units and grades participated in the program.
- A staff training and development checklist was introduced to help staff and managers analyse development needs and identify options to address them.
- A review of the Staff Performance Management

System was substantially completed by a working group with union representatives in line with the Department's Enterprise Agreement. The new system will be simpler and will emphasise staff development and role clarity more than previous systems.

- An approach to providing 360-degree appraisal processes through staff and peer questionnaires is being prepared for trial. This is designed to improve communication and align our corporate culture with our values.
- A review of staff training requirements was conducted with business units and a specification developed to find a suitable provider of training services for the Department.

The last three initiatives will be fully implemented in 1996/97.

WIDE PARTICIPATION IN ENTERPRISE BARGAINING

Enterprise bargaining continued to be the major industrial relations issue during the year, with emphasis on the continued participation of staff and their unions.

The Department of Public Works and Services Enterprise Agreement was registered during the year. This covers all salaried staff of the Department, with the exception of those in the Government Printing Service and the State Mail Service. Simplified salary scales and more flexible hours of work were major features of the agreement.

The State Mail Service continues to be covered by a separate agreement, as do the wages staff of the Department. These agreements have both reached the end of their normal term and negotiations continued on replacement agreements.

No time was lost during the year as a result of local industrial action.

INTERNAL COMMUNICATION

Improving communication at all levels and between levels of staff was identified early in the year for priority attention.

During the year the Director-General held two major addresses to staff in the Sydney central business district and he visited the majority of metropolitan and country centres to meet and address staff. The Minister for Public Works and Services, the Hon Carl Scully also visited many city and metropolitan offices and several country centres where he addressed staff. Divisional Directors and Branch Managers held regular meetings with staff to discuss issues and to hear the views of staff.

A new staff-focused newsletter 'Horizons' commenced in October and was produced monthly, providing a conduit to keep staff regularly informed of the latest developments and progress in the organisation.

EQUAL EMPLOYMENT OPPORTUNITY

A major review of the EEO Management Plan was undertaken to focus on four key points:

- recruitment and selection
- development and career planning
- quality of working life
- communication.

An oversight committee, including the Director-General and the Director of Equal Opportunity in Public Employment, was established to guide activities in these areas.

The Department actively supported EEO through policies, programs and promotions during the year. Achievements included:

- improved flexible work practices, including an extension of flexible hours through the Enterprise Agreement and the introduction of a working-from-home (telecommuting) policy
- improved recruitment and selection processes, with training (including coverage of EEO) a requirement for all staff who sit on selection panels
- the DPWS Women's Network was re-aligned with the Spokeswomen's Program, and elections were held to revitalise membership

Objective 6

- an International Women's Day lunch was held for staff, hosted by and with a major presentation from the Director-General.

OCCUPATIONAL HEALTH, SAFETY AND REHABILITATION (OHS&R)

The Occupational Health and Safety Manual was revised and reissued, further promoting the integration of OHS&R into all aspects of the Department's activities.

The OHS&R committees continued to perform a valuable role with their skills and experience in information dissemination, problem identification, provision of recommendations and promotion of general safety, which is continually improving.

Only 0.21 per cent of available working hours were lost due to workplace injury, compared to 0.273 per cent in 1994/95.

PEOPLE

Staff numbers reduced by 8 per cent from 2632 to 2423 during the year. This reduction was achieved through natural attrition and a targeted voluntary redundancy program. A total of 19 staff accepted voluntary redundancy (16 salaried and five wages staff).

The Department moved to an enterprise agreement structure during the year. Consequently, statistics comparing the distribution of staff from previous years on an award basis has not been made.

Staff as at 30 June 1996

Category	30 June 1996	30 June 1995
Public Sector Management Act/SES	2009	2171
Wages Staff	406	427
Other	8	34
TOTALS	2423	2632

Distribution of Staff

Category	30 June 1996
Chief & Senior Executive Service	43
Staff	1158
Professional	445
Technical	93
Project	119
Wages Staff Enterprise Agreement	406
State Mail Service Enterprise Agreement	159
TOTAL	2423

Note: The above categories are based on three enterprise agreements operating in DPWS and the SES

- 'Staff' represent a broad administrative and clerical grouping
- 'Project' mainly includes construction supervisors
- The Government Printing Service has been included under 'Staff'
- As the Department has moved to an enterprise agreement, comparison to previous years' award classification groupings is not relevant.

Chief Executive and Senior Executive Service

Number of positions

CES/SES Bands	Former SES Levels	1995/96	1994/95
4 Upper	8		
4 Lower	7	1	2
3 Upper	6	1	1
3 Lower	5	4	5
2 Upper	4	4	9
2 Lower	3	19	14
1 Upper	2	11	17
1 Lower	1	14	31
TOTAL		54	79
SES Women		3	4

Note:

- These figures represent the approved establishment and include vacant positions
- The number of SES positions were reduced by one-third during 1995/96 in accordance with Government policy
- A new SES band structure was introduced on 1 October 1995 replacing the former eight levels (column 2)

Representation of EEO Target Groups Within Salary Levels

	Total Staff		Women		NESB	
	1995/96	1994/95	1995/96	1994/95	1995/96	1994/95
<\$21859	39	23	21 53.8%	11 47%	2 5.1%	2 8.7%
\$21860-\$28711	308	386	119 38.6%	145 37.5%	8 2.6%	91 23.5%
\$28712-\$32096	205	265	113 55.1%	150 56.6%	20 9.8%	59 22.2%
\$32097-\$40617	373	436	115 30.8%	143 32.7%	47 12.6%	92 21.1%
\$40618-\$52524	636	723	98 15.4%	122 16.8%	106 16.7%	165 22.8%
\$52525-\$65655	403	267	30 7.4%	28 10.4%	53 13.2%	71 26.5%
>\$65655	53	108	4 7.5%	6 5.5%	Nil	11 10.1%
TOTAL	2017	2208	500	605	236	491

Note:

- Figures exclude wages staff
- NESB represents non English-speaking background
- The figures provided for the NESB category were obtained from annual survey questionnaires. The comparative figures can fluctuate as they are based on the number of questionnaires received. In 1995/96 58% of staff replied to the questionnaires.

PLANNING FOR PEOPLE WITH DISABILITIES

Progress was made during the year in developing an awareness of disability issues by reviewing the disability plans of the previous agencies which combined to form DPWS.

Physical access is now considered as part of any premises review conducted by DPWS architects, and architectural design services recognise the needs of people with a disability in all projects designed for our clients.

In addition, the Department modified its recruitment policy and featured issues of 'reasonable adjustment' in its recruiting and selection training.

The EEO survey conducted during the year provided the opportunity for staff with disabilities to identify themselves and any adjustments needed in their workplaces. This database will enable communications and a network to be established with these staff in the future.

Representation and Recruitment of Aboriginal Employees and Employees with a Physical Disability

	Total Staff		Aboriginal Staff		PWPD	
	1995/96	1994/95	1995/96	1994/95	1995/96	1994/95
Total Employees	2017	2208	4	17	93	121
			0.2%	0.7%	4.6%	5.4%
Recruited in Year	145	212	1	3	Nil	5

Note:

- Figures exclude wages staff
- PWPD stands for people with physical disabilities
- The figures provided for Aboriginal staff and people with physical disability were obtained from annual survey questionnaires. The comparative figures can fluctuate as they are based on the number of questionnaires received. In 1995/96 58% of staff replied to the questionnaires.

REVIEW AND IMPROVEMENT

Risk Management and Insurance

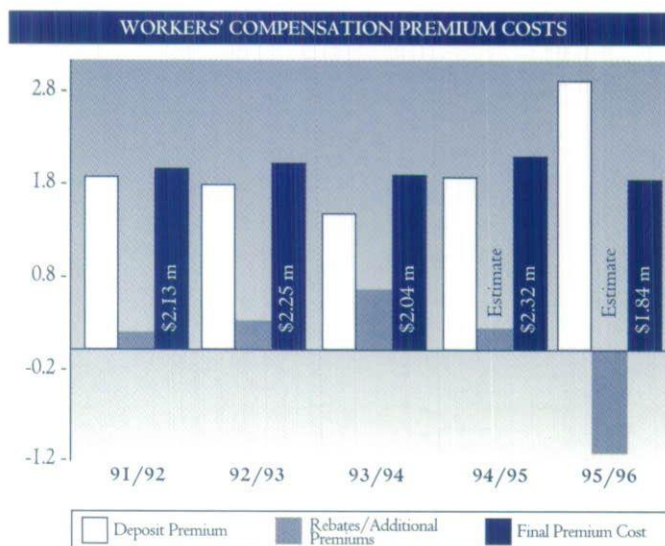
DPWS has full workers' compensation, motor vehicle accident, property, liability and miscellaneous cover provided through the NSW Treasury Managed Fund (TMF). The Department is committed to using risk management principles to minimise both risk exposures and premium costs. Initiatives taken include risk transfer relating to engagement of contract staff, pre-employment medical assessment and transfer of risk to service providers.

Workers' Compensation

PREMIUM COSTS

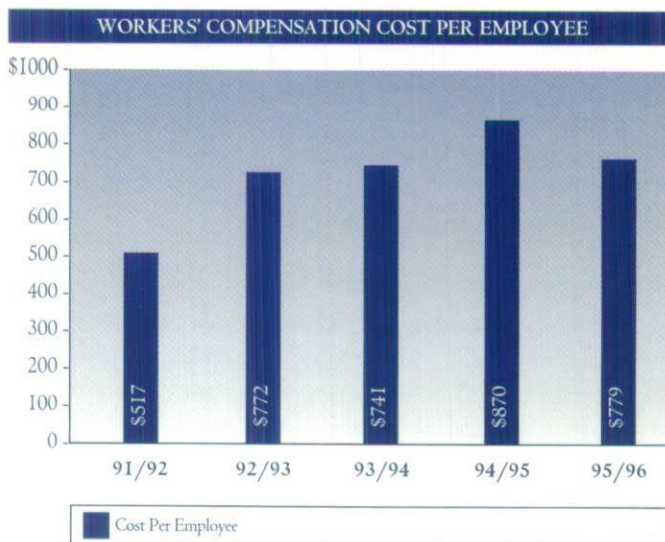
Final premium projections for 1995/96 indicate that workers' compensation costs have significantly reduced as a result of the Department's restructuring, which reduced risk exposures and improvements in the areas of rehabilitation and claims management.

The significant increase in this year's deposit premium is the result of the TMF changing to the use of benchmarks for premium calculations. Projections indicate that the Department should receive a substantial refund as the premium paid far exceeds estimated claim costs.



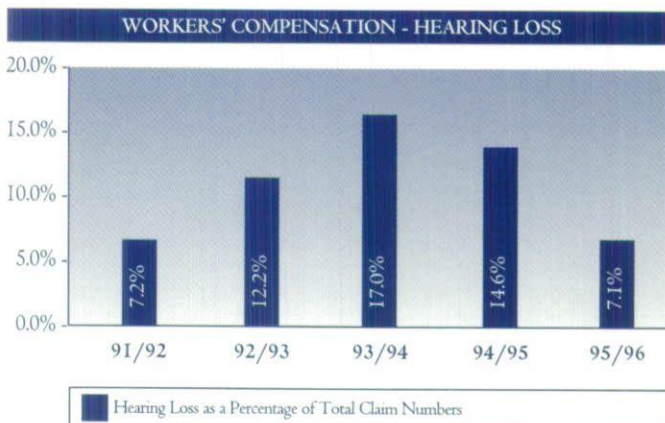
COST PER EMPLOYEE

The premium cost per employee reduced to \$779 in 1995/96, a decrease of 10 per cent from 1994/95. These figures are based on actual and estimated final premium costs.



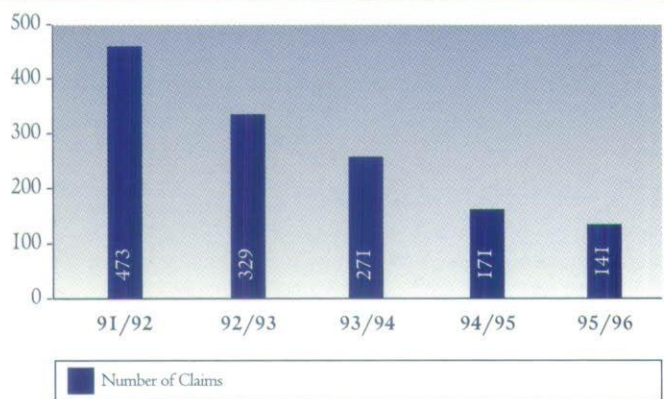
HEARING LOSS CLAIMS

A significant reduction in hearing loss claims has occurred, resulting from scaled down high risk activities. This trend reflects the industry practice, which peaked in 1993/94, of lodging claims for high noise exposures which occurred over the past 10 to 30 years.



Objective 6

NUMBER OF WORKERS' COMPENSATION CLAIMS

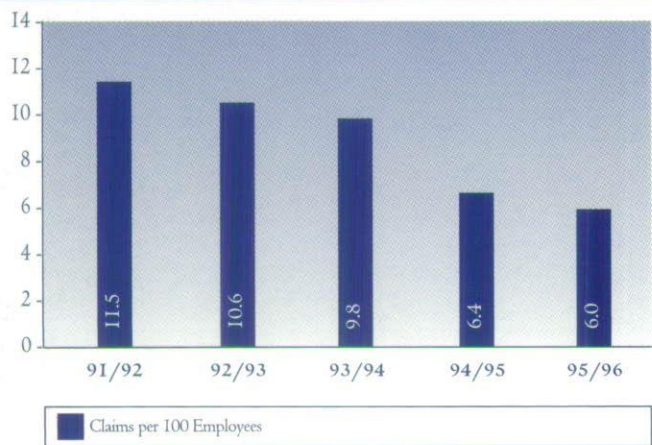


Reduced Workers' Compensation Claims

NUMBER OF CLAIMS

This year's result of 141 claims is a 17.5 per cent improvement on 1994/95 results.

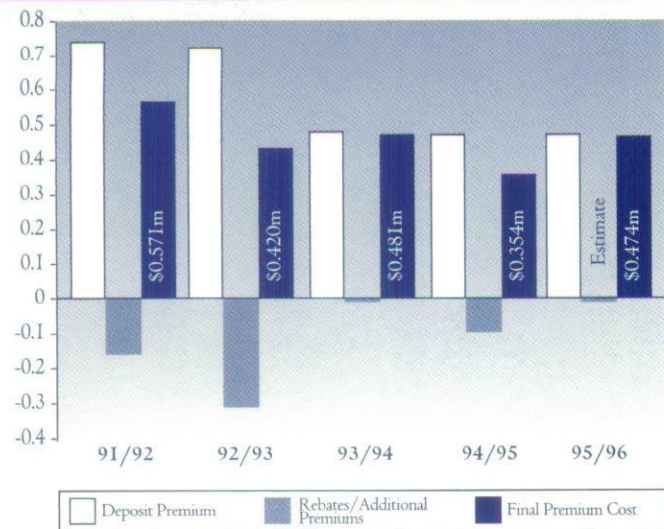
FREQUENCY OF WORKERS' COMPENSATION CLAIMS



CLAIMS FREQUENCY

This year's result of 5.97 claims per 100 employees is a substantial improvement on the 1994/95 claims frequency of 6.41 claims.

MOTOR VEHICLE FLEET PREMIUM COSTS



Motor Vehicle Fleet

PREMIUM COSTS

Premiums levied by the TMF in 1995/96 increased due to the introduction of benchmarks to set base premium charges. A hindsight adjustment will be calculated by the TMF at the end of December 1996 which could result in a small rebate.

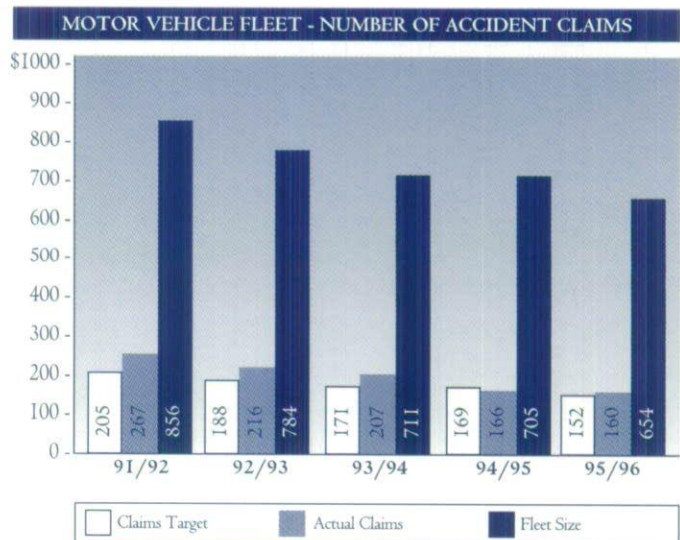
Cost Per Vehicle

The premium cost per vehicle rose by 45 per cent over 1994/95. This increase was mainly due to increased costs passed on by smash repairers. This is evidenced by rises in the average cost of claims.



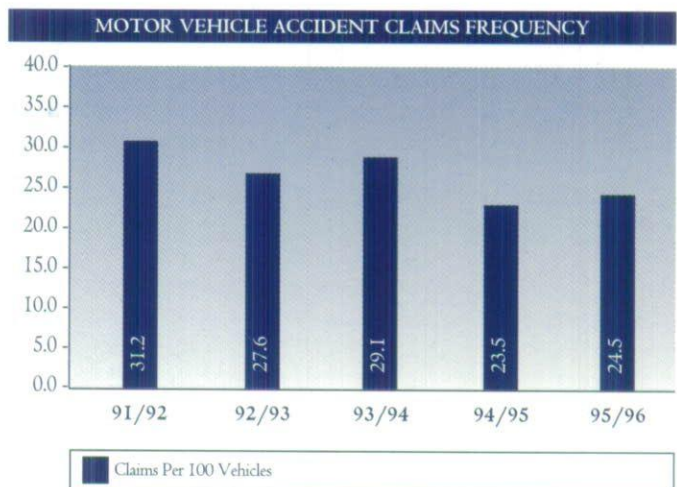
Number of Claims

The total number of claims lodged was 160, which was 3.6 per cent lower than 1994/95.



Claims Frequency

The frequency of claims in 1995/96, compared to overall fleet size was 24.5 claims per 100 vehicles. This was marginally above the target of 24.



Property Exposures

Success with strategies adopted to reduce exposures and claims resulted in the Department receiving a rebate of \$109,269 on the 1993/94 deposit premium paid to the TMF.

Liability Exposures

Current trends indicate that this category of claim has the potential to become a major cost due to an increased awareness of litigation processes.

A rebate of \$21,753 was received from the TMF for the 1991/92 premium year.

INTERNAL AUDIT BRANCH

The Department's internal control and audit processes were assessed against Treasury's Statement of Best Practice.

The Internal Audit Branch undertook 75 planned and special audits during the year. The special audits included investigations into possible fraud/corruption/probity issues, system performance evaluations, assessment of contractors claims, fringe benefits tax, supply fees and the winding up of a major computer firm.

In total, the branch made 462 recommendations in audit reports and memos to improve internal controls, procedures, efficiency and effectiveness of the organisation, and 95 per cent of these recommendations were accepted.

To broaden staff experience and knowledge, an assignment was contracted out to a major accounting firm. This enabled the branch to gain an understanding of the skills, expertise, approach and benchmarking information available in the private sector.

The work of the Internal Audit Branch generated substantial benefits for the Department during the year, including:

- successful completion of most of the branch's audit program
- identification of uncollected supply fee revenue from a number of contract suppliers

- review from probity perspective of the adequacy of procedures and controls over calling expressions of interest and tenders on several projects
- review of the electronic funds transfer (EFT) system to improve its efficiency and effectiveness
- joint audit with the Department of Urban Affairs and Planning of the construction management of the City West project
- improving the administrative procedures of the National Centre of Value Management, a partnership between DPWS and the University of Canberra
- review of the policies, systems and procedures in assessing tenderers to ensure that assessments are effective, timely, and minimise risks to clients
- practical educational seminar for staff to minimise opportunities for corruption and to improve integrity through organisational and attitudinal change
- continuing to implement the Department's fraud and corruption control strategy.

