

Parliament of
New South Wales

**FINANCIAL
PERFORMANCE**
2024-2025



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Financial Commentary

The budgeted amounts represent the original budget allocated to Parliament in respect of the reporting period. Subsequent amendments to the original budget 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 net result was a \$4.612 million loss compared to a budgeted surplus of \$5.166 million. This is an unfavourable variance of \$9.778 million, consisting of following variances to budget:

Total expenses excluding losses were \$253.096 million compared to a budget of \$246.999 million, exceeding the budget by \$6.097 million. This was mainly due to \$5.632 million for SaaS related projects being reclassified to recurrent, \$834,000 increased finance costs, \$3.336 million overspending in employee and operating expenses, and a \$3.762 million reduction in Depreciation and Amortisation.

Total revenue was \$248.882 million compared to a budget of \$252.165 million, \$3.283 million lower compared to budget. This was primarily due to \$5.245 million funding being carried forward to the next financial year, offset by \$1.281 million in unbudgeted income and Assets Recognised for the first time, and \$666,000 appropriation for escalation.

Assets and Liabilities

Net assets were \$594.453 million compared to a budget of \$531.714 million. The major variances arising on the Statement of Financial Position are noted below:

Property, plant and equipment were \$599.834 million compared to a budget of \$533.922 million. This was largely owing to an unbudgeted \$97.960 million in FY2025 fair value adjustments to Property, plant and equipment, offset by \$5.245 million carried forward to FY2026, \$6.765 million SaaS budget reclassified to recurrent and \$15.538 million overstated budget from prior years.

Right-of-use assets were \$28.992 million compared to a budget of \$23.424 million. This was \$5.568 million over budget due to increased number of lease renewals or change of leased premises for electorate offices including some higher-than-expected rental increases.

Non-Current Borrowings were \$26.186 million compared to a budget of \$20.448 million. This was owing to the increase in the recognition of Right-of-use assets.

Cash Flows

The closing cash position was \$6.020 million compared to a budget of \$4.850 million. This was over budget by \$1.170 million, which was due to a decrease net cash flow from investing activities.



INDEPENDENT AUDITOR'S REPORT

The Legislature

To the Clerk of the Legislative Assembly and the Clerk of the Legislative Council

Opinion

I have audited the accompanying financial statements of The Legislature, which comprise the Statement by Department Heads, the Statement of comprehensive income for the year ended 30 June 2025, the Statement of financial position as at 30 June 2025, the Statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policy Information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards
- presents fairly The Legislature's financial position, financial performance and cash flows
- have been prepared in accordance with the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2024 (GSF Regulation) and the Financial Reporting Directions published by NSW Treasury.

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 Legislature in accordance with the requirements of the:

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

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

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

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

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

The Department Heads' Responsibilities for the Financial Statements

The Department Heads are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and in accordance with the GSF Act, GSF Regulation and the Financial Reporting Directions published by NSW Treasury. The Department Heads' responsibility also includes such internal control as the Department Heads 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 Department Heads are responsible for assessing The Legislature's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that The Legislature carried out its activities effectively, efficiently and economically
- on 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.



Cassie Malone
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

31 October 2025
SYDNEY



The Legislature

Financial Statements for the Year ended

30 June 2025

Statement by Department Heads

We state that these financial statements:

- a. have been prepared in accordance with the Australian Accounting Standards (which include Australian Accounting Interpretations) and applicable requirements of the Government Sector Finance Act 2018, Government Sector Finance Regulation 2024 and the Financial Reporting Directions issued by NSW Treasury and,
- b. present fairly The Legislature's financial position, financial performance and cash flows.

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

A blue ink signature of Helen Minnican.

Helen Minnican
Clerk of the Legislative
Assembly

A red ink signature of Steven Reynolds.

Steven Reynolds
Clerk of the Parliaments

A red ink signature of Mark Webb.

Mark Webb
Chief Executive
Department of Parliamentary
Services

Date: 30/10/25

Date: 30/10/25

Date: 28/10/2025.

