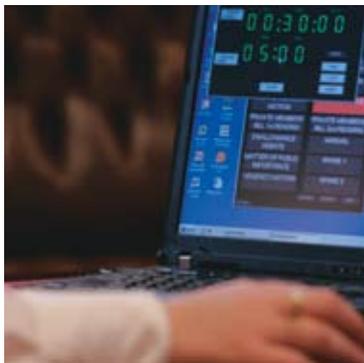


DEPARTMENT OF THE LEGISLATIVE COUNCIL
annual report



Letter of transmittal

The Hon Dr Meredith Burgmann MLC
President of the Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Madam President

I am pleased to submit for your information and presentation to the House the annual report of the Department of the Legislative Council for the year ended 30 June 2006.

While there is no statutory requirement for the Department of the Legislative Council to table an annual report, I welcome the opportunity to provide information on the performance of the department. This report complies with the spirit of the Acts which apply to government departments, namely the Annual Reports (Departments) Act 1985 and the Public Finance and Audit Act 1983.

In addition to the information provided on the performance of the Department of the Legislative Council, this report includes a particular emphasis on the history of the Legislative Council and its staff, in the context of the sesquicentenary of responsible government in New South Wales, commemorated in May 2006.

This report also includes information on the performance of the Legislative Council's committees, which has previously been provided in a separate volume.

Yours sincerely



John Evans
Clerk of the Parliaments



Cover photo: The Legislative Council in session in 1933 by which time, as a result of successive attempts to stack the House, its membership had swelled to 126. The wooden posts are supporting a collapsing structure.

Selected imagery by www.zoomproductions.com.au

Contents

| | |
|--|------------|
| Overview | 1 |
| Who we are and what we do | 1 |
| Highlights and important events | 3 |
| Clerk's review | 4 |
| Sesquicentenary of responsible government in New South Wales | 6 |
| Timeline of key events in the history of the Legislative Council | 7 |
| Organisational chart | 8 |
| Staff | 9 |
| Report against corporate goals | 10 |
| Report on performance by program | 14 |
| Procedure | 15 |
| Corporate Support | 30 |
| Committees | 42 |
| Finances | 68 |
| Financial commentary | 69 |
| Independent Audit report | 70 |
| Financial statements for the year ended 30 June 2006 | 72 |
| Department of the Legislative Council unaudited financial statements | 99 |
| Additional financial information | 104 |
| Appendices | 108 |

Legislative Council

Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000
www.parliament.nsw.gov.au
Ph (02) 9230 2111
Fax (02) 9230 2876

The Legislative Council chamber and public areas at Parliament House are open for inspection by members of the public from 9.30am to 4.00pm, Monday to Friday, except for public holidays. Tours for school and community groups can be booked by telephoning (02) 9230 3444.

The Legislative Council normally meets at 2.30pm on Tuesdays and 11.00am on Wednesdays and Thursdays during sitting periods. Visitors may attend and view proceedings from the public gallery. Legislative Council Question Time takes place at 4.00pm on Tuesdays and 12.00 noon on Wednesdays and Thursdays. Details of sitting periods are available at www.parliament.nsw.gov.au

Who we are and what we do

Department of the Legislative Council

The Department of the Legislative Council provides a range of support services to the sitting of the Legislative Council and committees and to enable members to effectively perform their parliamentary and constituent duties. The department provides support across three functional areas:

- Procedure
- Corporate Support
- Committees

The work of the department is principally of a research and advisory nature. The department is small, by public sector standards, with 47 full time equivalent (FTE) staff. There are also 50 FTE staff working as Secretary/Research Assistants to members. The Department of the Legislative Council is independent of the New South Wales public service, although most public sector policies and practices are adapted or followed by the department.

The department is accountable to the President of the Legislative Council, who is elected by the members of the House at its first sitting after each election. The Hon Dr Meredith Burgmann MLC has been President since April 1999.

The chief executive officer of the department is the Clerk of the Parliaments. The Clerk directs and controls the operation of the Legislative Council and provides expert advice and counsel on parliamentary law, practice and procedure to the President, ministers and other members of the house. The Clerk also manages the department and, together with the Clerk of the Legislative Assembly, jointly manages all of the joint services of the parliament. Mr John Evans PSM has been Clerk of the Parliaments and Clerk of the Legislative Council since August 1989.

Our clients and stakeholders include the President of the Legislative Council; all 42 members of the Legislative Council including the current six ministers in the Upper House; members' staff; the parliamentary joint service departments; the Legislative Assembly; government agencies such as Parliamentary Counsel's Office, Cabinet Office and Premier's Department; other Parliaments particularly from the Asia Pacific region and Commonwealth countries; schools and community groups; and the people of New South Wales.



The Legislative Council

The Parliament of New South Wales is a bi-cameral (two house) parliament. The Legislative Council is the upper house, or state senate.

The Legislative Council consists of 42 members, elected by the people of New South Wales under a system of proportional representation. One half of the members are elected every four years, in conjunction with elections for the Legislative Assembly (lower house). All members have a statewide electorate and are engaged in activities representing the interests of constituents across the state. The House includes a diverse membership. No government has had majority control of the Legislative Council since the 1988 election. The current make up of the House is:

- 19 Government (Australian Labor Party) members
- 13 Opposition (Liberal Party and The Nationals) members
- 10 cross-bench (independent or minor party members).*

The next election will be held on 24 March 2007.

The House sits for approximately 16-20 weeks per year, during which proposed legislation is subject to detailed debate and scrutiny and the executive government is called to account for its performance through questions to ministers, orders for the production of documents and a range of other procedures. The Legislative Council also has an active committee system, and committee meetings take place on approximately 100 days per year.

** As at 30 June 2006 there were 19 government and 10 cross-bench members, however, one member of the government at that time, the Hon Peter Breen MLC, has since returned to sit on cross-benches.*



Highlights and important events

The focus and key achievement of the department was the continued provision of effective and professional support services to the Legislative Council, its members and committees. Specific highlights include:

- provision of effective support to two joint select committees, and one upper house select committee, dealing with matters of significant public interest, in addition to the Legislative Council's existing standing committees
- development of the tabled papers register with facilities for these to be searched electronically and printed by members
- the development of a web-based system for the production of the Questions and Answers Paper, including the ability for questions and answers to be searched back to 1991
- continued drafting of Upper House Practice in New South Wales, with a view to finalising a complete draft of this comprehensive reference work by March 2007
- successful planning and execution of the official opening of the second session of the 53rd Parliament on 22 May 2006, within a very tight timeframe (the Parliament being prorogued on 19 May 2006).

Senior Officers and the Corporate Support unit devoted considerable resources during 2005/06 to the support of parliamentary joint services. This included:

- provision of a senior officer to support Food and Beverage Services in the implementation of human resource and accounting reforms
- the assumption of responsibility for personnel processing and associated human resource practices and procedures for Building Services and Food and Beverage Services
- the conversion of long term casual staff in Building Services and Food and Beverage Services to permanent employment following the Secure Employment test case decision in February in 2006.

The year at a glance

| | |
|--|--------|
| Department staff | 47 FTE |
| Secretary/Research Assistants to members | 50 FTE |
| Sitting hours | 401 |
| Bills passed | 99 |
| Amendments to bills (circulated) | 270 |
| Amendments to bills (agreed to) | 66 |
| Order for papers | 44 |
| Notices of motions given | 322 |
| Committee inquiries | 39 |
| Committee reports tabled | 28 |
| Submissions to Committees | 1,021 |
| Inquiry witnesses | 774 |
| Visitors to Parliament House | 96,000 |





John Evans

Clerk's review

Impact of the work of the Legislative Council

Two issues which attracted considerable public attention during 2005/06 illustrate the contemporary role of the Legislative Council and the effectiveness of the support services provided by the staff of the Department of the Legislative Council.

Cross City Tunnel

The Cross City Tunnel was officially opened on 28 August 2005. Following intense public controversy and political debate, the House found itself at the centre of efforts to force the disclosure of information about the contract and financial arrangements between the government and the tunnel consortium.

A number of documents had been tabled in response to an earlier order for papers about various road tunnel projects, in 2003. In October 2005 the House ordered that documents over which privilege had been claimed be re-assessed by an independent legal arbiter. The arbiter found that the privilege earlier granted to certain documents was no longer justified in the public interest and a number of documents were consequently tabled and made available to members and others in electronic form. Further documents were tabled in November in response to another order for papers and, following a dispute as to claims of privilege, the independent legal arbiter again found that the public interest in disclosure prevailed over other factors and further documents were made public.

Following General Standing Committee No 4 resolving to self-refer an inquiry into the Cross City Tunnel, a joint select committee was established. The committee held 12 days of hearings in December 2005 and February 2006. Witnesses included the former Premier, the Hon Bob Carr, and former Treasurer, the Hon Michael Egan, as well as officials of the Roads and Traffic Authority and the tunnel consortium. The hearings attracted considerable interest.

The committee produced two reports during the reporting period. The first report, tabled on 28 February 2006, dealt with issues such as the negotiation of the tunnel contract, the toll, and road closures. Soon after the tabling of the report,

the government announced a halving in the toll. The government has since announced and implemented further changes, including the re-opening of previously closed roads. The second report, tabled on 18 May 2006, dealt with public private partnerships generally. Both reports received widespread commendation and I pay tribute to the staff who worked tirelessly to support the committee and prepare draft reports.

Proposed sale of Snowy Hydro Ltd

Between December 2005 and February 2006 the New South Wales, Victorian and Commonwealth Governments announced that they were to sell their combined assets in Snowy Hydro Ltd. During 16 sitting days in April, May and June 2006 the proposed sale of Snowy Hydro Ltd was the subject of nine questions without notice, 14 petitions, 10 notices of motions, 11 motions for the suspension of standing orders, and an urgency motion. A Legislative Council select committee was also appointed to inquire into and report on the proposed sale. Once again, the most effective mechanism for obtaining information from the government proved to be orders for papers.

On 10 and 24 May 2006 the House ordered the production of papers concerning the proposed sale. Concern was expressed by the government about potential breaches of legal obligations should certain information be released prior to the issue of the prospectus for the sale. However, the House reasserted its power to require the production of papers despite any claim for privilege. The required documents were received on 30 and 31 May.

On 2 June 2006, the Prime Minister, the Hon John Howard MP, announced that the Commonwealth was withdrawing from the proposed sale. Later that day the Premier, the Hon Morris Iemma MP, announced that the sale of NSW's stake in Snowy Hydro Ltd could not proceed without the support of the Commonwealth, and withdrew from the proposed sale.

A range of people and organisations had an impact upon the Cross City Tunnel and the proposed sale of Snowy Hydro Ltd. However, without the orders for papers made by the House, and the hearings of the joint select committee on the Cross City Tunnel, a considerable amount of information that influenced

events may not have become available. The actions of the House and its committees, and the professional support provided by staff of the department, clearly played an important role in the course of events on both issues.

Comings and goings

Two members resigned during 2005/06. The Hon Carmel Tebbutt resigned on 26 August 2005 to successfully contest a by-election in the seat of Marrickville. The Hon Penny Sharpe MLC was elected at a joint sitting on 11 October 2005 to fill the casual vacancy caused by Ms Tebbutt's resignation.

The Hon John Tingle resigned on 2 May 2006. The Hon Robert Brown MLC was elected at a joint sitting held the next day to fill the casual vacancy caused by Mr Tingle's resignation. Mr Tingle's resignation was marked by a debate in the House, during the course of which a number of members spoke with great warmth about Mr Tingle's contribution to the Legislative Council. Mr Tingle's comments about the role of the House are well worth reading and may be accessed on the internet at www.parliament.nsw.gov.au/hansard.

In October 2005 Mr Warren Cahill, Clerk Assistant – Committees, took leave of absence in order to take up a position co-ordinating the United Nations Development Program's Strengthening Parliament project at the Solomon Islands National Parliament. In April 2006 Warren's appointment was extended for a further six months. The project focuses on building the organisational capacity of the parliamentary staff, as well as working alongside the Clerk of the Parliament, to update the standing orders and committee system. A comprehensive induction program was developed for the new members elected in April 2006. The Department of the Legislative Council has also arranged programs for visiting parliamentary staff from the Solomons.

Warren's work in the Solomon Islands follows a proud tradition of the provision of support and assistance from the Department of the Legislative Council to other parliaments. The Deputy Clerk, Ms Lynn Lovelock, was engaged in a project in the Solomon Islands in 1995. In 2000 Lynn led the National Council Training Program, as part of the Australian

Government's Capacity Building Program for East Timor. In 2001 I had the honour to provide intensive support to the Eastern Cape Provincial Legislature in South Africa.

Parliamentary administration

A considerable amount of the senior officer and Corporate Support unit resources of the department were devoted to the provision of support to parliamentary joint services during 2005/06.

Prior to his departure for the Solomon Islands, Warren Cahill was supporting Food and Beverage Services in the implementation of human resource and accounting reforms. Since October 2005, that role has been played by the Director, Corporate Support, Mr Robert Stefanic.

In January 2006 the Department of the Legislative Council assumed direct responsibility for personnel services for Building Services and Food and Beverage Services. This has added considerably to workload of the Corporate Support unit, but has also provided an opportunity for the department to provide additional support and greater consistency in human resource practices across these services.

To finish on a cautionary note, in June 2006 the parliamentary budget was cut by \$2.8 million: \$1.4 million being removed from catering and \$1.4 million from parliamentary support services (the two House departments, committees and joint services). With approximately 70% of the parliament's budget consisting of protected items (ie members' salaries and allowances), this represents a cut of almost 10% of the Parliament's discretionary spending. These cuts and negotiations concerning their implementation will no doubt dominate much of the work of senior officers of the department during 2006/07.

2006/07 looks like being a particularly challenging year for the Department of the Legislative Council. I wish all staff well in the year ahead and commend them all on their commitment and dedication during the last year.

Sesquicentenary of responsible government in New South Wales

The meaning of responsible government

Responsible government was introduced in New South Wales by the Constitution Act 1855 (NSW) passed by the Parliament of the United Kingdom. The Act gave the New South Wales Parliament autonomy over the affairs of the colony...

The executive government would be drawn from and by the members of the parliament to which the government would be answerable (or responsible). Sovereign authority would pass from the person of the Governor, the Queen's personal representative, to a parliament of elected and appointed members.

The passing of the legislation followed a decade of lobbying by the colony's political leadership and matched the strategic ambitions of Whitehall to shift more responsibilities, especially funding responsibilities, to each of the colonies. New South Wales had been demonstrating its readiness for this new level of responsibility by way of a remarkable burst of institution-building. The 1850s is truly the formative decade in NSW history.

The sesquicentenary of responsible government is an opportunity to celebrate the achievements of parliamentary government in the Australian colonies and the nation to which they gave birth. The celebrations which embrace the many features that responsible government has brought to New South Wales – a competitive democracy, adversary party politics, a public administration to give effect to the will of the government, the evolution of the franchise and a genuinely independent electoral authority.¹

Marking the sesquicentenary

In 2002 the government initiated a project to sponsor the compilation of the history of the New South Wales Parliament and scholarly research on related political developments. A number of major publications have been released during the sesquicentenary year. The Parliament held a number of commemorative events during the year, including an open weekend, culminating with an official opening of a new session of parliament 150 years to the day after the first sitting of the two Houses of Parliament on 22 May 1856.

¹ Sesquicentenary of responsible government in New South Wales Committee.



Timeline of key events in the history of the Legislative Council

| Date | Event |
|-------------|--|
| 1824 | A five-member Legislative Council established to advise the Governor. |
| 1829 | The Legislative Council moves to the Surgeon General's quarters of the General Hospital (Rum Hospital). |
| 1843 | First elections in New South Wales |
| 1856 | Establishment of responsible government in New South Wales and first sittings of the bi-cameral legislature. |
| 1858 | Full manhood suffrage granted. Between the swearing of the first Ministry in 1856 and 1861, six Ministries fell as a result of inherent Constitutional instabilities. Between 1860 and 1901 there are 9 unsuccessful attempts to reconstitute the Legislative Council. |
| 1902 | Women's suffrage achieved. The first women appointed to the Council take their seats in 1931. |
| 1925 – 1933 | Having stacked the House with first 28, and later 25, additional members, the Lang Government makes two failed attempts to abolish the Council. In between these attempts, the Bavin Nationalist Government inserts section 7A in the Constitution Act 1902, preventing abolition of the Council without a referendum. The Stevens Government later introduces legislation to reform the Council (including limited powers in relation to money bills). The reform of the Council is approved at a referendum, by a narrow majority. |
| 1934 | The reconstituted Council is now indirectly elected by members of both Houses. |
| 1943 – 1961 | Three further attempts to abolish the conservative-controlled Legislative Council are made by the McKell and Heffron Labor Governments, the third attempt being rejected by the people at a referendum in 1961. |
| 1977 | The Wran Labor Government introduces the Constitution and Parliamentary Electorates and Elections (Amendment) Bill to reform the Upper House. |
| 1978 | A referendum approves reform of the Council, including direct election by a system of proportional representation. |
| 1985 | The Parliamentary Remuneration Tribunal determines that members of the Legislative Council and the Legislative Assembly should have parity of status in salary – Members of the Legislative Council now paid. |
| 1988 | No government has had majority control of the House since the 1988 election. The first of the Council's standing committees are established. The General Purpose Standing Committees are established in 1997. |
| 1991 | A referendum approves a reduction in the number of Council members to 42, with half (21) to retire or stand for re-election at each General Election, thus reducing the quota required for election. |
| 1996 – 1998 | The Treasurer and Leader of the Government, the Hon Michael Egan MLC, is suspended for his failure to produce documents to the Council in response to an order of the house. The High Court upholds the power of the House to require the production of state papers. |

Organisational chart



- 1 **John Evans**
Clerk of the Parliaments
- 2 **Lynn Lovelock**
Deputy Clerk
- 3 **Warren Cahill**,
Clerk Assistant – Committees
- 4 **David Blunt**,
Clerk Assistant – Corporate Support
- 5 **Steven Reynolds**
Director – Procedure & Usher of Black Rod
- 6 **Robert Stefanic**
Director – Corporate Support
- 7 **Tanya Bosch**
Director – Committees
- 8 **Julie Langsworth**
Director – Committees
- 9 **Rachel Callinan**
Director – Committees
- 10 **Rachel Simpson**
Director – Committees

Staff *(as at 30 June 2006)*

| Position | Name | Position | Name |
|---|--|--|--|
| Office of the Clerk | | Corporate support | |
| Clerk of the Parliaments and Clerk of the Legislative Council | John Evans | Clerk Assistant – Corporate Support | David Blunt |
| Deputy Clerk | Lynn Lovelock | Director – Corporate Support | Robert Stefanic |
| Council Officer Assistant – Procedure | Cathryn Cummins | Principal Council Officers | Stuart Lowe Craig Wheeler Sandra Vella** |
| Council Assistant | Jodi Stuckey | Acting Principal Council Officer | Sian Ellis |
| Procedure | | Acting Senior Council Officer | Judy Bartlett |
| Acting Director-Procedure | Susan Want | Council Officers | Jovy Cano Kate O'Toole Ashley Toms** |
| Principal Council Officer – Procedural Research | Velia Mignacca | Council Officer Assistants | Rhia Bolonia Paul Brock Ramia O'Connor Jackie Mead** |
| Acting Principal Council Officer – Manager, Procedure & Deputy Usher of the Black Rod | Cathy Nunn | Council Assistants | Christine Nguyen Shani Reynolds |
| Senior Council Officer – Procedure | Malvyne Jong Wah | Committees | |
| Council Officer – Procedure | Kate Cadell | Clerk Assistant – Committees and Usher of the Black Rod | Warren Cahill** |
| Council Officer Assistant – Procedure | Jenelle Moore | Acting Clerk Assistant – Committees and Usher of the Black Rod | Steven Reynolds |
| Council Assistant – Procedure | Carly Bairstow | Directors – Committees | Tanya Bosch* Rachel Callinan Julie Langsworth Rachel Simpson* |
| Chamber and Support Services | | Acting Directors – Committees | Beverly Duffy** Stephen Frappell Merrin Thompson Simon Johnston |
| Manager – Chamber and Support | Ian Pringle | Principal Council Officers – Committees | Madeleine Foley Michael Phillips Katherine Fleming |
| Deputy Manager – Chamber and Support | Maurice Rebecchi | Senior Council Officers – Committees | Rebecca Main Victoria Pymm |
| Council Assistants – Chamber and Support | Erin Brady John Ferguson | Acting Senior Council Officer – Committees | Glenda Baker |
| Attendants – Chamber and Support | Mike Jarrett Charles Barden Lucy Smith | Council Officer – Committees | Annie Marshall |
| | | Council Officer Assistants – Committees | Natasha O'Connor Dora Oravec |
| | | Council Assistant – Committees | Marie Burton |

* On secondment

** On leave

Report against corporate goals

Corporate goal

Targets for 2005/06

Provide the procedural support, advice and research necessary for the effective functioning of both Houses and their committees

Progress drafting of Upper House Practice in NSW

Develop and implement further procedural seminars for members and staff

Further enhance procedural precedents system

Develop tabled papers register to manage and track orders for paper and other tabled documents

Implement web-based system for production of Questions and Answers Paper, including facility for on-line searching of questions and answers

Provide effective services to members and other client groups

Update Legislative Council Members' Guide

Implement upgrade of Members Entitlement System (MES)

Promote awareness of the purposes and functions of the Parliament and facilitate community access

Review and enhance presentations provided to visitors

Implement new arrangements for delivery of protocol services, with closer integration of this work into Procedure Office

Provide functional, safe and secure working environment for members, staff and visitors

Implement liquor licence for Parliament House

Enhance organisational capability in planning and service delivery

Review of training needs of staff in new roles following 2004 restructure of the department

Revise and enhance Results and Services Plan

Implementation of new recruitment and human resources practices in joint services

Performance

20 out of 24 chapters now drafted

Procedural and related seminars held during winter recess 2005

Ongoing entry of existing precedent material onto Lotus Notes database

Database up-to-date with all orders for papers since 1996. Papers returned to order where there was considerable member and media interest were made available in electronic form

Questions and answers from 1991 now searchable on-line on the intranet

Work has commenced on a new guide and a concise version

Commercial air module redeveloped following change in the government contract for air travel

Chamber and Support Services staff undertook inspection of visitor services at Federal Parliament. Visual presentation used during "Open Weekend" May 2006

Protocol functions undertaken by Usher of the Black Rod with support now fully integrated into Procedure Office [eg. official opening of 2nd session of 53rd Parliament, 22 May 2006]

Completed

Initial round of procedural and related seminars held during winter recess 2005

Revised plan submitted to Treasury. Key Performance Indicators not yet developed

Internal audit recommendations concerning human resource practices implemented in Food and Beverage Services

Long term casual staff in Food and Beverage Services and Building Services converted to permanent employment

Corporate Support assumed responsibility for personnel processing and associated human resources practices and procedures for Food and Beverage Services and Building Services

Targets 2006/07

Finalised draft to be completed by March 2007

Procedural seminars to be incorporated into induction program for new members and staff following 2007 election

Entry of information onto system to be progressed during election period

Database to be made available and searchable on-line on the intranet

Further development of the facility for questions and answers to be lodged on-line

Finalised second edition of the guide and concise version to be published by March 2007

All development work to be completed by mid-2007 with any further refinements thereafter to be made in-house

Develop standard presentation with audio-visual material for use with tour groups

Plan and execute opening of 54th Parliament

Review of training needs and development of comprehensive training program to be completed by mid-2007

Development of Key Performance Indicators to be completed by mid-2007

Legislative Council recruitment practices and documentation to be adopted in Food and Beverage and Building Services. Training of managers in those services in recruitment procedures

The Department of the Legislative Council²

At the time of introduction of responsible government in 1856, 40 administrative staff were employed to provide assistance to members in their work and maintain the premises. The staff were divided into four main groups: the office of the Legislative Council; the office of the Legislative Assembly; the library and the refreshment room (these services formed one department until their separation in 1862); and shorthand writers who reported select committees and the like.

The Office of the Legislative Council, headed administratively by the Clerk of the Legislative Council (later also termed the Clerk of the Parliaments), included clerical, ceremonial and table officers, messengers, doorkeepers and attendants. At this stage, the Parliamentary Draftsman was not attached to the Parliament and was instead a member of the Law Officers' department, primarily responsible for drafting government legislation. Compared with other Parliaments, New South Wales was relatively late in establishing *Hansard*. Parliament was first reported in the session of 1879-80. While *Hansard* was regularly attacked for its cost during its early years of operation (£3,000 for salaries in 1880), by 1890 parliamentary reporting was well established.

Throughout the 19th century, debate raged between the government of the day and the Presiding Officers over responsibility for the appointment of parliamentary staff and the control over staff salaries. While section 37 of the Constitution Act provided that public officer appointments should be made by the Governor with advice of the Executive Council, from the beginning, the Presiding Officers claimed the right to a substantial say in who should fill the clerkships in their departments. Presidents and Speakers claimed this power in keeping with the doctrine of the separation of the Legislature from the Executive. Parliament, they argued, should control its own, independent staff to avoid staff becoming another field for political patronage. Despite this, governments continued to make appointments to the Parliament. The rules defining the Presiding Officers' control of the appointment of their staff were foggy and imprecise, and amongst other impacts, allowed for members of the Assembly to continue to vent their hostility to the Council by altering the salaries of its officers.

The *Civil Service Act 1884* provided Presiding Officers with a clearer jurisdiction over appointments and salaries of parliamentary staff. For a brief period, parliamentary officers benefited from regular salary increments, however in 1895 the *Civil Service Act 1895* restored the previous circumstances and excluded Parliament and its officers from its scope, thus restoring the separation of Parliament from the Executive Government. This separation was reflected in employment practices, for at this time it was seldom the case that parliamentary officers transferred to positions in the civil service (and visa versa). Most of the officers reaching the senior positions of Clerks, Clerk-Assistants, Librarian and Editor of Debates had years of experience at the Parliament, often joining the staff in their early 20s and becoming senior officers by their mid-forties. According to Hawker, these senior officers remained in these positions, 'in the absence of a retiring age, until their health or inclinations decided otherwise.'³

In 1891, the Council had an establishment of seven clerical positions (the Assembly had 12). The Council had a Clerk, an Assistant Clerk, the Usher of the Black Rod and a number of administrative positions. The Departments of the Council and the Assembly operated as separate entities with each department having its own traditions, practices and personnel. The administrative structure of the Parliament followed that of Britain, and according to Hawker, the existence of two departments was part and parcel of the bicameral system.⁴

² The historical information provided here is primarily drawn from G.N. Hawker, *The Parliament of New South Wales 1856-1965*, Government Printer, New South Wales, 1971, pp113-130; and *Select Committee on the Resources of the NSW Legislative Council, First Report, Members' Resources Requirements: Priorities*, August 1990, pp3-7.

³ G.N. Hawker, *The Parliament of New South Wales 1856-1965*, Government Printer, New South Wales, 1971, p123.

⁴ *Ibid*, p127.

HISTORICAL FACT (cont)

As the size of the Council membership grew, so did the need for procedural, research and administrative support. In 1934 the department supported 60 members with 12 year terms. By 1978 the House had 45 members and the unique role of the Council as the House of review was cemented, with a number of mechanism in place to support this role. In 1988 the establishment of two Standing Committees resulted in the employment of additional research staff to assist members in the conduct of inquiries into government policy and decision making.

Since 1988 no government has had control of the Legislative Council. At this time, the workload of the Legislative Council, and therefore the department, increased significantly, particularly in relation to the volume and complexity of legislation. A number of external factors were also at play, impacting on the Council and its department, including: community expectations for increased consultation and accountability; consequences of legal proceedings concerning the powers of the House to enforce orders for papers; and changes to the arrangements for the remuneration of members. In response to these profound changes, in the early part of the 21st century, the recurrent base funding of The Legislature was reviewed. In 2002, the department received additional funding to enable a major restructure to realign resources to areas of greatest demand. The restructure involved the creation of the current alignment of services, with three major sections: Procedure, Corporate Support and Committees. In 2005, the department had 47 full time equivalent staff members working across the three sections – interestingly, seven more staff than was first employed to support the entire Parliament at the time of the introduction of responsible government in 1856. In the next financial period 2006/07, the department restructure will be further reviewed, in the light of budget cuts to the Parliament.





Report on performance by program

Procedure

Procedural advice and support 15

Business papers 16

Technology 16

Tabled documents 16

Training and succession planning 17

Sitting of the House 17

Prorogation of Parliament 17

Opening of the 2nd session of the
53rd Parliament 20

Election to fill casual vacancies in the
Legislative Council 20

Private members' business 20

Questions and answers 21

Legislation 21

Petitions 22

Orders for papers 23

Protocol 26

Chamber and Support services 28

Procedure

Procedural advice and support

Procedure Office staff provide a range of support services to members of the Legislative Council including procedural support, advice and research necessary for the effective functioning of the House, secretariat support to the Procedure Committee and the Privileges Committee, protocol services and chamber support.

Workloads and deadlines of the Procedure Office are subject to external, political and practical considerations beyond the control of the Department of the Legislative Council. Factors affecting the operations of the office include:

- the electoral cycle,
- the days and hours of the sittings of the House,
- the business considered by the Council and the schedule of proceedings,
- the legislative workload, including the number of bills introduced, the number and complexity of amendments to bills, and disagreements between the Houses on disputed bills,
- the number and complexity of questions on notice submitted by members,
- the number of documents tabled, and
- the number and complexity of inquiries and requests for information from members, their staff and members of the public.

Much of the work of the office involves frequent direct contact with members and their staff and responding to requests for advice and procedural information on a range of issues including orders for papers; motions of urgency; motions for disallowance of statutory rules and instruments; variations to standing and sessional orders; private members' notices of motions; tabling provisions; the format and content of petitions; references to committees; arrangements for joint sittings with the Legislative Assembly; the routine of business and procedures for bills and amendments. All requests for assistance were met within agreed timeframes and to a high standard. The office also provides procedural advice and support to committee staff regarding the tabling of reports, take notes debates, government responses and tabled papers.

In addition, staff contribute to public awareness of the Legislative Council and its work by responding to enquiries from the public regarding the role and function of the Legislative Council, the progress and status of bills, members contact and biographical details and by the timely maintenance of online databases and the website.

Publications

In 2005/06 the Legislative Council continued the publication of biannual procedural bulletins highlighting significant procedures in the House, rulings of the Chair and important precedents. The *Procedural Highlights* are circulated to all Legislative Council members and staff as a means for disseminating relevant information on parliamentary precedent and procedures and to support the ongoing education and training of Council staff. The publication is also circulated to parliaments in other jurisdictions. The Legislative Council also contributed to the ANZACATT Half Yearly Bulletin and to the annual journal of the Society of Clerks at the Table.

One of the key goals of the 2005/06 year was the continued drafting and revision of *Upper House Practice in NSW*, a comprehensive reference work on the history and procedures and practices of the Legislative Council, with a view to finalising a complete draft by March 2007. Significant progress was achieved during the year ensuring the target will be met.

Procedural databases and precedent system

An ongoing responsibility of the Procedure Office is the entry of precedent material from 1824 onto the precedent system database. As the backlog of material is considerable, the task of analysis and data entry is being undertaken by a number of staff.

In consultation with information technology staff, the Procedure Office developed an intranet-based annotated standing orders database. The system, which will contain precedents from 1856 of each standing order, is designed to allow ease of access to parliamentary precedents for officers, members and their staff.



Procedure Office staff also developed a bills summary database which is updated throughout each sitting day as bills proceed through the Council and the Assembly. The database provides an outline of the objectives of each bill, details of any amendments circulated, issues raised by the Legislation Review Committee, members in the other House, or the media. The database is intended to provide access to relevant information in order to better anticipate proceedings in the House and to more effectively provide advice to the Chair of Committees and to members on bills and amendments. The database will be monitored and reviewed during the remainder of 2006 to assess its effectiveness and to identify any needed improvements in either the content or delivery of the service.

Business Papers

Procedure Office staff produce three daily business papers:

- the *Minutes of Proceedings* – a record of all proceedings of the House
- the *Notice Paper* – a list of all notices of motions and orders of the day before the House and the order in which the House proceeds with its business, and
- the *Questions and Answers Paper* – a record of detailed or lengthy questions to ministers, together with the answers when they are received.

Proof editions of the business papers were mostly completed within 30 minutes of the adjournment of the House each sitting day and made available on the internet. Printed copies were made available to members the following morning. Final versions of the business papers were produced following thorough proof reading and verification of relevant material. These papers continue to provide a timely, accurate and comprehensive record of proceedings. Questions on notice lodged by members were edited for consistency and compliance with the standing orders.

The *Statutory Rules and Instruments* paper is published weekly during sittings and monthly when Parliament is in recess. The Procedure Office continually updates the paper in order to advise members of the date of commencement of each statutory rule or instrument, the date tabled in the House and last day on which

a notice motion for the disallowance of a regulation must be given.

Technology

Web-based Questions and Answers database

In order to improve services to members a new web-based system for production of the *Questions and Answers Paper* was developed during 2005/06. Previously, the *Questions and Answers Paper* was produced using complex and often unreliable macros in a word processing program. The system allows multiple users to input data, and ensures a more effective and efficient means for entering questions on the paper, particularly when large numbers of questions are submitted. The system also allows members to view questions and answers on-line and to search for questions asked since 1991 by subject matter or ministerial portfolio. Extensive testing of the system has been undertaken, with the Procedure Office and Information Technology Services working in close consultation to develop the system.

Video titling and timing system

The video titling and electronic timing system in the Legislative Council chamber was further enhanced during the year to provide greater flexibility to users and to improve the display of captions. The enhancements will improve the broadcast of proceedings both internally in Parliament House and on the internet. The timing system was also modified to improve functionality.

Tabled Documents

During 2005/06 a total of 2,503 documents were tabled in the Legislative Council, the majority being annual reports and statutory instruments. The Procedure Office prepared all documents for presentation in the House and entered details of each document in the Minutes of Proceedings and on the tabled papers register. The objective of entering all details in the register on the next day was achieved on all but very few occasions.

During the past 12 months Procedure Office staff worked with Information Technology Services to develop the tabled documents register for online access. Members will be able to search for tabled documents and, for those available electronically, will be able to print documents from the Parliament's intranet. Records have been made available online from 1995.

The tabled documents database has also been enhanced to include a separate register of papers tabled as a result of orders of the House. The administration of these papers requires considerable staff resources. The new comprehensive tracking system will assist in the management of the large number of papers received by the House. The need to find storage for these documents on their arrival, and in the long term, has also been a challenge. As a result of the relatively sudden increase in orders in recent years, the available storage in Parliament House has been exhausted and alternative arrangements are now being considered.