EXTERNAL AWARDS

The Department won a number of prestigious Royal Australian Institute of Architects' (RAIA) Awards.

The Government Architect, Chris Johnson received the President's Award for 'consistent dedication to the promotion of architecture'.

Other RAIA Awards were:

New Childrens Hospital, Westmead
Merit Award for Civic Design

Coffs Harbour Education Campus
Blacket Award

Railway Institute Building
Conservation Commendation

Paul Bradley
1996 Architects' Board Student's Prize

Other awards included:

Hastings District Water Supply
1995 Royal Australian Planning Institute
Planning and Development category

Joy Singh
1996 International Specialised Skills
Training Fellowship (Venice Study Tour)

DIRECTIONS FOR 1995/96

A focus during the coming year will be on improving service outcomes and ensuring the Department's resources are directed towards clients' emerging and future needs.

In order to equip staff with the necessary skills, staff development will be directed at achieving increased flexibility and new skills by introducing ongoing development programs in key areas of client service, information management and technologies, environmental awareness, strategic planning, business management and continuous quality improvement. A range of programs will be developed and training of staff will be prioritised.

The Department's inaugural Corporate Plan will be implemented through the year. The Plan aims to better align the Department's services, systems and culture with the future needs of clients.

Actions and targets outlined in the Plan will be progressed by task force groups drawn from across the organisation, and will be regularly monitored and adjusted if required during the implementation period.

A corporate Best Practice Program, launched in April 1996, will operate on a five-year basis to coincide with the Department's strategic plan, *Vision 2001*. During the year a program manager will be appointed to lead a corporate best practice group. It will be the role of the group to develop best practice plans, to form up a number of process review teams and to redesign selected key processes at all levels of the organisation. Management and leadership training will be critical to achieving best practice and it is planned to introduce a 360-degree staff appraisal process to improve communication and to align the Department's corporate culture with its values.

A new business practice model will be developed during the year to create a more integrated business climate and a review will be undertaken to rationalise existing systems to eliminate duplication.

Improving communications at all levels and between levels of staff will continue to have a high priority. Regular staff surveys will be conducted and an overall corporate communications strategy will be implemented.

PERFORMANCE MEASURES

	94/95	(1) 95/96	(Est) 96/97	(Est) 97/98	(Est) 98/99
	Actual	Actual	Target	Target	Target
EFFICIENCY					
Employment	2632	2423	NA	NA	NA
Total Expenditure (\$M)	309.8	300.9	306.7	307.4	308.7
Revenue per employee (\$'000)	131.9	136.2	133.3	135.4	137.5
Hrs lost to Industrial Disputes					
- per employee	0	0	0	0	0
- total ('000)	0	0	0	0	0
Average days sick leave/employee:					
- Salary staff	5.6	6.0	5.5	5.0	4.5
- Wages staff	6.5	6.6	6.1	5.6	5.1
- Total staff	5.7	6.1	5.6	5.1	4.6
Employee Safety Measure (2)	0.273	0.213	NA	NA	NA
SERVICE					
Number of construction contracts let >\$0.25M	399	307	350	390	430
Total number of construction contracts let	1857	1093	1050	1000	1000
Building Projects: (3)					
- Completed On Time (%)	96.0	97	96	97	97
- Completed On Budget (%)	100.0	100	97	97	97
- Completed On Time and On Budget (%)	98.0	97	96	97	97
Engineering Projects: (4)					
- Completed On Time (%)	98.7	98.35	98.5	98.5	98.5
- Completed On Budget (%)	100.0	98.95	99.0	99.0	99.0
- Completed On Time and On Budget (%)	98.7	97.35	98.0	98.0	98.0
Minor Works & Maintenance Projects: (4)					
- Completed On Time (%)	99.0	98.02	98.0	98.0	98.0
- Completed On Budget (%)	99.0	98.73	99.0	99.0	99.0
- Completed On Time and On Budget (%)	99.0	97.41	98.0	98.0	98.0
Value of purchases through goods & services period contracts (\$M)	1275	1275	1301	1327	1350
Number of goods & services contracts	590	300	NA	NA	NA
Number of goods & services contract line items	126500	155000	NA	NA	NA
Number of vehicles leased by State Fleet	10938	12004	12300	13000	13530
Capital assets under management (\$M)	384	384	400	480	500
Commercial space under management (square metres)	313065	316603	338000	338000	338000
Number of commercial properties/building under management	125	125	167	162	160
Crown property sales (\$M)	0.8	87	46.5	18	2
Communications carrier rebates to NSW Government (\$M) (5)	27	26	18	19	19
Communications carrier discounts to NSW Government (\$M) (5)	31	30	26	27	28

	94/95	(1) 95/96	(Est) 96/97	(Est) 97/98	(Est) 98/99
	Actual	Actual	Target	Target	Target
FINANCIAL					
Government Funded Services (\$M) (6)	29.3	32.1	30.3	30.3	30.3
Asset sales (\$M) (7)	7.9	137.9	6.1	6.1	3.7
Operating Result (\$M) (8)	33.5	20.7	8.2	12.3	16.2
Return on Shareholders Funds (%)	11.7	11.6	4.4	6.5	8.3
Dividend/Tax Payments to Government (\$M) (9)	27.8	153.5	5.7	8.6	11.3

FOOTNOTES

NA Not available

1. All dollar amounts are reported in 1996 prices.
2. Total time lost from work-related injuries in hours divided by total time worked, expressed as a percentage.
3. Relates to all DPWS' projects over \$500,000.
4. Relates to all DPWS' projects over \$100,000.
5. Subject to agencies maintaining current arrangements.
6. Services and activities performed for Government which are not funded through fees from clients.
7. The results for 1995/96 includes a sale of the Department's motor vehicle fleet.
8. Operating result before income tax, Government Capital Grants, Abnormal Items and Dividends.
9. The 1995/96 result includes a special dividend of \$138.9M from the sale and lease back of vehicles (102.9M) and a capital restructure (36M).
10. The 1995/96 expenditure includes the written down value of motor vehicles (\$127.3M) from the sale and leaseback of StateFleet vehicles to the Macquarie Bank.

FINANCIALS

95
96

HIGHLIGHTS

- An operating surplus of \$20.7M before income tax, capital grants, abnormal items and dividends.
- Total distribution to Treasury under the Government's Financial Distribution Policy of \$153.5M. This included a Department capital restructure (\$36M) and a dividend of \$102.9M from the sale and leaseback of the Department's vehicles to the Macquarie Bank.
- Achievement of the financial targets set in the 1995/96 Statement of Financial Performance.

BUDGET COMPARISONS

	1995/96 Budget \$'000	1995/96 Actual \$'000	1996/97 Budget \$'000
Income			
Fees	184,355	175,157	175,471
Sales and Services	133,203	127,232	122,300
Interest Received	7,816	10,739	9,000
Proceeds from Asset Disposals	4,963	137,985	5,909
Management Fees	256	550	-
Other Income	-	2,576	844
Treasury Funding	2,060	2,060	1,833
	332,653	456,299	315,357
Expenditure			
Salaries/Wages and Related Expenses	156,183	147,224	144,973
Cost of Sales - Goods and Services	88,002	85,279	88,970
Plant Expenses	3,300	3,292	3,101
Occupancy	17,851	23,822	18,614
Travel	1,577	1,373	1,592
Other	47,164	35,941	45,407
WDV of Assets Disposed	3,564	137,988	4,096
Provisions	332	610	-
	317,973	435,529	306,753
Operating Surplus	14,680	20,770	8,604
Capital Grants	1,227	5,982	4,582
Abnormal Superannuation Adjustment	-	22,881	-
Income Tax Equivalent	(5,285)	(7,477)	(2,953)
Dividend	(4,991)	(7,062)	(2,789)
Net Surplus	5,631	35,094	7,444
Capital Restructure Dividend	-	138,984	-

Note: The Proceeds from Asset Disposals and Written Down Value of Assets Disposed includes a change in accounting treatment to reflect the sale of StateFleet vehicles to the Macquarie Bank. See the notes to the financial statements for further information.

INCOME FOR 1995/96

The main variations between budget and actual income are:

- Restructure of major client departments and the Government's budgetary constraints during the year had a significant impact on Fee Revenue and Sales and Services.
- Interest received exceeded budget as investments with the Treasury Corporation realised better than budgeted returns.
- Proceeds from asset disposal are in excess of budget resulting from the disposal and leaseback of the Department's motor vehicle fleet.

EXPENDITURE FOR 1995/96

The major variations between budget and actual expenditure are:

- Salaries/Wages and related expenditure is under budget resulting from a reduction in the EFT equivalent staff numbers during the year.
- The Department has leased office space surplus to its requirements. In accordance with Accounting Standards the cost of future lease payments from which no economic benefit will derive has been expensed. This has resulted in an increase in occupancy costs of \$8M.
- Other expenditure is under budget as a result of savings on all overhead expense items.
- The written down value of assets disposed is above budget due to the disposal and leaseback of the Department's motor vehicle fleet.

1996/97 BUDGET

The 1996/97 budget has been framed to take into account the Government's budgetary constraints, a reduced revenue stream from the rationalisation of client agencies together with the further cost of surplus lease accommodation from the amalgamation of the Department. The budget also reflects the commitment to the implementation of the Department's Information Technology Strategic Plan.

The 1996/97 Statement of Financial Performance has been negotiated with Treasury which will result in a distribution to the Government in taxation equivalents and dividend payments of \$5.7M.



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

DEPARTMENT OF PUBLIC WORKS AND SERVICES

To Members of the New South Wales Parliament and Director-General

Scope

I have audited the accounts of the Department of Public Works and Services for the year ended 30 June 1996. The preparation and presentation of the financial statements consisting of the accompanying balance sheet, income and expenditure statement and statement of cash flows, together with the notes thereto and the information contained therein is the responsibility of the Director-General. My responsibility is to express an opinion on these statements to Members of the New South Wales Parliament and the Director-General based on my audit as required by sections 34 and 45F(1) of the *Public Finance and Audit Act 1983*.

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the requirements of the *Public Finance and Audit Act 1983*, Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) so as to present a view which is consistent with my understanding of the Department's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements of the Department of Public Works and Services comply with section 45E and 41B of the Act and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Department as at 30 June 1996 and the results of its operations and its cash flows for the year then ended.

Inherent Uncertainty Regarding Superannuation

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 2 to the financial statements, it is disclosed that uncertainty currently exists concerning certain taxation allocations that may impact virtually all of the individual employer reserve balances of the State Authorities Superannuation Board - Pooled Fund. Until resolution of this uncertainty, the quantum of the financial effect on the individual employer reserves is unclear. The same situation existed at 30 June 1995.

A handwritten signature in blue ink, likely belonging to P. Carr.

P. CARR, FCPA
DIRECTOR OF AUDIT

(duly authorised by the Auditor-General of New South Wales
under section 45F(1A) of the Act)

SYDNEY
21 October 1996

DEPARTMENT OF PUBLIC WORKS AND SERVICES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 1996 CERTIFICATE UNDER SECTION 41C (1B) & (1C) OF THE PUBLIC FINANCE AND AUDIT ACT, 1983

In my opinion the financial statements, consisting of the Income and Expenditure Statement, Balance Sheet, Statement of Cash Flows and Notes attached thereto for the financial year ended 30 June 1996 exhibit a true and fair view of the financial position and transactions of the Department of Public Works and Services. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit (General) Regulation, 1995, the Treasurer's Directions as they relate to the preparation of those Accounts and with other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

I am not aware at this time of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Dick Persson

Director-General

Department of Public Works and Services

DEPARTMENT OF PUBLIC WORKS AND SERVICES

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 1996

1995 \$'000		Notes	1996 \$'000
INCOME			
190,926	Fees	I(h)	175,157
126,083	Sales and services	3	127,232
8,918	Interest	4	10,739
7,850	Proceeds from disposal of non current assets		137,985
2,312	Management fees	5	550
8,433	Other income	6, I(g) (h)	2,576
2,796	Treasury funding	7	2,060
347,318			456,299
EXPENDITURE			
126,106	Salaries and wages	8	122,762
7,114	Recreation leave	27	7,931
3,537	Long service leave	I(f)	3,985
11,503	Superannuation	2	12,546
82,233	Cost of sales - goods and services	10	85,279
3,392	Plant expenses		3,292
1,011	Management fees	11	-
15,631	Occupancy	12	23,822
1,577	Travel	13	1,373
54,210	Other	14	35,941
5,059	Written down value of non current assets sold		137,988
2,436	Provisions - other	27	610
313,809			435,529
OPERATING SURPLUS before Income Tax, Government			
33,509	Capital Grants, Abnormal Items and Dividends		20,770
8,773	Government Capital Grants	15	5,982
(16,205)	Abnormal Items	16	22,881
26,077	OPERATING SURPLUS before Income Tax and Dividends		49,633
12,391	Income Tax Equivalent	27	7,477
13,686	OPERATING SURPLUS after Income Tax		42,156
277,738	ACCUMULATED SURPLUS 1 July 1995		282,223
4,032	Transfers from reserves	29	-
295,456	TOTAL AVAILABLE FOR APPROPRIATION		324,379
13,233	Dividend payable to State Government	I(1),27	146,046
282,223	ACCUMULATED SURPLUS 30 JUNE 1996		178,333

DEPARTMENT OF PUBLIC WORKS AND SERVICES**BALANCE SHEET
AS AT 30 JUNE 1996**

1995 \$'000		Note	1996 \$'000
CURRENT ASSETS			
157,316	Cash at bank and in hand	17	65,160
52,254	Receivables - trade	18	57,419
67,636	Sundry debtors and prepayments	19	83,390
76,497	Investments	4	106,758
11,822	Investment properties	20	3,304
7,498	Inventories	I(j),21	9,528
373,023			325,559
NON-CURRENT ASSETS			
163,858	Property plant and equipment	22	66,355
262	Leasehold improvements	23	81
36,394	Other	24	40,129
200,514			106,565
573,537	TOTAL ASSETS		432,124
CURRENT LIABILITIES			
37,455	Trade creditors		25,746
105,685	Sundry creditors and accruals	25	94,650
36,871	Work in progress	26	43,563
54,408	Provisions	27	30,002
234,419			193,961
NON-CURRENT LIABILITIES			
18,176	Provisions	27	17,362
36,380	Other	28	40,129
54,556			57,491
288,975	TOTAL LIABILITIES		251,452
284,562	NET ASSETS		180,672
RETAINED EARNINGS			
282,223	Accumulated Funds		178,333
2,339	Reserves	29	2,339
284,562			180,672

The above Balance Sheet is to be read in conjunction with the attached notes.

DEPARTMENT OF PUBLIC WORKS AND SERVICES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 1996

1995			1996
Inflows			Inflows
(Outflows)			(Outflows)
\$'000		Notes	\$'000
Cash Flow from Operating Activities			
943,147	Receipts from Operations	I(h)	1,296,267
(932,084)	Payments to Suppliers and Employees	I(h)	(1,310,376)
7,192	Interest Received		14,590
(4,336)	Income Tax Equivalent Payments	27(d)	(13,380)
13,919	Net Cash from / (used in) Operating Activities (a)	38(b)	(12,899)
Cash Flow from Investing Activities			
(78,265)	Purchase of Property, Plant and Equipment		(48,782)
(172)	Purchase of Investment Properties		-
58,304	Proceeds from Sale of Property, Plant and Equipment		137,985
(20,133)	Net Cash from / (used in) Investing Activities (b)		89,203
Cash Flows from Government			
8,773	Other Receipts - Government Capital Grants		5,982
2,796	- Treasury Funding (Surplus Staff)		2,060
7,334	- Provision of Services to Government		5,976
(8,390)	Dividend paid to State Government	27(e)	(152,217)
10,513	Net Cash from/(provided to) Government (c)		(138,199)
4,299	Net Increase/(Decrease) in Cash, ie. (a)+(b)+(c)		(61,895)
229,514	Opening Cash Balance		233,813
233,813	CLOSING CASH BALANCE	38(a)	171,918

DEPARTMENT OF PUBLIC WORKS AND SERVICES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996.

PRINCIPAL ACTIVITIES

The Department of Public Works and Services (DPWS) provides a range of services to Government, including advice on information technology and telecommunications, total asset management, procurement and supply of a wide range of goods and services, environmentally sensitive design and the strategic management of government property assets.

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in preparing the accounts of DPWS are stated to assist in a general understanding of these accounts. These policies have been consistently applied throughout DPWS.

The financial report is a general purpose financial report prepared in accordance with applicable Australian Accounting Standards, Treasurer's Directions, the requirements of the Public Finance and Audit Act 1983 and Regulations and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

(a) Basis of Accounting

These financial statements have been prepared in conformity with the financial reporting for Statutory Bodies as set out in Division 3 of Part 3 of the Public Finance and Audit Act 1983.

The accounts have been prepared on the basis of historical costs except for certain non-current assets which are at valuation.

The Balance Sheet and Income and Expenditure Statement have been prepared on an accrual basis.

The Statement of Cash Flows has been prepared on a cash basis using the direct method, and includes all receipts and payments made during the year [see Note I(h) Recognition of Revenue]. In 1995/96 there has been a change in the basis of presentation of "Receipts from Operations" and "Payments to Suppliers". In 1994/95 these items were presented net of transactions with the Department's former "Water Services Policy" unit. For 1995/96 these are shown on a gross basis. Similarly State Fleet transactions with Macquarie Bank which were previously reported on a net basis have been grossed up in 1995/96.

With the exception of certain note disclosures, amounts are expressed in Australian Dollars rounded to the nearest one thousand Dollars.

(b) Non-current assets

Non-current assets are revalued in accordance with Treasury Circular GI991/20 "Accounting Policies for Revaluation of Non-Current Assets".

Only non-current assets with a cost greater than \$0.002M are capitalised. Non-current assets are depreciated using the rates shown in Note I(c).

The carrying amount of all non-current assets has been reviewed as a whole to determine whether or not they are in excess of recoverable amount. If the carrying amount of non-current assets exceeds the recoverable amount, the assets are written down to the lower value. In assessing recoverable amounts, the relevant cash flows have not been discounted to present value.

There has been a change in the reporting of the disposal of motor vehicles belonging to StateFleet Services. In prior years, when motor vehicles were sold, there was neither profit nor loss as any over/underrecovery was either passed on to or recovered from the lessee agency. In 1995/96 the bulk

sale of motor vehicles to Macquarie Bank gave rise to a loss on disposal. Consequently, in accordance with AAS 15 "Disclosure of Operating Revenue" the proceeds on disposal and corresponding costs in relation to StateFleet Services motor vehicle sales have been disclosed separately.

(c) Depreciation

Depreciation is provided on a straight line basis for all depreciable non-current assets to allocate their cost over their estimated useful lives.

The following depreciation rates are used:

• Buildings	2.5%
• Motor Vehicles (with the exception of StateFleet Services)	20.0%
• Mainframe computers	20.0%
• Personal computers	33.3%
• Photocopiers	33.3%
• Other office equipment	20.0%
• Furniture and fittings	10.0%

Because of the Treasury policy requiring passenger vehicles to be sold after two years or 40,000km and commercial vehicles to be sold after two years or 65,000km, the depreciable amount for motor vehicles owned and leased by StateFleet Services under AAS4 "Depreciation of non-current assets" is assessed as nil. Depending on the care taken by the lessee agency during the period of the lease, any profit or loss on disposal is reimbursed to or recovered from the lessee.