**Financial Statements
for the year ended 30 June 2025**

THE LEGISLATURE

Statement of comprehensive income for the year ended 30 June 2025

	Notes	Budget 2025 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Expenses excluding losses				
Employee related expenses	2(a)	112,328	118,999	104,924
Operating expenses	2(b)	46,346	51,967	52,284
Depreciation and amortisation	2(c)	34,575	30,813	31,050
Grants and subsidies		-	158	144
Finance costs		433	1,267	967
Other expenses— remuneration paid to members of Parliament	2(d)	53,317	49,892	49,320
Total expenses excluding losses		246,999	253,096	238,689
Revenue				
Appropriations	3(a)	239,448	234,860	222,252
Sale of goods and services from contracts with customers	3(b)	8,657	9,893	8,663
Grants and other contributions		20	-	1,900
Acceptance by the Crown of employee benefits and other liabilities	3(c)	3,802	2,449	2,756
Other income		238	1,680	2,737
Total revenue		252,165	248,882	238,308
Operating result		5,166	(4,214)	(381)
Gain / (loss) on disposal		-	(148)	(195)
Other Gain / (loss)		-	(250)	(701)
Net result		5,166	(4,612)	(1,277)
Other comprehensive income				
Changes in revaluation reserve of property, plant and equipment		-	97,960	44,852
Total other comprehensive income		-	97,960	44,852
TOTAL COMPREHENSIVE INCOME		5,166	93,348	43,575

The accompanying notes form part of these financial statements.

THE LEGISLATURE

Statement of financial position as at 30 June 2025

	Notes	Budget 2025 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	5	4,850	6,020	5,196
Receivables	6	5,837	5,280	4,991
Inventories		160	151	144
Total Current Assets		10,847	11,451	10,331
Non-Current Assets				
Property, plant and equipment	7			
- Land and buildings		455,495	505,793	409,170
- Plant and equipment		22,937	37,012	37,052
- Collection assets		55,490	57,029	56,597
Total property, plant and equipment		533,922	599,834	502,819
Right-of-use assets	8	23,424	28,992	29,306
Intangible assets	9	7,810	8,510	10,155
Total Non-Current Assets		565,156	637,336	542,280
Total Assets		576,003	648,787	552,611
LIABILITIES				
Current Liabilities				
Payables	11	9,776	10,159	8,658
Borrowings	12	5,160	6,964	6,578
Provisions	13	8,724	10,813	9,919
Total Current Liabilities		23,660	27,936	25,155
Non-Current Liabilities				
Borrowings	12	20,448	26,186	26,142
Provisions	13	181	212	209
Total Non-Current Liabilities		20,629	26,398	26,351
Total Liabilities		44,289	54,334	51,506
Net Assets		531,714	594,453	501,105
EQUITY				
Reserves		280,852	363,274	265,314
Accumulated funds		250,862	231,179	235,791
Total Equity		531,714	594,453	501,105

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2025

	Accumulated Funds	Asset Revaluation Surplus	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2024	235,791	265,314	501,105
Net result for the year	(4,612)	-	(4,612)
Other comprehensive income			
Net change in revaluation surplus of property, plant and equipment	-	97,960	97,960
Total other comprehensive income	-	97,960	97,960
Total comprehensive income for the year	(4,612)	97,960	93,348
Balance at 30 June 2025	231,179	363,274	594,453
Balance at 1 July 2023	237,068	220,462	457,530
Net result for the year	(1,277)	-	(1,277)
Other comprehensive income			
Net change in revaluation surplus of property, plant and equipment	-	44,852	44,852
Total other comprehensive income	-	44,852	44,852
Total comprehensive income	(1,277)	44,852	43,575
Balance at 30 June 2024	235,791	265,314	501,105

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2025

	Notes	Budget 2025 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(111,173)	(113,482)	(104,980)
Grants and subsidies		-	(158)	(144)
Suppliers for goods and services		-	(59,878)	(57,944)
Finance costs		(433)	(1,267)	(967)
Other— remuneration paid to members of Parliament		(106,758)	(49,892)	(49,320)
Total Payments		(218,364)	(224,677)	(213,355)
Receipts				
Appropriations		239,448	234,860	222,252
Sale of goods and services		8,657	10,733	10,650
Grants and other contributions		20	-	1,900
Other		9,980	7,456	8,131
Total Receipts		258,105	253,049	242,933
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	39,741	28,372	29,578
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of land and buildings, plant		-	1	-
Purchases of property, plant and equipment		(33,345)	(20,755)	(22,022)
Purchases of intangibles		(854)	(969)	(901)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(34,199)	(21,723)	(22,923)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of principal portion of lease liabilities		(5,461)	(5,825)	(5,543)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(5,461)	(5,825)	(5,543)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS				
		81	824	1,112
Opening cash and cash equivalents		4,769	5,196	4,084
CLOSING CASH AND CASH EQUIVALENTS	5	4,850	6,020	5,196

The accompanying notes form part of these financial statements.

Notes to and forming part of the
Financial Statements for the year
ended 30 June 2025

1. Statement of Material Accounting Policy Information

(a) Reporting entity

The Legislature, as a reporting entity, comprises all the operating activities of the Parliament of New South Wales under the joint direction and control of the Clerk of the Parliaments, the Clerk of the Legislative Assembly and the Chief Executive of the Department of Parliamentary Services. It includes all the functions of parliamentary representation undertaken by the Legislative Council and the Legislative Assembly, and the Department of Parliamentary Services.