Training and succession planning

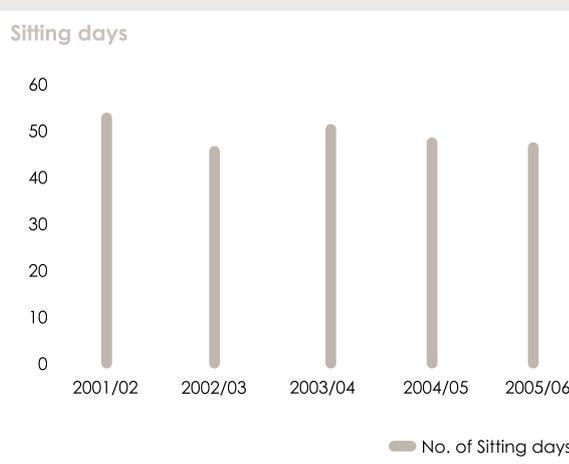
In 2005/06, in order to further develop the capacity of the Department of the Legislative Council to support the President and members and to ensure the effective functioning of the House, the program to train senior committee and corporate support staff continued. A three-day program provides an opportunity to gain experience in the chamber and to learn about the operations of the Procedure Office. Committee staff are now rostered to work in the chamber on a regular basis.

Experience in the Legislative Council chamber and the Procedure Office was also provided to the successful candidate of the 2005 'Working in the Legislative Council' program.

Sittings of the House

Before the commencement of the sitting of the House each day, procedure staff meet to discuss procedural or other issues which could arise. These meetings, chaired by the Deputy Clerk, ensure that the team preparing for the sitting of the House are fully informed, as far as is possible, of all matters which could arise in the House during the day. Consequently, procedure staff prepared all relevant documentation, and met all requests for advice within deadlines for the sitting of the House.

The House sat on 47 occasions during the reporting period averaging 8.32 hours per sitting day. On three occasions the House sat beyond midnight.



Prorogation of Parliament

The prorogation of the Parliament on 19 May 2006 had a significant impact on the operations of the Procedure Office. As all business before the House lapsed at prorogation, staff archived records and documents from the previous session and finalised statistical and other records. Staff also assisted members in preparing for the new session. On 23 May 2006 the House resolved that members could give notices of motions by delivering a signed copy to the Clerks-at-the-Table. One hundred and twenty four items were placed on the *Notice Paper* for the new session, the majority of which were drafted with the assistance of the Procedure Office. With the commencement of a new session of Parliament, and a new list of notices, the need also arose for a private members' draw to determine a new list of items inside the order of precedence, and for several motions to be moved to restore government business and take note debate on committee reports of the previous session to the notice paper.

Clerks of the New South Wales Legislative Council

The administrative head of the Department of the Legislative Council is the Clerk of the Parliaments who also has the title of Clerk of the Legislative Council. The Clerk is responsible to the President of the Council for the efficient and effective administration of the department. The Clerk of the Parliaments provides high quality expert advice and counsel to the President, ministers and members of the Council on parliamentary law, practice and procedure. As Chief Executive Officer, the Clerk manages Parliament House and everything within its precincts separately or jointly with the Clerk of the Assembly.

Between the first meeting of the Legislative Council in 1824 and the advent of responsible bicameral government in 1856, there were seven clerks of the Council, shown below.

Table A: Clerks of the Legislative Council 1824 – 1856

| Clerk | From | To |
|---|------------------|----------------|
| Francis Stephen ⁵ | August 1824 | August 1825 |
| Henry Grattan Douglass, M.D | 24 August 1825 | 13 July 1827 |
| Lieut-Colonel Henry Dumaresq ⁶ | 23 February 1826 | 28 May 1826 |
| Thomas de la Condamine (Acting) | 8 September 1827 | December 1828 |
| Edward Deas Thomson | 29 December 1828 | 1 January 1837 |
| William Macpherson | 2 January 1837 | 13 April 1842 |
| Francis Lewis Shaw Merewether | 20 April 1842 | 30 June 1843 |
| William Macpherson | 1 July 1843 | 14 May 1856 |

William Macpherson continued in the role of clerk following the advent of responsible government in 1856. He has since been succeeded by 11 permanent or acting clerks, shown below.

Table B: Clerks of the Legislative Council 1856 to present

| Clerk | From | To |
|--|------------------|--------------------|
| William Macpherson | 15 May 1856 | 31 December 1859 |
| Richard O'Connor | 1 January 1860 | 31 March 1871 |
| John Jackson Calvert, I.S.O | 1 April 1871 | 30 September 1914 |
| Adolphus Philip Clapin, I.S.O (Acting) | 1 June 1882 | 19 July 1883 |
| | 15 May 1892 | 15 November 1893 |
| Waldemar Lionel Smirnoff Cooper (Acting) | 1 October 1914 | 30 June 1915 |
| Waldemar Lionel Smirnoff Cooper | 1 July 1915 | 31 July 1932 |
| Cecil Harnett Hamilton Calvert | 1 September 1932 | 20 March 1939 |
| William Kenneth Charlton | 21 March 1939 | 10 March 1954 |
| Major-General John Rowstone Stevenson, C.B.E, D.S.O, E.D | 11 March 1954 | 4 July 1971 |
| Alicen Walter Boxall Saxon | 5 July 1971 | 21 June 1977 |
| Leslie Arthur Jeckeln | 22 June 1977 | 21 August 1989 |
| John Denton Evans, B.Leg.S (Acting) | 16 May 1986 | 17 August 1986 |
| | 29 May 1989 | 21 August 1989 |
| John Denton Evans, B.Leg.S | 22 August 1989 | Still holds office |
| Lynn Carole Lovelock, B.A. (Hons), Dip. Ed (Acting) | 31 May 1991 | 3 August 1991 |
| | 8 October 2002 | 3 January 2003 |

As indicated above, the current Clerk of the Legislative Council, John Evans, was appointed Clerk of the Legislative Council on 22 August 1989 after previous periods acting in the position. He has served the Department of the Legislative Council since 1971 and prior to his appointment as clerk held various positions including Usher of the Black Rod, Clerk Assistant and Deputy Clerk.

⁵ Assumed to have been Clerk on the first day of the Council.

⁶ During temporary appointment of Henry Grattan Douglass as Commissioner of the Court of Requests.

Opening of the 2nd session of the 53rd Parliament

On 22 May 2006, in the absence of the Governor, His Excellency the Lieutenant-Governor, the Honourable James Jacob Spigelman AC, accompanied by Mrs Alice Spigelman and attended by Mr Brian L. Davies, Official Secretary to the Governor and Ms Jane Probert, Aide-de-Camp, opened the 2nd session of the 53rd Parliament. The opening commemorated the 150th anniversary, to the day, of the first meeting of the two Houses of Parliament on 22 May 1856, marking the establishment of responsible government in New South Wales.

Procedure Office staff under the direction of the Usher of the Black Rod were responsible for planning and arranging the official opening. The event was a logistical challenge given the short time frame within which arrangements were to be made. Procedure Office staff co-ordinated the involvement of dignitaries, the executive departments, members of Parliament, official guests and community groups, organised the honour guard and liaised with emergency services personnel while continuing to provide ongoing procedure support to the Clerks-at-the-Table and members.

At the request of the Premier, and to celebrate the sesquicentenary of responsible government in New South Wales, the opening was a community-based event commencing with a welcome to country, and an honour guard of members of the NSW Fire Brigade, Ambulance Service of NSW, NSW Rural Fire Service, State Emergency Service and the Volunteer Rescue Association being presented to His Excellency, the Lieutenant-Governor for inspection.

As occurred at the first meeting of the new bicameral legislature in 1856, a joint sitting of both Houses was convened in the Legislative Council chamber. Following tradition, His Excellency the Lieutenant-Governor, commanded the Usher of the Black Rod, Mr Steven Reynolds, to request the presence of the members of the Legislative Assembly and their Speaker in the Legislative Council chamber.

The speech delivered by His Excellency the Lieutenant-Governor to the joint sitting outlined the Government's legislative program for the new session and presented to the House and assembled guests a history of the evolution of the system of government in New South Wales.

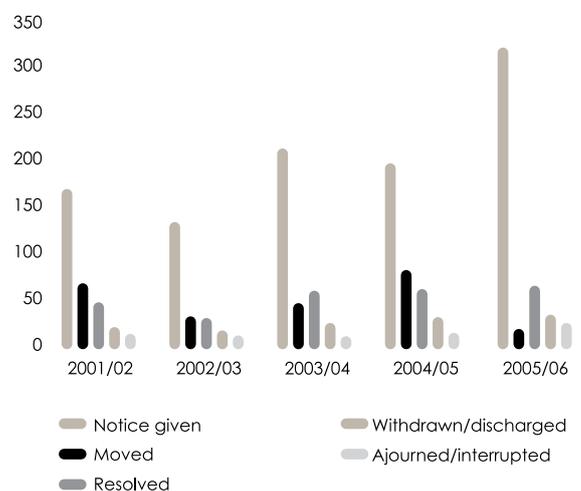
Election to fill casual vacancies in the Legislative Council

In 2005/06 two members of the Legislative Council resigned, the Hon Carmel Tebbutt and the Hon John Tingle. The subsequent joint sittings of both Houses were coordinated by the Procedure Office including seating arrangements in the Legislative Council chamber, and the preparation of the program, rules and minutes of proceedings.

In order to assist the new members, the Procedure Office in conjunction with Members' Services, provided written and oral advice on procedures of the House, entitlements, administrative arrangements and other services provided by the Legislative Council.

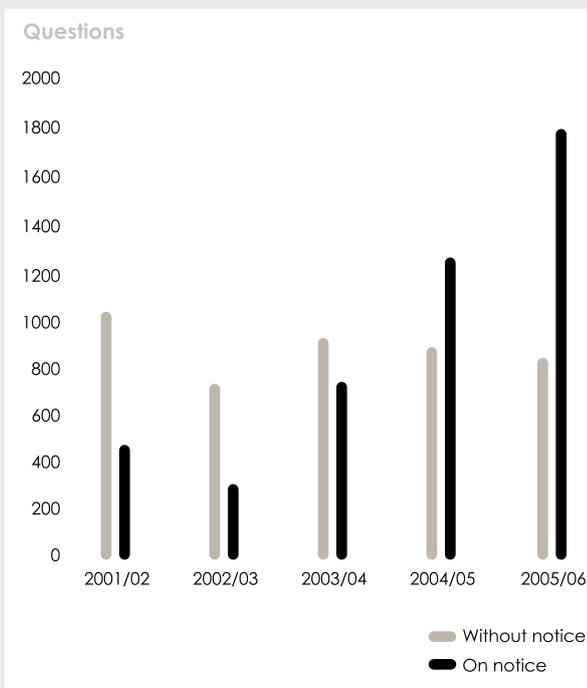
Private members' business

Between July 2005 and May 2006, 322 notices of motions were given in the House, the majority having been drafted with the assistance of Procedure Office staff. At prorogation, the 220 notices on the *Notice Paper* lapsed and members were required to give notices again in the new session if desired. On 23 May 2006, 124 items were placed on the *Notice Paper*. A private members' draw was conducted to determine a new list of items in the order of precedence, and for several motions to be moved to restore to the *Notice Paper*, government business and take note debate on committee reports of the previous session.



Note: notices not moved are not included in this graph.

Questions and answers



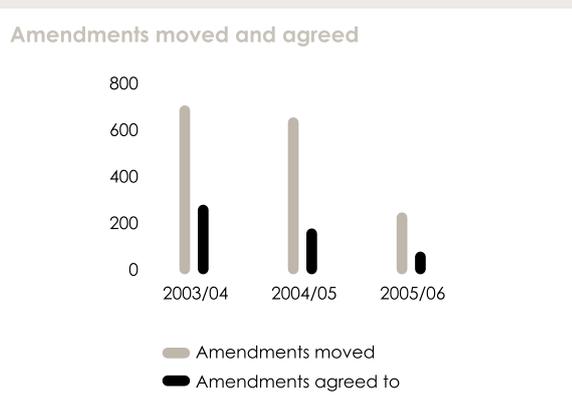
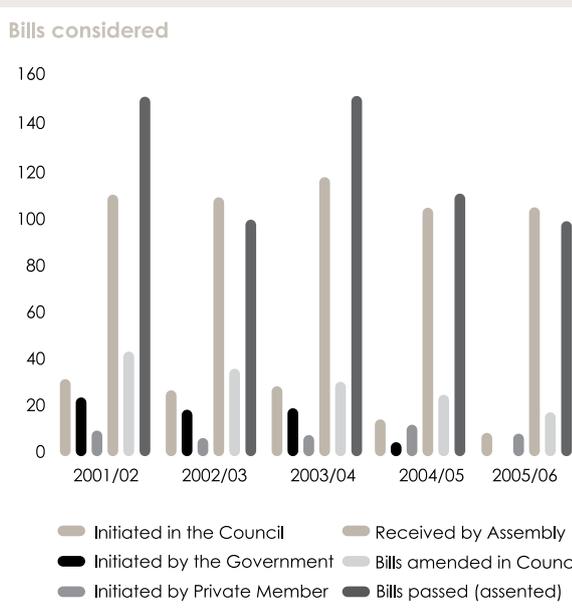
The number of questions on notice lodged has increased significantly during recent years, from 433 during 2000/01 to 1,884 during 2005/06. The inclusion of budget estimates questions in the Questions and Answers Paper since 2003/04 has been a key factor in this increase. For example, an additional 475 questions were received during 2003/04 to that received during 2002/03. However, the 100 percent increase from the previous reporting period from 757 questions during 2003/04 to 1226 questions during 2004/05, also indicates members are lodging a higher volume of questions throughout the year.

Legislation

Although only seven bills were introduced in the Legislative Council in 2005/06, legislative activity in the Council was comparable to the previous year as a greater number of bills were received from the Legislative Assembly. Of the bills introduced in the Council, all were initiated by private members and two were passed.

The Procedure Office prepares each bill before the Council for consideration in committee of the whole. This includes an assessment of the admissibility of each amendment circulated, marshalling in order the amendments to be moved, and providing advice

to members and the Chair of Committees. In 2005/06, 270 amendments to 36 bills were circulated. Of these, 215 (79 per cent) amendments were moved in committee of the whole and 66 agreed to. In 2005/06 17 bills were amended, down from 27 in 2004/05.



As in other years, a number of complex and contentious bills were dealt with during the reporting period.

For instance, following several days of public disturbances in Cronulla and other areas, the House was recalled on 15 December 2005 in order to consider amending legislation relating to the prevention and control of public disorders. The object of the Law Enforcement Legislation Amendment (Public Safety) Bill was to provide police with additional powers to prevent and control public disorder.

The House adopted a resolution that government business would take precedence of all other business for that day, including question time, and that time limits would apply to debate on the various stages of the bill. As the bill was still being considered in the Legislative Assembly when the Council met, at the suggestion of the Leader of the House, the President left the Chair until the ringing of a long bell. At 12.10 pm the House reconvened and finally passed the bill, with one government amendment, at 3.38 pm. The bill was assented to later that day.

The passage of the Terrorism (Police Powers) Amendment (Preventive Detention) Bill 2005, saw opponents of the bill use a number of procedures seeking to defeat or delay the consideration of the bill. Divisions were called on the motion for first reading and printing of the bill. During the second reading of the bill a motion to adjourn the debate to the first sitting day in 2006 was negatived on division. A reasoned amendment declining to give the bill a second reading because of stated reasons was also negatived on division. There were 31 amendments to the bill circulated with 28 being agreed to. Debate on the bill took place on Wednesday 30 November 2005 and the bill passed with amendments in the early hours of Thursday 1 December 2005.

The Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill 2006 introduced by a member of The Greens was the first private member's bill to pass both Houses during 2005/06. The bill was introduced following the announcement that the sale of the New South Wales Government's shareholding in Snowy Hydro Limited would not proceed. The bill prevents the sale of the shares held by the government in Snowy Hydro Limited without the approval, by resolution, of both Houses.

The Constitution Amendment (Pledge of Loyalty) Bill 2004, introduced in the Legislative Assembly by a private member, amended the *Constitution Act 1902* by omitting the provision that members not take their seat or vote until they pledged their loyalty to the Queen, and inserting instead the requirement that members pledge loyalty to Australia and the people of New South Wales. Although there was significant opposition to the bill, on 7 March 2006 the bill passed the Legislative Council without amendment and was assented to on 3 April 2006. This bill was the second

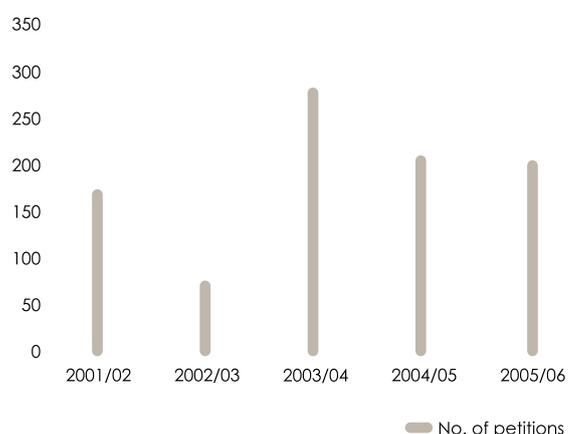
private member's bill to pass both Houses during the reporting period. The Hon Robert Brown MLC became the first member of the Legislative Council to take the pledge of loyalty following the filling of the vacancy caused by the resignation of the Hon John Saxon Tingle.

Petitions

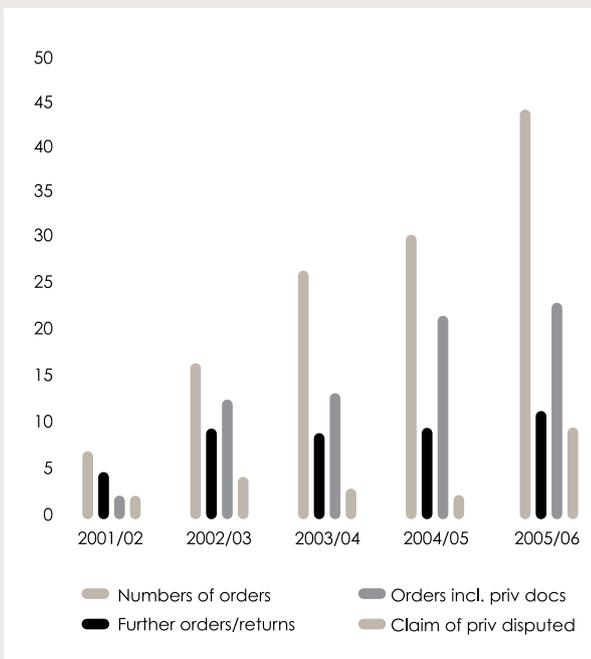
The number of petitions presented during the reporting period is in keeping with the significant growth in petitions in recent years. An average of four petitions were processed for presentation in the House each sitting day, although this generally increased to 10 or more petitions on the first sitting day of the week. A total of 201 petitions were presented during 2005/06. Staff ensured that each petition presented in the House complied with the standing rules and orders and, according to standing order, forwarded each petition presented to the relevant minister.

There were many and varied subjects covered in the petitions. A petition relating to religious freedoms, was presented on 29 occasions, representing 14,152 petitioners. Petitions regarding the proposed sale of Snowy Hydro Limited were presented on 14 occasions, representing 2,188 petitioners. Petitions were also presented regarding proposed marine parks at Bateman's Bay and Port Stephens, the Casino to Murwillumbah rail service, a pipeline from Tallowa Dam north and traffic problems in Monaro.

Petitions presented



Orders for papers



The number of orders for production of paper from the executive government agreed to by the House in 2005/06 increased by 31 per cent from the previous year. Of the 44 orders made by the House, 25 were initiated by members of the Liberal/National coalition, 16 by The Greens and three by independent members. Privilege was claimed on documents contained in 23 of the orders, and on nine occasions the validity of these claims of privilege were disputed.

Calls for papers have covered a number of controversial topics and, as a consequence, requests to view the documents increased during the year. Procedure Office staff were responsible for coordinating viewing times, allocating space for viewing the documents and supervising access by members of the public. As it is common for a number of returns to be received at the same time, and in order to ensure the security of documents and integrity of the process, a high level of supervision over the documents was maintained.



The Usher of the Black Rod

Origins of position

The Usher of the Black Rod is an ancient position with a very unusual title. The first record of the position dates back to 1361, when a member of the Royal Court, Walter Withers (also known as Whitehorse), carried the Rod in the presence of King Edward III for processions on feast days. To fulfil this position, Whitehorse was granted 12 pence per day for life.

First Usher of the Black Rod in NSW

The first Black Rod in New South Wales, Major Edmund Lockyer, presents a notable contrast to Whitehorse: Major Lockyer was a soldier, explorer and surveyor, whose diverse achievements included establishing the colony's first smelter and the first British settlement at Albany in Western Australia.

Evolution of the position

Today, the position of Usher of the Black Rod is a career position and entails significant ceremonial and administrative duties. For example, within the Chamber, Black Rod has the task of escorting members from the chamber, on the order of the House or the President. Black Rod is also responsible for the security of the chamber and other support services.

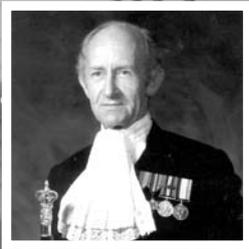
Usher of the Black Rod and the opening of Parliament

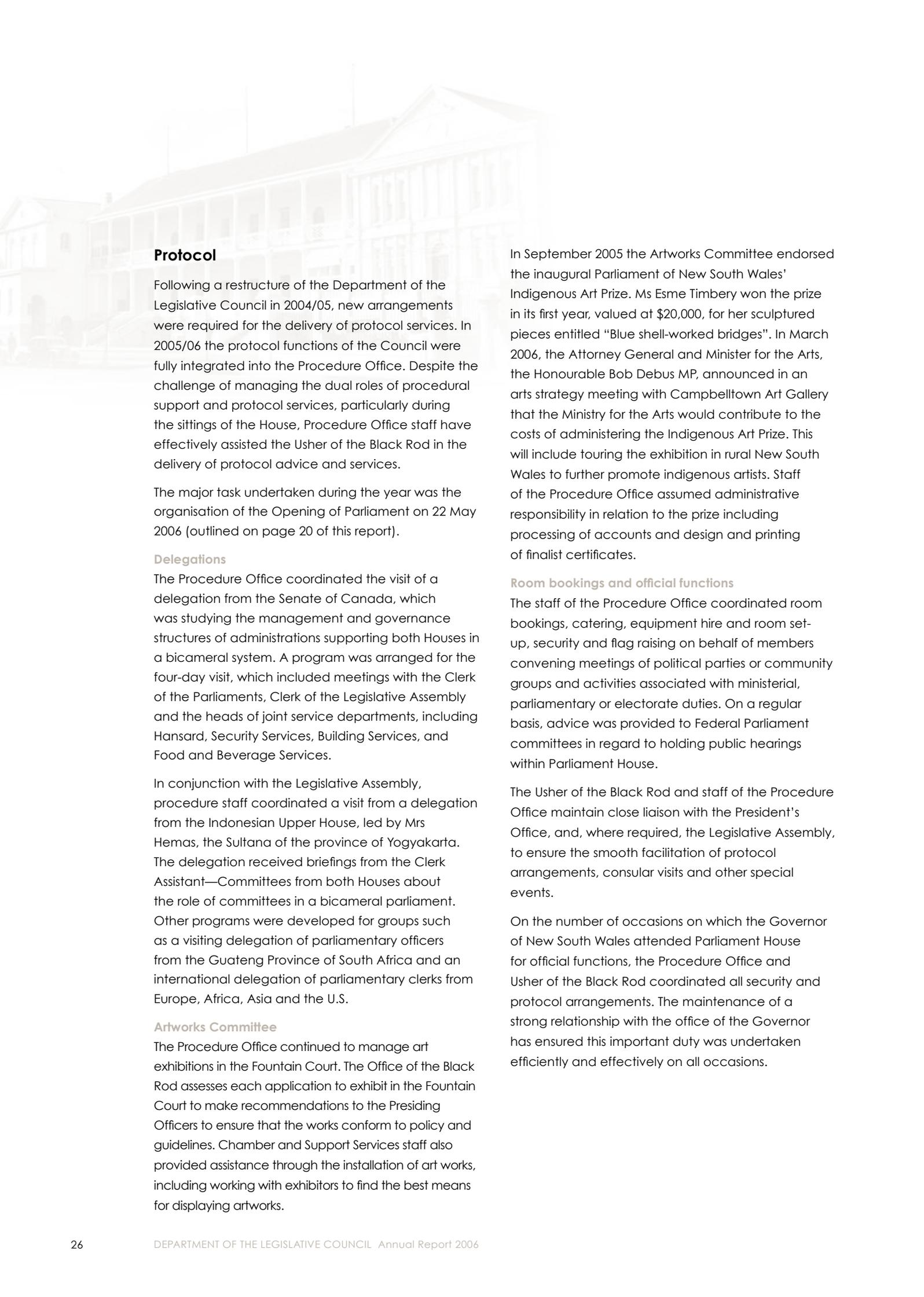
Perhaps the most important ceremonial duty of today's Black Rod is in official openings of Parliament. Black Rod is sent by the Queen's representative in New South Wales, the Governor, to summon the members of the Lower House. When Black Rod arrives at the Legislative Assembly Chamber, the doors are shut; the Usher uses the Black Rod to rap on the door three times and awaits an invitation to enter. When Black Rod is admitted he delivers the Governor's message summoning the members to a joint sitting in the Upper House.

The barring of the doors to Black Rod, the sovereign's representative, is an historical re-enactment of the first and last time a monarch breached the rights of parliament by entering the House of Commons. King Charles I had impeached five members of the House of Commons for treason for opposing his new taxation demands. The House of Commons, however, refused to deliver its members to the King. In 1642 Charles I entered the Commons accompanied by armed soldiers, intending to seize the members; only to find that the members had already fled. Since that time the House of Commons has maintained the right of freedom of speech by closing their doors on the sovereign's representative – Black Rod.

Black Rod

The Black Rod itself is a symbol of the authority of the Crown, now vested in the position of Usher of the Black Rod. New South Wales has three Black Rods, the latest of which was presented to the Parliament in 1974 by the Bank of New South Wales. This Rod is modelled on the one used in the House of Lords and was made by Garrard and Co. Ltd, the Crown Jewellers, London. The one-metre long Rod is made of black ebony, topped with a gilt lion holding a shield of the State Coat of Arms, together with a replica of the Price of Wales "feathers" badge.





Protocol

Following a restructure of the Department of the Legislative Council in 2004/05, new arrangements were required for the delivery of protocol services. In 2005/06 the protocol functions of the Council were fully integrated into the Procedure Office. Despite the challenge of managing the dual roles of procedural support and protocol services, particularly during the sittings of the House, Procedure Office staff have effectively assisted the Usher of the Black Rod in the delivery of protocol advice and services.

The major task undertaken during the year was the organisation of the Opening of Parliament on 22 May 2006 (outlined on page 20 of this report).

Delegations

The Procedure Office coordinated the visit of a delegation from the Senate of Canada, which was studying the management and governance structures of administrations supporting both Houses in a bicameral system. A program was arranged for the four-day visit, which included meetings with the Clerk of the Parliaments, Clerk of the Legislative Assembly and the heads of joint service departments, including Hansard, Security Services, Building Services, and Food and Beverage Services.

In conjunction with the Legislative Assembly, procedure staff coordinated a visit from a delegation from the Indonesian Upper House, led by Mrs Hemas, the Sultana of the province of Yogyakarta. The delegation received briefings from the Clerk Assistant—Committees from both Houses about the role of committees in a bicameral parliament. Other programs were developed for groups such as a visiting delegation of parliamentary officers from the Guateng Province of South Africa and an international delegation of parliamentary clerks from Europe, Africa, Asia and the U.S.

Artworks Committee

The Procedure Office continued to manage art exhibitions in the Fountain Court. The Office of the Black Rod assesses each application to exhibit in the Fountain Court to make recommendations to the Presiding Officers to ensure that the works conform to policy and guidelines. Chamber and Support Services staff also provided assistance through the installation of art works, including working with exhibitors to find the best means for displaying artworks.

In September 2005 the Artworks Committee endorsed the inaugural Parliament of New South Wales' Indigenous Art Prize. Ms Esme Timbery won the prize in its first year, valued at \$20,000, for her sculptured pieces entitled "Blue shell-worked bridges". In March 2006, the Attorney General and Minister for the Arts, the Honourable Bob Debus MP, announced in an arts strategy meeting with Campbelltown Art Gallery that the Ministry for the Arts would contribute to the costs of administering the Indigenous Art Prize. This will include touring the exhibition in rural New South Wales to further promote indigenous artists. Staff of the Procedure Office assumed administrative responsibility in relation to the prize including processing of accounts and design and printing of finalist certificates.

Room bookings and official functions

The staff of the Procedure Office coordinated room bookings, catering, equipment hire and room set-up, security and flag raising on behalf of members convening meetings of political parties or community groups and activities associated with ministerial, parliamentary or electorate duties. On a regular basis, advice was provided to Federal Parliament committees in regard to holding public hearings within Parliament House.

The Usher of the Black Rod and staff of the Procedure Office maintain close liaison with the President's Office, and, where required, the Legislative Assembly, to ensure the smooth facilitation of protocol arrangements, consular visits and other special events.

On the number of occasions on which the Governor of New South Wales attended Parliament House for official functions, the Procedure Office and Usher of the Black Rod coordinated all security and protocol arrangements. The maintenance of a strong relationship with the office of the Governor has ensured this important duty was undertaken efficiently and effectively on all occasions.

Decision and Deliberation

One of the key publications of the Sesquicentenary of Responsible Government in New South Wales committee is *Decisions and Deliberation* by two staff members of the Parliamentary Library, Dr David Clune, Manager Research Services, and Dr Gareth Griffith, Senior Research Officer. *Decision and Deliberation* is a comprehensive account of the New South Wales Parliament from 1856 until the end of the 52nd Parliament in early 2003.

The book is divided into major historical eras: the colonial period, the early years of federation and the years leading to 1932. From 1932 the book's structure is shaped by the dominance of the major political parties over the subsequent decades.

Within each chapter both houses are examined separately, with detailed accounts of political development and how the Parliament responded to the changing political circumstances. This is set against the background of a struggle between the "liberal" and "executive" views of a parliament, the parliament as controller of government versus the parliament as a conduit through which governments govern.

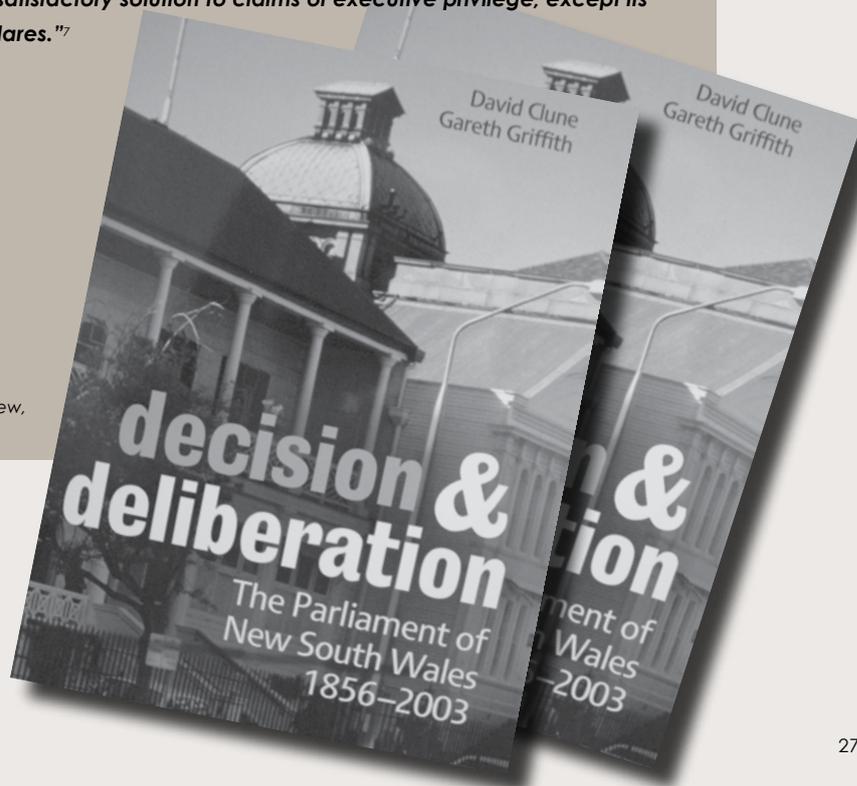
As Harry Evans, Clerk of the Australian Senate, has stated in a recent book review:

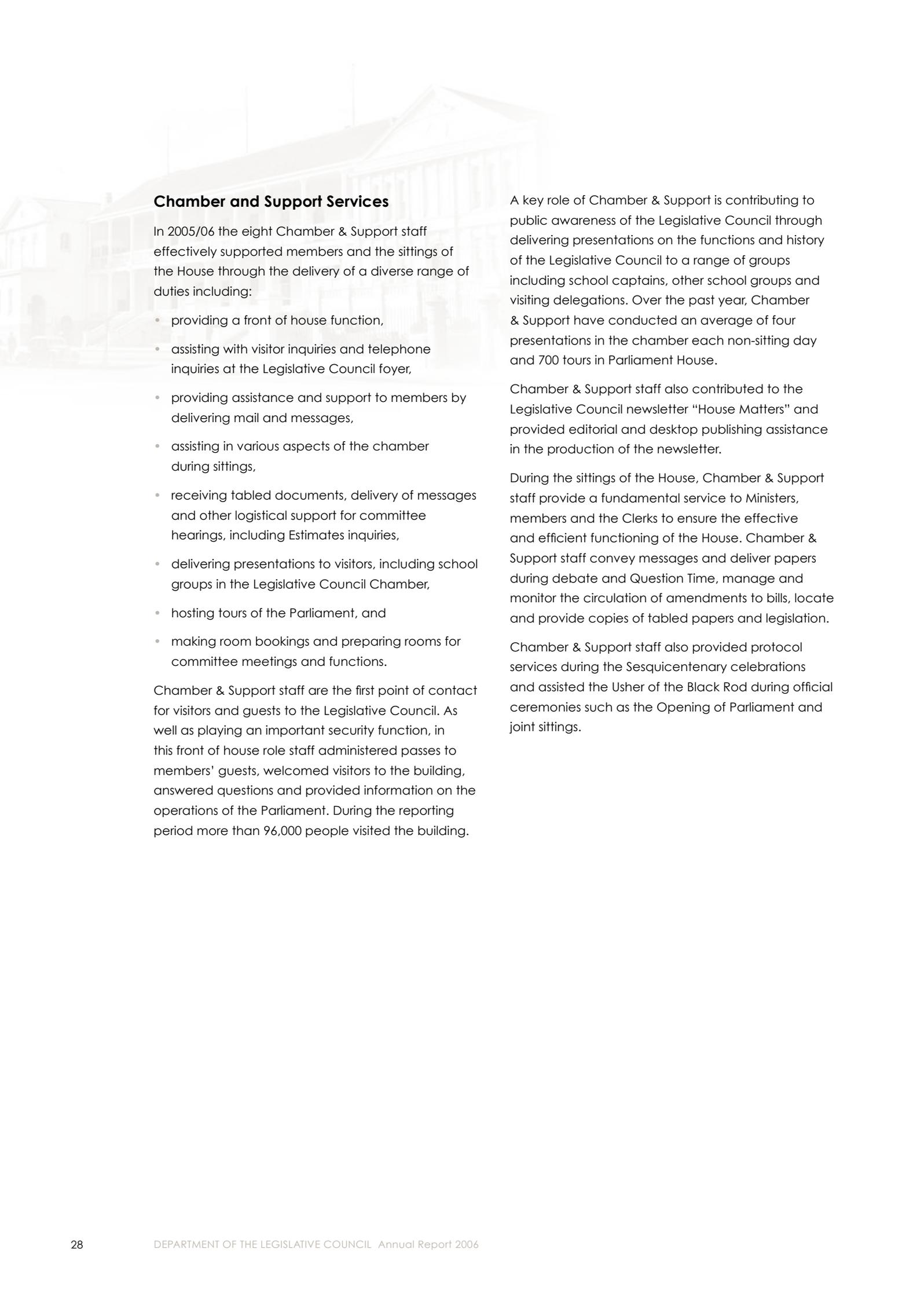
"The authors' conclusion is that in practice the 'executive' model is dominant and likely to remain so for the foreseeable future. This is probably right, in that the government will continue rigidly to control the Legislative Assembly. They correctly divine that the recent revival of the "liberal" model has largely depended on the Legislative Council continuing to take seriously its role as a controller of government..."

