



## **annual report**

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**NSW Telco Authority**

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## Chairperson's report

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The NSW Telco Authority (the Authority) is fast becoming the go-to communications expert for emergency services organisations and others whose responsibilities include public safety, encompassing many local, State and Federal governments and related entities. I am very pleased to acknowledge the hard work and talent of the Telco Authority team, and more particularly, the great support and engagement of the public safety agencies with whom we work so closely.

With an ambitious infrastructure enhancement plan underway, 2017-18 has been a busy year, certainly with some challenges, but the Authority is actively tackling those and building new capabilities with our partners. We aim to lead reform by way of a whole of government approach focused on client needs, better supplier management and partnerships, and improved service delivery.

Our public safety network, building on the past Government Radio Network, is rolling out in the North West of NSW, the North Coast, and specific priority areas across the State. Planning for the improvement of services in the Greater Metropolitan Area is well advanced and we anticipate real improvements in the provision of communications for public safety as a result.

We are also working with the Commonwealth Government around new spectrum and technologies, specifically Public Safety Mobile Broadband, for which the Authority has become a major lead in policy and proof of concept testing. Legislative reviews are underway, both for the Authority's own enabling legislation, and the broader Commonwealth telecommunications regulatory regimes, to ensure our operations are effective and make best use of technology and policy environments.

The Authority's own structure has been reviewed to ensure it provides us and our partners with the very best capabilities consistent with the changing requirements of our significant capital works and technology programs, where the Authority is an expert manager of its built networks.

Our aim for this year and the future has been to build on our important strategic and customer relationships to provide optimum service consistent with NSW Government policy on Operational Communications. Our purpose is to deliver improved communications services for our customers, and the NSW public who rely so much upon our emergency services providers, and to do so effectively, collaboratively and efficiently. I am very confident that the Authority is indeed pursuing this aim with commitment and skill.

I would like to thank Deputy Chair Kaaren Koomen, who also acted as Chair during the early part of the year, for her thoughtful and expert contributions, particularly around industry partnering, and welcome new members Geoff Kleeman and Ric Oldham. I would also like to thank Assistant Commissioner Kyle Stewart, APM, representing the NSW Police Force, for his generous and helpful participation in the work of the Authority. And I would like to recognize Kate Foy, Managing Director of the NSW Telco Authority, for her great leadership and energy in bringing the important work of the Authority to fruition, with the valuable assistance of the Secretary of the Department of Finance, Services and Innovation. Finally, special mention must be made of the great engagement we have enjoyed with Commissioner Shane Fitzsimmons, of the NSW Rural Fire Service (RFS) – the Telco Authority has been the beneficiary of the RFS' feedback and involvement and the Commissioner's personal support for our work is much appreciated.

A handwritten signature in black ink, appearing to read 'Beth Jackson', with a long horizontal flourish extending to the right.

**Beth Jackson**  
Chairperson

## Managing Director's report

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Overall, it has been a very successful year for the NSW Telco Authority (the Authority). Our organisation continues to grow and develop as we achieve our goals set out in our Corporate Plan and progress the initiatives in the NSW Government Operational Communications strategy.

Throughout the reporting period, the Critical Communications Enhancement Program (CCEP) has continued to progress and expand its capability. In 2017/18, our pilot in the North-West was a success, extending public safety network coverage in the region. Focus also remained to develop the priority region of the North Coast, confirming 87 sites to be upgraded to significantly improve shared and interoperable network coverage from north of Port Stephens and into Queensland.

After a successful budget bid in June 2018, additional funding was awarded for the next four years permitting the Authority to move forward on to the next phase of CCEP. Laser focus will be needed as we look to extend coverage in the Greater Metropolitan Area and Rest of State.

During 2017/18, the availability of the public safety network continued to perform above the Service Level Agreement of 99.95 per cent. This enabled us to deliver reliable and consistent communications to 45 customers on the public safety network, with numbers growing.

Over the year, we delivered on our commitment to continue to provide leadership in the development of a nationally consistent Public Safety Mobile Broadband. The Authority has played a vital role in national market engagement with industry. This has led to an agreement with all states and territories to jointly fund a national Proof of Concept trial to inform the preferred delivery model.

Forthcoming, I set the challenge for the Authority to remain the leader in reform across NSW Government Operational Communications. Next year, it is important that we focus on cultural alignment and work together as 'One Team' as we deliver on our priorities of providing essential services for our community.

I would like to give my thanks to all the staff in the Authority, whose commitment and hard work make our achievements possible. Thank you as well to my colleagues across the NSW public sector for their continued collaboration and support of our work.

A handwritten signature in black ink, appearing to read 'Kate Foy', with a stylized flourish extending to the right.

**Kate Foy**  
**Managing Director**

## About the NSW Telco Authority

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**We believe that communication is critical for people.**

**Our purpose is to connect people, across NSW, so they can work together and keep people and places safe.**

**We do that by designing, commissioning and managing operational telecommunications services that support NSW Government agencies and communities.**

The services provided by the NSW Telco Authority (the Authority) to users of operational communications services include to:

- reform the state's infrastructure and services to make the portfolio more efficient, improve services and streamline processes
- undertake the planning, deployment and management of government radio and data services
- identify, develop, deliver and procure communications services which meet the needs of customers
- manage voice and data spectrum allocations on behalf of all NSW agencies
- coordinate responses to telecommunications outages during major emergencies and natural disasters, including acting as a conduit between telecommunications carriers and emergency management organisations.
- provide strategy, policy and advocacy for the sector, including liaising with national bodies and stakeholders on sector reforms and enhancing the capabilities of the sector

## Our Senior Management Team

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The NSW Telco Authority has a new senior leadership team who work with experienced and qualified staff to deliver the functions and operations of the organisation. The senior management team is comprised of:

**Kate Foy** BA, Executive Masters of Public Administration, MAICD, Managing Director

**Andy Reeves**, Chief Technology Officer

**James McRobert**, BTP (Hons) MBA, CCEP Director

**Alan McNamara**, Director Delivery

**Jackie Giles**, MCT, GAICD, Director Commercial

**Peter Marks**, Bachelors Emergency Management, Advanced Diploma Public Safety, Manager, Telecommunications Emergencies

**Jerry Frenkel**, BSci, Masters of Arts, Organisational Communications, Director, Client and Stakeholder Services

**Jen Gilmore**, BA(Hons), Master of Commerce in Employment Relations, People Lead

## Our operating principles

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- We partner and work together with industry and stakeholders to ensure that agencies can deliver reliable, efficient and effective services to the community
- We engage our stakeholders as partners in aligning strategies, delivering solutions and reforming services
- We acknowledge and provide for the unique operating requirements of emergency service organisations
- We ensure services deliver the best value outcomes for NSW while continuing to meet stakeholder needs and providing an equal or improved level of service
- We provide strategic direction and value to the NSW Government and advance the leadership role that NSW plays in the radio sector nationally
- We ensure the capabilities and skills of the sector continue to develop and respond to new delivery approaches and technologies
- We identify opportunities to improve efficiency and minimise operational expenses and benchmark, monitor and assess performance to inform our decisions and support continuous improvement

## Our administrative and legislative context

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The Authority was established in 2011 as a result of the recommendations of the *Strategic Review of NSW Government Mobile Radio Services*, undertaken by NSW Department of Premier and Cabinet.

The Authority is a statutory authority constituted by the *Government Telecommunications Act 1991*. We operate within the Finance, Services and Innovation cluster and report to the Minister for Finance, Services and Property.

Under the state's emergency management framework, the NSW Telco Authority has responsibilities for coordinating functional area support and resources for emergency operations in all phases of emergency management involving telecommunications. The *State Emergency and Rescue Management Act 1989* provides the legislative framework for the operation of the telecommunications emergency management activities of the NSW Telco Authority.

The *NSW Government Operational Communications Strategy* sets out the operating models, principles and actions required to deliver reform and savings to the NSW Government. It provides the operational context for the Authority to deliver significant reform over the next 10 years, and can be accessed at [www.telco.nsw.gov.au](http://www.telco.nsw.gov.au)

## Our stakeholders

The NSW Telco Authority has a wide range of business partners, including public safety agencies, essential service providers, and other NSW Government agencies. We are continuously building relationships with relevant agencies in other states and territories to promote cross-jurisdictional sector issues.

The industry is increasingly supporting the NSW Government in the delivery of operational communications services and provides us with the opportunity to deliver cost effective and innovative solutions.

In addition to developing these partnerships, the Authority also works closely with a number of Commonwealth agencies, including the Australian Communications and Media Authority (ACMA) and the Department of Communications.

## Our clients

Our clients deliver a range of frontline services in public safety, environmental protection and other government services.

Over the past year, the number of radio network radios on the network has increased, as the client services and stakeholder engagement teams expanded and worked with new and existing agencies. In 2017/18 the NSW Telco Authority provided services to 45 clients on the radio network, and from June 2017 to July 2018 the total number of registered radios rose from 36,367 to 49,817.

Current client services activities include providing support for existing clients, identifying and recruiting

new users of the network, and supporting emergency management activities that rely on availability of the radio network and access to the public safety and emergency services.

## Highlights and Achievements

The 2017/18 financial year marked the NSW Telco Authority's sixth year of operation as a statutory authority within the Department of Finance, Services and Innovation.

### Simplified, efficient service improves customer satisfaction

The NSW Authority manages the NSW radio network. The public safety network (the network) is used by public safety agencies and other NSW government entities for essential communications. The network geographically covers approximately 266,000 square kilometers, or about a third of NSW.