The Legislature is a not-for-profit entity (as profit is not its principal objective) and has no cash generating units. The reporting entity is a NSW government entity.

These financial statements for the year ended 30 June 2025 have been authorised for issue by the Clerk of the Legislative Assembly, the Clerk of the Parliaments and the Chief Executive of the Department of Parliamentary Services on 30 September 2025.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018 (GSF Act)* and
- Financial Reporting Directions issued by the NSW Treasury under the GSF Act.

Property, plant and equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

(i) Effective for the first time in 2024-25

The accounting policies applied in 2024-25 are consistent with those of the previous financial year except as a result of new or revised Australian Accounting Standards that have been applied for the first time in 2024-25.

The adoption of these Standards does not have any material impact on the financial statements of The Legislature.

(ii) Issued but not yet effective

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

It is not anticipated that the adoption of Australian Accounting Standards issued but not effective will affect the financial statements of The Legislature.

2. Expenses Excluding Losses

(a) Employee Related Expenses

	2025	2024
	\$'000	\$'000
Salaries and wages (including annual leave)	98,605	86,894
Superannuation – defined benefit plans	381	391
Superannuation – defined contribution plans	10,679	9,057
Payroll tax and fringe benefits tax	6,075	5,299
Long service leave	2,162	2,539
Workers' compensation insurance	1,097	744
	118,999	104,924

Employee related expenses excluded from the above are: (i) capitalised as property, plant and equipment \$3.812 million at 30 June 2025 (\$2.191million in 2023-24), note 7; and (ii) capitalised as intangible assets - \$0.245 million at 30 June 2025 (\$0.797 million in 2023-24), note 9.

(b) Other Operating Expenses including the following:

	2025	2024
	\$'000	\$'000
Auditors remuneration		
– audit of the financial statements	116	108
– limited assurance report on the Members of Parliament’s compliance with the Parliamentary Remuneration Tribunal’s annual Determination of additional entitlements	65	64
Cost of Sales – Parliamentary Catering	1,619	1,415
Expense relating to short-term leases	1,564	1,399
Maintenance	2,234	3,369
Insurance	991	816
Contractors	9,129	9,401
Printing and postage	7,570	6,693
Telecommunication costs	1,063	971
Travel expenses	3,125	3,318
IT Expenses	9,005	10,674
Advertising	1,961	1,754
Energy charges	2,493	2,277
Cleaning and laundry	1,224	1,140
Contract and other fees	7,494	7,153
Other	2,314	1,732
	51,967	52,284

The expense categories under note 2(b) have been re-aligned. Prior year comparatives have been adjusted accordingly.

Insurance

The Legislature'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 claim experience.

(c) Depreciation and Amortisation Expense

	2025	2024
	\$'000	\$'000
Depreciation:		
– buildings	11,558	11,368
– leased assets	6,320	5,997
– plant and equipment	10,208	10,759
– collection assets – Library Collection	122	96
	28,208	28,220
Amortisation:		
– intangibles	2,605	2,830
	2,605	2,830
Total Depreciation and Amortisation Expense	30,813	31,050

(d) Other Expenses – remuneration paid to members of Parliament

	2025	2024
	\$'000	\$'000
Salaries and allowances	43,421	43,092
Superannuation entitlements	3,925	3,643
Payroll tax and fringe benefits tax	2,546	2,585
	49,892	49,320

The salaries and related on-costs are for remuneration paid to Members of Parliament. These costs are treated as other expenses due to Members not being employees of the Parliament.

3. Revenue

Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15.

(a)	Appropriations		
	Summary of Compliance		
		2025	2024
		\$'000	\$'000
	Amount appropriated per Appropriation Act	239,448	231,945
	Variations made to the appropriations during the financial year:		
	-Senior Executive remuneration (per Employment Act 2013 GSE Act)	666	(106)
	Total spending authority from parliamentary appropriations	240,114	231,839
	Less: total expenditure out of the Consolidated Fund	234,860	222,252
	Variance	5,254	9,587

Recognition and Measurement

Parliamentary appropriations

Income from appropriations does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15. Therefore, appropriations are recognised as income when The Legislature obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

(b) Sale of Goods and Services from Contracts with Customers

	2025	2024
<u>Sale of Goods</u>	\$'000	\$'000
Sales of food and beverages ¹	6,507	5,529
Subtotal of sale of goods	6,507	5,529
<u>Rendering of Services</u>		
Cost recoup from Sydney Hospital and State Library ²	777	730
Rent on Parliament House ministerial offices and Post Office	2,078	1,938
Parking fees	531	466
Subtotal of rendering of services	3,386	3,134
	9,893	8,663

¹ Food and beverage services for Members of Parliament, their guests, staff and visitors, including functions held at Parliament House.