(d) Provision for major periodic maintenance

In order to maintain the service potential of buildings owned and occupied by DPWS, a 10 year program of long term building maintenance has been developed (refer Notes 22 and 27).

(e) Leasehold Improvements

Leasehold Improvements are amortised over the remaining period of the lease.

(f) Employee Entitlements

Long Service Leave

The cost of employee entitlements for long service leave is met by the payment of an oncost on salaries to the NSW Treasury. The payment of the oncost extinguishes DPWS' liability which results in the liability being assumed by the Crown.

In accordance with AAS30 "Accounting for Employee Entitlements" long service leave entitlements owing to employees at balance date have been recognised as current and non-current liabilities with the corresponding amounts reimbursable from Treasury shown as current and non-current assets.

Annual Leave

The full liability for annual leave owing to employees has been accounted for and shown under Current Liabilities in the Balance Sheet.

Sick leave

Sick leave is non vesting and is expensed as incurred. It is expected that sick leave taken in future periods will not exceed the entitlements in those periods.

(g) Acceptance by the State of employee liabilities

For officers of the NSW Supply branch of the department, the cost of entitlements for long service leave and superannuation are assumed by the State resulting in non-monetary revenue. This revenue (\$0.398M in 1995/96 \$Nil in 1994/95) is included within "Other Income".

(h) Recognition of Revenue

Revenue is recognised as follows:

Fees represent:

- The recognition of revenue through the sale of resources to clients. The main resources are employees who charge hours worked against activities on projects. Revenue is recognised when hours are charged to client projects within work in progress.
- Agency Fees for property sold as agents for New South Wales Government Departments and Statutory Bodies. The agency fee from the sale of property is brought to account when all conditions precedent have been satisfied.

Note: Payments from clients for work completed on contracts which DPWS has managed on their behalf together with corresponding payments to contractors are omitted from the Income and Expenditure Statement as they are not considered departmental income and expenditure. These receipts and payments have however been included in the Statement of Cash Flows as they are accounted for in Balance Sheet as Work in Progress.

- "Sales and Services" income is derived from New South Wales Government agencies (refer Note 3). Transactions with the Macquarie Bank do not impact departmental income and expenditure. The transactions have, however, been included in the Statement of Cashflows as they do impact Sundry Debtors and Sundry Creditors.
- Other income includes commission earned under a Strategic Partnership Agreement between the State Government and Telstra/Optus for the administration of expenditures by agencies on telecommunications. Revenue is recognised each month on a predetermined basis. Details of "Other income" are provided in Note 6.

(i) Operating Leases

All lease arrangements entered into by DPWS are operating leases. Operating lease payments are expensed in the period in which the benefit is received and lease income is recognised as earned.

At 30 June 1996, the Department had leased office space surplus to its requirements. In accordance with Abstract I of the Urgent Issues Group "Lessee accounting for surplus leased space under a non-cancellable operating lease", an estimate has been made of the cost of future surplus leased space from which no economic benefit will be derived. A provision has been set up to reflect this amount and all future rental payments in relation to surplus leased space will be set off against this provision.

DPWS through StateFleet Services leases passenger and commercial vehicles to Government agencies.

In June 1996 the Treasury extended the financing arrangements with Macquarie Bank for the sale of StateFleet Services vehicles. StateFleet Services acts as a manager in respect of the new financier, collecting the lease fees and acquiring and disposing of vehicles on their behalf in return for a monthly management fee.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the average cost price.

(k) Taxation

Under the New South Wales' Government's tax equivalent regime for Government trading enterprises, agreement has been reached that the accounting profit model should be used by DPWS in the

calculation of income tax equivalent. This model applies the current rate of company tax and does not require tax effect accounting. Accordingly the requirements of AAS3 "Accounting for Income Tax" have not been applied in these financial statements.

(l) Dividend

Dividends payable to the State Government have been calculated in accordance with the Government's Financial Distribution Policy.

(m) Comparatives

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

2. Superannuation

The Superannuation Schemes relating to employees of DPWS are:

- the State Superannuation Fund (SSF);
- the State Authorities Superannuation Scheme (SASS);
- the State Authorities Non Contributors Scheme (SANCS);
- the First State Super Scheme (FSS);
- the Public Sector Executives Superannuation Scheme (PSESS).

For FSS and PSESS there is no outstanding employer liability as the contributions are fully funded and vested to individual officers.

The assessed liability for the Department at 30 June 1996 and funds held in the reserve accounts at the Superannuation Administration Authority (including accrued interest) are:

	Reserve Balance		Assessed Liability		(Over)/Under Provided	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
SANCS	16,813	15,011	12,341	11,556	(4,472)	(3,455)
SASS	39,840	31,543	32,353	28,274	(7,487)	(3,269)
SSF	376,280	338,566	332,284	312,216	(43,996)	(26,350)
	432,933	385,120	376,978	352,046	(55,955)	(33,074)

(see Note 19)

Arising from the Triennial Actuarial Review as at 30 June 1994 of the State Authorities Superannuation Board - Pooled Fund, it has been identified that uncertainty exists in respect of virtually all of the individual employer reserve balances within the Pooled Fund. Until resolution of this uncertainty, which relates to taxation allocations at the employer level, the quantum of the financial effect on individual employer reserves is unclear. This uncertainty has not arisen from inaccuracies in the maintenance of the accounting records of DPWS.

The date of the last triennial review was 30 June 1994. A review was undertaken of the key economic assumptions used at the last triennial review prior to calculating the gross superannuation liability of the various defined benefit schemes as at 30 June 1996. The economic assumptions used are as follows:

	1995/96 % pa	1996/97 % pa	Thereafter % pa
Investment return	9.0	9.0	8.0
Salary growth rate	5.0	3.0	6.0
Consumer Price Index	3.5	4.0	4.5

The Superannuation Expense for the year has been determined as follows:

	1996 \$'000	1995 \$'000
Contributions to funds	12,546	11,503
Movement in prepaid superannuation	(22,881)	(4,040)
	(10,335)	7,463

Because of the abnormal value of the adjustment to prepaid superannuation, this amount has been disclosed as an abnormal item in the Income and Expenditure Statement. The contribution to the funds has been shown as Superannuation Expense.

3. Sales and Services

	1996 \$'000	1995 \$'000
Q Stores sale of stock	51,032	43,683
Mail services	23,504	24,379
Advertising billings	21,952	22,352
Printing sales	14,610	17,301
Motor vehicle lease & commission income	11,952	15,227
Sale of legislation & publications	4,182	3,141
	127,232	126,083

4. Investments and Interest Earned

DPWS has investment powers defined in Part I of Schedule 4 of the Public Authorities (Financial Arrangements) Act 1987. A maximum of 80% of departmental funds, excluding client funds, may be withdrawn from the Treasury banking system. As in the previous year these funds have been deposited with NSW Treasury Corporation in short term cash deposits and the market value of these deposits is equal to their book value.

Interest has been calculated on the minimum daily cash balance, excluding any client funds, at the "Treasury Interest Rate" which is equivalent to the weighted average 11 am Treasury Corporation unofficial cash rate less 1%.

5. Management Fees

Management fees relate to work performed on behalf of the Department of Land and Water Conservation and the Olympic Co-ordination Agency.

6. Other Income

This comprised the following:

	1996 \$'000	1995 \$'000
Insurance rebates	-	1,623
Strategic Partnership Agreement Commission [see Note I (h)]	1,071	2,980
Acceptance by the State of employee liabilities [see Note I (g)]	398	-
Other	1,107	3,830
	2,576	8,433

7. Treasury Funding

A number of staff positions were identified within the former NSW Public Works as being additional to the requirements of core business. Treasury agreed to fund the additional staff costs and an amount of \$2.060M was received in respect of the 1995/96 financial year (1994/95 \$2.796M).

8. Salaries and Wages

Salaries and Wages comprised:

	1996 \$'000	1995 \$'000
Salaries and Wages	109,619	115,471
Payroll Tax	9,637	8,612
Workers' Compensation Insurance	3,506	2,023
	122,762	126,106

9. Voluntary Redundancies

During 1995/96, 19 salaried and wages employees (1994/95 88) accepted voluntary redundancy. The total cost was \$0.736M (1994/95 \$3.992M) which was funded by Treasury. As both the Treasury funding and the redundancy payment involved equal items of income and expense netting to zero, these amounts have been excluded from the Income and Expenditure Statement.

10. Cost of Sales - Goods and Services

	1996 \$'000	1995 \$'000
Q Stores purchases	34,805	30,836
Advertising	19,401	20,386
Mail services	15,983	16,630
Printing sub-contractors	6,431	7,468
Fees Q Stores facility manager	6,519	5,580
Printing materials	2,140	1,333
	85,279	82,233

11. Management Fees

Management fees were payable by Estate Management Division for corporate services before the administrative restructure.

12. Occupancy

Occupancy costs during the year comprised:

	1996 \$'000	1995 \$'000
Rent	13,574	14,335
Surplus Leased Premises (refer Note I(i))	8,044	-
Building Maintenance	1,207	209
Cleaning	244	279
Electricity & Gas	569	639
Security	184	169
	23,822	15,631

13. Travel

Travel comprised:

	1996	1995
	\$'000	\$'000
Motor Vehicle Costs	275	457
Travel and Removal	1,098	1,120
	1,373	1,577

14. Other Expenses

Included in the "Other" category are the following:

	1996	1995
	\$'000	\$'000
Advertising ,Publicity & Marketing	648	1,265
Audit Fees	370	389
Bad and Doubtful Debts	853	400
Bank Charges	159	231
Computer Costs	3,276	3,348
Consultants	560	1,621
Depreciation and amortisation not directly charged	6,190	10,455
Insurance	3,202	5,408
Land Tax Equivalent	-	90
Leasehold Improvements written off	-	1,663
Legal Costs	139	2,948
Maintenance	1,081	2,149
Non-Current Assets Written Off	583	292
Postage & Telephone	2,143	3,083
Printing & Stationery	2,048	2,720
Sales Tax Equivalent	1,002	2,201
Stamp Duty	92	43
Training & Development	1,087	1,368
Other Miscellaneous	12,508	14,536
	35,941	54,210

Note: Depreciation and amortisation expense for the year totalled \$9.344M (1994/95 \$11.952) and has been apportioned amongst a number of operational activities. The amount shown above represents the balance of unapportioned depreciation.

15. Government Capital Grants

Capital funding of \$5.982M was applied to the Governor Macquarie Tower PABX (\$1.295M) progress work on the Government Radio Network (\$4.66M) and miscellaneous business systems upgrades (\$0.027M).

16. Abnormal Items

Abnormal items consist of:

	1996 \$'000	1995 \$'000
Provision for redundancies - Govt. Cleaning Service [refer Note 27(c)]	-	20,245
Prepaid Superannuation Adjustment (see Note 2)	(22,881)	(4,040)
	(22,881)	16,205

17. Cash at Bank

The Cash at Bank balance is made up:

	1996 \$'000	1995 \$'000
Cash in hand	43	38
Operating Accounts	65,117	157,278
	65,160	157,316

The Cash at Bank includes amounts received from clients for contractor commitments, as well as funding for employee entitlements and working capital requirements.

18. Receivables - Trade

	1996 \$'000	1995 \$'000
Trade Debtors	58,665	52,864
Less: Provision for Doubtful Debts	(1,246)	(610)
	57,419	52,254

During the year an amount of \$0.646M (1994/95 \$0.304M) was provided for doubtful debts and \$0.217M (1994/95 \$0.197M) was written off as uncollectable. The Income and Expenditure charge included in "Other" expense comprised:

	1996 \$'000	1995 \$'000
Provision for doubtful debts	646	304
Bad debts written off	207	96
	853	400

\$0.010M (1994/95 \$0.101M) was written off as uncollectable direct to the Provision for Doubtful Debts.

19. Sundry Debtors & Prepayments

Sundry Debtors & Prepayments includes the following:

	1996	1995
	\$'000	\$'000
Prepaid Superannuation (see Note 2)	55,955	33,074
Accrued Interest	1,661	4,295
Reimbursement of motor vehicles purchased on behalf of Macquarie Bank [see Note 1(i)]	11,869	14,917
Long Service Leave reimbursable by Treasury	1,650	1,650
Other Debtors and Prepayments	12,255	13,700
	83,390	67,636

20. Investment Properties

Investment Properties are Land & Buildings surplus to requirements awaiting disposal. These are carried at valuation.

21. Inventories

	1996	1995
	\$'000	\$'000
Printing materials	766	541
Legislation stock	759	865
Q Stores stock	8,003	6,042
Fuel & oil	43	38
Stores	79	55
	9,650	7,541
Less: Provision for obsolescence	122	43
	9,528	7,498

22. Non-Current Assets

	Land	Buildings	Plant & Equip't	Motor Vehicles	Office Fur & Equip't	Computers	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At valuation							
Balance 1:7:1995	13,646	9,681	-	-	-	-	23,327
Reclassifications *	38	(38)	-	-	-	-	-
Disposals/write offs	(500)	(375)	-	-	-	-	(875)
Balance 30:6:1996	13,184	9,268	-	-	-	-	22,452
Depreciation							
Balance 1:7:1995	-	(356)	-	-	-	-	(356)
Charge	-	(236)	-	-	-	-	(236)
Disposals	-	13	-	-	-	-	13
Balance 30:6:1996	-	(579)	-	-	-	-	(579)
Less							
Prov. for Periodic Maint.	-	(477)	-	-	-	-	(477)
	13,184	8,212	-	-	-	-	21,396
Less:							
Surplus Land & Bldgs incl. within Current Assets	2,976	328	-	-	-	-	3,304
Net Book Value 30:6:1996	10,208	7,884	-	-	-	-	18,092
<i>Net Book Value 30:6:1995</i>	<i>9,961</i>	<i>7,793</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>17,754</i>
At cost							
Balance 1:7:1995	-	2,528	28,233	121,228	7,726	16,029	175,744
Additions	-	144	2,837	42,065	497	3,239	48,782
Reclassifications *	-	(2,267)	1,670	-	-	597	-
Disposals/write offs	-	-	(2,428)	(139,667)	(594)	(745)	(143,434)
Balance 30:6:96	-	405	30,312	23,626	7,629	19,120	81,092
Depreciation							
Balance 1:7:1995	-	(67)	(12,892)	(2,311)	(2,975)	(11,395)	(29,640)
Charge	-	2	(3,264)	(1,933)	(988)	(2,803)	(8,986)
Reclassifications *	-	(15)	468	-	-	(453)	-
Disposals/write-offs	-	-	1,596	2,992	326	883	5,797
Balance 30:6:1996	-	(80)	(14,092)	(1,252)	(3,637)	(13,768)	(32,829)
Net Book Value 30:6:1996	-	325	16,220	22,374	3,992	5,352	48,263
<i>Net Book Value 30:6:1995</i>	<i>-</i>	<i>2,461</i>	<i>15,341</i>	<i>118,917</i>	<i>4,751</i>	<i>4,634</i>	<i>146,104</i>
Total 30:6:96	10,208	8,209	16,220	22,374	3,992	5,352	66,355
<i>Total 30:6:95</i>	<i>9,961</i>	<i>10,254</i>	<i>15,341</i>	<i>118,917</i>	<i>4,751</i>	<i>4,634</i>	<i>163,858</i>

* Reclassifications between categories of asset following the administrative restructure

Valuations

Land and Buildings have been valued by the Valuer-General. The majority were valued in 1994/95.

Market Value at 30 June 1996

With the exception of motor vehicles, the Net Book Value of Non-Current Assets is considered as approximating market value. The market value of motor vehicles has been assessed at \$22.710M (1995 \$122.168M).

	1996 \$'000	1995 \$'000
Provision for periodical maintenance		
Balance at beginning of year	685	-
Maintenance expenditure during year	(268)	-
Provision written back	(88)	-
Charge for 1995/96 (see Note 27)	148	685
Balance at end of year	477	685

23. Leasehold Improvements

	1996 \$'000	1995 \$'000
Cost		
Balance 1 July 1995	776	3,012
Additions	13	227
Disposal/Write-offs	(152)	(2,463)
Balance 30 June 1996	637	776

	1996 \$'000	1995 \$'000
Provision for amortisation		
Balance 1 July 1995	(514)	(894)
Charge for year	(122)	(348)
Write-offs	80	728
Balance 30 June 1996	(556)	(514)
	81	262

24. Other Non-Current Assets

	1996 \$'000	1995 \$'000
Long Service Leave Reimbursable by Treasury [refer Note 1(f)]	40,129	36,380
Other	-	14
	40,129	36,394

25. Sundry Creditors and Accruals

Sundry Creditors includes the following:

	1996 \$'000	1995 \$'000
Amounts due to Contractors for Work in Progress	58,199	83,600
Long service leave liability	1,650	1,650
Amounts owing under Strategic Partnership Agreement	7,206	6,571
Other Sundry Creditors and Accruals	27,595	13,864
	94,650	105,685

26. Work In Progress

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

Work in progress represents the cost of all works in progress less progress billings received from clients and is net of a Provision for Uncollectable Work in Progress of \$10.23M (1994/95 \$13.15M). At 30 June 1996, work in the ground was valued at \$58.199M (1994/95 \$83.6M) and this accrual is reflected in Sundry Creditors and Accruals (see Note 25).

Under the General Conditions of Contract AS 2124, there are specific conditions relating to the payment of contractor claims for work completed. Penalties for failure to adhere to these conditions include payment of interest. To ensure contractual payment obligations are met, agreements have been made for major clients to pay according to a monthly cashflow determined on the basis of client funds being lodged in the DPWS bank account to facilitate the payment of contractors claims.

Where cashflow payments from clients exceed costs to date, AASII "Accounting for Construction Contracts" requires the net balance to be disclosed as a liability. The Standard also requires disclosure of "the gross amount of construction work in progress and, as a deduction therefrom, the related aggregate billings". Net Work in Progress has accordingly been shown in the Balance Sheet as a current liability. Gross work in progress and billings to date are:

	1996 \$'000
Gross work in progress as at 30:6:1996	5,002,251
Billings to date	5,035,589
Net work in progress	(33,338)
Less: Provision for uncollectable WIP	(10,225)
Net credit work in progress per Balance Sheet	(43,563)

27. Provisions

	1996 \$'000	1995 \$'000
Current		
Provision for Recreation Leave (a)	9,665	9,796
Provision for Redundancies (c)	-	20,245
Provision for Surplus Leased Premises [see Note I(i)]	8,044	-
Provision for Income Tax Equivalents (d)	5,231	11,134
Provision for Dividends (e)	7,062	13,233
	30,002	54,408
Non current		
Provision for Major Reworks (b)	17,362	18,176

The movements in provisions for the year were:

	1996	1995
(a) Provision for Recreation Leave	\$'000	\$'000
Balance beginning of year	9,796	9,802
Provided during the year	7,931	7,114
Payments made during the year	(8,062)	(7,120)
Balance end of the year	9,665	9,796

	1996	1995
(b) Provision for Major Reworks	\$'000	\$'000
Balance beginning of the year	18,176	18,880
Claims during the year	(814)	(704)
Balance end of the year	17,362	18,176

When DPWS is required to undertake urgent or unforeseen remedial work on major projects to ensure their optimum value to the community, this provision eliminates inappropriate charges against current working budgets and thus does not affect established programs. The level of this provision has been reviewed by independent experts and found to be in line with industry benchmarks.

	1996	1995
(c) Provision for Redundancies	\$'000	\$'000
Balance at beginning of year	20,245	-
Provided during the year	-	20,245
Paid during the year	(20,245)	-
Balance end of year	-	20,245

Following the sale of the Government Cleaning Service, the NSW Arbitration Commission determined that the staff of the cleaning service had been made redundant as a result of their termination by the Crown at the time of the sale. The Government appealed the decision. However, on 24 May 1995, a Full Bench of the Commission found that the award should stand and the appeal was dismissed.