"In relation to the modern Council, the book describes, but may not do full justice to, the remarkable boldness of that House in attacking executive prerogatives and dragging reluctant governments to account..."

"The Council has reaped the reward of being more courageous than its federal counterpart and, indeed, than any comparable house. It is a world leader in this area: in some respects ahead even of the United States Congress, which has not found a satisfactory solution to claims of executive privilege, except its power to impose political penalties if it dares."⁷

⁷ H Evans, "Lively, analytical history of the NSW Parliament", *Constitutional Law and Policy Review*, (2006) 9(1) CLPR, pp 17-20.





Chamber and Support Services

In 2005/06 the eight Chamber & Support staff effectively supported members and the sittings of the House through the delivery of a diverse range of duties including:

- providing a front of house function,
- assisting with visitor inquiries and telephone inquiries at the Legislative Council foyer,
- providing assistance and support to members by delivering mail and messages,
- assisting in various aspects of the chamber during sittings,
- receiving tabled documents, delivery of messages and other logistical support for committee hearings, including Estimates inquiries,
- delivering presentations to visitors, including school groups in the Legislative Council Chamber,
- hosting tours of the Parliament, and
- making room bookings and preparing rooms for committee meetings and functions.

Chamber & Support staff are the first point of contact for visitors and guests to the Legislative Council. As well as playing an important security function, in this front of house role staff administered passes to members' guests, welcomed visitors to the building, answered questions and provided information on the operations of the Parliament. During the reporting period more than 96,000 people visited the building.

A key role of Chamber & Support is contributing to public awareness of the Legislative Council through delivering presentations on the functions and history of the Legislative Council to a range of groups including school captains, other school groups and visiting delegations. Over the past year, Chamber & Support have conducted an average of four presentations in the chamber each non-sitting day and 700 tours in Parliament House.

Chamber & Support staff also contributed to the Legislative Council newsletter "House Matters" and provided editorial and desktop publishing assistance in the production of the newsletter.

During the sittings of the House, Chamber & Support staff provide a fundamental service to Ministers, members and the Clerks to ensure the effective and efficient functioning of the House. Chamber & Support staff convey messages and deliver papers during debate and Question Time, manage and monitor the circulation of amendments to bills, locate and provide copies of tabled papers and legislation.

Chamber & Support staff also provided protocol services during the Sesquicentenary celebrations and assisted the Usher of the Black Rod during official ceremonies such as the Opening of Parliament and joint sittings.

Chamber and Support Services

In 2005 the Attendant staff of the Legislative Council, so known since 1921, became Chamber and Support Services. This reflected the changing role and responsibilities of the team. This was a rare change of name for the team that has supported the Legislative Council since 1829, the year the Legislative Council moved into the 'Rum Hospital' on Macquarie St.

The first appointments were to positions of Messenger and Doorkeeper. The first Messenger, William Galvin, had been transported from Ireland to Sydney for manslaughter. Galvin was subsequently found innocent, granted a pardon and employed by the Legislative Council until his retirement in 1852. He was not the last convict transported to the colony and subsequently employed on the staff of the Legislative Council in its early years. It may be that the first Australian born member of the staff was Eric Mackay, born in Grafton in 1892 and employed as a Messenger from 1918 to 1927.

Some notable milestones have been:

The Cliffords, father and son, served the Legislative Council for 67 years. William Clifford, born in England in 1863, retired in 1932 after almost 40 years service. He was replaced by his son Bert, who worked on the team for a further 27 years. Both held the position of Principal Attendant for a combined period of over 30 years.

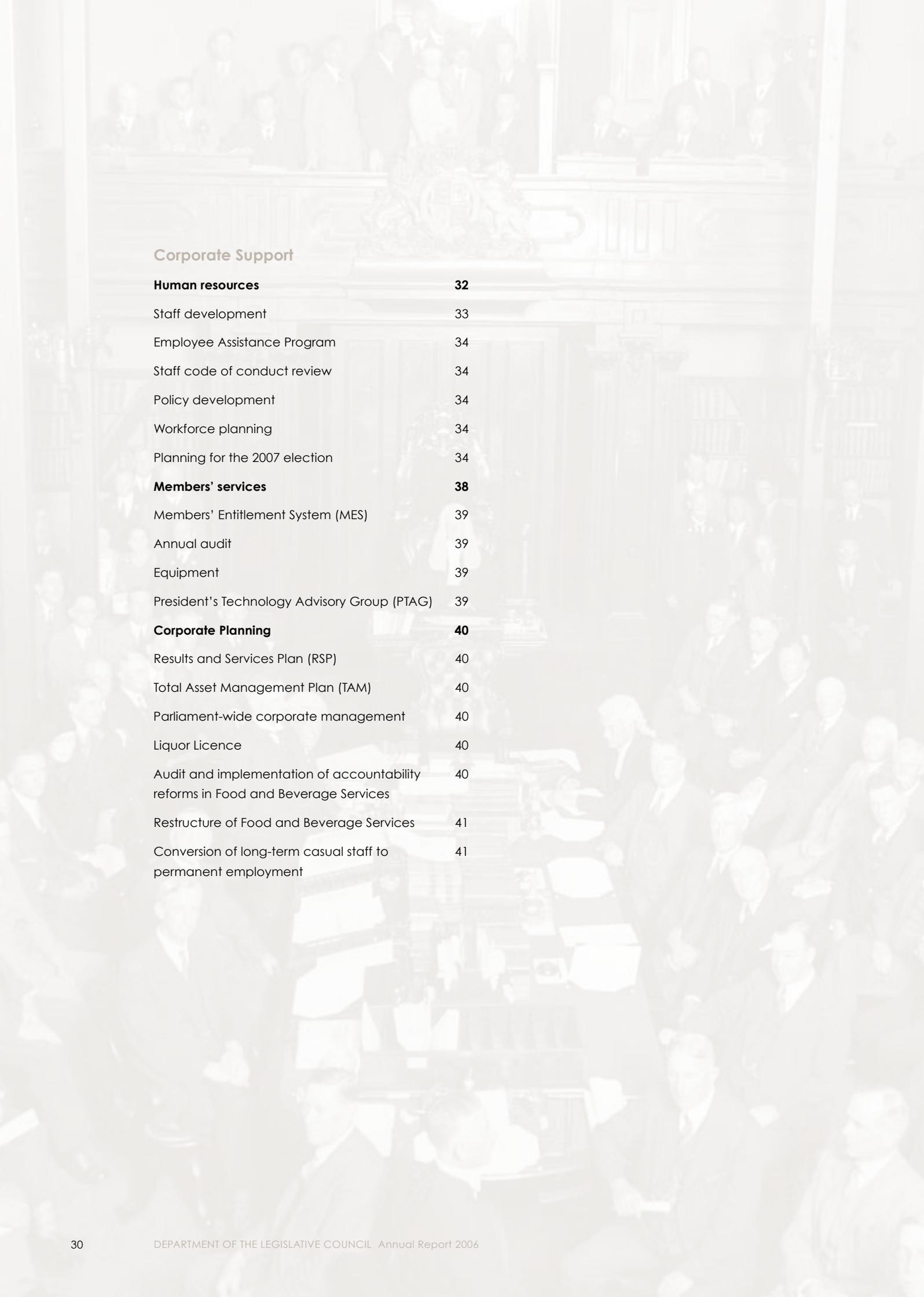
Don Wheeler came to the Parliament in 1947 aged 16. He joined the Attendant staff in 1959 and held the position of Principal Attendant from 1964 till his retirement in 1987, becoming the longest serving Principal Attendant.

Terry Gorrell was awarded the Public Service Medal in 1995 for his outstanding service to the Parliament from 1970 to 1994. At the presentation of the medal the Governor made the comment that he was pleased to be doing something for Terry, as it was usually the other way around.

There have in fact been many instances of long and devoted service within the team. Of the 85 members of the staff over more than 175 years, almost half have served for more than 10 years (including 5 currently on staff) and 20 have served for 20 or more years (including 2 currently on staff). Thomas Cusack completed 42 years of service from 1876 to 1918. The current Manager and Deputy Manager, Ian Pringle and Maurice Rebecchi, have completed a combined 47 years of service.

Starting with a Messenger and Doorkeeper in 1829, and now as the Chamber and Support Services team of 8, the team continues to fill an important and evolving role within the Legislative Council and the Parliament of New South Wales.





Corporate Support

Human resources 32

Staff development 33

Employee Assistance Program 34

Staff code of conduct review 34

Policy development 34

Workforce planning 34

Planning for the 2007 election 34

Members' services 38

Members' Entitlement System (MES) 39

Annual audit 39

Equipment 39

President's Technology Advisory Group (PTAG) 39

Corporate Planning 40

Results and Services Plan (RSP) 40

Total Asset Management Plan (TAM) 40

Parliament-wide corporate management 40

Liquor Licence 40

Audit and implementation of accountability reforms in Food and Beverage Services 40

Restructure of Food and Beverage Services 41

Conversion of long-term casual staff to permanent employment 41

Corporate Support

The Corporate Support unit performs three core functions for the Department of the Legislative Council:

- Human resources
- Members' entitlements
- Information and governance

The Corporate Support unit provides services that are essential for the effective performance of functions by a number of clients, including: members of the Legislative Council and their staff; the staff of the department; and parliamentary joint services.

During the 2005/06 financial year, Corporate Support provided the following services to members and their staff, the Department of the Legislative Council, and parliamentary joint services:

- provision of timely and sound advice in relation to human resources and industrial relations
- maintenance of accurate personnel records, including processing employee entitlements, for appointments, leave, allowances, study assistance, and salary increments.
- co-ordination and facilitation of the advertising of vacant positions and the selection of new employees
- research, development and review of human resource and corporate policies and procedures
- investigation and resolution of grievances
- facilitation of mediation with independent mediators
- co-ordination of the performance development program
- undertaking of job analysis and job evaluation for Legislative Council and joint departments
- provision of timely and accurate advice regarding members' entitlements
- timely and accurate administration of the system of members' parliamentary entitlements, including processing of claims in accordance with service targets
- supply and maintenance of equipment to members
- asset management
- procurement
- document management and advising on and enhancement of paper-based and electronic records management for the department and some joint services
- corporate planning and reporting, including contributions to the Parliament's Results and Services Plan, and Total Asset Management Plan.

Corporate Support has also undertaken a number of significant projects including overseeing the implementation of internal controls and business development planning for Parliamentary Food and Beverages Services and the 'Working in the Legislative Council' professional development program. These projects are outlined in further detail below.

Human resources

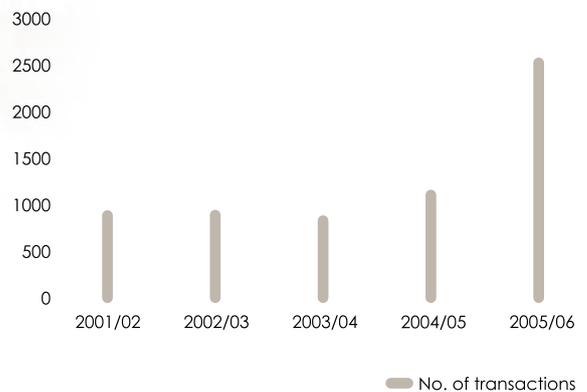
During 2005/06 the Council's Corporate Support unit assumed personnel responsibility for two additional parliamentary joint services, including Building Services and Food and Beverage Services. This workload is in addition to the personnel services already provided by the department to members and staff of the Legislative Council and to Information Technology Services. These extra responsibilities have significantly increased the work performed by Human Resources staff. While an administrative position was transferred to the Department from Building Services in November 2005, the workload and pressure on the department's staff has been significant. In addition to the day to day processing work, Human Resources staff are currently undertaking a review of the maintenance of the department and the joint services' personnel records. This review aims to improve the efficiency of the department's personnel services and streamline records processing and management. The review will be completed during the next reporting period.

The following statistics give a sense of the scope of personnel functions undertaken in the Corporate Support unit:

- recruitment and induction of 26 new employees (including members' staff)
- separation (resignation, transfer, retirement) of 32 employees (including members' staff)
- investigation of 6 grievances (including parliamentary joint services).

During 2005/06, Corporate Support staff also processed a total of 2,526 leave transactions for the Council and the joint services. This compares with figures of around 1,000 leave transactions processed per year over the past five years. The significant increase in volume is a result of the department assuming personnel responsibilities for the additional parliamentary joint services. The following table outlines the leave transactions processed since 2001/02:

Leave transactions processed



The Corporate Support unit also provided advice on industrial relations matters to members and staff of the Legislative Council, and to the joint services. Advice and negotiations was undertaken both through participation in joint consultative committee meetings with the Department of the Legislative Assembly and the Public Service Association (PSA), and on an ad hoc basis as issues or problems are identified. Senior staff were required to deal with six grievances raised by staff across the Parliament, including department staff, member's staff and staff from the parliamentary joint services.

Industrial relations advice was provided for the following matters in 2005/06:

- management of Building Services
- review of Parliamentary Security structure
- review of Enterprise Agreements in Building Services
- the PSA's Dignity and Respect in the Workplace campaign and associated policies, including anti-bullying and code of conduct
- review of Food and Beverage Services – employment conditions and entitlements of permanent and casual staff.

Staff development

Performance Development Program

The Performance Development Program was first introduced in December 2002. As noted in last year's report, during 2005/06 the Program was reviewed. After consultation with staff, and research involving analysis of other professional development programs, a revised Performance Development Program was implemented in December 2005. The major changes in the process include the development by staff of a Personal Development Action Plan. Staff prepare discussion points and then meet with their manager to discuss current working arrangements and future professional development opportunities and career goals.

In addition to personal reviews, the department has devised guidelines for the conduct of project reviews. These reviews provide staff and managers with the opportunity to discuss the processes involved in the conduct of the project, with a view to discovering the successes, and lessons to be learnt from the project.

The 6 monthly reviews between individual staff members and within teams reflects the department's commitment to assisting staff develop skills and experience.

Training

The department provided a range of opportunities for staff development through 2005/06. For example, a number of staff across the department, including staff from committees, procedure and chamber and support attended a one-day course conducted by the National Institute of Dramatic Art. The course, 'Creating excellent communicators', provided staff with strategies to assist them in the development of their communication and presentation skills.

Professional development

Staff in the Corporate Support area are actively encouraged to participate in a range of activities to expand and update knowledge in the ever-changing areas of human resources and corporate planning and governance. Our staff regularly attend professional development seminars and forums, both within work hours and in their own time. For example, during the 2005/06 period, Corporate Support staff attended seminars on:

- Certificate IV in Assessment on workplace training
- 'Jobs NSW Training' conducted by the Department of Commerce for advertising public sector positions on the internet and press
- Corporate Investigations course.

In addition, a number of staff belong to formal and informal networking groups such as the IPAA (NSW) and the National Institute for Governance, leadership, learning and development networks administered through Premier's Department and corporate services reform network administered by the Department of Commerce.

During 2005/06, Corporate Support continued its in-house training program for the staff of the Department of the Legislative Council. The program was extended to include members and their staff, as well as other key stakeholder groups, including government agencies.

Mentor Program

The Department of the Legislative Council continued its informal mentor program in 2005/06. The program provides an opportunity for new and more experienced staff to exchange ideas and information, to foster a positive and supportive environment, and to assist the professional development of staff. Staff from different sections of the department, including procedure, committees and corporate support, are placed together to further our commitment to ensuring staff are familiar with the activities of all aspects of the organisation and to assist them as they move into different sections of the department.

Executive Development Program

During 2005/06 the Director of Corporate Support, Mr Robert Stefanic was selected to attend the Executive Development Program (EDP). The EDP is conducted over ten months, and is provided by The Nous Group and supported by Premier's Department. The course aims to build the skills of future leaders in the NSW public sector. A major objective of the course is to develop a participant's personal leadership style, approach and behaviour to prepare them for future leadership roles. The department has supported a staff member attending the EDP over the past several years. Mr Stefanic was successful in obtaining central agency funding to participate in this year's program.



Employee Assistance Program

Since 1995 the Parliament has provided counselling and support services to parliamentary staff and members. The current provider, Davidson Trahaire Corpsych, provides independent confidential counselling to assist with matters including stress, conflict career matters and non-work related concerns. In addition, managers are able to access expert advice on dealing with people management issues. In the 2005/06 financial year, 15 Legislative Council staff accessed the Employee Assistance Program.

To provide additional assistance and support for employees, in early 2006 the department organised for Davidson Trahaire Corpsych to conduct seminars, including 'How to relax and stop worrying' and 'Building and maintaining effective workplace relationships' for staff of the Parliament.

Staff code of conduct review

The Principal Council Officer – HR Operations and the Principal Council Officer – HR Policy was involved in delivering ongoing Ethical Workplace Training.

Policy development

Corporate Support, in line with its corporate goals for 2005/06, commenced revising and updating existing Legislative Council human resource and corporate policies to ensure currency, and to reflect the Legislative Council restructure changes. In addition, new policies were developed including policies on volunteers working for members and separation from service policy for Secretary/Research Assistants. As noted below, considerable work will be done in the next financial year in reviewing and updating our corporate policies prior to the March 2007 election.

Workforce planning

Corporate Support staff compile workforce profile information to provide indicators of current and future planning requirements, in terms of equal employment opportunity, and the growing concern over implications of an ageing workforce. A range of workforce profile information is also supplied to Premier's Department for public sector-wide reporting and planning.

Planning for the 2007 election

During 2005/06 the Corporate Support unit began planning for the upcoming March 2007 state election. The election will result in considerable change in the membership of the Legislative Council and the subsequent departure of members' staff. The pre and post election period involves considerable workload and planning to ensure a smooth transition. A number of measures have been identified and developed to assist with this process. As noted above, Human Resources staff have updated a number of policies including the separation from service policy for Secretary/Research Assistant. In addition, Human Resources staff have begun work on updating the Members' Guide, a comprehensive manual for members and their staff on the services provided by parliamentary staff, as well as relevant policies and procedures.

Staff Numbers by Level

| Level | TOTAL staff | Number | | | | | | | |
|----------------------|-------------|--------------|-----------|-----------|---|---|---|--------------------------|--|
| | | Respond-ents | Men | Women | Aboriginal people & Torres Strait Islanders | People from racial, ethnic, ethno-religious minority groups | People whose language first spoken as a child was not english | People with a disability | People with a disability requiring work-related adjustment |
| < \$32,606 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$32,606 - \$42,824 | 3 | 3 | 2 | 1 | 1 | 0 | 0 | 0 | 0 |
| \$42,825 - \$47,876 | 11 | 2 | 2 | 9 | 1 | 1 | 0 | 0 | 0 |
| \$47,877 - \$60,583 | 72 | 12 | 33 | 39 | 0 | 2 | 2 | 2 | 2 |
| \$60,584 - \$78,344 | 14 | 5 | 2 | 12 | 0 | 1 | 1 | 0 | 0 |
| \$78,345 - \$97,932 | 20 | 10 | 7 | 13 | 0 | 2 | 1 | 0 | 0 |
| > \$97,932 (non SES) | 5 | 3 | 4 | 1 | 0 | 0 | 0 | 2 | 0 |
| > \$97,932 (SES) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 125 | 35 | 50 | 75 | 2 | 6 | 4 | 4 | 2 |

Percent of Total Staff by Employment Basis

| Employment Basis | TOTAL staff | Subgroup as % of total staff in each category | | | Subgroup as estimated % of total staff in each employment category | | | | |
|--|-------------|---|------------|------------|--|---|---|--------------------------|--|
| | | Respond-ents | Men | Women | Aboriginal people & Torres Strait Islanders | People from racial, ethnic, ethno-religious minority groups | People whose language first spoken as a child was not english | People with a disability | People with a disability requiring work-related adjustment |
| Permanent Full-time | 76 | | | | | | | | |
| Permanent Part-time | 30 | 7% | 40% | 60% | | | | 50% | 50.0% |
| Temporary Full-time | 13 | 8% | 31% | 69% | | | | | |
| Temporary Part-time | 5 | | 40% | 60% | | | | | |
| Contract - SES | | | | | | | | | |
| Contract - Non SES | | | | | | | | | |
| Training Positions | 1 | 100% | 100% | | 100.0% | | | | |
| Retained Staff | | | | | | | | | |
| Casual | 24 | | 67% | 33% | | | | | |
| TOTAL | 149 | 23% | 44% | 56% | 2.3% | 10% | 7% | 15% | 11.7% |
| Estimate Range (95% confidence level) | | | | | 1.3% to 4.8% | 4.2% to 15.5% | 2.7% to 11.4% | 2.7% to 34.9% | 1.3% to 31.3% |
| SUBTOTALS | | | | | | | | | |
| Permanent | 106 | 31% | 41% | 59% | 2.3% | 14% | 9% | 21% | 16.5% |
| Temporary | 18 | 6% | 33% | 67% | | | | | |
| Contract | | | | | | | | | |
| Full-Time | 89 | 36% | 39% | 61% | 2.8% | 17% | 11% | 8% | 2.8% |
| Part-Time | 35 | 6% | 40% | 60% | | | | 43% | 42.9% |

Development of the system of members' salaries, entitlements and allowances⁸

The *Parliamentary Remuneration Act 1989* (the Act) provides the current system for the determination of members' salaries, entitlements and allowances. Part 2, section 4 of the Act provides that all members receive a basic salary, which is \$500 less than the salary payable under the law of the Commonwealth to a member of the House of Representatives. Part 3 of the Act establishes the Parliamentary Remuneration Tribunal whose role it is to make an annual determination on the additional entitlements that are available to members. The entitlements include allowances for staff, travel, equipment, and support for communications such as telephones and postage.

The system of members' entitlements has developed over time, after numerous inquiries and reports, and legislative change. Prior to 1889, members did not receive any salary or allowance. They were provided with free transport on State rail and trams and free stationery and postage. In 1889, after considerable debate, the *Parliamentary Representatives Allowance Act No. 2* provided for Legislative Assembly members to be granted an allowance of £300 per annum (increasing in 1912 to £500) for parliamentary duties. In 1920 a Royal Commission conducted by Mr Justice Edmunds recommended increases in allowances for MPs as well as increases in the salaries paid to the Premier, the Speaker and Ministers, and also the President of the Legislative Council and committee chairs in both Houses. Subsequent Royal Commissions and reports have recommended granting members increases in allowances for parliamentary duties, including payment for maintaining parliamentary offices and staff, additional allocations for country members, travel allowances and expenses incurred by spouses and family members.

During the early to mid part of the century, debate in Parliament and in the media focused on whether members should receive a salary, in addition to the allowances they received for expenses. While some argued members should be paid a salary, others were concerned that such payment would create a class of 'professional politicians' and put an end to the voluntary part time nature of parliamentary membership, whereby members were able to engage in other occupations and pursuits. However, after the Second World War, there was a marked unanimity among parliamentarians about paying MPs a reasonable salary (although the media continued to criticise the proposed increases). As a result, legislation was passed in 1947 to increase MPs' salary from £500 to £1,375 (increasing in 1952 to £1,875). Legislative Council members were granted an allowance of £300 under the *Constitutional Amendment (Legislative Council Members Allowances) Act 1948* to cover expenses (increasing in 1952 to £500). While most members supported the payment to Council members, some parliamentarians were concerned that it would accentuate partisan politics in what was meant to be a non-party chamber.

A report in 1966 by the Hon B H Matthews entitled *Report on the Emoluments and Other Benefits of Members of the Parliament of New South Wales* reinforced the distinction between salary and allowances for members. Upon the report's recommendation, the basic payment made to members was, for the first time, described as a salary in the legislation. In 1975, the first Parliamentary Remuneration Tribunal was established by the *Parliamentary Remuneration Act 1975*. This Act was repealed in 1989 and replaced by the *Parliamentary Remuneration Act 1989*. Between 1975 and 1998 the then Tribunals made regular determinations and recommendations. Further legislative changes in 1998 clarified the distinction between the salary and allowances paid to members to ensure accountability and enable members to effectively perform their parliamentary duties.

The other landmark decision for Legislative Council members occurred in 1985 when the then Parliamentary Remuneration Tribunal determined there should be parity in the salaries of members of the Legislative Council and the Legislative Assembly. This meant that for the first time all members of the Council were able to devote themselves to their parliamentary duties on a full time basis.

⁸ The information contained in this section comes from two primary sources: NSW Parliamentary Library, *Payment of Members in New South Wales, References Monograph No. 4, 1966* and Parliamentary Remuneration Tribunal, *Initial determination of additional entitlements for members of the Parliament of New South Wales, May 1999*.

PARLIAMENTARY REMUNERATION
TRIBUNAL ACT.

New South Wales



ANNO VICESIMO QUARTO
ELIZABETHÆ II REGINÆ

Act No. 25, 1975.
An Act to make provision for the establishment of a Tribunal to determine the remuneration to be paid to Ministers of the Crown, the holders of certain offices in Parliament and members of the Legislative Council and the Legislative Assembly; for this purpose to amend the Constitution Act, 1902, and to repeal the Parliamentary Allowances and Salaries Act, 1956, and certain other Acts; and for purposes connected therewith. [Assented to, 14th April, 1975.]

BE

BE is printed by the Government Printer, Sydney, and is available in paperback form from the Government Bookshops. The following are the prices:—
1. This Act, No. 25, 1975, Remuneration Tribunal Act, 1975.
2. (1) Except as provided in sub-section (2), the price of this Act shall be ascertained in accordance with the provisions of section 11 of the Government Printing Act, 1974.
3. (1) In this Act, unless the context otherwise indicates—
"Chief Justice" means the Chief Justice of New South Wales;
"determination" means a determination of the Remuneration Tribunal made under section 11;
"member" means a member of the Parliament;
"Parliamentary remuneration" means remuneration payable to Ministers of the Crown, the holders of certain offices in Parliament and members of the Legislative Council and the Legislative Assembly.



Members' Services

Corporate Support provides services to members in relation to facilities and equipment and is responsible for the administration of the system of members' parliamentary entitlements.

The Parliamentary Remuneration Tribunal (PRT) is established by the *Parliamentary Remuneration Act 1989*. The Act also prescribes the basic salary for members and any additional salary payable as a result of a member being a recognised office holder. The functions of the Tribunal are to make determinations of additional entitlements that are to be available to a member or recognised office holder and approve proposed amendments to the *Parliamentary Contributory Superannuation Act 1971*. The majority of entitlements are, therefore, provided by the annual determination which also sets out the guidelines for the use, receipt and accounting of this expenditure.

The Tribunal provides a series of additional entitlements that are paid either as allowances (Electoral allowance, Sydney allowance and Committee allowance) or as fixed allocations (electorate to Sydney travel, Logistic Support Allocation, equipment services and facilities).

The current system of entitlements has been in place since 31 December 2000 and is designed to give members flexibility in determining the use of their entitlements. To provide greater transparency and accountability, members and the parliamentary administration are now required to comply with certain terms and conditions that were not features of previous entitlements schemes. Members' Services has over time developed administrative systems and processes to administer these entitlements. These are designed to assist members to comply with the conditions of the PRT, meet the increased standards of accountability and, ultimately, satisfy audit requirements. These systems are modified each year following the PRT's annual determination.

The Logistic Support Allocation (LSA) is a primary entitlement provided by the PRT's determination to fund members' parliamentary duties. This is a global budget with four nominal categories:

- communication – electronic
- communication – non electronic
- transport (other than electorate to Sydney)
- printing, stationery and office supplies.

For those members whose principal place of residence is in a non-metropolitan electorate, the PRT's determination provides a home to Sydney travel allocation and the Sydney Allowance to facilitate the members' attendance in Sydney on parliamentary duties.

The nature of the entitlements system and the associated administrative requirements with members having to substantiate all expenditure, means that members are required to submit separate applications for payment/reimbursement of sometimes very small amounts. Approximately 500 applications for payment/reimbursement are made each month under the current system. In the reporting period approximately 6,000 claims were assessed and processed. During 2005/06, LSA expenditure for members of the Legislative Council totalled \$823,764.

Of the 6,000 applications most included multiple items, that require separate consideration. Each of the applications received was assessed in accordance with the guidelines and conditions in the determination of the PRT, Parliament's administrative guidelines and any other applicable regulatory or statutory requirements from authorities such as the Australian Tax Office and the Audit Office of NSW.

Corporate Support's service guarantee provides that correct and substantiated applications will be assessed, processed and approved within two working days. Of the applications received approximately 80% were submitted correctly with all relevant paperwork and processed according to the service guarantee. The remaining 20% required various levels of consultation with members' offices to obtain information and documentation essential to assessing the application. Designated senior officers consult directly with members to resolve complex queries that arise from applications.

Corporate Support staff seek to work closely with members' offices to establish a high level of co-operation and ensure that processes implemented are efficient and effective.

Members' Entitlement System (MES)

The Members' Entitlements System (MES) is a computer database that assists in the processing of applications against members' entitlements. In 2005/06, the development of MES continued as a joint project between the Department of the Legislative Council, Information Technology Services and the Office of the Financial Controller. Each module within MES is designed to process a particular type of entitlement. The development of the system has improved the efficiency of processing as the parameters of each module have been designed to monitor any relevant allocations or allowances, prevent duplicate entries being made and provide an audit trail for entries which have to be reversed or cancelled. As each module was developed it was extensively tested by the end users. All modules have been linked to allow for the cross referencing of entitlements, replacing the internal audit processes which previously had been conducted manually. During 2005/06 the NSW Government contract for managing air travel was awarded. As a result, a different company was appointed as the nominated booking agent for Government travel. As the new booking agent used a different billing procedure, the change resulted in a significant redevelopment of the commercial air module. MES is continuing to be developed with the aim that all entitlements will ultimately be entered into the system.

Annual audit

All additional entitlements of members are the subject of an external audit conducted by the Auditor General of NSW. The Audit Office sees that it is the responsibility of members to show that the expenditure or any claim for reimbursement relates to parliamentary duties. It is the responsibility of the Parliament to ensure that the additional entitlements paid to members comply with the PRT's determination. After the audit is completed, the Auditor-General writes to the Parliament identifying issues that need to be addressed. The audit is a key performance indicator for Members' Services. In the report to parliament, the Auditor-General commented on an outstanding debt owed by a former member, noted an improvement in the timeliness that members submit annual Sydney Allowance reconciliations and recommended that

members should submit all of their expenditure claims within the prescribed time frame. The outstanding debt has since been recovered and the Auditor's recommendation that claims be submitted more promptly is monitored on an ongoing basis.

Equipment

As a part of the standard issue of equipment, members receive desktop computers for themselves and their staff. These were all replaced in this reporting period.

President's Technology Advisory Group (PTAG)

PTAG, consisting of members, senior Corporate Support and Parliamentary Information Technology Services (ITS) staff, has the following terms of reference:

- ensure the needs of members are continuing to be met with respect to the Parliament's computer technology
- meet, on a needs basis, to discuss computer technology related issues in the Legislative Council
- view demonstrations of new computer programs and applications
- provide a reference point for other members and their staff with respect to the Parliamentary Information Technology Services developments and issues.

Although PTAG's terms of reference, as originally adopted, are specific in terms of 'computer' technology, programs and applications, the issues considered by the group are now somewhat wider and address various other aspects of information technology. An example of this is Blackberry technology, which was introduced during this reporting period following a survey conducted by PTAG. Blackberry is a wireless device which provides access to a wide range of corporate information such as email, diaries and contacts, and access to the Internet.

ITS also invited a range of service providers to tender for the supply of broadband services during 2005/06. Following the conclusion of the tender process, access to the parliamentary network via broadband technology was implemented.

Corporate Planning

During 2005/06 Corporate Support staff made a significant contribution to a number of Parliament-wide corporate governance projects. These include: the further development of the Parliament's Results and Services Plan, the further development of the Parliament's Total Asset management Plan, and implementation of reforms in the Parliament's food and beverage service.

Results and Services Plan (RSP)

Under the Government's financial management framework agencies are required to submit to Treasury a Results and Services Plan (RSP). Treasury describes an RSP as "a high-level service delivery plan which assists each agency demonstrate the relationship between the services it delivers and the results it is working towards." Importantly, Treasury also notes that "... the agreed RSP is a funding plan which links agency funding with the achievement of Government priorities." The development of the Parliament's RSP involves senior Corporate Support staff working closely with senior officers from the Department of the Legislative Assembly and the Financial Controller. The development of meaningful Key Performance Indicators which reflect outcomes within the control of parliamentary support services has proved challenging and will be the subject of further work during 2006/07.

Total Asset Management Plan (TAM)

Like RSPs, agencies are required to submit Total Asset Management Plans (TAMs) annually and they are an integral part of the budget process. The Parliament is required to provide detailed information to Treasury, aligning asset management planning and reporting with corporate plans and the RSP. Corporate Support staff contributed to the collection of information on the Parliament's asset portfolio, current and future service requirements, risks and risk management strategies and performance measures. A major objective of the Parliament during the TAM process has been to address the critical need for an enhancement of the funds available for the maintenance of Parliament House, including the heritage features of the building.

Parliament-wide corporate management

A Parliament-wide corporate governance projects that continued during 2005/06 involved the establishment of a new framework for strategic planning across the Parliament. A related project is the automation of internal corporate reporting by departments and sections. The latter project was discontinued due to funding considerations.

Liquor Licence

The Liquor Amendment (Parliamentary Precincts) Act 2004 removed Parliament's exemption from the *Liquor Act 1982* and made provision for a Governor's licence to be issued for the parliamentary precincts. A Governor's licence was granted to the Parliament in September 2005. A range of initiatives were implemented to prepare for the introduction of the licence including, appropriate policies and protocols for the booking of functions and ordering of liquor, signage and refresher training in the Responsible Service of Alcohol and the provision of information for members and staff.