² Costs recouped from Sydney Hospital and the State Library for hot and chilled water for their air conditioning needs.

Recognition and Measurement

Sale of goods

Revenue from sale of goods is recognised as and when The Legislature satisfies a performance obligation by transferring the promised goods.

Type of Goods	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Food, beverage and souvenirs	The Legislature typically satisfies its performance obligations when the goods are delivered. The payments are typically due when the goods are provided.	Revenue from these sales is recognised when The Legislature provides the goods. No element of financing is present as payments are due when goods are provided.

Rendering of services from contracts with customers

Revenue from rendering of services is recognised as or when The Legislature satisfies a performance obligation by transferring the promised services.

Type of Services	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Parliament House Ministerial Offices and Post Office Cost recoup from Sydney Hospital and State Library Parking fees	The Legislature typically satisfies its performance obligations when provision of the services is completed. The payments are typically received in advance or when the service is provided on completion.	Revenue from rendering of services is recognised when The Legislature satisfies the performance obligation by transferring the promised services. The revenue is measured at the transaction price agreed under the contract. No element of financing is deemed present as payments are due when service is provided.

- (c) Acceptance by the 'the Crown in right of the State of New South Wales (the Crown)' of Employee Benefits and Other Liabilities

The following liabilities and /or expenses have been assumed by the 'the Crown' :

	2025	2024
	\$'000	\$'000
Employees		
Superannuation – defined benefit	381	392
Long service leave	2,008	2,303
Payroll tax on superannuation	20	21
	2,409	2,716
Members of Parliament		
Superannuation – defined benefit	38	38
Payroll tax on superannuation	2	2
	40	40
	2,449	2,756

4. Disaggregated disclosure Statements for the Year Ended 30 June 2025

The Legislature does not have separate activity groups. Transactions and balances reported relate to The Legislature delivering on its key objectives, being:

- the effective functioning of the Parliament and its committees
- members of Parliament are supported to fulfil their parliamentary roles
- the community has access to Parliament and is aware of the role and functions of the Parliament.

5. Current Assets – Cash and Cash Equivalents

	2025	2024
	\$'000	\$'000
Cash at bank and on hand	6,020	5,196
	6,020	5,196

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

6. Current Assets - Receivables

	2025	2024
	\$'000	\$'000
Trade receivables from contract with customers	412	339
Less: Allowance for expected credit loss	(13)	(24)
	399	315
GST recoverable from ATO	1,419	1,284
Other receivables	302	308
Prepayments	3,160	3,084
	5,280	4,991

Recognition and Measurement

Receivables are initially recognised at fair value plus any directly attributable transaction costs.

(a) Subsequent measurement

The Legislature holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

(b) Impairment

The Legislature recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that The Legislature expects to receive, discounted at the original effective interest rate.

For trade receivables, The Legislature applies a simplified approach in calculating ECLs. The Legislature recognises a loss allowance based on lifetime ECLs at each reporting date.

7. Non-Current Assets – Property, Plant and Equipment

	Land and Buildings \$'000	Plant and Equipment \$'000	Library Collection \$'000	Artworks /Antiques \$'000	Total \$'000
At 1 July 2023 – fair value					
Gross carrying amount	621,132	89,438	38,620	13,321	762,511
Accumulated depreciation and impairment	(255,086)	(48,895)	(877)	-	(304,858)
Net carrying amount	366,046	40,543	37,743	13,321	457,653

	Land and Buildings \$'000	Plant and Equipment \$'000	Library Collection \$'000	Artworks /Antiques \$'000	Total \$'000
Year ended 30 June 2024					
Net carrying amount at start of year	366,046	40,543	37,743	13,321	457,653
Purchases of assets	14,705	7,179	-	138	22,022
Assets first time recognised	-	-	696	62	758
Reclassifications to intangible assets	(242)	194	-	-	(48)
Net revaluation increments	40,029	-	4,084	739	44,852
Disposals	-	(105)	-	(90)	(195)
Depreciation expense	(11,368)	(10,759)	(96)	-	(22,223)
Net carrying amount at end of year	409,170	37,052	42,427	14,170	502,819

