

NSWbusinesslink NSW Businesslink Pty Ltd Annual Report 2004 – 2005



...delivering shared services



NSWbusinesslink

The Hon Reba Meagher MP
Minister for Community Services
Minister for Youth
Member for Cabramatta
Level 37, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Dear Minister

In accordance with the *Annual Reports (Departments) Act 1985*, I am pleased to submit to you, for presentation to Parliament, a report on the activities of NSWbusinesslink for the reporting period 1 July 2004 to 30 June 2005.

This document also contains the Annual Report for NSW Businesslink Pty Ltd, the company created to deliver shared corporate services to the Departments of Ageing, Disability and Home Care; Community Services and Housing.

Yours sincerely

Pat Richards
Managing Director

Contents

NSWbusinesslink Annual Report	5
NSWbusinesslink Financial Statements	17
NSW Businesslink Pty Ltd Annual Report	33
Reforming Shared Corporate Services	35
Building a Shared Services Platform	49
2005-06 Business Plan Highlights.....	55
NSW Businesslink Pty Ltd Financial Statements.....	61
Appendices	87
Index.....	99

NSWbusinesslink
NSW Businesslink Pty Ltd
Annual Report
2004-05

ISSN 1832-7206

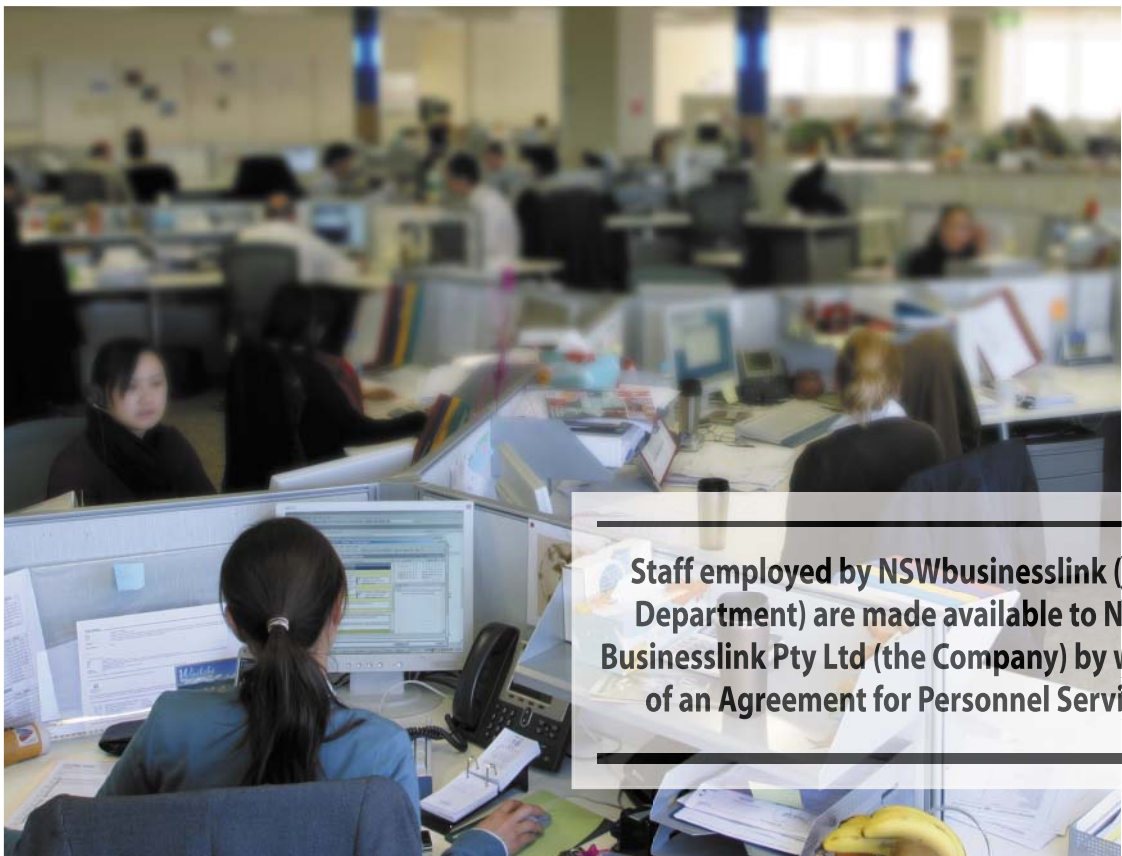
Published by:
NSW Businesslink Pty Ltd
21-31 Moore Street
Liverpool NSW 2170

©2005 NSW Businesslink Pty Ltd

This report was produced by the Business Development and Support Division of NSW Businesslink Pty Ltd.
100 copies of the report were produced at a total external cost of \$1,039.
The full version of this report is also available on our website at www.businesslink.nsw.gov.au
Please note that figures in this report may not add up to 100% due to rounding.

1

NSWbusinesslink Annual Report



Staff employed by NSWbusinesslink (the Department) are made available to NSW Businesslink Pty Ltd (the Company) by way of an Agreement for Personnel Services

CHARTER

NSWbusinesslink is a NSW Government Department established under the NSW *Public Sector Employment and Management Act 2002* to provide staff to NSW Businesslink Pty Ltd, a Corporations Law company incorporated to deliver shared corporate services to the three Human Services agencies of Ageing, Disability and Home Care, Community Services and Housing by way of a Agreement for Personnel Services.

MINISTER

The Minister for Community Services is also the Minister for NSWbusinesslink.

AIMS AND OBJECTIVES

NSWbusinesslink exists to provide public sector employment conditions to its staff whose services are in turn supplied to NSW Businesslink Pty Ltd by way of an Agreement for Personnel Services.

MANAGEMENT AND STRUCTURE

Name	Office	Qualification	Period Served
Patrick Richards	Managing Director and Chief Executive Officer	C.A.	1 July 2004 to 30 June 2005
John Kobal	Chief Information Officer	B.E, Grad Dip Appl Comp, Elect and Comm Cert, MACS	15 February 2005 to 30 June 2005
Philip Clark	Director, Business Development and Support	M. Org. Dev., Grad. Cert. Adult Education	16 February 2005 to 30 June 2005
Wayne De Gruchy	Director, Finance Services	B.Bus, FCPA, ACIS	11 April 2005 to 30 June 2005
Mavir Jimenez	Director, HR Services	B.Bus, B.Comm, AHRI	12 April 2005 to 30 June 2005
David Meehan	Director, Business Services	MPPM, Grad. Dip. Human Services Research	4 April 2005 to 30 June 2005
Robert Hurst	Manager, Financial Services	B.Bus (D), Pub Admin Cert (Hons), M.Com, Grad Dip Mgmt, FCPA, FICS	1 July 2004 to 11 April 2005
John Kobal	Manager, IT Services	B.E, Grad Dip Appl Comp, Elect and Comm Cert, MACS	1 July 2004 to 15 February 2005
Mary Palaric	Manager, Transaction Services	B.A, Pers Mgmt Cert (Hons)	1 July 2004 to 25 February 2005
Philip Wheeler	Manager, Human Resources	B.A, M.A, FIPAA	1 July 2004 to 25 February 2005
Glenn Wran	Manager, Specialist Services	MBA, Grad Mgmt Cert, Grad Comm Law Cert	1 July 2004 to 27 May 2005



EXECUTIVE OFFICERS

Number of Senior Executive Service positions at 30 June 2005

SES Level	2004-05
7	0
6	0
5	1
4	1
3	4
2	0
1	0
Total SES Officers	6
Total Female SES Officers	1

Senior Executive Performance

Pat Richards, Managing Director, Chief Executive Officer (SES) Level 5.

Remuneration package: \$222,300.

Period in position: 1 July 2004 - 30 June 2005.

The Minister has authorised the Chair of the Board, NSW Businesslink Pty Ltd, to conduct the performance review for the Managing Director.

The Chair has indicated that the performance of Pat Richards has met the outcomes required. Major achievements included:

- Statement of Business Intent prepared and endorsed by shareholders,
- Conducted an organisational review and implemented Divisional restructure,
- Implemented key service delivery framework including Business Service Centre and Regional Offices,
- Service Partnership Agreements negotiated and signed with client agencies,

- Corporate policy manual endorsed by Businesslink Board, and
- Successful implementation of major ICT programs including SAP systems and CSC Transition.

OVERSEAS TRAVEL

No overseas travel was undertaken by any NSWbusinesslink officer for Departmental purposes in the reporting year.

ECONOMIC OR OTHER FACTORS

The Department was not affected by any economic or other factors in the reporting period.

PROGRAM EVALUATION RESULTS AND PERFORMANCE MANAGEMENT

The Department did not undertake any program evaluation in the reporting period.

LEGAL CHANGE

There have been no changes in Acts or subordinate legislation, nor any significant judicial decisions affecting the Department in the reporting period.

DISCLOSURE OF CONTROLLED ENTITIES

NSWbusinesslink does not have any controlling interests in other entities.

RISK MANAGEMENT AND INSURANCE ACTIVITIES

NSWbusinesslink participates in the NSW Treasury Managed Fund, a self-insurance scheme providing worker’s compensation and insurance coverage for legal liability and

miscellaneous cover. One of the conditions of this insurance coverage is a requirement to place a high priority on the implementation of sound risk-management practices.

NSWbusinesslink is seeking to strengthen and strategically manage risk across the organisation. The Department is establishing a risk management policy, approach, and strategic framework consistent with Australian/New Zealand Standard for Risk Management (AS/NZS 4360:1999).

CREDIT CARD CERTIFICATION

There are no credit cards on issue in the name of the Department.

LAND DISPOSAL

No property disposals were made on behalf of the Department in the reporting period.

FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

NSWbusinesslink did not make any grants to non-government community organisations in the reporting period.

HUMAN RESOURCES

Number of Officers and Employees by Category

As at 30 June 2005, the Department employed 502 Permanent and 124 Temporary employees. Please see this section in the Company's Annual Report for details of divisional allocation of these staff.

Exceptional Movements in Wages, Salaries or Allowances

Staff salaries (and some allowances) were increased by 4% for the entire reporting year following the acceptance of the NSW Government's offer of settlement in relation to the PSA public sector salary claim.

Personnel Policies and Practices

NSWbusinesslink shares a Policy Manual with NSW Businesslink Pty Ltd (the Company) which was developed during the reporting year. The Policy Manual is designed to interpret the intent of the Company's strategic plan by clarifying the framework within which staff can consistently operate both as a government Department and a corporate entity. The Policy Manual helps define the interface between individual, private and public sector and is guided by relevant legislation, Premier's Memoranda and Circulars and NSW Treasurer's Directions. The Policy Manual includes some broad personnel policies. More specific human resources policies are planned for development and negotiation with employee association representatives. These will be published on the Department's Intranet site. The intention is to provide a comprehensive array of policies to support managers in fulfilling their people management responsibilities and to guide employees on employment and other workplace conditions.

Industrial Relations Policies and Practices

NSWbusinesslink maintains a high level of consultation with the Public Service Association through the Joint Consultative Committee, regular updates with the Managing



Director and meetings about specific issues as appropriate.

There were no dispute notifications to the NSW Industrial Relations Commission against NSWbusinesslink in the reporting period.

EQUAL EMPLOYMENT OPPORTUNITY

NSWbusinesslink collects Equal Employment Opportunity (EEO) data regularly for the Premier's Department as part of the NSW Public Sector Workforce Profile which measures performance in meeting NSW Government benchmarks for staff from EEO minority groups and informs planning and development of EEO initiatives.

The 2005 workforce profile indicated that women represent 57 per cent of all employees with the highest proportion (28 per cent) employed at the salary level \$58,254-\$75,331 per annum. Men represented 43 per cent of all employees with the highest proportion (36 per cent) employed at the salary level \$58,254-\$75,331 per annum.

The proportion of Aboriginal and Torres Strait Islander staff was 0.3 per cent, which is below the benchmark of 2 per cent. This outcome was affected by staff turnover. The proportion of staff from racial, ethnic, or ethno-religious minority groups was 32 per cent. Of this group, 29 per cent were staff whose first language was not English. The proportion of staff with a disability was 12 per cent. Of those with a disability, 4.2 per cent required workplace adjustment.

As outlined in the tables below, EEO groups are reasonably represented and distributed

within NSWbusinesslink. Strategies and programs aimed at reaching and exceeding benchmarks will be developed in 2005-06.

To fulfil its objectives relating to equity and diversity in the workplace, NSWbusinesslink will focus on strategies to:

- develop and implement an equity and diversity plan,
- develop and implement a program to increase the representation of Aboriginal and Torres Strait Islander people in Businesslink by participating in targeted recruitment initiatives,
- develop a support network for Aboriginal and Torres Strait Islander people in Businesslink,
- develop initiatives to increase the representation of women (particularly at higher salary levels in the organisation),
- develop initiatives to increase the representation of people whose first language is not English (particularly at higher salary levels in the organisation),
- develop, maintain and support successful sector-wide equity and diversity programs such as Spokeswomen, SkillMax, Migrant Work Experience and Springboard, together with a focus on EEO issues in relevant organisation development programs,
- integrate equity and diversity programs into the corporate and business planning cycle, and
- regularly review of HR policies to ensure the support the Department's equity and diversity objectives.

Trends in the Representation of EEO Groups

EEO Group	Benchmark or Target	% of Total Staff			
		2002	2003	2004	2005
Women	50%	-	-	-	57%
Aboriginal People and Torres Strait Islanders	2%	-	-	-	0.3%
People whose first language was not English	20%	-	-	-	29%
People with a disability	12%	-	-	-	12%
People with a disability requiring work-related adjustment	7%	-	-	-	4.2%

Trends in the Distribution of EEO Groups

EEO Group	Benchmark or Target	% of Total Staff			
		2002	2003	2004	2005
Women	100%	-	-	-	87%
Aboriginal people and Torres Strait Islanders	100%	-	-	-	n/a
People whose first language was not English	100%	-	-	-	95%
People with a disability	100%	-	-	-	97%
People with a disability requiring work-related adjustment	100%	-	-	-	100%

Notes:

1. Staff numbers are as at 30 June 2005.
2. Excludes casual staff
3. A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated by the software provided by ODEOPE.
4. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

DISABILITY ACTION PLAN

Section 9 of the *Disability Services Act 1993* requires the Department to prepare and implement a plan to encourage the provision of services in a manner that furthers the principles outlined in the legislation which aim to improve the opportunities for people with disabilities to share fully in community life in NSW. A plan is required to be developed not later than 2 years from commencement of the organisation, which for NSWbusinesslink is 30 June 2006.

NSWbusinesslink's Plan will be designed to be consistent with the NSW Government's Disability Framework and will outline the Department's commitment to:

- ensuring people with disabilities have full access to services,
- ensuring people with disabilities have maximum opportunities to use their skills and abilities within NSWbusinesslink, and
- providing appropriate adjustment for employees with disabilities.

Key result areas will focus on access, employment and services.

While the Disability Action Plan is yet to be fully developed, progress has been made in the key result areas of Access and Employment.

Access

- Provision of disability parking spaces within the building for visitors with disabilities to ensure ease of access
- Disability access considered in the location and design of Regional Service Centres

- Use of email broadcasts as a preferred means of distributing information to staff increasing access to staff with a hearing impairment.

Employment

- Flexible work arrangements such as working from home or varied flex time arrangements are available for people with a disability.
- Provision of disability parking spaces for staff with disabilities.
- Allocation of Telephone Typewriters (TTY) to staff with hearing impairments.
- Provision of signing interpreters for staff with hearing impairments at key Businesslink presentations.
- Reasonable adjustment for employees with disabilities is actively considered including the purchase of special equipment, job design, training and development.

NSW GOVERNMENT

ACTION PLAN FOR WOMEN

NSWbusinesslink was not required to report against the NSW Government Action Plan for Women in the reporting year.

ETHNIC AFFAIRS PRIORITIES STATEMENTS

NSWbusinesslink has a firm commitment to the principles of multiculturalism and seeks to fulfil its mission with awareness of, and sensitivity to, the cultural backgrounds of the people we serve.

An Ethnic Affairs Priorities Statement will be prepared in the forthcoming year and will

be based on the Community Relations Commission model framework for agencies with limited ethnic affairs responsibilities.

OCCUPATIONAL HEALTH AND SAFETY

To meet the requirements of the *Occupational Health and Safety Act 2000*, the *Occupational Health and Safety Regulation 2001* and Government policy as outlined in “*Taking Safety Seriously – A systematic approach to managing workplace risks in the NSW public sector - policy and guidelines, 2002*”, the Department commenced the establishment of an Occupational Health and Safety (OH&S) Framework.

Key achievements relating to the framework included:

- development of an OH&S Improvement Plan to drive the creation of the OH&S Management System,
- design, development and implementation of a comprehensive OH&S Management System,
- development of key OH&S policies,
- implementation of an OH&S Hazard and Incident reporting and risk management system that is available to all staff through Employee Self-Service (ESS), and
- agreement with the Public Service Association on the OH&S Consultation framework.

Compliance with legislation, development of a robust OH&S management system and management of workplace risks remain the principal focus.

WORKERS' COMPENSATION

The Department is in its first year as a member of the Treasury Managed Fund (TMF), a self-insurance scheme owned and underwritten by the NSW Government.

Fourteen new Workers' Compensation claims were filed in 2004-05 and there were no prosecutions under the *Occupational Health and Safety Act 2000*.

CONSUMER RESPONSE AND GUARANTEE OF SERVICE

Please see this section in the Company's Annual Report.

PAYMENT OF ACCOUNTS

Please see this section in the Company's Annual Report.