A provision was made of \$20.245M being the full amount of the funds held on behalf of Treasury. During the year payments of \$21.151M were made. The shortfall of \$0.906M has been included within other Debtors and Prepayments, and will be recovered from Treasury in 1996/97 by offset against dividends payable.

	1996	1995
(d) Provision for Income Tax Equivalent	\$'000	\$'000
Balance at beginning of year	11,134	3,079
Provided during the year	7,477	12,391
Paid during the year	(13,380)	(4,336)
Balance at end of year	5,231	11,134

	1996	1995
(e) Provision for Dividends	\$'000	\$'000
Balance at beginning of year	13,233	8,390
Provided during the year	146,046	13,233
Paid during the year	(152,217)	(8,390)
Balance at end of year	7,062	13,233

During 1995/96 the Department paid two special dividends to Treasury.

The first, paid in September 1995, amounted to \$36M and resulted from a review of the Department's capital needs.

The second resulted from the completion on 27 June 1996 of the sale to the Macquarie Bank of the balance of the StateFleet passenger vehicles and those belonging to the Department of Public Works and Services. The sale realised \$102.9M which was paid to Treasury.

No special dividends were paid during 1994/95.

Income and Expenditure Statement Charge

The amount charged for provisions, other than recreation leave, is comprised of:

	1996 \$'000	1995 \$'000
Provision for Uncollectable WIP (refer Note 26)	462	1,850
Provision for Periodic Building Maintenance (refer Note 22)	148	685
Wages annual leave adjustment	-	(99)
	610	2,436

28. Other Non-Current Liabilities

	1996 \$'000	1995 \$'000
Long Service Leave Liability [see Note I(f)]	40,129	36,380

29. Reserves

	1996 \$'000	1995 \$'000
Asset Revaluation Reserve		
Balance at beginning of year	2,339	1,799
Revaluations	-	1,242
Devaluations	-	(702)
Balance at end of year	2,339	2,339

	1996 \$'000	1995 \$'000
Reserve for Building Maintenance		
Balance at beginning of year	-	1,987
Transfer to Income and Expenditure	-	(1,987)

	1996 \$'000	1995 \$'000
Reserve for Maintenance and Fitout - McKell Bldg		
Balance at beginning of year	-	2,045
Transfer to Income and Expenditure	-	(2,045)

30. Contingent Liabilities

Claims made against DPWS in respect of compensation and litigation arising from its operations are fully covered by DPWS' insurance cover.

31. Capital Expenditure Commitments

	1996	1995
	\$'000	\$'000
Not later than one year	5,904	7,211
Later than 1 year and not later than 2 years	5,200	5,518
Later than 2 years and not later than 3 years	925	1,275
Total	12,029	14,004

32. Consultants

The total amount paid to consultants was \$0.560M (1994/95 \$1.621M).

33. Commitments**Lease Commitments - Operating**

DPWS has lease commitments payable as follows:

	1996	1995	1996	1995
	\$'000	\$'000	\$'000	\$'000
	Properties		Motor Vehicles	
Payable no later than 1 year	12,074	13,104	865	3
Payable later than 1 year but no later than 2 years	10,170	12,950	587	150
Payable later than 2 years but no later than 5 years	25,984	31,824	122	-
Payable later than 5 years	33,971	50,761	-	-
	82,199	108,639	1,574	153

34. Audit Fees

The fee for auditing the DPWS accounts for the year ended 30 June 1996 is \$0.350M (1994/95 \$0.382M) payable to the Audit Office of New South Wales. The auditor received no other benefit.

35. Directors Remuneration (Management Advisory Board)

Government Printing Service, Government Advertising Agency and Government Information Service have a Management Advisory Board. Included in Other Expenses is an amount of \$0.02M (1994/95 \$0.02M) which represents amounts payable to non-executive members of the board.

36. Material Assistance Provided at No or Nominal Cost

During the year no assistance was received from other New South Wales Government agencies at no or nominal cost.

37. Statement of Operations by Segment

(a) The Department of Public Works and Services provides a variety of services to NSW Government agencies. These include:

(i) Project Management -

The Department manages the interface with the building and construction industries on behalf of government clients.

- (ii) Warehousing Service of common use items -
Q Stores sources, warehouses and supplies bulk discount common-use items to government agencies.
- (iii) Mail Services -
State Mail is responsible for collection and delivery of mail for State Government organisations.
- (iv) Advertising -
Government Advertising Agency provides advertising services and produces Public Service Notices for the NSW Government managing a master media agreement with Departments and Authorities to bulk purchase advertising space.
- (v) Printing Services -
Government Printing Service provides printing, publishing and forms management services to the NSW Government. It creates artwork, typesetting and documents, and publishes the NSW Government Gazette.
- (vi) Motor Vehicle Leasing -
StateFleet Services provides motor vehicle leasing and fleet management services to NSW Departments and Authorities. It monitors the Government's motor vehicle purchase and replacement programme, arranges disposal of vehicles and arranges contracts through the State Contracts Control Board.
- (vii) Other Fees and Services -
Other services include a government information service, supply and telecommunications services and the management of government-owned buildings.

(b) The Department of Public Works and Services operates primarily in the State of New South Wales.

(c) Industry segment information is set out in the following table:

Industry Segment	Income		Expenditure		Segment Results		Segment Assets	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
Project Management	166,274	167,764	163,121	158,895	3,153	8,869	300,263	381,104
Warehousing	51,032	43,683	45,164	40,518	5,868	3,165	34,282	34,411
Mail Service	23,504	24,379	22,395	24,050	1,109	329	8,369	8,199
Advertising	21,951	22,352	21,472	22,253	479	99	6,997	7,157
Printing	14,610	17,301	14,207	17,849	403	(548)	10,765	10,147
Motor Vehicle Leasing	139,033	15,227	131,347	2,721	7,686	12,506	57,482	129,767
Other Fees & Services	39,895	56,612	37,823	47,523	2,072	9,089	13,966	2,752
	456,299	347,318	435,529	313,809	20,770	33,509	432,124	573,537

38. Note to the Statement of Cash Flows**(a) Reconciliation of Cash**

For the purpose of the statement of cash flows, the cash balance is considered to include cash in hand, cash at bank and cash deposits at NSW Treasury Corporation.

	1996 \$'000	1995 \$'000
Cash at Bank	65,117	157,278
Cash in Hand	43	38
Cash deposits at T.Corp	106,758	76,497
	171,918	233,813

(b) Reconciliation of Net Cash from Operating Activities to Operating Result.

	1996 \$'000	1995 \$'000
OPERATING SURPLUS after Income Tax	42,156	13,686
Depreciation and amortisation	9,344	11,952
Provision for Redundancies	-	20,245
Movement in Income Tax Provision	(5,903)	12,391
(Increase)/Decrease in Prepayments	(15,754)	(16,070)
(Increase)/Decrease in Receivables	(5,165)	(22,205)
(Increase)/Decrease in Inventories	(2,030)	296
Increase/(Decrease) in Payables	(11,709)	6,058
Increase/(Decrease) in Sundry Creditors and Accruals	(11,035)	15,071
Increase/(Decrease) in Work in Progress	13,775*	(6,414)
Increase/(Decrease) in Provisions	(13,146)	(1,060)
Government Capital Grants	(5,982)	(8,773)
Treasury Financing	(8,036)	(10,130)
Net Loss (Gain) on Sale of non current assets	3	(2,791)
Non current assets written off	583	1,663
NET CASH FROM (USED IN) OPERATING ACTIVITIES	(12,899)	13,919

* Includes expenditure on the Government Radio Network

END OF AUDITED FINANCIAL STATEMENTS

DEPARTMENT OF PUBLIC WORKS AND SERVICES

SUMMARY OF LAND OWNED AND OCCUPIED - 30 JUNE 1996

Area and Detail		Valuation \$	Date of Valuation	
Alexandria	Q Stores - 47-49 Bourke Street	4,315,000	27.03.96	Valuer-General of NSW
St Peters	Number 1 Yard	1,900,000	30.05.96	Local assessment
Doonside	Richmond Road	1,200,000	01.07.94	Valuer-General of NSW
Coffs Harbour	259 High Street	325,000	22.11.93	Valuer-General of NSW
Bathurst	Residence - 38 Pellion Place	15,000	30.06.95	Market sale
	Government Printing Service - 138 William Street	70,000	11.06.95	Valuer-General of NSW
Dubbo	White Street	26,000	07.10.94	G Stapleton - valuer
Hay	Residence - Church Street	15,000	25.01.95	L J Hooker - valuer
Kariong	Pacific Highway	80,000	01.07.94	Valuer-General of NSW
Lismore	Dalley Street	201,000	18.11.93	Valuer-General of NSW
Manly	Manly Hydraulics Laboratory - 110A King Street	1,260,000	23.05.94	Valuer-General of NSW
Newcastle	Hall Street	150,000	08.06.94	Valuer-General of NSW
Port Kembla	Horne Street	400,000	31.01.94	Valuer-General of NSW
Wagga Wagga	Coleman Street	250,500	23.06.95	Valuer-General of NSW
Total		10,207,500		



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

OFFICE OF THE MINISTER FOR PUBLIC WORKS AND SERVICES

To Members of the New South Wales Parliament and Director-General of the Department of Public Works and Services

Scope

I have audited the accounts of the Office of the Minister for Public Works and Services for the year ended 30 June 1996. The preparation and presentation of the financial statements, consisting of the accompanying statement of financial position, operating statement and statement of cash flows, together with the notes thereto, and the information contained therein is the responsibility of the Director-General. My responsibility is to express an opinion on these statements to Members of the New South Wales Parliament and the Director-General based on my audit as required by sections 34 and 45 (1) of the *Public Finance and Audit Act 1983*.

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the requirements of the *Public Finance and Audit Act 1983*, accounting standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) so as to present a view which is consistent with my understanding of the Office's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements of the Office of the Minister for Public Works and Services comply with section 45E of the Act and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Office as at 30 June 1996 and the results of its operations and its cash flows for the year then ended.

A handwritten signature in dark ink, appearing to be 'P. Carr'.

P. CARR, FCPA
DIRECTOR OF AUDIT

(duly authorised by the Auditor-General of New South Wales
under section 45(2) of the Act)

SYDNEY
27 September 1996

OFFICE OF THE MINISTER FOR PUBLIC WORKS & SERVICES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

STATEMENT BY AGENCY HEAD

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

- a) The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit (General) Regulation, 1995, the Treasurer's Directions and the Financial Reporting Code under Accrual Accounting for Inner Budget Sector Entities.
- b) The financial statements exhibit a true and fair view of the financial position and transactions of the Office of the Minister for Public Works and Services.
- c) There are not any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Dick Persson
Director-General
Department of Public Works and Services
1 August 1996

OFFICE OF THE MINISTER FOR PUBLIC WORKS & SERVICES**OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 1996**

	Note	Actual 1996 \$'000	Budget 1996 \$'000	Actual 1995 \$'000
EXPENSES				
Operating Expenses -				
Employee Related	4(a)	705	722	1,338
Other Operating Expenses	4(b)	412	473	745
Depreciation	4(c)	43	10	27
Grants & Subsidies	4(d)	16,121	25,572	44,279
Other Services	4(e)	32,094	30,156	30,625
TOTAL EXPENSES		49,375	56,933	77,014
REVENUES				
Other	5	600	180	769
TOTAL REVENUES		600	180	769
Net Gain on Sale of Property, Plant and Equipment		-	-	9
NET COST OF SERVICES	3	48,775	56,753	76,236
GOVERNMENT CONTRIBUTIONS				
Consolidated Fund Recurrent Appropriation		49,327	56,549	75,622
Consolidated Fund Capital Appropriation		-	-	68
Return to the State on Sale of Assets		-	-	(7)
Acceptance by the State of Office's Liabilities	2(a)	29	55	208
SURPLUS/(DEFICIT) FOR THE YEAR		581	(149)	(345)
Accumulated Surplus at the Beginning of the Year	10	24,042	24,160	24,505
ACCUMULATED SURPLUS AT THE END OF THE YEAR		24,623	24,011	24,160

The accompanying notes form part of these statements.

OFFICE OF THE MINISTER FOR PUBLIC WORKS & SERVICES

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 1996

	Note	Actual 1996 \$'000	Budget 1996 \$'000	Actual 1995 \$'000
CURRENT ASSETS				
Cash	6	4,279	4,499	4,102
Work in Progress	7	19,319	18,818	18,818
Receivables	15	582	94	822
Prepaid Lease	8	12,812	15,001	-
TOTAL CURRENT ASSETS		36,992	38,412	23,742
NON-CURRENT ASSETS				
Prepaid Lease	8	-	-	25,001
Property, Plant and Equipment	9	452	604	563
TOTAL NON-CURRENT ASSETS		452	604	25,564
TOTAL ASSETS		37,444	39,016	49,306
CURRENT LIABILITIES				
Sundry Creditors	16	9	4	145
Loan	8	12,812	15,001	-
TOTAL CURRENT LIABILITIES		12,821	15,005	145
NON-CURRENT LIABILITIES				
Loan	8	-	-	25,001
TOTAL NON-CURRENT LIABILITIES		-	-	25,001
TOTAL LIABILITIES		12,821	15,005	25,146
NET ASSETS		24,623	24,011	24,160
EQUITY				
Accumulated Surplus	10	24,623	24,011	24,160
TOTAL EQUITY		24,623	24,011	24,160

The accompanying notes form part of these statements.

OFFICE OF THE MINISTER FOR PUBLIC WORKS & SERVICES**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 1996**

	Note	Actual 1996 \$'000	Budget 1996 \$'000	Actual 1995 \$'000
Cash Flow from Operating Activities				
Payments				
Employee Related		(675)	(722)	(1,214)
Maintenance and Working		(406)	(418)	(745)
Grants and Subsidies		(16,121)	(25,572)	(42,860)
Other		(32,506)	(30,297)	(30,541)
		(49,708)	(57,009)	(75,360)
Receipts				
Interest		502	305	337
Other		607	603	1
		1,109	908	338
Total Net Cash Outflow on Operating Activities	14(b)	(48,599)	(56,101)	(75,022)
Cash Flow from Investing Activities				
Proceeds from Sale of Property, Plant and Equipment		-	-	9
Payment for Property, Plant and Equipment		(51)	(51)	(19)
Payment for Work in Progress		(500)	-	(1,519)
Total Net Cash Outflow on Investing Activities		(551)	(51)	(1,529)
Net Cash Outflow from Operating and Investing Activities		(49,150)	(56,152)	(76,551)
Government Funding Activities				
Return to the State on Sale of Assets		-	-	(7)
Consolidated Fund Recurrent Appropriation		49,327	56,549	75,622
Consolidated Fund Capital Appropriation		-	-	68
Total Net Cash provided by Government		49,327	56,549	75,683
Net Increase/(Decrease) in Cash		177	397	(868)
Opening Balance		4,102	4,102	4,970
CLOSING CASH BALANCE	14(a)	4,279	4,499	4,102

The accompanying notes form part of these statements.

OFFICE OF THE MINISTER FOR PUBLIC WORKS & SERVICES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. The Departmental Reporting Entity

The Office of the Minister for Public Works and Services has been prescribed as a Statutory Body under Section 3 of the Public Finance and Audit (General) Regulation 1995 for the purposes of Division 4 Part 3 of the Public Finance and Audit Act 1983, relating to audit of funds and accounts.

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

Due to changes in Ministerial responsibilities on 15 December 1995 the appropriation for the Darling Harbour Authority was transferred to the Minister for Roads and Minister for the Olympics during the financial year. No expense or revenue relating to these activities for 1995/96 has been included in the financial statements.

Operating expenses of the office of the previous Minister for Public Works and Services for the period 1 July 1995 to 31 December 1995 were also transferred to the Office of the Minister for Roads and Minister for the Olympics. Operating expenses shown in these financial statements are the full financial year expenses for the office of the incumbent Minister for Public Works and Services.

2. Summary of Significant Accounting Policies

The Office's financial report is a general purpose financial report and has been prepared in accordance with Statements of Accounting Concepts, applicable Australian Accounting Standards including Urgent Issues Group Consensus Views, the requirements of the Public Finance and Audit Act and Regulations, the Financial Reporting Directives published in the Financial Reporting Code for Inner Budget Sector Entities and the Treasurer's Directions.

The Operating Statement and Statement of Financial Position are prepared on an accrual basis. The Cash Flow Statement has been prepared on a cash basis using the "direct" method.

The financial statements are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(a) Employee related expenses

The cost of employee entitlements to annual leave and superannuation are included in employee related expenses. However, as the Office's liability for superannuation is assumed by the State, the Office accounts for the liability as having been extinguished resulting in non-monetary revenue described as "Acceptance by the State of Office's liabilities". The Office's liability for annual leave is extinguished by the raising of an oncost on salaries payable to the Department of Public Works and Services. No employees were eligible for long service leave as at 30 June 1996.

(b) Government allocation

Monetary and non-monetary resources which are allocated to the Office by the Government and which are controlled by the Office are recognised as revenues of the financial period in which they are received.

(c) Depreciation

Depreciation is provided for on a straight line basis against all depreciable assets so as to write off the depreciable amount of each depreciable asset as it is consumed over its useful life. Only assets with a purchase price of \$2,000 are capitalised. The depreciation rate on furniture and fittings is 10% per annum, office equipment is 20% per annum and computer equipment is 33.3% per annum. The cost of leasehold improvements will be amortised over the 12 year term of the lease which commenced on 26 June 1995.

(d) Grants and Subsidies

Grants and subsidies are recognised as expenses in the period in which they are paid by the Office.

3. Budget Review - Net Cost of Service

The actual Net Cost of Services was lower than budget by \$7.978M. Details of the variance are as follows:

	1996 \$'000
Under expenditure	
Redundancies	6,304
Government Cleaning Service Sick Leave Liability	2,178
Coffs Harbour Jetty Restoration	1,565
Government Radio Network	700
Minister's Office Expenses	45
Information Services	74
Period Contract Administration	7
	10,873
Add: Interest revenue above budget	420
	11,293
Less: Supplementary allocation -	
Governor Macquarie Tower PABX	(1,296)
BT Australasia Case Costs	(769)
Reinstatement of funding by Treasury	(1,250)
	7,978

4. Expenses

	1996 \$'000	1995 \$'000
a) Employee related expenses comprise the following specific items:		
Salaries and wages	624*	1,084
Superannuation entitlements	29	66
Payroll tax and fringe benefits tax	43	79
Long service leave	-	58
Workers compensation insurance	3	12
Other	6	39
	705	1,338

* Oncost is raised on salaries to extinguish the cost of recreation leave liabilities. During 1995/96 the oncosts totalled \$0.044M.

b) Other operating expenses comprise the following specific items:-

Occupancy	256	277
Travel and Motor Vehicle	55	142
Printing and Stationery	28	24
Postage and Telephones	23	40
Audit Fees	13	8
Other	37	254
	412	745

c) Depreciation is charged as follows:-

Furniture and Fittings	37	4
Computer Equipment	5	8
Office Equipment	1	15
	43	27

d) Grants and Subsidies comprise the following items:-

Redundancies	736	3,992
Interim Additional Staff Costs	2,060	2,796
Community Use Facilities paid to DHA	-	12,000
Maintenance of Infrastructure paid to DHA	-	3,760
Government Cleaning Service Sick Leave Liability	122	221
Capital Grants-		
Royal Agricultural Showground Safety and Maintenance Works	2,000	2,120
Darling Harbour Authority	-	2,117
Stoneworks Program	3,950	5,400
Coffs Harbour Jetty Restoration	835	150
Government House	435	606
State Mobile Radio Network	4,660	10,636
Governor Macquarie Tower PABX	1,296	-
Other	27	481
	16,121	44,279

e) Other Services comprise the following items:-

	1996 \$'000	1995 \$'000
Project Risk Management	9,257	9,232
Total Asset Management	719	835
Construction Industry Development	3,939	4,392
Investigations and Special Advice	5,132	4,996
Compliance with Regulations	986	1,008
Public Buildings	302	665
Period Contract Administration	3,763	4,115
Information Technology & Telecommunication Policy & Services	4,567	1,946
Information Services	2,155	2,162
Parliament House Maintenance	754	754
Government House Maintenance	520	520
	32,094	30,625

5. Revenue - Other

Other Revenue of \$0.600M represents the interest earned on the bank account.