During 2017/18, network availability has continued to be more than the network Service Level Agreement (SLA) of 99.95 per cent, for the whole period.

The NSW Authority instigated a number of activities to improve services, user experience and harden the resilience of the network throughout 2017/18 including, deploying tactical mobile assets to extend coverage into critical areas, deploying Cell on Wheels and Mobile generator assets, upgrading site systems and capacity, upgrades to the P25 core infrastructure, supporting agencies to trial Automatic Vehicle Location systems, upgrades to cyber security monitoring and systems, further enhancements to network monitoring capabilities extended to agencies for management of user traffic during major incidents.

### Mobile Data Radio Network

In 2017/18 the NSW Telco Authority continued to provide the Government Mobile Data Radio Network (MDRN) in partnership with the Trapeze Group Asia Pacific Pty Ltd. The MDRN provides a shared capacity for low speed data communications use for computer-aided dispatching of data.

### Telecommunications Services Functional Area

The NSW Telco Authority's Telecommunications Services Functional Area (TELCOFAC) is operational 24 hours a day, seven days a week. TELCOFAC plays a critical role in managing operational activities with the GRN, telecommunications carriers, public safety agencies and other partner agencies during incidents and emergencies. These activities ensure that critical telecommunication infrastructure is maintained so that

members of the public can call triple zero, receive emergency alert messages and emergency responders can communicate in the field. TELCOFAC provides a link between industry and government during times of emergency.

In 2017/2018, the TELOFAC focused on strategic and operational improvements, and following the national Triple Zero outage in April 2018 the TELOFAC has had its remit increased to include technological outages of national importance. Currently, the team is in negotiations with the Carriers to ensure consistent operational outcomes and drive an enhanced partnership to deliver better outcomes for public safety agencies and the community.

## **An innovative NSW government is digital, lean and connected**

### **Whole of Government Strategic Reforms**

#### **NSW Government Operational Communications Strategy**

In 2017/18 the NSW Telco Authority continued to implement the *NSW Government Operational Communications Strategy (OCS)*, approved in September 2015. The OCS sets out a roadmap for improving the diversity, availability and coverage of operational communications in NSW. The OCS also sets out the operating models, principles and actions required to reform the government communications sector in order to improve services, eliminate unnecessary duplication and promote greater industry participation and competition.

The *NSW Government Operational Communications Strategy* can be viewed at [www.telco.nsw.gov.au](http://www.telco.nsw.gov.au).

#### **Coordinated Investment Planning**

In 2017/18, the NSW Telco Authority applied the coordinated investment principles detailed in Treasury and Finance Circular – *NSW Government Radio Communications Strategy*, and the Department of Finance, Services and Innovation Circular – *NSW Government Operational Communications Strategy*.

In accordance with the government's strategy, agencies are to use existing shared Government radio services and facilities, if available. This is the first step to move agencies away from building, owning and operating their own networks, and will facilitate the creation of a more efficient shared network for our stakeholders.

### **Key Projects**

#### **Critical Communications Enhancement Project**

One of the first initiatives to be delivered under the NSW Government's Operational Communications Strategy, the Critical Communications Enhancement Program (CCEP) is delivering an enhanced radio network to improve emergency and day-to-day operational communications for a wide range of NSW Government agencies. This includes law enforcement, public safety and essential services.

Importantly, the CCEP will increase the level of shared coverage to support network users more easily sharing information and coordinating responses to critical incidents, such as road accidents, floods and fires. Emergency and day-to-day operational communications will also benefit from network capacity, availability and resilience designed to meet public safety standards for radio communications.

Over 2017/18, the CCEP built on the foundations of the state-wide preliminary design delivered in 2016/17 with the commencement of detailed design activities across NSW, including:

- North Coast - a priority region identified in collaboration with public safety agencies, which has confirmed 87 sites to be upgraded to significantly improve shared and interoperable network coverage from north of Port Stephens and into Queensland.
- Greater Metropolitan Area - covering the major metropolitan area of Sydney and significant urban areas like Newcastle and Wollongong, the CCEP is working to enhance the existing network by almost tripling the number of current sites in the region.
- Rest of State - including New England, South Coast, Central, North West, West and South West regions, the CCEP is confirming approximately 400 sites to better support public safety and essential service agencies.

In June 2018, as part of the 2018/2019 NSW State Budget, the Minister for Finance, Services and Property announced the release of funding to continue to support the delivery of the CCEP over the next four years.



## Public Safety Mobile Broadband

The PSMB program has continued to take a lead role in the development of a nationally consistent PSMB capability for all Australian states and territories. During 2017/18 NSW led the development of: the national PSMB Objectives and High-Level Requirements, the establishment of a contract for mobile broadband services with higher service levels than standard business grade for NSW Ambulance, national market engagement with industry to gain input into the preferred PSMB delivery model, and a final submission to the Commonwealth seeking an allocation of dedicated spectrum for PSMB. We have also reached agreement with all states and territories to jointly fund a national Proof of Concept trial to inform the preferred delivery model. The proof of Concept will be conducted during 2019.

## Commonwealth Mobile Black Spots Program

NSW Government partnered with the Commonwealth Government and mobile network operators to deliver a Mobile Blackspots Program to extend mobile coverage and competition in regional NSW. From 2018 financial year, funding for the Program is coming from the Economic Activation Fund, allocated from Restart NSW. Of the \$39.355 million committed by the NSW Government, \$27.152 million was allocated to NSW Telco Authority when the Program got transferred in November 2017.

A minimum of 183 sites will be delivered in NSW under the Rounds 1 and 2 of the program. As of August 2018, Telstra has 100 Sites-On-Air (92 NSW State co-funded + 8 Commonwealth only funded). Since July 2017, 68 sites have been completed by Telstra (62 NSW State Co-Funded + 6 Commonwealth only Funded).

In total 100+ sites have already been completed so far by Telstra, Optus and Vodafone with remaining sites to be completed by the end of 2018 with an exception of sites which will be approved under 'Extension of Time' notice (to be completed by June 2019).

## P25 Core Upgrade

The P25 Core Upgrade to 7.15 software release in the GRN network reached practical completion in November 2017 and was followed by a second upgrade to 7.17 release between March and June 2018.

Unlike the former upgrade delivering new features, system security and dynamic resilience, the latter upgrade to 7.17 was intended for increasing

user/console limits, enabling location services and extending system supportability lifecycle for both the GRN core and agency owned equipment (consoles and logging devices).

During the period from 1 July 2017 to 30 June 2018, the project

- Completed the 7.15 release upgrade of 157 GRN radio sites across NSW and ACT - to make ready for both cores working in active- active mode (DSR) and safeguard information against unauthorised interception
- Worked collaboratively with ACT-Emergency Services Agency to carry out works under their site upgrade program
- Deployed secondary (LTE) backhaul connectivity for 14 GRN sites in the Rail Corridor,
- Enabled both Dynamic System Resiliency and Zone Core Protection (ZCP (DSR) in early October, to ensure the radio system is seamlessly switched to the backup master site and to prevent exposure of the core to undesirable network traffic respectively
- Upgraded the WAVE Push-To-Talk primary and disaster recovery platforms to bring enhancement in terms of better voice quality, higher volume levels and html web client access
- Deployed the Radio Authentication Server and enabled additional core features to provide an extra level of verification when radio terminals register to the network and to detect unauthorised traffic
- Completed the 7.17 upgrade on the GRN network in May 2018, encompassing critical hardware replacements to the cores and the installation of the latest software release
- Upgraded 142 consoles and 3 voice recording/logging systems operated by 14 different agencies in May-June 2018

## NSW is a competitive, fair and secure marketplace

### Procurement

NSW Telco Authority follows the NSW Procurement Policy Framework which ensures that government procurement activities achieve best value for money in supporting the delivery of government services. This is realised by enabling the engagement of a competitive marketplace through fair, transparent and streamlined processes. Specifically, the ITS 2573 Operational

Telecommunications Equipment, Infrastructure and Services Prequalification Scheme has been established, which aims to simplify contracts and tenders and improve opportunities for small to medium enterprises to do business with the NSW Government.

## Participation and Response to Inquiries

The NSW Telco Authority is the lead organisation focused on government operational radiocommunications in NSW, and is a key driver of sector reform. To perform this role, the NSW Authority contributes in a number of national forums on radiofrequency and communications issues. The NSW Telco Authority also monitors and provides input to significant inquiries and consultation reviews throughout the year. In 2017/18, the NSW Telco Authority responded to:

### **Australian Communications and Media Authority (ACMA) Reconfiguring the 890-915/935-960 MHz band Way forward**

In October 2017, the ACMA opened a consultation on its planned reconfiguration of the 890–915/935–960 MHz band, to make this spectrum available for 4G mobile broadband services. This included consideration of the alignment of spectrum licence tenures of the adjacent 850 MHz ‘expansion’ band, to avail larger contiguous spectrum blocks for mobile broadband purposes. This would affect the 5 + 5 MHz of spectrum which was previously set aside by the Commonwealth for a Public Safety Mobile Broadband (PSMB) capability. The NSW Telco Authority’s submission noted the importance of preserving and allocating this dedicated spectrum for a nationally interoperable PSMB capability in the public interest, and highlighted that these bands included the only remaining spectrum suitable for PSMB purposes.