FREEDOM OF INFORMATION

Application for access to documents under the NSW *Freedom of Information Act (1989)* should be accompanied by a \$30 application fee and forwarded to:

The Freedom of Information Officer
NSW Businesslink Pty Ltd
Locked Bag 7455
Liverpool BC NSW 1871

During the reporting period there were no requests for information and no requests for notification or amendment of personal records made under the Act.

PRIVACY MANAGEMENT PLAN

NSWbusinesslink has developed a Privacy Management Plan in response to the *Privacy*

and *Personal Information Act 1998*. The Act aims to protect the privacy of individuals from the inappropriate collection, storage, use and disclosure of personal information by NSW public sector agencies.

Businesslink's Privacy Management plan is based on established standards for using personal information in an open and accountable manner. The plan applies to all staff engaged by the Department and consultants or contractors engaged by the Company.

The complete Privacy Management Plan is available on request from the Department. Staff have access to the plan via the Departmental Intranet.

There were no privacy complaints received in the reporting year.

CONSULTANTS

The Department did not engage any consultants in the reporting period. For details on consultants engaged by the Company, please see this section in the Company's Annual Report.

WASTE AND ENERGY MANAGEMENT POLICY

Please see this section in the Company's Annual Report.

ELECTRONIC SERVICE DELIVERY

Departmental staff have access to most employee services through Employee Self Service. This Intranet based workflow management system is built into the SAP HR system and allows staff to process everything from leave requests to address changes from their desktop computer.

Standard forms, processes and contact details are hosted on the Department's Intranet where they can be completed online and submitted electronically by email.

For more information please see this section in the Company's Annual Report.

CODE OF CONDUCT

A new Code of Conduct was adopted by the Department during the reporting year and is included here in full.

NSW Businesslink Code of Conduct

Public employment carries with it a particular obligation to the public interest. It requires standards of professional behaviour from staff that promote and maintain public confidence and trust in the work of government agencies.

This Code of Conduct and Ethics outlines both the standard of behaviour expected of Businesslink employees and the values that will guide us. It is designed to help us understand our responsibilities and obligations, and provides guidance in ethical decision making and conflict of interest dilemmas.

Standards of behaviour

As employees of Businesslink we have a duty to:

- 1 Act according to the spirit and the letter of the law
- 2 Efficiently and effectively implement the policies of Businesslink and the NSW Government and corporations legislation.
- 3 Abide by the Code of Conduct and Ethics.

Values

The values that underpin Businesslink include:

- efficiency
- integrity
- innovation
- diversity
- fairness and
- quality.

Who does it apply to?

This Code of Conduct and Ethics applies to everyone employed by Businesslink including Senior Executive Service staff, permanent and temporary employees, in-house consultants and contractors in relation to work done for Businesslink. We also expect others engaged to provide Businesslink with service, information, products or advice to adhere to these principles.

General principles

The people of New South Wales have a right to expect the business of the State to be conducted with efficiency, economy, fairness, impartiality and integrity. To meet this expectation, all public employees must adhere to the following principles when doing their work.

Responsibility to the Government of the day

Employees are to implement the policies and decisions of the Government of the day in an impartial manner. In particular, employees must comply with any relevant legislative, industrial and administrative requirements, regardless of personal opinion.

Respect for people

Employees are to perform their duties professionally and responsibly, and treat members of the public and our colleagues fairly and consistently, in a non-discriminatory manner.

We should also ensure that decisions and actions are reasonable, fair and appropriate to the circumstances, based on relevant facts, and supported by adequate documentation.

Integrity and public interest

Employees are to promote the integrity of the public sector and always act in the public interest and not in their private interests. They should not engage in activities, at work or outside work that would bring the public sector into disrepute.

Responsive service

Employees are to provide a relevant and responsive service to Businesslink's clients, providing them with all the necessary and appropriate assistance, information and options outlined in Businesslink policies and procedures.

Economy and efficiency

Employees should keep up to date with advances and changes in their area of expertise, and look for ways to improve performance and achieve higher standards of public administration.

Specific Responsibilities

In dealing with colleagues, clients and community groups we have a duty to:

- Treat all people with courtesy, respect and understanding, and demonstrate



concern for the general welfare of others

- Respect individual differences and lifestyle choices without judging others
- Act in a responsible and ethical manner whilst carrying out duties
- Provide an efficient, impartial and timely service
- Provide all available information to clients clearly and simply. Official information includes all Businesslink Company information and information held on behalf of its clients.
- Provide current information based on knowledge of legislation, policies and practices
- Communicate openly with others and seek to understand their position
- Maintain confidentiality and privacy of official information
- Not misuse or allow others to misuse official information
- Provide clear documentation to support all decisions made.

Guide to ethical decision making

If you are confronted by an ethical dilemma, ask yourself the following questions:

1. Is the decision or conduct lawful?
2. Is it consistent with government policy, Businesslink’s objectives and the Code of Conduct and Ethics?
3. What will the outcomes be for myself, my work colleagues, Businesslink and other parties?
4. Do these outcomes raise a potential or actual conflict of interest or lead to private gain at public expense?

5. Can the decision or conduct be justified in terms of public interest and would it withstand public scrutiny?
6. Does the decision in any way involve a legal question? If so, you should refer the decision to the Director, Business Development and Support who will offer confidential advice.

These questions should help you to focus on whether the decision you have to make, or the conduct that you are confronted with, will leave you exposed to criticism and possible disciplinary action. Remember, if you have any doubts discuss the issue with your manager or another senior manager before taking any action.

Conflicts of Interest

A conflict of interest exists when there is a likelihood that an employee could be influenced, or could be perceived to be influenced, by a personal interest when carrying out their job. Some conflicts of interest may lead to corrupt conduct.

Some situations that may lead to a conflict of interest include:

1. A relative or friend conducts business with Businesslink in an area you may be able to influence
2. Someone with whom you have had dealings with in a private capacity seeks your advice in tendering for Businesslink contracts
3. You are a member of a selection committee when a relationship exists with one of the applicants

4. You are looking for a conference facility and one of the possible sites offers you and your partner free accommodation for the weekend
5. Gaining a personal benefit from a Businesslink transaction – eg accruing personal Frequent Flyer points when travelling on Businesslink business; accruing Fly Buy points when buying petrol for a Businesslink car
6. Providing information to benefit or compromise a third party.

You must disclose any potential or actual conflicts of interest to your manager or other senior officer.

To deal with any conflicts of interest that may occur a range of options are available depending on the seriousness of the conflict:

1. Record the details of the disclosure, and take no further action because the conflict is minimal or can be eliminated by disclosure and/or effective supervision
2. The employee relinquishes the personal interest, eg a second job that compromises their impartiality
3. The employee transfers from the particular task where the conflict arises
4. The employee transfers from that area of work at no disadvantage in their terms and conditions of employment.

WHERE TO FIND US

NSW Businesslink Pty Ltd offices are open from 9:00am to 5:00pm.

Head Office

23-31 Moore Street Liverpool NSW 2170
Locked Bag 7466 Liverpool BC NSW 1871
Phone: 9765-3333
Fax: 9765-3711

Internet

www.businesslink.nsw.gov.au

Email

communications@businesslink.nsw.gov.au

Hunter Regional Service Centre

Suite 1B,
239 King Street Newcastle NSW 2300
PO Box 2160 Dangar NSW 2309
Phone: 4960 4646
Fax: 4960 4640

Northern Regional Service Centre

Suite 1,
120 Dalley Street Lismore NSW 2480
PO Box 1140 Lismore NSW 2480
Phone: 6626 4100
Fax: 6626 4111

Southern Regional Service Centre

Suite 1, Level 1,
7-9 Morisset Street Queanbeyan NSW 2620
PO Box 1629 Queanbeyan NSW 2620
Phone: 6200 5800
Fax: 6200 5811

Western Regional Service Centre

Suites 5 and 6, Level 1, Centrepoin Arcade
234-236 Summer Street Orange NSW 2800
PO Box 2552 Orange NSW 2800
Phone: 6392 8250
Fax: 6392 8266

2

NSWbusinesslink Financial Statements



**NSW Businesslink Pty Ltd undertakes
a broad range of Project Management
and Building Maintenance services
for its clients**



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

NSWbusinesslink

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of NSWbusinesslink:

- presents fairly NSWbusinesslink's financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- complies with section 45E of the *Public Finance and Audit Act 1983* (the Act).

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

The Managing Director's Role

The financial report is the responsibility of the Managing Director of NSWbusinesslink. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

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

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

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

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

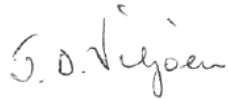
My opinion does *not* provide assurance:

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

Audit Independence

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

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



J D Viljoen
Director, Financial Audit Services

SYDNEY
19 October 2005

ADOPTION OF FINANCIAL STATEMENTS

1 JULY 2004 TO 30 JUNE 2005

The financial statements of NSWbusinesslink have been prepared in accordance with the statute provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2000* and the Treasurer's Directions.

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, it is recommended that:

The financial statements for the year ended 30 June 2005 be adopted and the Managing Director provide a statement to the effect that in his opinion the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2000* and the Treasurer's Directions, and that as at 19 October 2005 he is not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



W. De Gruchy
Chief Financial Officer

STATEMENT BY THE MANAGING DIRECTOR

for and on behalf of NSWbusinesslink

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, I, P. Richards, Managing Director, state that in my opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of NSWbusinesslink as at 30 June 2005 and transactions for the year then ended.

2. The statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2000* and the Treasurer's Directions.

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



P. Richards
Managing Director

for and on behalf of NSWbusinesslink



NSWbusinesslink
STATEMENT OF FINANCIAL PERFORMANCE
FOR YEAR ENDED 30 JUNE 2005

	Notes	2005 \$'000
Expenses		
Operating expenses		
Employee related	3	40 654
Other operating expenses	3	212
Total Expenses		40 866
Revenues		
Sale of staff services to NSW Businesslink Pty Ltd	2	40 866
Total Revenue		40 866
Net Cost of Services		-
Surplus/(Deficit) for the year from ordinary activities	12	-
Total revenues, expenses and valuation adjustments recognised directly in equity		-
Total changes in equity other than those resulting from transactions with owners as owners	9	-

The accompanying notes form part of these financial statements

NSWbusinesslink
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	Notes	2005 \$'000
ASSETS		
Current Assets		
Cash		1 573
Receivables	4	14 346
Prepayments	5	4 679
Total Current Assets		20 598
Total Non-Current Assets	6	-
TOTAL ASSETS		20 598
LIABILITIES		
Current Liabilities		
Payables	7	933
Provisions	8	5 491
Total Current Liabilities		6 424
Non-Current Liabilities		
Provisions	8	9 837
Total Non-Current Liabilities		9 837
TOTAL LIABILITIES		16 261
NET ASSETS		4 337
EQUITY		
Retained earnings	9	4 337
TOTAL EQUITY		4 337

The accompanying notes form part of these financial statements.



NSWBusinesslink
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2005

	Notes	2005 \$'000
Cash flows from Operating Activities		
Payments		
Employee related		43 976
Administrative and working		38
Other		1 193
Total Payments		45 207
Receipts		
Sale of staff services to NSW Businesslink Pty Ltd		30 205
Total Receipts		30 205
Net Cash used by Operating Activities	12	(15 002)
Net decrease in cash and cash equivalents		(15 002)
Opening cash and cash equivalents		-
- Administrative transfer from the Department of Housing		16 575
CLOSING CASH AND CASH EQUIVALENTS		1 573

The accompanying notes form part of these statements.

NSWbusinesslink
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1: SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

NSWbusinesslink (“the Department”), as a reporting entity comprises all the operating activities under its control. The Department employs staff under the *Public Sector Employment and Management Act 2002*. All of the Department’s staff services are provided to NSW Businesslink Pty Ltd (“the Company”). The Company is responsible for the provision of Corporate Services to the Department of Housing, the Department of Community Services and the Department of Ageing, Disability and Home Care.

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

b) Basis of Accounting

The financial report of the Department is a general purpose financial report prepared on an accruals basis and in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group (UIG) Consensus Views, the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2000* and the Treasurer’s Directions. Where there are inconsistencies between these requirements, the legislative provisions have prevailed. In the absence of a specific Accounting Standard, other authoritative pronouncements of

the Australian Accounting Standards Board or Urgent Issues Group Consensus Views, the hierarchy of other pronouncements as outlined in AAS 6 “Accounting Policies” is considered.

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

c) Cash and cash equivalents

Cash on hand and in bank and short – term deposits is stated at nominal value.

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

d) Employee Benefits and other provisions

Provision is made for benefits accruing for employees’ services up to reporting date in respect of salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably. On-costs such as payroll tax, workers’ compensation insurance premiums, employer’s contributions to superannuation and fringe benefits tax which are consequential to employment, are recognised as liabilities when the employee benefits to which they relate are recognised.

Provisions made in respect of salaries, annual leave and long service expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Long service leave expected to be settled beyond 12 months from reporting date, is measured at the present value of the

estimated future cash outflows after considering future wage and salary levels, experience of employees departures and periods of service. Expected future payments are discounted using market yields on national government bonds. These have been used by external actuaries in developing an appropriate short cut method for determining the liability.

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

The Department is responsible for the employees' superannuation entitlements under the State Superannuation Scheme, State Authorities Superannuation Scheme and State Authorities Non-Contributory Superannuation Scheme. The superannuation liability under these schemes has been adjusted to reflect the liability as assessed by Pillar Administration Corporation. As advised by Pillar the Department makes periodic contributions to the superannuation reserve account to discharge emerging superannuation liabilities.

e) Revenue recognition

Revenue is recognised when the Department has received or has the right to receive inflows of economic benefits, and the right to receive them is probable and can be reliably measured.

f) Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any debts when collec-

tion of the full amount is no longer probable. Debts which are known to be uncollectible are written off as identified.

g) Payables

These amounts represent liabilities for goods and services provided to the Department and other amounts, including interest prior to the end of the financial year. These liabilities are carried at cost which is the fair value of the consideration to be paid in the future. The amounts are unsecured and usually paid within 30 days of recognition.

h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the cost of acquisition of an asset or as an item of expense. Receivables and payables are stated with the amount of GST included.

The net GST recoverable or payable to the ATO is included as a current asset or liability in the Statement of Financial Position. Cashflows are stated on a gross basis in the Statement of Cashflows. The GST components of cashflows arising from investing and financing activities which is recoverable from or payable to the ATO is classified as operating cashflows.

i) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfer of programs/functions and parts thereof between NSW public sector agencies are designated as a "contribution by own-

ers” and are recognised as an adjustment to “Accumulated Funds”.

Transfers arising from an administrative re-structure between government departments are recognised at the amount at which the asset was recognised by the transferor government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

j) Comparative Figures

This is NSWbusinesslink’s first year of operations and there are no comparative figures.

NOTE 2: REVENUE

	2005 \$'000
Sale of staff services to NSW Businesslink Pty Ltd	40 866
Total sales of goods and services	40 866
Total revenue	40 866

NOTE 3: EXPENSES

	2005 \$'000
Employee related expenses	
Salaries and wages	33 250
Redundancy	996
Superannuation	(1 075)
Long service leave	1 019
Recreation leave and leave loading	3 533
Workers’ compensation insurance	172
Payroll tax and fringe benefits tax	2 430
Other	329
Total employee related expenses	40 654
Other operating expenses	
Auditor remuneration	30
Sundry	182
Total other expenses	212
Total expenses	40 866

NOTE 4: CURRENT ASSETS - RECEIVABLES

	2005 \$'000
Receivable from NSW Businesslink Pty Ltd	14 346
Total receivables	14 346

NOTE 5: CURRENT ASSETS - PREPAYMENTS

	2005 \$'000
Prepaid superannuation (i)	4 679
Total prepayments	4 679

(i) Pillar Administration has assessed the gross superannuation liabilities for the following defined benefits schemes; the State Superannuation Scheme, the State Authorities Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme. The assessment is in accordance with Australian Accounting

Standard (AAS25) - “Financial Reporting by Superannuation Plans”, which requires that a ‘market determined risk adjusted discount rate’ be applied as the valuation interest rate in the calculation of the value of accrued benefits. The financial assumptions that were applied by the actuary for 2005 and future years are: rate of investment 7.0%, rate of general salary increase 4.0% and rate of increase in CPI 2.5%.

The membership databases used in this year’s assessment were those as at 31 March 2005. Prepaid employer contribution to superannuation comprise:

	State Authorities Superannuation Scheme	State Authorities Non-Contributory Superannuation Scheme	State Superannuation Scheme	2005
	\$'000	\$'000	\$'000	\$'000
Investment Reserve	10 751	5 579	21 198	37 528
Less: Gross Liability	8 734	4 245	19 870	32 849
Prepaid contribution	2 017	1 334	1 328	4 679

NOTE 6: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

The Treasurer has approved that all Property, Plant & Equipment (including intangibles) be transferred to NSW Businesslink Pty Ltd at fair value on the 1 July 2004.