6. Current Assets - Cash

	1996 \$'000	1995 \$'000
Cash at Bank	4,279	4,102

7. Current Assets - Work in Progress

Work in Progress represents the expenditure to date on the Commemorative Museum at the First Government House Site. Expenditure in 1995/96 amounted to \$0.500M (1994/95 - \$1.519M). The Office of the Minister for Public Works and Services was allocated Special Deposit Funds in 1990 for the construction of the First Government House Site, and has held the asset in the accounts of the Minister during the project management and construction stage. The asset will be transferred to the Historic Houses Trust upon completion.

8. Non-current Assets - Prepaid Lease

On 18 November 1992, Executive Council approval was granted for the then Minister for Public Works, on behalf of the State of NSW entering into arrangements with Kooragang Coal Loader Limited (KCL), Port Waratah Coal Services Limited, National Australia Bank Limited (NAB) and others involving the sale of future lease payments on the Kooragang Coal Loader site.

On 19 November 1992, the then Minister for Public Works (MPW) borrowed a sum of \$49.94M from NAB on a limited recourse basis, secured against and repayable from the lease payments due under the current 1982 Lease Agreement between MPW and KCL. The lease payments are being paid directly to NAB. The proceeds of the loan were paid to Treasury. The balance outstanding on this loan as at 30 June 1996 was \$12.81M (\$25M as at 30/6/95). It is anticipated that the loan will be extinguished by the end of the financial year 1996/97.

9. Non-current Assets - Plant and Equipment

	Furniture & Fittings \$'000	Computer Equipment \$'000	Office Equipment \$'000	Total \$'000
At cost				
Balance 1 July 1995	550	70	72	692
Additions	-	38	12	50
Transfers In	444	-	-	444
Transfers Out	(550)	(70)	(72)	(692)
Disposals	-	-	-	-
Balance 30 June 1996	444	38	12	494
Accumulated depreciation				
Balance 1 July 1995	21	55	53	129
Depreciation for the year	37	4	1	42
Dep'n on transferred assets	(21)	(55)	(53)	(129)
Write back on disposal	-	-	-	-
Balance 30 June 1996	37	4	1	42
Written Down Value				
At 1 July 1995	529	15	19	563
At 30 June 1996	407	34	11	452

Furniture and fittings include the fitout costs associated with the leased accommodation at Governor Macquarie Tower.

Transfers In/Out represent asset transfers on the restructure of Ministerial responsibilities. Assets of the previous Minister for Public Works and Services were transferred to the Minister for Roads and Minister for the Olympics while the assets of the previous Minister for Business and Regional Development were transferred to the Minister for Public Works and Services.

It is considered that the market value of the Non-Current Assets is the written down value as expressed above.

10. Equity - Accumulated Surplus

	1996 \$'000	1995 \$'000
Opening Balance	24,160	24,505
Add: Assets transferred in on restructure of Ministerial responsibilities	444	-
Less: Assets transferred out on restructure of Ministerial responsibilities.	(562)	-
Adjusted Opening Balance	24,042	24,505
Operating Surplus/(Deficit) for the year	581	(345)
Closing Balance	24,623	24,160

11. Commitments for Expenditure

	1996	1995
	\$'000	\$'000
Capital Commitments		
Aggregate capital expenditure contracted for at balance date but not provided for in Accounts Payable		
Not later than one year	12,395	12,890
Later than one year but not later than two years	13,087	10,585
Later than two years but not later than five years	10,387	26,827
Later than five years	-	-
	35,869	50,302

The Office of the Minister for Public works and Services receives appropriations from the Consolidated Fund which are subsequently disbursed to the Department of Public Works and Services to fund construction programs for a number of the State's key assets. The above commitments represent Treasury's forward budget estimates at 30 June 1996 that will be appropriated to the Minister for Public Works and Services.

12. Audit Fee

The audit fee payable to the Auditor-General's Office for 1995/96 amounted to \$13,000 (1994/95 - \$8,100). The Auditor received no other benefit.

13. Contingent Liabilities

Claims made against the Office in respect of compensation and litigation arising from its operations are fully covered by the Office's insurance cover. As at 30 June 1996 no claims were pending.

14. Note to Cash Flow Statement**a) Reconciliation of Cash**

For the purposes of the Cash Flow Statement, cash comprises cash in bank. Cash at the end of the reporting period as shown in the Statement of Cash Flow and in the Statement of Financial Position is \$4.279M.

b) Reconciliation of Net Cash used on Operating Activities to Net Cost of Services

	1996	1995
	\$'000	\$'000
Net Cost of Services	(48,775)	(76,236)
Depreciation	43	27
Gain on Sale of Property, Plant & Equipment	-	(9)
Acceptance by State of Office's Liabilities	29	208
Decrease in Payables	(136)	(603)
Assets provided free of charge	-	(492)
Decrease in Receivables	240	2,083
Net Cash used on Operating Activities	(48,599)	(75,022)

15. Receivables

Receivables of \$0.582M (1994/95 \$0.822M) is comprised of accrued Interest of \$0.313M and \$0.269M payable by the Department of Public Works and Services.

16. Sundry Creditors

Sundry Creditors represent amount payable to other government agencies (1994/95 \$4,000). The total value of Sundry Creditors is classified as current.

17. Program Information

Program - Risk Management and Policy Development for Government

Program Objective: To provide risk management and policy services to the Minister and the Government and the operating costs of the Minister's Office.

	1996 \$'000	1995 \$'000
Expenses		
Grants and Subsidies	16,121	44,279
Other	33,254	32,735
Total Expenses	49,375	77,014
Revenue		
Gain on Sale of Non-Current Assets	-	9
Other	600	769
NET COST OF SERVICES	48,775	76,236
Government Contributions		
Consolidated Fund recurrent appropriation	49,327	75,622
Consolidated Fund capital appropriation	-	68
State acceptance of Office's liabilities	29	208
Return to State on sale of assets	-	(7)
Surplus/(Deficit) after Government Contributions	581	(345)
Total Assets	37,444	49,306

END OF AUDITED FINANCIAL STATEMENTS

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APPENDIX A

FREEDOM OF INFORMATION STATEMENT OF AFFAIRS 1996

Published as required under Section 14 of the Freedom of Information Act.

Corporate Philosophy

Client service is the organisation's highest priority, as is:

- Providing strategically selected commercial and professional services to the New South Wales Government
- Providing genuine impartial advice and innovative solutions to meet the needs of other public sector agencies
- Providing leadership in using information technology and telecommunications to transform the way services are delivered and reduce the cost of delivering services to clients
- Being a pacesetter in environmental design, energy efficiency and ecologically sustainable development
- Providing expert procurement services and advice, harnessing the Government's purchasing power to benefit the people of New South Wales
- Managing the commercial interface between industry and government agencies, especially those which do not have the relevant skills in-house
- Providing leadership by setting and maintaining standards focusing on probity, competitiveness, sound eco-management and use of technology
- Strengthening the commercial focus of the organisation and its off-budget status while ensuring the provision of competitive services to clients
- Maximising the benefits to Government by providing services to the public and private sectors in Australia and overseas.

Acts Administered

The principal Act administered is the Public Works Act, 1912, under which construction works and associated property acquisitions are carried out. DPWS also has specific responsibilities under other Acts, including the:

- Architects Act 1921 No. 8
- Bennelong Point (Parking Station) Act No. 189
- Border Railways Act 1922 No. 16
- Glen Davis Act 1939 No. 38, Part 4 (remainder, Minister for Local Government)
- Government Telecommunications Act 1991 No. 77
- Land Acquisition (Charitable Institutions) Act 1946 No. 55
- Land Acquisition (Just Terms Compensation) Act 1991 No. 22
- Public Sector Management Act 1988 No. 33 sections 102(2), 102(5) and (6)
- Public Works Act 1912 No. 45 (except sections 34(3) and (4) Minister for Land and Water Conservation)
- Snowy Mountains Engineering Corporation (New South Wales) Act 1972 No. 50
- Snowy Mountains Hydro-electric Agreements Act 1958 No. 20, sections 10 and 11 (remainder, Minister for Energy and Minister for Land and Water Conservation)
- State Brickworks Act 1946 No. 16.

In addition, DPWS has responsibilities under various other Acts and Regulations which have an impact on its activities.

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FREEDOM OF INFORMATION STATEMENT OF AFFAIRS 1996

Corporate Structure

DPWS is the New South Wales Government's key policy adviser on the development, management and conservation of natural and built assets including:

- leadership and interaction with the building and construction industry
- policies and advice regarding government programs entrusted to DPWS
- asset planning.

Providing quality value added services to assist clients in the development, management, and conservation of their assets is a top priority for DPWS, along with striving to be innovative in service and product delivery in its business units.

DPWS offers a comprehensive range of multi-disciplinary professional services including design, documentation, contract administration, project management, program management, and construction management.

The Department's expertise is available for local and overseas commercial projects, either independently or as joint public and private sector ventures.

Project teams or individual advisers can be appointed for every stage ranging from asset strategic planning and project initiation to design and implementation.

DPWS offers specialised services in asset planning, development management, program management, project risk management, urban planning, feasibilities and commercial development.

Construction activities are managed by the Operations Division which also arranges most maintenance activities through its six regional offices across New South Wales.

Planning Mechanisms

The Department employs a number of planning, budgeting and review techniques to strengthen its management of public funds so that its clients, including the Government, receive value for money.

The techniques include business planning, strategic planning, annual operating planning zero-based activity reviews, performance indicators and monitoring and program performance reviews. Benefits from these

practices include:

- A clear direction for the Department
- Development of a corporate identity
- Improved communication at all levels
- Clear accountability to the New South Wales Parliament and the public
- Effective management of limited resources (staff and finance)
- Effective management of change.

Performance Criteria

The Department has the following broad categories of corporate indices:

- Workload indicators
- Output indicators
- Level of service
- Efficiency indicators
- Effectiveness indicators
- Cost effectiveness indicators
- Assets utilisation.

Resources Employed

- The Department has net assets to the value of \$180.7 million.
- Wages and salary staff total 2423 and use is also made of contract staff to meet short term needs.
- Annual turnover is approximately \$1.3 billion.

Decision-Making

The Department's organisational structure and business direction is determined corporately. Accountability for operational and financial performance is expected at all levels in the organisation. Authority delegations place most decision-making at the divisional or business centre level.

Public Participation

Whilst the Department primarily provides a service to its various government and semi-government clients, many of its activities have an indirect affect on the community at large. DPWS is also required to prepare environmental impact statements on its major projects.

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Records

Each division, business unit and office maintains records relevant to its operations. There are two basic categories:

- project files which deal with matters relevant to the delivery of that particular project
- administrative files dealing with operational and policy matters.

These files include sub-categories such as:

- Administration/Management
- Financial and budgetary
- Policy and planning
- Personnel and staff files
- Departmental reviews
- Departmental performance agreements
- Customer and client files
- Departmental status and progress reports
- Contracts and tendering
- Occupational health and rehabilitation
- Ministerial enquiries & advisings
- Register of consultants
- Program performance evaluations
- Accommodation
- Training
- Audit

Changes in policies are advised in procedural circulars issued by the responsible division and are incorporated ultimately in the relevant manual.

Access to all of the above documents is **not** always granted automatically. The aim is to be as open as possible, however, for various reasons (for example, commercial confidentiality, personal privacy, protection of essential government interests, etc.) some of these documents may not be made available without a formal application under the Freedom of Information Act. All applications are assessed on their merits in accordance with the relevant sections of this Act.

Documents Available for Inspection

Procedural Guidelines and Manuals

- Accounts Administration Manual
- Accounting Policies - Procedures Manual
- Building Energy Manual
- Capital Project Procurement Manual
- Codes of Conduct: Departmental and Business Unit
- Contract Management Committee Guidelines

- Construction & Contractual Procedures Manuals and Guidelines
 - * Construct Only Contracts (AS 2124)
 - * Construction Law Advising (2 volumes)
 - * Consultant Management
 - * Contracts Manual
 - * Demolition Contracts (AS 2124)
 - * Demolition Contracts (Minor Services and Works)
 - * Design, Development, and Construct Contracts (DDC) and Design and Construct Contracts (DC)
 - * Design, Novate, and Construct Contracts
 - * General Conditions of Contract AS 2124-1986: Evaluation and Experiences
 - * Guidelines for Preparation of Inspection and Test Plans
 - * Minor Services or Works
 - * Minor Services or Works-Government Agency Version (disk only)
 - * Procedures Manual for Construction Management by the Private Sector
 - * Procurement Systems Manual
 - * Quality Assurance Requirements for Contractors and Sub-contractors
- Guide to Period Contracts
- Guidenotes for Lead Auditors
- Heritage Asset Management Guidelines, second edition
- Occupational Health, Safety and Rehabilitation Guidelines
- Corporate and Divisional Quality Manuals
- Environmental Planning Guide Notes
- Legionnaire's Disease: Code of practice for the control of Legionnaire's Disease and some other health hazards
- NSW Government's Code of Practice for the Construction Industry
- NSW Government's Code of Tendering for the Construction Industry
- NSW Government's Implementation Guidelines for Code of Practice and Code of Tendering for the Construction Industry
- Risk Management Guidelines
- Scalds Prevention Manual
- Service Guidelines for Public Buildings
- Total Asset Management Manual
- Value Management Manual
- Warm Water Ablutions systems incorporating Thermostatic Mixing Valves: Code of Practice.

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FREEDOM OF INFORMATION STATEMENT OF AFFAIRS 1996

Conference Papers

Papers were presented during the year on a range of issues in professional and other forums, including the following:

Conference	Author	Topic
National Institute of Accountants New South Wales Congress 1996	Bruce Cooke, Chris Nicholls, Chris Marrable	Improving Fiscal Performance through Asset and Energy Management
Stock Feed Manufacturer's Association of Australia, Australian Technical Miller's Association combined Conference	Bruce Cooke, Barry Sharah, Eric Yeo	Energy Management: Impact of Reforms in the Energy Sector
Australian Institute of Radiography, Bathurst, March 1996	Willy Van Den Berg	Picture Archival & Communications System Implemented at Children's Hospital
MWA International Conference on Dam Engineering, Kuala Lumpur, Malaysia, 1995	P. Carter	Babagon Dam, Sabah
MWA International Conference on Dam Engineering, Kuala Lumpur, Malaysia, 1995	P. Carter	Raising and Strengthening of Dams
ANCOLD & NZSOLD Conference, "Dams: The Implications of Ownership" Christchurch, New Zealand, 1995	P. Carter	Design & Construction of Babagon Dam
ANCOLD & NZSOLD Conference, "Dams: The Implications of Ownership" Christchurch, New Zealand, 1995	J.Dixon & S.Lees	Loyalty Road Flood Retarding Basin
University of NSW, School of Civil Engineering	T.K. Gan	Mardi Dam, A Case Study
Trans American Geophysics Union, May 1996	T.D. Jones, M.J. Neville, G. Scott, G. Sinadinovaki	Results from Sydney Pilot Microzonation Project
Global Seismic Hazard Assessment Program, Melbourne, November 1995	T.D. Jones, M.J. Neville	Earthquake Monitoring & Seismic Hazards in NSW
May 1996 issue of Government Officer	T. Rogerson	Data Capture for Assets in NSW Enters New Stage
Australian Acoustical Society Annual Conference, Perth, November 1995	G.E. Woods	Aircraft Noise Impact at Grahamstown Public School
1995 NSW Coastal Councils Conference at Tweed Heads	W.V. Strachan & S. Wyllie of MHL	Coastal and Estuary Data Technology and the Decision Maker

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Conference Papers (continues)

Conference	Author	Topic
Fourth International Conference on Coastal and Port Engineering in Developing Countries at Rio De Janeiro, Brazil, September 1995	I.F.W. Jayewardene, MHL, D.K.C. Haradasa, MHL, J. Tainsh, Coast & Estuaries, DLWC	Model Study on Water Levels Due to Irregular Wave Overtopping of Sea Defences
Brisbane City Council	John Carnegie, Sally Fairley	Self Managed Teams
Federal Govt. Senior Executive Development Program, Canberra	John Carnegie	Leadership
Dept of Health & Community Care, Canberra	Sally Fairley, George Diaz, Nadia Georges, Ernie Abordo, Jean Fabien	Self Managed Teams
Aquatorium, AQC Forum, Sydney	Sally Fairley, Christine Johnston, Eileen Hodge, Michael Moylan	Self Managed Teams
DIR Graduates, Canberra	Sally Fairley	Change
Senior Managers, Dept of Education and Children's Services, Adelaide	John Carnegie	Leadership and Self Managed Teams
Masonic Centre, AQC Seminar - Emerging Insights, Sydney	Jim Boyd, Terry Box	Self Managed Teams
Office of State Revenue, Parramatta	Sally Fairley, Christine Johnston, Eileen Hodge, Michael Moylan	Self Managed Teams
Local Govt. Industry Training Committee - Sydney	Sally Fairley	Training for Best Practice
DIR Conference for Private Sector Organisations, Newcastle	John Carnegie	Leadership and Self Managed Teams
Australian Society of Certified Practising Accountants, Adelaide	John Carnegie	Leadership
NSW Police Dept., Masonic Centre, Sydney	John Carnegie, Chris Galea	Implementing Change
Newcastle HunterNet, collective of private sector Engineering and Manufacturing companies	John Carnegie	Leadership, Changed Management, Team Building

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FREEDOM OF INFORMATION STATEMENT OF AFFAIRS 1996

Reports

A number of feasibility and operational reports on engineering and architectural projects and matters relevant to the organisation's area of activities were released. These reports are available from Manly Hydraulics Laboratory, at a cost of \$35 per report. Examples include:

No.	Date	Title
767	19/4/96	Camden Council Data Capture 1995
758	7/3/96	Environmental Impact Statement for Port of Yamba Improvements on the Clarence River
756	7/2/96	The Random Wave Facility Operation Manual
755	6/6/96	Belongil Creek Water Quality Monitoring Interim Report
753	13/6/96	Smiths Lake Water Quality Profiles November 1995
751	29/2/96	Hydraulic Model Study of Weirs in NSOOS Downstream of Outlet Channel at North Head STP
749	5/2/96	Richmond River at Coraki Water Quality Monitoring
748	13/12/95	Rocky Mouth Creek Water Quality Monitoring
747	5/2/96	Coila Lake Water Quality Monitoring
744	22/12/95	SRA Early Warning Rainfall System Annual Summary 1994/95
743	14/11/95	Preliminary Examination of Sand Ingress at Ross Jones Memorial Pool, Coogee
742	12/4/96	North Clarence Breakwater Design Wave Heights and Armour Sizes
741	23/12/95	A Physical Model Study to Determine Air Injection Rates in Effluent Mains with Adverse Gradients
740	8/9/95	Stockton Beach Revetment Inspection Report, March 1995 Storms
738	28/9/95	North Head Sewage Treatment Plant Physical Model Study of Sedimentation Tanks
736	1/4/96	Post-Completion Reviews, Waterways Infrastructure Development Program
734	27/9/95	Bermagui Sewerage Augmentation - Ocean Discharge Study
733	9/1/96	NSW Wave Climate Annual Summary 1994/95
732	9/1/96	NSW Ocean Tide Levels Annual Summary 1994/95
731	1/11/95	NSW Estuary and River Water Levels Annual Summary 1994/95
730	1/11/95	NSW Coastal Rainfall Annual Summary 1994/95
729	2/11/95	Tuross Lake Water Quality Study
727	3/4/96	A Preliminary Study on the Upgrade Options for North Curl Curl Rock Pool
725	6/6/96	Wallaga Lake Data Collection, March 1995
724	26/7/95	Burrawang Pumping Station Hydraulic Model Study of Forebay and Pump Wells
706	13/12/95	Lake Cathie and Lake Innes Water Quality Study
678	15/12/95	Sydney Ocean Beaches Stormwater Study
674	12/11/95	Cudgen Creek and Lake Water Quality Survey December 1993