### **Australian Communications and Media Authority. Five-year spectrum outlook 2018-22. The ACMA’s spectrum management work program – consultation draft**

The ACMA consults annually with industry about spectrum management issues and priorities in order to understand technological changes and market demand

to inform its spectrum management work program. The ACMA’s spectrum management workstream incorporates multi-year activities which are prioritised through the spectrum planning stages of monitoring, initial investigation, preliminary re-planning and re-planning. In May 2017, the ACMA released a discussion paper inviting stakeholders to comment on its draft Five-year spectrum outlook 2018-22. The NSW Telco Authority’s submission noted that the ACMA’s plan included the 4.8GHz (4800-4990 MHz) band in the ‘monitoring’ planning stage, as a result of interest in this band for application to mobile broadband. This band overlaps the Public Safety and Emergency Response Class Licence 2013 (4940-4990 MHz). The identification and standardisation of the 4.8 GHz band for mobile broadband internationally may bring advantages by creating network product ecosystems, and thereby also delivering these benefits to public safety and emergency responders. The NSW Telco Authority submitted an interest exploring how this might occur, while also assuring that the primary access to this band for law enforcement and public safety is maintained.

## We are a great place to work

The NSW Telco Authority measures performance as part of the NSW Public Sector’s People Matter Employee Survey (PMES). In addition to the PMES, the NSW Telco Authority regularly evaluates staff satisfaction through the Teamgage application to make improvements based on feedback received.

In 2017/18 the NSW Telco Authority had three women in senior executive roles, out of seven in total, and women were well represented in senior management roles across the NSW Telco Authority.

The Telco Authority is also a strong supporter of the Public Service Commission’s (PSC) NSW Government Graduate Program, and hosted 20 graduates across 2017/18. The Graduate Program is seen as a key method of attracting talent to the NSW Government, and of encouraging and supporting of individuals in at the beginning of their careers in science, technology, engineering and math, and other fields.

## 2017/18 Corporate Plan

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The Corporate Plan presented the Telco Authority's purpose, objectives and goals, as well as the values and operating principles that the NSW Telco Authority operates under. The Corporate Plan was developed in collaboration with key stakeholders, client groups, staff and the Telco Authority Board.

The Corporate Plan aligns with the NSW Government's State Priorities including delivering infrastructure; improving government services and ensuring safer communities. The Corporate Plan is updated each year, setting our strategic direction and identifying how we will lead a unified approach to government operational telecommunications in NSW

## Governance

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The NSW Telco Authority is overseen by a Board of part-time independent and government members who, with the Managing Director and executive management, are accountable for the operations of the NSW Telco Authority.

The NSW Telco Authority recognises the importance of agency collaboration, and the different skills and experience that contribute to the development of policy and strategy. As a result, a tiered framework is in place to facilitate and support engagement. This model is informed by the governance framework development experiences in the NSW Government's approach to Procurement and Information and Communications Technology.

The following advisory and governance groups have been established as collaborative forums for engagement with our business partners:

- Commissioners' Advisory Council
- Critical Communications Enhancement Program Steering Committee
- Investment and Strategy Forum
- Technology Planning and Review Group

## The Board

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The Telco Authority Board is established under the *NSW Government Telecommunications Act 1991*. The Board has adopted a Charter and a Code of Conduct to guide its operations. The Board provides policy and strategic direction for the NSW Telco Authority. The Minister administers the Act and nominates the members after consultation with various sectors of the NSW Government.

## Members 2017-18:

In accordance with the Act and to ensure a broad range of skills and experience, the Board is comprised of members as follows.

Board member **Beth Jackson** (Bachelor of Arts, Diploma of Law, MAICD) was appointed Chair on 25 October 2017. Beth has held senior roles in federal and state government, in law and more recently in telecommunications and technology in Australia and internationally. She was Director of Business and Government Marketing for Telstra, and Regional Vice President for SITA, then the world's largest data communications network. She has also contributed to not for profit community organisations at board level, and undertook high level corporate advisory work. *Nominated by the Premier.*

Board member **Kaaren Koomen AM** (Bachelor of Arts/Law, Master of Law, GAICD), was appointed Deputy Chairperson on 31 May 2017. She is a highly experienced executive with over 25 years' experience in leadership roles in the private and public sector, with a focus on communications and technology. She is currently an Executive Director with IBM Australia and New Zealand, and a member of the Global IBM Government Programs Leadership Team. She has extensive board experience on over 10 public and private boards and committees, and currently serves on four, including Chair of the Museum of Australian Democracy at Eureka and Vice President of the Australian Services Roundtable. *Nominated by the Minister for Finance, Services and Property.*

Board member, **Shane Fitzsimmons** (qualifications in Management and Leadership from the Australian Institute of Police Management and NSW TAFE) is Commissioner of the NSW Rural Fire Service. Commissioner Fitzsimmons has a wealth of strategic and operational fire knowledge and was awarded the Australian Fire Service Medal in 2001. *Nominated by the Finance, Services and Property in concert with the Minister for Emergency Services.*

Board member, **Kate Foy** (Bachelor of Arts, Executive Masters of Public Administration, MAICD) is the Managing Director of the Telco Authority, joining in June 2016. Kate has held roles in Infrastructure, Planning and Natural Resources, Premier's Department and Transport. Kate has been involved in major transformational programs in service design and program delivery, most recently driving improvements

for customers in the delivery of transport services in NSW. *Ex Officio member.*

Board member **Clare Gardiner-Barnes** (Diploma Teaching (Primary), Graduate Diploma Arts, Master of Social Welfare Administration and Planning), GAICD, is currently Deputy Secretary, Freight, Strategy and Planning at Transport for NSW, with responsibility for ensuring the planning, strategy, policy and legislation for all modes of transport in NSW to support a safe, efficient and integrated transport system. Prior to this, Clare was Chief Executive at the Department of Transport in the Northern Territory. She has held numerous senior positions in government including Chief Executive at the Department of Children and Families in the Northern Territory and in policy at the Department of Education and Training in Queensland. *Nominated by the Minister for Transport and Infrastructure.*

Board member **Philip Gardner** from 24 August (Bachelor of Laws/Economics, AICD) has been the NSW Treasury's Executive Director, Commercial Transactions, since 2015. Prior to this, he was an expert adviser to Sunsuper and a senior executive with Goldman Sachs Asset Management in Australia, Singapore and the United Kingdom from 1997 to 2014, and a senior executive with Macquarie Bank from 1989 to 1997. *Nominated by the NSW Treasurer.*

**Damon Rees** (Bachelor of Information Technology, MBA) Damon Rees is currently the Chief Executive Officer of Service NSW. Damon was previously the NSW Government's first Chief Information & Digital Officer (GCIDO) and Deputy Secretary of ICT & Digital Government within the Department of Finance, Services & Innovation. Prior to this, Damon was the Chief Digital Officer at Macquarie Bank, having earlier served as the Chief Technology Officer and interim Chief Information Officer at Woolworths, and as Westpac's Head of Integrated Delivery. He also serves as Non-Executive Director with GP Synergy, a federally-funded general practice education and training provider. *Nominated by the Minister for Finance, Services and Property.*

**Geoff Kleeman** – member since October 2017, Geoff commenced his career at Deloitte and subsequently completed twenty plus years as a senior executive in a listed company environment, as Chief Financial Officer for Crown Limited, Publishing and Broadcasting Ltd, Woolworths Ltd and Pioneer International Ltd. Geoff is currently a Non-Executive Director of Investa Listed

Funds Management Limited the RE for Investa Office Fund, and of Domain Ltd. He was previously Non-Executive Director, and Chair of the Audit Committee, for Asciano Limited and Broadspectrum Ltd. Geoff is a member of the Institute of Chartered Accountants and an Independent Non-Executive Director of the Domain Group Board.

Board Member since October 2017 - **Ric Oldham's** career spans almost four decades, with extensive experience in both the public and private sectors across telecommunications. This includes the design, construction and operation of public infrastructure as well as in the transport, utilities and resources industries. He previously served as a Chairman of Imatis and Bass Valley Landcare, and was a member of the Leighton Contractor's advisory board. Ric has held senior executive and direct project management roles within the private and public sector in the delivery of complex multidiscipline telecommunications and civil infrastructure projects within Asia Pac and North America, with wide-ranging experience in strategic planning and leadership, building values based high performing client focused teams with an uncompromising culture of care, integrity and performance.

## Board meetings

The Board was appointed in 2012 and held its inaugural meeting in July 2012. There were six meetings held during 2017/18.

Member	Period	Meetings	
		Attended	Eligible
Beth Jackson	Full year	6	6
Kaaren Koomen	Full year	5	6
Shane Fitzsimmons	Full year	6	6
Kate Foy	Full year	6	6
Clare Gardiner-Barnes	Full year	3	6
Philip Gardner	Full year	5	6
Damon Rees	Full year	2	6
Geoff Kleemann	Part Year	3	4
Ric Oldham	Part year	4	4

### Internal Audit and Risk Management Attestation Statement for the 2017-2018 Financial Year for the NSW Government Telecommunications Authority

I, Kate Foy, Managing Director, am of the opinion that the NSW Government Telecommunications Authority has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

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

## **Membership**

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

- Carol Holley, Independent Chair, from 2 December 2015 to 1 December 2020;
- Dianne Hill, Independent Member, from 1 February 2016 to 31 January 2019;
- Nirmal Hansra, Independent Member, from 20 December 2018 to 19 December 2021;
- Bruce Turner AM, Independent Member, from 22 January 2016 to 21 January 2019.