(i) Reconciliation

2005	Leasehold Improvements	Computer Equipment and Software	Office Furniture and Equipment	Motor Vehicles	Total
	\$,000	\$,000	\$,000	\$,000	\$,000
Opening balance	-	-	-	-	-
Transferred to the Department At Fair Value	3 639	9 383	41	348	13 411
Transfer to NSW Businesslink Pty Ltd	(3 639)	(9 383)	(41)	(348)	(13 411)
Carrying amount at end of year	-	-	-	-	-

NOTE 7: CURRENT LIABILITIES – PAYABLES

Accrued salaries, wages and on-costs	779
Creditors	150
Other	4
Total payables	933

NOTE 8: CURRENT/NON-CURRENT LIABILITIES – PROVISIONS

	2005 \$'000
Employee benefits and related on-costs – Current	
Recreation leave	4 611
Leave loading	249
Long service leave	631
	<u>5 491</u>
Employee benefits and related on-costs – Non-current	
Long service leave	9 837
	<u>9 837</u>
Total employee benefits and related on-costs	15 328
	<u>15 328</u>
Aggregate employee benefits and related on-costs	
Provisions – current	5 491
Provisions – non-current	9 837
Accrued salary, wages and on-costs (note 7)	779
	<u>16 107</u>

NOTE 9: CHANGES IN EQUITY

	2005 Accumulated Funds \$'000	2005 Total Equity \$'000
Balance at the beginning of the financial year	-	-
Administrative transfer from the Department of Housing	4 337	4 337
Surplus / (deficit) for the year	-	-
Balance at the end of the financial year	<u>4 337</u>	<u>4 337</u>

(i) On 1 July 2004, NSWbusinesslink ceased to be a division of the NSW Land & Housing Corporation when NSWbusinesslink, the department, was created. The net assets transferred from the Corporation to NSWbusinesslink comprise:

	2004 \$'000
ASSETS	
Cash	20 257
Receivables – other government departments	8 625
Plant and equipment	13 411
Total Assets	<u>42 293</u>

LIABILITIES

Accrued expenses	9 729
Interest bearing liability	13 500
Provision – employee benefits and related on-costs	14 727
Total Liabilities	<u>37 956</u>

NET ASSETS	<u>4 337</u>
-------------------	--------------

On 28 July 2005 the Treasurer approved the transfer of the following Assets and Liabilities from NSWbusinesslink, department to NSW Businesslink Pty Ltd effective on 1 July 2004.

	2005 \$'000
Transfer of Asset and Liabilities from NSWbusinesslink, department to NSW Businesslink Pty Ltd	
Cash	1 193
Receivables	8 624
Property, Plant & Equipment (including intangibles)	15 113
Accumulated Depreciation	(1 701)
Accruals	(9 729)
Interest bearing liability	(13 500)
Net Assets	<u>-</u>

NOTE 10: AGREEMENT FOR PERSONNEL SERVICES

An agreement has been entered into between the Department and NSW Businesslink Pty Ltd (“the Company”) for the provision of personnel services. Under the terms of the agreement, staff are employed by the Department under the *Public Sector Employment and Management Act 2002*, with their services being provided to the company. The Company is required to pay the Department, by way of fees for the services, an amount equivalent to all Employee Related costs and all Employment Administration costs.

NOTE 11: CONTINGENT LIABILITIES

As at reporting date, the Department is not aware of any major contingent liability, which will materially affect its financial position.

NOTE 12: RECONCILIATION OF NET CASH FROM/(USED IN) OPERATING ACTIVITIES TO RESULT FROM ORDINARY ACTIVITIES.

	2005 \$'000
Surplus / (deficit) from ordinary activities	-
Superannuation surplus distribution	(4 680)
Increase in other provisions	602
Increase in accounts payable and other creditors	(8 884)
Decrease in receivables	(2 040)
Net cash used by operating activities	(15 002)

NOTE 13: FINANCIAL INSTRUMENTS

For the purpose of these financial statements, a financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Terms, Conditions and Accounting policies

The Department’s accounting policies, including the terms and conditions of each class of financial asset and financial liabilities, both recognised and unrecognised, as at balance date are:

1. Financial Assets

Recognised Financial Instruments	Note	Accounting Policy	Terms and conditions
Receivables	4	Receivables include the amount owing by NSW Businesslink Pty of trade Ltd.	Receivables are settled in accordance with the terms of trade
		Receivables are carried at their realisable amounts.	

2. Financial Liabilities

Recognised Financial Instruments	Note	Accounting Policy	Terms and conditions
Payables	7	Liabilities are recognised for amounts to be paid in the future for goods received and services rendered to the Department, whether billed or not.	Liabilities are settled on receipt of invoices in accordance with terms of trade.

(a) Interest rate risk

Interest rate risk is the risk that a financial instrument’s value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities. The Department’s exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table:

2005	Weighted Average Effective Interest Rate	Floating Interest Rate \$'000	Non-interest Bearing \$'000	Total \$'000
Financial assets				
Cash on hand and at bank	5.15	1 573		1 573
Receivables			14 346	14 346
Total financial assets		1 573	14 346	15 919
Financial liabilities				
Trade Creditors			150	150
Other Payables			783	783
Total financial liabilities			933	933

(b) Credit risk

Credit risk is the risk of financial loss arising from the failure of one party to the contract to discharge its financial obligation. The Department's maximum exposure is the carrying amount of financial assets, net of provision for doubtful debts, is detailed below:

	Government/ Semi-Government \$'000	Banks \$'000	Other \$'000	Total \$'000
Cash	-	1 573	-	1 573
Receivables	14 346	-	-	14 346
Total assets	14 346	1 573	-	15 919

(c) Net fair value of financial assets and liabilities

For financial assets and financial liabilities, the net fair value approximates their carrying value. The carrying amounts and net fair values of financial assets and financial liabilities at balance date are:

	Carrying Amount 2005 \$'000	Net Fair Value 2005 \$'000
Financial assets		
Cash	1 573	1 573
Receivables	14 346	14 346
Total financial assets	15 919	15 919
Financial liabilities		
Payables	933	933
Total financial liabilities	933	933

NOTE 14: COMMITMENTS FOR EXPENDITURE

NSWbusinesslink has no commitments as at 30 June 2005.

NOTE 15: IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AEIFRS)

The Department will apply the Australian equivalents to International Financial Reporting Standards (AEIFRS) from 2005-06. The Department has managed the transition to the new standards by allocating internal resources to analyse the pending standards and Urgent Issues Group Abstracts to identify key areas regarding policies, procedures, systems and financial impacts affected by the transition.

The Department has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates").

In December 2004 NSW Businesslink Pty Ltd engaged accounting professional resources to provide additional expert advice on AEIFRS issues for the Department. These resources were used again in June 2005 to ensure the currency of the transition issues and assist in the calculation of the financial impact.

Shown below are management's best estimates as at the reporting date of preparing the 30 June 2005 financial report of the estimated financial impacts of AEIFRS on the Department's equity and profit/loss. The Department does not anticipate any material impacts on its cash flows. The actual effects of the transition may differ from the estimated figures below because of pending changes to the AEIFRS, including the UIG Interpretations and/or emerging accepted practice in their interpretation and application. The Department's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

The key area assessed for AEIFRS is:

Employee benefits

AASB 119 "Employee Benefits" requires the defined benefit superannuation obligation to be discounted using the government bond rate as at each reporting date, rather than the long term expected rate of return on plan assets. As the Department's superannuation obligation is not assumed by the Crown, this will decrease the defined benefit superannuation asset and change the quantum of the superannuation expense by \$14.869 million. This amount will be invoiced to NSW Businesslink Pty Ltd after 1 July 2005.

Reconciliation of equity under existing Standards (AGAAP) to equity under AEIFRS

	Notes	30 June 2005 \$'000 **	1 July 2004 \$'000 *
Total equity under AGAAP		4 337	4 337
Adjustments to accumulated funds:			
Defined benefit superannuation adjustment for change in discount rate	(i)	(14 869)	
Total equity under AEIFRS		(10 532)	4 337

* adjustments as at the date of transition

** cumulative adjustments as at the date of transition plus the year ended 30 June 2005

(i) Superannuation surplus as determined by Pillar Administration under AGAAP was \$4.679 million and reduced to a superannuation deficit of \$10.190 million using AEIFRS, AASB 119.

Reconciliation of surplus under AGAAP to surplus under AEIFRS

Year ended 30 June 2005	Notes	\$'000
Surplus under AGAAP		-
Defined benefit superannuation adjustment for change in discount rate	(i)	(14 869)
Loss under AEIFRS		(14 869)

NOTE 16: AFTER BALANCE DAY EVENTS

As required by AASB 1047 the Department will recognise the AEIFRS superannuation adjustment, of \$14.869 million, after 1 July 2005. In accordance with the agreement between the Department and the NSW Businesslink Pty Ltd for the provision of personnel services, (Note 10) the Company will be required to pay the Department, by way of fees for the services, an equivalent amount.

3

NSW Businesslink Pty Ltd Annual Report



Businesslink's sophisticated computer systems and wide area network support 12,000 users across New South Wales



Delivering Shared Services

I am pleased to present the first Annual Report for NSW Businesslink Pty Ltd.

NSW Businesslink is the shared corporate services provider to three NSW Government Human Services Departments: Ageing, Disability and Home Care; Community Services and Housing.

A great deal of progress has been made in the first twelve months of the Company's operations beginning with the successful transition of the business from the NSW Department of Housing and culminating in the delivery of the Company's first Statement of Business Intent and Annual Business Plan to Shareholders.

The Company has made significant progress towards realising its goal of becoming a valued provider of corporate services for its clients. Major milestones include:

- A restructure of operations and the recruitment of a new leadership team,
- Establishment of a common IT platform for the three client agencies,
- Establishment of a high capacity contact centre in Liverpool, and
- Implementation of major common software systems to automate human

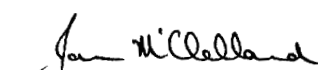
resources and financial management within the agencies.

The Board acknowledges the collaboration between the leadership of Businesslink and its clients in delivering these results.

With any new organisation there are challenges to be faced and NSW Businesslink has a full agenda for the coming year. The Annual Report sets out the major deliverables for the year which include:

- The development of a comprehensive financial model and pricing framework for services offered to clients,
- Continuous improvement of the quality and cost effectiveness of services to clients, and
- The negotiation of service level agreements with clients.

I would like to take this opportunity to thank my colleagues on the Board, the Managing Director and the staff of Businesslink for the achievements made this year.


Jan McClelland
Chair

30 September 2005

4

Reforming Shared Corporate Services

NSW Businesslink Pty Ltd (the Company) is the shared corporate services provider to the NSW Department of Ageing, Disability and Home Care (DADHC), the NSW Department of Community Services (DoCS) and the NSW Department of Housing (DoH).

NSW Businesslink was formed under the NSW Government program to reform corporate services across the public sector.

The rationale for establishing shared services was that such arrangements would

- improve corporate services delivery,
- enable agencies to focus on their core business,
- realise the benefits of technology, and
- reduce costs.

A Company and a Department

Originally established as a division of the NSW Department of Housing in December 2002, the NSW Government subsequently

approved the establishment of a dual structure. This allowed Businesslink to provide services to clients through a Company incorporated under the *Commonwealth Corporations Act 2001*, and to enable continuity of public sector employment conditions for the staff working for Businesslink through a Department scheduled under the *NSW Public Sector Employment and Management Act 2002*.

The name of the Company is NSW Businesslink Pty Ltd and the Department is NSWbusinesslink. The Company was created on 28 June 2004 and the Department was established on 1 July 2004.

SHARED SERVICES REFORM

The NSW Government endorsed a Shared Corporate Services Strategy to enable public sector agencies to significantly improve corporate services delivery, realise the benefits of technologies, reduce costs and deliver

more efficient and effective support for front line services and the public.

What are shared corporate services?

Shared corporate services are now widely regarded as the leading practice for corporate services delivery, through the benefits of economies of scale, access to expert advice, better customer service, transparency of information and online access for users and clients.

The shared corporate services concept capitalises on recent developments in corporate Information Technology (IT) applications that eliminate much of the routine manual transaction activity and make remote provision of services a viable, efficient and effective option. Consolidation can also improve the affordability of access to senior, professional advice in areas such as finance, human resources, procurement and IT. Shared corporate services shift the balance of activities and resources from repetitive transaction processing to value-adding expertise.

Rationale for NSW Businesslink

NSW Businesslink was established to provide shared corporate services to three key NSW Government human services Departments to:

- deliver improved service levels at reduced cost,
- act as a catalyst for a greater level of integration for the agencies common client base,
- improve services to internal business units, in turn improving the quality of service to external clients, and
- harness the benefits of technology for improved processing.

Staff who were providing corporate services functions in our three client agencies were transferred to Businesslink performing similar functions in order to minimise disruption, maintain corporate knowledge and provide continuity of “business as usual.”



GOVERNANCE

Businesslink is unique amongst NSW Government entities being both a Department and a Corporations Law Company.

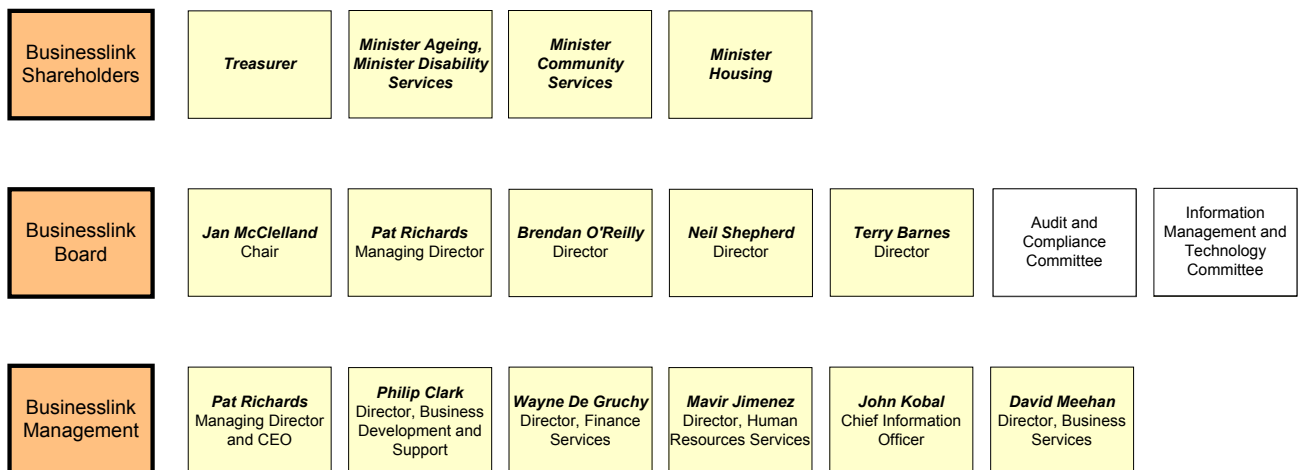
The Department was created on 1 July 2004 to provide employment to staff under the *Public Sector Employment and Management Act 2002*.

All other activities, including the provision of services to clients, is conducted by the Company, which was formed on 28 June 2004 under the *Commonwealth Corporations Act 2001* with equal shareholdings by the participating agencies and Treasury. The shareholders at 30 June 2005 were the following Portfolio Ministers of these agencies being:

- Minister Della Bosca, Department of Ageing Disability and Home Care,
- Minister Meagher, Department of Community Services,
- Minister Tripodi, Department of Housing, and
- Minister Refshauge, Treasury.

Under the Shareholder’s Agreement, the Company is required to operate within the parameters of a Statement of Business Intent, to be approved annually by Shareholders.

Staff are employed by NSWbusinesslink (the Department) and made available to the Company by way of an Agreement for Personnel Services.



NSW Businesslink Pty Ltd Governance Structure



NSW Businesslink Pty Ltd Board

[L-R] Brendon O'Reilly, Pat Richards, Jan McClelland, Terry Barnes, Neil Shepherd.

BOARD OF DIRECTORS

Jan McClelland, Chair

BA (Hons), BL

Ms McClelland was appointed as Chair of NSW Businesslink Pty Ltd in July 2004. She is an experienced senior executive and the former Director-General of the NSW Department of Education and Training, and Managing Director of the NSW TAFE Commission.

Ms McClelland also serves as a Director of the Boards of NRMA Motoring and Services, The Waste Recycling and Processing Corporation, the Festival Development Corporation and Stewart House Preventorium. She is a Member of the Council of the Univer-

sity of New England and an Associate of the University of Sydney.

Ms McClelland is a Fellow of the Australian Institute of Management, a Fellow of the Australian Council of Educational Leaders, a Member of the Australian Institute of Company Directors and a Member of the Institute of Public Administration of Australia.

Terry Barnes, Director

PSM, FLGMA

Terry Barnes is Director-General of the NSW Department of Housing, which has responsibility for the management of 145,000 houses and assets worth \$27 billion.

Prior to taking up his role with the Department in 2003, Terry was the General Manager of Parramatta City Council and was also State and National President of Local Government Managers Australia.

Terry has presented papers to conferences overseas and throughout Australia and was awarded a Public Sector Medal in recognition of his contribution to the people of NSW.

Brendan O'Reilly, Director

MMgmt (Education)

Brendan O'Reilly is Director-General of the NSW Department of Ageing, Disability and Home Care. He has previously held the positions of Deputy Director-General, NSW Premier's Department, Director-General, NSW Department of Sport and Recreation, Deputy Director-General, NSW Department of Community Services and Institute Director, TAFE NSW. Mr O'Reilly has previously served on the NSW Institute of Sport Board.

Pat Richards, Managing Director

CA

Pat Richards is the Managing Director of NSW Businesslink. Mr Richards has over twenty-five years experience in finance and shared services, most of which has been gained within the dairy industry in New Zealand. Most recently he served as General Manager, Finance and General Manager, Shared Services for the \$2.5 billion Anchor Group of companies.

Neil Shepherd, AM, Director

BVSc, PhD, BLegS

Neil Shepherd is the Director-General of the Department of Community Services. Previ-

ously Dr Shepherd was Director-General of the Environment Protection Authority from its establishment in 1992 until August 2000 and has held other Chief Executive positions including Director of the Ministry for the Environment (1989 – 1992); Director-General of National Parks and Wildlife Service (1993 – 1994); and Director and Chief Executive Officer of the Zoological Parks Board (1997 – 1998) and Deputy Director-General of the Cabinet Office from August 2000 to July 2002. Dr Shepherd has chaired and participated in numerous government Boards or committees at both state and national levels.