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FREEDOM OF INFORMATION STATEMENT OF AFFAIRS 1996

Brochures, Manuals and Factsheets

(Free of Charge)

These give information either on specific projects or general matters of interest. The range produced includes:

- Albury TAFE College Stage 4
- Auburn Public School: Upgrade
- Blue Mountains College of TAFE: Stage 1
- Broulee Public School: Stage 2
- Capabilities brochure
- Electromedical-Innovative Solutions in Health Care
- Cleaning Services
- Coffs Harbour Education Campus
- Communications
- Como West Public School: Reconstruction
- Contract schedules
- Dubbo Public School: New school
- Eastwood Public School: Upgrade
- Eden High School: Additions
- Electromedical Equipment-Innovative solutions in health care
- Energy Management-The Benefits of Efficient Energy Use
- Epping Boys High School: Upgrade
- Fairfield Public School: Replacement school
- Government Information Technology Conditions (GITC)
- Guarantee of Service - Corporate
- Hinchinbrook Public School: New school
- Homebush Bay Public Domain Strategy
- Ingleburn Public School: Upgrade stage 1
- Inverell Public School: Upgrade
- Interior Design-Nineteenth to the Twenty-First Century
- IT Tender Advisory Service
- Katoomba High School: Special Education Unit
- Kingscliff High School: Additions
- Lidcombe College of T.A.F.E.: Stage 4
- Mackellar Girls High School: Multi-Purpose Centre
- Moruya High School: Multi-Purpose Centre
- Mount Terry Public School: New school
- Mudgee High School: Upgrade
- Mullaway Public School: New school
- Narara Valley High School: New school
- National Landcare Program
- Nemingha Public School Handover Manual
- Nimbin Central School: Replacement school
- Port Macquarie College of T.A.F.E.: Stage 3
- Prestons Public School: Upgrade
- Quality Management Brochure (1995-1998)
- Richmond College of T.A.F.E.: Stage 2
- Rouse Hill Public School: Upgrade
- Security-Improving Business Performance by Minimising Risk
- Site Contamination Profiles-Assessment and Remediation Services
- Sterilising Engineering-Minimising Risk and Improving Health Care for Patients
- Strathfield South Public School: Upgrade
- Tacking Point Public School: New school
- Telemetry Systems: Information for effective management
- The Oaks Public School: Stage 2
- The Responsible Workplace-Innovative Solutions for a Healthy and Productive Workplace
- The Use of Steel Roofing in Indonesia and Malaysia
- Wagga Wagga Technology High School: Upgrade
- Werrington College of TAFE: Stage 4
- Wollongbar College of TAFE: Stage 2
- What to Expect when Dealing with Government (joint project with ICAC)
- Your Guide to Tendering.

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FREEDOM OF INFORMATION STATEMENT OF AFFAIRS 1996

Documents Available for Purchase

History Series

- Historic Court Houses of New South Wales \$20
- James Barnett, Colonial Architect \$20
- Landmarks in Public Works \$20
- Significant Sites \$20
- The Greatest Public Work \$20
- The Unreasonable Man \$20

Construction

- Capital Project Procurement Manual \$100
- Construct Only Contracts (AS2124) \$200 or disk copy \$150
- Construction Law Advising (2 volumes) \$250
- Consultant Management \$200 or disk copy \$150
- Contracts Manual \$970 (hard copy only) update \$200 p.a.
- Demolition Contracts (AS2124) \$200 or disk copy \$150
- Demolition Contracts (Minor Services or Works) \$200 or disk copy \$150
- Design, Novate & Construct \$200 or disk copy \$150
- Design, Development and Construct Contracts (DDC) and Design and Construct Contracts (DC) \$200
- General Conditions Contract AS2124-1986: Evaluation and Experiences \$100
- Heritage Asset Management Guidelines, second edition \$25
- Minor Services or Works \$200 or disk copy \$150
- Minor Services or Works-Government Agency Version \$200 or disk copy \$150
- Procurement Systems Manual \$100
- Total Asset Management Manual \$300
- Value Management Manual \$25
- Combined Set: Capital Project Procurement Manual and Total Asset Management Manual \$350

Miscellaneous

- Code of Practice for Legionella & Other Health Diseases \$50
- Measurement of Life Costs \$15
- New South Wales Government Information Technology Contacts Directory \$65
- OHS&R Management Systems Guidelines \$25
- Office Furniture-\$30
- Scalds Prevention Manual \$40

Updates

- Documentation manuals and guidelines \$50 per manual
- Contracts Manual per annum \$200 (hard copy only)

Business Units

StateFleet-Guidelines and Newsletter

- Commitment to Service
- StateFleet Management
- StateFleet Leasing
- New South Wales Government Motor Vehicle Operating Lease Arrangement User Guide
- Fleetsheet (bi-monthly newsletter)

Q Stores-Brochures and Guidelines

- Catalogue
- Corporate Brochure
- Q Deals
- Q Stores Commitment to Service
- Pricing Policy
- Credit Policy
- Supplier Agreement Guidelines

Government Advertising Agency-Publications and Guidelines

- Advertising Rate List for Clients
- Newsletter
- Commitment to Service

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FREEDOM OF INFORMATION STATEMENT OF AFFAIRS 1996

Government Advertising Agency-Publications available for purchase

- Public Service Notices (\$100 per annum)

Government Information Service- Brochures and Guidelines

- Government Information Service (GIS)
- Parlidex Brochure
- GIS Commitment to Service

Government Information Service-Documents Available for Purchase

- New South Wales Government Directory, 1995 (\$55 hardcopy or disk)
- NSW Legislation (hardcopy various prices, disk base price \$18)
- Legislation in Force (\$25)
- Status of Statutory Rules (\$20)

Government Printing Service-Catalogues, Guidelines and Newsletter

- GPS Fastforms Catalogue-Education
- GPS Fastforms Catalogue-TAFE
- GPS Fastforms Catalogue-Health
- GPS Fastforms Catalogue-Accounting and Personnel
- GPS Fastforms Catalogue-Police Firearms
- Statement of Service
- Terms and Conditions of Contract
- Terms and Conditions of Tender
- Terms and Conditions of Trading
- Terms and Conditions of Trading-GPS Fastforms
- GPS Newsletter

Government Printing Service-Documents Available for Purchase

- New South Wales Government Gazette-\$7 per copy or \$400 annual subscription

State Mail Service-Brochures and Guidelines

- Best Practice Brochures (2)
- Commitment to Service

NSW Supply Service & Information Technology Service-Brochures and Guidelines

- Contract Management Committee Guidelines
- Commitment to Service
- NSW Supply Code of Conduct and Ethics
- A Guide to Period Contracts
- Your Guide to Tendering
- Answers to Common Questions
- Guide for the Selection of Photocopiers
- Motor Vehicle Users Guide and Schedule of Participating Dealers
- Motor Vehicle Auction News
- Electrical products
- Safety and Personal Protective Clothing
- General Stationery and Paper Products
- Physical Education Equipment

NSW Supply Service & Information Technology Service-Newsletters

- Marketing Bulletin
- Healthlink
- Contract News
- Supplylink
- Government Selected Application Systems (GSAS)
- Hardware Products
- Plumbing Products
- Air Travel and Associated Services
- Temporary Staffing
- Temporary Staff-Accounting and Audit Staff
- Customer Service Guide

NSW Supply Service & Information Technology Service-Documents Available for Purchase

- New South Wales Government Information Technology Contacts Directory-\$65 or \$72 including postage
- Office Furniture-\$30 or \$35.50 including postage

Statement of Affairs

The most recent Statement of Affairs was published in the 1994/95 Annual Report. Copies are available at a cost of \$3.00 from the Freedom of Information Coordinator.

APPENDIX B

ACCESS ARRANGEMENTS, PROCEDURES AND POINTS OF CONTACT

Access to Published Documents

All published documents (reports, policy and procedure manuals, business plans and other planning documents) may be obtained by contacting the FOI Coordinator, Level 22, McKell Building, 2-24 Rawson Place, Sydney, between the hours of 9am and 5pm.

Staff Access to Documents Concerning the Industrial Relation Affairs of Staff

Staff do not need to use FOI to access their personal files. A request to access one's personal file can be directed to the Corporate Human Resources Branch.

Amendment of Documents about Personal Affairs

An applicant may request the correction of any personal information held by the Department of Public Works and Services concerning them, where the applicant considers this information to be inaccurate, incomplete, or gives a misleading impression. In most cases, a written application will be required in terms of the FOI Act. Proof of the amendments being requested will also be required, but as the form it takes may vary from case to case, it should be discussed with the FOI Coordinator.

Access to All Other Departmental Documents

To access all other files or records it is necessary to apply, in writing, under the FOI Act to:

The FOI Coordinator
Level 22, McKell Building
2-24 Rawson Place,
SYDNEY NSW 2000

Enquires relating to Freedom of Information may be made by telephone (02) 372 8743 between 9am and 5pm, Monday to Friday.

Fees:

All applications: \$30 plus processing charge of \$30 per hour

Statistical Information

There were 14 new applications. No applications were carried forward from the previous year.

The results of the applications were:

Granted in full	3
Granted in part	7
Granted-no documents found	1

Refused	1
Deferred	1
Ministerial Certificates	3
Number of requests requiring formal consultations	9
Transferred	1

Result of Amendment Request

Result Agreed	0
Result Refused	0
Number of requests for notation	0

Basis of Disallowing or Restricting Access

Section 19 (application incomplete, wrongly directed)	0
Section 22 (deposit not paid)	0
Section 22 (diversion of resources)	0
Section 25(1)(a) (exempt)	7
Section 25(1)(b), (c), (d) (otherwise available)	0
Section 25 (1) (e) (documents over 5 years old)	0
Deemed refused-21 day time limit expired	0
All completed requests-FOI fees	\$3960
Fee discount	0
Correction of records	0

Elapsed Time

Applications where period extended under Section 59B	0
Processing hours:	
0-10 hours	9
11-20 hours	4
21-40 hours	0
Over 40 hours	1

Reviews Processed

Internal reviews finalised	2
Ombudsman's reviews finalised	0
District Court actions finalised	0
Ombudsman's reviews pending	0

General Comments

Applicants generally focused on seeking access to their competitors' tender documents. The applicants sought to obtain information which may be seen as affecting the commercial affairs of companies with which the Department of Public Works and Services could have regular dealings and have far reaching effects upon the way in which the organisation conducts future business with these and other prospective contractors.

Some of the issues had an impact upon the Department's compliance with the requirements of the Freedom of Information Act.

APPENDIX C

CODE OF CONDUCT AND ETHICS

The public has a right to expect the Department of Public Works and Services to conduct its business with efficiency, impartiality and integrity. This requires staff perform their duties at a high standard and that there not be, nor seem to be, any conflict between private interests and responsibilities to the public.

This Code of Conduct and Ethics has been designed to assist staff in the proper performance of their duties and incorporates statutory requirements of the ICAC Act 1988.

The Code is based on the principles that staff should:

- perform their duties professionally, objectively and with integrity
- efficiently and effectively serve the Government
- maintain the confidentiality of information received in the course of their duties
- observe fairness and equity in all official dealings with the public and with other public sector employees
- avoid real or apparent conflicts of interest
- report suspected instances of corrupt conduct, and
- respect the rights of public sector employees under the common law and within the provisions of legislation.

In addition, the Code is based on the principle that all staff must adhere to it and are accountable for the acts and omissions of themselves and of those they may supervise. Managers and Supervisors are responsible for ensuring appropriate practices are in place to support the Code and that it is able to be accessed and understood by all staff. If not clear as to what is expected, staff should seek clarification from their Manager or Supervisor.

All staff should be familiar with the contents of this Code and should observe its provisions at all times. In view of the importance of this Code, any departure from the provisions may be grounds for disciplinary action under the Public Sector Management Act 1988.

Values Underlying The Code

This Code of Conduct rests upon the assumption of a number of values which require staff of DPWS behave with:

- integrity
- honesty
- loyalty to the public interest and fairness
- conscientiousness, and
- compassion.

PERFORMANCE OF DUTIES

In accordance with the principle of personal accountability staff should, when on duty, give their whole time and attention to ensuring that work is carried out efficiently, economically and effectively.

Staff must give effect to the policies of the Government and DPWS irrespective of whether they personally endorse these policies. Should a situation arise in which a policy, or the steps contemplated to give effect to it, is so at variance with a person's own views that he or she cannot conscientiously give effect to them, the matter must be immediately brought to the attention of their senior officers and/or Divisional Director with a view to resolving the situation.

When on duty staff must refrain from any form of conduct likely to cause unwarranted offence or embarrassment. They shall not make allegations which are unseemly or derogatory or which are intended to vilify, insult or injure the reputation of any other person, to make personal reflections on, or impute improper motives to any other staff member, harass or discriminate against other staff, clients of DPWS or members of the public on the grounds of sex, marital status, pregnancy, age, race, colour, nationality, ethnic or national origin, physical or intellectual impairment, sexual preference or religious or political conviction.

Staff must conduct their duties in a fair and equitable manner at all times and apply the principles of Equal Employment Opportunity.

LAWFUL ORDERS

Staff shall not willfully disobey or disregard any lawful order given by any person having the authority to make or give the order.

Staff who dispute the propriety of any such order may appeal to their Divisional Director against being required to carry out the order, but shall, as far as possible, comply with the order until the appeal is decided.

STANDARDS OF HONESTY AND INTEGRITY

Staff should observe the strictest practices of honesty and integrity, and avoid conduct which could suggest any departure from them. This includes a duty to bring to notice dishonesty, inefficiency, malpractice or suspected corrupt conduct on the part of another staff member.

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CODE OF CONDUCT AND ETHICS

PRIVATE EMPLOYMENT

Staff should not engage in private employment without the prior approval of the Director-General. DPWS policy on private employment has been issued as a Departmental Circular.

They should also ensure that there is no conflict or incompatibility between personal interests and the impartial fulfillment of public or professional duty.

They must also not engage in private work with or for any person or body with an interest in a proposed or current contract with DPWS without first making disclosure to the Director-General. In this respect, it does not matter whether advantage is in fact obtained, as any appearance that private dealings could conflict with performance of public duties must be scrupulously avoided.

USE OF OFFICIAL INFORMATION: CONFLICT OF INTEREST

Staff should always act in the interests of the Crown and the general public interest and not in their own interest or those of any other individual. They should also be able to show they have done so. In particular, official information must not be used so as to violate any confidentiality or privilege, or to gain improperly any kind of benefit or advantage personally or for any other person.

Staff should disclose in writing to DPWS any pecuniary or other definite interest held, immediately they become aware that a potential conflict between personal interest and official duty, whether real or apparent, has arisen or is likely to arise.

Those who exercise a statutory, regulatory, inspectorial, or other discretionary function in relation to members of the public must make disclosure when dealing with relatives and close friends and, wherever possible, disqualify themselves from dealing with them.

A relative is defined as:

- parents, grandparents, brothers, sisters, uncles, aunts, nephews, nieces, natural or adopted children or grandchildren, of the person or the person's spouse or de facto partner, and
- a spouse or de facto partner of the staff member, or of any of the relatives listed above.

POLITICAL PARTICIPATION

Staff of DPWS need to ensure that their participation in political matters does not bring them into conflict with their primary duty as public servants to serve the government of the day in a politically neutral manner. This is important in order to maintain Ministerial and public confidence in the impartiality of the advice given, and actions taken, by public servants.

Determining what is appropriate in any particular case will depend on the extent of the participation of the individual, the nature of the issue, and the position held by the individual.

If a staff member becomes aware that a potential conflict, whether real or apparent, has arisen or is likely to arise, they should immediately inform the Director-General.

If a conflict of interest does arise, the staff member may have to refrain from participating in the political activity or withdraw from areas of his or her duties giving rise to the conflict of interest.

REWARDS AND GRATUITIES

Staff shall not directly or indirectly (eg through another staff member, a spouse, relative or friend) demand or receive from any person or organisation any present, hospitality, gratuity or remuneration of any kind, in respect of services performed, or to be performed, whether during working hours or not, in connection with their position in DPWS.

The acceptance of gifts or benefits requires selective and sound judgment. They may well be perceived as putting that person in a position in which he/she may, or may appear to be, compromised by their acceptance.

The following DPWS policy applies:

- i) Gifts of a token nature, or acts of hospitality such as the provision of moderate meals during genuine business meetings, may be accepted. These must be seen to be inconsequential or trivial and where there is any doubt, the officer should seek guidance from their senior officers and/or Divisional Director.

As further guidance, an example of a token gift might be where an officer receives calendars as part of an industry or community-wide mailing which is obviously not targeted specifically at the business of

APPENDIX C

CODE OF CONDUCT AND ETHICS

DPWS or the person concerned. On the other hand, leather bound diaries or other obviously expensive items which are likely to have been specifically targeted are without doubt substantial gifts.

- ii) Substantial gifts, offers or suggestions of offers of free travel, substantial hospitality and accommodation must be rejected. In the event of such offers being made, or the suggestion of an offer made, either directly or indirectly, they must be reported at the first opportunity to the Branch Manager or Divisional Director.
- iii) Staff should avoid situations which may create the appearance that any person or body, through the provision of hospitality or benefits of any kind, is securing or attempting to receive influence or favour.
- iv) Staff should take all reasonable steps to ensure other staff members and relatives (as defined earlier) are not the recipients of benefits which could give the appearance of an indirect attempt to receive influence or favour from DPWS.

Any substantial gift received unexpectedly should be returned with an appropriate letter. The Manager, Corporate Human Resources or the Manager, Corporate Relations, can advise on the wording of any response.

INFLUENCE TO SECURE ADVANTAGE

Staff shall not seek the exercise of improper influence of any person in order to obtain promotion, or other advantage, in relation to their employment or because of their status as employees of the Crown.

DUTY TO REPORT SUSPECTED CORRUPT CONDUCT

Section II of the Independent Commission Against Corruption Act 1988 requires the Director-General to report suspected cases of corrupt conduct to the Independent Commission Against Corruption and we should assist the Director-General to fulfil this requirement.

What is "corrupt conduct"?

"Corrupt conduct" includes any dishonest or improper use of position by a public official and specifically includes misuse of information or material acquired in

the course of official duties (even if the information or material is misused when the person is no longer a public official). "Corrupt conduct" also includes conduct by anyone which might lead directly or indirectly to the dishonest or improper use of position by a public official or conduct which involves a breach of public trust, and includes conduct by anyone which might directly or indirectly interfere with the carrying out by a public official of his or her functions.

Further points to note about "corrupt conduct" are:

- "Corrupt conduct" includes a conspiracy or an attempt to engage in "corrupt conduct"
- It does not matter that a person or persons who were public official(s) at the time of the "corrupt conduct" are no longer public official(s), and
- It may not matter that the conduct occurs outside New South Wales or Australia.

Conduct is not "corrupt conduct" unless it could be, or involves:

- a criminal offence under New South Wales law or any other law which could apply in the particular circumstances
- a disciplinary offence which could lead to disciplinary action under any law including regulations, or
- reasonable grounds to dismiss or terminate the services of a public official.

Regardless of the passage of time or changed circumstances such as resignation, staff and former staff may still be charged with a criminal offence, disciplined or dismissed.