The Clerk of the Parliaments and the Clerk of the Legislative Assembly are the first joint licensees of the Parliament's liquor licence.

Audit and implementation of accountability reforms in Food and Beverage Services

From July 2005, the Parliament dedicated substantial resources to reform the operation of Food and Beverage Services (FBS). Significant costs were incurred by the Parliament through accounting and auditing fees associated with advice guiding the reform process. The process of reform has included:

- provision of a senior officer of the Legislative Council to support the reform process,
- engagement of the Parliament's internal auditors to review internal controls,
- implementation of internal audit recommendations concerning personnel and human resources and internal controls to ensure a more accountable and robust administrative operation,

- implementation of initiatives to improve the cost effectiveness and budget performance of the operation including improved rostering of casual and changed agency staff arrangements and reviews of supplier arrangements.

Restructure of Food and Beverage Services

On 23 February 2006, the NSW Treasurer announced that an \$800,000 funding reduction would apply for the 2006/2007 financial year. Subsequently, NSW Treasury officials advised that the entire budget of \$1.4 million funding would be removed from 1 July 2006. While making representations for a phased funding reduction, parliamentary officers commenced planning and implementing changes to provide core and basic service levels without government funding.

Planned changes include reduction in the number of staff, restructure of service areas and reorganisation of the staff structure. In June, expressions of interest were called from all permanent FBS staff to take a voluntary redundancy package under the NSW public sector Managing Displaced Employees policy. At the same time a negotiations commenced with the Public Service Association to manage the

voluntary redundancy process.

Considerable senior officer and Corporate Support Unit resources will be devoted to planning and implementing savings measures in Food and Beverage Services during 2006/2007.

Conversion of long-term casual staff to permanent employment

In February 2006, the NSW Industrial Relations Commission delivered its decision regarding the Secure Employment test case standard, setting out the rights of casual employees to elect to convert ongoing, systematic and casual employment to permanent employment. Following the decision, a variation was made by the Commission to insert the model clause into the *Crown Employees (Parliament House Conditions of Employment 2004) Award*. As a result, the test case standard applies to employees of the Parliament.

A number of staff employed by Building Services and Food and Beverage Services qualified for conversion of their employment pursuant to the criteria established in the test case and were offered opportunities to become permanent employees.



| | | | |
|--|-----------|---|-----------|
| Committees | | | |
| Role of Legislative Council Committees | 43 | General Purpose Standing Committee No. 1 | 55 |
| Role of the Legislative Council | 43 | Inquiries | 55 |
| Committee section | | <i>Personal injury compensation legislation</i> | 55 |
| Committee inquiries – major events and highlights | 44 | General Purpose Standing Committee No. 2 | 55 |
| Legislative and policy issues examined | 44 | Inquiries | 56 |
| Complex procedural issues | 44 | <i>Changes to post school programs for young adults with a disability</i> | 56 |
| Consultation with communities | 44 | <i>Health impacts of air pollution in the Sydney Basin</i> | 56 |
| Select committees | 45 | <i>Review of inquiry into complaints handling in NSW Health</i> | 56 |
| Budget Estimates Inquiry | 46 | General Purpose Standing Committee No. 3 | 56 |
| Privileges Committee report | 46 | Inquiries | 57 |
| Committee website | 46 | <i>Issues relating to the operations and management of the Department of Corrective Services</i> | 57 |
| Staffing and administration | 47 | <i>Correctional Services Legislation Amendment Bill 2006</i> | 57 |
| Standing Committee on Law and Justice | 49 | General Purpose Standing Committee No. 4 | 57 |
| Inquiries | 50 | Inquiries | 58 |
| <i>Workers compensation injury management pilot projects evaluation</i> | 50 | <i>Pacific Highway upgrades</i> | 58 |
| <i>Community based sentencing options for rural and remote areas and disadvantaged populations</i> | 50 | General Purpose Standing Committee No. 5 | 58 |
| <i>Review of the exercise of the functions of the MAA and the MAC – Seventh Review</i> | 50 | Inquiries | 59 |
| Standing Committee on Social Issues | 51 | <i>A sustainable water supply for Sydney</i> | 59 |
| Inquiries | 51 | Budget Estimates | 59 |
| <i>Recruitment and training of teachers</i> | 51 | Privileges Committee | 62 |
| <i>The funeral industry</i> | 51 | Inquiries | 62 |
| <i>Dental services</i> | 52 | <i>Draft protocol for execution of search warrants on members' offices</i> | 62 |
| <i>Public disturbances at Macquarie Fields</i> | 52 | <i>Review of Members' Code of Conduct and new terms of reference</i> | 63 |
| <i>The impact of the Commonwealth WorkChoices legislation</i> | 53 | <i>Citizen's right of reply</i> | 63 |
| Standing Committee on State Development | 53 | Select Committee on Juvenile Offenders | 63 |
| Inquiries | 54 | Select Committee on proposed sale of Snowy Hyrdo Ltd and Select Committee on the continued public ownership of Snowy Hydro Ltd | 64 |
| <i>Skills shortages in rural and regional New South Wales</i> | 54 | Joint Select Committee on the Cross City Tunnel | 64 |
| | | Joint Select Committee on Tobacco Smoking | 66 |

Committees

During 2005/06 there were 15 Legislative Council committees in operation, including five Standing Committees, five General Purpose Standing Committees, three select committees and two joint select committees.

These committees are supported by the Legislative Council's committee section, which comprises approximately 20 staff.

Role of Legislative Council Committees

Through the conduct of inquiries into terms of reference, the Legislative Council's committees provide the Council with access to advice to assist it in its function of oversight of the executive government.

Committee membership tends to reflect the diverse political make-up of the House from which they are drawn. Most members of the Council are members of one or more of its committees. A number of members are also on one or more of the joint standing committees administered by the Legislative Assembly, such as the Committee on Children and Young People or the Committee on the Independent Commission Against Corruption.

As the work of the Parliament has become more complex, members are required to consider an increasing range of issues and legislation. The committee system allows the Council to consider important policy and legislation with a greater level of scrutiny than possible in the House itself.

Committees also provide an opportunity for individuals and groups to put their views directly to parliamentarians. Members of the public can make submissions, give oral evidence, attend public hearings and forums, and obtain copies of reports and other published committee documents.

The committees operate according to the procedures determined by the House and outlined in the standing orders, sessional orders and any specific resolutions that might relate to the functions of a particular committee inquiry. In addition, the provisions of several Acts, such as the *Parliamentary Evidence Act 1901 (NSW)*, are relevant to committee powers and functions. Committee decisions are based on these powers as well as on past practices and precedents of the House, and parliamentary tradition.

For further information about the committees of the Legislative Council, see the committee section of the Parliament's web page at: www.parliament.nsw.gov.au/prod/parlmet/committee.nsf/V3Home.

Role of the Legislative Council Committee section

The committee section provides secretariat support to the Legislative Council Committees and to those joint committees administered by the Legislative Council, of which this year there were two.

Each committee is supported by a secretariat comprising a Director, a Principal Council Officer and one or more administrative staff, although secretariat staff work across a number of committees and often support more than one inquiry at a time.

Secretariats provide strategic, administrative and procedural advice on to Committee Chairs and members. Secretariats undertake project management, administrative and research activities and draft discussion papers and reports and ensure the work of committees is conducted in accordance with parliamentary law and practice.

Committee inquiries – major events and highlights

Legislative and policy issues examined

A wide variety of legislative and policy issues were the subject of inquiry during this reporting period including: community based sentencing options for rural and remote areas and disadvantaged populations; the recruitment and training of teachers, the funeral industry, dental services, skills shortages in rural and regional NSW and personal injury compensation legislation.

Complex procedural issues

In 2005/06 the committees faced a number of procedural issues, resulting from several controversial inquiries. Among the more difficult inquiries was that of General Purpose Standing Committee no. 4 into Pacific Highway upgrades. The meetings to deliberate on the interim report of this inquiry went over three full days! The minutes of the interim report numbered 81 pages.

Another inquiry which generated initial controversy was the inquiry by the Social Issues Committee into the impact of the federal government's Workchoices legislation. Criticism was made in the media that a committee of a state Parliament was inquiring into federal legislation. However the terms of reference given by the Minister for Industrial Relations focussed on the impacts of the legislation on residents, so no procedural difficulties were raised by the adoption of the inquiry terms of reference by the committee.

Prorogation on 19 May 2006 had the effect of dissolving both joint committees, which had to be re-established through both Houses. Other Legislative Council committees continued to exist despite prorogations because of the operation of standing order 206.

⁹Total number of times the Committee met to hold deliberative meetings, hearings, site visits, forums etc. Member attendance at Committee meetings is set out at Appendix 1.

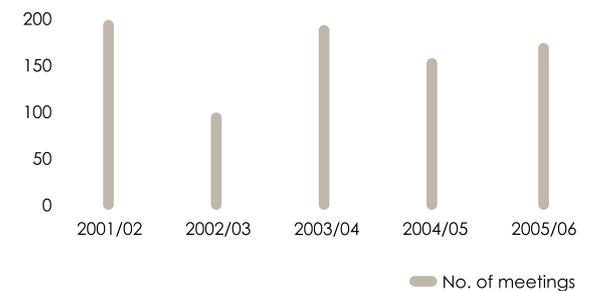
¹⁰A full list of Committee reports tabled in this reporting period is set out at Appendix 3.

¹¹Committees in 2002-2003 ceased operation when the House rose in December 2002 for the March 2003 NSW State Election. Figures reproduced therefore represent six months activity in that reporting period.

Statistical overview of Committee activity

| Committee activity 2005/06 | |
|--|------|
| Meetings ⁹ | 174 |
| Inquiries | 39 |
| Consultation & public participation | |
| Submissions | 1021 |
| Hearings | 99 |
| Witnesses at hearings | 774 |
| Public forums | 8 |
| Site visits | 9 |
| Briefings received by committee | 11 |
| Reports ¹⁰ | 28 |

Committee meetings¹¹



Consultation with communities

In 2005/06 the Legislative Council committees continued to actively consult with communities on important public policy issues.

Committees also continued their exploration of new and innovative ways to consult with communities on issues of importance to the citizens of NSW.

Several public forums were held to enable committees to hear the range of opinions and experiences of members of the public. For example, the inquiries into the Pacific Highway and the Joint Select Committee on Tobacco Smoking both held public forums to ensure wide input by stakeholders.

| Consultation & public participation | |
|-------------------------------------|------|
| Submissions | 1021 |
| Public hearings | 99 |
| Witnesses at hearings | 774 |
| Public forums | 8 |
| Site visits | 9 |
| Briefings received by committee | 11 |

The wide ranging subject matter of committee inquiries this year saw committees conducting site visits to a several interesting places in NSW, including a local Sydney pub, the Guru Nanak Sikh temple at Woolgoolga, the High Risk Management Unit at the Goulburn Correctional Facility, the Cross City Tunnel, Macquarie Fields, a funeral home and a cemetery in Broken Hill, Sydney Olympic Park and the Rouse Hill Recycled Water Plant.

Select committees

Of note during this reporting period were the number of select committees in operation.

Two *joint* select committees were established this financial year. The Joint Select Committee on the Cross City Tunnel was established in November 2005. The Joint Select Committee on Tobacco Smoking in March 2006 with an unusually high number of members (11) and a high quorum requirement of six with at least one member from each House.

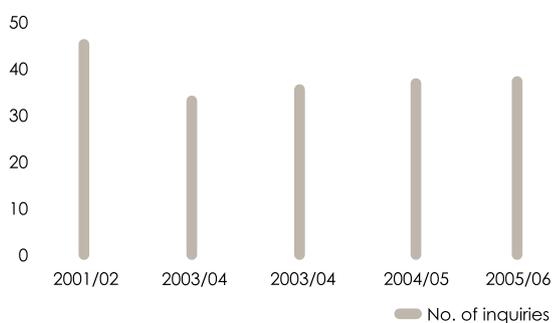
Joint select committees are administered by the House in which the appointment of the committee originated.

In addition, the Legislative Council established a select committee in May 2006 to inquire into the proposed sale of the Snowy Hydro Ltd. When the decision to sell Snowy Hydro Ltd was reversed, the House passed new terms of reference to require a select committee to examine the continued public ownership of Snowy Hydro Ltd.

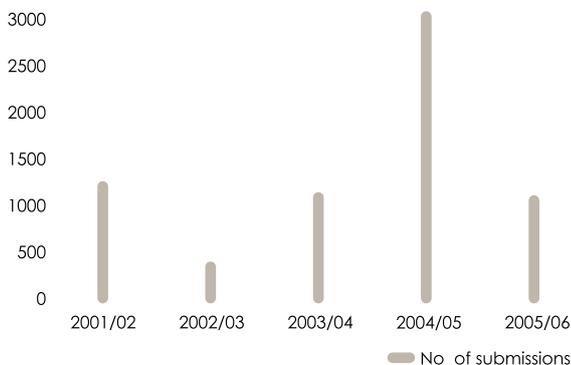
A further select committee, the Select Committee on Juvenile Offenders, which was established in the previous reporting period, completed its inquiry and tabled its report.

The administration of these committees by the Legislative Council placed extra strain on the staffing and budget of the committees section. In recognition of this Treasury provided special supplementation for the Cross City Tunnel committee. Supplementation was sought but declined for the tobacco smoking inquiry.

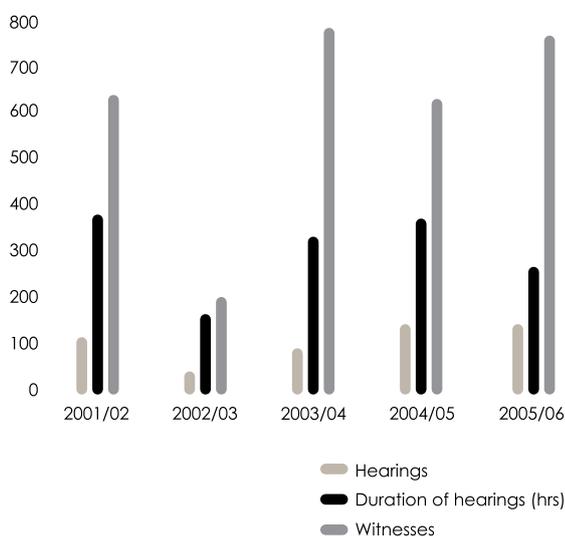
Committee inquiries



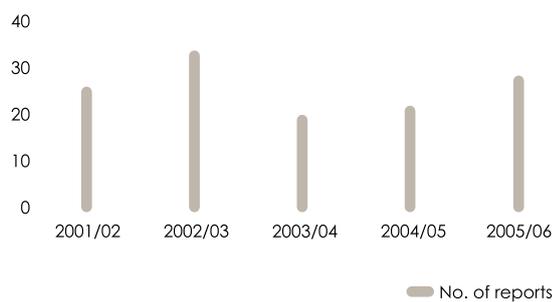
Submissions received



Committee hearings conducted



Committee reports tabled



Budget Estimates inquiry

Each year, the Budget Estimates inquiry by the five General Purpose Standing Committees allows the Legislative Council to examine the budget estimates and related papers for the financial year, presenting the amounts to be appropriated from the Consolidated Fund for government programs and spending initiatives. Accordingly, the estimates process is an important mechanism of executive government accountability to the Legislative Council.

The former NSW Treasurer, the Hon Dr Andrew Refshauge MP, delivered the NSW Government's 2005/06 budget in the Legislative Assembly on 24 May 2005.

Following the release of the budget, the budget estimates process for 2005/06 began with an initial round of 25 separate two-hour hearings between 15 and 23 September 2005. As in previous years, these hearings were conducted by the GPSCs according to their portfolio responsibilities, and were attended by the relevant ministers and accompanying departmental officials. The hearings are an opportunity for members of a committee to question the relevant minister and accompanying officials about government spending in their portfolio area.

Following the initial round of hearings, all of the committees, with the exception of GPSC 1, conducted supplementary hearings in order to further examine spending in particular portfolios. A total of 11 supplementary hearings were held between December 2005 and April 2006 in relation to the following portfolio areas: Police and Utilities; Natural Resources; Primary Industries and Mineral Resources; Ports and Waterways; Ageing and Disability Services; Planning, Redfern/Waterloo; Transport and State Development; Health; Roads; Housing and Sydney Ferries; Disability Services.

The extensive use of supplementary hearings continued the trend of recent years where the budget estimates process has extended virtually throughout the year, with committees in a position to re-visit government spending or other initiatives.

The reports of the five GPSCs on the 2005/06 Budget Estimates inquiry were tabled in the Legislative Council between 9 March 2006 and 11 May 2006. Reflecting the nature of the budget estimates

process as a mechanism for the Legislative Council to gather information on government spending, the estimates reports provided a summary of the committee's hearings and the issues raised, but not a detailed analysis of issues as is common in other committee inquiry reports.

As in previous years, the principal role of committee staff during the budget estimates process was supporting the administration and organisation of hearings, and providing procedural advice and assistance to members.

Privileges Committee report

The activities of the Privileges Committee of the Legislative Council are described in detail below. An important report during the period was the committee's report of the inquiry into a draft protocol for execution of a search warrant on member's offices. This resulted from the two previous inquiries of the committee into a search by the Independent Commission Against Corruption (ICAC) of a member's office. As with the two previous inquiries, there continues to be disagreement between the Legislative Council and the ICAC as to matters of privilege. The draft protocol proposed in the committee's report has yet to be adopted by the House.

Government Responses: Outcomes

Appendix 7 provides a table of government responses received over the period under review. An interesting development has been that government responses, which are distributed to those who have contributed to the inquiry, have begun to generate media attention in their own right, as occurred when a response was released to the inquiry by General Purpose Standing Committee No. 1 into personal injury matters. The responses are also used in parliamentary debates, particularly the hour of debate on committee reports held each Wednesday on sitting days.

Committee website

Committee staff continue to maintain and regularly update the committee section of the Parliament's website. Each committee, including select committees as they arise, have their own webpage and post information about the progress of inquiries, submissions that have been made public, transcripts of public hearings, reports and government responses.

Submissions can also be lodged through the website. This innovation occurred in 2000. A recent survey of submissions indicates that an average of 30% of submissions are now lodged through the website rather than being emailed or mailed.

Staffing and administration

In 2005/06 approximately 20 staff of the Department of the Legislative Council worked in committees.

Presentations and training

Senior committee staff continued to provide their assistance and expertise to the Parliament's education and community relations program. Various presentations were made by staff on the role and functions of parliamentary committees as part of the Parliament's school leadership program and young women's leadership seminars.

To enhance these presentations in April 2006, committee and other Legislative Council staff attended a valuable training day on public speaking conducted by the National Institute for the Dramatic Arts Corporate performance section.

ANZACATT Parliamentary Law, Practice and Procedure course



As in the previous two years, the Legislative Council sponsored two staff members to attend the intensive ANZACATT Parliamentary Law, Practice and Procedure course run by the Queensland University of Technology. The course was held in July 2005.

Ms Beverly Duffy, a Principal Council Officer within committees attended the course this year. Beverly topped the assessment requirement and won the ANZACATT prize with her research paper titled 'Orders for papers and cabinet confidentiality post *Egan v Chadwick*.'

Expertise lent to the Solomon Islands Parliament and a visitor from the Solomon's

Mr Warren Cahill, the Clerk Assistant – Committees, has been working in the Solomon Islands since October 2005 co-ordinating the *United Nations Development Program Strengthening Parliament Project* at the Solomon Islands National Parliament. As part of the project Warren has recruited a team

of young Solomon Island graduates from the University of the South Pacific who he is training to build a team capable of the future management of the Solomon Islands Parliament.

With the Clerk of the Parliament, Taesai Sanga, Warren and his team have been setting up the parliamentary Library, updating the Standing Orders and rebuilding the committee system. The graduates have also organised an induction program for new MPs.

One of the new graduates working with Warren, Ms Stella Delaiverata, visited the NSW Parliament for a week in late March 2006. As well as meeting with Parliamentary Library staff. Stella spent part of her time with committees talking to staff about the Legislative Council committee systems.

Working in the Legislative Council Program

The second *Working in the Legislative Council Professional Development Program* was conducted during this reporting period, with Ms Pauline Kavanagh from WorkCover joining the Council between September 2005 and March 2006.

The *Working in the LC Program*, which commenced in 2004, is an opportunity for staff from government agencies to experience work in the Legislative Council, particularly with committees during its Budget Estimates process. This valuable program allows an exchange of ideas and experiences between the participant, the sponsor agency and the Legislative Council.

Following a review of the first program conducted in late 2004, improvements were made to the planning and implementation of the program. The program will continued to be reviewed each year.



Ms Kavanagh assisted with the 2005/06 Budget Estimates inquiry, gained experienced in the Legislative Council chamber and assisted the Law and Justice Committee with its inquiry into community based sentencing.

Exchange program between the Legislative Council and the Scottish Parliament

Commencing in the previous financial year, the Legislative Council sponsored a staff exchange with the Scottish Parliament, with the bulk of the exchange falling within this reporting period.

Ms Merrin Thompson, Principal Council Officer, committees, took up a position in Edinburgh, while Mr Graeme Elliot of the Scottish Parliament worked in the Legislative Council's committee system. The exchange ran for approximately a year from March 2005, and was facilitated and supported by our Corporate Support staff, both in negotiating and establishing the arrangements between the two parliaments, and throughout the duration of the exchange.

The purpose of the exchange was to build links between the two parliaments, provide career development opportunities for staff, and enhance corporate knowledge within the Legislative Council.

While at the Scottish Parliament, Merrin worked for the Health Committee, Finance Committee and in the team supporting members' use of parliamentary questions and motions. Through this she gained a thorough working understanding of the Scottish Parliament's committee system, as well as its systems for supporting chamber business, while also building that Parliament's understanding of procedures and arrangements in New South Wales.

One of the highlights of the year for Merrin was the opportunity to visit Westminster in July, where she spent a week meeting with and 'shadowing' committee staff of the House of Lords and the House of Commons. At the end of the exchange, in March 2006, she joined a delegation from NSW Parliament at the opening of the Welsh National Assembly building in Cardiff, during which our Parliament presented the Welsh Assembly with a mace, signifying its new status as a legislature.

On returning home, Merrin presented a seminar to Legislative Council staff (later repeated for Legislative Assembly and Library staff) exploring the differences between the two parliaments and identifying potential lessons for New South Wales arising from the systems and procedures put in place when the Scottish Parliament was established in 1999.



Merrin: "Taking up the exchange was a tremendous opportunity for me both personally and professionally, and one that I am especially grateful to the Legislative Council for. It was a real privilege to be an ambassador

for the Parliament, and to facilitate the sharing of ideas, systems and expertise between the two Parliaments, whilst also having a wonderful adventure. Since returning, I've sought to share the knowledge I've gained with other parliamentary staff and to adapt some of the innovative approaches from Scotland to the Legislative Council context. I hope that other Legislative Council staff have a similar opportunity in future."

Standing Committee on Law and Justice

The Standing Committee on Law and Justice was first established by the Legislative Council on 24 May 1995 and has been reappointed by successive parliaments.

The functions of the committee are to inquire into, consider and report to the Legislative Council on matters concerned with legal and constitutional issues including law reform, parliamentary matters, criminal law and administrative law; issues arising in connection with the criminal justice system, including matters concerned with the Attorney General, police, corrective services and juvenile justice; and industrial relations, emergency services and fair trading.

Membership

The Hon Christine Robertson ALP, *Chair*

The Hon David Clarke, Liberal Party, *Deputy Chair*¹²

The Hon Rick Colless, Nationals¹³

The Hon Greg Donnelly, ALP¹⁴

The Hon Amanda Fazio, ALP

Ms Lee Rhiannon, The Greens

During this reporting period the membership of the committee changed on two occasions. Mr Roozendaal resigned from the committee on 10 August 2005, after his appointment to the Ministry, and was replaced by Mr Donnelly. Mr Pearce, the Deputy Chair of the committee, resigned on 22 September 2005. Mr Pearce was replaced on the committee by Mr Colless and Mr Clarke became the Deputy Chair.

Overview of Committee activities

In this reporting period the committee completed two inquiries that commenced in the previous financial year: the Inquiry into the workers compensation injury management pilots project and the Inquiry into community based sentencing options for rural and remote areas and disadvantaged populations.

The committee also commenced its seventh review of the Motor Accidents Authority and the Motor Accidents Council, calling for submissions and holding its annual hearing with senior officers of the MAA and the MAC. The committee is due to report on that inquiry in the next reporting period.

Statistical summary

| | |
|-------------|----|
| Inquiries | 3 |
| Submissions | 35 |
| Meetings | 10 |
| Hearings | 5 |
| Witnesses | 44 |
| Site visits | 1 |
| Reports | 2 |

¹² Mr Clarke replaced Mr Pearce as Deputy Chair on 22 September 2005.

¹³ Mr Colless replaced Mr Pearce who resigned from the committee on 22 September 2005.

¹⁴ Mr Donnelly replaced Mr Roozendaal who resigned from the committee on 10 August 2005.

Inquiries

Workers compensation injury management pilot projects evaluation

The terms of reference for this inquiry were conferred by Schedule 5A of the *Injury Management and Workers Compensation Act 1998* (NSW). Essentially, the Committee was required to review the effectiveness of the injury management pilots project conducted in 2001 by organisations selected by WorkCover.

The committee commenced this inquiry and undertook the evidence-gathering phase in the previous reporting period. The report was prepared during this reporting period and tabled on 9 September 2005.

The government response to the report was due on 9 March 2006 and was received on that day. The committee's report and the government response can be viewed on the committee's website.

Community based sentencing options for rural and remote areas and disadvantaged populations

The terms of reference were referred to the committee by the Hon Bob Debus MP, Attorney General, on 2 April 2004. In summary, the Attorney General asked the committee to examine whether it is appropriate and in the public interest to tailor community based sentencing options for rural and remote areas and for disadvantaged populations. The full terms of reference can be viewed on the committee's website.

The committee commenced this inquiry and undertook the bulk of the evidence-gathering phase in the previous reporting period.

During this reporting period the committee received a further 16 submissions bringing the total to 60. The committee also held four of its five public hearings for this inquiry during the current reporting period, at which 36 witnesses gave evidence.

The committee held its fifth public forum for this Inquiry in Mr Druitt on 27 September 2005 with 24 participants. The committee also undertook a site visit to Victoria on 25/26 October 2005 to meet officers of *Corrections Victoria*, which provided the committee with valuable comparative information.

The committee completed the inquiry by tabling its report, which sets out 49 recommendations, on 30 March 2006. The government response to the report is due in the next financial year, on 30 September 2006.

Review of the exercise of the functions of the MAA and the MAC – Seventh Review

The Law and Justice Committee has an ongoing role, under section 210 of the *Motor Accidents Compensation Act 1999* (NSW), to supervise the exercise of the functions of the Motor Accidents Authority and Motor Accidents Council.

The terms of reference for this inquiry are derived from a resolution of the Legislative Council of 25 June 2003 appointing the Law and Justice Committee to be the committee for the purposes of section 210. The full terms of reference can be viewed on the committee's website.

The seventh review was commenced in December 2006 with a call for submissions. The evidence-gathering stage of the inquiry, consisting of a call for submissions, which resulted in 17 submissions, and a day of hearings with representatives of the MAA and the MAC and the Insurance Council of Australia and the NSW Bar Association, was completed during this reporting period. The report has not yet been finalised.

Further information about the Law and Justice Committee and its inquiries can be found on the committee's website: www.parliament.nsw.gov.au/lawandjustice

Standing Committee on Social Issues

The Standing Committee on Social Issues was first established in 1988 and has been reappointed in successive Parliaments.

The functions of the committee are to inquire into, consider and report to the Legislative Council from time to time on matters concerned with the social development of the people of New South Wales. Key areas within the committee's remit include health, education, housing, ageing, disability, and children's and community services provided by the government and non-government sector.

Membership

Ms Jan Burnswoods, ALP, *Chair*

The Hon Robyn Parker, Liberal Party, *Deputy Chair*

The Hon Dr Chesterfield-Evans, Australian Democrats

The Hon Kayee Griffin, ALP

The Hon Charlie Lynn, Liberal Party

The Hon Ian West, ALP

Overview of Committee activities

In this reporting period the committee completed four inquiries that were commenced in the previous financial year: the Inquiry into the recruitment and training of teachers; the Inquiry into the funeral industry; the Inquiry into dental services; and the Inquiry into public disturbances at Macquarie Fields.

The committee also commenced its Inquiry into the impact of the Commonwealth's WorkChoices legislation. The committee is due to table its report on that inquiry in the next financial year, on 23 November 2006.

| Statistical summary | |
|---------------------|-----|
| Inquiries | 5 |
| Submissions | 141 |
| Meetings | 23 |
| Hearings | 16 |
| Witnesses | 153 |
| Forums | 2 |
| Briefings | 3 |
| Site visits | 2 |
| Reports | 4 |

Inquiries

Recruitment and training of teachers

The terms of reference for this inquiry were referred to the committee by the Hon Dr Andrew Refshauge MP, Deputy Premier, Minister for Education and Training, and Minister for Aboriginal Affairs, on 9 December 2004. The committee was requested to review the recruitment procedures and training of primary and secondary school teachers, with particular reference to the public school system.

The committee commenced this inquiry and undertook the evidence-gathering phase in the previous reporting period. The committee's report, which contained 15 recommendations, was tabled on 25 October 2005.

The government response to the report was due on 25 April 2006 and received on 2 May 2006. The committee's report and the government response can be viewed on the committee's website.

The funeral industry

The terms of reference for this inquiry were referred to the committee by resolution of the House on 23 March 2005. In summary, the committee was asked to examine the structure and ownership of the funeral industry, the affordability of funerals and burial spaces and the adequacy of legislation and regulation affecting the industry. The full terms of reference can be viewed on the committee's website.

During the previous reporting period the committee commenced this inquiry, received 42 of the 61 submissions made to the inquiry, and undertook one of its six public hearings. During the current reporting period the committee held the remaining five public hearings, including hearings in Broken Hill and Port Macquarie. In total, the committee took evidence from 37 witnesses during the reporting period. During a visit to Broken Hill in August 2005 the committee undertook site visits to a funeral home and a cemetery. In this period it also received an additional 19 submissions.



An important aspect of the committee's work in this inquiry was to consider different ethnic, cultural and religious groups' approaches to funerals, burials, cremations and other practices following death. In doing so, the committee sought to use culturally sensitive procedures whilst gathering evidence, most notably by allowing witnesses of different faiths to take an oath on their appropriate holy book. Participants from the Islamic community were sworn on the Qur'an, whilst a representative of the Baha'i faith was sworn on the Kitab-i-Aqdas. Representatives of the Jewish Board of Deputies took their oath on a copy of the Old Testament which the Board had previously donated to the Legislative Council. Other faiths and cultures which took part in the inquiry through written submissions included Buddhism, Hinduism, the Aboriginal and Torres Strait Islander community, and the Pacific Islander community.

The committee completed the inquiry by tabling its report, which set out 23 recommendations, on 9 December 2005. The government response to the report was due on 9 June 2006 and was received on that day. The committee's report and the government response can be viewed on the committee's website.

In August 2006, the government announced that in response to the committee's recommendations it would introduce new legislation to provide greater consumer protection in relation to funerals.

Dental services

The terms of reference for this inquiry were referred to the committee by resolution of the House on 7 April 2005. The committee was asked to examine community and industry concern about the availability and funding of public dental services, the quality of treatment received by eligible patients, the increasing need for dental practitioners in the future, and a number of issues associated with preventive dentistry. The full terms of reference can be viewed on the committee's website.

The committee commenced this inquiry and held its first public hearing during the previous reporting period, as well as receiving 210 of the 263 submissions made to the inquiry. During the current reporting period the committee held a further six public hearings, including a hearing in Broken Hill and a hearing and public forum in Port Macquarie. A total of 53 witnesses participated in the inquiry, and an additional 53 submissions were received during this reporting period.

The committee completed the inquiry by tabling its report, containing 33 recommendations, on 31 March 2006. The government response to the report is due in the next financial year, on 29 September 2006.

Public disturbances at Macquarie Fields

The Minister for Police, the Hon Carl Scully MP, referred the terms of reference for this inquiry to the committee on 17 March 2005. The committee was, however, subsequently instructed by the House to delay the commencement of the inquiry until internal police reviews into the public disturbances were completed. The committee consequently commenced its inquiry in September 2005 following receipt of the police review report.

The terms of reference for the inquiry required the committee to address issues arising out of public order incidents that occurred in Macquarie Fields in February 2005, including the underlying causes that may have contributed to the incidents, the provision of services in Macquarie Fields, and matters relating to policing strategies. The full terms of reference can be viewed on the committee's website.

The committee held four public hearings during the inquiry, with a total of 40 witnesses, all during the current reporting period. During a visit to Macquarie Fields in December 2005, the committee held a public hearing with key community service representatives and members of the local police, along with a public forum in which five local service providers took part. In addition, the committee held two private briefings, during which it took *in camera* evidence from service providers and community members, as well as a number of local young people. Of the total of 23 submissions to the inquiry, 20 were received during this reporting period.

The committee tabled its report, which set out 13 recommendations, on 16 June 2006. The government response to the report is due in the next financial year, on 18 December 2006.

The impact of the Commonwealth WorkChoices legislation

The terms of reference for this inquiry were referred to the committee by the Hon John Della Bosca MLC, Minister for Industrial Relations, on 28 March 2006. The committee has been requested to report on the impact of the legislation on the people of New South Wales and, in particular, on the ability of workers to bargain, rural communities, gender equity, work and family balance, injured workers, and employers, especially small businesses.

During the reporting period the committee received 49 submissions and held two public hearings. The committee is due to table its report in the next financial year, on 23 November 2006.

Further information about the Social Issues Committee and its inquiries can be found on the committee's website: www.parliament.nsw.gov.au/socialissues

Standing Committee on State Development

The Standing Committee on State Development was first established in 1988 and has been re-appointed in successive parliaments.

Under the resolution establishing the committee, it is responsible for conducting inquiries and reporting to the Legislative Council on the following key areas: economics and finance, commerce, infrastructure and planning, energy and utilities, natural resources, transportation, tourism, public administration, local government, primary industry, agriculture and fisheries, mineral resources, industrial and technological developments, science and medical research, environmental issues, and issues unique to, or predominant in, rural areas.