AUDIT AND COMPLIANCE COMMITTEE

The NSW Businesslink Pty Ltd Board established the Audit and Compliance Committee in December 2004. This Board Committee is tasked with:

- enhancing the systems of internal control of NSW Businesslink Pty Ltd,
- improving the objectivity and reliability of externally published financial information,
- promoting effective risk management
- maintaining an effective and efficient external and internal audit capability,
- reviewing key aspects of the financial management framework,
- periodically reviewing the financial structure, performance and associated accounting treatment, and
- ensuring legal compliance with the *Commonwealth Corporations Act 2001*, the *NSW Public Finance and Audit Act 1983* and all other applicable laws.

During 2004-05 the Committee comprised:

- the Chair of the Board (Jan McClelland, also appointed as Chair of this Committee),
- the Managing Director (Pat Richards),
- a Director (Terry Barnes) and
- an independent member (Jon Isaacs) appointed for a term of three years with rotation after that time.

The Committee met twice during the first year of operation of NSW Businesslink Pty Ltd - on 24 February 2005 and 26 May 2005. All four members of the Committee were present for these two meetings.

INFORMATION MANAGEMENT AND TECHNOLOGY (IM&T) COMMITTEE

The IM&T Steering Committee has been established as a Committee of the Businesslink Board. It is chaired by a Board Member (Pat Richards) and will include an independent IT expert in 2005-06.

The Committee's role is to develop a culture of communication and collaboration in order to progress the achievement of significant cross agency solutions, reduce duplication and mitigate risks in the shared service model.

The Sub-Committee provides oversight of all Information, Communication and Technology (ICT) initiatives, strategies and decisions and ensures that appropriate guidelines, procedures and structures are in place for all IT related projects across Businesslink and our client agencies.

The Sub-Committee plays a pivotal role in ensuring a business focus on achieving con-

vergence of technologies, applications and processes across Businesslink and the client agencies.

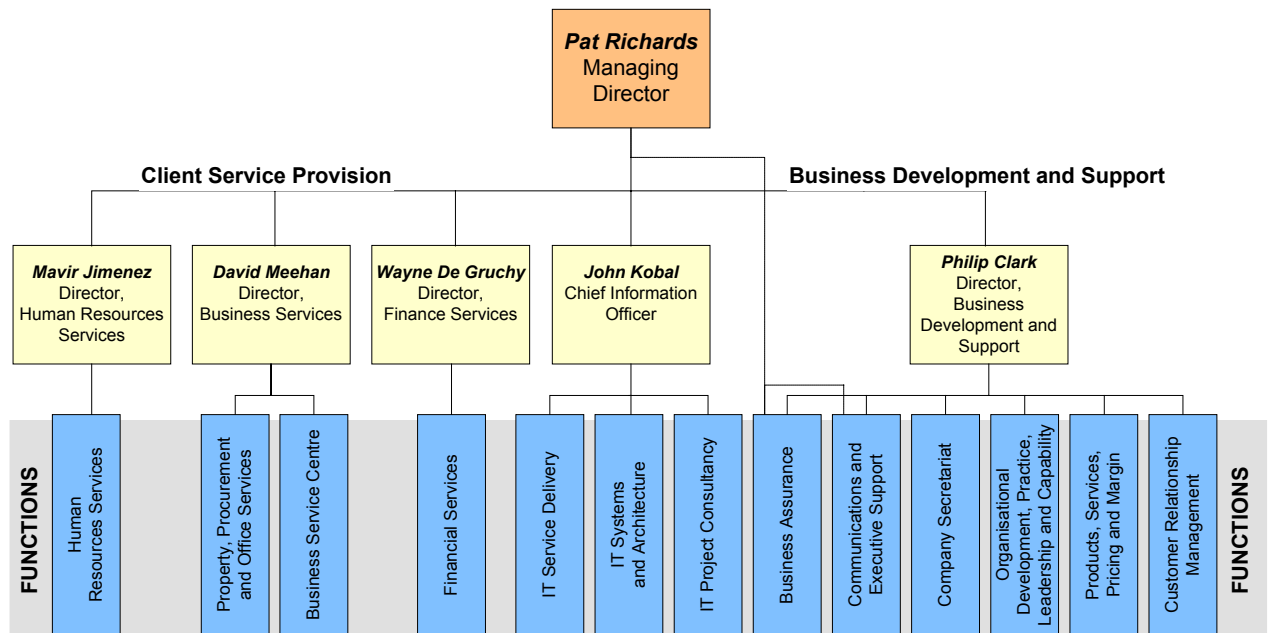
The Sub-Committee provides an assurance to the Board that effective risk management practices are in place at both the Strategic and individual program level.

The committee met twice during Businesslink's first year of operation, on 28 April and 26 May 2005.

Purpose

The IM&T Board Sub-Committee is responsible for:

- the strategic alignment of ICT plan to agency objectives/outcomes,
- approving significant changes to scope, budget, deliverables or benefits of specific projects within the agency,
- prioritising projects, investments and initiatives at feasibility stage and confirming priority assigned at the business case stage,
- tracking project performance against approved business case,
- reviewing benefits delivered by projects,
- the strategic risk management at agency level, and
- providing an escalation point for issue resolution or referral to the NSW Businesslink Board.



NSW Businesslink Pty Ltd Management Structure

MANAGEMENT STRUCTURE

NSW Businesslink underwent a Divisional restructure in December 2004 to simplify and improve service provision between Businesslink and its three client agencies.

The new structure reorganised Client Services into four logical divisions of Human Resources, Business Services and Financial Services and Information Technology. A new division, called Business Development and Support, was created to focus attention on the development of Businesslink’s own staff and product offerings.

Recruitment of a new executive Leadership Team was completed in April 2005.

NSW BUSINESSLINK LEADERSHIP TEAM

**Pat Richards, CA
Managing Director**

Pat Richards is the Managing Director of NSW Businesslink and is charged with building a world class shared services organisation. Pat was recruited from New Zealand by the Businesslink Board for his extensive experience in Finance and building and managing a shared corporate services organisation.

Pat has over twenty-five years experience in finance and shared services, most of which has been gained within the dairy industry in New Zealand. Most recently he served as General Manager, Finance and General Manager, Shared Services for the \$2.5 billion Anchor Group of companies. His strong interest and personal commitment to organisational development and capability is already being felt throughout Businesslink.

**Philip Clark,
M Org. Dev., Grad. Cert. Adult Education
Director, Business Development and Support**

Philip Clark is Director, Business Development and Support with responsibility for organisational capability and development, business development, strategic account management, corporate strategy, business assurance, marketing and communications, and the Company secretariat.

Philip's extensive management experience has been gained in a number of roles across the NSW Public Sector where he has developed and implemented corporate strategy in organisational capability, change management, adult education, human resource development, communications and high-level executive support. Philip was a member of the original project team that established NSW Businesslink in 2002.

**Wayne De Gruchy, BBus.
Director, Finance Services**

Wayne De Gruchy is Director, Finance Services and CFO with responsibility for all finance operations including Accounts Payable, Accounts Receivable, Management and Financial Accounting, Asset Management, Cash Management, Taxation and Budgets.

Wayne's experience in senior financial positions in both the public and private sectors including the Commonwealth Department of Agriculture, Fisheries and Forestry, Centrelink and the Pioneer International group of companies where he held accountability for all financial matters. Wayne is a Fellow of CPA Australia (FCPA) and is a Member of the Chartered Institute of Company Secretaries in Australia (ACIS).

**Mavir Jimenez, BBus., BComm.
Director, HR Services**

Mavir Jimenez is Director, HR Services. The HR Services portfolio includes both expertise functions of Industrial Relations, Learning and Development and strategic HR advice as well as the transactional area of payroll.

Mavir has extensive experience in both business management and human resource management gained from private sector experience working for professional services organisations including Andersen Consulting, Allianz Australia, PWC and Qantas Information Technology. Prior to joining Businesslink, Mavir established the Department of Housing Career Centre to develop talent management strategies for staff at all levels across the organisation. Mavir is a Fellow of the Australian Human Resources Institute (AHRI).

**John Kobal,
BE, Grad. Dip. Applied Computing
Chief Information Officer**

John Kobal is Chief Information Officer with responsibilities for the Information Technology and Communications (IT&C) portfolio supporting over 12,000 users of the Businesslink network.

John's senior management experience in IT has come from his various roles with the Civil Aviation Authority, the NSW Department of Housing and with NSW Businesslink. In 2002, John joined the NSW Businesslink Establishment Project and was instrumental in developing the initial IT Vision for Businesslink. He has since led the development of strategies for the transformation of the IT organisation to meet the



NSW Businesslink Leadership Team
[Back L-R] Philip Clark, Pat Richards, John Kobal,
[Front L-R] Wayne De Gruchy, Mavir Jimenez, David Meehan

challenges of delivering services to the three growing client agencies.

David Meehan,
MPPM, Grad. Dip. Human Services Research
Director, Business Services

David Meehan is the Director, Business Services. In his role he has responsibility for Property, Fleet and Records Management, Procurement, Office Services and the Business Service Centre.

Prior to joining Businesslink, David filled a broad and varied number of senior management positions both internationally and

within the Victorian State Government, particularly in the housing and public works portfolios. He advised both the Samoan and Kiribati Governments on contract development and the development of building standards and codes. More recently, David managed the statewide Leasing and Technical Services Group for the Victorian Department of Human Services.

David established and managed the Victorian Department of Human Services contact centre which won the prestigious Australasian Teleservices Associations Best Greenfield Site in 2004.

OUR SERVICES

Businesslink provides the following products and services to our clients:

Human Resources

- Recruitment
- Establishment
- Payroll
- Occupational Health and Safety
- Employee Relations
- Industrial Relations
- Learning and Development
- Performance Management
- Organisational Development
- Reporting
- Strategic HR Advice

Finance

- Accounts Payable and Purchase Orders
- Purchase Cards
- Journal entries
- Asset Management
- Accounts Receivable
- Manual Receipting and Banking
- Month End Accounting
- Management and Financial Reporting
- Consulting Services
- Cash Management
- Budget Formulation
- Budget Cycle Management
- Taxation

Information Technology

- End user support
- Systems support
- Operations Management
- Systems Design and Development
- Systems and Infrastructure Management
- Consulting and Project Management
- Data Centre operations
- Disaster recovery
- IT Security Management and advisory services
- Centralised IT Procurement

Business Services

- Business Service Centre (contact centre)
- Records Management
- Distribution Management
- Fleet Management
- Procurement
- Printing
- Facilities Management
- Property Management
- Administrative Support
- Reporting and Policy Compliance



OUR CLIENTS

Department of Ageing, Disability and Home Care

The NSW Department of Ageing, Disability and Home Care (DADHC) is one of the largest human services organisations in NSW delivering services to older people, people with disabilities and their carers to help them lead independent lives and have the opportunity to participate fully in community life. DADHC helps people with an intellectual disability to develop their skills and abilities so they can be more independent within their community. This includes delivering a range of community support services, respite care and supported accommodation services for children and adults, as well as early intervention services to babies and young children who have a developmental delay. DADHC also assists frail aged people, younger people with a disability and their carers with housekeeping and personal care by providing general domestic assistance, non-medical personal care, respite and overnight care, housekeeping, essential shopping and other home based services

NSW Businesslink serves 12,010 DADHC employees at over 221 offices across the state and received \$34.6M for the supply of services to that Department.

As well as drawing on the full range of corporate services offered by Businesslink, DADHC have also benefited from Businesslink's innovative assessment centre model of bulk recruitment, the implementation of the SAP systems for integrated human resource and financial management and the insourcing of their IT operation from CSC Australia.

Department of Community Services

The NSW Department of Community Services (DoCS) works to promote the safety and wellbeing of children and young people and to build stronger families and communities. In particular, they help those who are vulnerable and most in need. DoCS core work focuses on child protection starting with early intervention strategies to help build stronger families and communities. DoCS works to protect children and young people from risk of harm and to provide care for children and young people who are not able to live with their families.

NSW Businesslink serves 3090 DoCS employees at 111 offices across the state and received \$33.3M for the supply of services to that Department.

Businesslink provided a full range of corporate services to DoCS, including assistance in securing and fitout of appropriate office space, implementation of the SAP systems for human resource management and transitioning IT operations from CSC Australia.

Department of Housing

The NSW Department of Housing (DoH) is one of the largest providers of public housing in the world, providing a range of housing solutions to meet the needs of today's community. The Department provides housing, and housing assistance, through a wide range of programs and products for those on low incomes, the homeless, those at risk of homelessness and people that require housing with a range of support services. DoH directly manages almost 130,000 properties and provides an additional 17,000 properties through community housing providers.

Their range of services includes public housing advice, referral and assessment, private rental assistance, home purchase assistance, aboriginal housing, community housing, community regeneration, urban renewal, asset management and commercial investment.

NSW Businesslink serves 2,265 Housing employees at 104 offices across the state and received \$34.1M for the supply of services to that Department.

As well as drawing on the full range of corporate services offered by Businesslink, DoH have also benefited from Businesslink's expertise in updating the Department's key business system - the Integrated Housing System (IHS) which became necessary after the Department began its restructure in June 2002.

SERVICE PARTNERSHIP AGREEMENT

Services to client agencies are governed by a Service Partnership Agreement (SPA) which contains a standard Product Catalogue describing all of the services offered by NSW Businesslink. The Agreement provides certainty for Businesslink by committing client agencies to come to Businesslink first for the services listed in the product catalogue for the three year term of the Agreement. This will provide a solid and mutually beneficial foundation for the future, allowing Businesslink time to complete investments in new systems and carry out process reforms across the business.



SOURCES OF INCOME

Businesslink receives income from clients in two distinct ways. Firstly we receive monthly instalments of an agreed amount from each client. Work that is considered to be outside the baseline provision of corporate services is quoted and invoiced separately. Examples of this would include managing the fitout of a new office or a new software development project.

Over the course of 2005-06, NSW Businesslink in conjunction with its client agencies and Treasury will develop a new financial model that will be based on three product and service types. These are:

- **Transactional** - These services are priced as “unit-costed transactions”. Each time a client uses one of these transactions, they are invoiced for it. An example of this might be issuing a purchase order or arranging a vehicle service.
- **Firm Quotation** - Another class of services are “firm quotation project services”. A quotation is given to a client for the service. If they accept the quotation and place an order, an invoice is raised when that specific service is delivered. These are mainly, although not exclusively, IT or HR related.
- **Fixed Fee** - The third type of service has a pricing model called “fixed-fee” and covers services such as providing industrial relations advice and IT infrastructure. Clients are invoiced a certain amount each month for the provision of these services.

Changing the paradigm

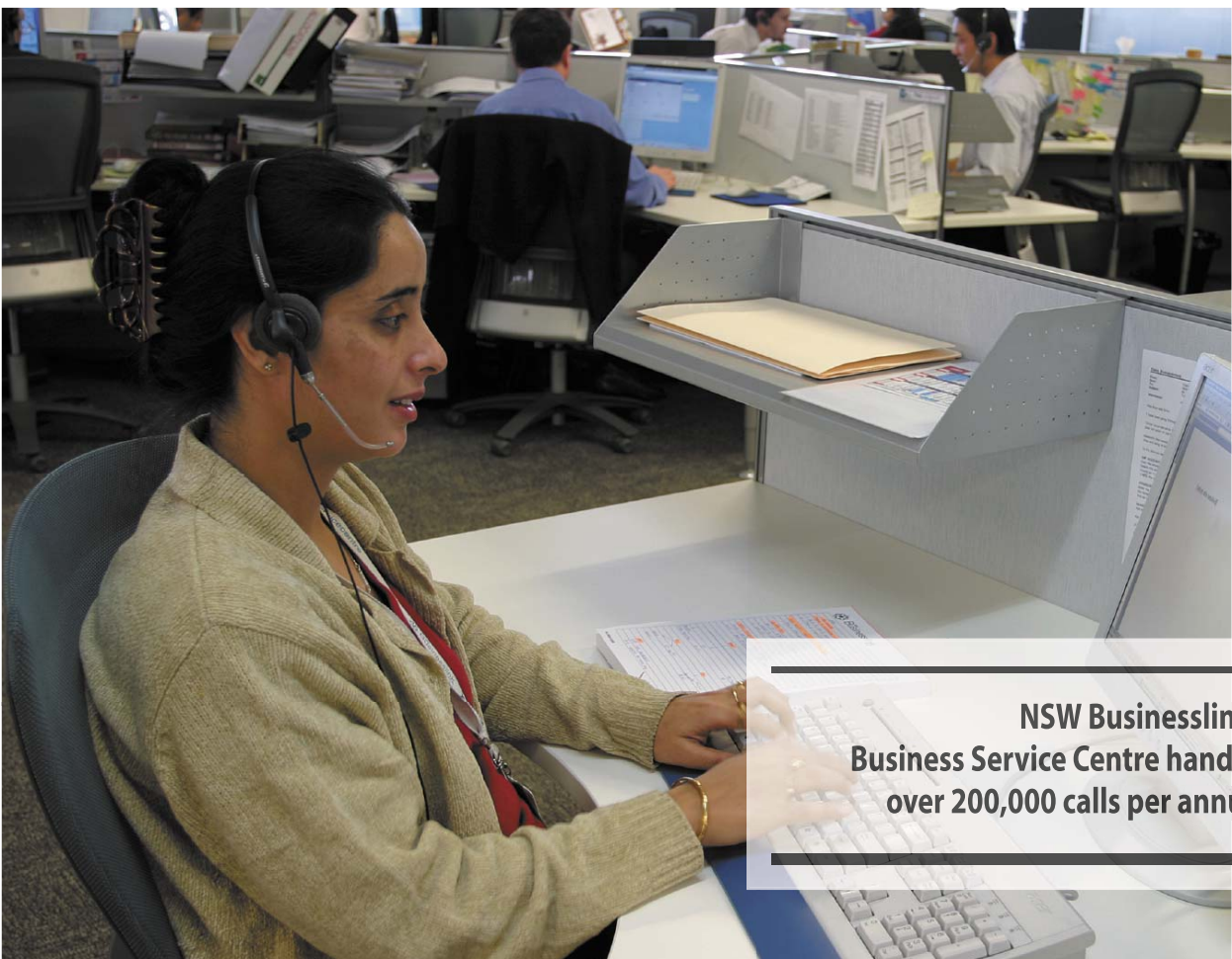
There are many issues to be faced in changing from a fixed-fee pricing model to a fee for service model. The greatest challenge is to unlock unit charges for each transactional service. Businesslink is addressing this issue on several fronts. Firstly a comprehensive and robust costing model will be developed in 2005-06. The figures derived from this exercise will then be benchmarked against industry best practice and the results negotiated with clients.