By law all staff must assist the Director-General in meeting the obligation to report suspected corrupt conduct by reporting any matter we suspect on reasonable grounds involves, or may involve, corrupt conduct.

Because reporting suspected corrupt conduct is a statutory responsibility, reports made in good faith are protected from defamation action even if they are proved to be groundless.

Supervisors, Divisional Directors and others who receive complaints of suspected corrupt conduct must maintain the confidentiality of the complainant and the contents of the complaint and take immediate action in informing the Director, Internal Audit, the Manager, Executive Support or the Director-General.

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CODE OF CONDUCT AND ETHICS

PROTECTED DISCLOSURES ACT 1994

The Act offers protection for public officials who make disclosures which concern:

- corrupt conduct, as defined in the Independent Commission Against Corruption Act 1988;
- maladministration, defined for the purposes of the Act as conduct which involves action or inaction of a serious nature that is:
 - * contrary to law, or
 - * unreasonable, unjust, oppressive or improperly discriminatory, or
 - * based wholly or partly on improper motives, and
 - * serious and substantial waste of public money.

Under the Protected Disclosures Act it is an offence to take detrimental action in reprisal against a person who makes a protected disclosure. Further, the Public Sector Management Act 1988 makes it a breach of discipline to take detrimental action or disciplinary action in such circumstances.

When does protection exist?

A staff member has the full protection of the Act when reporting to a nominated DPWS officer or an “investigating authority” defined as the Independent Commission Against Corruption, the NSW Ombudsman or the Auditor-General.

A staff member is also protected under the Act when making a disclosure to a Member of Parliament or to a journalist subject to specific circumstances having been met, ie:

1. Substantially the same disclosures must have already been made to a nominated DPWS officer or to one of the investigating authorities set out above.
2. The investigating authority or DPWS must have:
 - decided not to investigate the matter, or
 - decided to investigate the matter but not completed the investigation within six months of the original disclosure being made, or
 - investigated the matter but not recommended the taking of any action in respect of the matter, or
 - failed to notify the person making the disclosure, within six months of the disclosure being made, of whether or not the matter is to be investigated.

In addition, a staff member making a disclosure to a Member of Parliament or to a journalist “must have

reasonable grounds for believing that the disclosure is substantially true” and “the disclosure must be substantially true”, otherwise the disclosure may not be subject to protection under the Act.

Forms of disclosure not protected

Protection is not available for disclosures which are:

- frivolous or vexatious
- primarily question the merits of government policy, or
- made in an attempt to avoid dismissal or disciplinary action.

It is an offence to willfully make a false or misleading statement when making a disclosure.

What protection is available?

The Protected Disclosures Act makes it a criminal offence to take “detrimental action” in reprisal against a person who makes a protected disclosure. Detrimental action means action causing, comprising or involving any of the following:

- injury, damage or loss
- intimidation or harassment
- discrimination, disadvantage or adverse treatment in relation to employment
- dismissal from, or prejudice in, employment
- disciplinary proceedings.

The Protected Disclosures Act also protects a person against liability for action which may otherwise be available against the person making the disclosure, eg defamation, breach of secrecy or confidentiality.

REPORTING CORRUPT CONDUCT AND MATTERS COVERED BY THE PROTECTED DISCLOSURES ACT

The Director, Internal Audit and the Manager, Executive Support are the DPWS officers to whom reports should be made.

If this is not considered appropriate the matter should be reported to the Director-General or to an investigating authority, ie the Independent Commission Against Corruption, the Auditor-General or the Ombudsman, as appropriate.

Matters should be reported as quickly as possible, in writing. As well, in order to assist the investigation,

APPENDIX C

CODE OF CONDUCT AND ETHICS

reports should not be anonymous. Whilst anonymous complaints will be treated with all seriousness, anonymity hinders full pursuit of the matter.

Matters suspected on reasonable grounds involving, or maybe involving, corrupt or other incorrect conduct, must be reported through the appropriate channels in spite of any duty of secrecy or other restrictions on discourse.

In respect of each internal report, the Director-General will ensure the complainant is informed of the outcome of the investigation.

PUBLIC COMMENT AND DISCLOSURE OF OFFICIAL INFORMATION

Other than where authorised in the course of duty or when called to give evidence in court, staff should not comment on matters relating to official business or government policies. This is particularly so where:

- i) a new Government policy is proposed or a policy is under Government review
- ii) a comment is made as a public servant rather than as a private citizen
- iii) it might be inferred that a comment made is made by a person purporting to have specialised direct or official knowledge or authority in relation to the matter which is the subject of the comment.

Staff are, however, not prohibited from commenting on information which is either the subject of public knowledge or would be given to any member of the public seeking disclosure of that information.

USE OF DEPARTMENTAL FACILITIES AND EQUIPMENT

Staff should all ensure that resources, funds, staff or equipment entrusted to us are used effectively and economically in the course of their duties.

Unless permission has been granted by a duly authorised person or in accordance with stated policy, staff must not use the services of other officers and employees or official facilities or equipment for private purposes.

Arrangements for the private use of equipment and facilities such as facsimile machines, photocopiers and long distance phone calls with associated staff charges are covered by Circular 1993/38S.

PERSONAL BEHAVIOUR

Staff should refrain from any form of conduct, in relation to other staff or the public, likely to cause the Crown, DPWS or any person offence or embarrassment. Staff are required to notify the Director-General if they become bankrupt or are charged or convicted of a serious offence. A serious offence is where the courts can impose a custodial sentence of 12 months or more.

CONDUCT ON RESIGNATION OR RETIREMENTS

Upon retirement or resignation staff members have an ethical and moral obligation not to misuse information or material gained in the course of their employment or to otherwise engage in activities detrimental to the standing of the public sector, DPWS or, importantly, fellow staff members. In some circumstances it may be necessary to obtain approval to use information from DPWS.

FURTHER INFORMATION

This Code is not designed or intended to unnecessarily restrict private activities. It does however, include lawful requirements applicable in NSW. It is also a framework which reinforces and provides for professional and personal integrity. If further advice or information is required concerning this Code of Conduct contact the Manager, Corporate Human Resources on telephone (02) 372-7112.

Advice on the application of the Protected Disclosures Act is available from appropriate DPWS officers, especially the Director, Internal Audit and the Manager, Executive Support. The NSW Ombudsman, telephone (02) 286 1000 or 008 451 524 will advise if required.

The Independent Commission Against Corruption has issued detailed "Guidelines for Reporting by Public Authorities of Possible Corrupt Conduct to the Commission." This document is available from Branch Managers, the Manager, Corporate Human Resources and the Manager, Legal Services.

Amended July 1995

APPENDIX D

GUARANTEE OF SERVICE

The Department of Public Works and Service's primary focus is to provide leadership and help to other departments and agencies to assist them in delivering better services to the wider community.

The Department is:

- the Government's impartial adviser, especially in providing a client service on key resource issues such as a sensible total asset management approach to clients' assets
- a pacesetter in establishing a whole-of-government approach - in the application of information technology and telecommunications, in procurement and supply of a wide range of goods and services, in the strategic management and disposal of government property assets; and building and construction industry policy
- a pacesetter in environmentally sensitive design.

The Department aims to achieve a prominent position as the service provider of choice, through differentiation, recognised innovation and service excellence.

Our Guarantee of Service is to provide clients with quality, accessible advice, information and services in an equitable, timely, professional and courteous manner.

In particular:

- all staff take responsibility for ensuring a high level of client satisfaction
- we strive for best practice in meeting and exceeding clients' expectations and needs
- we maintain highest quality standards in all our operations
- we listen to clients and understand their needs
- we work with our clients in responding to and fulfilling their needs
- we work with our suppliers to ensure our clients benefit from the use of best practices at all times
- we are professional in all that we do
- we strive for value for money for our clients
- we encourage innovation, both in providing our clients with solutions, and internally in reforming operations
- we encourage efficiency and effectiveness in all our operations

- we deal fairly with both clients and suppliers
- we deliver our project services in a timely and cost effective manner
- we regularly monitor client satisfaction with our services and ensure all steps are taken to improve satisfaction.

The standards of service outlined overleaf help ensure that these guarantees are achieved.

STANDARDS OF SERVICE

The Department is committed to providing its clients, including the communities they represent, with quality services, delivered in a reliable and responsible fashion. Our clients are our top priority in all that we do. Our organisation is based around a client focused structure encompassing Client Service Teams and/or Client Managers for each client.

OUR CLIENTS

Our clients include:

- the NSW Government
- NSW Government Agencies
- NSW Authorities
- NSW Local Government
- Federal Government Agencies and Authorities
- Interstate Governments
- Overseas Governments
- NSW businesses requiring our assistance and expertise on interstate and overseas projects
- many non-profit government funded organisations including:
 - * Schools
 - * Hospitals
 - * Universities and Colleges
 - * Church Groups and Societies.

ACCESS

The first thing clients notice is how easy it is to access our services. Our Head Office is located near Sydney Central Railway in the centre of Sydney and is supported by six regional offices throughout the State. Commercial business units are strategically located in the Sydney and Parramatta CBDs and metropolitan

APPENDIX D

GUARANTEE OF SERVICE

Sydney. Wherever our clients are, we are on hand to help. In addition:

- newsletters and service information brochures are readily available containing information on the services that we provide and how they can be accessed
- we realise that it is important for clients to reach the appropriate person within DPWS for expert advice or assistance swiftly and easily. All staff have access to an "Internal Directory of Services" to assist them in helping clients reach the most appropriate person
- we provide equal access to our services without discrimination
- telephone calls to our main switchboards are answered on average in less than 15 seconds.

QUALITY

Clients' dealings with DPWS will meet the highest possible standards. This is assured through:

- the introduction of Quality Assurance systems meeting the AS/NZS ISO 9001:94 Standard throughout the Department, covering both our internal procedures and our dealings with third parties
- our contractors and consultants being required to follow equally stringent Quality Assurance procedures to ensure, as far as possible, the clients needs are protected.

COMMUNICATIONS

We believe that open and frequent communications are essential to understanding and fulfilling clients' needs and expectations. We want to know what is important to clients, and how we can improve our range and delivery of services. The following steps have been initiated to improved communications at every level:

- we contact clients at regular intervals to ensure that they are happy with our service to date and listen to suggestions
- client Service Teams and/or Client Managers are established for each client. In this way, clients have access to someone who has an in-depth knowledge of their business and individual requirements at all times.

Several other client service mechanisms allow easy access to DPWS management, such as Steering Committees on all major projects.

RESOLUTION OF PROBLEMS

We understand that the swift resolution of problems is essential for a harmonious relationship.

We have introduced formal procedures for dealing with complaints - procedures that make it easier for our clients to be totally frank with us and that allow us to respond swiftly and effectively while continuously improving our services. A DPWS staff member is appointed to each client to act as first port of call for concerns. If a client's concern is not resolved swiftly it will be passed on to an appropriate Director who will attend to the matter personally.

All complaints will be responded to promptly and at the outside within a week.

Where we are assisting a client to negotiate with a third party, we keep the client informed of progress at all times.

INTEGRITY

We are honest and have integrity in all our dealings. This involves:

- respecting clients' privacy and confidentiality of any sensitive dealings
- being fair and honest with our suppliers and clients
- adhering to standards of conduct and ethics which maintain public confidence and trust in us.

COMPETENCE

We are professional in all that we do. We encourage professionalism and the highest level of competence through:

- ensuring that staff are appropriately trained and qualified to deliver top quality services
- encouraging staff to undertake training in multiple disciplines, both to fulfil their individual potentials and to improve the quality of services offered
- including staff development and training as an essential component of our staff performance planning and review system.

RELIABILITY

We strive to be reliable in all our dealings. This entails being consistent with our responses and doing what we

APPENDIX D

GUARANTEE OF SERVICE

say we will do. In the delivery of project services this translates into the following service standards:

- Project services will be delivered in a timely fashion - with a minimum of 95 per cent of projects delivered on time
- Project services will be delivered in a cost effective manner - with a minimum of 95 per cent of projects delivered on budget.

RESPONSIVENESS

We aim to be responsive to clients' needs and desires. Responsiveness is enhanced by:

- responding promptly to correspondence, and
- providing information that is accurate and up-to-date.

COURTESY

Our staff are polite and considerate at all times. Staff members are accountable for their dealings with clients and treat all clients with equal respect. A contact name and telephone number is provided in all correspondence and telephone enquiries.

APPENDIX E

CONTRACTING OUT AND MARKET TESTING

The Department continued to be an extensive user of private sector contractors to assist in the provision of services for our clients. Traditionally, these have been technical contractors for preconstruction aspects of our business, such as concept design and documentation work. The use of technical contractors supplements existing staff and reduces the need to appoint permanent staff.

In association with the use of technical contractors, DPWS is continuously reviewing its operations and uses contractors for the provision of services to its internal and external customers.

Some of the areas where contracting out was used during the year, included:

- the sale of government property
- payroll services
- facilities management
- fleet management
- printing.

Reviews are in progress in a number of corporate service areas, such as information technology services, corporate printing and parts of our departmental fleet management.

APPENDIX F

USE OF CONSULTANTS

ENGAGEMENTS OVER \$30,000

Consultant	Project Description	Expenditure
Price Waterhouse Urwick	Development of Information Technology Strategic Plan	\$85,350
BSR Pacific	Strategic Systems Review	\$74,655
C & H Business Solutions	Development of Corporate Plan	\$32,200
Poulter Stanford	Human Resource Management Information System Evaluation	\$56,051
Milliways Pty Ltd	Departmental Information Technology Restructure Evaluation	\$49,900
Total		\$298,156

ENGAGEMENTS UNDER \$30,000

Number 53	\$262,089
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APPENDIX G

FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

The Department contributed \$50,000 (\$25,000 each from Commercial Business Division and Client Service Division) to the Cooperative Research Centre for waste management and pollution control which is a joint venture controlled by the University of NSW.

APPENDIX H

PERFORMANCE SUMMARIES SES OFFICERS GRADE 5 AND ABOVE

NAME	Richard Mark PERSSON
POSITION	Director-General SES Band 4, Lower
PERIOD IN THE POSITION	Commenced on the 4 December 1995. Previous Director-General was Ronald David Christie.
RESULTS	
Commercial Practices	Achieved budget requirements as set out in the 1995/96 Statement of Financial Performance. An operating surplus of \$29.2M and a total distribution to Government of \$163.8M under the Financial Distribution Policy exceeded budget. Reduction in operating costs by 5.5%.
Client Service	Memorandums of Understanding were established with 11 major clients and draft Memorandums of Understanding were established with 6 other clients.
Government Service	Corporate Guarantee of Service developed.
Project Risk	All major building projects completed on budget.
Management Services	All major engineering works completed on budget. 3 Partnering projects were commenced, bringing the total number of partnering projects trialed to 29.
Project Delivery and Completion	197 major building projects were completed. 26 water and sewerage schemes were completed. 256 minor building projects were completed.
Minister's Program	All targets achieved. Major works included: Marcus Clarke Building, facade repair; Australian Museum, William Street wings repair; Government House, northern elevations and porte cochere repair; former Museum of Applied Arts and Science building, facade repair. A major innovation was the commencement of the 'Make-Safe' program to inspect and remove loose stone from public buildings.
Planning	Strategic Plan "Vision 2001" released and Corporate Plan developed.
People Management	Regular visits to regional staff. The Enterprise Agreement with the construction wages staff is operating successfully. Whole of Department enterprise agreement registered in March 1996. Presentations to staff made on a regular basis. Affirmative action program developed. Corporate Best Practice program established. Induction and Orientation program established. Staff "Recognition of Excellence Program" established.
Policy	Code of Practice, Code of Tendering and Implementation Guidelines for the construction industry developed. A Best Practice Contractor Accreditation Scheme developed.
Procurement	\$1.275 billion worth of purchases by clients through goods and services contracts.
Information Management and Technology	Information Management and Technology Blueprint being developed. Established CEO messaging service. Developed DPWS home page on Internet and commenced placement of tender information.

APPENDIX H

PERFORMANCE SUMMARIES SES OFFICERS GRADE 5 AND ABOVE

NAME	Ronald EAGLE
POSITION	Director, Commercial Business Division SES Band 3, Upper
PERIOD IN THE POSITION	From 1 July 1995, as Acting Director and confirmed in the position from 1 April 1996
RESULTS	
Financial Performance and Commercial Practice	All targets achieved. Better than budgeted net profit achieved.
Marketing Strategy	Marketing and sales opportunities identified and new services offered in purchasing and property. Continued structured quarterly presentations to client groups. Advisory Boards formed for Government Printing Service and Government Information Service.
International	Continued to develop relationships with key participants and to expand the level of international project work. A Memorandum of Understanding has been signed with the Department of Public Works, South Africa.
Quality Management	State Projects retains full compliance with AS3901/ISO9001, also now achieved by Government Printing Service. TQM and continuous improvement programs continue to be embraced.
People Management	Continued specific training programs for young staff and others with leadership potential and supported corporate-wide expansion. Training Courses instigated for purchasing officers.

APPENDIX H

PERFORMANCE SUMMARIES SES OFFICERS GRADE 5 AND ABOVE

NAME	Alan GRIFFIN
POSITION	Director, Policy SES Band 3, Lower
PERIOD IN THE POSITION	From 1 July 1995 as Acting Director and confirmed in the position from 13 December 1995
RESULTS	
Commercial Practices	All business and finance targets achieved. The division's net contribution exceeded the budget target.
Client Satisfaction	Database updated for government and industry clients prior to the issue of the revised Code of Practice for the Construction Industry. Positive feedback received for the division's training program for project management, contract administration, quality assurance, total asset management and occupational health safety & rehabilitation. Provided risk management and dispute resolution processes for client construction contracts through ongoing management of tendering and contractor/consultant qualification systems and negotiation and settlement of contractual claims.
People Management	Staff focus groups have been used to identify and address human resource, staff development and business issues as part of the Business Planning process. Staff performance targets have been linked with Corporate and Divisional business planning actions. Enhanced staff communication processes established including monthly divisional presentations and branch meetings.
Policy Development and Implementation	Continued to manage the interface between government and key stakeholders in the construction industry and this is being expanded to include goods and services. Chair of State Contracts Control Board. Review of whole of government purchasing policy commenced. Provision of leadership in the application of the Government's industry relations strategies to the construction industry. Upgrade of Total Asset Management Manual commenced. Continued implementation of the Government's OHS&R guidelines and development of environmental policies for government projects.
Public Sector Capital Program	Executive support and chair of the Construction Policy Steering Committee.
Industry Reform	Facilitated workshops to produce a strategic vision for a construction industry that can efficiently service a forecast increased workload. A revised Code of Practice and Code of Tendering for the construction industry was developed. The promotion of trialing of innovative contracting methods was continued on public sector projects. Closer links developed with all construction agencies in information sharing. Developed economic forecasting model for construction industry.

APPENDIX H

PERFORMANCE SUMMARIES SES OFFICERS GRADE 5 AND ABOVE

NAME	Michael HANNON
POSITION	Director Operations Division SES Band 3, Lower
PERIOD IN POSITION	1 July 1995 to 30 June 1996 as Director Operations, Acting Director Client Service Division, performing dual role from 20 March 1996.
RESULTS	
Policy advice and standards	Implementation of the Government's Code of Practice, Code of Tendering and Occupational Health Safety and Rehabilitation Management Systems Guidelines.
Impartial adviser	Provision of Total Asset Management advice and services to government agencies.
Information Technology and Telecommunications	Updated Operations Division Information Management Strategic Plan 1995 - 1998. Implemented a Windows Based, Business Information System (BIS) providing Managers with a decision making tool.
Pacesetter in Environmental Design	Fostered an environmentally aware workplace through adherence to "green" operating procedures such as waste recycling, waste minimisation. Increased awareness and commitment amongst staff of environmental issues .
Program delivery and management	Achieved 95% target for client program in cyclic maintenance (\$105M) and minor capital (\$67M). Led the development of a new contracting concept for the delivery of \$100M school maintenance program in conjunction with the Department of School Education.
Quality Assured Services	Divisional QA System upgraded from AS3910 to AS9001. Twenty five regional and project offices have achieved full certification.
Risk Management	Project Risk Management (PRM) services provided to clients. Client surveys undertaken to determine clients level of satisfaction with PRM services provided.
Resource Management	Open communications between staff and management on issues effecting the Division's operations. Staff survey results indicated improved communication and teamwork.
Commercial Practices	Services provided at competitive prices through effective use of available resources and technology.
Client Service and Market Development	Workshops held with other Divisions to identify opportunities to promote the total range of services provided by DPWS - "one stop shop" delivery of services concept.
Emergency Services Management	Natural Disaster Relief Program provided financial assistance to 54 councils as a result of declared natural disasters. Financial assistance exceeded \$1.73M.