	Land and Buildings \$'000	Plant and Equipment \$'000	Library Collection \$'000	Artworks /Antiques \$'000	Total \$'000
At 1 July 2024 – fair value					
	671,026	91,859	43,547	14,170	820,602
Accumulated depreciation and impairment	(261,856)	(54,807)	(1,120)	-	(317,783)
Net carrying amount	409,170	37,052	42,427	14,170	502,819

	Land and Buildings	Plant and Equipment	Library Collection	Artworks /Antiques	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2025					
Net carrying amount at start of year	409,170	37,052	42,427	14,170	502,819
Purchases of assets	10,403	10,116	-	236	20,755
Assets first time recognised	-	-	36	293	329
Reclassifications	(136)	136	(10)	10	-
Net revaluation increments	97,914	-	-	46	97,960
Disposals	-	(84)	(1)	(56)	(141)
Depreciation expense	(11,558)	(10,208)	(122)	-	(21,888)
Net carrying amount at end of year	505,793	37,012	42,330	14,699	599,834

	Land and Buildings	Plant and Equipment	Library Collection	Artworks /Antiques	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 30 June 2025 – fair value					
Gross carrying amount	841,791	100,108	43,573	14,699	1,000,171
Accumulated depreciation and impairment	(335,998)	(63,096)	(1,243)	-	(400,337)
Net carrying amount	505,793	37,012	42,330	14,699	599,834

Recognition and Measurement

Acquisition of property, plant and equipment

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

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Capitalisation thresholds

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

Depreciation of property, plant and equipment

Except for land, artworks / antiques assets and certain library collection 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 Legislature.

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

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

The depreciation rates applied during 2024-25, are listed in the table below.

Category of Assets	Useful lives
Heritage Building	20 to 500 years
Other Building	10 years to 100 years
Plant and fitout	4 years to 20 years
Office equipment	3 years to 20 years
Computer equipment	3 years to 6 years
Library – Dewey collection, serials, government publications and other books	50 years

Right-of-Use Assets acquired by lessees

The Legislature has elected to present the right-of-use assets for electoral offices separately in the Statement of Financial Position.

Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP21-09) and Treasurer's Direction, 'Valuation of Physical Non-Current Assets at Fair Value' (TD21-05). TD21-05 and TPP21-09 adopts fair value in accordance with AASB 13, AASB 116.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and takes into account the characteristics of the asset being measured. In most cases, after taking into account these considerations, the highest and best use is the existing use.

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* (AASB 2022-10) for non-financial assets of not-for-profit public sector entities that are not held primarily for their ability to generate net cash inflows, there is a rebuttable assumption that current use is highest and best use, unless the asset is classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or it is highly probable the asset will be used for an alternative purpose to its current use (AASB 13, Aus29.1 and Aus29.2).

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach) that maximise relevant observable inputs and minimise unobservable inputs.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Legislature conducts a comprehensive revaluation at least every three years for its land and buildings where the market or cost approach is the most appropriate valuation technique and at least every five years for other asset classes. The last comprehensive revaluation was completed for each class of asset set out below and was based on an independent assessment.

Class of Assets	Comprehensive revaluation Date	Valuer
Land	March 2024	Valustate Pty Ltd
Buildings	March 2025	Australian Valuations
Collection Assets:		
Library Collection	March 2024	Peter Tinslay Valuer
Artworks / Antiques	March 2025	Raffan Kelaheer, Stella Downer

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value.

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

As a not-for-profit entity, revaluation increments and decrements are offset against one another only within a class of non-current assets.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, 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.

The Legislature 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 Legislature 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.

8. Leases

The Legislature is the lessee of 98 electorate offices throughout NSW. The leases are mostly standard commercial leases based on the Law Society template and are generally for four to eight years with a four year option. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Legislature does not provide residual value guarantees in relation to leases.

The majority of extension and termination options held are exercisable only by The Legislature and not by the respective lessors. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a

termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options is recognised in lease liabilities and right-of-use assets.

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases. The Legislature has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

Right-of-use assets under leases

Buildings	2025	2024
	\$'000	\$'000
Balance at 1 July	29,306	22,655
Additions	6,256	13,349
Impairment loss	(250)	(701)
Depreciation expense	(6,320)	(5,997)
Balance at 30 June	28,992	29,306

Lease liabilities

The following table presents liabilities under leases.

	2025	2024
	\$'000	\$'000
Balance at 1 July	32,720	24,915
Additions	6,255	13,349
Interest expenses	1,267	967
Payments	(7,092)	(6,511)
Balance at 30 June	33,150	32,720

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

	2025	2024
	\$'000	\$'000
Depreciation expense of right-of-use assets	6,320	5,997
Interest expense on lease liabilities	1,267	967
Expense relating to short-term leases	1,564	1,399
Total amount recognised in the statement of comprehensive income	9,151	8,363

The Legislature had total cash outflows for leases of \$8.570 million in 2024-25 (2023-24: \$7.910 million).