Membership

The Hon Tony Catanzariti, ALP, *Chair*
 The Hon Patricia Forsythe, Liberal Party, *Deputy Chair*
 The Hon Greg Donnelly, ALP
 The Hon Christine Robertson, ALP
 The Hon Melinda Pavey, Nationals
 Mr Ian Cohen, The Greens

Overview of Committee activities

In this reporting period the committee completed its inquiry into skills shortages in rural and regional New South Wales. The committee also received the government response to its Inquiry into Ports Infrastructure in New South Wales. The response was received on 12 December 2005, with the Government agreeing to 11 of the 16 recommendations. The committee's interim and final reports, as well as the government response, can be found on the committee's website.

| Statistical summary | |
|---------------------|-----|
| Inquiries | 1 |
| Submissions | 93 |
| Meetings | 14 |
| Hearings | 10 |
| Witnesses | 123 |
| Forums | 4 |
| Reports | 1 |



Inquiries

Skills shortages in rural and regional New South Wales

On 7 June 2005, the Minister for Regional Development, the Hon David Campbell MP, referred an inquiry into skills shortages in rural and regional New South Wales to the committee. In this reporting period the committee received 93 submissions and six supplementary submissions, and conducted ten hearings and four forums for the inquiry. The committee tabled its report on 11 May 2006, making a total of 20 recommendations.

During the course of the inquiry, the committee undertook an extensive round of public consultations across rural and regional NSW. The committee took evidence from more than 150 witnesses in Coffs Harbour, Wagga Wagga, Griffith, Parkes, Bathurst, Queanbeyan and Moree. The committee also held several days of hearings at Parliament House.

The government response is due in the next reporting period, on 13 November 2006.

Further information about the committee and its inquiries can be found on the committee's website: www.parliament.nsw.gov.au/statedevelopment

General Purpose Standing Committees

The Legislative Council has five General Purpose Standing Committees (GPSCs) which were first appointed in 1997. These committees are accountability-oriented with a majority of non-government members and are usually re-established at the beginning of a new Parliament.

Each committee deals with several ministerial portfolio responsibilities. For example, GPSC1's portfolio responsibilities include Citizenship, State Development and Treasury.¹⁵

While GPSCs may receive terms of reference from the House, inquiries are generally initiated by the committees themselves, using their powers to self-refer terms of reference.

In addition to undertaking inquiries into specific issues, GPSCs are responsible for Budget Estimates – the parliamentary review of the annual budget process (discussed in more detail below).

During 2005/06 the GPSCs continued to examine high profile issues of significance to the political and social life of the State.

Further information about the General Purpose Standing Committees and their inquiries can be found on the relevant committee's website, for example: www.parliament.nsw.gov.au/gpsc1

¹⁵ The portfolio areas listed are those current at 30 June 2006. The portfolio responsibilities were amended by the House on two occasions during the reporting period: on 14 September 2005 (Legislative Council, New South Wales, Minutes of Proceedings, No 103, 1st Session of the 53rd Parliament, 14 September 2006, Item 3) and 6 June 2006 (Legislative Council, New South Wales, Minutes of Proceedings, No 5, 2nd Session of the 53rd Parliament, 6 June 2006, Item 6).

General Purpose Standing Committee No. 1

GPSC1 deals with the following portfolio areas: Premier, State Development, Citizenship, Education and Training, Special Minister of State, Commerce, Finance, Industrial Relations, Treasury, Infrastructure, Hunter and the Legislature.

Membership

Rev the Hon Fred Nile, CDP, *Chair*
 The Hon Robyn Parker, Liberal Party, *Deputy Chair*
 The Hon Catherine Cusack, Liberal Party
 The Hon Peter Primrose, ALP
 Ms Lee Rhiannon, The Greens
 The Hon Penny Sharpe, ALP
 The Hon Ian West, ALP

Overview of Committee activities

In addition to Budget Estimates hearings, GPSC1 completed one inquiry during the reporting period: an examination of personal injury compensation reforms.

| Statistical summary | |
|---------------------|----|
| Inquiries | 3 |
| Submissions | 0 |
| Meetings | 15 |
| Hearings | 8 |
| Witnesses | 41 |
| Reports | 2 |

Inquiries

Personal injury compensation legislation

The committee self-referred the terms of reference for this inquiry in the previous reporting period (8 December 2004) and tabled its unanimous report exactly one year later, on 8 December 2005.

The inquiry examined the government's reforms to personal injury compensation law between 1999 and 2002. The reforms have been applauded for stabilising the insurance environment following the public liability 'crisis' of 2001/02, but have also been criticised for restricting access to damages for thousands of seriously injured individuals.

The key stakeholders participating in the inquiry included: The Cabinet Office on behalf of the government; the major representative legal associations and individual legal firms; the Insurance Council of Australia and major insurers; Unions NSW and individual unions; local councils; community, welfare and recreation groups; and a number of individuals who had suffered personal injury and their families.

The government response, received on 8 June 2006, provided a detailed reply to the inquiry recommendations, including a costing of some of the committee's proposals. The government response generated considerable media coverage indicating that the response to high profile inquiries can in itself further public scrutiny.

General Purpose Standing Committee No. 2

GPSC2 examines the following portfolio areas of: Health, Community Services, Youth, Ageing, Disability Services, Tourism and Sport and Recreation, Women, and Aboriginal Affairs.

Membership

The Hon Patricia Forsythe, Liberal Party, *Chair*
 The Hon Tony Catanzariti, ALP, *Deputy Chair*
 The Hon Arthur Chesterfield-Evans, Australian Democrats
 Ms Sylvia Hale, The Greens
 The Hon Melinda Pavey, Nationals
 The Hon Christine Robertson, ALP
 The Hon Henry Tsang, ALP

Overview of Committee activities

The committee completed one inquiry during the reporting period on changes to post school programs for young adults with a disability, and commenced another two inquiries, firstly into the health impacts of air pollution in the Sydney Basin and, secondly, a review of its earlier inquiry into complaints handling in NSW Health. The committee also undertook hearings for the 2005/06 Budget Estimates process.

| Statistical summary | |
|---------------------|----|
| Inquiries | 5 |
| Submissions | 5 |
| Meetings | 14 |
| Hearings | 9 |
| Witnesses | 52 |
| Reports | 2 |

Inquiries

Changes to post school programs for young adults with a disability

While the information-gathering phase of this Inquiry was conducted in the last reporting period, the committee tabled its report during the current reporting period in August 2006. The government response, received in March 2006, outlined a new direction for post school programs for young adults with a disability, in line with many of the recommendations made in the committee's report.

Health impacts of air pollution in the Sydney Basin

The terms of reference for this Inquiry were self-referred by the committee on 14 March 2006. The terms of reference concern levels of air pollution in the Sydney Basin over the last three decades, the health impacts and costs of air pollution and the impact of environmental laws on air pollution. With the exception of the call for submissions, the committee did not undertake any further activities in relation to this reference during the current reporting period.

Review of inquiry into complaints handling in NSW Health

This inquiry was self-referred by the committee on 14 March 2006 to undertake a review of the implementation of the response of the government to the recommendations of the committee's earlier inquiry into complaint handling within NSW Health. The only activity conducted in relation to this inquiry in this reporting period was to invite relevant organisations to make submissions.

General Purpose Standing Committee No. 3

The portfolio areas examined by GPSC3 include: Police, Attorney General, Justice, Juvenile Justice, Emergency Services, Lands, Rural Affairs, Gaming and Racing and Central Coast.

Membership

The Hon Amanda Fazio, ALP, *Chair*
 The Hon Greg Pearce, Liberal Party, *Deputy Chair*
 The Hon Jon Jenkins, Outdoor Recreation Party
 The Hon Charlie Lynn, Liberal Party
 The Hon Eddie Obeid, ALP
 Ms Lee Rhiannon, The Greens
 The Hon Ian West, ALP

GPSC3 is the only General Purpose Standing Committee whose Chair, the Hon Amanda Fazio MLC, is a member of the Government.

Overview of Committee activities

During the reporting period the committee completed a reference concerning aspects of the management of the Department of Corrective Services, and commenced another inquiry into the Correctional Services Legislation Amendment Bill 2006. The latter inquiry was referred to the committee by the House – also atypical for GPSCs, which usually initiate inquiries via their power to self-refer.

| Statistical summary | |
|---------------------|----|
| Inquiries | 4 |
| Submissions | 30 |
| Meetings | 15 |
| Hearings | 9 |
| Witnesses | 48 |
| Site visits | 1 |
| Reports | 2 |

Inquiries

Issues relating to the operations and management of the Department of Corrective Services

The terms of reference for this inquiry, which was self-referred on 23 November 2005, related to three aspects of the operations of the Department of Corrective Services: competition between Corrective Services Industries and privately owned businesses; the management of 'high risk' prisoners, including prisoners housed at the High Risk Management Unit (HRMU) at Goulburn Correctional Centre; and the interstate transfer of parolees and offenders.

The committee received 28 submissions and heard evidence from 26 witnesses during four public hearings. The committee also made a site visit to the HRMU, where it met with senior officers of the Department of Corrective Services and inspected the security and other arrangements in place at the facility.

The committee's report was tabled on 5 June 2006 and included 16 recommendations. The report included dissenting statement of one committee member. The government response is due in the next reporting period, on 5 December 2006.

Correctional Services Legislation Amendment Bill 2006

The Correctional Services Legislation Amendment Bill 2006 was introduced into the Legislative Council on Thursday, 25 May 2006 by the Minister for Justice and Juvenile Justice, the Hon Tony Kelly MLC. The object of the Bill is to prohibit inmates serving sentences for serious indictable offences, or who are awaiting sentencing for such offences, from providing their reproductive material for use or storage for reproductive purposes.

The bill was read a second time in the Legislative Council on Wednesday, 7 June 2006. The Legislative Council subsequently resolved that the Bill be referred to GPSC3 for inquiry and report.

General Purpose Standing Committee No. 4

The portfolio areas examined by GPSC4 include: Planning, Redfern Waterloo, Science and Medical Research, Local Government, Roads, Housing, Transport, Western Sydney and Fair Trading.

Membership

The Hon Jenny Gardiner, Nationals, *Chair*
 Ms Sylvia Hale, The Greens, *Deputy Chair*
 The Hon Jan Burnswoods, ALP
 The Hon David Clarke, Liberal Party
 The Hon Greg Donnelly, ALP
 The Hon Kayee Griffin, ALP
 The Hon David Oldfield, Independent

Overview of Committee activities

In addition to conducting hearings for the annual Budget Estimates process, the committee completed two inquiries during the reporting period, both concerning proposed upgrades to sections of the Pacific Highway on the North Coast of NSW. These inquiries, particularly that examining the Far North Coast upgrade, generated an extremely high degree of community interest. For example, in a single day during the committee's visit to Ballina in October 2005, 30 witnesses gave evidence at the public hearing, and 17 local residents participated in a public forum.

Another unusual feature of this inquiry was the extent of deliberation on the committee's interim report dealing with the Far North Coast upgrade. The committee deliberated on this report over a three-day period, generating almost 100 pages of minutes. This is believed to be the longest period in recent times that any Legislative Council Committee has deliberated on a Chair's draft report.

Statistical summary

| | |
|-------------|-----|
| Inquiries | 4 |
| Submissions | 268 |
| Meetings | 26 |
| Hearings | 13 |
| Witnesses | 64 |
| Forums | 1 |
| Site visits | 2 |
| Reports | 3 |

Inquiries

Pacific Highway Upgrades

The committee established two inquiries into Pacific Highway upgrade projects. The first examined highway upgrades on the Far North Coast (Ewingsdale - Tintenbar and Ballina - Woodburn) and the second concerned upgrades on the Mid North Coast (Coffs Harbour, Woolgoolga and Bonville).

The terms of reference for the Far North Coast inquiry were adopted on 10 June 2005 under the committee's self-referencing powers. The Mid North Coast inquiry was established under the same power on 21 September 2006. The committee agreed that these two inquiries be conducted concurrently and that the findings be contained in one report.

An interim report addressing the issues relating specifically to Ewingsdale - Tintenbar and Ballina - Woodburn was tabled on 21 December 2005. The Final Report, tabled on 11 May 2006, addressed issues relating specifically to the Coffs Harbour, Woolgoolga, and Bonville sections of the Pacific Highway, as well as issues relating to the RTA's processes of developing route options and the possible impacts of the upgrades.

In addition to three public hearings held in Sydney, hearings were also held in Ballina and Coffs Harbour. To increase community input and involvement in the inquiry process a public forum was also held in Ballina.

The committee conducted site visits to the Ewingsdale-Tintenbar, Ballina-Woodburn areas, the Pacific Highway between Bonville and Woolgoolga, and the Guru Nanak Sikh Gurdwara at Woolgoolga.

Several of the committee's recommendations related to improving the RTAs consultation processes in relation to highway upgrades.

The government response to the final report is due in the next reporting period, on 13 November 2006.

General Purpose Standing Committee No. 5

The portfolio areas examined by GPSC5 are:

Environment, Arts, Water Utilities, Regional Development, Illawarra, Small Business, Natural Resources, Primary Industries, Mineral Resources, Energy, Ports and Waterways.

Membership

The Hon Ian Cohen, The Greens, Chair
The Hon Rick Colless, Nationals, Deputy Chair
The Hon Tony Catanzariti, ALP
The Hon Greg Donnelly, ALP
Ms Sylvia Hale, The Greens
The Hon Don Harwin, Liberal Party
The Hon Henry Tsang, ALP

Overview of Committee activities

During the reporting period, as well as the Budget Estimates hearings, the committee initiated and completed an inquiry arising from the proposal to build a desalination plant in Sydney.

Statistical summary

| | |
|-------------|-----|
| Inquiries | 3 |
| Submissions | 136 |
| Meetings | 19 |
| Hearings | 11 |
| Witnesses | 99 |
| Briefings | 4 |
| Site visits | 1 |
| Reports | 2 |



The General Purpose Committee no.4 with members of the Woolgoolga Punjabi Sikh community outside the Guru Nanak Sikh temple at Woolgoolga, 21 November 2005. The Committee visited the temple as part of the Inquiry into Pacific Highway Upgrades.

Inquiries

A sustainable water supply for Sydney

The inquiry was self-referred on 1 December 2005 and arose from a proposal by the government to build a desalination plant at Kurnell in Sydney's south.

During the early stages of the inquiry the Premier, the Hon Morris Iemma MP, announced that construction of the desalination plant at Kurnell would only begin if overall dam storage levels in Sydney dropped below 30%. Notwithstanding this announcement, the inquiry continued, examining not only the proposal to build the desalination plant but also the long-term sustainable management of Sydney's water supply.

A total of 136 submissions were received and the committee held three public hearings in March 2006. The committee also conducted a site visit in May 2006 to Sydney Olympic Park and to Rouse Hill Recycled Water Plant to gain further insight into water recycling projects being undertaken in Sydney.

The committee's report was tabled on 8 June 2006, and included 22 recommendations relating to water reuse and recycling in Sydney, the current cost of water to Sydneysiders and managing of the Hawkesbury-Nepean and lower Shoalhaven Rivers. The government response is due in the next reporting period, on 8 December 2006.

Budget Estimates

The Budget Estimates process for 2005-2006 occurred between September 2005 and April 2006. The initial round of hearings (25 in total) took place between 15 and 23 September. Nine supplementary hearings were held in relation to the following portfolio areas: Attorney General, Disability Services, Health, Police, Roads, Planning, Redfern Waterloo, Transport, Housing, Primary Industry, Natural Resources, Ports and Waterways.

The conduct of Budget Estimates hearings in the next reporting period will vary from recent years. The committees traditionally meet in the evenings, after the House rises, for a period of approximately two hours. The timetable referred by the House for 2006 provides for longer hearings (between two to four hours) to be conducted on non-sitting day Mondays and Fridays of two consecutive sitting weeks.

Attempts to abolish the New South Wales Legislative Council

In 1898, the New South Wales Labor Party made abolition of the Legislative Council the first plank of its party platform. The basis of this move was two-fold: the Council's membership was perceived to reflect the interests of wealth and privilege and to be inherently conservative, and the existence of a second chamber was held by Labor to be anathema to the sovereignty of the elected government.

In October 1910, the first Labor Government took office in NSW. Over the next 15 years, various Labor ministries in office maintained an uneasy relationship with the Council amid calls for its abolition. However it was not until the election of Premier Lang in June 1925 that Labor finally moved to abolish the Council.

From the outset of the first Lang Ministry, the government's ambitious legislative program ran into difficulties in the Legislative Council. In response, between June and December 1925, Lang prepared the grounds for the abolition of the Council by "stacking" the Council with Labor MLCs: three in June and July 1925 and a further 25 in December 1925. Lang then introduced a bill to abolish the Legislative Council – the Constitution (Amendment) Bill (No 2) – on 20 January 1926. The bill was adjourned on 22 January 1926 by a narrow 44 votes to 43. Subsequently, on 23 February 1926 the bill was defeated by 47 votes to 41. The bill failed to pass when two Labor members crossed the floor and five (including four of the 25 Labor MLCs appointed in December 1925) were absent for the vote. All seven were subsequently expelled from the Labor Party.

Intent on protecting the Council from Lang and Labor, and with the example of Queensland Labor's 1922 abolition of that State's upper house fresh in its mind, in 1929 the Nationalist Party Government legislated to include a new section 7A in the *Constitution Act 1902*. This section entrenched the Legislative Council by requiring that no bill to abolish the Council, or alter its constitution or powers, could receive royal assent unless it was passed by both Houses and approved at a referendum by a majority of the electors. Moreover, section 7A was itself entrenched, with the result that it could not be altered or repealed except by a bill approved at a referendum.

By 1930, Lang had regained power and once again sought to abolish the Council. However, instead of holding a referendum on abolition of the Council, Lang decided to challenge the legal validity of section 7A. Two bills were sent from the Assembly to the Council, one to repeal section 7A and the other to abolish the Council. On the advice of two prominent jurists who had helped draft section 7A, the Council allowed both bills to pass without division. An injunction was then secured in the Court of Equity preventing the bills' assent on the basis of a failure to observe section 7A's referendum requirement. The High Court (and later the Privy Council after Lang's dismissal) upheld section 7A and held also that it could only be repealed by a further bill which received the assent of the majority of the electors at a referendum.

Troubles with faction fighting in the Labor Party and the crisis of the Great Depression subsequently curtailed Lang's struggle with the Council. Finally, in perhaps the most dramatic constitutional event in the State's history, Lang was dismissed from office by Governor Game on 13 May 1932 after he sought to prevent the Federal Government from seizing New South Wales revenues for interest owed by the New South Wales Government to foreign bondholders.

However, abolition of the Legislative Council remained Labor Party policy, and in 1943 and 1946, the Labor McKell Ministries made two further attempts to abolish the Legislative Council.

The Constitution (Legislative Council Reform) Bill 1943 sought to reform the Council, potentially as a first step towards its abolition. Under the bill, the House would have been directly elected, with the state divided into 30 electorates (each made up of three LA seats) each returning two members. It was also proposed to repeal section 7A of the *Constitution Act 1902*. The bill was defeated by 34 votes to 21.

The Legislative Council Abolition Bill 1946 simply sought to abolish the Council. The bill was defeated when, with the numbers being equal at 29 Ayes and 29 Noes on the question that the bill be now read a second

time, the President, referring to the practice and precedent as set out in relevant parliamentary authorities, cast his vote with the Noes 'in order to preserve the status quo of the Legislative Council.'

The final attempt to abolish the Council came in 1959 when the Heffron Ministry introduced the Constitution Amendment (Legislative Council Abolition) Bill. After ongoing deadlocks between the Assembly and Council which eventually went to the full bench of the Supreme Court, the bill went to a referendum on 29 April 1961. The conservative parties led a spirited campaign opposing abolition of the Council. The referendum was defeated with 57.6% of the vote favouring retention of the Legislative Council.

Since 1961, there have been no further attempts to abolish the Legislative Council. Following the election of the Wran Labor Government in 1976 a bill to reform the Legislative Council to a House directly elected by the people was approved at a referendum in 1978.



Privileges Committee

The Privileges Committee was first established in 1988. Between 1995 and 2003 the committee was known as the Standing Committee on Parliamentary Privilege and Ethics. The committee considers matters relating to parliamentary privilege referred to it by the House or the President; citizens' rights of reply to statements made about them in the House; and undertakes functions relating to members' ethical standards under Part 7A of the Independent Commission Against Corruption Act 1988. The Deputy Clerk is the Clerk to the Committee.

Membership

The Hon Amanda Fazio, ALP, *Chair*

The Hon Patricia Forsythe, Liberal Party, *Deputy Chair*

The Hon Jenny Gardiner, Nationals

The Hon Kayee Griffin, ALP

Rev the Hon Fred Nile, CDP

The Hon Peter Primrose, ALP

The Hon Penny Sharpe, ALP

The membership of the committee changed on one occasion during the reporting period, with Ms Sharpe being appointed in place of Mr Catanzariti on 17 November 2005.

Overview of Committee activities

During the current reporting period the committee completed an inquiry into the development of a draft protocol for the execution of search warrants on members' offices, which it had commenced in the previous reporting period. It also tabled a number of reports concerning citizen's rights of reply.

In addition, the committee continued its second review of the Members' Code of Conduct, which it commenced the previous year. It also received a new reference from the House concerning draft amendments to the Code and a draft regulation relating to members' pecuniary interests.

| Statistical summary | |
|---------------------|----|
| Inquiries | 6 |
| Submissions | 23 |
| Meetings | 7 |
| Reports | 5 |

Inquiries

Draft protocol for execution of search warrants on members' offices

The terms of reference for this inquiry were referred to the committee by the House on 6 April 2005, and required the committee to inquire into and report on appropriate protocols to be adopted for the execution of search warrants on members' offices by law enforcement agencies and investigative bodies. In particular, the committee was to investigate procedures to be followed:

- (a) in obtaining a search warrant,
- (b) prior to executing a search warrant
- (c) in executing a search warrant
- (d) if privilege or immunity is claimed, and
- (e) for the resolution of disputed claims of privilege.

The need for a protocol was brought to the attention of the House when a previous inquiry by the committee found that documents seized from a member's office under warrant by the Independent Commission Against Corruption in 2003 fell within the scope of proceedings of the House, constituting a breach of the immunities of the House.¹⁶

In developing an appropriate draft protocol the committee drew on the experience of the Legislative Council and a number of other Parliaments, and consulted widely with investigative agencies and law enforcement bodies.

The committee tabled its report on 28 February 2006; however the protocol has yet to be adopted by the House.

¹⁶ Standing Committee on Parliamentary Privilege and Ethics, *Parliamentary privilege and seizure of documents* by ICAC, Report No. 25, December 2003.

Review of Members' Code of Conduct and new terms of reference

The Privileges Committee has a statutory obligation under section 72C of the *Independent Commission Against Corruption Act 1988* to review the Members' Code of Conduct at least once every four years. The first review was conducted in 2002.

The committee continued its second review of the Code in February 2006 with a call for submissions seeking comments on the Code from members, other Parliaments and relevant agencies. However, on 8 June 2006, the Legislative Council passed a resolution requiring that the Privileges Committee inquire into and report on certain draft amendments to the Members' Code of Conduct and a draft Constitution (Disclosure by Members) Regulation 2006 which had been tabled in the House the previous day. The terms of reference of the new inquiry also required the committee to consider the feasibility of reporting changes to pecuniary interests by "exception reporting" and consult with the Clerk to ensure a streamlined process is introduced for updating the pecuniary interests register.

Following receipt of the new terms of reference, the committee resolved to continue with its review of the Code in the context of the new inquiry. It then sought further submissions from members, other Parliaments, and relevant agencies, in relation to the draft amendments and draft regulation. The committee expects to table its report during the next reporting period.

Citizen's right of reply

Under standing orders 202 and 203, any person who has been referred to in the House by name, or in such a way as to be readily identified, may make a submission in writing to the President requesting that they should be able to include an appropriate response in the parliamentary record. The President then has the prerogative to refer the submission to the Privileges Committee for inquiry and report.

During the reporting period the committee tabled 4 reports concerning citizen's rights of replies, being for:

- Ms S Wong,
- Mr G Glossop,
- Hillsong Emerge, and
- Mr G Mandarin

Following resolutions of the House, all replies were incorporated into Hansard.

Further information about the committee and its inquiries can be found on the committee's website: www.parliament.nsw.gov.au/lcprivileges

Select Committee on Juvenile Offenders

In the previous reporting period, on 9 December 2004, the Legislative Council passed a resolution to establish a Select Committee on Juvenile Offenders to examine the transfer of Kariong Juvenile Justice Centre to the NSW Department of Corrective Services, and certain related issues.

Membership

Revd the Hon Dr Gordon Moyes, CDP, *Chair*
 The Hon Catherine Cusack, Liberal Party
 The Hon Amanda Fazio, ALP
 The Hon Charlie Lynn, Liberal Party
 The Hon Eric Roozendaal, ALP
 The Hon Dr Peter Wong, Unity Party

Overview of Committee activities

This inquiry was substantially completed in the previous reporting period. In this reporting period the committee completed its report, which was tabled on 29 July 2005. The committee made 26 recommendations, addressing a wide range of issues including the government's decisions to transfer administration of Kariong to the Department of Corrective Services and the provisions of the Juvenile Offenders Legislation Amendment Act 2004. The Opposition members of the committee made a dissenting statement to the report and recommendations. The government response to the report was received on 15 February 2006.

Further information about the inquiry can be found on the committee's website: www.parliament.nsw.gov.au/juvenileoffenders

Select Committee on proposed sale of Snowy Hydro Ltd and Select Committee on the Continued Public Ownership of Snowy Hydro Ltd

Membership

Revd The Hon Dr Gordon Moyes, CDP, *Chair*
The Hon Melinda Pavey, Nationals, *Deputy Chair*
The Hon Tony Cantanzariti, ALP
The Hon Amanda Fazio, ALP
The Hon Patricia Forsthye, Liberal Party
Ms Sylvia Hale, The Greens

The Select Committee on the proposed sale of Snowy Hydro Ltd was established by the Legislative Council on 3 May 2006, to inquire into the proposal by the NSW, Commonwealth and Victorian Governments to sell their combined assets in Snowy Hydro Ltd.

As this committee was a select committee it only existed for the life of the inquiry and, as it eventuated, the life of the inquiry was short.

On 2 June 2006, the Prime Minister, the Hon John Howard MP, announced that the Commonwealth was withdrawing from the sale of its stake in Snowy Hydro Ltd. Later that day, the NSW Premier, the Hon Morris Iemma MP, announced that the sale of the NSW Government's stake in Snowy Hydro Ltd was rendered 'impractical' and also withdrew from the proposed sale.

Following these announcements, the committee met to consider the future conduct of the inquiry. It was resolved that the committee recommend to the House that it adopt new terms of reference in relation to the continued public ownership of Snowy Hydro Ltd.

Prior to this the committee had received 46 submissions and plans were underway for hearings and site visits.

The committee tabled its report on 7 June 2006, detailing the path of the inquiry and the events that lead to its curtailment.

As recommended in the report of the first committee, the Legislative Council referred new terms of reference for the establishment of a Select Committee into the Continued Public Ownership of Snowy Hydro Ltd on 7 June 2006.

The new terms of reference primarily focus on the impact of the continued public ownership of Snowy Hydro Ltd on the financial position of the NSW Government, the future capital expenditure requirements for the company and the control of water regulation, along with other issues.

The membership of this committee is the same as the membership of the earlier committee.

In this reporting period, the committee on the Continued Public Ownership of Snowy Hydro Ltd commenced its inquiry and received 53 submissions. The inquiry is continuing into the next financial year.

Further information about the inquiry can be found on the committee's website: www.parliament.nsw.gov.au/snowyhydro

Joint Select Committee on the Cross City Tunnel

The Joint Select Committee on the Cross City Tunnel was established on 17 November 2005 to inquire into and report on issues related to the Cross City Tunnel.

On 6 April 2006, the committee's terms of reference were extended to require the committee to inquire into and report on issues related to the Lane Cove Tunnel.

Following prorogation of the Parliament on 19 May 2006, the committee was re-established and its inquiry was re-referred by resolution of the Legislative Council on 24 May 2006 and the Legislative Assembly on 25 May 2006.

Membership

Legislative Council

Revd the Hon Fred Nile MLC, CDP, *Chair*
The Hon Greg Pearce MLC, Liberal Party
The Hon Amanda Fazio MLC, ALP
Ms Lee Rhiannon MLC, The Greens

Legislative Assembly

Mr Andrew Constance MP, Liberal Party
Mr Michael Daley MP, ALP
Ms Kristina Kenedy MP, ALP
Mr Steven Pringle MP, Liberal Party

Since the committee was established, the membership has changed on a number of occasions. Mr Daley replaced Mr Matt Brown MP from 22 February 2006 to 2 March 2006. Mr Daley also replaced Mr Paul McLeay MP from 25 May 2006. Ms Keneally replaced Mr Matt Brown MP from 7 June 2006. Mr Pringle replaced Mr John Turner MP from 7 June 2006.

Overview of committee activities

During this reporting period the committee received 121 submissions and conducted 12 days of hearings and a site visit to the Lane Cove Tunnel project. The committee tabled two reports: the *Cross City Tunnel: First Report*, on 28 February 2006; and *The Cross City Tunnel and Public Private Partnerships: Second Report*, on 18 May 2006. A third report is due to be tabled before 5 September 2006, after which time the committee will cease to exist.

The committee's inquiry has had three stages. The first stage concentrated on issues directly related to the Cross City Tunnel project, including the role of government agencies in negotiating the contract to deliver the project with the private sector, and the methodology used by the RTA for tendering and contract negotiation. Other issues addressed included the effectiveness of community consultation in relation to the project; the public release of documents relating to the public private partnership; and communication and accountability mechanisms between the NSW Government and the RTA. Hearings were held in December 2005 and February 2006. The committee's first report was tabled on 28 February 2006.

The second stage of the inquiry focussed on the role of government agencies in entering into public private partnerships more generally. During March and April 2006 the committee heard from a range of government agencies and commentators on public private partnerships from academia and the private sector. The committee's second report was tabled on 18 May 2006.

A notable feature of the hearings of the second stage of the inquiry was that the witnesses commented on progress towards implementing the recommendations contained in the committee's first report.

The third stage of the inquiry focuses on the Lane Cove Tunnel project, examining the role of government agencies in negotiating the contract, the extent to which the contract was determined by community consultation, and the methodology used by the RTA for tendering and contract negotiation. Hearings were held in June 2006, and a report is due to be tabled before 5 September 2006.



Members of the committee on a site visit to the Lane Cove Tunnel, 14 June 2006. From left to right: Ms Rhiannon, Mr Brendan Donohue of Thiess John Holland, Mr Pringle, Ms Fazio, Mr Daley (partly obscured), Revd Nile, Mr Pearce, Mr Constance.

Statistical summary

| | |
|-------------|-----|
| Submissions | 121 |
| Meetings | 18 |
| Site visits | 1 |
| Hearings | 12 |
| Witnesses | 109 |
| Reports | 2 |

Further information about the inquiry can be found on the committee's website: www.parliament.nsw.gov.au/crosscitytunnel.

Joint Select Committee on Tobacco Smoking

The Joint Select Committee on Tobacco Smoking was established by resolution of the Legislative Council on 28 February 2006 and the Legislative Assembly on 8 March 2006. Following prorogation of the Parliament on 19 May 2006, the committee was re-established and its inquiry was re-referred by resolution of the Legislative Council on 24 May 2006 and the Legislative Assembly on 25 May 2006.

As a joint select committee it was comprised of members of both Houses of the Parliament and was established only for the life of the inquiry. The committee's inquiry into tobacco smoking in NSW was concluded, and the committee itself ceased to exist, when its report was tabled on 30 June 2006.

Membership

Legislative Council

The Hon Dr Arthur Chesterfield-Evans MLC,
Australian Democrats

The Hon Greg Donnelly MLC, ALP

The Hon Don Harwin MLC, Liberal Party

Revd the Hon Fred Nile MLC, CDP

Legislative Assembly

Mr Richard Torbay MP, Independent, *Chair*

Ms Angela D'Amore MP, ALP

Mr Thomas George MP, Nat

Ms Shelley Hancock MP, Liberal Party

Ms Virginia Judge MP, ALP

Mr Paul McLeay MP, ALP

Mr Matthew Morris MP, ALP

An unusual aspect of this committee for the Legislative Council was the large number of members (11) and the high quorum requirement (six, with at least one member from each House). This caused some administrative difficulties in terms of arranging meetings.

Overview of Committee activities

The terms of reference for the inquiry required the committee to consider the costs and other impacts of smoking, the effectiveness of current strategies to reduce tobacco use, and issues associated with smoke-free licensed venues. In addition, the committee was required to consider the Smoke-free Environment Amendment (Motor Vehicle Prohibition Bill 2005 introduced to the Legislative Council by Revd Nile. The full terms of reference are available on the committee's website.

The committee received 70 submissions and held five public hearings. The committee also held a public forum at Parliament House in which 23 community members made statements to the committee expressing their views on various issues to do with tobacco use. This was followed by a panel session in which committee members asked key stakeholder representatives to respond to the issues raised by forum participants.

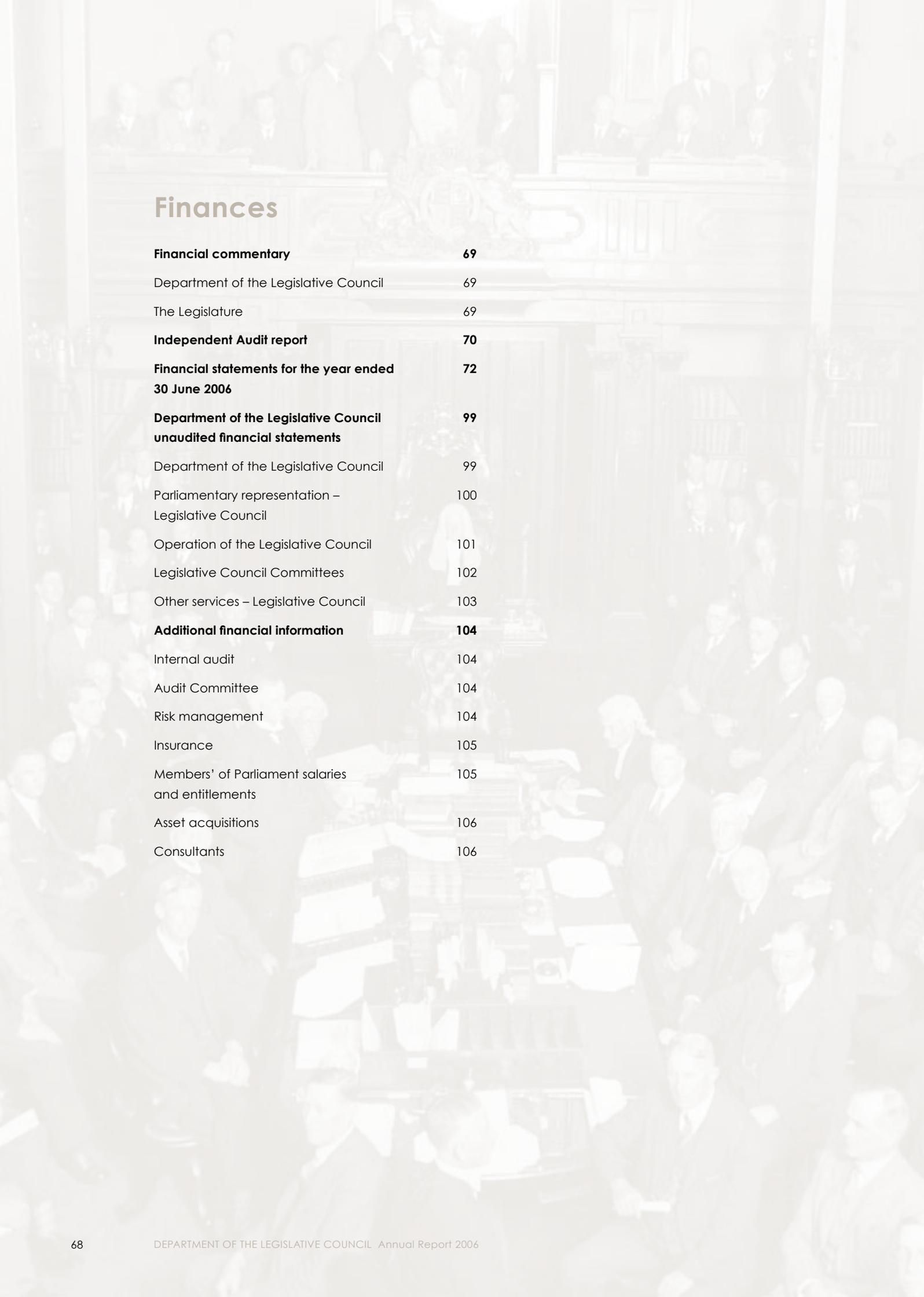
The committee also undertook two site visits during the inquiry: one to Concord Hospital, which included a visit to the respiratory unit, and the other to a licensed hotel, where members were briefed by the licensee and owner and inspected the premises' smoking and non-smoking areas.