APPENDIX I

BOARDS AND COMMITTEES WITH DEPARTMENTAL REPRESENTATION

STATUTORY BOARDS AND COMMITTEES

- **Archives Authority of NSW** (Archives Act, 1960)
J D Leek, Director, Information Technology and Telecommunications
- **Australian Marine Industries and Finances Council**
R J Eagle, Director, Commercial Business Division
- **Board of Architects** (Architects Act, 1921)
C Johnson, Government Architect
C Tsioulos, Manager, Portfolio Strategies, Client Service Division
- **Board of Directors for Major Mail Users**
J Carnegie, General Manager, State Mail Service
- **Central Sydney Planning Committee** (Sydney City Council)
C Johnson, Government Architect
- **Cobar Water Board**
(Water Supply Authorities Act, 1989)
D Barrett, Regional Manager, MetNorth West Region (President)
- **Construction Policy Steering Committee**
A Griffin, Director, Policy Division
E Smithies, Deputy Director, Policy Division
- **Dams Safety Committee** (Dams Safety Act, 1978)
L A McDonald, Assistant Principal Engineer, Dams
- **Government Information Service Management Advisory Board**
R J Eagle, Director, Commercial Business Division
C Moore, General Manager, Government Information and Advertising
- **Government Printing Service Management Advisory Board**
R J Eagle, Director, Commercial Business Division
R Milligan, General Manager, Government Printing Service
- **Government Radio Network Joint Management Board**
R W Wheeler, Manager, Operations and Contracts, Information Technology and Telecommunications Division
- **Heritage Council of New South Wales** (Heritage Act, 1977) C Johnson, Government Architect
A Warr, Manager, Heritage Group (Alternative Member)
- **Mines Subsidence Board**
P Carter, Manager, Dams and Civil Engineering
- **NSW Telecommunication Authority Board** (TELCO) (Government Telecommunications Act, 1991) J D Leek, Director, Information Technology and Telecommunications Division
- **Olympic Coordination Authority Design Review Panel**
C Johnson, Government Architect
- **National Public Works Council**
D Persson, Director-General
- **State Contracts Control Board**
(Public Sector Management [Stores and Services] Regulation 1988)
A Griffin, Director, Policy Division
B Campbell, General Manager, NSW Supply
C Moore, General Manager, Government Information and Advertising (Deputy Member)
- **State Emergency Management Committee**
A Collins, A/Director, Operations Division,
J Carnegie, General Manager, State Mail Service
R W Wheeler, Manager, Operations and Contracts, Information Technology and Telecommunications Division
- **Survey and Mapping Advisory Committee**
G V Smith, Principal Surveyor
- **Sydney Cove Redevelopment Authority**
(Sydney Cove Redevelopment Authority Act, 1968)
C Johnson, Government Architect

APPENDIX I

BOARDS AND COMMITTEES WITH DEPARTMENTAL REPRESENTATION

INTER-DEPARTMENTAL COMMITTEES AND PROFESSIONAL BODIES

Accessible Buildings Steering Committee (Ageing & Disability Department)	Government Energy Management Working Group
Advisory Committee to the Fire Code Reform Committee	Government Information Technology Conditions (GITIC) Forum
Austel Technical Committees - Working Groups Producing Technical Standards	Government Selected Applications Systems Contract Management Committee
Australia Day Decorations Committee	Health Peak Purchasing Council
Australian Government Printers Association	Hunter Emergency Management Committee
Australian Institute of Valuers and Land Economists Professional Board	Information Industries Advisory Board
Building and Construction Council	Institute of Value Management, Australia Inc.
Building Energy Code of Australia Advisory Panel	South West Tablelands Water Supply Advisory Committee
Building Regulations Advisory Committee	Standards Australia Committee IT/16 - Private Telecommunications Networking
Building Science Forum of Australia	Standards Australia Energy Saving Lighting Committee (SAA LGI/6)
Charmichael Committee on Vocational Training and Competency Achievements in Industry	Standards Australia Energy Auditing Committee (SAAEN/I)
Chief Executive Officers Conference on Common Service Provision	Supplier Development Committee for NSW
Commonwealth State Consultative Committee - Telecommunications	Treasury/DPWS Asset Management Steering Committee
Construction Industry Consultation Committee	WorkCover Construction Industry Consultative Committee
Contract Management Committee	Lake Macquarie Council Technical Advisory Panel
Department of School Education Data Capture Steering Committee	Mid North Coast District Emergency Management Committee
Department of School Education Facilities Standards Committee	Mid North Coast District Engineering Functional Area Sub-Committee
Department of School Education/Department of Public Works and Services Steering Committee	National Centre for Value Management
DISPLAN - Disaster Planning Committee	National Communications and Information Systems Advisory Group (Emergency Management Australia)
Facilities Management Association of Australia, NSW Branch Executive Board	National Printing Industry Training Council (Australia)

APPENDIX I

BOARDS AND COMMITTEES WITH DEPARTMENTAL REPRESENTATION

INTER-DEPARTMENTAL COMMITTEES AND PROFESSIONAL BODIES (Continues)

National Printing Training Council (NSW Division)

National Public Works Council - Asset Services
Steering Group

National Public Works Council - Strategy Group

National Supply Group

Northern Rivers Engineering Function Area Sub-
Committee

Northern Rivers District Emergency Management
Committee

NSW Health Heritage Steering Committee (NSW
Health Department)

NSW Health Industry Forum

NSW Government TAM Steering Committee

NSW Recycled Water Coordination Committee

NSW TAFE Commission/Department of Public
Works and Services Steering Committee

Olympic Security Working Committee
Communications

Property Council of Australia, NSW Research
Committee

Radio Advisory Committee

Radio Consultative Council

South West Tablelands Water Supply Management
Board

APPENDIX J

OVERSEAS VISITS

During 1995/96, a number of officers made overseas visits. The majority of visits was to represent the interests of the Department's clients. Other visits were made to attend major international conferences and seminars to present papers demonstrating the skills base and the level of leadership achieved by the organisation.

1.0 VISITS AT COST TO THE DEPARTMENT

1.1 Attendance at International Conferences, Seminars and presentation of papers etc.

A number of international conferences were held in the United States during the year and **Dick Persson**, Director-General, and **John Leek**, then acting Director, Information Technology and Telecommunication, attended the Second International Summit on Services to the Citizen in Denver. **Robert Furnell** attended the 6th World Electronic Commerce Users Congress in San Antonio and **Willie van den Berg**, Team Leader, State Projects, travelled to co-present a paper on the implementation of Picture Archival and Communication Systems at the Society for Computer Aided Radiology symposium in Denver. **Mike Cush**, Manager, Industry Quality, attended an International Partnering Conference in Texas.

Carl Ginger, Director, International Business, represented the Director-General at a seminar on "Re-engineering Public Works in the 21st Century" sponsored by the Malaysian Department of Public Works.

Chris Johnson, Government Architect, travelled to Indonesia to attend the international seminar on Urban Planning and Design for Sustainable Development in Indonesia as well as to hold discussions with Indonesian government officials regarding the establishment of a "heritage base" in Bandung.

John Anderson, then acting Water and Environmental Service Unit, was invited to attend the 2nd International Symposium on Waste Water Reclamation and Reuse in Greece. **Russell Thurling**, Technical Specialist, State Projects, attended the World Conference on Central Services in Healthcare (Sterilising) held in the Netherlands.

Visits to New Zealand included Messrs **Barrie Burrows**, Electrical Engineer and **Anthony Papallo**, Technical Specialist, State Projects, to attend the International Illuminating Engineering Society Conference held in Christchurch. **John Dixon**, Project Engineer and **Len McDonald**, Assistant Principal Engineer, both from State Projects Branch, attended the Australia-New Zealand Conference on Large Dams Annual Conference in Christchurch. **Graham Trednick**, Technical Specialist, State Projects Branch, was invited to attend a government sponsored procurement issues working party meeting in Auckland.

1.2 Strategic Alliances

John Anderson, acting General Manager, Water and Environmental Services Unit, accompanied a joint multi-organisational delegation to Korea to discuss environmental, planning and open space issues as well as to pursue other departmental projects with relevant Korean government agencies.

Ed Shestovsky visited Malaysia and Singapore to investigate the selection of contractors and other procurement issues regarding the organisation's "Best Practice" initiatives.

2.0 VISITS AT NO COST TO THE DEPARTMENT

2.1 Expert advice on behalf of clients

On two occasions **Greg Ward**, Project Development Manager, Operations Division, travelled to the United States, on behalf of the Department of Correctional Services, to attend the American Correctional Association's International Relations Committee meetings and the 125th Congress of Corrections.

Doug Anderson, then acting Manager, Portfolio Strategies Branch, visited the United States, Canada and United Kingdom to study overseas corrective service institutions methods regarding the remodelling of Victorian period buildings for modern correctional uses.

Phil Carter, Manager, Dams and Civil Branch, was invited by the government of Mauritius to inspect seven dams and to submit a proposal for a safety analysis consultancy service.

APPENDIX J

OVERSEAS VISITS

Messrs **Guy Boncardo**, acting Manager Water Environment Infrastructure, **Robert Chong**, Manager, Sewage Technology, and **Jae-Ryong Ryu**, Development Manager, Sewage Technology, travelled to Korea to develop a pilot project for wastewater treatment and to provide specialist services in environmental management of waste water treatment.

Ten visits were made to Malaysia as part of the Department's consultancy services to the Babagong Dam project in Sabah. **John Young**, Geologist State Projects, and **Phil Carter**, Manager, Dams and Civil Branch, made four visits each to inspect the project site and to provide geological and construction advice. **Michael Neville**, Geological Engineer, Infrastructure, and **Peter Cloke**, Hydrology Manager, Water and Environmental Services, made one visit each to the dam project.

Alan Butler, Director, Value Management Strategic Services, conducted a consultancy value management study on the Mass Transit Railway project in Hong Kong.

Nick van Exter, General Manager, Education Development, represented Australia at the OECD Program on Educational Building Steering Committee meetings conducted in France and the United Kingdom.

The Department conducted a number of consultancies with the Bahrain Defence Force involving separate visits by Messrs **Barry Shara**, then acting Deputy Manager, Energy Management Unit, **Mohamed Mohideen**, Project Engineer, State Projects, and **Bruce Smith**, Manager, Hydraulics and Water Savings, to the United Arab Emirates for project work on maintenance management and quality audits of energy and water.

Barry Shara also attended a meeting with the local Austrade Commissioner (Dubai) the Khalifa Committee (Abu Dhabi), Property Owners in Abu Dhabi and the Dubai Department of Housing.

Messrs **Alan Butler**, Director, Value Management Strategic Services, and **Chris Laird**, Value Analyst, Value Management Strategic Services, provided consultancy services for value management studies for the Wellington Regional Council and partnering workshops for the Golden Bay Cement Company Pty Ltd.

The Snowy Mountains Engineering Corporation commissioned consultancy services for its Lae City Road Project in New Guinea with **Owen Ferguson**, Concrete Quality Assurance Officer, Glebe Laboratory, undertaking site audits for the supply of cement to the project.

2.2 Strategic Alliances

Messrs **Ron Eagle**, Director, Commercial Business, **Carl Ginger**, Director, International Business and **Ms Linda Gosling**, Architect, State Projects, visited South Africa to further relations with the South African Department of Public Works (SADPW) and to complete negotiations on a "Partnership Agreement". That visit was funded by an AustAid grant. As part of that relationship, and subsequent agreement to build the capacity of SADPW in project management, a consultancy service visit was made by Messrs **Frank Willan**, Manager, Infrastructure, and **Lee Sharma**, Project Manager, Metropolitan North West Region. During the course of that visit the officers attended a four day workshop investigating issues associated with the reorganisation of SADPW.

2.3 Grant Funds

Regina Alfa, Assistant Architect, and **Anne Warr**, Manager, State Projects, travelled to Indonesia to attend the international seminar on Urban Planning and Design for Sustainable Development as well as to hold discussions with Indonesian government officials regarding the establishment of a "heritage base" in Bandung.

Steve Wylie, Manager, Manly Hydraulics Laboratory, travelled to Thailand to investigate shoreline stability of the Gulf of Thailand under an AustAid grant.

Funded by an Austaid grant **John Gan** visited Papua - New Guinea to provide a training workshop for the PNG Bureau of Water Resources.

APPENDIX K
MAJOR ASSETS

(Other than land holdings)

Details of Department of Public Works and Services assets are contained in Note 23 of the Financial Statements.

During the year acquisitions valued at over \$50,000 were:

I file server	\$66,000
I Plotter	\$59,096
Transoft software	\$65,550
I Motorola Radio Equipment	\$133,399
Gravity Rollers for Conveyor System	\$145,462
Total	\$469,507

APPENDIX L
DISPOSAL OF PROPERTIES

The following properties, owned by the Department of Public Works and Services were sold during the year:

- 43 Brewery Street, Inverell for \$98,000
- 186 Glen Innes Road, Inverell for \$88,000
- 11 May Street, Inverell at for \$92,000
- 40 Marsh Street, Gilgai for \$83,000
- Lot 3 off Burrows Road South, St Peters for \$60,000
- Lot 1 Whitbread Street, Taree for \$96,500.

APPENDIX M

CONSUMER RESPONSE

Summary of Compliments & Complaints Statistics

Improving the services to our external and internal customers is a major corporate objective. Our business planning recognises that we need to understand the changing needs of our customers and to provide them with services that are relevant. Our Corporate Best Practice Program 1996-2001, launched during the year, sets about modifying our organisational culture to support many outcomes, one of which is improvement in customer service.

One of the indicators in place, is to formally record and monitor compliments and complaints received. This is seen as an opportunity to where we should focus our continuous improvement efforts. This monitoring mechanism continues to be refined, to ensure that there is no gap between the willingness to complain and the actual level of complaints.

DPWS formally recorded 256 external compliments and 84 external complaints during the year. In the previous reporting period, 141 compliments and 81 complaints were formally recorded. Complaints in our changing culture are seen in a positive way and will continue to be encouraged, so customer concerns can be addressed.

The analysis of complaints has highlighted deficiencies or scope for improvement to our existing systems. This has enabled many corrective and preventative actions to take place. Some examples of actions stemming from complaints include: improved checking of contents

before despatching, delivery times adjusted to reflect customer needs, closer consultation with contractors on aspects such as safety and site access improved printing instructions and certain types of advertisement bookings be confirmed by telephone as well as facsimile.

During the year, DPWS also continued with the Quality Customer Service Program that had begun in the previous year. Of the four projects, the Electronic Links with Customers and Defect Free Projects at Handover and Reduced Customer Error Credits were implemented. Our client for the Treasury Management Agreement Project asked we not proceed until the current agreement elapses.

While not all the results are quantifiable, Phase I of the Electronic Links with our Customer Project saw increased productivity by the sharing of information with our customers. Of the 329 projects completed in our Operations Division, 222 were reported as having nil defects at the practical completion stage. While complete figures are not available for all of the previous year (1994/1995), each six monthly period from 1/1/95 to 30/6/95 has resulted in fewer projects being handed over with defects. As at the end of the reporting period, 77% of projects were handed over with nil defects compared with 44% at the corresponding period for the previous year.

APPENDIX N

STATUTORY RESPONSIBILITIES

Major Litigation

On 2 August 1995, BT Australasia P/L commenced proceedings in the Federal Court against the State of NSW and Telstra Corporation Ltd. The Department of Public Works and Services has responsibility for the conduct of the litigation on behalf of the NSW Government.

The litigation arises out of an agreement BT Australasia had with the State Government for the design, implementation and operation of a telephone and data network for NSW government agencies. The Agreement was signed in November 1992 with a ten year term, and was administered within the Government's then Commercial Services Group which in April 1995 became part of the new Department of Public Works and Services.

In view of BT Australasia's court action and purported termination of the Agreement, the Government formally terminated the Agreement on 10 August 1995.

BT Australasia makes a number of claims against the State and Telstra alleging breaches of the Trade Practices Act and the NSW Fair Trading Act. BT Australasia also alleges that the State breached the Agreement. BT Australasia's claim for damages remained unquantified as at the end of June 1996.

The State's defence was filed on 29 November 1995 and essentially denies all BT Australasia's claims.

On 2 April 1996 the State filed a cross-claim joining BT Australasia's ultimate holding company British Telecommunications Plc. in the proceedings and in turn claiming damages for breach of contract and breaches of the Trade Practices Act and Fair Trading Act.

At the end of June 1996, parties were proceeding with discovery and inspection of documents.

MAIN OFFICES & BUSINESS ADDRESSES

HEAD OFFICE

McKell Building 2-24 Rawson Place
Sydney NSW 2000

Tel: (02) 9372 8877
Fax: (02) 9372 7070

Internet address:
<http://www.dpws.nsw.gov.au>

METROPOLITAN REGIONAL OFFICES

Metnorthwest Region

236 Richmond Road
Doonside NSW 2767

Tel: (02) 9672 5111
Fax: (02) 9672 5255

Metsouth Region

Level 7 Civic Tower
66-72 Richard Road
Bankstown NSW 2200

Tel: (02) 9795 0777
Fax: (02) 9795 0888

COUNTRY REGIONAL OFFICES

Hunter-New England Region

117 Bull Street
Newcastle West NSW 2302

Tel: (049) 26 9920
Fax: (049) 26 9954

North Coast Region

Dalley Street
Lismore NSW 2480

Tel: (066) 20 1600
Fax: (066) 20 1666

South Coast Region

84 Crown Street
Wollongong NSW 2500

Tel: (042) 26 811
Fax: (042) 26 8534

Riverina/Western Region

140 William Street
Bathurst NSW 2795

Tel: (063) 33 4290
Fax: (063) 33 4279

BUSINESS UNIT ADDRESSES

NSW Supply Service

Level 9, I Francis Street
Darlinghurst NSW 2010

Tel: (02)9339 7111
Fax: (02)9339 7583

Information Technology Service

Level 10, I Francis Street
Darlinghurst NSW 2010

Tel: (02)9339 7675
Fax: (02)9332 2640

State Fleet Services

Level 13, I Francis Street
Darlinghurst NSW 2010

Tel: (02)9339 7426
Fax: (02)9339 7186

Government Advertising Agency

Level 1, I Francis Street
Darlinghurst NSW 2010

Tel: (02)9339 7539
Fax: (02)9339 7170

Government Information Service

Unit 10, Block V
39I Park Road
Regents Park NSW 2143

Tel: (02)9752 1111
Fax: (02)9743 7124

Government Printing Service

Units 4 & 5, Block V
39I Park Road
Regents Park NSW 2143

Tel: (02)9743 8777
Fax: (02)9743 8588

Q Stores

4-6 Huntley Street
Alexandria NSW 2015

Tel: (02)9318 7888
Fax: (02)9318 7886

State Mail Service

15 Everley Road
Chester Hill NSW 2162

Tel: (02)9752 1700
Fax: (02)9743 8746

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