Recognition and measurement

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

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

i. Right-of-use assets

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

Right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of 2 to 16 years.

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

ii. Lease liabilities

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

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

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

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

The Legislature's lease liabilities are included in borrowings.

iii. Short-term leases and leases of low-value assets

The Legislature applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

9. Intangible Assets**Software licensing and upgrade**

At 1 July 2023	\$'000
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Cost (gross carrying amount)	23,210
Accumulated amortisation and impairment	(11,174)

Net carrying amount	12,036
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At 30 June 2024

Cost (gross carrying amount)	24,142
Accumulated amortisation and impairment	(13,987)

Net carrying amount	10,155
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Year ended 30 June 2024

Net carrying amount at start of year	12,036
Additions	901
Reclassifications from Plant & Equipment	48
Amortisation (recognised in depreciation and amortisation)	(2,830)

Net carrying amount at end of year	10,155
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At 1 July 2024**\$'000**

Cost (gross carrying amount)	24,142
Accumulated amortisation and impairment	(13,987)

Net carrying amount	10,155
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At 30 June 2025

Cost (gross carrying amount)	23,782
Accumulated amortisation and impairment	(15,272)

Net carrying amount	8,510
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Year ended 30 June 2025

Net carrying amount at start of year	10,155
Additions	969
Disposals	(9)
Amortisation (recognised in depreciation and amortisation)	(2,605)

Net carrying amount at end of year	8,510
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Recognition and Measurement

The Legislature recognises intangible assets only if it is probable that future economic benefits will flow to The Legislature 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. As there is no active market for The Legislature's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed to be finite, except for the Parliamentary Records Digitalisation asset.

The Legislature's intangible assets are amortised using the straight line method over a period of 3 to 10 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 with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 recognised as an impairment loss.

10. Fair Value Measurement of Non-Financial Assets

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.

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 Legislature 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 Legislature 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 Legislature recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(a) Fair Value Hierarchy**2025**

	Level 1	Level 2	Level 3	Total fair value
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment (Note 7)				
Land	-	-	76,850	76,850
Buildings	-	-	428,943	428,943
Library Collection		42,330	-	42,330
Artworks/Antiques	-	14,699	-	14,699
	-	57,029	505,793	562,822

2024

	Level 1	Level 2	Level 3	Total fair value
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment (Note 7)				
Land	-	-	76,850	76,850
Buildings	-	-	332,320	332,320
Library Collection		42,427	-	42,427
Artworks/Antiques	-	14,170	-	14,170
	-	56,597	409,170	465,767

There were no transfers between Level 1 or 2 during the periods.

(b) Valuation techniques, inputs and processes**Land**

The fair value of the land under the Parliament of NSW buildings has been independently valued using unobservable inputs with consideration made for condition, location, comparability, heritage classification and floor space area. As unobservable inputs were used to adjust observable inputs and this has resulted in significant adjustment to the fair value measurement, the input for land valuation is therefore considered Level 3.

Buildings

The fair value of the Parliament of NSW building has been independently determined based on replacement cost and measured at depreciated replacement cost. The building valuer made adjustments to Level 2 inputs using unobservable inputs that are significant to the entire measurement. This has resulted in the fair value measurement being categorised as Level 3 input.

Library collection assets and artworks / antiques assets

The fair values of the library collection assets and artworks / antiques assets are independently determined by reference to the best available market evidence. This is based on the current market price of like or similar items.

The input for the valuation was obtained by research of records of Australian and international sales, purchases and other forms of acquisition, knowledge of prices paid by other institutions and valuation experiences at other major institutions.

(c) Reconciliation of recurring Level 3 fair value measurements

2025	Land	Buildings	Total Recurring Level 3 Fair value \$'000
	\$'000	\$'000	\$'000
Fair value as at 1 July 2024	76,850	332,320	409,170
Additions	-	10,403	10,403
Reclassifications from Plant and Equipment	-	(136)	(136)
Net revaluation increments	-	97,914	97,914
Depreciation	-	(11,558)	(11,558)
Fair value as at 30 June 2025	76,850	428,943	505,793

2024	Land	Buildings	Total Recurring Level 3 Fair value \$'000
	\$'000	\$'000	\$'000
Fair value as at 1 July 2023	75,474	290,572	366,046
Additions	-	14,705	14,705
Reclassifications from Plant and Equipment	-	(242)	(242)
Net revaluation increments	1,376	38,653	40,029
Depreciation	-	(11,368)	(11,368)
Fair value as at 30 June 2024	76,850	332,320	409,170

11. Current Liabilities - Payables

	2025	2024
	\$'000	\$'000
Accrued salaries, wages and on-costs	5,225	3,054
Trade creditors	1,534	1,292
Accrued operating expenses	2,825	3,840
Other payables	575	472
	10,159	8,658

Recognition and Measurement

Payables represent liabilities for goods and services provided to The Legislature 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.