During the 2005-06 financial year Businesslink will provide clients with monthly invoices showing their consumption of corporate services and resultant costs. This will provide agencies with the information they need to understand the demand generated in their businesses and adjust their budgets appropriately for the 2006-07 financial year.



5

Building a Shared Services Platform



**NSW Businesslink's
Business Service Centre handles
over 200,000 calls per annum**

2004-05 was a very busy year for Businesslink. Two major programs of work, the CSC Transition Program and the SAP Program, which were responsible for putting into place the infrastructure needed for Businesslink to efficiently deliver corporate shared services, were drawing to a close. A divisional restructure was announced in December with the aim of better aligning leadership and responsibility with product service lines. A new leadership team was recruited and were in place by April 2005.

DELIVERING CUSTOMER SERVICE

Businesslink's Business Service Centre (BSC) is fast becoming the primary interface with our customers. Our vision for "one business, one number" is driving the development of skills and services in the BSC.

Our modern contact centre was opened in July 2004 and houses:

- the IT Helpdesk – providing technical support for computer users,
- the HR Helpdesk – fielding enquiries about payroll, and
- the Businesslink and Department of Housing head office switchboards

The BSC's staff of 48 will field more than 200,000 calls in 2005-06.

DELIVERING IT SERVICES

NSW Businesslink successfully transitioned DoCS and DADHC out of a large scale 'end-to-end' IT outsourcing contract to the Businesslink Shared Services Infrastructure. This was a large scale and complex program

that has reduced client agency reliance on high-cost external service providers.

The transition involved designing and building a new wide area network to connect 5,000 new users at over 150 sites to the Businesslink Shared Services Infrastructure. Key business applications for each agency were carefully analysed and moved to new servers managed by Businesslink so that impact to staff and service delivery was kept to the bare minimum.

Businesslink's IT services business has doubled as a result of the delivery of this program allowing Businesslink to provide similar, and in many cases better, service to DoCS and DADHC at a lower cost.

One of the lasting benefits of this program will be the implementation of a standard desktop, server and data communications platform which will allow future delivery of applications and services to be rapid, smooth and cost effective.

Facts and figures

- The new systems provided by Businesslink provide centralised email, file and print services, remote access, internet access and virus checking.
- DoCS desktop fleet was refreshed and migrated to Windows XP and Office 2003.
- Transition of 146 physical sites including DoCS Head Office at Ashfield and DADHC's Head Office in Sydney.
- KiDS Helpline transitioned without interruption to service.
- Installation of 4,661 new computers, 200 network switches, 120 routers, 80



Blade servers, 78 remote file servers and associated uninterruptible power supplies.

- Re-configuration of more than 900 printers.
- Re-wire and join over 10,000 connections in patch panels.
- Analyse, configure, package, test and deploy 55 user applications.
- Analyse, collect and create user lists and access rights for 5,000 users.
- Develop and deliver pre-transition awareness sessions across NSW for an audience of over 4,000 front line staff.

DELIVERING COMMON BUSINESS SYSTEMS

The NSW Businesslink SAP Program was established to deliver a series of major system rollouts that would improve operations and recognise efficiencies and economies of scale through streamlined service delivery between Businesslink and its clients.

In 2004-05 the major system implementations were:

1. SAP Human Resources (HR) and SAP Finance modules internally, which were completed in a 6-

week timeframe in readiness for corporatisation of Businesslink.

2. The rollout of SAP HR, Payroll, Employee Self-Service (ESS) for DADHC and DoCS, and Occupational Health and Safety (OH&S) modules for all four agencies.
3. The rollout of SAP Finance for DADHC’s Home Care Service and Business Warehouse Reporting for all of DADHC.

The key benefit of these projects is that HR/Payroll and Finance operations are now carried out using the same system for all clients.

The table below shows the status of SAP implementations amongst the four agencies.

The overall benefits and achievements of the SAP program include:

- 6,200 new users of the SAP system
- Addition of 15,500 staff to the SAP Payroll system
- A critical mass of SAP implementation skills and expertise was established
- The program delivered significant cost savings in implementation

SAP Modules	DADHC	DoCS	DoH	BL
OH&S	•	•	•	•
HR, Payroll, and Employee Self Service (ESS)	•	•	•	•
Managers’ Self Service (MSS)	•	•	•	•
Work Performance		•	•	
Training and Events		•	•	•
Portal Life and Work Events			•	•
Finance	•	•	•	•
Business Warehouse Reports	•			

SAP Implementation Status

by leveraging existing tools and experiences from previous projects

- The SAP OH&S implementation was the first in NSW Government
- Businesslink has assisted other agencies including the Department of Commerce and the Department of Infrastructure, Planning and Natural Resources with their SAP implementations.

SAP will be the platform for delivery of continued process improvements, process standardisation and service efficiencies that will enhance management reporting and result in improved business decision-making throughout Businesslink and its client agencies.

DELIVERING EFFICIENCIES THROUGH AGGREGATED PURCHASING

Businesslink invited suitably qualified organisations to tender for a three-year, cross-agency Employee Assistance Program (EAP). The appointment of Davidson Trahaire Corpsych (DTC) as provider for Businesslink and its client agencies was the end result of a substantial interagency consultation and model development cycle that crafted a common approach to contemporary employee assistance.

At the end of the first year of operation, utilisation of the program was 6%, which is under the state public service average of 7-9%. Staff and their families approached DTC for personal reasons (72%) and work reasons (28%).

A cross agency steering committee meets bi-monthly to guide and manage delivery of the services under the EAP contract.

DELIVERING INNOVATIVE NEW PRODUCTS

Businesslink's Organisational Development and Change Team managed a large recruitment project for one client to not only attract the best possible candidates in a statewide campaign but also reposition the client in the market and improve selection techniques.

Businesslink developed several tools to complete the project including:

- new look advertisements that included "value attraction" statements,
- a matrix of behavioural tasks that tested multiple knowledge, skill and experience requirements, and
- a cost efficient assessment centre delivery framework.

The term 'assessment centre' refers to an approach rather than a location and involves participants completing a range of exercises that simulate the activities that would be carried out by the position being advertised including:

- relating to people,
- resistance to stress,
- planning and organising,
- motivation and leadership,
- adaptability and flexibility,
- problem solving and decision making, and
- communication and initiative.

The key benefit for major recruitment programs is that candidates are objectively measured against predetermined behaviours and not subjectively compared with other candidates.



Candidates using the assessment centre framework felt that the process was fairer than traditional panels and allowed a greater scope for the demonstration of their knowledge and skills in real life scenarios. For the first time clients are able to compare candidates from across the State with a consistent measurement model.

The table below offers a comparison of the validity of behavioural assessment to other assessment techniques. Scores range between 0 (worse predictor) and 1 (perfect predictor).

Assessment Method	Validity
Assessment Centres	0.65
Behavioural Interviews	0.4 – 0.6
Work-sample Tests	0.54
Ability Tests	0.53
Modern Personality Tests	0.39
Biographical data	0.38
References	0.23
Traditional Interviews	0.05 – 0.19

(Source: British Psychological Society/ Accord Group).

In the coming year the Recruitment Solutions Team will continue to enhance its capability in delivering contemporary one-stop recruitment solutions. The team is exploring methods of gaining higher predictability in recruitment and retention of staff.

A project to electronically track data throughout the recruitment process is under way to better inform applicants and clients.

DELIVERING SERVICES WITH TECHNOLOGY

The NSW Businesslink Career Transition Unit works with displaced, supernumerary, and voluntarily redundant staff from our three client agencies. Its role is to efficiently transfer their skills and competencies within the NSW public sector, or in the case of voluntarily redundant staff, the broader labour market.

The Career Transition Unit has established itself as a leader in the provision of case management services particularly in its sophisticated use of electronic communication with displaced clients. The imperative for this is the broad distribution of staff across the state. Our approach includes centralised email and phone messaging systems, categorised email distribution lists, the weekly production and distribution of a searchable and reader friendly listing of jobs queued to be advertised through Jobs NSW, and other systems designed to support the access of displaced clients to job vacancies. This approach is augmented by complementary case manager initiated job matching systems.

DELIVERING MORE EFFICIENT PROCESSES

Business Process Reengineering (BPR) is the reviewing and redesign of business processes to achieve improvements in measures of performance, such as cost, quality, service, and speed.

Businesslink has embarked on a major campaign to examine and optimise every process in our business which involves:

- reviewing and mapping existing processes for better understanding,
- improving processes for efficiency and in accordance with client needs,
- modelling time and resources in completing process to understand costs and develop pricing models,
- ensuring there is a common understanding of our processes across the business,
- ensuring staff are equipped and empowered to carry out the processes,
- documenting the processes for ongoing reference, and
- reviewing the processes for quality management and ensuring they meet our clients needs and represent value for money.

BPR can mean dramatic change including the overhaul of organisational structures, management systems, employee responsibilities and performance measurements, incentive systems, skills development, and the use of information technology.

Goals for the Businesslink process review are:

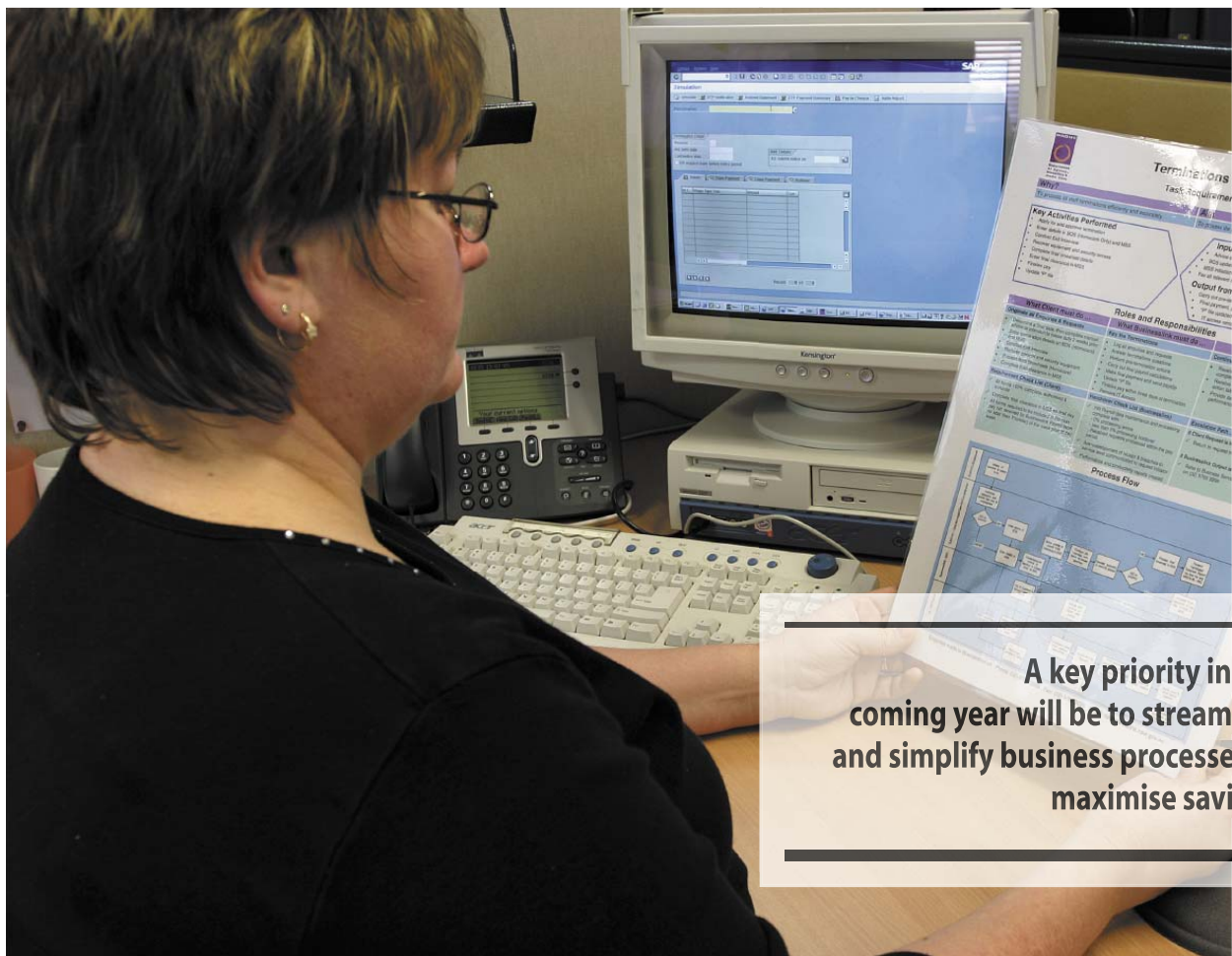
- reductions in cost or cycle time,
- substantial improvements in productivity, quality and customer service, and
- improved staff morale as increased productivity and success is recognised throughout the business.

The project is estimated to take two years. As each process is optimised comprehensive communication and training strategies will be implemented so that staff, clients and management can take full advantage of the realised benefits.

6

2005-06

Business Plan Highlights



A key priority in the coming year will be to streamline and simplify business processes to maximise savings

Businesslink's strategic directions are aligned with the vision of becoming the shared services provider of choice to our clients.

The coming financial year will see an emphasis on securing uniform business systems and procedures that deliver best practice cost outcomes and dividends to the client agencies through reduced costs.

Sustained high level of customer satisfaction

A major Businesslink theme over the next twelve months is 'client focus.' Businesslink aims to develop a flexible and responsive approach to clients where relationship management is the direct vehicle in which client demands are met.

Our client management strategy ensures that roles and responsibilities between Businesslink and our client agencies are clear and understood as per the established service agreements.

To sustain a high level of customer satisfaction in 2005-06, Businesslink will:

- develop and implement a client communication strategy for our products, services, and processes, and
- develop and implement a strategy to improve service accessibility to make it easy for our clients to do business with us.

Robust Governance Model

As Businesslink moves into the next phase of consolidation, emphasis will be placed on establishing, implementing and maintaining a robust governance model.

In 2005-06, Businesslink plans to:

- implement the agreed governance model,
- implement a strategic and business planning framework, which drives the budget and key decision making process,
- establish and agree on Key Performance Indicators,
- establish a Corporate Program Office, and
- develop and implement corporate policies and standard operating procedures.



Sustained Financial Viability

Strong financial governance will create value through clear financial planning and accountability, improve financial viability and create a sustainable base for matching client demand at the same time achieving benchmarked cost targets.

In achieving sustained financial viability for 2005-06, Businesslink will:

- review the 10 Year financial model based on updated cost base, volume, demand and market competitive pricing model,
- review the Capital Program based on client needs and return on investments,
- implement rigorous audit performance process,
- implement rigorous budget control process,
- introduce revenue reporting at the product/service level,
- implement a benefit realisation strategy to support investment decision, and
- develop and implement a financial risk management plan.

Building Employee Capability

With exposure to the risks associated with staff turnover, such as loss of corporate knowledge Businesslink will be addressing employee capability in 2005-06.

Businesslink will develop and implement an Organisational Development Program linked to core business objectives including a targeted recruitment strategy, performance management framework, leadership development program, staff training and coaching programs.

Specific actions for 2005-06 will:

- develop strategies to become client-focused,
- develop managers' leadership capabilities and strategies to promote leadership development,
- restructure Businesslink to enable the organisation to achieve strategic outcomes and support the governance model,
- develop and implement a Performance Management System,
- develop and implement a corporate learning and development strategy, and
- recognise and acknowledge staff achievements.

Provision of market competitive products and services

In the long term, Businesslink aims to achieve market competitive operations so that clients use Businesslink services by choice. This will be characterised by the achievement of market competitive operations benchmarked against market pricing, with Businesslink being in a strong position to expand product and service lines to reduce financial risk, spread fixed costs and further reduce unit prices.

To achieve this objective, the following actions will be undertaken in 2005-06:

- develop and implement a costing and pricing processes,
- develop and implement an invoicing process,
- implement regular review of services to ensure that it meets client and forecast requirements, and
- establish project management capability, tools and systems.

Streamlined and simplified corporate service processes

The following actions will be undertaken in 2005-06 to streamline and simplify corporate service processes:

- implement a Service Delivery Framework,
- re-engineer business processes to simplify and maximise savings,
- implement workflow and portal based technology for easy access to Businesslink services,
- leverage information technology to reduce product cost, enhance service levels and improve information security, and
- implement decision support processes and systems.

Transparency in business planning process

The business planning process is pivotal to the success of Businesslink. To ensure transparency and understanding of the business plan and its deliverables to all stakeholders, Businesslink will:

- develop and maintain an understanding of our customers' needs and priorities, and
- participate (by invitation) in the client agency planning process to improve coordination.