This Audit and Risk Committee has been established under a Treasury approved shared arrangement with the following departments/statutory bodies:

- Department of Finance, Services and Innovation
- Rental Bond Board
- Fair Trading Administration Corporation
- Building Professionals Board
- Subsidence Advisory
- NSW Government Telecommunications Authority
- State Archives and Records Authority



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Kate Foy  
Managing Director  
NSW Government Telecommunications Authority

Date: 6 SEPTEMBER 2018

Agency Contact Officer  
Geoff Campbell  
Chief Audit Executive, 9372 8040  
[geoff.campbell@finance.nsw.gov.au](mailto:geoff.campbell@finance.nsw.gov.au)

Annual Attestation Statement for the 2017-18 financial year for the  
NSW Telecommunications Authority

I, Kate Foy, Managing Director of the NSW Telecommunications Authority (the Authority) am of the opinion that the Authority has implemented actions towards an Information Security Management System during the financial year being reported on, consistent with the Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector, and the approaches in place with the Department of Finance, Services and Innovation and its Shared Service Provider.

I am of the opinion that security controls are in place to mitigate identified risks to the digital information and digital information systems of the Authority are being made adequate for the foreseeable future.

I am of the opinion that, where necessary in accordance with the Digital Information Security Policy for the NSW Public Sector, the Authority is transitioning towards adopting relevant practices aligned with AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information security management systems – Requirements.



Kate Foy  
Managing Director

Date: 13/7/18



## INDEPENDENT AUDITOR'S REPORT

New South Wales Government Telecommunications Authority

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of the New South Wales Government Telecommunications Authority (the Authority), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

### Basis for Opinion

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

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

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

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

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

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

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



## **Other Information**

Other information comprises the information included in the Authority's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Managing Director of the Authority is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises of the Statement by the Managing Director.

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

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

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

I have nothing to report in this regard.

## **The Managing Director's Responsibilities for the Financial Statements**

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

In preparing the financial statements, the Managing Director is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Authority will be dissolved by an Act of Parliament or otherwise cease operations.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Nathan Carter  
Director, Financial Audit Services

21 September 2018  
SYDNEY

## Statement by the Managing Director

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**NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**  
**STATEMENT BY THE MANAGING DIRECTOR**

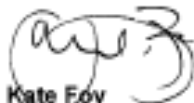
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Under Section 41C of the *Public Finance and Audit Act, 1983*, I state that in my opinion:

- (a) The accompanying financial statements and notes thereto exhibit a true and fair view of the financial position of the NSW Government Telecommunications Authority as at 30 June 2018 and its financial performance for the year then ended.
- (b) The accompanying financial statements and notes thereto have been prepared in accordance with the applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer.

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

On behalf of the Authority



**Kate Foy**  
**Managing Director**  
**NSW Government Telecommunications Authority**

**Dated at Sydney 19<sup>th</sup> September 2018**

START OF AUDITED FINANCIAL STATEMENTS

**NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>Continuing operations</b>				
<b>Expenses excluding losses</b>				
Personnel Services expenses	2(a)	5,250	6,618	4,697
Operating expenses	2(b)	43,460	59,335	52,022
Finance Costs		92	-	126
Depreciation and amortisation	2(c)	8,282	8,896	7,378
Grants and subsidies	2(d)	10,498	-	-
Other expenses		-	-	-
<b>Total Expenses excluding losses</b>		<b>67,582</b>	<b>74,849</b>	<b>64,223</b>
<b>Revenue</b>				
Sale of goods and services	3(a)	52,350	50,816	44,497
Grants and other contributions	3(b)	57,141	125,335	42,836
Other income	3(c)	1,294	839	832
<b>Total Revenue</b>		<b>110,785</b>	<b>176,990</b>	<b>88,165</b>
<b>Operating Result</b>		<b>43,203</b>	<b>102,141</b>	<b>23,942</b>
Gains / (losses) on disposal	4	(26)	-	(53)
<b>NET RESULT</b>		<b>43,177</b>	<b>102,141</b>	<b>23,889</b>
Other comprehensive income		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>43,177</b>	<b>102,141</b>	<b>23,889</b>

The accompanying notes form part of these financial statements.

**NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY  
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	5	50,317	19,835	35,835
Receivables	6	6,702	1,425	9,458
Inventories	7	806	456	465
Other current assets	8	1,071	-	693
<b>Total Current Assets</b>		<b>58,896</b>	<b>21,716</b>	<b>46,451</b>
<b>Non-Current Assets</b>				
Plant and equipment	9	112,177	189,322	77,486
Intangible assets	10	19,965	1,222	746
<b>Total Non-Current Assets</b>		<b>132,142</b>	<b>190,544</b>	<b>78,232</b>
<b>Total Assets</b>		<b>191,038</b>	<b>212,260</b>	<b>124,683</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	11	44,968	13,043	23,664
Provisions	12	1,766	-	1,845
<b>Total Current Liabilities</b>		<b>46,734</b>	<b>13,043</b>	<b>25,509</b>
<b>Non-Current Liabilities</b>				
Provisions	12	4,550	2,742	2,917
<b>Total Non-Current Liabilities</b>		<b>4,550</b>	<b>2,742</b>	<b>2,917</b>
<b>Total Liabilities</b>		<b>51,284</b>	<b>15,785</b>	<b>28,426</b>
<b>Net Assets</b>		<b>139,754</b>	<b>196,475</b>	<b>96,257</b>
<b>EQUITY</b>				
Accumulated funds		139,754	196,475	96,257
<b>Total Equity</b>		<b>139,754</b>	<b>196,475</b>	<b>96,257</b>

The accompanying notes form part of these financial statements.

**NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	Accumulated Funds \$'000
<b>Balance at 1 July 2017</b>		<b>96,257</b>
Net Result for the year		43,177
<b>Transactions with owners in their capacity as owners</b>		
Net increase in assets from equity transfers		320
Other comprehensive income		-
<b>Total comprehensive income for the year</b>		<b>139,754</b>
<b>Balance at 30 June 2018</b>		<b>139,754</b>
<b>Balance at 1 July 2016</b>		<b>72,368</b>
Net Result for the year		23,889
Other comprehensive income		-
<b>Total comprehensive income for the year</b>		<b>96,257</b>
<b>Balance at 30 June 2017</b>		<b>96,257</b>

The accompanying notes form part of these financial statements.

**NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Payment to suppliers and employees		(43,173)	(66,001)	(63,294)
Grants and other contributions		(10,498)	-	-
<b>Total Payments</b>		<b>(53,671)</b>	<b>(66,001)</b>	<b>(63,294)</b>
<b>Receipts</b>				
Receipts from customers and rental		63,244	50,864	47,858
Grants and subsidies		57,141	125,335	42,836
Interest received		797	839	853
Proceeds from insurance		497	-	96
<b>Total Receipts</b>		<b>121,679</b>	<b>177,038</b>	<b>91,643</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	15	<b>68,008</b>	<b>111,037</b>	<b>28,349</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of plant and equipment		(46,612)	(117,542)	(35,698)
Purchase of Intangible Assets		(6,914)	-	(387)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(53,526)</b>	<b>(117,542)</b>	<b>(36,085)</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>14,482</b>	<b>(6,505)</b>	<b>(7,736)</b>
Opening cash and cash equivalents		35,835	26,340	43,571
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	5	<b>50,317</b>	<b>19,835</b>	<b>35,835</b>

The accompanying notes form part of these financial statements.

**NSW SOUTH WALES GOVERNMENT TELECOMMUNICATIONS AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Reporting Entity**

The NSW Government Telecommunications Authority (the Authority) is a NSW Government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Authority is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Managing Director on 19 September 2018.

The NSW Government Telecommunications Authority as a reporting entity comprises of the following major activities:

**i. Government Radio Network**

The NSW Government Radio Network (GRN) provides a common platform for government agencies and authorities who use mobile radio communications, including as a 'mission-critical' tool for public safety and emergency services organisations. The GRN is owned by the NSW Government and managed on its behalf by a private sector network manager with oversight and assurance provided by the Authority. User charges are based on the Government approved full cost recovery IPART funding methodology.

**ii. Mobile Data Radio Network**

The Mobile Data Radio Network (MDRN) provides a shared platform for low speed mobile data communications and is used primarily for computer aided dispatch of field resources. The Network is used by the NSW Ambulance Service. The delivery of dispatch information via data is essential to achieving a rapid patient response.

**iii. Emergency Management**

The Telecommunications Services Functional Area forms part of the NSW Government's emergency management arrangements, and acts to ensure the integrity of telecommunications services is maintained during critical incidents and natural disasters. The Authority provides coordination of the Functional Area through the statutory role of the Functional Area Coordinator. This role provides the link between telecommunications carriers and emergency services agencies ensuring the protection of telecommunications infrastructure relied upon by both government workers and the general public for communications.

**(b) Basis of Preparation**

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

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and
- Financial Reporting Directions mandated by the Treasurer.

Plant and equipment, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.



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

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

**(c) Statement of Compliance**

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

**(d) Accounting for the Goods and Services Tax (GST)**

Income, expenses and assets are recognised net of the amount of GST, except that the:

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

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

**(e) Comparative Information**

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

**(f) Changes in Accounting Policy, including New or revised Australian Accounting Standards**

**(i) Effective for the First Time in 2017-18**

The accounting policies applied in 2017-18 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2017-18.

- *AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- *AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- *AASB 2016-7 Amendments to Australian Accounting Standards.*

The standards identified above had no material impact on the Authority's financial statements.