The inquiry concluded with the tabling of the committee's report on 30 June 2006, which included 26 recommendations. The government response is due in the next reporting period, on 30 December 2006.

Statistical summary

| | |
|-------------|----|
| Submissions | 70 |
| Meetings | 7 |
| Hearings | 5 |
| Witnesses | 41 |
| Forums | 1 |
| Briefings | 4 |
| Site visits | 2 |
| Reports | 1 |

Further information about the inquiry can be found on the committee's website: www.parliament.nsw.gov.au/tobaccosmokingcommittee



Finances

| | |
|---|------------|
| Financial commentary | 69 |
| Department of the Legislative Council | 69 |
| The Legislature | 69 |
| Independent Audit report | 70 |
| Financial statements for the year ended 30 June 2006 | 72 |
| Department of the Legislative Council unaudited financial statements | 99 |
| Department of the Legislative Council | 99 |
| Parliamentary representation – Legislative Council | 100 |
| Operation of the Legislative Council | 101 |
| Legislative Council Committees | 102 |
| Other services – Legislative Council | 103 |
| Additional financial information | 104 |
| Internal audit | 104 |
| Audit Committee | 104 |
| Risk management | 104 |
| Insurance | 105 |
| Members' of Parliament salaries and entitlements | 105 |
| Asset acquisitions | 106 |
| Consultants | 106 |

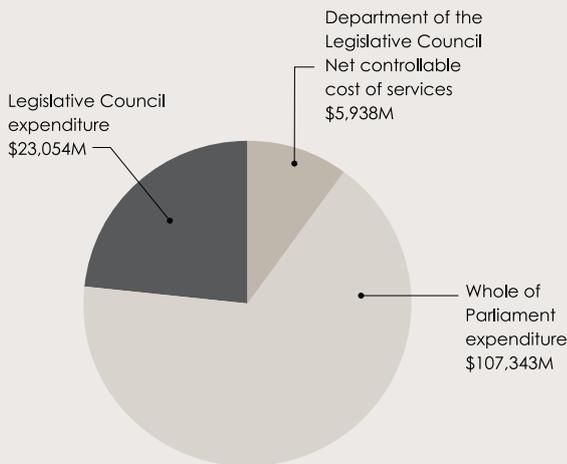
Financial commentary

Department of the Legislative Council

The budget papers provide for a single program 1.1.1 for the Legislative Council. For internal financial management purposes, this is divided into four cost centres: Parliamentary Representation – Legislative Council; operation of the Legislative Council; Legislative Council Committees; and Other Services – LC. Unaudited financial statements for 2005/06 and projections of estimated expenditure for 2006/07 for each of these cost centres are included in this report at the end of the audited financial statement for the whole of the Parliament.

Excluding the cost centre 'Parliamentary Representation – Legislative Council', which primarily consists of members' salaries and entitlements and the salaries of members' staff, the internal budget allocation for the Department of the Legislative Council (Operations of the Legislative Council, Legislative Council Committees and Other Services – LC), expressed as the net controllable cost of services, was \$4,994 m, with total expenditure during 2005/06 totaling \$5,938 m. The estimated net controllable cost of services for 2006/07 is \$5,212 m.

The Department of the Legislative Council's expenditure as a proportion of whole of Parliament expenditure



The Legislature

In June 2006 the Parliament was subjected to two separate budget cuts:

- a \$1.4 million cut to Food and Beverage Service
- a \$1.44 million cut to parliamentary support services (the two House departments, committees and joint services).

The \$1.4 million cut in relation to Food and Beverage Services represents the non-recouped cost of providing the service in 2004/05 (ie the extent to which the cost of services and staffing exceeded income).

The \$1.44 million cut to parliamentary support services was made up of:

- \$572,000 – accumulated impact of 1% global savings targets imposed by Treasury for 2005/06 and 2006/07
- \$496,000 – funding shortfall in over expenditure for 2005-6 not supplemented by the Treasurer
- \$372,000 – expenditure savings to remain within budget in 2006/07 (based on 2005/06 expenditure).

This \$1.44 million cut represents just under 5% of parliamentary support services expenditure (which is approximately \$30 million per annum). Of this \$30 million, approximately \$25 million is made up of staff costs and only \$5 million is operating costs.

During the next reporting period considerable time and resources of senior officers will be devoted to planning and implementing savings measures.

As outlined in last year's annual report, the Parliament has been operating under significant budget constraints for some years. The further budget cuts imposed for 2006/07 will further diminish the capacity to properly maintain Parliament House as a safe and functional workplace, and as an important site of the state's cultural heritage.



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

The Legislature

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of The Legislature presents fairly The Legislature's financial position as at 30 June 2006 and its performance for the year ended on that date, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia.

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

Scope

The Financial Report and the Clerks' Responsibility

The financial report comprises the operating statement, statement of changes in equity, balance sheet, cash flow statement, program statement - expenses and revenues, summary of compliance with financial directives and accompanying notes to the financial statements for The Legislature, for the year ended 30 June 2006.

The Clerk of the Legislative Assembly and the Clerk of the Parliaments are responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

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

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Clerks in preparing the financial report, and
- examined a sample of evidence that supports the amounts and disclosures in the financial report.

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

My opinion does *not* provide assurance:

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

Audit Independence

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

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



A T Whitfield
Deputy Auditor-General

SYDNEY
20 October 2006

RUSSELL D. GROVE
CLERK OF THE LEGISLATIVE ASSEMBLY



JOHN EVANS
CLERK OF THE PARLIAMENTS

NEW SOUTH WALES
PARLIAMENT

18 October 2006

File ref: A700

THE LEGISLATURE

FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2006

Statement by Department Heads

We state that:

- a. the accompanying financial statements have been prepared on an accrual basis in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Urgent Issues Group Consensus Views and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies;
- b. the statements exhibit a true and fair view of the financial position and transactions of The Legislature; and
- c. there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.


Russell D. Grove
Clerk of the Legislative Assembly


John Evans
Clerk of the Parliaments

Telephone (02) 9230 2222
Facsimile (02) 9230 2333
russell.grove@parliament.nsw.gov.au

Parliament House
Macquarie Street, Sydney
NSW 2000 Australia

Telephone (02) 9230 2321
Facsimile (02) 9230 2761
johnevans@parliament.nsw.gov.au

THE LEGISLATURE

Operating Statement for the Year Ended 30 June 2006

| | Notes | Actual 2006 \$000 | Budget 2006 \$000 | Actual 2005 \$000 |
|--|-------|-------------------------|-------------------------|-------------------------|
| Expenses excluding losses | | | | |
| Operating expenses | | | | |
| Employee related | 2(a) | 47,659 | 44,748 | 44,950 |
| Other operating expenses | 2(b) | 25,382 | 22,314 | 23,732 |
| Depreciation and amortisation | 2(c) | 4,262 | 4,708 | 4,838 |
| Other expenses | 2(d) | <u>36,187</u> | <u>34,923</u> | <u>35,845</u> |
| Total Expenses excluding losses | | <u>113,490</u> | <u>106,693</u> | <u>109,365</u> |
| Less: | | | | |
| Revenue | | | | |
| Sale of goods and services | 3(a) | 4,321 | 4,475 | 4,111 |
| Investment revenue | 3(b) | 58 | 60 | 94 |
| Grants and contributions | 3(c) | 1,277 | - | 1,871 |
| Other revenue | 3(d) | <u>507</u> | <u>285</u> | <u>10,167</u> |
| Total Revenue | | <u>6,163</u> | <u>4,820</u> | <u>16,243</u> |
| Gain / (loss) on disposal | 4 | <u>(16)</u> | <u>-</u> | <u>(10)</u> |
| Net Cost of Services | 20 | <u>107,343</u> | <u>101,873</u> | <u>93,132</u> |
| Government Contributions | | | | |
| Recurrent appropriation | 5 | 88,340 | 86,019 | 82,689 |
| Capital appropriation | 5 | 2,878 | 2,075 | 2,280 |
| Acceptance by the Crown Entity of employee benefits and other liabilities | 6 | <u>11,726</u> | <u>11,146</u> | <u>13,823</u> |
| Total Government Contributions | | <u>102,944</u> | <u>99,240</u> | <u>98,792</u> |
| SURPLUS / (DEFICIT) FOR THE YEAR | | <u>(4,399)</u> | <u>(2,633)</u> | <u>5,660</u> |

The accompanying notes form part of these statements.

THE LEGISLATURE

Statement of Changes in Equity for the Year Ended 30 June 2006

| | Notes | Actual 2006 \$000 | Budget 2006 \$000 | Actual 2005 \$000 |
|--|-------|-------------------------|-------------------------|-------------------------|
| Net increase / (decrease) in property, plant and equipment asset revaluation reserve | | <u>8,401</u> | <u>-</u> | <u>8,118</u> |
| TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY | | 8,401 | - | 8,118 |
| Surplus / (Deficit) for the year | | <u>(4,399)</u> | <u>(2,633)</u> | <u>5,660</u> |
| TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR | 16 | <u>4,002</u> | <u>(2,633)</u> | <u>13,778</u> |

The accompanying notes form part of these statements.

THE LEGISLATURE

Balance Sheet as at 30 June 2006

| | Notes | Actual 2006 \$000 | Budget 2006 \$000 | Actual 2005 \$000 |
|--------------------------------------|-------|-------------------------|-------------------------|-------------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 8 | 803 | 2,293 | 2,408 |
| Receivables | 9 | 1,749 | 1,332 | 1,479 |
| Inventories | 10 | <u>257</u> | <u>222</u> | <u>285</u> |
| Total Current Assets | | <u>2,809</u> | <u>3,847</u> | <u>4,172</u> |
| Non-Current Assets | | | | |
| Property, Plant and Equipment | 11 | | | |
| - Land and Buildings | | 137,532 | 130,620 | 131,604 |
| - Plant and Equipment | | 9,112 | 7,972 | 9,621 |
| - Collection Assets | | 36,004 | 34,345 | 34,345 |
| Intangible Assets | 12 | <u>563</u> | <u>908</u> | <u>908</u> |
| Total Non-Current Assets | | <u>183,211</u> | <u>173,845</u> | <u>176,478</u> |
| Total Assets | | <u>186,020</u> | <u>177,692</u> | <u>180,650</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Payables | 13 | 5,162 | 3,799 | 4,239 |
| Provisions | 14 | 4,815 | 3,894 | 3,774 |
| Other | 15 | <u>49</u> | <u>-</u> | <u>5</u> |
| Total Current Liabilities | | <u>10,026</u> | <u>7,693</u> | <u>8,018</u> |
| Non-Current Liabilities | | | | |
| Provisions | 14 | <u>37</u> | <u>677</u> | <u>677</u> |
| Total Non-Current Liabilities | | <u>37</u> | <u>677</u> | <u>677</u> |
| Total Liabilities | | <u>10,063</u> | <u>8,370</u> | <u>8,695</u> |
| Net Assets | | <u>175,957</u> | <u>169,322</u> | <u>171,955</u> |
| EQUITY | | | | |
| Reserves | 16 | 33,186 | 24,797 | 24,797 |
| Accumulated Funds | | <u>142,771</u> | <u>144,525</u> | <u>147,158</u> |
| Total Equity | | <u>175,957</u> | <u>169,322</u> | <u>171,955</u> |

The accompanying notes form part of these statements.

THE LEGISLATURE

Cash Flow Statement for the Year Ended 30 June 2006

| | Notes | Actual 2006 \$000 | Budget 2006 \$000 | Actual 2005 \$000 |
|---|-------|-------------------------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Payments | | | | |
| Employee related | | (44,195) | (42,467) | (41,664) |
| Other | | <u>(53,467)</u> | <u>(50,887)</u> | <u>(50,058)</u> |
| Total Payments | | <u>(97,662)</u> | <u>(93,354)</u> | <u>(91,722)</u> |
| Receipts | | | | |
| Sale of goods and services | | 4,255 | 4,520 | 4,607 |
| Interest received | | 89 | 30 | 58 |
| Other | | <u>2,867</u> | <u>2,670</u> | <u>2,515</u> |
| Total Receipts | | <u>7,211</u> | <u>7,220</u> | <u>7,180</u> |
| Cash Flows From Government | | | | |
| Recurrent appropriation | 5 | 88,346 | 86,019 | 82,694 |
| Capital appropriation | 5 | 2,868 | 2,075 | 2,280 |
| Cash reimbursements from the Crown Entity | | <u>-</u> | <u>-</u> | <u>2,319</u> |
| Net Cash Flows From Government | | <u>91,214</u> | <u>88,094</u> | <u>87,293</u> |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 20 | <u>763</u> | <u>1,960</u> | <u>2,751</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Proceeds from sale of property, plant and equipment | | 9 | - | 1 |
| Purchases of property, plant and equipment | | <u>(2,377)</u> | <u>(2,075)</u> | <u>(2,079)</u> |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | | <u>(2,368)</u> | <u>(2,075)</u> | <u>(2,078)</u> |
| NET INCREASE / (DECREASE) IN CASH | | (1,605) | (115) | 673 |
| Opening cash and cash equivalents | | <u>2,408</u> | <u>2,408</u> | <u>1,735</u> |
| CLOSING CASH AND CASH EQUIVALENTS | 8 | <u>803</u> | <u>2,293</u> | <u>2,408</u> |

The accompanying notes form part of these statements.

THE LEGISLATURE

Program Statement - Expenses and Revenues for the year ended 30 June 2006

| | Program 1.1.1.* Legislative Council | | Program 1.1.2* Legislative Assembly | | Program 1.2.1* Joint Services | | Not Attributable | | Total | |
|--|--|---------------|--|---------------|----------------------------------|---------------|------------------|-----------------|----------------|----------------|
| | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| THE LEGISLATURE'S EXPENSES & REVENUES | | | | | | | | | | |
| Expenses excluding losses | | | | | | | | | | |
| Operating expenses | | | | | | | | | | |
| • Employee related | 9,119 | 8,095 | 22,246 | 20,865 | 16,294 | 15,990 | - | - | 47,659 | 44,950 |
| • Other operating expenses | 2,955 | 2,590 | 16,672 | 14,873 | 5,755 | 6,269 | - | - | 25,382 | 23,732 |
| Depreciation and amortisation | 236 | 368 | 1,433 | 1,822 | 2,593 | 2,648 | - | - | 4,262 | 4,838 |
| Other expenses | 11,200 | 10,836 | 24,987 | 23,996 | - | 1,013 | - | - | 36,187 | 35,845 |
| Total Expenses excluding losses | 23,510 | 21,889 | 65,338 | 61,556 | 24,642 | 25,920 | - | - | 113,490 | 109,365 |
| Revenue | | | | | | | | | | |
| Sale of goods and services | 405 | 393 | 405 | 393 | 3,511 | 3,325 | - | - | 4,321 | 4,111 |
| Investment revenue | - | - | - | - | 58 | 94 | - | - | 58 | 94 |
| Grants and contributions | - | - | - | - | 1,277 | 1,871 | - | - | 1,277 | 1,871 |
| Other revenue | 51 | 52 | 111 | 135 | 345 | 9,980 | - | - | 507 | 10,167 |
| Total Revenue | 456 | 445 | 516 | 528 | 5,191 | 15,270 | - | - | 6,163 | 16,243 |
| Gain / (loss) on disposal | - | - | 3 | - | (19) | (10) | - | - | (16) | (10) |
| Net Cost of Services | 23,054 | 21,444 | 64,819 | 61,028 | 19,470 | 10,660 | - | - | 107,343 | 93,132 |
| Government contributions** | - | - | - | - | - | - | 102,944 | 98,792 | 102,944 | 98,792 |
| NET EXPENDITURE / (REVENUE) FOR THE YEAR | 23,054 | 21,444 | 64,819 | 61,028 | 19,470 | 10,660 | (102,944) | (98,792) | 4,399 | (5,660) |

*The name and purpose of each program is summarised in note 7.

**Appropriations are made on an agency basis and not to individual programs. Consequently, government contributions must be included in the "not attributable" column.

THE LEGISLATURE

SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES

| | 2006 | | | 2005 | | | |
|---|-------------------------------|--|-----------------------------|--|-------------------------------|--|-----------------------------|
| | Recurrent Appropriation \$000 | Expenditure / Net Claim on Consolidated Fund \$000 | Capital Appropriation \$000 | Expenditure / Net Claim on Consolidated Fund \$000 | Recurrent Appropriation \$000 | Expenditure / Net Claim on Consolidated Fund \$000 | Capital Appropriation \$000 |
| ORIGINAL BUDGET APPROPRIATION / EXPENDITURE | | | | | | | |
| • Appropriation Act Additional Appropriations | 85,956 | 85,950 | 2,075 | 2,037 | 80,760 | 2,244 | 2,244 |
| • s21A PF&AA – special appropriation | - | - | - | - | - | - | - |
| • s24 PF&AA – transfers of functions between departments | - | - | - | - | - | - | - |
| • s26 PF&AA – Commonwealth specific purpose payments | - | - | - | - | - | - | - |
| | 85,956 | 85,950 | 2,075 | 2,037 | 80,760 | 2,244 | 2,244 |
| OTHER APPROPRIATIONS / EXPENDITURE | | | | | | | |
| • Treasurer's Advance | 2,390 | 2,390 | 846 | 841 | 1,934 | 682 | 36 |
| • Section 22 – expenditure for certain works and services | - | - | - | - | - | - | - |
| • Transfers from another agency (s28 – Appropriation Act) | - | - | - | - | - | - | - |
| | 2,390 | 2,390 | 846 | 841 | 1,934 | 682 | 36 |
| Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments) | 88,346 | 88,340 | 2,921 | 2,878 | 82,694 | 2,926 | 2,280 |
| Amount drawn down against Appropriation Liability to Consolidated Fund | | 88,346 | | 2,921 | 82,694 | | 2,280 |
| | | 6 | | 43 | | | 5 |

The summary of compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed). The Liability to Consolidated Fund represents the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund".

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Legislature as a reporting entity comprises all the operating activities of the Parliament of New South Wales, including the House Committee, under the joint direction and control of the President of the Legislative Council and the Speaker of the Legislative Assembly. It includes all the functions of parliamentary representation undertaken by the Council and the Assembly, and their various supporting Departments and Sections. The House Committee provides food and beverage services for Members of Parliament, their guests and staff. It also caters for functions held at Parliament House. 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 consolidated as part of the NSW Total State Sector. This financial report has been authorised for issue by the Clerk of the Legislative Assembly and the Clerk of the Parliaments on 18 October 2006.

(b) Basis of Preparation

The Legislature's financial report is a general purpose financial report which has been prepared in accordance with:

- ❖ Applicable Australian Accounting Standards (which include Australian equivalents to International Financial Reporting Standards (AEIFRS));
- ❖ The requirements of the Public Finance and Audit Act 1983 and Regulation, and
- ❖ The Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets held at fair value through profit or loss and available for sale are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of Compliance

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

This is the first financial report prepared based on AEIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly, except as stated below.

In accordance with *AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards and Treasury Mandates*, the date of transition to *AASB 132 Financial Instruments: Disclosure and Presentation* and *AASB 139 Financial Instruments: Recognition and Measurement* has been deferred to 1 July 2005 and, as a result, comparative information for these two Standards is presented under the previous Australian Accounting Standards which applied to the year ended 30 June 2005.

The basis used to prepare the 2004/2005 comparative information for financial instruments under previous Australian Accounting Standards is discussed in Note 1(w) below. The financial instrument accounting policies for 2005/06 are specified in Notes 1(p)–(t). There were no changes to equity balances as reported in the 30 June 2005 financial report.

(d) Income Recognition

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

(i) Parliamentary Appropriations and Contributions from Other Bodies

Parliamentary Appropriations and contributions from other bodies (including grants and donations) are recognised as income when The Legislature obtains control over the assets comprising the

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue. The liability is disclosed in note 15 as part of "Current liabilities – Other". The amount will be repaid and the liability will be extinguished next financial year.

Maintenance work on Parliament House undertaken and paid for by the Department of Commerce has been recognised as income with the corresponding expenditure reflected in maintenance costs. (Refer notes 2(b) and 3(c)).

(ii) Sales of Goods

Revenue from the sale of goods is recognised as revenue when the agency transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of Services

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

(iv) Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*. Rental revenue is recognised in accordance with AAS 117 *Leases* on a straight-line basis over the lease term.

(v) Other Revenue

Those items classified as other revenue are recognised as revenue according to the most applicable policy listed above, having regard for the type of revenue received.

(e) Employee Benefits and other provisions

(i) Salaries and Wages, Annual Leave, Sick Leave and On- Costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within 12 months is measured at present value in accordance with *AASB 119 Employee Benefits*. Market yields on government bonds of 5.88% are used to discount long-term annual leave.

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

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

(ii) Long Service Leave and Superannuation

The Legislature's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. 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 Crown Entity of employee benefits and other liabilities". Prior to 2005/06 the Crown Entity also assumed the defined contribution superannuation liability.

Long service leave is measured at present value in accordance with *AASB 119 Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 06/09) to employees with 5 or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

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.

(iii) **Other Provisions**

Other provisions exist when: The Legislature 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.

(f) **Insurance**

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

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

Revenue, expenses and assets are recognised as net of the amount of GST, except where:

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

(h) **Acquisitions of Assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by The Legislature. 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 specific 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.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

(i) **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.

(j) **Revaluation of Property, Plant and Equipment**

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 05-3). This policy adopts fair value in accordance with *AASB 116 Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

The Legislature values each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation for each class of asset is set out below and was based on an independent assessment.

| | | |
|--------------------------------------|--------------|---|
| Land | 30 June 2006 | Derek Hill Property Valuer & Consultant |
| Buildings | 30 June 2006 | HP Consultants Pty Ltd |
| Plant & Equipment | | |
| (Building Technical Services Assets) | 30 June 2006 | HP Consultants Pty Ltd |
| Collection Assets: | | |
| Library Collection | 30 June 2006 | Simon Storey Valuers |
| Archives Collection | 30 June 2006 | Simon Storey Valuers |
| Antiques | 30 June 2006 | Simon Storey Valuers |
| Artworks | 30 June 2006 | Art Gallery of NSW |

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus / deficit, the increment is recognised immediately as revenue in the surplus / deficit.

Revaluation decrements are recognised immediately as expenses in the surplus / deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

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

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(k) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, The Legislature is effectively exempted from *AASB 136 Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(l) Depreciation of Property Plant and Equipment

Except for the archive, antique and artwork collections, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the agency.

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

Land is not a depreciable asset. Certain heritage assets have an extremely long useful life, including original artworks and collections and heritage buildings. Depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

| | |
|-------------------------------|-----------------|
| The Parliament House Building | 1.64-20 percent |
| Plant and Machinery | 5-50 percent |
| Office Equipment | 5-20 percent |
| Computer Equipment | 10-50 percent |
| Library Monograph Collection | 5 percent |

(m) 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.

(n) Leased Assets

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

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

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

(o) Intangible Assets

The agency recognises intangible assets only if it is probable that future economic benefits will flow to the agency 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.

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

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the agency's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Legislature's intangible assets are amortised using the straight line method over a period of 3 years.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units, the agency is effectively exempted from impairment testing (refer Note (k)).

(p) Loans and Receivables – Year ended 30 June 2006 (refer Note 1(w) for 2004/05 policy)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Operating Statement 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.

(q) Inventories

Inventories held for distribution are stated at the lower of cost and current replacement cost. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost or "first in first out" method.

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 agency would incur to acquire the asset on the reporting date. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

(r) Other Assets

Other assets are recognised on a cost basis.

(s) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, 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 effective interest rate. The amount of the impairment loss is recognised in the Operating Statement.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the Operating Statement, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the Operating Statement.

Any reversals of impairment losses are reversed through the Operating Statement, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(t) Payables

These amounts represent liabilities for goods and services provided to The Legislature and other amounts, including interest. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(u) Budgeted Amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, *s 21A, s 24 and / or s 26 of the Public Finance and Audit Act 1983*.

The budgeted amounts in the Operating Statement and the Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Balance Sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts; i.e. per the audited financial report (rather than carried forward estimates).

(v) Comparative Information

Comparative figures have been restated based on AEIFRS with the exception of financial instruments information, which has been prepared under the previous AGAAP Standard (AAS 33) as permitted by *AASB 1.36A*. The transition to AEIFRS for financial instruments information was 1 July 2005. The impact of adopting *AASB 132 / 139* is further discussed in Note 22.

(w) Financial instruments accounting policy for 2004/05 comparative period

Investment income

Interest revenue is recognised as it accrues. Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Dividend revenue is recognised when the agency's right to receive payment is established.

Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

Other Financial Assets

“Other financial assets” are generally recognised at cost, with the exception of TCorp Hour-Glass Facilities and Managed Fund Investments, which are measured at market value.

For non-current “other financial assets”, revaluation increments and decrements are recognised in the same manner as physical non-current assets.

For current “other financial assets”, revaluation increments and decrements are recognised in the Statement of Financial Performance.

Payables

These amounts represent liabilities for goods and services provided to the agency and other amounts, including interest. Interest is accrued over the period it becomes due.

(x) **New Australian Accounting Standards issued but not effective**

The Legislature early adopts Accounting Standard AASB 2005-4 regarding AASB 139 fair value adoption. Any initial impacts on first time adoption are discussed as part of Note 22, along with the other AIFRS impacts. The following new Accounting Standards have not been applied and are not yet effective:

AASB 119 (December 2004) Employee Benefits;

AASB 2004-3 amendments to AASB 119 Employee Benefits;

AASB 7 Financial Instruments: Disclosures;

AASB 2005-10 amendments to AASB 7.

The impact of these Standards in the period of initial application is uncertain.

2. EXPENSES

| (a) Employee Related Expenses | 2006 | 2005 |
|---|---------------|---------------|
| | \$000 | \$000 |
| Salaries and wages (including recreation leave) | 38,271 | 35,995 |
| Superannuation – defined benefit plans | 1,341 | 1,281 |
| Superannuation – defined contribution plans | 2,410 | 2,319 |
| Payroll tax and fringe benefits tax | 2,692 | 2,522 |
| Long service leave | 1,404 | 1,446 |
| Workers compensation insurance | 490 | 450 |
| Employment agency staff | 1,087 | 919 |
| Other | (36) | 18 |
| | <u>47,659</u> | <u>44,950</u> |

The Legislature
Notes to and forming part of the Financial Statements for year ended 30 June 2006

| | | | |
|------------|---|---------------|---------------|
| (b) | Other Operating Expenses | 2006 | 2005 |
| | | \$000 | \$000 |
| | External Auditor's remuneration | | |
| | - Audit of the financial reports | 52 | 50 |
| | - Audit of Members' additional entitlements under Parliamentary Remuneration Tribunal Determination | 55 | 55 |
| | Cost of Sales - House Committee | 1,437 | 1,447 |
| | Operating Lease Rental Expense-Minimum Lease Payments | 4,189 | 4,012 |
| | Maintenance | 1,815 | 2,250 |
| | Insurance | 373 | 423 |
| | Printing and stationery | 6,014 | 5,038 |
| | Telecommunication costs | 1,338 | 1,340 |
| | Travel expenses | 2,110 | 1,808 |
| | Computer costs | 2,272 | 2,010 |
| | Stores | 640 | 687 |
| | Postage and state mail charges | 852 | 768 |
| | Miscellaneous | 1,876 | 1,614 |
| | Energy charges | 1,052 | 1,032 |
| | Cleaning and laundry | 548 | 492 |
| | Contract and other fees | 759 | 706 |
| | | <u>25,382</u> | <u>23,732</u> |
| | | 2006 | 2005 |
| | | \$000 | \$000 |
| | <i>Reconciliation – Total maintenance</i> | | |
| | Maintenance expense – contracted labour and other (non-employee related), as above | 1,815 | 2,250 |
| | Employee related maintenance expense included in Note 2 (a) | <u>3,325</u> | <u>3,247</u> |
| | Total maintenance expenses included in Note 2(a) + 2(b) | 5,140 | 5,497 |
| (c) | Depreciation and Amortisation expense | 2006 | 2005 |
| | | \$000 | \$000 |
| | Depreciation on buildings | 1,369 | 1,058 |
| | Depreciation on plant and equipment | 1,750 | 2,578 |
| | Depreciation on collection assets | 102 | 99 |
| | | <u>3,221</u> | <u>3,735</u> |
| | Amortisation of leasehold costs | 680 | 811 |
| | Amortisation of intangibles | 361 | 292 |
| | | <u>1,041</u> | <u>1,103</u> |

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

| | | | |
|-----|---|---------------|---------------|
| (d) | Other Expenses | 2006 | 2005 |
| | | \$000 | \$000 |
| | Salaries and allowances of Members of Parliament | 25,396 | 24,332 |
| | Superannuation entitlements – Members | 8,397 | 8,076 |
| | Payroll tax & fringe benefits tax – Members’ entitlements | 2,128 | 2,059 |
| | Decrement on revaluation of assets | - | 1,013 |
| | Special Projects | 266 | 365 |
| | | <u>36,187</u> | <u>35,845</u> |

3. REVENUES

| | | | |
|-----|--|--------------|--------------|
| (a) | Sale of Goods and Services | 2006 | 2005 |
| | | \$000 | \$000 |
| | <u>Sale of Goods</u> | | |
| | House Committee sales of food and beverages | 2,398 | 2,193 |
| | Energy recoup from Sydney Hospital and State Library | 503 | 537 |
| | Sale of publications | 33 | 45 |
| | | <u>2,934</u> | <u>2,775</u> |

Rendering of Services

| | | | |
|--|--|--------------|--------------|
| | Rent on Parliament House ministerial offices | 809 | 784 |
| | House Committee functions | 377 | 370 |
| | Miscellaneous | 201 | 182 |
| | | <u>1,387</u> | <u>1,336</u> |
| | | <u>4,321</u> | <u>4,111</u> |

| | | | |
|-----|--------------------------------|--------------|--------------|
| (b) | Investment Income | 2006 | 2005 |
| | | \$000 | \$000 |
| | Interest on operating accounts | 58 | 94 |
| | | <u>58</u> | <u>94</u> |

| | | | |
|-----|---|--------------|--------------|
| (c) | Grants and Contributions | 2006 | 2005 |
| | | \$000 | \$000 |
| | Sesquicentenary of Responsible Government | 38 | 112 |
| | Legal Deposit Scheme | - | 42 |
| | Department of Commerce – Enhancement to electorate office network | 15 | - |
| | Department of Commerce maintenance work | 1,224 | 1,717 |
| | | <u>1,277</u> | <u>1,871</u> |

The Legislature
Notes to and forming part of the Financial Statements for year ended 30 June 2006

| | | |
|---|--------------|---------------|
| (d) Other Revenue | 2006 | 2005 |
| | \$000 | \$000 |
| Increment from asset valuation offsetting prior decrement | 188 | 9,135 |
| Collection assets recognised for the first time | - | 706 |
| Miscellaneous | 249 | 326 |
| Contribution of assets | 70 | - |
| | <u>507</u> | <u>10,167</u> |

| | | |
|--|--------------|--------------|
| 4. GAIN/(LOSS) ON DISPOSAL | 2006 | 2005 |
| | \$000 | \$000 |
| Loss on disposal of plant and equipment | | |
| Proceeds from disposal | 9 | 1 |
| Written down value of assets disposed | (25) | (11) |
| Net gain/(loss) on disposal of assets | <u>(16)</u> | <u>(10)</u> |

| | | |
|--|---------------|---------------|
| 5. APPROPRIATIONS | 2006 | 2005 |
| Recurrent Appropriations | \$000 | \$000 |
| Total recurrent drawdowns from Treasury (per Summary of Compliance) | 88,346 | 82,694 |
| Less: Liability to Consolidated Fund (per Summary of Compliance) | 6 | 5 |
| | <u>88,340</u> | <u>82,689</u> |
| Comprising: | | |
| Recurrent Appropriations (per Operating Statement) | 88,340 | 82,689 |
| | 2006 | 2005 |
| Capital Appropriations | \$000 | \$000 |
| Total capital drawdowns from Treasury (per Summary of Compliance) | 2,921 | 2,280 |
| Less: Liability to Consolidated Fund (per Summary of Compliance) | 43 | - |
| | <u>2,878</u> | <u>2,280</u> |
| Comprising: | | |
| Capital Appropriations (per Operating Statement) | 2,878 | 2,280 |

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

6. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

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

| | 2006 | 2005 |
|-------------------------------|----------------------|----------------------|
| Employees | \$000 | \$000 |
| Superannuation | 1,341 | 3,600 |
| Long service leave | 1,404 | 1,446 |
| Payroll tax on superannuation | 80 | 216 |
| | <u>2,825</u> | <u>5,262</u> |
| Members | | |
| Superannuation | 8,397 | 8,076 |
| Payroll tax on superannuation | 504 | 485 |
| | <u>8,901</u> | <u>8,561</u> |
| | <u><u>11,726</u></u> | <u><u>13,823</u></u> |

7. PROGRAMS/ACTIVITIES OF THE LEGISLATURE

Program 1.1.1 Parliamentary Government - Legislative Council

Objective: To represent the people of New South Wales in the Upper House. To support the functions of the Legislative Council and its forty-two Members.

Activities:

- Members of the Legislative Council Representation
- Salaries and allowances of Members of the Legislative Council
- Secretarial and research services for Members of the Legislative Council
- Procedural and administrative support
- Committee advisory, research and administrative support
- Overseas delegations

Program 1.1.2 Parliamentary Government - Legislative Assembly

Objective: To represent the ninety-three electorates throughout New South Wales and support the functions of the Legislative Assembly.