Agreed service levels and responsibilities

Agreed service levels and responsibilities is a key objective for Businesslink in the current phase. To ensure clarity around roles and responsibilities for deliverables from both parties, Businesslink will:

- implement Service Level Agreements with customers,
- measure and report performance against Service Level Agreements,
- work with client agencies to adapt service delivery to changing business imperatives,
- implement common architecture across client agencies to consolidate business and IT systems,
- aggregate purchase and procurement for a better buying power,
- make investment decisions based on sharing benefits with client agencies, and
- implement a common services platform through SAP Roadmap.

Common IT architecture and business processes

Businesslink understands the importance of common IT architecture and business processes. In 2005-06, we will:

- develop and implement revised ICT Strategies,
- consolidate business and IT systems by implementing common architecture across client agencies,
- aggregate procurement for a better buying power, and
- implement a common services platform.

Innovative business solutions

Businesslink wants to be successful and we realise that successful businesses are continually focused on innovation. To meet our corporate objective of supplying leading edge business solutions through innovation, Businesslink will:

- establish key benchmarking partnerships,
- invest in research and development of customer agreed levels to enable early adoption of leading edge business solutions, and
- exploit opportunities to pilot new technologies where business benefits are apparent.



7

NSW Businesslink Pty Ltd Financial Statements



Businesslink's Learning and Development team delivered over 35,000 student hours of training in the reporting year



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

NSW Businesslink Pty Ltd

To Members of the New South Wales Parliament and Members of NSW Businesslink Pty Ltd

Audit Opinion

In my opinion, the financial report of NSW Businesslink Pty Ltd is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of NSW Businesslink Pty Ltd's financial position as at 30 June 2005 and financial performance for the year ended on that date, and
 - (ii) complying with Accounting Standards in Australia, and the *Corporations Regulations 2001*,
- (b) other mandatory financial reporting requirements in Australia, and
- (c) section 41B of the *Public Finance and Audit Act 1983*.

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

The Directors' Role

The financial report is the responsibility of the company's directors. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes, and directors' declaration.

The Auditor's Role and the Audit Scope

As required by the *Public Finance and Audit Act 1983* and the *Corporations Act 2001*, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament and members of NSW Businesslink Pty Ltd that the financial report is free of *material* misstatement.

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

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

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

My opinion does *not* provide assurance:

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

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. The *Public Finance and Audit Act 1983* further promotes independence by:

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



A T Whitfield
Deputy Auditor-General

SYDNEY
19 October 2005



GPO BOX 12
Sydney NSW 2001

To the Directors
NSW Businesslink Pty Ltd

Auditor's Independence Declaration

As auditor for the audit of NSW Businesslink Pty Ltd for the year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) The independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b) Any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "A T Whitfield".

A T Whitfield
Deputy Auditor-General

19 October 2005
SYDNEY

**ADOPTION OF FINANCIAL STATEMENTS
1 JULY 2004 TO 30 JUNE 2005**

The financial statements of NSW Businesslink Pty Ltd have been prepared in accordance with the statute provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2000*, the Treasurer's Directions, and the *Corporations Act 2001*.

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, it is recommended that:

The financial statements for the year ended 30 June 2005 be adopted and the Managing Director provide a statement to the effect that in his opinion the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2000*, the Treasurer's Directions and the *Corporations Act 2001*, and that as at 19 October 2005 he is not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.


W. De Gruchy
Chief Financial Officer

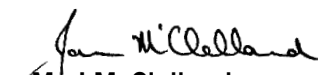
**STATEMENT BY
THE MEMBERS OF THE BOARD**

**for and on behalf of the
NSW Businesslink Pty Ltd**

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, we the members, state that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of NSW Businesslink Pty Ltd as at 30 June 2005 and transactions for the year then ended.
2. The statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2000*, the Treasurer's Directions and the *Corporations Act 2001*.

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


Ms J McClelland
Chair


P. Richards
Managing Director

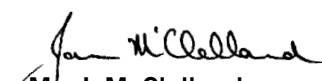
Sydney, 19 October 2005

DIRECTOR'S DECLARATION

1. Pursuant to Section 295(4) of the *Corporations Act 2001* and Section 41C(1B) of the *Public Finance and Audit Act 1983*, in the Directors' opinion:
 - a. the financial statements and notes set out on pages 70 to 86:
 - i. have been prepared in accordance with Australian Accounting Standards, the *Corporations Act 2001* and other mandatory professional reporting requirements, the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2000* and the Treasurer's Directions; and
 - ii. give a true and fair view of the Company's financial position as at 30 June 2005 and financial performance, as represented by the results of operations and cash flows, for the financial year ended on that date; and
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the State of New South Wales will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Letter of Comfort issued by the State of New South Wales on 1 June 2004.

Signed in accordance with a resolution of the Directors made pursuant to S295(5) of the *Corporations Act 2001*

On behalf of the Directors


Ms. J. McClelland
Chair

Sydney, 19 October 2005

**NSW BUSINESSLINK PTY LTD
DIRECTORS' REPORT**

The Board of Directors of NSW Businesslink Pty Ltd ("the Company") are pleased to submit this report for the year ended 30 June 2005.

Operating result

The operating profit for the Company for the financial year ending 30 June 2005 amounted to \$15.931 million.

Corporate Structure

The Company is a company limited by shares that is incorporated and domiciled in Australia.

Employees

The Company does not employ any staff, but participates in an agreement for personnel services with the NSWbusinesslink department ("the department").

Review of operations

The Company derived gross revenue of \$101.978 million from the provision of services to its clients during the period. Additional details of operations are noted in other sections of this report.

Significant Changes in State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal activities

The principal activities of the Company during the period were the provision of corporate services to clients, further details of which are set out in this report. Each of the Company's clients has signed a Service

Partnership Agreement for the exclusive provision of designated corporate services for an initial three year period commencing 1 September 2004. No significant change in the nature of these activities occurred during the year.

Future developments

Business growth in the near future will be internally focused in order to enhance the Company's capacity to provide improved services to our clients, enhance the quality of service delivery and increase customer satisfaction.

After Balance Date Events

An agreement has been entered into between the Company and the Department for the provision of personnel services. Under the terms of the agreement, staff are employed by the department under the *Public Sector Employment and Management Act 2002*, with their services being provided to the Company. The Company is required to pay the department, by way of fees for the services, an amount equivalent to all Employee Related costs and all Employment Administration costs.

As part of the transition to the Australian equivalents to the International Financial Reporting Standards (AEIFRS) the Department will recognise a AEIFRS superannuation expense adjustment, of \$14.869 million, on the 1 July 2005.

In accordance with the above agreement the Company will be required to pay the Department, by way of fees for the services, an equivalent amount.

Environmental Issues

The Company is committed to conducting its business activities with respect for the environment and is committed to achieving a level of environmental performance, which meets or exceeds regulatory requirements, to improve its use of natural resources and to minimise waste, while continuing to meet expectations of its stakeholders.

The Directors are not aware of any material breaches of environmental regulations during the year. During the reporting period no particular and significant environmental regulation under a law of the Commonwealth or of the State of NSW has applied to the Company or its operations.

Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Options

No options over issued shares or interests in the Company were granted during or since the end of financial year and there were no options outstanding at the date of this report.

Issue of Shares

On 25 June 2004, the Company issued 30 fully paid ordinary shares of \$1 each. 10 shares each were issued to the Minister for Housing; the Treasurer of NSW and Minister for Community Services, Ageing and Disability Services.

On the 21 June 2005 the Ministry of Community Services, Ageing and Disability Services was split into two Ministries. 10

fully paid ordinary shares were reissued to the Minister for Community Services and an additional 10 fully paid ordinary shares were issued to the Minister of Ageing and Disability Services.

Directors' benefits

No Director of the Company has received, or become entitled to receive, any benefit by reason of a contract made by the Company with any Director, or with a firm of which any Director is a member, or with a company in which any Director has a substantial financial interest.

Indemnification of Directors and officers

A premium has been paid by the Company in respect of a contract of insurance relating to liability to Directors, managers and officers of the Company. In accordance with normal commercial practice disclosure of the premium amount and the nature of the insured liabilities are not disclosed.

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, for the auditor of the Company.

A letter of comfort has been obtained from the State of NSW, indemnifying NSW Businesslink Pty Ltd's Directors against all liabilities incurred in the conduct of their duties unless the liability arises out of conduct involving lack of good faith.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the

Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the year.

Directors

The names of the Company’s Directors in office during the financial year and until the date of this report are set out in the Annual Report.

In addition, details of their attendance at board meetings (including meetings of Board committees) during the year are set out in the table below.

Attendance at meetings

Date appointed: 25 June 2004	Board Meetings		Audit Committee		IM&T Committee	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Jan McClelland (Chairman)	11	11	2	2	-	-
Brendan O’Reilly	10	11	-	-	-	-
Neil Shepherd	11	11	-	-	-	-
Terry Barnes	9	11	2	2	-	-
Pat Richards	11	11	2	2	2	2

Auditors Declaration

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* is attached to the Directors’ Report.

Rounding of amounts

The Company is in the class specified in ASIC Class Order 98/100 and accordingly amounts in the Directors’ report and the financial report have been rounded to the nearest thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Board of Directors



P. Richards
Managing Director

Dated this 19th day of October 2005.

**NSW BUSINESSLINK PTY LTD
STATEMENT OF FINANCIAL PERFORMANCE
FOR YEAR ENDED 30 JUNE 2005**

	Notes	2005 \$'000
Revenue from ordinary activities		
Revenue from services		101 978
Interest earned		757
Sundry income		133
Grants from government		28 190
Total revenue from ordinary activities		131 058
Expenses from ordinary activities		
NSWbusinesslink, department fee for staff services	13	38 101
Contractors		25 810
Consultants' fees		1 080
Training and development		617
Rent expense		3 579
Building maintenance and utilities		1 878
Motor vehicle expenses		103
Depreciation and amortisation		4 890
Printing, postage and stationery		1 220
Telecommunication		7 133
Information Technology		27 775
Auditor's remuneration	10	120
Borrowing costs		682
Other expenses		2 139
Total expenses from ordinary activities		115 127
Net Profit from ordinary activities	6	15 931
Total revenues, expenses and valuation adjustments recognised directly in equity		-
Total changes in equity other than those resulting from transactions with owners as owners	6	15 931

The accompanying notes form part of these financial statements.



NSW BUSINESSLINK PTY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	Notes	2005 \$'000
ASSETS		
Current Assets		
Cash		13 674
Receivables	2	6 592
Total Current Assets		20 266
Non-Current Assets		
Property, plant and equipment	3	44 213
Total Non-Current Assets		44 213
TOTAL ASSETS		64 479
LIABILITIES		
Current Liabilities		
Payables	4	30 048
Interest bearing liabilities	5	13 567
Total Current Liabilities		43 615
Non-Current Liabilities		
Interest bearing liabilities	5	4 933
Total Non-Current Liabilities		4 933
TOTAL LIABILITIES		48 548
NET ASSETS		15 931
EQUITY		
Retained earnings	6	15 931
TOTAL EQUITY		15 931

The accompanying notes form part of these financial statements.

**NSW BUSINESSLINK PTY LTD
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2005**

	Notes	2005 \$'000
Cash flows from Operating Activities		
Payments		
Payments for services from NSWbusinesslink, department		(24 927)
Administrative and working		(63 337)
Borrowing costs		(655)
Other		(2 904)
Total Payments	9	(91 823)
Receipts		
Fees for Services		104 035
Funds from Government grants		28 190
Interest		732
Sundry income and other	9	2 220
Total Receipts		135 177
Net Cash from Operating Activities		43 354
Cash flows from Investing Activities		
Payments		
Purchase of property, plant and equipment		(34 680)
Total Payments		(34 680)
Net Cash used in Investing Activities		(34 680)
Cash flows from Financing Activities		
Receipts		
Proceeds from new loans		5 000
Net Cash from Financing Activities		5 000
Net increase in cash and cash equivalents		13 674
Opening cash and cash equivalents		-
CLOSING CASH AND CASH EQUIVALENTS		13 674

The accompanying notes form part of these financial statements.

**NSW BUSINESSLINK PTY LTD
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

**NOTE 1: SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES**

a) Reporting Entity

NSW Businesslink Pty Ltd (“the Company”), as a reporting entity comprises all the operating activities under its control. The Company provides corporate services to the Department of Housing, the Department of Community Services and the Department of Ageing, Disability and Home Care.

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

b) Basis of Accounting

The financial statements of the Company are a general purpose financial report prepared on an accruals basis and in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the *Corporations Act 2001*, the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2000* and the Treasurer’s Directions. Where there are inconsistencies between these requirements, the legislative provisions have prevailed. In the absence of a specific Accounting Standard, other authoritative pronouncements of the Australian Accounting Standards Board or Urgent Issues Group Consensus Views, the hierarchy of pronouncements as outlined in AAS 6 “Accounting Policies” is considered.

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

c) Not-for-Profit Status

The Company has done an internal analysis of its classification as a “for-profit” or “not-for-profit” entity. Based on this analysis the Company deems that it is a “not-for-profit” entity. The factors taken into account when determining the status of the Company were:

- statements about the objectives of the entity in its legislation, regulations, constitution, shareholder resolutions, Ministerial directions or government policy statements;
- the governance framework imposed on the entity by owners;
- the purpose, nature and extent of funding provided by owners;
- the targeted financial performance of the entity.

NSW Treasury has agreed with the above classification. In accordance with NSW Treasury policy the Company can request a review of its classification if there is a change in the Company’s circumstances.

d) Cash and cash equivalents

Cash on hand and in bank and short – term deposits is stated at nominal value.

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

e) Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any debts where collection of the full amount is no longer probable. Debts which are known to be uncollectible are written off as identified.

f) Plant and equipment

Cost and valuation

Physical non-current assets are measured at fair value on an existing use basis.

Where available, fair value is determined having regard to the highest and best use of the asset on the basis of current market selling prices for the same or similar assets. Where market selling price is not available, the asset's fair value is measured as its market buying price, i.e. the replacement cost of the asset's remaining service potential.

Most of the Company's assets (hardware, software, equipment, motor vehicles and furniture) are non-specialised with short useful lives and are therefore measured at depreciated historical cost, which equates to fair value.

The capitalisation threshold is \$5,000 for physical non current assets and \$1,000 for computer equipment.

Depreciation and Amortisation

Depreciation is calculated on a straight-line basis so as to write off the fair value of each asset over its estimated useful life. Leasehold improvements are amortised over the period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Estimations on remaining useful lives are made on a regular basis. The expected useful lives are:

Asset Class	Years
Office furniture and equipment	5
Computer equipment	4
Motor vehicles	6.5
Plant and equipment	1 to 4
Leasehold improvements	6

g) Leases

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the beginning of the lease term and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

Lease incentives taking the form of free leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

h) Payables

Liabilities for trade creditors and other creditors are carried at cost, which is the fair



value of the consideration to be paid in the future for goods and services received prior to the end of the financial year, whether or not billed to the Company. The amounts are unsecured and usually paid within 30 days of recognition.

i) Provisions

The Company has no employees and therefore has no employee related provisions.

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

j) Interest-bearing liabilities

All loans are measured at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due.

k) Revenue recognition

Revenue is recognised when the Company has received or has the right to receive inflows of economic benefits, and the right to receive them is probable and can be reliably measured. Interest revenue is recognised as it accrues.

Grants from government are recognised as revenue when the Company obtains control over the assets comprising the grant. Control over the contributions is normally obtained upon the receipt of the cash.

l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except where GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an expense. Receivables and payables are stated with the amount of GST included. The net GST recoverable from or payable to the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are stated on a gross basis in the Statement of Cashflows.

The GST component of Cashflows arising from investing and financing activities which is recoverable from or payable to the ATO is classified as Operating Cashflows.

m) Comparative Figures

This is the Company's first year of operations and there are no comparative figures.

NOTE 2: CURRENT ASSETS - RECEIVABLES

	2005 \$'000
Debtors	6 423
Interest receivable	25
Receivable from other Government entities	100
Other	44
Provision for doubtful debts	-
Total Current Receivables	6 592

NOTE 3: NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

(i) Property, Plant and Equipment

Leasehold improvements, at cost	6 591
Less: Accumulated amortisation	963
	5 628
Computer hardware and software, at fair value	17 487
Less: Accumulated depreciation	3 309
	14 178
Office furniture and equipment, at fair value	600
Less: Accumulated depreciation	235
	365
Motor vehicles, at fair value	749
Less: Accumulated depreciation	94
	655
Assets under construction, at cost	23 181
Less: Accumulated depreciation	-
	23 181
Development projects, at cost	495
Less: Accumulated depreciation	289
	206
Total property, plant and equipment	44 213

(ii) Disposal of Property, Plant & Equipment

Proceeds from Sale	58
Less Written Down Value	(57)
Gain on Sale	1

(iii) Reconciliations

Reconciliations of the carry amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Leasehold Improve- ments	Computer Hardware & Software	Office Furniture & Equip- ment	Motor Vehicles	Developed Projects	Assets Under Con- struction	Total
2005	\$'000	\$,000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	-	-	-	-	-	-	-
Transfer from NSWbusinesslink, department	3 639	9 383	41	348	-	-	13 411
Transfers between classes	-	(2 156)	391	(3)	495	1 273	-
Additions/capital improvements	2 952	10 260	168	461	-	21 908	35 749
Sales	-	-	-	(57)	-	-	(57)
Depreciation expense	(963)	(3 309)	(235)	(94)	(289)	-	(4 890)
Write-off	-	-	-	-	-	-	-
Carrying amount at end of year	5 628	14 178	365	655	206	23 181	44 213

NOTE 4: CURRENT LIABILITIES – PAYABLES

	2005 \$'000
Trade creditors	3 710
Accrued operating expenditure	10 283
Accrued capital expenditure	921
GST payable	788
Payable to NSWbusinesslink, department	14 346
Total current liabilities	30 048

NOTE 5: CURRENT & NON-CURRENT INTEREST BEARING LIABILITIES

Current	
T-Corp Borrowings	67
Treasury Advance	13 500
Total Current	13 567
Non-Current	
T-Corp Borrowings	4 933
Total interest bearing liabilities	18 500

The above interest bearing liabilities are expected to be repaid as follows:

	Principal \$'000	Interest \$'000	Total \$'000
Not later than one year	13 567	1 054	14 621
Later than one year but no later than five years	-	1 307	1 307
Later than five years	4 933	137	5 070
	18 500	2 498	20 998

Interest was estimated on the basis of prevailing interest rates as at 30 June 2005. Furthermore, it was assumed the Treasury Advance will be paid as and when it falls due.