**(ii) Issued But Not Yet Effective**

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

The following new Accounting Standards have not been applied and are not yet effective:

### Accounting Standard / Interpretation

- AASB 9 Financial Instruments
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding Revenue from Contracts with Customers
- AASB 16 regarding lease accounting for both lessee and lessor
- AASB 17 Insurance Contracts
- AASB 1058 Income for Not-for-Profit Entities
- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 with AASB 4 Insurance Contracts
- AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfer of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income tax Treatments
- AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2017-6 Amendments to Australian Accounting Standards – Long term interests in Associated and Joint Ventures
- Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Interpretation 23 Uncertainty over Income Tax Treatment

The implementation of AASB 16 *Leases* is currently being assessed as it is expected to have an impact on the financial statements due to the operating leases with underlying assets which will be capitalised as 'Right of Use' assets. Due to the method of application of these new standards, the Authority is also required to recognise a liability for their respective contractual obligations, which in turn will reduce its overall impact on the net asset position of the Authority.

The implementation of AASB 15 *Revenue from contracts with customers* and AASB 1058 *Income for not-for-profit entities* are currently being assessed, it is difficult to determine at this time whether these standards will have an impact on the Authority's reporting.

Other than these mentioned, the rest of these Standards will not have a material impact on the Authority's financial statements.

## 2. EXPENSES EXCLUDING LOSSES

### (a) Personnel Services Expense

	2018	2017
	\$'000	\$'000
Salaries and wages (including recreation leave)(*)	4,433	3,962
Superannuation	333	222
Long service leave	47	104
Workers compensation insurance	2	29
Payroll tax and fringe benefits tax	266	232
Voluntary redundancy(**)	169	148
	<b>5,250</b>	<b>4,697</b>

(\*) During the year, \$506,997 of salaries and wages (\$363,279 in 2016-17) were capitalised and are therefore excluded from the above.

(\*\*) The Authority has yet to be reimbursed by DFSI for redundancy payments made in 2015/16 and 2016/17.

The Authority received personnel services from the Department of Finance, Services and Innovation as it is unable to employ staff. Refer note 11.

**(b) Other Operating Expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Auditor's remuneration		
- audit of the financial statements	52	51
Network operating expenses	24,084	30,064
Rent	5,560	4,347
Maintenance	851	1,023
Legal Fees	747	349
Consultants	319	633
Contractors	5,635	4,150
Power	423	382
Impairment of Debtors	(38)	147
Corporate costs	2,531	907
Minor Equipment	-	7,876
Other	3,296	2,093
	<b>43,460</b>	<b>52,022</b>

**Recognition and Measurement**

**Maintenance expense**

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

**Minor Equipment**

Telco purchased Radio Equipment on behalf of Ambulance NSW in 2017. Ambulance reimbursed Telco for these radios. This arrangement was devised to assist Ambulance NSW purchase equipment that Telco has expertise in sourcing.

**Insurance**

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

**Operating leases**

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

**(c) Depreciation and Amortisation Expense**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation and Amortisation		
- Plant and equipment	7,436	5,921
- Leasehold improvements	26	709
- Intangible assets	820	748
	<b>8,282</b>	<b>7,378</b>

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

**(d) Grants and Subsidies**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Grants and Subsidies		
- Mobile Black Spot Program	6,877	-
- Enterprise Telecommunications Optimisation Program	3,621	-
	<b>10,498</b>	<b>-</b>

#### Mobile Black Spot Program

The NSW Government participated in the Australian Government's Mobile Black Spots Program and has committed to co-contribute to 139 new or improved mobile base stations in NSW. Telco was identified as being in the best position to lead the rollout of the Mobile Black Spot Program. This expenditure is funded by the Restart Grant program.

#### Enterprise Telecommunications Optimisation Program

The Enterprise Telecommunications Optimisation Program has been tasked with driving the NSW Government Telecommunications Strategy for the Whole of Government. Telco is funding this Program in recognition of the potential future savings this Strategy could create for the Authority.

### 3. REVENUE

#### Recognition and Measurement

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

#### (a) Sale of Goods and Services

	2018	2017
	\$'000	\$'000
Radio Network Services	52,350	44,497
	<b>52,350</b>	<b>44,497</b>

#### Recognition and Measurement

Revenue from rendering of services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

#### (b) Grants and Contributions

	2018	2017
	\$'000	\$'000
Grants received from the Federal & Other State Governments	180	-
Mobile Black Spot Program – Restart Funds	6,877	-
Contribution received (Health Admin Corp FY17)	-	7,876
Grants received from DFSI	50,084	34,960
	<b>57,141</b>	<b>42,836</b>

#### Recognition and Measurement

Income from grants (other than contribution by owners) is recognised when the Authority obtains control over the contribution. The Authority is deemed to have assumed control when the grant is received or receivable.

Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

#### (c) Other Revenue

	2018	2017
	\$'000	\$'000
Interest Revenue	797	832
Insurance proceeds	497	-
	<b>1,294</b>	<b>832</b>

#### Recognition and Measurement

##### Interest income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

4. OTHER GAINS/LOSSES

	2018	2017
	\$'000	\$'000
Loss on disposal of plant & equipment	(26)	(53)
	<b>(26)</b>	<b>(53)</b>

5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2018	2017
	\$'000	\$'000
Cash at bank	50,317	35,835
	<b>50,317</b>	<b>35,835</b>

The deposits are bearing a floating interest rate average of 1.85% for the year ended 30 June 2018 (2017 - 2.09%). These funds are at call.

For the purposes of the Statement of Cash Flows, Cash and Cash Equivalents include Cash at bank.

Cash assets recognised in the Statement of Financial Position are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

	2018	2017
	\$'000	\$'000
Cash and cash equivalents (per Statement of Financial Position)	50,317	35,835
<b>Closing cash and cash equivalents (per Statement of Cash Flows)</b>	<b>50,317</b>	<b>35,835</b>

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

6. CURRENT ASSETS - RECEIVABLES

	2018	2017
	\$'000	\$'000
Debtors	4,405	7,471
Allowance for Impairment	(109)	(147)
Prepayments	2,406	2,134
	<b>6,702</b>	<b>9,458</b>

Details regarding credit risk, liquidity risk and market risk including financial assets that are either due or impaired are disclosed in Note 18.

**Recognition and Measurement**

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables, including trade receivables, prepayments etc. are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

**Impairment**

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

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

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

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

#### 7. CURRENT ASSETS - INVENTORIES

	2018 \$'000	2017 \$'000
Spare Parts (at cost)	806	465
	<b>806</b>	<b>465</b>

##### Recognition and Measurement

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the entity would incur to acquire the asset

#### 8. CURRENT ASSETS - OTHER

	2018 \$'000	2017 \$'000
Net GST recoverable	1,071	693
	<b>1,071</b>	<b>693</b>

#### 9. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	Land \$'000	Plant and Equipment (GRN) \$'000	Plant and Equipment (MDRN) \$'000	Assets Under Construction (GRN) \$'000	Leasehold Improvements (GRN / MDRN) \$'000	Total \$'000
<b>At July 2017 – Fair Value</b>						
Gross carrying amount	-	81,045	14,496	57,942	3,370	156,853
Accumulated depreciation and impairment	-	(63,652)	(14,493)	-	(1,222)	(79,367)
<b>Net carrying amount</b>	<b>-</b>	<b>17,393</b>	<b>3</b>	<b>57,942</b>	<b>2,148</b>	<b>77,486</b>
<b>At 30 June 2018 – Fair Value</b>						
Gross carrying amount	320	105,774	14,548	73,498	4,798	198,938
Accumulated depreciation and impairment	-	(71,033)	(14,548)	-	(1,180)	(86,761)
<b>Net carrying amount</b>	<b>320</b>	<b>34,741</b>	<b>-</b>	<b>73,498</b>	<b>3,618</b>	<b>112,177</b>

##### Reconciliation

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current reporting period are set out below:

	Land \$'000	Plant and Equipment (GRN) \$'000	Plant and Equipment (MDRN) \$'000	Assets Under Construction (GRN) \$'000	Leasehold Improvements (GRN / MDRN) \$'000	Total \$'000
<b>Year ended 30 June 2018</b>						
Carrying amount at start of year	-	17,393	3	57,942	2,148	77,486
Additions	-	2,291	55	43,261	1,675	47,282
Transfers from Govt Agencies	320	-	-	-	-	320
Disposals	-	(432)	(3)	-	(179)	(614)
Reclassification	-	22,870	-	(27,705)	-	(4,835)
Depreciation and amortisation expense	-	(7,381)	(55)	-	(26)	(7,462)
<b>Carrying amount at end of year</b>	<b>320</b>	<b>34,741</b>	<b>-</b>	<b>73,498</b>	<b>3,618</b>	<b>112,177</b>

	Land \$'000	Plant and Equipment (GRN) \$'000	Plant and Equipment (MDRN) \$'000	Assets Under Construction (GRN) \$'000	Leasehold Improvements (GRN / MDRN) \$'000	Total \$'000
<b>At 1 July 2016 – Fair Value</b>						
Gross carrying amount	-	75,987	14,496	15,462	2,742	108,687
Accumulated depreciation and impairment	-	(58,032)	(14,459)	-	(478)	(72,969)
<b>Net carrying amount</b>	<b>-</b>	<b>17,955</b>	<b>37</b>	<b>15,462</b>	<b>2,264</b>	<b>35,718</b>

**At 30 June 2017 – Fair Value**

Gross carrying amount	-	81,045	14,496	57,942	3,370	156,853
Accumulated depreciation and impairment	-	(63,652)	(14,493)	-	(1,222)	(79,367)
<b>Net carrying amount</b>	<b>-</b>	<b>17,393</b>	<b>3</b>	<b>57,942</b>	<b>2,148</b>	<b>77,486</b>

**Reconciliation**

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current reporting period are set out below:

	Land \$'000	Plant and Equipment (GRN) \$'000	Plant and Equipment (MDRN) \$'000	Assets Under Construction (GRN) \$'000	Leasehold Improvements (GRN / MDRN) \$'000	Total \$'000
<b>Year ended 30 June 2017</b>						
Carrying amount at start of year	-	17,955	37	15,462	2,264	35,718
Additions	-	-	-	47,834	617	48,451
Disposals	-	(29)	-	-	(24)	(53)
Reclassification	-	5,354	-	(5,354)	-	-
Depreciation and amortisation expense	-	(5,887)	(34)	-	(709)	(6,630)
<b>Carrying amount at end of year</b>	<b>-</b>	<b>17,393</b>	<b>3</b>	<b>57,942</b>	<b>2,148</b>	<b>77,486</b>

**Recognition and Measurement**

**Acquisition of plant and equipment**

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

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

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

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer).