12. Current / Non- Current Liabilities – Borrowings

	2025	2024
	\$'000	\$'000
Current Lease Liability (see note 8)	6,964	6,578
Non - Current Lease Liability (see note 8)	26,186	26,142
	33,150	32,720

13. Current / Non- Current Liabilities – Provisions

	2025	2024
	\$'000	\$'000
Employee benefits and related on-costs – Current		
Annual leave	7,291	6,649
Parental leave	298	241
Payroll tax on-costs	1,049	1,005
Annual leave, superannuation and workers' compensation on-costs	2,175	2,024
	10,813	9,919
Employee benefits and related on-costs – Non - Current		
Payroll tax on-costs	72	71
Annual leave, superannuation and workers' compensation on-costs	140	138
	212	209
Subtotal Employee benefits and related on-costs	11,025	10,128
Aggregate employee benefits and related on-costs		
Provisions – Current	10,813	9,919
Provisions - Non-Current	212	209
Accrued salaries, wages and on-costs (note 11)	5,225	3,054
	16,250	13,182

Employee benefits for annual leave \$6.994 million (2024: \$5.957 million) is expected to be settled within twelve months.

Recognition and Measurement

Salaries and wages, annual leave parental leave and on-costs

Salaries and wages (including non-monetary benefits) that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by NSW Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Legislature has assessed the actuarial advice based on its circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where The Legislature does not expect to settle the liability within 12 months as The Legislature does not have an unconditional right to defer settlement.

Parental leave is expected to be settled wholly within 12 months after the end of the period.

Long service leave and superannuation

The Legislature's liabilities for long service leave and defined benefit superannuation are assumed by the 'the Crown in right of the State of New South Wales (the crown)'. The Legislature accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the 'the Crown in right of the State of New South Wales (the crown)' of employee benefits and other liabilities'.

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

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

Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

14. Commitments

Capital Commitments

Aggregate capital expenditure contracted for the completion of the following projects: Parliament House Critical Maintenance Work, Accessibility Access for Urgent Electorate Offices, Independent Members Electorate Offices as at the balance date and not provided for:

	2025	2024
	\$'000	\$'000
Within one year	3,290	1,944
Later than one year and not later than five year	77	-
Total (including GST)	<u>3,367</u>	<u>1,944</u>

15. Contingent Liabilities and Contingent Assets

The Legislature had no contingent assets or contingent liabilities at reporting date (2024: nil).

16. Budget Review

The budgeted amounts represent the original budget allocated to Parliament in respect of the reporting period. Subsequent amendments to the original budget 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 net result was a \$4.612 million loss compared to a budgeted surplus of \$5.166 million. This is an unfavourable variance of \$9.778 million, consisting of following variances to budget:

Total expenses excluding losses were \$253.096 million compared to a budget of \$246.999 million, exceeding the budget by \$6.097 million. This was mainly due to \$5.632 million for SaaS related projects being reclassified to recurrent, \$834,000 increased finance costs, \$3.336 million overspending in employee and operating expenses, and a \$3.762 million reduction in Depreciation and Amortisation.

Total revenue was \$248.882 million compared to a budget of \$252.165 million, \$3.283 million lower compared to budget. This was primarily due to \$5.245 million funding being carried forward to the next financial year, offset by \$1.281 million in unbudgeted income and Assets Recognised for the first time, and \$666,000 appropriation for escalation.

Assets and Liabilities

Net assets were \$594.453 million compared to a budget of \$531.714 million. The major variances arising on the Statement of Financial Position are noted below:

Property, plant and equipment were \$599.834 million compared to a budget of \$533.922 million. This was largely owing to an unbudgeted \$97.960 million in FY2025 fair value adjustments to Property, plant and equipment, offset by \$5.245 million carried forward to FY2026, \$6.765 million SaaS budget reclassified to recurrent and \$15.538 million overstated budget from prior years.

Right-of-use assets were \$28.992 million compared to a budget of \$23.424 million. This was \$5.568 million over budget due to increased number of lease renewals or change of leased premises for electorate offices including some higher-than-expected rental increases.

Non-Current Borrowings were \$26.186 million compared to a budget of \$20.448 million. This was owing to the increase in the recognition of Right-of-use assets.