NOTE 6: COMPONENTS OF EQUITY

	2005 \$,000
Contributed Equity	
Opening balance	-
Issued Capital - 40 fully paid ordinary shares of \$1 each	-
Contributed Equity Closing Balance	-

Issued Shares

On 25 June 2004, the Company issued 30 fully paid ordinary shares of \$1 each. 10 shares each were issued to the Minister for Housing; the Treasurer of NSW and Minister for Community Services, Ageing and Disability Services.

On the 21 June 2005 the Ministry of Community Services, Ageing and Disability Services was split into two Ministries. 10 fully paid ordinary shares were reissued to the Minister for Community Services and an additional 10 fully paid ordinary shares were issued to the Minister of Ageing and Disability Services.



Retained Profits	
Opening balance	-
Movement	
Profit from ordinary activities	15 931
Retained Profits Closing Balance	15 931

On 28 July 2005 the Treasurer approved the transfer of the following Assets and Liabilities from NSW businesslink, department effective on 1 July 2004.

Transfer of Asset and Liabilities from NSWbusinesslink, department	2005 \$'000
Cash	1 193
Receivables	8 624
Property, Plant & Equipment (including intangibles)	15 113
Accumulated Depreciation	(1 701)
Accruals	(9 729)
Interest bearing liability	(13 500)
Net Assets	-

NOTE 7: AGREEMENT FOR PERSONNEL SERVICES

An agreement has been entered into between the Company and NSWbusinesslink (the department) for the provision of personnel services. Under the terms of the agreement, staff are employed by the department under the *Public Sector Employment and Management Act 2002*, with their services being provided to the Company. The Company is required to pay the department, by way of fees for the services, an amount equivalent to all Employee Related costs and all Employment Administration costs.

NOTE 8: CONTINGENT LIABILITIES

As at reporting date, the Company is not aware of any major contingent liability, which will materially affect its financial position.

NOTE 9: RECONCILIATION OF NET CASH FROM/(USED IN) OPERATING ACTIVITIES TO RESULT FROM ORDINARY ACTIVITIES.

	2005 \$'000
Surplus / (deficit) from ordinary activities	15 931
Depreciation	3 854
Amortisation	1 036
Gain on sale of assets	(1)
Increase / (decrease) in accounts payable and other creditors	29 126
(Increase) / decrease in receivable	(6 592)
Net cash from operating activities	43 354

In the Statement of Cash Flows GST input tax credits of \$13.049 million are included in Fees for Services and GST of \$10.352 million paid on supplies, are included in Administrative and Working expenses in the Statement of Cash Flows. Actual GST forwarded to the ATO of \$2.904 million is included in Other payments and actual GST received of \$0.995 million is included in Sundry income.

NOTE 10: AUDITOR'S REMUNERATION

	2005 \$
Amounts received, or due and receivable, by the auditors of the Company for:	
- Auditing the financial statements	120 000
- Other services	-
Total	120 000

NOTE 11: FINANCIAL INSTRUMENTS

For the purpose of these financial statements, a financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Terms, Conditions and Accounting policies

The Company's accounting policies, including the terms and conditions of each class of financial asset and financial liabilities, both recognised and unrecognised, as at balance date are:



1. Financial Assets

Recognised Financial Instruments	Note	Accounting Policy	Terms and conditions
Receivables	2	Receivables include amounts owing by agencies for services provided by NSWbusinesslink, and asset sales. Receivables are carried at their realisable amounts.	Receivables are settled in accordance with the terms there of

2. Financial Liabilities

Recognised Financial Instruments	Note	Accounting Policy	Terms and conditions
Interest bearing liabilities	5	Interest bearing liabilities are carried at face value.	Include an advance by the State government and borrowings from NSW Treasury Corporation with varying interest rates and maturity dates.
Payables	4	Liabilities are recognised for amounts to be paid in the future for goods received and services rendered to the Company, whether billed or not.	Liabilities are settled on receipt of invoices in accordance with terms thereof.

(a) Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities. The Company's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table:

2005	Weighted Average Effective Rate	Floating Interest Rate	Fixed Interest rate maturing			Non-interest Bearing	Total
			Within 1 year	1 to 5 years	Over 5 years		
	%	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Financial assets							
Cash on hand and at bank	5.15	13 664				10	13 674
Receivables						6 592	6 592
Total financial assets		13 664				6 602	20 266
Financial liabilities							
Payables						30 048	30 048
Interest bearing liability							
Loans Payable							
State Advances	5.39		13 500				13 500
Commercial loan	7.00		67		4 933		5 000
Total interest bearing liabilities			13 567		4 933		18 500
Total financial liabilities			13 567		4 933		48 548

(b) Credit risk

Credit risk is the risk of financial loss arising from the failure of one party to the contract to discharge its financial obligation. The Company's maximum exposure is the carrying amount of financial assets, net of provision for doubtful debts, as detailed below:

	Government/ Semi-Government \$'000	Banks \$'000	Other \$'000	Total \$'000
Cash		13 664	10	13 674
Receivables	6 592	-	-	6 592
Total assets	6 592	13 664	10	20 266

(c) Net fair value of financial assets and liabilities

The net fair value of NSW Treasury Corporation loans payable are based on market values provided by the NSW Treasury Corporation.

For other assets and other liabilities, the net fair value approximates their carrying value.

The carrying amounts and net fair values of financial assets and financial liabilities at balance date are:

	Carrying Amount 2005 \$'000	Net Fair Value 2005 \$'000
Financial assets		
Cash	13 674	13 674
Receivables	6 592	6 592
Total financial assets	20 266	20 266
Financial liabilities		
Payables	30 048	30 048
Interest bearing liabilities		
Loans Payable		
NSW State loans	13 500	13 500
NSW Treasury Corporation loans	5 000	5 025
Total interest bearing liabilities	18 500	18 525
Total financial liabilities	48 548	48 573

(d) Borrowing facilities

The company has a borrowing facility with TCorp which is negotiated annually with Treasury. As at 30/6/05 the company had approval to borrow up to \$19.1M.

NOTE 12: DIRECTORS' REMUNERATION

The names or the persons who were Directors of NSW Businesslink Pty Ltd at any time during the financial year were as follows: Mr. T. Barnes, Ms. J. McClelland, Mr. B. O'Reilly, Mr. P. Richards, Dr. N. Shepherd.

No Director of the Company has received, or become entitled to receive, any benefit by reason of a contract made by the Company with any Director, or with a firm of which any Director is a member, or with a company in which any Director has a substantial financial interest.

Income paid or payable, or otherwise made available, in respect of the financial year, to all Directors of NSW Businesslink Pty Ltd, directly or indirectly, from the entity or any related party:

\$ 40,000 to \$ 50,000	1
\$220,000 to \$230,000	1
Aggregate Directors Remuneration paid to the above Directors was	\$271 350

NOTE 13: RELATED PARTY TRANSACTIONS

	2005 \$'000
During the year the Company provided shared corporate services and earned revenue from the following related parties:	
Department of Housing	34 059
Department of Community Services	33 280
Department of Ageing, Disability and Home Care	34 638
During the year the Company incurred expenditure relating to staff services, rent and other minor administrative services to the following related parties:	
NSWbusinesslink, the department*	40 866
Department of Housing	3 680
Department of Community Services	347
Department of Ageing, Disability and Home Care.	218

*This includes:

- . \$2.765 million capitalised into the Company's development projects
- . payments for the services of executive officers:

120,000 to 130,000	1
160,000 to 170,000	1
170,000 to 180,000	1
180,000 to 190,000	1
190,000 to 200,000	1
310,000 to 320,000	1
Aggregate executive officers remuneration paid to the above executives was (Excluding Executive Directors and including Termination Payments)	\$1 245 779

NOTE 14: COMMITMENTS FOR EXPENDITURE

(a) Construction and other contracts

Expenditure in relation to capital costs and operational costs

Capital	
Not later than one year	7 230
Later than 1 year but not later than 5 years	-
	<u>7 230</u>
Operational	
Not later than one year	14 472
Later than 1 year but no later than 5 years	12
	<u>14 484</u>
	<u>21 714</u>

(b) Lease commitments – office rent

Aggregate value of lease commitments in respect of office accommodation

Not later than one year	447
Later than 1 year but not later than 5 years	208
Later than 5 years	-
	<u>655</u>

Input Tax credit amounting to (\$0.991 million) is claimable from the Taxation Office when the above rent commitments are paid in the future

NOTE 15: IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS

The Company will apply the Australian equivalents to International Financial Reporting Standards (AEIFRS) from 2005-06. The Company has managed the transition to the new standards by allocating internal resources to analyse the pending standards and Urgent Issues Group Abstracts to identify key areas regarding policies, procedures, systems and financial impacts affected by the transition.

The Company has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates").

Shown below are management's best estimates as at the reporting date of preparing the 30 June 2005 financial report of the estimated financial impacts of AEIFRS on the Company's equity and profit/loss. The Company does not anticipate any material impacts on its cash flows. The actual effects of the transition may differ from the estimated figures below because of pending changes to the AEIFRS, including the UIG Interpretations and/or emerging accepted practice in their interpretation and application. The Company's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

The key areas assessed for AEIFRS include:

Impairment of assets

AASB 136 "Impairment of Assets" requires an assessment at each reporting date whether there is any indication that an asset or cash-generating unit may be impaired.

However, assets held by NSW Businesslink Pty Ltd are not classified as cash-generating units as the future economic benefit of the assets are not primarily dependent on the generation of net cash inflows, hence there is no requirement for impairment testing. Assets held by the Company are valued on a fair value basis.

Grant recognition for “not for profit” entities

The Company will apply the requirements in AASB 1004 “Contributions” regarding contributions of assets (including grants) and forgiveness of liabilities. There are no differences in the recognition requirements between the new AASB 1004 and the current AASB 1004. However, the new AASB 1004 may be amended by proposals in Exposure Draft (ED 125 “Financial Reporting for Local Governments”. If ED 125 is applied, revenue and/or expense recognition will not occur until the Company supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied. ED 125 may therefore delay revenue recognition compared with AASB1004, when grants are recognised when controlled. However, at this stage, the timing and dollar impact of these amendments is uncertain.

Employee benefits

AASB 119 “Employee Benefits” requires the defined benefit superannuation obligation to be discounted using the government bond rate as at each reporting date, rather than the long term expected rate of return on plan assets. Where the superannuation obligation is not assumed by the Crown, this will decrease the defined benefit superannuation asset and change the quantum of the super-

annuation expense. The Company does not have any employees but will be required to pay the Department, by way of fees for the services, an amount equivalent to all Employee Related costs. (Note 7 and 16)

Intangible Assets

AASB138 Intangible Assets requires reclassification of certain assets such as computer software, from Property, Plant and Equipment to Intangible Assets. The company computer software will be reclassified to intangible Assets.

Based on the above analysis there are no changes required to the Company’s equity or surplus for the year ending 30 June 2005 in respect of the implementation of AEIFRS.

NOTE 16: AFTER BALANCE DAY EVENTS

As required by AASB 1047 the Department will recognise an AEIFRS superannuation adjustment, of \$14.869 million, on the 1 July 2005. In accordance with the agreement between the Department and the Company for the provision of personnel services, (Note 7) the Company will be required to pay the Department, by way of fees for the services, an equivalent amount.

NOTE 17:

NSW STATE GOVERNMENT GUARANTEE

For the purposes of maintaining the Company’s solvency pursuant to Section 595A of the *Corporations Act 2001*, the NSW State Government issued a Letter of Comfort on 1 June 2004 guaranteeing that it will, if necessary, provide funds or facilities to enable the Company to meet its debts as and when they become due and payable.



8

Appendices



**Businesslink manages
Records, Fleet, Procurement and
Distribution services for its clients**

CHARTER

NSW Businesslink Pty Ltd was established to provide shared corporate services to three agencies – the Departments of Ageing, Disability and Home Care; Community Services and Housing.

Following a Treasury recommendation NSW Businesslink was established as a Corporations Law Company limited by shares to give these agencies a joint degree of involvement in management of key corporate services.

Dual Structure

The NSW Government approved the establishment of a dual structure, allowing it to be both a Company under the Commonwealth *Corporations Act 2001* and, in parallel, a Department under the NSW *Public Sector Employment and Management Act 2002* to enable continuity of public sector employment for the staff working for Businesslink.

Name

The name of the Company is NSW Businesslink Pty Ltd and the Department is NSWbusinesslink. The Company was created on 28 June 2004 and the Department was established on 1 July 2004.

Governance

The governance arrangements include a governing Board, comprising an independent Chair, the Directors-General of the client agencies and the Managing Director of NSW Businesslink Pty Ltd. For administrative purposes, Minister Meagher is the portfolio Minister of the Department while the Treasurer and the Ministers for Ageing and Disability Services; Community Services

and Housing are equal shareholders in the Company.

AIMS AND OBJECTIVES

Businesslink was established as a Company and a Department in July 2004 with the key purpose of providing shared services to three human services Departments, Ageing, Disability and Home Care; Community Services and Housing. In initiating the shared services strategy, the NSW Government confirmed that all shared corporate services arrangements, whether internal within an agency, across a cluster of agencies, or sourced from an external provider should meet the following five criteria:

- consolidation of corporate services,;
- utilisation of available technology,
- business process streamlining,
- client focus, and
- savings of employee salary costs.

NSW Businesslink is a provider of corporate services. The range of corporate services include human resources, finance, information technology and a range of business services such as records and fleet management, printing, procurement, facilities and asset management as well as courier and mail handling services.

Services are categorised as either transaction, consultancy or retainer products and provided under an accountability framework driven by a Product Catalogue and Client Service Agreement.

Businesslink services over 18,000 staff across the Departments of Ageing, Disability and Home Care; Community Services and Hous-



ing, who in turn provide services to more than 200,000 citizens of NSW. Businesslink's staff are employed by the Department of NSWbusinesslink which is scheduled under the NSW *Public Sector Employment and Management Act 2002* and the *Public Finance Audit Act 1983*.

COMMITTEE MEMBERSHIP

Businesslink Leadership Team

The Businesslink Leadership Team reviews, approves and monitors corporate strategies, plans, policies and performance. It assesses major risks to the business and ensures that policies and procedures are in place to satisfy legal and ethical responsibilities. The Businesslink Leadership Team meets weekly and replaced the Businesslink Executive Committee in April 2005. The Businesslink Leadership Team comprises:

- Pat Richards, Managing Director,
- Philip Clark, Director, Business Development and Support
- Wayne De Gruchy, Director, Finance Services,
- Mavir Jimenez, Director, HR Services,
- John Kobal, Chief Information Officer, and
- David Meehan, Director, Business Services.

Client Liaison Group

The purpose of the Client Liaison Group is to resolve operational issues and develop strategic recommendations for the NSW Businesslink Pty Ltd Board.

Members of the Client Liaison Group were:

- Pat Richards, Managing Director,
- Carolyn Burlew, DDG Resource Management, DADHC,
- Alan Ramsey, ED, Corporate Services, DoCS,
- Adele Thomson, ED, Organisational Improvement, DoH,
- Philip Clark, Director, Business Development and Support
- Wayne De Gruchy, Director, Finance Services,
- Mavir Jimenez, Director, HR Services,
- John Kobal, Chief Information Officer,
- David Meehan, Director, Business Services, and
- Jane Spring, Company Secretary

Businesslink Executive Committee

The Businesslink Executive Committee was disbanded in March 2005 following the recruitment of a new executive team. This committee, made up of Divisional Managers, Client Relationship Managers and other invited officers, met weekly to review operations and review corporate strategies, plans, policies and performance.

ECONOMIC OR OTHER FACTORS

A review of the Businesslink financial model will be undertaken during the 2005-06 financial year in consultation with Treasury and our client agencies. The aim of the review is to move from a capped revenue model to a fee for service business model.

The range of strategies to be implemented to enable the transition include:

- use of realistic, comparable market benchmarks to establish and fix unit pricing,
- parallel client invoicing in 2005-06 to understand the relationship between demand and internal cost structures,
- determination of an appropriate capital structure that will sustain the business going forward,
- capital expenditure will be driven by business case, and
- review of the 10 year financial model with Treasury based on real demand metrics.

PROGRAM EVALUATION RESULTS

Three major programs were managed by NSW Businesslink Pty Ltd during the 2004-05 reporting period. These were the CSC Transition Program, the Electronic Records and Document Management Program and the SAP Program.

The CSC Transition program is the only program to have concluded in the reporting period and the evaluation of this body of work is under way and will be completed in the next reporting period.