#### **Capitalisation Thresholds**

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

#### **Major inspection costs**

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

#### **Restoration costs**

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

#### **Maintenance**

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

#### **Depreciation of plant and equipment**

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

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

The depreciation rates used for 2017/18 for each class of depreciable assets remain unchanged from previous years, are:

#### ***Plant and Equipment***

Huts and Tower	2.5% to 5.0%
Network Equipment	10.0%
Leasehold improvements	shorter of estimated useful life of improvements and term of lease

#### **Finance leases**

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

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

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

#### **Revaluation of Plant and Equipment**

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



Non-specialised assets with short useful lives, like plant and equipment, are measured at depreciated historical cost as an approximation of fair value. The Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

#### Impairment of Plant and Equipment

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

Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

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

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

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

#### 10. NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Software \$'000	Asset Under Construction \$'000	Total \$'000
<b>At 1 July 2017</b>			
Gross carrying amount	2,880	-	2,880
Accumulated amortisation and impairment	(2,134)	-	(2,134)
<b>Net carrying amount</b>	<b>746</b>	<b>-</b>	<b>746</b>
<b>At 30 June 2018</b>			
Gross carrying amount	9,416	13,502	22,918
Accumulated amortisation and impairment	(2,953)	-	(2,953)
<b>Net carrying amount</b>	<b>6,463</b>	<b>13,502</b>	<b>19,965</b>
<b>Year Ended 30 June 2018</b>			
Net carrying amount at beginning of year	746	-	746
Additions	1,702	13,502	15,204
Disposals			
Reclassification	4,835	-	4,835
Amortisation expense	(820)	-	(820)
<b>Carrying amount at end of year</b>	<b>6,463</b>	<b>13,502</b>	<b>19,965</b>

	Software \$'000	Asset Under Construction \$'000	Total \$'000
<b>At 1 July 2016</b>			
Gross carrying amount	2,102	391	2,493
Accumulated amortisation and impairment	(1,386)	-	(1,386)
<b>Net carrying amount</b>	<b>716</b>	<b>391</b>	<b>1,107</b>
<b>At 30 June 2017</b>			
Gross carrying amount	2,880	-	2,880
Accumulated amortisation and impairment	(2,134)	-	(2,134)
<b>Net carrying amount</b>	<b>746</b>	<b>-</b>	<b>746</b>
<b>Year Ended 30 June 2017</b>			
Carrying amount at start of year	716	391	1,107
Additions	387	-	387
Disposals	-	-	-
Amortisation expense	(748)	-	(748)
Assets transferred	391	(391)	-
<b>Carrying amount at end of year</b>	<b>746</b>	<b>-</b>	<b>746</b>

#### Recognition and Measurement

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

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

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

The Authority's intangible assets are amortised using the straight line method over their useful life of four years.

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

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

#### 11. CURRENT LIABILITIES - PAYABLES

	2018 \$'000	2017 \$'000
Creditors	44,035	20,814
Accrued personnel services	914	2,848
Unearned revenue	19	2
	<b>44,968</b>	<b>23,664</b>

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

#### Recognition and measurement

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

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

#### Accrued Personnel Services Benefits and Other Payables

The Authority receives personnel services from the Department of Finance, Services and Innovation. The Department of Finance, Services and Innovation is not a Special Purpose Service Entity and does not control the Authority under this arrangement.

In accordance with NSW Treasury Circular 15/07 "Financial and Annual Reporting Requirements Arising from Personnel Service Arrangements", a liability representing the total amount payable to the Department of Finance, Services and Innovation is recognised in the Statement of Financial Position.

As the Authority is not an employer, the disclosure requirements of AASB 119 *Employee Benefits* in respect of employee benefits do not apply.

## 12. CURRENT / NON CURRENT LIABILITIES - PROVISIONS

	2018 \$'000	2017 \$'000
<b>Current Provisions</b>		
Decommissioning costs	1,300	1,300
Restoration and decommissioning costs	466	545
	<b>1,766</b>	<b>1,845</b>
<b>Non-Current Provisions</b>		
Restoration and decommissioning costs	4,550	2,917
	<b>4,550</b>	<b>2,917</b>
Total	<b>6,316</b>	<b>4,762</b>

The provision represents the cost of decommissioning existing operational assets arising from a site exit which includes site restoration and decommissioning equipment.

#### Movement in Provisions (other than employee benefits)

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

2018	Total \$'000
Carrying amount at the beginning of financial year	4,762
Additional provisions recognised	1,572
Amounts utilised	-
Unused amounts reversed	(110)
Unwinding at discount rate	92
Carrying amount at end of financial year	<b>6,316</b>

#### Other provisions

Provisions are recognised when: the Authority has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

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

Provisions include restoration costs on leased telecommunication sites. The provision is calculated based on current cost estimates for asset dismantling, removal and site restoration activities

implicit in each lease agreement, which are then discounted to present value. The provisions are established by individual lease. The unamortised value of the obligation is recorded as an asset

If the effect of the time value of money is material, provisions are discounted using the government bond rate (between 1.910 and 3.2000) which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

### 13. EQUITY

#### Recognition and Measurement

##### **Accumulated Funds**

The category 'Accumulated Funds' includes all current and prior period retained funds.

##### **Reserves**

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or AAS (e.g. revaluation surplus and foreign currency translation reserve).

##### **Equity transfers - Recognition and Measurement**

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by AAS to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 and Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the entity does not recognise that asset.

In June 2018, two parcels of land, with a combined independent valuation of \$320k, were transferred from NSW Police Department to Telco. This is part of the CCEP initiative to incorporate existing government assets into the expanding GRN. This transfer was approved by the respective Ministers.

### 14. BUDGET REVIEW

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

#### **Net result**

The actual net result was lower than budget by \$58.9 million primarily due to Grant Revenue and associated Expenditure carried forward to 2018/19.

#### **Assets and liabilities**

Actual total equity for the year of \$139.8 million was lower than budget by \$56.6 million due to deferred acquisition of plant and equipment.

#### **Cash flows**

Actual cash and cash equivalents for the year of \$50.3 million were higher than budget by \$30.5 million mostly due to deferred payment of expenditure, in line with trading terms.

15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

Reconciliation of Cash Flows from Operating Activities to Net Result

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

	2018 \$'000	2017 \$'000
Net cash flows from operating activities	68,008	28,349
Depreciation and amortisation expense	(8,282)	(7,378)
Finance Costs	(92)	(126)
Loss on Disposal	(26)	(53)
<b>Changes in Operating Assets and Liabilities</b>		
Increase/(decrease) in receivables	(2,756)	5,285
Increase/(decrease) in inventory	341	32
Increase/(decrease) in other assets	378	(378)
Decrease/(increase) in payables	(14,394)	(1,842)
<b>Net Result</b>	<b>43,177</b>	<b>23,889</b>

16. COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

	2018 \$'000	2017 \$'000
Aggregate capital expenditure for the acquisition of mostly GRN site specific equipment contracted for at balance date and not provided for:		
Within than one year	111,999	27,008
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total (including GST)</b>	<b>111,999</b>	<b>27,008</b>

(b) Operating Lease Commitments

*Entity as lessee*

Future minimum rentals payable under non-cancellable operating lease as at 30 June are, as follows:

	2018 \$'000	2017 \$'000
Within one year	3,746	3,591
Later than one year and not later than five years	8,041	8,528
Later than five years	4,007	5,897
<b>Total (including GST)</b>	<b>15,794</b>	<b>18,016</b>

The Authority has entered into operating lease rental agreements with government agencies and private companies for provision of accommodation for the Authority's use.

Site rental leases are entered into with other NSW Government agencies and private sector companies. The term of accommodation leases range from one to ten years with the option for renewal for further terms. The lease agreement allows the lessor to review rents on specified dates. There is no option for the purchase of buildings at the expiry of the lease term. Recurrent outgoings including cleaning, electricity, rates, management fees, public liability insurance and repairs and maintenance are the responsibility of the Authority.

Total commitments above include input tax credits of \$11,618,000 (\$4,093,000 in 2017) that are expected to be recovered from the Australian Taxation Office.

### Entity as lessor

Future minimum rentals receivable under non-cancellable operating lease as at 30 June are, as follows:

	2018 \$'000	2017 \$'000
Within one year	166	33
Later than one year and not later than five years	269	-
Later than five years	-	-
<b>Total (including GST)</b>	<b>435</b>	<b>33</b>

## 17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Authority is not aware of any contingent assets or liabilities at the date of these financial statements.

## 18. FINANCIAL INSTRUMENTS

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

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

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

The Authority's financial instruments include cash, receivables and payables.