Cash Flows

The closing cash position was \$6.020 million compared to a budget of \$4.850 million. This was over budget by \$1.170 million, which was due to a decrease net cash flow from investing activities.

17. Reconciliation of cash flows from operating activities to net result

	2025	2024
	\$'000	\$'000
Net cash used in operating activities	28,372	29,578
Depreciation and amortisation expense	(30,813)	(31,050)
(Increase) / decrease in provisions	(897)	(1,223)
Increase / (decrease) in receivables and inventories	296	(863)
(Increase) / Decrease in payables and other liabilities	(1,501)	2,419
Net gain / (loss) on sale of property, plant and equipment	(148)	(195)
Impairment loss of right-of-use assets	(250)	(701)
Assets recognised for first time	329	758
Net result	(4,612)	(1,277)

18. Financial Instruments

The Legislature's principal financial instruments are cash, receivables, payables and lease liabilities. These financial instruments arise directly from The Legislature's operations or are required to finance its operations. The Legislature does not enter into or trade financial instruments, including derivative financial instruments, for speculative or any other purposes.

The Clerks and the Chief Executive have overall responsibility for the establishment and oversight of risk management and review and agree policies for managing each risk. Risk management policies are established to identify and analyse the risks, to set risk limits and controls and to monitor risks faced by The Legislature. Compliance with policies is reviewed by The Legislature on a continuous basis.

(a) Financial instrument categories

Financial Assets	Note	Category	2025 \$'000	2024 \$'000
Class:				
Cash and cash equivalents	5	Amortised cost	6,020	5,196
Receivables ¹	6	Amortised cost	701	623
Financial Liabilities				
Class:				
Payables ²	11	Financial liabilities measured at amortised cost	8,037	7,714
Borrowings	12	Financial liabilities measured at amortised cost	33,150	32,720

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7) Includes lease receivables.
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB). Includes lease liabilities.

The Legislature 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.

Financial risks

i. Credit Risk

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

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the Treasury Banking System.

Receivables - trade receivables

The Legislature applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Trade debtors are written off when there is no reasonable expectation of recovery.

The Legislature is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2025.

ii. Liquidity risk

The Legislature continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets is available to it.

During the current and prior year, there were no defaults of payables. No assets have been pledged as collateral.

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), with the exception of Members' claims which are subject to requirements in the Parliamentary Remuneration Tribunal Determination, are settled in accordance with the policy set out in NSW Treasury Circular *Payment of Accounts* 11/12. For small business suppliers, whose terms are not specified, payment is made not later than 30 days from the 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.

The table below summarises the Legislature's borrowings, which are lease liabilities, are the only financial liabilities subject to interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

\$'000			\$'000	\$'000		
			Interest Rate Exposure	Maturity Dates		
	Weighted Average Effective Int. Rate	Nominal Amount ¹	Variable Interest Rate	< 1 yr	1-5 yrs	> 5 yrs
2025						
Borrowings - Lease liabilities	17.10%	39,990	6,840	6,964	18,219	14,807
2024						
Borrowings - Lease liabilities	14.41%	38,231	5,511	6,579	19,594	12,058

Notes

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which The Legislature can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

iii. Market risk

The Legislature's exposures to market risk are primarily through interest rate risk on The Legislature's borrowings. The Legislature has no exposure to foreign currency risk and does not enter into commodity contracts.

Interest rate risk

Exposure to interest rate risk arises primarily through The Legislature's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Legislature does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. 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.

19. Related Party Disclosures

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

	2025	2024
	\$'000	\$'000
Short-term employee benefits:		
Salaries	1,489	1,435
Other monetary allowances	337	383
Non-monetary benefits	-	66
Other long-term employee benefits	-	-
Post-employment benefits	101	90
Total remuneration	<u>1,927</u>	<u>1,974</u>

During the year, The Legislature did not enter into any transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, The Legislature entered into transactions with other entities that are controlled / jointly controlled / significantly influenced by the NSW Government:

- provision of ministerial offices and parking at Parliament House to The Cabinet Office and Premier's Department; \$2.208 million (2024: \$2.061 million)
- supply of hot and chilled water for use in air conditioning to The NSW State Library and Sydney Hospital; \$0.777 million (2024: \$0.730 million)
- engagement of special constables from The NSW Police Force for the security of The Legislature; \$4.629 million (2024: \$4.517million)

These are all at arm's length transactions in the ordinary course of business of The Legislature.

20. *Events After Reporting Period*

No events have occurred subsequent to balance date which would have a material financial effect on the financial statements.

End of audited financial statements

End of audited
Financial Statements