PERFORMANCE MANAGEMENT

NSW Businesslink Pty Ltd reports its performance to Businesslink Board and Internal Audit Team on a monthly basis. The process provides the Board a high level scorecard against Treasury requirements.

Businesslink is developing a comprehensive framework for performance monitoring and reporting. This will include establishing, implementing and monitoring protocols, which

effectively and regularly evaluate corporate performance and will include policy and procedures that define the Department's, and Company's outcomes and performance parameters.

Businesslink also conducts regular Business Process Reviews, utilising recognised industry standard methodologies such as Six Sigma.

LEGAL CHANGE

There have been no changes in Acts or subordinate legislation, nor any significant judicial decisions affecting NSW Businesslink Pty Ltd.

DISCLOSURE OF CONTROLLED ENTITIES

NSW Businesslink Pty Ltd does not have any controlling interests in other entities.

RISK MANAGEMENT

AND INSURANCE ACTIVITIES

NSW Businesslink Pty Ltd participates in the NSW Treasury Managed Fund, a self-insurance scheme providing worker's compensation and insurance coverage for legal liability, motor vehicles, property and miscellaneous cover. One of the conditions of this insurance coverage is a requirement to place a high priority on the implementation of sound risk-management practices.

NSW Businesslink is seeking to strengthen and strategically manage risk across the organisation. The Company is establishing a risk management policy, approach, and strategic framework consistent with

Australian/New Zealand Standard for Risk Management (AS/NZS 4360:1999).

CREDIT CARD CERTIFICATION

There are no credit cards on issue in the name of the Company.

LAND DISPOSAL

No property disposals were made on behalf of the Company in the reporting period.

FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

NSW Businesslink Pty Ltd did not make any grants to non-government community organisations in the reporting period.

OCCUPATIONAL HEALTH AND SAFETY

To meet the requirements of the *Occupational Health and Safety Act 2000*, the *Occupational Health and Safety Regulation 2001* and Government policy as outlined in “*Taking Safety Seriously – A systematic approach to managing workplace risks in the NSW public sector - policy and guidelines, 2002*”, the Company commenced the establishment of an Occupational Health and Safety (OH&S) Framework.

Key achievements relating to the framework included the:

- design, development and implementation of a comprehensive OH&S Management System,
- development of an OH&S Improvement Plan to drive the creation of the OH&S Management System,
- development of key OH&S policies

- implementation of an OH&S Hazard and Incident reporting and risk management system that is available to all staff through Employee Self-Service, and
- agreement with the Public Service Association on the OH&S Consultation framework.

Compliance with legislation, development of a robust OH&S Management system and management of workplace risks remain the principal focus.

HUMAN RESOURCES

NSW Businesslink Pty Ltd contracts staff from NSWbusinesslink (the Department) under an Agreement for Personnel Services. 626 permanent and temporary officers were made available to the Company as at 30 June 2005. The table below shows the allocation of these officers to the five divisions within Businesslink. For more information on Human Resources, see this section in the Department’s Annual report.

Number of officers by category

Division	Permanent	Temporary
Human Resources	168	64
Finance Services	124	16
Information Technology	107	18
SAP Program	28	5
Business Services	66	20
Business Dev. & Support	9	1
Total	502	124

Exceptional movements in wages, salaries or allowances; Personnel Policies and Practices; Industrial relations policies and practices
Please see these sections in the Department's Annual Report.

**EQUAL EMPLOYMENT OPPORTUNITY
DISABILITY ACTION PLAN
ACTION PLAN FOR WOMEN
ETHNIC AFFAIRS PRIORITIES STATEMENTS
WORKERS COMPENSATION**

Please see these sections in the Department's Annual Report.

**CONSUMER RESPONSE
AND GUARANTEE OF SERVICE**

As the shared corporate service provider to the Departments of Ageing, Disability and Home Care; Community Services and Housing, NSW Businesslink does not deal with consumers directly. Any interaction with the general public is handled by the front line agency themselves.

PAYMENT OF ACCOUNTS

Aged analysis

The table below shows an aggregated aged analysis of accounts payable for the Company and the Department at the end of each quarter:

Quarter	Current (within due date) \$'000	30 – 60 days overdue \$'000	60 – 90 days overdue \$'000	90+ days overdue \$'000
September 04	440	18	-	-
December 04	111	2	-	-
March 05	2 335	149	-	-
June 05	3 744	116	-	-

Accounts paid on time

There was no interest paid due to late payment of accounts. The table below shows an aggregated total of accounts paid on time in each quarter by the Company and the Department:

Quarter	Target %	Actual %	Total paid on time \$'000	Total paid \$'000
September 04	95	96	23 174	24 139
December 04	95	98	35 032	35 747
March 05	95	94	21 127	22 476
June 05	95	97	39 206	40 419



FREEDOM OF INFORMATION

Application for access to documents under the NSW *Freedom of Information Act 1989* should be accompanied by a \$30 application fee and forwarded to:

The Freedom of Information Officer
NSW Businesslink Pty Ltd
Locked Bag 7455
Liverpool BC NSW 1871

During the reporting period there were no requests for information and no requests for notification or amendment of personal records made under the Act.

PRIVACY MANAGEMENT PLAN

NSW Businesslink has developed a Privacy Management Plan in response to the *Privacy and Personal Information Act 1998*. The Act aims to protect the privacy of individuals from the inappropriate collection, storage, use and disclosure of personal information by NSW public section agencies.

Businesslink's Privacy Management plan establishes standards for using personal information in an open and accountable manner. The principles in the plan apply to all staff, consultants and contractors engaged by the Company.

The complete Privacy Management Plan is available on request from the NSW Businesslink Board Secretariat. Staff have access to the plan via the Company's Intranet.

There were no privacy complaints received in the reporting year.

WASTE MANAGEMENT POLICY

NSW Businesslink is currently developing a Waste Reduction and Purchasing Policy which is expected to be implemented in the 2005-06 reporting period. In the mean time a number of initiatives are being implemented to improve the organisation's performance in this area.

Current Initiatives

- Electric hand dryers have replaced paper hand towels in toilet facilities.
- Wooden delivery pallets are being recycled locally instead of being dumped in land fill.
- Office paper and cardboard recycling systems are in place and are fully operational.
- Redundant computer related equipment is recycled through an external vendor where components are stripped and re-used to build or repair other equipment.
- Redundant office machines are offered for sale through auction wherever possible and only scrapped where there is no viable alternative.
- The widespread use of disposable cups, plates and cutlery has been replaced with the provision of ceramic crockery and metal cutlery.

Future Initiatives

- A comprehensive office recycling system is being developed with improvements expected in the quantities of materials being recycled.
- Through an aggregated procurement project with our client agencies, NSW Businesslink is moving to a new

preferred supplier agreement that will cover the supply of office products containing recycled content and environmentally friendly components.

- NSW Businesslink has recently approved the use of office paper with 50% recycled content.
- A new office printing system is being implemented for the NSW Businesslink head office which will greatly reduce the number of printing devices and printed output on site.

GOVERNMENT ENERGY MANAGEMENT POLICY

In November 2004 NSW Businesslink commissioned Energy Australia to complete a Level 2 Energy Efficiency Audit of its Head Office building located at 23 - 31 Moore Street, Liverpool. This site is an eleven-storey high-rise building with 13,692 square metres of office space.

The recommendations from the Audit were tabled in March 2005 and the results are currently the subject of negotiations with the building owner, the Department of Housing.

The detail contained in the energy Efficiency Audit has formed the starting point for the development of our Energy Management Plan.

The NSW Businesslink Head Office at Liverpool and the regional location at Lismore are currently included in the NSW Government Energy Contract. Each of these locations receive a minimum of 6% green power under the terms of the contract.

The migration of the remaining office sites to a Government energy supply contract is dependent on successful negotiations with landlords to establish separate metering of each office.

The Energy Audit revealed that during a twelve month period, the Head Office site consumes 14,356,220 MJ (3,987,839 kWh) of electricity and 3,304,026 MJ of natural gas producing 4,005 tonnes of greenhouse gases (CO₂).

The following outcomes are expected once all recommendations of the report are implemented:

- an annual reduction of 887 tonnes of CO₂,
- an annual reduction of 871,937 kWh in electricity consumption,
- an annual reduction of 66,081 MJ in natural gas consumption,
- an annual financial saving of \$85,392.20 through reduced consumption charges, and
- the Australian Building Greenhouse Rating (ABGR) for the building will increase.

Initiatives Already Implemented

- Use of low power consumption T5 (tri-phosphor) fluorescent tubes and low voltage globes in walkways and elevators.
- Implementation of power saving settings in all computers.
- Under sink water chiller/boilers programmed to operate during normal business hours.

- Air conditioning and lighting grid divided into zones to isolate areas of a floor used during periods of overtime or extended trading.
- A security protocol where Security Guards turn off lights throughout the building at the end of their evening shift.
- Regular maintenance rectified a fault in power factor units that has delivered monthly savings of between \$1,000 and \$1,500.

ELECTRONIC SERVICE DELIVERY

NSW Businesslink has limited interaction with the general public and any service delivery initiatives are geared towards facilitating staff, client staff and vendor access to services.

Staff Services

Businesslink and client agency staff have access to most employee services through Employee Self Service. This workflow management is built into the SAP HR system and allows staff to file everything from leave requests to address changes from their desktop computer.

Other services are provided through the Business Service Centre where trained telephone operators take and resolve enquiries themselves, escalating to subject matter experts where necessary.

Procurement

The following electronic commerce initiatives are being used by NSW Businesslink in Procurement:

- On-line ordering of office supplies through Corporate Express, NetExpress Web Portal.
- Developing aggregated procurement strategies that will make full use of on-line ordering and account management systems within Businesslink and client agencies.
- Developing a new office-printing model whereby the entire fleet of printing devices will communicate electronically with suppliers to order toner, request maintenance etc.
- Acquisition and disposal of vehicles through StateFleet using an on-line ordering system.
- Water Rates are submitted to and paid by NSW Businesslink on behalf of client agencies electronically.
- NSW Businesslink is presently evaluating tender responses to implement an Expense Management and Purchase Card system for itself and the client agencies.
- Flights are booked electronically through the Qantas Airlines on-line booking service.

Intranet

Standard forms, process and contact details are hosted on the NSW Businesslink Intranet and Agency Intranets where they can be completed online and submitted electronically by email.

CODE OF CONDUCT

A new Code of Conduct was adopted by the Company during the reporting year. A full transcript of the policy is included in the Department's Annual Report.

CONSULTANTS

The following consultants were engaged by the Company and paid more than \$30,000 in the reporting year:

Finance, accounting and taxation

Provider	Cost (\$)	Title of Project	Description of Purpose
Ernst & Young	63 989.00	International Accounting Standards	To provide expert advice on the impact of adopting Australian Equivalents to International Financial Reporting Standards (AIFRS).
Price Waterhouse Coopers	459 757.84	GST Input Tax Credits	The purpose of this consultancy was to provide technical and legal support to transfer contracts from client agencies to NSW Businesslink Pty Ltd. and to identify and claim input tax credits from transactions prior to December 2004.

Information Technology

Provider	Cost (\$)	Title of Project	Description of Purpose
Anthony Peter Edge	39 670.00	Graphic Design of Knowledge Management Tool	Professional services provided in the design, configuration and implementation of a database to capture in house intellectual knowledge.
Accenture Australia Holdings	40 000.00	KiDS Disaster Recovery Planning	Undertake review of disaster recovery procedures and provide advice for infrastructure framework in case of need to recover financial data from DoCS KiDS system.

Management Services

Provider	Cost (\$)	Title of Project	Description of Purpose
Booz Allen Hamilton	40 830.00	Office location evaluation	Provision of strategic accommodation and office location advice for Businesslink from a whole of government perspective.
Hamilton James Bruce	149 214.13	Strategic Advice for Shared Services Group	Development of product catalogue and Activity Based Costing models.

Human Resources

Provider	Cost (\$)	Title of Project	Description of Purpose
Chris Farrell Consulting Pty Ltd	157 651.49	Recruitment Assessments	Development of behavioural testing methodologies, tasks, exercises and repeatable assessment centre frameworks for assessment centres.

Other consultants

\$128,946.86 was spent on an additional twenty-four (24) consultants where the total value of the consultancy was less than \$30,000.

WHERE TO FIND US

NSW Businesslink Pty Ltd offices are open from 9:00am to 5:00pm.

Head Office

23-31 Moore Street Liverpool NSW 2170
Locked Bag 7466 Liverpool BC NSW 1871
Phone: 9765-3333
Fax: 9765-3711

Internet

www.businesslink.nsw.gov.au

Email

communications@businesslink.nsw.gov.au

Hunter Regional Service Centre

Suite 1B,
239 King Street Newcastle NSW 2300
PO Box 2160 Dangar NSW 2309
Phone: 4960 4646
Fax: 4960 4640

Northern Regional Service Centre

Suite 1,
120 Dalley Street Lismore NSW 2480
PO Box 1140 Lismore NSW 2480
Phone: 6626 4100
Fax: 6626 4111

Southern Regional Service Centre

Suite 1, Level 1,
7-9 Morisset Street Queanbeyan NSW 2620
PO Box 1629 Queanbeyan NSW 2620
Phone: 6200 5800
Fax: 6200 5811

Western Regional Service Centre

Suites 5 and 6, Level 1, Centrepont Arcade
234-236 Summer Street Orange NSW 2800
PO Box 2552 Orange NSW 2800
Phone: 6392 8250
Fax: 6392 8266



9

Index

A		
Aboriginal and Torres Strait Islanders.....	9, 10	
Accounts, Payment of.....	92	
Action Plan for Women.....	11, 92	
Agreement for Personnel Services.....	6, 37	
Aims and objectives.....	6, 88	
Appendices	6, 87	
Assessment Centres	52	
Audit and Compliance Committee	39	
B		
Board of Directors	38	
Businesslink Executive Committee	89	
Business Plan Highlights	55	
C		
Charter	6, 88	
Clients		
Department of Community Services	45	
Department of Housing.....	46	
Department of		
Ageing, Disability and Home Care	45	
Service Partnership Agreement	46	
Code of Conduct	13, 96	
Committees		
Audit and Compliance.....	39	
Businesslink Executive Committee	89	
Businesslink Leadership Team	89	
Client Liason Group	89	
Information Management		
and Technology.....	40	
Committee Membership	89	
Consultants	13	
over \$30,000	96	
under \$30,000	97	
Consumer Response	12, 92	
Contact Centre.....	50	
Controlled Entities	7, 90	
Credit Cards.....	8, 91	
D		
Disability Action Plan.....	11, 92	
E		
Economic Factors	7, 89	
Electronic Service Delivery	13, 95	
Energy Management Policy.....	13, 94	
Equal Employment Opportunity	9, 92	
Ethnic Affairs Priorities Statements	11, 92	
Executive		
Performance.....	7	
F		
Financial Model	47	
Financial Statements, Notes to and formaing part of		
the		
NSWbusinesslink.....	24	
NSW Businesslink Pty Ltd	73	
Freedom of Information.....	12, 92	

G

Governance 88
 Grants..... 8, 91
 Guarantee of Service..... 12, 92

I

ICT plan 40
 IM&T Committee 40
 Income, Sources of 47
 Industrial Relations..... 8, 92
 Information Management
 and Technology Committee..... 40
 Insurance Activities 7, 90
 Intranet 95

L

Land Disposal..... 8, 91
 Leadership Team..... 41
 Legal Change 7, 90

M

Management and Structure 6, 41
 Minister..... 6

N

Notes, Financial Statements
 NSWbusinesslink..... 24
 NSW Businesslink Pty Ltd 73
 NSWbusinesslink (the Department)
 Financial Statement,
 Notes to and forming part of 24
 Notes, Financial Statements 24
 Statement Of Cash Flows..... 23
 Statement Of Financial Performance 21
 Statement Of Financial Position 22
 NSW Businesslink Pty Ltd (the Company)
 Business Plan Highlights 55
 Clients..... 45
 Contact Centre..... 50
 Director’s Report..... 67
 Directors 38
 Financial Statements,
 Notes to and forming part of 73
 Governance 37
 Leadership Team 41
 Management Structure 41
 Notes, Financial Statements 73
 Rationale for 36
 Services..... 44
 Service Partnership Agreement..... 46
 Shareholders 37
 Sources of Income 47
 Statement of Cash Flows 72
 Statement of Financial Performance 70
 Statement of Financial Position 71

O

Occupational Health and Safety 12, 91
 Officers and Employees by Category..... 8, 91
 Office Locations..... 16
 OH&S..... 12, 91
 Overseas Travel..... 7

P

Parliament,
 Presentation of Annual Report to..... 2
 Payment of Accounts..... 92
 Performance Management..... 7, 90
 Personnel Policies 8, 92
 Privacy 12
 Management Plan..... 12, 93
 Procurement..... 95
 Program Evaluation..... 7, 90

R

Recruitment Innovation 52
 Regional Offices..... 16
 Risk Management 7, 8, 39, 40, 90

S

SAP Program 51
 Services
 Business Services 44
 Finance 44
 Human Resources..... 44
 Information Technology 44
 Service Partnership Agreement 46
 Shared Services
 Defined 36
 Reform Agenda 35
 Shareholders 37
 Statement of Business Intent 37
 Statement of Cash Flows
 NSWbusinesslink..... 23
 NSW Businesslink Pty Ltd 72
 Statement of Financial Performance
 NSWbusinesslink..... 21
 NSW Businesslink Pty Ltd 70
 Statement of Financial Position
 NSWbusinesslink..... 22
 NSW Businesslink Pty Ltd 71
 Structure 35, 88

W

Wages, Salaries and Allowances,
 Exceptional Movements in 8, 91
 Waste Management Policy 13, 93
 Workers’ Compensation 12, 92