### (a) Financial Instrument Categories

Class	Note	Category	2018 \$'000 Carrying Amount	2017 \$'000 Carrying Amount
<b>Financial Assets</b>				
Cash and cash equivalents	5	Not applicable	50,317	35,835
Receivables*	6	Loans and receivable (at amortised cost)	3,899	6,691
<b>Financial Liabilities</b>				
Class: Payables**	11	Financial liabilities measured at amortised cost	43,361	23,653

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

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

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

**(b) Derecognition of financial assets and financial liabilities**

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Authority transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the Authority has not transferred substantially all the risks and rewards, if the Authority has not retained control.

Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the entity's continuing involvement in the asset. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

**(c) Offsetting financial instruments**

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

**(d) Financial Risks**

**i. Credit Risk**

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

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

Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

*Cash and cash equivalents*

Cash comprises bank balances held with the preferred supplier for NSW Government Cash and Banking Services. Interest is earned on the daily bank balance at monthly commercially comparable interest rates.

*Receivables - Trade Debtors*

All trade debtors are recognised as the amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Invoicing terms are 30 days.

As at 30 June, the ageing analysis of trade debtors is as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Neither past due nor impaired	1,844	3,506
Past due but not impaired		
< 3 months overdue	140	204
3 months – 6 months overdue	17	1,069
> 6 months overdue	135	154
Impaired		
< 3 months overdue		-
3 months – 6 months overdue		-
> 6 months overdue	99	134
<b>Total receivables - gross of allowance for impairment</b>	<b>2,235</b>	<b>5,067</b>

**Notes:** The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 6.

## ii. Liquidity Risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current and prior years, no assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment or risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12

For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. There was no interest applied to payables during the year.

## iii. Market Risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2017. The analysis assumes that all other variables remain constant.

### *Interest Rate Risk*

Exposure to interest rate risk arises primarily through the Authority's cash and cash equivalents. The Authority has no investments. A reasonably possible change of +/-1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where



there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below:

2018 Financial assets	\$'000				
	Carrying Amount	Net Result -1%	Equity -1%	Net Result +1%	Equity +1%
Cash and cash equivalents	50,317	(503)	(503)	503	503

2017 Financial assets	\$'000				
	Carrying Amount	Net Result -1%	Equity -1%	Net Result +1%	Equity +1%
Cash and cash equivalents	35,835	(358)	(358)	358	358

(e) **Fair Value Measurement**

i. **Fair Value Compared to Carrying Amount**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

ii. **Fair value recognised in the Statement of Financial Position**

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 -quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no assets or liabilities recorded at fair value.

**19. RELATED PARTY DISCLOSURES**

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

Short-term employee benefits:

	2018 \$'000	2017 \$'000
Salaries	327	319
Other monetary allowances	-	-
Non-monetary benefits	-	-
Other long-term employee benefits	-	-
Post-employment benefits	20	20
Termination benefits	-	-
<b>Total remuneration</b>	<b>347</b>	<b>339</b>

The entity entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. The aggregate value of the material transactions and related outstanding balances as at and for the year ending 30 June 2018 are as follows:

Nature of Transactions	2018 \$'000		2017 \$'000	
	Transaction value	Net receivable / (payable)	Transaction value	Net receivable / (payable)
Rendering of services	51,849	3,762	41,989	4,819
Grants and contributions	56,961	-	42,836	-
Receiving of services	9,151	(5,551)	3,605	(4,174)

**20. EVENTS AFTER THE REPORTING DATE**

The Authority has no events after the reporting date.

**END OF AUDITED FINANCIAL STATEMENTS**

## Budget outline for 2018/19

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	Budget FY 2019 \$'000
<b>Expenses excluding losses</b>	
Personnel services/employee related	11,781
Other operating expenses	63,577
Depreciation and amortisation	12,894
Finance cost	-
<b>Total expenses excluding losses</b>	<b>88,252</b>
<b>Revenue</b>	
Sale of goods and services	56,574
Grants (TSY)	228,965
Other revenue	826
<b>Total revenue</b>	<b>286,365</b>
<b>Total comprehensive income for the year</b>	<b>198,113</b>

## Statutory reporting obligations

### Human resources

The NSW Telco Authority does not directly employ staff. All staff are employed by the Department of Finance, Services and Innovation, with the Department charging the NSW Telco Authority for personnel services. The NSW Telco Authority actively seeks secondments from business partners to increase sector wide experience, as well as the NSW Telco Authority's capacity. Personnel policies are based on those used by the Department of Finance, Services and Innovation.

As employees of the Department of Finance, Services and Innovation, the full details of the NSW Telco Authority's human resources activities for the 2017/18 financial year are reported on in the Department of Finance, Services and Innovation's Annual Report. The workplace profile 2017/18 is set out below.

Division	2015 <sup>1,2</sup>	2016 <sup>1,2</sup>	2017 <sup>1,2</sup>	2018 <sup>1,2</sup>
Senior Executive	2.0	6.0	6.0	6.0
Senior Officer	3.0	-	-	-
Ongoing	11.7	14.6	23.1	28.4
Temporary	5.4	4.0	1.0	2.0
Graduate	3.0	3.0	9.0	-
<b>Total</b>	<b>25.1</b>	<b>27.6</b>	<b>39.2</b>	<b>36.4</b>

Note 1: Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay).

Note 2: Statistics are based on Workforce Profile census data as at 18 June 2015, 30 June 2016, 29 June 2017 and 28 June 2018.

### Workforce Diversity

Information on workforce diversity achievements and key workforce diversity strategies for next year are reported in the Department of Finance, Services and Innovation's Annual Report.

Trends in the Representation of Workforce Diversity Groups				
Workforce Diversity Group	Benchmark	2016 <sup>1,2</sup>	2017 <sup>1,2</sup>	2018 <sup>1</sup>
Women <sup>3</sup>	<b>50%</b>	21.4%	37.5%	43.2%
Aboriginal People and/or Torres Strait Islander People <sup>4</sup>	<b>3.3%</b>	0.0%	25.5%	0.0%
People whose First Language Spoken as a Child was not English <sup>5</sup>	<b>23.2%</b>	14.3%	15.0%	8.1%
People with a Disability <sup>6</sup>	<b>5.6%</b>	0.0%	19.0%	0.0%
People with a Disability Requiring Work-Related Adjustment <sup>6</sup>	<b>N/A</b>	0.0%	0.0%	0.0%

Note 1: Statistics are based on Workforce Profile census data as at 30 June 2016, 29 June 2017 and 28 June 2018.

Note 2: Workforce diversity statistics for 2016 and 2017 reflect the current composition of the department and may vary from those reported in previous annual reports.

Note 3: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 4: The NSW Public Sector Aboriginal Employment Strategy 2014 – 17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 5: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 6: In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

<b>Trends in the Distribution of Workforce Diversity Groups</b>				
<b>Workforce Diversity Group</b>	<b>Benchmark<sup>7,8</sup></b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Women	<b>100</b>	N/A	N/A	N/A
Aboriginal People and/or Torres Strait Islander People	<b>100</b>	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	<b>100</b>	N/A	N/A	N/A
People with a Disability	<b>100</b>	N/A	N/A	N/A
People with a Disability Requiring Work-Related Adjustment	<b>100</b>	N/A	N/A	N/A

Note 7: A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

Note 8: The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

## Senior executives

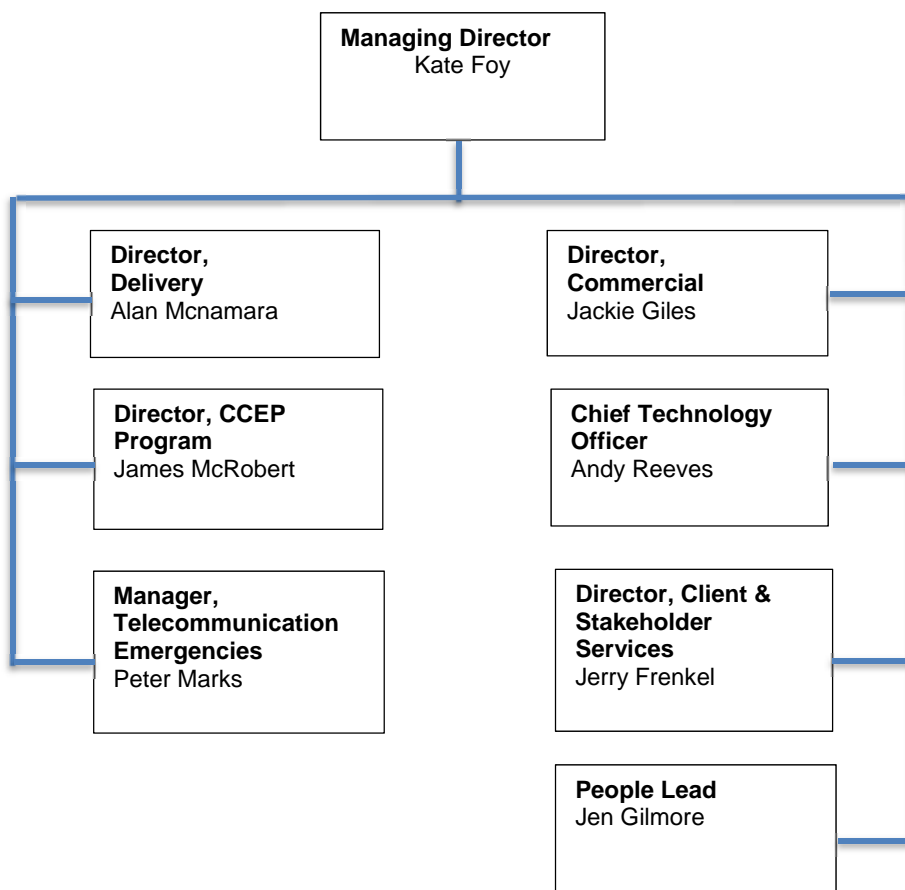
<b>Senior Executive Band</b>	<b>2017<sup>1,2,3</sup></b>				<b>2018<sup>1,2,3</sup></b>			
	<b>Female</b>	<b>Male</b>	<b>Total</b>	<b>% Representation by Women</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>	<b>% Representation by Women</b>
<b>Band 4 (Secretary)</b>	0	0	0	<b>0%</b>	0	0	0	<b>0%</b>
<b>Band 3 (Deputy Secretary)</b>	0	0	0	<b>0%</b>	0	0	0	<b>0%</b>
<b>Band 2 (Executive Director)</b>	1	0	1	<b>100%</b>	2	0	2	<b>100%</b>
<b>Band 1 (Director)</b>	1	4	5	<b>20%</b>	1	3	4	<b>25%</b>
<b>Total</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>33.3%</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>50%</b>
	<b>2017<sup>4</sup></b>				<b>2018<sup>4</sup></b>			