Activities:

- Members of the Legislative Assembly Representation
- Salaries and allowances of Members of the Legislative Assembly
- Secretarial and research services for Members of the Legislative Assembly
- Procedural and administrative support
- Committee advisory, research and administrative support
- Commonwealth Parliamentary Association
- Overseas delegations

The Legislature
Notes to and forming part of the Financial Statements for year ended 30 June 2006

| | |
|----------------------|---|
| Program 1.2.1 | Parliamentary Support Services - Joint Services |
| Objective: | To provide support services to both Houses of Parliament. |
| Activities: | <ul style="list-style-type: none"> - Accounting and financial services - Archival services - Building services - Catering services - Education and community relations - Hansard - Information technology services - Library services - Printing services - Security services |

8. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand and cash at bank. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to cash and cash equivalents in the Balance Sheet as follows:

| | 2006 | 2005 |
|--------------------------|--------------|--------------|
| | \$000 | \$000 |
| Cash at Bank and on hand | 803 | 2,408 |
| | <u>803</u> | <u>2,408</u> |

Cash at bank and on hand includes restricted Consolidated Fund Monies of \$49,000. Refer to Note 15.

The Legislature has the following banking facilities as at 30 June 2006:

- Cheque cashing authority of \$20,000, which is the total encashment facility provided to enable recoupment of advance account activities.
- Tape negotiation authority of \$3,000,000. This facility authorised the bank to debit The Legislature's operating bank account up to the above limit when processing the electronic payroll and vendor files.
- MasterCard facility of \$490,500, which is the total credit limit for all issued credit cards.

| | 2006 | 2005 |
|--|--------------|--------------|
| | \$000 | \$000 |
| 9. CURRENT ASSETS – RECEIVABLES | | |
| Sales of goods and services | 484 | 420 |
| Less: Allowance for impairment | 8 | 1 |
| | <u>476</u> | <u>419</u> |
| G.S.T. recoverable from A.T.O. | 524 | 448 |
| Other debtors | 199 | 128 |
| Prepayments | 525 | 428 |
| Investment income | 25 | 56 |
| | <u>1,749</u> | <u>1,479</u> |

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

| | | |
|---|--------------|--------------|
| 10. CURRENT ASSETS – INVENTORIES | 2006 | 2005 |
| | \$000 | \$000 |
| Food and beverage stock at cost | 257 | 285 |
| | <u>257</u> | <u>285</u> |

11 NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT

| | Land and Buildings | Plant and Equipment | Collection Assets | Tot |
|---|-------------------------------|--------------------------------|------------------------------|--------------|
| | \$000 | \$000 | \$000 | \$0 |
| At 1 July 2005 | | | | |
| Gross Carrying Amount | 186,216 | 36,294 | 43,258 | 265,7 |
| Accumulated depreciation and impairment | <u>54,612</u> | <u>26,673</u> | <u>8,913</u> | <u>90,1</u> |
| Net Carrying Amount at fair value | <u>131,604</u> | <u>9,621</u> | <u>34,345</u> | <u>175,5</u> |
| At 30 June 2006 | | | | |
| Gross Carrying Amount | 196,914 | 37,535 | 45,019 | 279,4 |
| Accumulated depreciation and impairment | <u>59,382</u> | <u>28,423</u> | <u>9,015</u> | <u>96,8</u> |
| Net Carrying Amount at fair value | <u>137,532</u> | <u>9,112</u> | <u>36,004</u> | <u>182,6</u> |

Reconciliation

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

| | Land and Buildings | Plant and Equipment | Collection Assets | Total |
|---|-------------------------------|--------------------------------|------------------------------|----------------|
| | \$000 | \$000 | \$000 | \$000 |
| Year ended 30 June 2006 | | | | |
| Net carrying amount at start of year | 131,604 | 9,621 | 34,345 | 175,570 |
| Additions | 1,325 | 992 | 98 | 2,415 |
| Disposals | (311) | (1,187) | - | (1,498) |
| Net Revaluation Increments | 6,738 | 188 | 1,663 | 8,589 |
| Accumulated depreciation written back on disposal | 306 | 1,167 | - | 1,473 |
| Internal transfers | (81) | 81 | - | - |
| Depreciation Expense | <u>(2,049)</u> | <u>(1,750)</u> | <u>(102)</u> | <u>(3,901)</u> |
| Net carrying amount at end of year | <u>137,532</u> | <u>9,112</u> | <u>36,004</u> | <u>182,648</u> |

The Legislature
Notes to and forming part of the Financial Statements for year ended 30 June 2006

| | Land and Buildings | Plant and Equipment | Collection Assets | Total |
|---|-------------------------------|--------------------------------|------------------------------|----------------|
| | \$000 | \$000 | \$000 | \$000 |
| At 1 July 2004 | | | | |
| Gross Carrying Amount | 145,206 | 41,286 | 42,336 | 228,828 |
| Accumulated depreciation and impairment | <u>29,909</u> | <u>28,987</u> | <u>8,597</u> | <u>67,493</u> |
| Net Carrying Amount at fair value | <u>115,297</u> | <u>12,299</u> | <u>33,739</u> | <u>161,335</u> |
| At 30 June 2005 | | | | |
| Gross Carrying Amount | 186,216 | 36,294 | 43,258 | 265,768 |
| Accumulated depreciation and impairment | <u>54,612</u> | <u>26,673</u> | <u>8,913</u> | <u>90,198</u> |
| Net Carrying Amount at fair value | <u>131,604</u> | <u>9,621</u> | <u>34,345</u> | <u>175,570</u> |

Reconciliation

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

| | Land and Buildings | Plant and Equipment | Collection Assets | Total |
|--|-------------------------------|--------------------------------|------------------------------|-----------------------|
| | \$000 | \$000 | \$000 | \$000 |
| Year ended 30 June 2005 | | | | |
| Net carrying amount at start of year | 115,297 | 12,299 | 33,739 | 161,335 |
| Additions | 872 | 924 | 50 | 1,846 |
| Disposals | (106) | (3,303) | - | (3,409) |
| Net Revaluation Increments | 17,304 | (1,013) | (51) | 16,240 |
| Assets not previously recognised | - | - | 706 | 706 |
| Accumulated depreciation written back on disposal | 106 | 3,292 | - | 3,398 |
| Depreciation Expense | <u>(1,869)</u> | <u>(2,578)</u> | <u>(99)</u> | <u>(4,546)</u> |
| Net carrying amount at end of year | <u>131,604</u> | <u>9,621</u> | <u>34,345</u> | <u>175,570</u> |

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

12. INTANGIBLE ASSETS

| | Software |
|--|-----------------|
| | \$000 |
| At 1 July 2005 | |
| Cost (gross carrying amount) | 2,340 |
| Accumulated amortisation and impairment | 1,432 |
| Net carrying amount | <u>908</u> |
| At 30 June 2006 | |
| Cost (gross carrying amount) | 2,355 |
| Accumulated amortisation and impairment | 1,792 |
| Net carrying amount | <u>563</u> |
| Year ended 30 June 2006 | |
| Net carrying amount at start of year | 908 |
| Additions | 16 |
| Amortisation (recognised in depreciation and amortisation) | (361) |
| Net carrying amount at end of year | <u>563</u> |
| At 1 July 2004 | |
| Cost (gross carrying amount) | 2,139 |
| Accumulated amortisation and impairment | 1,140 |
| Net carrying amount | <u>999</u> |
| At 30 June 2005 | |
| Cost (gross carrying amount) | 2,340 |
| Accumulated amortisation and impairment | 1,432 |
| Net carrying amount | <u>908</u> |
| Year ended 30 June 2005 | |
| Net carrying amount at start of year | 999 |
| Additions | 201 |
| Amortisation (recognised in depreciation and amortisation) | (292) |
| Net carrying amount at end of year | <u>908</u> |

13. CURRENT LIABILITIES – PAYABLES

| | 2006 | 2005 |
|-----------------------------------|---------------------|---------------------|
| | \$000 | \$000 |
| Accrued wages, salaries, on-costs | 1,750 | 1,448 |
| Creditors | <u>3,412</u> | <u>2,791</u> |
| | <u>5,162</u> | <u>4,239</u> |

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

14. CURRENT AND NON-CURRENT LIABILITIES – PROVISIONS

| | 2006 | 2005 |
|--|--------------|--------------|
| | \$000 | \$000 |
| (a) Current | | |
| Recreation leave | 3,800 | 3,449 |
| On-cost on employee benefits | 1,015 | 325 |
| | <u>4,815</u> | <u>3,774</u> |
| (b) Non-Current | | |
| On-cost on employee benefits | 37 | 677 |
| | <u>37</u> | <u>677</u> |
| (c) Aggregate employee benefits and related on-costs: | | |
| Provisions – Current | 4,815 | 3,774 |
| Provisions - Non-Current | 37 | 677 |
| Accrued salaries, wages and on-costs (note 14) | 1,750 | 1,448 |
| | <u>6,602</u> | <u>5,899</u> |

Of employee benefits for recreation leave \$2,799,000 is expected to be settled within twelve months and \$1,001,000 is expected to be settled after twelve months. All accrued wages and salaries are expected to be settled within twelve months.

The Legislature pays for rail travel benefits for the spouses/approved relatives of certain former members of Parliament. The cost of this travel is generally less than \$20,000 per annum.

15. CURRENT LIABILITIES – OTHER

| | 2006 | 2005 |
|--------------------------------|-----------|----------|
| | \$000 | \$000 |
| Liability to Consolidated Fund | 49 | 5 |
| | <u>49</u> | <u>5</u> |

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

16. CHANGES IN EQUITY

| | Accumulated | | Asset | | Total Equity | |
|---|----------------|----------------|---------------|---------------|----------------|----------------|
| | Funds | | Revaluation | | | |
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Balance at the beginning of the financial year | 147,158 | 141,498 | 24,797 | 16,679 | 171,955 | 158,177 |
| <u>Changes in equity - other than transactions with owners as owners</u> | | | | | | |
| Surplus/(Deficit) for the year | (4,399) | 5,660 | - | - | (4,399) | 5,660 |
| Increment on revaluation of: | | | | | | |
| • Land and Buildings | - | - | 6,738 | 8,169 | 6,738 | 8,169 |
| • Plant and Equipment | - | - | - | - | - | - |
| • Collection Assets | - | - | 1,663 | (51) | 1,663 | (51) |
| Total | (4,399) | 5,660 | 8,401 | 8,118 | 4,002 | 13,778 |
| <u>Transfers within equity</u> | | | | | | |
| Asset revaluation reserve balance transferred to accumulated funds on disposal of asset | 12 | | (12) | | - | - |
| Total | 12 | | (12) | | - | - |
| Balance at the end of the financial year | 142,771 | 147,158 | 33,186 | 24,797 | 175,957 | 171,955 |

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Legislature's policy on the revaluation of physical non-current assets and investments, as discussed in note 1(j).

17. COMMITMENTS FOR EXPENDITURE

(a) Operating Lease Commitments

Future non-cancellable operating leases not provided for and payable:

| | 2006 | 2005 |
|--|--------------|--------------|
| | \$000 | \$000 |
| Not later than one year | 3,787 | 3,889 |
| Later than one year but not later than 5 years | 3,821 | 5,597 |
| Later than 5 years | 247 | 69 |
| Total Lease Commitments (including GST) | 7,855 | 9,555 |

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

The Legislature is the lessee of 96 properties throughout N.S.W., 94 being electorate offices and 2 being office accommodation for parliamentary committee staff. The leases are mostly standard commercial leases based on the Law Society template and are generally for four years with a four year option.

The above total includes GST input tax credits of \$673,000 (\$846,000 – 2005), which will be recoverable from Australian Taxation Office (ATO).

Legislative Assembly Electorate Offices included in the above figures represent the following commitments:

| | 2006 | 2005 |
|--|--------------|--------------|
| | \$000 | \$000 |
| Not later than one year | 3,256 | 3,317 |
| Later than one year but not later than 5 years | 3,164 | 4,380 |
| Later than 5 years | 247 | 69 |
| Electorate Office Lease Commitments (inc GST) | 6,667 | 7,766 |

The above total includes GST input tax credits of \$565,000 (\$686,000 – 2005), which will be recoverable from the ATO.

(b) Other Expenditure Commitments

Aggregate other expenditure contracted for at balance date and not provided for:

| | 2006 | 2005 |
|--|------------|------------|
| | \$000 | \$000 |
| Not later than one year | 152 | 134 |
| Total Other Expenditure Commitments including GST | 152 | 134 |

The above total for 2006 includes GST input tax credits of \$14,000 (\$12,000 – 2004/5) that will be recoverable from the ATO.

18. CONTINGENT ASSETS AND LIABILITIES

At reporting date The Legislature had an outstanding matter relating to two employees. This matter has been settled since reporting date. The terms of settlement preclude The Legislature from disclosing any settlement details.

19. BUDGET REVIEW

Net Cost of Services

Net Cost of Services exceeded budget by \$5,470,000 due to higher than estimated employee related, other operating and other expenses which includes Members' salaries. These higher expenditures were slightly offset by lower depreciation and amortisation expenses. Other operating expenses includes an amount of \$1,224,000 which was the value of maintenance and restoration work carried out by the Department of Commerce. The same amount was credited to the income category, grants and contributions.

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

Assets and Liabilities

Total assets were higher than budget by \$8,328,000 due to a net increment to the revaluation reserve of \$8,389,000 which was partially offset by lower than estimated current assets.

Cash Flows

Net cash inflows from operating activities were \$1,197,000 less than budget due to higher than estimated salary, other operating and other expenses which were partially offset by higher than estimated cash flows from government.

20 RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES:

| | 2006 | 2005 |
|--|------------------|-----------------|
| | \$000 | \$000 |
| Net Cash used in operating activities | 763 | 2,751 |
| Depreciation | (4,262) | (4,838) |
| (Increase) / decrease in provisions | (401) | (462) |
| (Decrease) / increase in receivables, inventories and other assets | 242 | (375) |
| (Increase) / decrease in creditors and other liabilities | (987) | (270) |
| Gain / (Loss) on sale of non-current assets | (16) | (10) |
| Asset acquired via grant / donation | 70 | 41 |
| Valuation increment recognised in Operating Statement | 188 | 8,828 |
| Long Service Leave | (1,404) | (1,446) |
| Superannuation | (9,738) | (9,357) |
| Payroll tax on superannuation | (584) | (701) |
| Less cash flows from government: | | |
| Capital Allocation | (2,868) | (2,280) |
| Recurrent Allocation | (88,346) | (82,694) |
| Cash reimbursements from the Crown Transactions Entity | - | (2,319) |
| Net Cost of Services | (107,343) | (93,132) |

21. FINANCIAL INSTRUMENTS

The Legislature's principal financial instruments are outlined below. These financial instruments arise directly from the Legislature's operations or are required to finance the Legislature's operations. The Legislature does not enter into or trade financial instruments for speculative purposes. The Legislature does not use financial derivatives.

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate adjusted for a management fee to Treasury.

At period end the deposits were earning 4.75% (4.50% in 2004/2005) while the effective interest rate during the reporting period was 4.54% (4.33% in 2004/2005).

The Legislature

Notes to and forming part of the Financial Statements for year ended 30 June 2006

Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts, which are known to be un-collectable, are written off. An allowance for impairment is raised when there is objective evidence that the Legislature will not be able to collect all amounts.

The credit risk is the carrying amount (net of any provision for doubtful debts). As at balance date, the greatest risk was represented by receivables, totaling \$98,000 (\$49,000 in 2004/2005), which had been outstanding for more than 90 days.

Interest is charged on House Committee trade debtors after 60 days at 2% per month. No interest is charged to any other debtors.

The carrying amount approximates net fair value. House Committee sales are made on 7 or 60 day terms. Other sales are made on either 14 or 30 day terms.

Bank Overdraft

The Legislature does not have any bank overdraft facility.

Trade Creditors and Accruals

These 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 not secured) are settled in accordance with Treasurer's Direction 219.01. 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.

Fair value

Financial instruments are carried at cost which approximates their fair value.

22. The Financial Impact of Adopting AEIFRS

i Key Differences in Accounting Policies

The Legislature has determined that there are no areas where changes in accounting policies are likely to impact the financial report.

There are no changes that affect equity under existing AGAAP compared to equity under AIFRS.

ii Grant recognition for *not-for profit* entities

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

23. After Balance Sheet Date Events

There are no after balance sheet date events.

End of Financial Statements

Department of the Legislative Council unaudited financial statements

Department of the Legislative Council

| | 2005/2006 ACTUAL \$000 | 2005/2006 BUDGET \$000 | 2004/2005 ACTUAL \$000 |
|--|------------------------------|------------------------------|------------------------------|
| Expenses | | | |
| Staff Salaries and Related Payments | 9,120 | 8,664 | 8,094 |
| Other Operating Expenses | 2,968 | 2,112 | 2,601 |
| Depreciation and amortisation | 235 | 349 | 367 |
| Other Expenses | 11,187 | 10,811 | 10,824 |
| Total Expenses | 23,510 | 21,936 | 21,886 |
| Revenue | | | |
| Sale of Goods and Services | 405 | 410 | 393 |
| Other Revenue | 51 | 50 | 51 |
| Total Revenue | 456 | 460 | 444 |
| Gain (loss) on sale of assets | - | - | - |
| NET COST OF SERVICES | 23,054 | 21,476 | 21,442 |
| Less: | | | |
| Depreciation and amortisation | 235 | 349 | 367 |
| Long Service Leave | 258 | 135 | 221 |
| Superannuation | 2,961 | 2,982 | 3,074 |
| NET CONTROLLABLE COST OF SERVICES | 19,600 | 18,010 | 17,780 |
| CAPITAL WORKS EXPENDITURE | 147 | 0 | 0 |

Estimated Expenditure and Revenue for 2006/2007:

Legislative Council

| Description | \$ 000's |
|--|---------------|
| Salaries and related payments | 9,066 |
| Other operating expenses | 2,224 |
| Depreciation and Amortisation | 242 |
| Other Expenses | 11,071 |
| Total Expenses | 22,603 |
| Less Retained Revenue | 450 |
| Less Non-controllable items | 3,477 |
| Net Controllable Cost of Services | 18,676 |

Department of the Legislative Council unaudited financial statements

Parliamentary representation – Legislative Council

| | 2005/2006 ACTUAL \$000 | 2005/2006 BUDGET \$000 | 2004/2005 ACTUAL \$000 |
|--|------------------------------|------------------------------|------------------------------|
| Expenses | | | |
| Staff Salaries and Related Payments | 4,259 | 4,293 | 3,777 |
| Other Operating Expenses | 1,637 | 1,167 | 1,629 |
| Depreciation and amortisation | 122 | 180 | 215 |
| Other Expenses | 11,187 | 10,811 | 10,824 |
| Total Expenses | 17,205 | 16,451 | 16,445 |
| Revenue | | | |
| Sale of Goods and Services | 405 | 410 | 392 |
| Other Revenue | 11 | 25 | 23 |
| Total Revenue | 416 | 435 | 415 |
| Gain (loss) on sale of assets | | | |
| NET COST OF SERVICES | 16,789 | 16,016 | 16,030 |
| Less: | | | |
| Depreciation and amortisation | 122 | 180 | 215 |
| Long Service Leave | 65 | 40 | 46 |
| Superannuation | 2,781 | 2,780 | 2,697 |
| NET CONTROLLABLE COST OF SERVICES | 13,821 | 13,016 | 13,072 |
| CAPITAL WORKS EXPENDITURE | 106 | 270 | 176 |

Estimated Expenditure and Revenue for 2006/2007:

Legislative Council

| Description | \$ 000's |
|--|---------------|
| Salaries and related payments | 4,515 |
| Other operating expenses | 1,278 |
| Depreciation and Amortisation | 125 |
| Other Expenses | 11,071 |
| Total Expenses | 16,989 |
| Less Retained Revenue | 425 |
| Less Non-controllable items | 3,100 |
| Net Controllable Cost of Services | 13,464 |

Department of the Legislative Council unaudited financial statements

Operation of the Legislative Council

| | 2005/2006 ACTUAL \$000 | 2005/2006 BUDGET \$000 | 2004/2005 ACTUAL \$000 |
|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Expenses | | | |
| Staff Salaries and Related Payments | 3,211 | 2,715 | 2,817 |
| Other Operating Expenses | 639 | 283 | 396 |
| Depreciation and amortisation | 21 | 60 | 50 |
| Total Expenses | 3,871 | 3,058 | 3,263 |
| Revenue | | | |
| Sale of Goods and Services | 0 | 0 | 1 |
| Other Revenue | 40 | 15 | 27 |
| Total Revenue | 40 | 15 | 28 |
| Gain (loss) on sale of assets | | | |
| NET COST OF SERVICES | 3,831 | 3,043 | 3,235 |
| Less: | | | |
| Depreciation and amortisation | 21 | 60 | 50 |
| Long Service Leave | 157 | 65 | 167 |
| Superannuation | 149 | 151 | 219 |
| NET CONTROLLABLE COST OF SERVICES | 3,504 | 2,767 | 2,799 |
| CAPITAL WORKS EXPENDITURE | 22 | 0 | 0 |

Estimated Expenditure and Revenue for 2006/2007:

Legislative Council

| Description | \$ 000's |
|--|--------------|
| Salaries and related payments | 2,866 |
| Other operating expenses | 277 |
| Depreciation and Amortisation | 24 |
| Other Expenses | — |
| Total Expenses | 3,167 |
| Less Retained Revenue | 15 |
| Less Non-controllable items | 217 |
| Net Controllable Cost of Services | 2,935 |

Department of the Legislative Council unaudited financial statements

Legislative Council Committees

| | 2005/2006 ACTUAL \$000 | 2005/2006 BUDGET \$000 | 2004/2005 ACTUAL \$000 |
|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Expenses | | | |
| Staff Salaries and Related Payments | 1,650 | 1,656 | 1,500 |
| Other Operating Expenses | 679 | 639 | 565 |
| Depreciation and amortisation | 92 | 109 | 102 |
| Total Expenses | 2,421 | 2,404 | 2,167 |
| Revenue | | | |
| Sale of Goods and Services | 0 | 0 | 0 |
| Other Revenue | 0 | 10 | 1 |
| Total Revenue | 0 | 10 | 1 |
| Gain (loss) on sale of assets | | | |
| NET COST OF SERVICES | 2,421 | 2,394 | 2,166 |
| Less: | | | |
| Depreciation and amortisation | 92 | 109 | 102 |
| Long Service Leave | 36 | 30 | 8 |
| Superannuation | 31 | 51 | 158 |
| NET CONTROLLABLE COST OF SERVICES | 2,262 | 2,204 | 1,898 |
| CAPITAL WORKS EXPENDITURE | 19 | 15 | 0 |

Estimated Expenditure and Revenue for 2006/2007:

Legislative Council

| Description | \$ 000's |
|--|--------------|
| Salaries and related payments | 1,685 |
| Other operating expenses | 646 |
| Depreciation and Amortisation | 93 |
| Other Expenses | — |
| Total Expenses | 2,424 |
| Less Retained Revenue | 10 |
| Less Non-controllable items | 160 |
| Net Controllable Cost of Services | 2,254 |

Department of the Legislative Council unaudited financial statements

Other services – Legislative Council

| | 2005/2006 ACTUAL \$000 | 2005/2006 BUDGET \$000 | 2004/2005 ACTUAL \$000 |
|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Expenses | | | |
| Staff Salaries and Related Payments | | | |
| Other Operating Expenses | 13 | 23 | 11 |
| Depreciation | | | |
| Total Expenses | 13 | 23 | 11 |
| Revenue | | | |
| Sale of Goods and Services | 0 | 0 | 0 |
| Other Revenue | | | |
| Total Revenue | 0 | 0 | 0 |
| Gain (loss) on sale of assets | | | - |
| NET COST OF SERVICES | 13 | 23 | 11 |
| Less: | | | |
| Depreciation | 0 | 0 | 0 |
| Long Service Leave | | | |
| Superannuation | | | |
| NET CONTROLLABLE COST OF SERVICES | 13 | 23 | 11 |
| CAPITAL WORKS EXPENDITURE | | | |

Estimated Expenditure and Revenue for 2006/2007:

Legislative Council

| Description | \$ 000's |
|--|-----------|
| Salaries and related payments | 23 |
| Other operating expenses | |
| Depreciation and Amortisation | |
| Other Expenses | |
| Total Expenses | 23 |
| Less Retained Revenue | - |
| Less Non-controllable items | - |
| Net Controllable Cost of Services | 23 |

Additional financial information

Internal audit

Deloitte Touche Tohmatsu provided Internal Audit services for the parliament under a contract arrangement. Specific audits undertaken during the year were:

- Members of Parliament and Staff Payrolls;
- Internal audit control processes in Food and Beverage Services;
- FBT, GST, PAYG Withholding and Payroll Tax and Related Processes Audit;
- Heritage Assets and Asset Management Follow Up; and
- Systems Supporting Members' of Parliament Offices.

Apart from undertaking the abovementioned audits, Deloitte's also undertook a Strategic Risk Assessment on which the subsequent internal audit program will be based.

Recommendations for improvements identified in these audit reports are currently being implemented by the relevant parliamentary departments/sections and the Parliament's Internal Audit Committee is monitoring progress.

Audit Committee

The parliament's Audit Committee met on 3 occasions during the 2005/2006 financial year and was independently chaired by Ms Helen Bauer, a business consultant. Ms Bauer has served as the independent chairperson since December 2002 and resigned her position on 30 June 2006. Mr Jim Mitchell a private business consultant and former Assistant Auditor General has since been appointed by the Presiding Officers as the replacement Independent Committee Chairperson. Other members of the Audit Committee are Mr John Evans, Clerk of the Parliaments and Mr Russell Grove, Clerk of the Legislative Assembly. Internal and External Audit representatives, together with the Financial Controller also attend each committee meeting as observers, at the invitation of the Audit Committee.

The primary objectives of the Audit Committee are listed below.

- a) Provide assurance to the Presiding Officers of the parliament, as to the adequacy of:
 - financial reporting practices,
 - business ethics, policies and practices, and
 - accounting policies and financial controls.
- b) Establish an effective forum for communication between the Clerks of each House (CEOs), Independent Chairperson, senior management and both the internal and external auditors.
- c) Ensure the integrity of the internal audit function.

Risk management

Following on from the initial business risk assessment undertaken in 2001 the Audit Committee directed that the parliament's contracted internal auditors, Deloitte Touche Tohmatsu, undertake a new risk assessment. This risk assessment was completed in May 2006 following workshops held with senior parliamentary managers to assess the likelihood and consequences associated with those inherent risks. These workshops were also used to assess controls and capacity in place to manage these risks now and the extent to which they reduce the residual risk.

A comparison with the risk assessment undertaken in 2001 by KPMG, revealed similar risk exposures although a number of risk ratings have changed, reflecting action taken since 2001 to mitigate these risks. Some other identified risks however showed increased exposure that require management's attention.

The parliament's internal audit plan is currently being updated to reflect this latest business risk assessment. This updated audit plan is to be considered by the Audit Committee at its first meeting in 2006/07.

Insurance

Since July 1989 the parliament's insurance cover has been provided through the NSW Government's Treasury Managed Fund. The cover includes the Legislative Council and covers the following categories -

- Workers' Compensation;
- Liability;
- Motor Vehicle;
- Property; and
- Miscellaneous -including Members' personal accident, travel and misappropriation of funds cover.

For the 2005/2006 reporting year a total of 38 workers' compensation claims were lodged by parliamentary employees compared with 33 claims in 2004/05. The average costs of these claims was \$9,986 per employee, which represents a significant increase on last year's average claim cost of \$3,873. Only two of the claims lodged relate to Legislative Council employees, at an average costs per claim of \$572 whilst for the 2004/2005 year one claim was received at a cost of \$180.

One property insurance claim was made in 2005/2006, involving stolen portable equipment at a cost of \$51, which compares favourably with the three claims lodged in 2004/05 at an average cost of \$394 per claim. For the parliament as a whole, 18 property claims were received at an average cost per claim of \$901, compared to 25 claims in 2004/2005 at an average cost of \$4,817 each.

There were no motor vehicle or liability insurance claims received for the Legislative Council during the reporting year, as was the case in 2004/2005. Similarly no miscellaneous insurance claims were received this year, whilst recovery action has been instigated to recoup the costs of the miscellaneous personal accident claim lodged last year, from the Compulsory Third Party Motor Vehicle insurer.

Members' of Parliament salaries and entitlement

Members of Parliament received a 4.12 percent salary increase on 1 July 2005, which flowed on from the increase granted to Federal Members of Parliament. Under Section 4 of the *Parliamentary Remuneration Act 1989 No 160*, NSW Members' of Parliament base salaries are set at the same level as those applying to a Member of the House of Representatives, less \$500 per annum. The salary of a private member of the Legislative Council for the 2005/2006 financial year was \$110,650 per annum. Recognised officeholders including Ministers, the President, Parliamentary Secretaries, Leader of the Opposition and Party Whips etc, also receive a salary of office and expense allowance, which is calculated as a percentage of the base salary amount. Further details of specific salaries applicable to each recognised officeholder are available from the Parliament's website at www.parliament.nsw.gov.au under Legislative Council/Members/Members entitlements.

Apart from salary and expense allowances for officeholders, all Legislative Council Members receive an Electoral Allowance and Logistic Support Allocation. Whilst Members whose principal place of residence is located in a non-metropolitan electorate, also receive a Sydney Allowance for overnight stays in Sydney and a home to Sydney travel entitlement. The NSW Parliamentary Remuneration Tribunal (PRT) determines these additional entitlements annually, with effect from 1 July each year.

For the 2005/06 financial year the PRT granted the following increases to these additional entitlements.

| | |
|-----------------------------|--------------|
| Electoral Allowance | 2.4 percent |
| Logistic Support Allocation | 3.5 percent |
| Sydney Allowance | 11.0 percent |
| Home to Sydney Travel | No increase |

Further details of amounts, conditions and guidelines pertaining to these entitlements are available on the Parliamentary Remuneration Tribunal website at the following address www.remtribunals.nsw.gov.au or from the parliament's website at www.parliament.nsw.gov.au.

Asset acquisitions

An additional camera for the televising of proceedings in the Legislative Council Chamber was commissioned during the reporting year at a cost of \$16,000.

A number of IT communication and infrastructure projects were also undertaken during the year with the Legislative Council responsible for \$132,000 of the \$582,000 total cost incurred.

Other asset acquisition expenditure incurred during the year impacting on the Legislative Council's operations were undertaken by the parliament's Joint Services and comprised:

| | |
|---|--------------------|
| • Upgrading the parliament's IT communications and network infrastructure including server replacements | \$131,000 |
| • Replacement of the Parliament House building water storage tanks | \$648,000 |
| • Replacement of building security scanning equipment | \$198,000 |
| • Purchase of artworks | \$27,000 |
| • Replacement of microfilm reader in the Parliamentary Library | \$8,000 |
| • Oracle licence upgrade for Parliamentary Library | \$15,000 |
| • Other minor works | \$56,000 |
| | \$1,083,000 |

Consultants

The following consultants were engaged in 2005/06

| Date | Consultancy | Amount \$ | Description |
|--------------------|------------------------------------|-----------|--|
| July 05 – May 06 | Davidson Trahaire | 9,810.00 | Workplace counselling, liaison with management and conflict consulting |
| Aug 05 and June 06 | Dr.P.K. Walsh & Associates Pty Ltd | 16,500.00 | Mgmt Reporting Prj Stage 1 Compl-Proposal and LC/LA – Management Reporting Project |
| Oct 05 – Dec 05 | Gibson Quai-AAS P/L | 1,524.44 | B Partridge – Data network RFP Progress fee and evaluation RFP activities |
| Aug 05 | Presence of IT | 2,500.00 | Payroll support |

Overseas Travel

In July 2005 the President and the Clerk attended the annual conference of Presiding Officers and Clerks in Samoa.

In August 2005 the President and the Clerk attended the annual conference of State Legislatures in Washington State, USA, and visited the California State Senate. The Clerk also attended the annual meeting of the Association of Clerks-at-the-Table in Canada, and visited the House of Commons and House of Lords in London, and the Scottish Parliament.

In August-September 2005 the Clerk Assistant Committees attended the regional meeting of the Commonwealth Parliamentary Association in Fiji.

In March 2006 the President and her Chief of Staff visited the Solomon Islands Parliament, to support the United Nations Development Program's Strengthening the Parliament project being undertaken by our Clerk Assistant Committees.

The total cost of overseas travel for 2005/06 was \$62,154.