Senior Executive Band	Range \$	Average Remuneration \$	Range \$	Average Remuneration \$
Band 4 (Secretary)	452,250 - 522,500	0	463,551 - 535,550	0
Band 3 (Deputy Secretary)	320,901 - 452,250	0	328,901 - 463,550	0
Band 2 (Executive Director)	255,051 - 320,900	320,319	261,451 - 328,900	313,227
Band 1 (Director)	178,850 - 255,050	204,246	183,300 - 261,450	206,151

- Note 1: Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.
- Note 2: Statistics are based on Workforce Profile census data as at 29 June 2017 and 28 June 2018.
- Note 3: All employees reported in 2017 and 2018 are appointed under the Government Sector Employment Act. Salary band based on current assignment including those on a temporary above level assignment for more than two months.
- Note 4: Salary ranges effective at the Workforce Profile census dates of 29 June 2017 and 28 June 2018.

Employee related costs 2018	Amount
Executive	\$1,442,273
Non-Executive	\$3,169,180
Total	\$4,611,453
Ratio Senior Executive	31.3%

## Our Senior Organisational Structure



## Overseas travel

The NSW Telco Authority's Spectrum and Wireless Architect attended Critical Communications World 2018 in Berlin from the 15-17 May 2018. The attendance represented an opportunity to learn from global peers as it directly relates to their core work, as well as a professional development and networking opportunity. Travel costs totaled \$6900 and were funded through the existing NSW Telco Authority budget.

## Major Works

Project name and location	Total expend. to 30 June 2018 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start (year)	Completion date (actual or estimated)	Details of any significant: <ul style="list-style-type: none"> <li>▪ Cost overruns</li> <li>▪ Delays</li> <li>▪ Amendments</li> <li>▪ Deferrals</li> <li>▪ cancellations</li> </ul>
<b>Critical Communications Enhancement Program (CCEP)</b>	\$118.4m TOTAL (Capex \$102.3m, Opex \$16.1m)	Capex \$591m (Funding received to date \$401m) One-off Opex \$38m (Funding received to date \$37m) Recurrent Opex \$147m (Approved for \$103.2m, funded through increased GRN User fees)	FY15/16	FY22/23	CCEP is funded for approx. 2/3rds of the total state-wide sites envisaged in the 2016 Business Case and to FY20/21. There have been delays in FY17/18 in the go to market activities for design and construction with a knock on to since contract awards, in delivery of the design for NC, GMA and Rest of State. As this is a multi-year and highly componentised program this is being managed within the funding received and to the overall program timeline.

## Credit card certification

In accordance with the Treasurer's Directions 205.01- 205.08, the Telco Authority certifies that corporate credit card use by officers of the NSW Telco Authority is in accordance with the established government requirements, Premier's Memorandum and Treasurer's Directions.

## Payment of accounts

### Aged analysis at the end of each quarter during 2017/18

.Quarters	TOTAL	Current within due date	30 - 60 days overdue	61 - 90 days overdue	90+ days overdue
<b>All suppliers</b>					
September	\$1,915,224.10	\$1,242,442.10	\$2,275.90	\$2,275.90	\$668,230.20
December	\$392,351.84	\$356,051.84	\$22,000.00	-	\$14,300.00
March	\$1,747,319.55	\$1,741,253.04	\$5,400.33	\$551.18	\$115.00
June	\$1,569,803.70	\$1,472,297.27	\$96,497.77	\$1,008.66	-
<b>Small business suppliers</b>					
September	-	-	-	-	-
December	-	-	-	-	-
March	-	-	-	-	-
June	-	-	-	-	-

The Telco Authority has 10 credit cards on issue with a combined limit of \$215,000.

**Notes:** Negative values relate to uncleared credit notes including credit card transactions.

### Accounts due or paid within each quarter during 2017/18

Measure	September	December	March	June
<b>All suppliers</b>				
Number of accounts due for payment	479	441	537	608
Number of accounts paid on time	305	312	459	567
Actual percentage of accounts paid on time (based on number of accounts)	64%	71%	85%	93%
Dollar amount of accounts due for payment	\$25,114,362	\$21,555,667	\$22,994,117	\$40,558,097
Dollar amount of accounts paid on time	\$15,805,546	\$16,694,324	\$16,535,228	\$39,764,025
Actual percentage of accounts paid on time (based on \$)	63%	77%	72%	98%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

**Notes:** No registered small business supplier accounts were paid during the year. Payment performance impacted due to settlement negotiations, incorrectly rendered invoices, and invoices submitted prior to completion of work. The Authority continues to work with suppliers and staff to reduce impacts and improve performance where possible.

## Consultants

The Authority engages external consultants to support specific projects and workload peaks as required. This allows the Authority to draw on specialist expertise from the private sector.

### Engagements above \$50,000

Consultant	Category	Description	Amount (ex GST)
Deloitte Touche Tohmatsu	Organisational Review	Redevelopment of CCEP financial cost modelling	\$160,000
Ernst and Young	Contract and Procurement	CCEP iPMO delivery model review and redesign	\$106,226
<b>Total</b>			<b>\$266,226</b>

### Engagements under \$50,000

None	Category	Engagements	Amount (ex GST)
	<b>Total</b>		



## Investment performance

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The Authority's investment performance for the reporting period is outlined below. The Westpac investment, as part of the Treasury Banking System (TBS), was the primary source of interest revenue for the reporting period.

Category	Weighted portfolio composition	Revenue	Annual rate of return
Bank Interest	100%	\$797,159	1.50%

## Risk management and insurance

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The Authority has an Enterprise Risk Management Framework in place that accords with NSW Treasury requirements, as set out in Treasury Policy and Guidelines Paper TPP 15-03 Internal Audit and Risk Management Policy for the NSW Public Sector (TPP 15-03). The Authority complies with all relevant insurance requirements including workers' compensation, motor vehicles, public liability, property and miscellaneous items. During the 2016/17 financial year, the Authority paid \$129,699.72 (ex GST) in insurance premiums.

## Disclosure of controlled entities and subsidiaries

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The Authority receives personnel services from the Department of Finance, Services and Innovation. The Department is not a Special Purpose Service Entity and does not control the Authority under this arrangement.

The Authority does not hold shares in any public-sector subsidiary.

## Land disposal

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No properties were disposed of during the year.

## Funds granted to non-government community organisations

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No funds were granted to non-government community organisations during the year.

## Work Health and Safety

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The Authority continued to mature its Work Health & Safety Management System (WHSMS) during the 2017/18 financial year, including improvements to WHS reporting and incident notifications. These ongoing improvements are complimentary to that of the Department of Finance, Services and Innovation. The WHSMS enhances provisions for undertaking safe design and managing contractor agreements.

The WHSMS will be reviewed on an ongoing basis to maintain its currency and effectiveness. In addition, the Authority ensures all WHS issues from staff and management are raised with the Department of Finance, Services and Innovation.

## Government Information (Public Access) Act 2009

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The intention of the *Government Information (Public Access) Act 2009* is to make government information more open and available to the general public. As part of the Department of Finance, Services and Innovation, the Authority complies with this Act by proactively releasing information on its website and responding to formal applications made to the Department of Finance, Services and Innovation.

Statistical information about access applications received in relation to the Authority is reported in the Department of Finance, Services and Innovation's Annual Report.

## Public interest disclosures

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For the 2017/18 period, no Authority officials made public interest disclosures.

As staff are employees of the Department of Finance, Services and innovation, the Authority has adopted and adheres to the Department's Fraud and Corruption Internal Reporting Policy. All staff are advised of this policy by means of the Code of Conduct and information via the intranet.

## Privacy and Personal Information Protection (PIIP) Act 1998

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The Authority is covered by the Department of Finance, Services and Innovation's Privacy Management Plan.

## Exemptions

All staff employed by the Department of Finance, Services and Innovation, including those allocated to statutory bodies such as the Telco Authority, are included in the Department's Annual Reporting on the following:

- Management and activities,
- Disability inclusion action plans,
- Multicultural policies and services program,
- Work health and safety, and
- Waste reduction.

A copy of the Department of Finance, Services and Innovation's Annual Report is available at [www.finance.nsw.gov.au](http://www.finance.nsw.gov.au)

## Annual report production

The Telco Authority annual report was prepared internally and no external costs were incurred.

A PDF version of the report is available at [www.telco.nsw.gov.au](http://www.telco.nsw.gov.au)

## Access to the Telco Authority

NSW Telco Authority

McKell Building

2-24 Rawson Place, Sydney NSW 2000

[www.telco.nsw.gov.au](http://www.telco.nsw.gov.au)

## Annual reporting compliance checklist

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