Appendices

Appendix 1 109

Members of the Legislative Council

Appendix 2 111

Legislative Council member's travel

Appendix 3 112

Committee travel expenditure

Appendix 4 117

Total member attendance at Legislative Council committee meetings 2005/06

Appendix 5 118

MLC membership of joint committee administered by the Legislative Assembly

Appendix 6 119

Committee reports tabled

Appendix 7 121

Government responses to committee reports due and/or received in 2005/06

Appendix 1

Members of the Legislative Council as at 30 June 2006

| | | | |
|---|-----|---|-----|
| *Breen^A The Honourable Peter James DipLaw | ALP | Jenkins^A The Honourable Jon Gordon BSc(Hons) ORP PhD ³ | |
| Brown^B The Honourable Robert Leslie ⁸ | SP | Kelly^B The Honourable Anthony Bernard ALGA ALP <i>Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs</i> | |
| Burgmann^A The Honourable Doctor Meredith Anne MA(Syd) PhD(Macq) | ALP | Lynn^A The Honourable Charlie John Stuart psc | LIB |
| <i>President</i> | | Macdonald^A The Honourable Ian Michael BA(Hons) | ALP |
| Burnswoods^A The Honourable Janice Carolyn BA(Hons) DipEd | ALP | <i>Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources</i> | |
| Catanzariti^B The Honourable Antonio | ALP | Moyes^B The Reverend the Honourable Dr Gordon | CDP |
| Chesterfield-Evans^A The Honourable Dr Arthur MB BS FRCS(Eng) MAppSci(OHS) | AD | Keith Mackenzie AC BA DD LLD LitD FAIM FRGS FAICD MACE | |
| Clarke^B The Honourable David | LIB | Nile^A The Reverend the Honourable Frederick John | CDP |
| Cohen^B Mr Ian BA DipEd | G | ED LTh ⁵ | |
| Colless^B The Honourable Richard Hargrave Sci(Agric) | NAT | <i>Temporary Chair of Committees</i> | |
| <i>Deputy Opposition Whip</i> | | Obeid^A The Honourable Edward Moses OAM | ALP |
| Costa^B The Honourable Michael <i>Treasurer, Minister for Infrastructure, and Minister for the Hunter</i> | ALP | Oldfield^A The Honourable David Ernest | IND |
| Cusack^B The Honourable Catherine Eileen BEc(SocSc) | LIB | Parker^B The Honourable Robyn Mary | LIB |
| Della Bosca^A The Honourable John Joseph BA <i>Minister for Commerce, Minister for Finance, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services, and Vice President of the Executive Council</i> | ALP | Pavey^A The Honourable Melinda Jane ² | NAT |
| Donnelly^B The Honourable Gregory John BEc MIR ⁶ | ALP | Pearce^B The Honourable Gregory Stephen BA LLB | LIB |
| <i>Temporary Chair of Committees</i> | | Primrose^B The Honourable Peter Thomas B SocStud(Syd) | ALP |
| Fazio^A The Honourable Amanda Ruth ¹ <i>Chair of Committees</i> | ALP | Government Whip | |
| Forsythe^A The Honourable Patricia BA DipEd <i>Temporary Chair of Committees</i> | LIB | Rhiannon^A Ms Lee | G |
| Gallacher^B The Honourable Michael Joseph BProf St | LIB | Robertson^B The Honourable Christine Mary BHlthSc(Nurs) | ALP |
| <i>Leader of the Opposition</i> | | <i>Temporary Chair of Committees</i> | |
| Gardiner^A The Honourable Jennifer Ann BBus <i>Temporary Chair of Committees</i> | NAT | Roosendaal^B The Honourable Eric Michael BA LLB ⁴ <i>Minister for Roads</i> | ALP |
| Gay^B The Honourable Duncan John | NAT | Ryan^A The Honourable John Francis BA(Hons) DipEd | LIB |
| Deputy Leader of the Opposition | | <i>Deputy Leader of the Liberal Party</i> | |
| Griffin^B The Honourable Kayee Frances <i>Temporary Chair of Committees</i> | ALP | Sharpe^B The Honourable Penelope Gail ⁷ <i>Temporary Chair of Committees</i> | ALP |
| Hale^B Ms Sylvia Phyllis | G | Tsang^A The Honourable Henry Shiu-Lung OAM BArch(NSW) DipBdg Sc(Syd) Fellow(UTS) <i>Parliamentary Secretary</i> | ALP |
| Harwin^A The Honourable Donald Thomas BEc(Hons) | LIB | West^B The Honourable Ian William <i>Deputy Government Whip</i> | ALP |
| <i>Opposition Whip</i> | | Wong^A The Honourable Doctor Peter AM MB BS(Syd) BPharm(Syd) | U |
| Hatzistergos^A The Honourable John BEc LLM <i>Minister for Health</i> | ALP | | |

Quorum – 8 members (in addition to the PRESIDENT or other MEMBER presiding)

Party representation: house of 42 members

| | |
|---|-----------|
| AD – Australian Democrats | 1 |
| ALP – Australian Labor Party | 19 |
| CDP – Christian Democratic Party (Fred Nile Group) | 2 |
| G – The Greens | 3 |
| IND – Independent | 1 |
| LIB – Liberal Party of Australia (NSW Division) | 9 |
| NAT – The Nationals | 4 |
| ORP – Outdoor Recreation Party | 1 |
| SP – Shooters Party | 1 |
| U – Unity | 1 |
| Total | 42 |

Officers of the Legislative Council

President

The Honourable Doctor Meredith Anne Burgmann
MA(Syd) PhD(Macq) MLC

Chair of Committees

The Honourable Amanda Ruth Fazio

Clerk of the Parliaments

John Denton Evans BLegS

Deputy Clerk

Lynn Carole Lovelock BA(Hons) DipEd

Clerk Assistant – Corporate Support

David Michael Blunt M Phil LLB (Hons)

Clerk Assistant-Committees

Warren Cameron Cahill DipT BEdSt GradDiplM-Lib

Usher of the Black Rod & Director – Procedure

Steven Reynolds BEc LLB MPS

Address all mail C/- Legislative Council,
Parliament House, Macquarie St, SYDNEY 2000

Phone: (02) 9230 2111

Fax: (02) 9233 3661

Email: council@parliament.nsw.gov.au

Website: <http://www.parliament.nsw.gov.au/lc>

- A. Elected Members whose term of service expires on dissolution or expiry of 53rd Parliament.
- B. Elected Members whose term of service expires on dissolution or expiry of 54th Parliament.
 1. Elected (3.9.2002) to vacancy caused by the resignation of the Hon DF Moppett. Term of service expires on the dissolution or expiry of the 53rd Parliament.
 2. Elected (29.10.2003) to vacancy caused by the resignation of the Hon MI Jones. Term of service expires on the dissolution or expiry of the 53rd Parliament.
 3. Elected (24 June 2004) to vacancy caused by the resignation of the Hon AS Burke. Term of service expires on the dissolution or expiry of the 54th Parliament.
 4. Elected (21 October 2004) to vacancy caused by his resignation. The term of service expires on the dissolution or expiry of the 53rd Parliament.
 5. Elected (23 February 2005) to vacancy caused by the resignation of the Hon MR Egan. The term of service expires on the dissolution or expiry of the 54th Parliament.
 6. Elected (23.2.2005) to vacancy caused by the resignation of the Hon MR Egan. The term of service expires on the dissolution or expiry of the 54th Parliament.
 7. Elected (11.10.2005) to vacancy caused by the resignation of the Hon CM Tebbutt. The term of service expires on the dissolution or expiry of the 54th Parliament.
 8. Elected (3.5.2006) to vacancy caused by the resignation of the Hon JS Tingle. Term of service expires on the dissolution or expiry of the 54th Parliament.

Appendix 2

Legislative Council members' travel

| Member | 2005/2006 Total \$ | Members' LSA Travel \$ | Members' Spouse/Approved Relative LSA Travel \$ | Members' Staff LSA Travel \$ | Members' Home Travel* \$ | |
|--------------------|--------------------------|------------------------------|---|------------------------------------|--------------------------------|----------|
| Breen | 18,421 | 5,268 | | | 13,153 | * |
| Brown | 957 | 503 | 454 | | | |
| Burgmann | 6,649 | 5,235 | | 1,414 | | |
| Burnswoods | 1,382 | 919 | | 463 | | |
| Catanzariti | 29,369 | 6,911 | 4,045 | 924 | 17,489 | * |
| Chesterfield-Evans | 1,540 | 1,329 | 211 | | | |
| Clarke | 1,996 | 1,996 | | | | |
| Cohen | 32,573 | 12,079 | | 496 | 19,998 | * |
| Colless | 47,515 | 20,559 | 2,526 | 1,186 | 23,244 | * |
| Costa | - | | | | | |
| Cusack | 46,691 | 14,232 | 1,395 | 2,327 | 28,737 | * |
| Della Bosca | - | | | | | |
| Donnelly | 3,269 | 3,269 | | | | |
| Egan | - | | | | | |
| Fazio | 6,191 | 5,474 | | 717 | | |
| Forsythe | 4,890 | 4,723 | 167 | | | |
| Gallacher | 155 | 124 | | 31 | | |
| Gardiner | 53,400 | 26,010 | | | 27,390 | * |
| Gay | 27,654 | 20,787 | 4,500 | 2,367 | | |
| Griffin | 914 | 914 | | | | |
| Hale | 9,837 | 9,728 | | 109 | | |
| Harwin | 8,787 | 2,638 | | | 6,149 | * |
| Hatzistergos | - | | | | | |
| Jenkins | 9,152 | 2,687 | | | 6,465 | * |
| Kelly | 27,367 | 3,741 | 8,917 | | 14,709 | * |
| Lynn | 1,057 | 1,057 | | | | |
| Macdonald | - | | | | | |
| Moyes | 14,734 | 4,828 | 857 | | 9,049 | * |
| Niile | 12,347 | 1,045 | | | 11,302 | * |
| Obeid | - | | | | | |
| Oldfield | 1,832 | 1,832 | | | | |
| Parker | 16,675 | 2,824 | | 313 | 13,538 | * |
| Pavey | 43,930 | 18,063 | 2,459 | 653 | 22,755 | * |
| Pearce | 11,959 | 4,585 | | | 7,374 | * |
| Primrose | 106 | 106 | | | | |
| Rhiannon | 13,916 | 11,092 | 2,824 | | | |
| Robertson | 28,830 | 9,510 | 802 | 785 | 17,733 | * |
| Roosendaal | - | | | | | |
| Ryan | 6,730 | 4,217 | 1,500 | 1,013 | | |
| Sharpe | 2,845 | 2,743 | | 102 | | |
| Tebbutt | - | | | | | |
| Tingle | 12,648 | 958 | 2,745 | | 8,945 | * |
| Tsang | 1,264 | 1,264 | | | | |
| West | 671 | 671 | | | | |
| Wong | 359 | 359 | | | | |
| Total | 508,612 | 214,280 | 33,402 | 12,900 | 248,030 | * |

* Members residing in non-metropolitan electorates are required to travel to Sydney to undertake Parliamentary duties.

Commonwealth Parliamentary Association (CPA) travel

Hon Dr Meredith Burgmann MLC attended the 51st Commonwealth Parliamentary Conference in Nadi, Fiji Islands from 1 to 10 October 2005, at a cost of \$2,768.82.

Hon Amanda Fazio MLC visited the United Kingdom for the 55th Commonwealth Parliamentary visit and Procedure course in March 2006, at a cost of \$9,319.88.

Hon Michael Gallacher MLC undertook a study tour to the United Kingdom and Scotland from the 23 June to 14 July 2005, at a cost of \$16,900.

Hon Ian West MLC undertook a study tour to the United Kingdom, Scotland and Ireland from 9 July to 4 August 2005, at a cost of \$17,300.

Appendix 3

Committee travel expenditure

The following tables set out all travel expenditure incurred by committee members and committee staff (including Hansard staff) for 2005/06. The Committees that are not represented in these tables incurred no travel related expenses in this reporting period.

Total for all Committee travel expenses – \$89,177.78

| Law and Justice Committee – Total \$5,820.67 | | | | | | |
|---|--|--------------------|---------------------|---|---|---|
| Date | Inquiry | Minutes No. | Destination | Activity | In attendance | Cost |
| 27 Sept 2005 | Community based sentencing | 32 | Mount Druitt, NSW | Public meeting with local community | Clarke, Colless, Rhiannon, Robertson, 3 Committee staff, 3 Hansard staff | Bus hire Catering Cultural ceremonies \$1,040.80 |
| 25-26 Oct 2005 | Community based sentencing | 33 | Melbourne, Victoria | Site visit to meet with staff of Corrections Victoria | Clarke, Colless, Donnelly, Fazio, Robertson, 2 Committee staff | Accommodation Airfares Taxis Breakfast & dinner \$4,779.87 |
| Social Issues Committee – Total \$21,302.54 | | | | | | |
| Date | Inquiry | Minutes No. | Destination | Activity | In attendance | Cost |
| 23 Aug 2005 | Funeral industry inquiry and the Dental industry inquiry | 63 | Port Macquarie NSW | Day trip to hold a hearing for the Funeral inquiry and a hearing and forum for the Dental inquiry | Burnswoods, Chesterfield-Evans, Griffin, Parker, West, 3 Committee staff, 3 Hansard staff | Taxis Venue hire Catering Airfare \$6,021.79 |
| 30-31 Aug 2005 | Funeral industry inquiry and the Dental industry inquiry | 64 & 65 | Broken Hill, NSW | Overnight trip to hold a hearing and 2 site visits/private briefings for the Funeral inquiry and a hearing for the Dental inquiry | Burnswoods, Chesterfield-Evans, Griffin, West, 3 Committee staff, 3 Hansard staff | Airfare Accommodation Taxis Venue hire Catering Meals \$14,148.55 |

| Date | Inquiry | Minutes No. | Destination | Activity | In attendance | Items | Cost |
|-------------|------------------|-------------|--|---|---|--------------------------------|------------|
| 13 Dec 2006 | Macquarie Fields | 73 | Macquarie Fields TAFE, Macquarie Fields, NSW | Day trip to hold a hearing, forum and two private briefings | Burnswoods, Parker, Chesterfield-Evans, Griffin, Lynn, West and 4 Committee staff and 3 Hansard | Taxi Venue hire Catering | \$1,132.20 |

State Development Committee – Total \$38,540.44

| Date | Inquiry | Minutes No. | Destination | Activity | In attendance | Items | Cost |
|--------------|------------------|-------------|---------------------|--|-------------------|---|------------|
| 19 Sept 2005 | Skills shortages | 37 | Melbourne, Victoria | Attend conference: <i>Skilling Australia. Addressing the Nation's skills shortages</i> | 2 Committee staff | Accommodation Taxi Airfare Meals | \$1,687.92 |

| | | | | | | | |
|-----------------|------------------|----|--------------------|--|---|--|------------|
| 29-30 Sept 2005 | Skills shortages | 38 | Coffs Harbour, NSW | Day trip to hold a hearing (two staff stayed previous night to organise) | Catanzarti, Forsythe, Robertson, Donnelly, Pavey, Cohen, 3 Committee staff, 2 Hansard staff | Accommodation AV equip hire Taxi & carpark Catering Airfare Meals Venue hire | \$5,938.88 |
|-----------------|------------------|----|--------------------|--|---|--|------------|

| | | | | | | | |
|-------------------|------------------|-----------|-------------------------------|---|---|--|------------|
| 31 Oct-1 Nov 2005 | Skills shortages | 39 and 40 | Wagga Wagga and Griffith, NSW | Overnight trip to hold a forum in Wagga Wagga and hearing in Griffith | Catanzarti, Forsythe, Robertson, Donnelly, Pavey, Cohen, 3 Committee staff, 3 Hansard staff | Accommodation Van hire Taxis & carpark Catering (Wagga) Catering (Griffith) Flights Meals Venue hire (Wagga) Venue hire (Griffith) | \$9,896.71 |
|-------------------|------------------|-----------|-------------------------------|---|---|--|------------|

| Date | Inquiry | Minutes No. | Destination | Activity | In attendance | Items | Cost |
|----------------|------------------|-------------|--------------------------|---|--|---|------------|
| 22-24 Nov 2005 | Skills shortages | 42 & 43 | Parkes and Bathurst, NSW | 2 night trip to Parkes and Bathurst to hold hearings in each town | Catanzariti, Forsythe, Robertson, Donnelly, Pavey, Cohen, 3 Committee staff, 3 Hansard staff | Accommodation, Taxi & carpark, Catering, Airfare, Meals, Van hire | \$9,516.34 |
| 13 Feb 2006 | Skills shortages | 45 | Queanbeyan, NSW | Day trip to Queanbeyan to hold a hearing | Catanzariti, Forsythe, Robertson, Donnelly, Pavey, 3 Committee staff, 3 Hansard staff | Taxi & carpark, Catering, Airfare, Meals, Venue hire | \$4,584.54 |
| 16 Feb 2006 | Skills shortages | 46 | Moree, NSW | Day trip to Moree to hold a hearing | Catanzariti, Forsythe, Robertson, Donnelly, Pavey, 3 Committee staff, 3 Hansard staff | Taxi & carpark, Venue & catering, Airfare (Charter) | \$6,916.05 |

GPSC3 – Total \$265.70

| Date | Inquiry | Minutes No. | Destination | Activity | In attendance | Item | Cost |
|---------------|--|-------------|---|---|---|---------------------|----------|
| 23 March 2006 | Issues relating to the Dept of Corrective Services | 31 | Goulburn Correctional Facility, Goulburn, NSW | Inspection of the High Risk Management Unit at the Goulburn Correctional Facility | Chesterfield-Evans, Breen, Fazio, Lynn, West, 3 Committee staff | Lunch, Petrol costs | \$265.70 |

GPSC4 – Total \$18,654.23

| Date | Inquiry | Minutes No. | Destination | Activity | In attendance | Item | Cost |
|-------------|--------------------------|-------------|---|---|--|---|------------|
| 27 Oct 2005 | Pacific Highway upgrade | 73 | Ballina, NSW | Overnight trip to hold a hearing and a forum | Burnswoods, Clarke, Cohen, Donnelly, Fazio, Gardiner, Rhiannon, 4 Committee staff, 1 Chamber support staff and 3 Hansard staff | Accommodation Airfare Taxis Catering Room hire Sound equipt hire | \$9,586.25 |
| 28 Oct 2005 | Pacific Highway upgrade | 74 | St Helena, Newrybar, Broadwater, Wardell, NSW | Meetings with local community groups | Burnswoods, Clarke, Cohen, Donnelly, Fazio, Gardiner, Rhiannon, 3 Committee staff | Bus hire Taxis Catering | \$858.90 |
| 21 Nov 2005 | Pacific Highway upgrade: | 78 | Coffs Harbour, NSW | Day trip to hold a hearing and meet with local community groups | Burnswoods, Cohen, Donnelly, Fazio, Gardiner, Pavey, Rhiannon, 5 Committee staff, 1 Chamber support staff, 3 Hansard staff | Airfare Taxis Bus hire Catering Room hire Sound equipt hire | \$8,209.08 |

GPSC5 – Total \$4,508.10

| Date | Inquiry | Minutes No. | Destination | Activity | In attendance | Item | Cost |
|------------------|-------------------|-------------|---------------------------------------|--|-----------------------------------|-------------------|------------|
| 13-14 March 2006 | Sustainable water | - | Sydney Exhibition Centre, Sydney, NSW | Attendance at Water Summit at Sydney Exhibition Centre | Cohen, Colless, 2 Committee staff | Registration fees | \$3,943.50 |

| Date | Inquiry | Minutes No. | Destination | Activity | In attendance | Item | Cost |
|---------------|-------------------|-------------|---|---|--|-------------------|----------|
| 22 March 2006 | Sustainable water | 55 | Sydney Olympic Park and Rouse Hill, NSW | Tour of Olympic Park water reclamation and management scheme. Tour of Rouse Hill recycled water plant and briefing by the Managing Director of Sydney Water | Cohen, Colles, Donnelly, Forsythe, Hale, Primrose, Tsang and 2 Committee staff | Meals Bus hire | \$564.60 |

Joint Select Committee on Tobacco Smoking – Total \$86.10

| Date | Minutes No. | Destination | Activity | In attendance | Item | Cost |
|---------------|-------------|---------------------------------------|---|---|-------|---------|
| 22 March 2006 | 3 | Concord Hospital, Concord, NSW | Site visit and informal briefing with the Head of the Respiratory Unity | Chesterfield-Evans, Donnelly, Nile, D'Amore, Handcock, George, Judge, McLeay, Morris, Torbay, 2 Committee staff | Taxis | \$45.00 |
| 1 May 2006 | 5 | Old Fitzroy Hotel, Woolloomooloo, NSW | Site visit and informal briefing with Licencee and owner of hotel | Chesterfield-Evans, Donnelly, Nile, D'Amore, Handcock, George, Judge, McLeay, Morris, Torbay, 2 Committee staff | Taxis | \$41.10 |

Appendix 4

Total member attendance at Legislative Council committee meetings 2005/06

This table shows the total number of committee meetings attended by each member (including deliberative meetings, hearings, site visits and forums).

* denotes attendance as a substitute member # denotes attendance as a participating member

| Member | L & J | SI | SD | GPSC1 | GPSC2 | GPSC3 | GPSC4 | GPSC5 | PRV | Juvenile Offenders | Snowy Hydro | CPO of Snowy Hydro | Cross City Tunnel | Tobacco Smoking | Total |
|---------------------------|-------|----|----|--------|---------|--------|-------|-------|-----|-----------------------|----------------|--------------------------|-------------------------|--------------------|-------|
| GOVERNMENT MEMBERS | | | | | | | | | | | | | | | |
| Burnswoods | | 23 | | 1* | 1* | 3* | 24 | 1* | | | | | | | 53 |
| Catanzariti | | | 14 | 1* | 8 | 1* | 6 | 3 | | | 2 | | | | 35 |
| Donnelly | 9 | | 14 | 7 + 1* | 3* | 3 | 24 | 17 | | | 2 | 2 | | 7 | 89 |
| Fazio | 6 | | | 2* | 1* | 15 | 15* | 1* | | 2 | 2 | 1 | 17 | | 62 |
| Griffin | | 23 | | 8* | 4* | | 5 | 2* | 7 | | | | | | 49 |
| Obeid | | | | 2* | 2* | 6 | 1* | | | | | | | | 11 |
| Primrose | | | | 5 | 1* | | 3* | 6* | 7 | | | | | | 22 |
| Robertson | 10 | | 14 | 2* | 10 | | 2* | | | | | | | | 38 |
| Roosendaal | | | | 2 | | | | | 2 | | | | | | 4 |
| Sharpe ⁹ | | | | | | 2 | 2* | 4 | | | | | | | 8 |
| Isang | | | | 1* | 7 | 1* | 11 | | | | | | | | 20 |
| West | | 22 | | 13 | 10* | 3* | 1* | | | | | | | | 49 |
| Clarke | 10 | | | | 2* | 18 | | | | | | | | | 30 |
| Colless | 7 | | | 6* | 1* | 16 | | | | | | | | | 30 |
| Cusack | | | 14 | 4 | 2* + 1# | 1 | | 2 | | 2 | | 2 | | | 10 |
| Forsythe | | | | 1* | 12 | 2* | 8* | 7 | | 2 | | 2 | | | 47 |
| Gallacher | | | | 1* | 2* | 2* | 23 | 7 | | | | | | | 4 |
| Gardiner | | | | | 2* | 2* | 3* | | | | | | | | 30 |
| Gay | | | | 1* | 1* | 1* | 4 | | | | | | | 6 | 13 |
| Harwin | | 17 | | 1* | 1* | 10 | 1* | 1* | 2 | | | | | | 33 |
| Lynn | | 18 | | 11 | 1* | 1* | 1* | | | | | | | | 32 |
| Parker | | | 13 | 1* | 5 | 2* | 3* | | | 2 | | 2 | | | 28 |
| Pavey | 3 | | | 2* | 2* | 5* | 1* | | | | | 17 | | | 34 |
| Pearce | | | | 2* | 2* | 1* | | | | | | | | | 8 |
| Ryan | | | | 1* | 11 | | | | | | | | | | 12 |
| Breen ¹⁰ | | | | 14 | 7 | | | | | | | | | 7 | 48 |
| Chesterfield-Evans | | | 11 | | 15* | 19 | | | | | | | | | 45 |
| Cohen | | | | 6 | 8 | 17 | | | | 2 | | 2 | | | 35 |
| Hale | | | | 1* | 3 | 1# | 2# | | | | | | | | 7 |
| Jenkins | | | | 13 | 3 | | | | | 2 | | 2 | | | 22 |
| Moyes | | | | 2 | 3* | | | 4 | | | | 18 | 7 | | 34 |
| Niile | | | | 12 | 1# | 1 + 3* | 19* | | | | | 17 | | | 9 |
| Oldfield | | | | | | | | | | | | | | | 60 |
| Rhiannon | 7 | | | | | | | | | | | | | | 0 |
| Tingle | | | | | | | | | | | | | | | 2 |
| Wong | | | | | | | | | | | | | | | 2 |

⁹ Ms Sharpe became a member of the Legislative Council on 11 October 2005.

¹⁰ Mr Breen joined the ALP on 5 May 2006 thereby ceasing to be a member of the Cross Bench. Mr Breen later resigned from the ALP although not in this reporting period.

Appendix 5

MLC membership of joint committee administered by the Legislative Assembly

The following table sets out MLC membership of the joint committees administered by the Legislative Assembly. MLCs who are not members of any of these committees do not appear. For information about the activities of these committees see the Legislative Assembly's Annual Report 2005/06.

| Member | Committee on Children and Young People | Committee on the Health Care Complaints Commission | Committee on the ICAC | Legislation Review Committee | Committee on the Ombudsman and the PIC | Joint Standing Committee on Road Safety | Joint Committee on the Office of the Valuer General | Total membership of joint committee's |
|----------------------------|--|--|-----------------------|------------------------------|--|---|---|---------------------------------------|
| GOVERNMENT MEMBERS | | | | | | | | |
| Burnswoods | • | | | | • | | | 2 |
| Catanzariti | • | | | | | | | 1 |
| Griffin | • | | | | | | • | 2 |
| Primrose | | | • | • | | | | 2 |
| Robertson | | • | | | | | | 1 |
| West | | | | | | • | | 1 |
| Clarke | | • | | | • | | | 2 |
| Colliss | | | | | | • | | 1 |
| Gardiner | | | • | | | | | 1 |
| Lynn | | | | | | | • | 1 |
| Parker | | | | • | | | | 1 |
| Pavey | • | | | | | | | 1 |
| Breen ¹¹ | | | | | • | | | 1 |
| Hale | • | | | | | | | 1 |
| Niie | | | • | | | | | 1 |
| Tingle | | | | | | | | 1 |
| Wong | | • | | | | • | | 2 |
| OPPOSITION MEMBERS | | | | | | | | |
| CROSS BENCH MEMBERS | | | | | | | | |

¹¹ Mr Breen joined the ALP on 5 May 2006 thereby ceasing to be a member of the Cross Bench.

Appendix 6

Committee reports tabled

The following table sets out all committee reports tabled in the reporting period. Committee reports can be viewed on the Parliament's website at: www.parliament.nsw.gov.au/prod/parlment/Committee.nsf/V3ListReports

| Committee | Report no. | Report title | Date tabled | Government response due | Government response tabled |
|--------------------------|------------|---|------------------|-------------------------|----------------------------|
| Law and Justice | 29 | Workers compensation injury management pilots project | 9 September 2005 | 9 March 2006 | 9 March 2006 |
| | 30 | Community based sentencing options for rural and remote areas and disadvantaged populations | 30 March 2006 | 30 September 2006 | – |
| State Development | 31 | Skills shortages in rural and regional NSW | 11 May 2006 | 13 November 2006 | – |
| Social Issues | 35 | Recruitment and training of teachers | 25 October 2005 | 25 April 2006 | 2 May 2006 |
| | 36 | Funeral industry | 9 December 2005 | 9 June 2006 | 6 June 2006 |
| | 37 | Dental services | 31 March 2006 | 29 September 2006 | – |
| | 38 | Public disturbances at Macquarie Fields | 16 June 2006 | 18 December 2006 | – |
| GPSC 1 | 28 | Personal injury compensation legislation | 8 December 2005 | 8 June 2006 | 8 June 2006 |
| | 29 | Budget Estimates 2005-2006 | 9 March 2006 | N/A | N/A |
| GPSC 2 | 20 | Changes to Post School Programs for Young Adults with a Disability – Getting a Fair Go | 30 August 2005 | 2 March 2006 | 14 March 2006 |
| | 21 | Budget Estimates 2005-2006 | 11 May 2006 | N/A | N/A |
| GPSC 3 | 18 | Budget Estimates 2005-2006 | 30 March 2006 | N/A | N/A |
| | 17 | Issues relating to the operations and management of the Department of Corrective Services | 5 June 2006 | 5 December 2006 | – |
| GPSC 4 | 14 | Pacific Highway upgrade: Interim Report, Ewingsdale – Tintinbar and Ballina – Woodburn | 21 December 2005 | 21 June 2006 | 26 June 2006 |

| Committee | Report no. | Report title | Date tabled | Government response due | Government response tabled |
|---|------------|--|-------------------|-------------------------|----------------------------|
| GPSC 4 (cont) | 15 | Budget Estimates 2005-2006 | 6 April 2006 | N/A | N/A |
| | 16 | Pacific Highway Upgrades: Final Report | 11 May 2006 | 13 November 2006 | – |
| GPSC 5 | 24 | Budget Estimates 2005-2006 | 7 March 2006 | N/A | N/A |
| | 25 | Sustainable water supply for Sydney | 8 June 2006 | 8 December 2006 | – |
| Privileges | 30 | Report on person referred to in the Legislative Council (Ms S Wong) | 22 September 2005 | N/A | N/A |
| | 31 | Report on person referred to in the Legislative Council (Mr G Glossop) | 9 November 2005 | N/A | N/A |
| | 32 | Citizen's right of reply (Hillsong Emerge) | 20 December 2005 | | |
| | 33 | Protocol for execution of search warrants on member's offices | 28 February 2006 | N/A | N/A |
| | 34 | Citizen's right of reply (Mr G Mandarino) | 2 May 2006 | N/A | N/A |
| Juvenile Offenders | 1 | Juvenile Offenders | 29 July 2005 | 29 January 2006 | 15 February 2006 |
| Proposed Sale of Snowy Hydro Ltd | 1 | Proposed sale of Snowy Hydro Ltd | 7 June 2006 | N/A | N/A |
| Cross City Tunnel | – | Cross City Tunnel First Report | 28 February 2006 | 28 August 2006 | – |
| | – | Cross City Tunnel Second Report | 18 May 2006 | 18 November 2006 | – |
| Tobacco Smoking | 1 | Tobacco Smoking | 30 June 2006 | 30 December 2006 | – |

Appendix 7

Government responses to committee reports due and/or received in 2005/06

The following table sets out the reports for which government responses were either due or received during the reporting period. Government responses can be viewed on the relevant inquiry page of the committee section of the Parliament's website at: www.parliament.nsw.gov.au. Government responses are not required for reports tabled by the Procedure Committee or the Privileges Committee.

| Committee | Report no. | Report title | Date tabled | Government response due | Government response tabled |
|---------------------------|------------|---|-------------------|-------------------------|----------------------------|
| Law and Justice | 21 | <i>Criminal Procedure Amendment (Pre-Trial Disclosure) Act 2991</i> , First Report | 24 September 2002 | 24 March 2003 | Not yet received |
| | 26 | <i>Criminal Procedure Amendment (Pre-Trial Disclosure) Act 2991</i> , Second Report | 8 Dec 2004 | 9 June 2005 | Not yet received |
| | 27 | Review of the exercise of the functions of the MAA and MAC – Sixth Review | 20 May 2005 | 20 Nov 2005 | 21 November 2005 |
| | 29 | Workers compensation injury management pilots project | 9 September 2005 | 9 March 2006 | 9 March 2006 |
| State Development | 27 | Local government boundaries in Inner Sydney and the Eastern Suburbs | 3 December 2002 | 3 June 2003 | Not yet received |
| | 30 | Port infrastructure in NSW Final Report | 17 June 2005 | 17 December 2005 | 12 December 2005 |
| Social Issues | 26 | Prevention: Interim Report on Child Protection Services | 16 October 2002 | 16 April 2003 | Not yet received |
| | 33 | Report on the <i>Inebriates Act 1912</i> | 27 August 2004 | 28 February 2005 | Not yet received |
| | 35 | Recruitment and training of teachers | 25 October 2005 | 25 April 2006 | 2 May 2006 |
| | 36 | Funeral industry | 9 December 2005 | 9 June 2006 | 6 June 2006 |
| GPSC 1 | 28 | Personal injury compensation legislation | 8 December 2005 | 8 June 2006 | 8 June 2006 |
| GPSC 2 | 19 | Operation of Mona Vale Hospital | 26 May 2005 | 26 November | 1 December 2005 |
| | 20 | Changes to Post School Programs for Young Adults with a Disability – Getting a Fair Go | 30 August 2005 | 2 March 2006 | 14 March 2006 |
| GPSC 3 | – | – | – | – | – |
| GPSC 4 | 13 | Management of the Sydney Harbour Foreshore Authority | 24 June 2005 | 24 December 2005 | 23 December 2005 |
| | 14 | Pacific Highway upgrades: Interim Report, Ewingsdale – Tintinbar and Ballina – Woodburn | 21 December 2005 | 21 June 2006 | 26 June 2006 |
| GPSC 5 | – | – | – | – | – |
| Juvenile Offenders | – | Juvenile offenders | 29 July 2005 | 29 January 2006 | 15 February 2006 |

The Legislative Council chamber

The Legislative Council chamber has undergone considerable renovation since the opening of the first bicameral Parliament on 22 May 1856. While the original prefabricated iron building has been bandaged, propped up, eaten by white ants and repainted, it has been the meeting place for democracy for 150 years.

The chamber was not the first meeting place of Legislative Council members. From its inception in 1824 until 1829, the first Legislative Council of five members met at Government House and sometimes at the residence of the Judge Advocate. In 1829 the Council moved to the rooms of the Principal Surgeon's Quarters of the "Rum" Hospital. In 1843 a new chamber was constructed adjacent to the former hospital building, to accommodate the larger Council. In 1855 the need for accommodation became a critical issue, with the impending introduction of responsible government in 1856. Various proposals were put to a Legislative Council Committee set up to investigate accommodation to house a new bicameral Parliament. The proposal eventually accepted by the Committee was to enlarge the present building by erecting a new chamber at the southern end of the hospital building at a cost of £10,000. It was originally intended that the new chamber accommodate the lower house, while the old Council chamber was to accommodate the upper house.

Problems with the progress of building of the new Parliament led the Governor and Executive Council to make the significant decision on 23 February 1856 to authorise the purchase of a prefabricated iron store and dwelling house with an ornamental cast iron front from James Dean of Melbourne to accommodate the Council. The building, made in Scotland, was one of the many prefabricated buildings that were shipped to colonial establishments in Australia and other parts of the then British Empire. On 28 February 1856 the building was transported from Melbourne to Sydney on the ship *Callender* at a cost of £1,760. The packing crates used to transport the building were reused as internal boarding on the walls and roof of the chamber. A small section of the original wall covered in timber, hessian and wallpaper can be seen today through a small door cut into the northern wall as you enter the chamber on the right.

On 18 April 1856, a Sydney firm won the contract to erect the new parliamentary chamber on the southern end of the former Principal Surgeon's Quarters. Although the building was not completed, the new chamber was far enough advanced to allow for the opening of the first bicameral Parliament on 22 May 1856. The original proposal for the new chamber to house the Assembly was not adopted and the iron chamber has been the temporary meeting place for the Legislative Council to the present day. At the opening of the Parliament in 1856, a writer for the then Empire described the chamber in detail: "...The front or western face of the building presents the appearance of having two storeys ... The exterior of the building is painted of a light stone colour. The design can scarcely be said to come under the designation of any order, and may be best described as being in the Italian style of architecture".

The chamber had its faults, particularly in terms of ventilation, lighting and acoustics, and has undergone a number of modifications and improvements. In 1859 the iron roof was replaced with a timber trussed pitched roof of slate; in 1920 large wooden props were installed in the chamber to support the ceiling; and in 1974, the white ant infested floorboards were replaced. Before the floorboards were re-laid, stationery products such as pens, paper, paperclips, the dining room menu, stamps and coins were nailed in envelopes to joists for future generations to discover. At this time, as the upholsterer stripped the members' benches it was discovered they were the original benches from 1856. One of the benches was restored and can be seen, and sat on, in the Council vestibule. The chamber was further renovated in the 1980s to appear as it did in 1892. Looking at the Legislative Council chamber today, it is hard to imagine that it started life as a prefabricated iron building for storage and accommodation.



21△

A Little Piece of History...

Initially, the inner walls of the iron from chamber were lined with the boards from the packing cases in which the building had been shipped to Sydney. These were covered with hessian and the wallpaper was plastered over this. The walls have been reconstructed since but a small section of this thrifty original arrangement has been retained and a small door cut into the wall to show visitors.



LEGISLATIVE COUNCIL

Legislative Council
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000
www.parliament.nsw.gov.au
Ph (02) 9230 2111
Fax (02) 9230 2876