

Annual Report
2022 – 2023
State Records Authority NSW



State Records Authority NSW 2022–2023 Annual Report

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As at 30 June 2023, State Records Authority NSW (State Records NSW) is a statutory body within the Department of Enterprise, Investment and Trade cluster.

Acknowledgement of Country

State Records NSW acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW.

We pay our respects to Elders past, present and emerging.

The Hon John Graham MLC

Special Minister of State, Minister for Roads, Minister for the Arts, Minister for Music and the Night-time Economy, and Minister for Jobs and Tourism

Parliament House

Macquarie Street

SYDNEY NSW 2000

Dear Minister

On behalf of the State Records Authority NSW and in accordance with the provisions of the *Government Sector Finance Act 2018* and the *Government Sector Finance Regulation 2018*, I submit for presentation to Parliament the Annual Report for the year ending 30 June 2023.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Martyn Killion', written in a cursive style.

Martyn Killion

Executive Director

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From the Executive Director

The State Records Authority NSW (State Records NSW) was formally established on 31 December 2022. It takes on the recordkeeping policy and regulatory functions of the former State Archives and Records Authority of New South Wales (SARA). This work is supported by amendments to the *State Records Act 1998* (the Act) that commenced on 31 December 2022. The amendments recognise the importance of good recordkeeping as a foundation of accountability and transparency of government and are designed to support better compliance across public offices.

I am privileged to undertake the role of Executive Director of State Records NSW to drive improvements in recordkeeping across NSW public offices and champion its importance for citizens now and into the future. I thank Mary Darwell, the inaugural Executive Director of State Records NSW, for leading the new agency through the establishment and planning stages, engaging our stakeholders through the transition and developing a collaborative customer-focused approach.

I also thank the Chair of the State Records NSW Board, Dr Brian Lindsay, for his support and the work he has done to enable a seamless transition and to the Board for their expertise and guidance. The Board endorsed the Corporate Plan to steer the agency through its first six months and reviewed and considered all the key policies for State Records NSW that govern how we support NSW public offices and improve recordkeeping in NSW.

My gratitude goes to the dedicated team at State Records NSW, who have assisted public offices by providing expert advice on recordkeeping issues, assessing potential breaches of the Act, and regularly communicating to and educating our stakeholders.

Key achievements throughout the year include the 2023 Recordkeeping Monitoring Exercise which has identified that the jurisdiction has improved in its records management maturity; a very successful regional tour in partnership with Museums of History NSW to five regional locations in May and June 2023; hosting of the regular Records Managers Forum; the work on establishing our regulatory policy framework; and the continued work on reviewing retention and disposal authorities for use by public offices.

I look forward to working with the team and the Board of State Records NSW to increase the maturity and profile of recordkeeping across public offices and to continuing the close relationship with Museums of History NSW staff in administering the Act.

Martyn Killion

Executive Director

From the Chair

The first annual report for State Records NSW is a significant milestone. The establishment of State Records NSW on 31 December 2022 demonstrated the ongoing commitment in NSW to a robust framework of good recordkeeping by public offices. Sound recordkeeping practices are fundamental to accountability and transparency of government, and crucial for building the NSW State Archives Collection for future generations.

The responsibility for the oversight of recordkeeping previously vested in the State Archives and Records Authority of New South Wales (SARA) is now the central remit of State Records NSW, which continues to provide best practice advice on records management. To support accountability and ensure sound recordkeeping, State Records NSW has been granted new monitoring powers that enhance the efficiency and effectiveness of existing regulatory tools.

One of the first acts of the Board of State Records NSW was to endorse a policy establishing principles and a framework for consistent decision-making concerning this new power. The Board also established a service charter for State Records NSW affirming our commitment to transparency and standards of service.

In addition to implementing important reforms, the staff of State Records NSW have pursued key programs initiated by SARA. The recordkeeping monitoring exercise for public offices has been completed for a second year with an increased level of participation and revealed an overall maturing of records management. The results of the exercise inform the ongoing focus on reviewing aged disposal authorities.

The Board continues to be impressed with the achievements of the staff of State Records NSW in fostering good recordkeeping. Their expertise, diligence and quality of work has once again been outstanding. I commend the leadership of Mr Adam Lindsay, formerly Executive Director of SARA, for preparing for the transition from SARA to State Records NSW with such dedication and thoroughness, and Ms Mary Darwell, Executive Director of State Records NSW during this reporting period, for her exemplary stewardship of the new entity.

The composition of the Board has evolved as a result of the legislative reforms. For their incisive contributions to the SARA Board, I thank the Hon Justice Geoff Lindsay, Hon Shayne Mallard MLC, Mr Reno Lucarini and Ms Jacqueline Feeney, while I also take this opportunity to express my appreciation to the Hon Justice John Sackar and Dr John Vallance for their brief service to the nascent State Records NSW Board. I am indebted to Ms Elizabeth Tydd, Mr Scott Johnston and Ms Amy Beaumont for their continuing counsel as Board members of SARA and subsequently State Records NSW.

Following the prescribing of new Board positions representing First Nations cultural knowledge and users of State records, it has been a privilege to welcome Dr Elizabeth McEntyre and Dr Naomi Parry Duncan. As the close partnership between State Records NSW and Museums of History NSW remains so crucial to the shared goals of both organisations, I also thank Mr Martyn Killion for ensuring ongoing cooperation and collaboration in a range of operational matters.

Finally, on behalf of all former and current Board members, I extend my thanks to both the former Minister for the Arts, the Hon Ben Franklin MLC, and the new Minister for the Arts, the Hon John Graham MLC, for the commitment each has demonstrated to a recordkeeping culture in the NSW public service that is well supported, integral to the conduct of government, and monitored with transparency and independence.

The past 12 months have been a period of transition for recordkeeping in our state, but also one of consolidation and enhancement. Most importantly, it has been a year in which the Board and staff of State Records NSW have established robust foundations for an efficient and effective future.

Dr Brian Lindsay

Chair

1. Overview

This annual report presents information relating to the functions of State Records NSW from 31 December 2022 to 30 June 2023 and, where appropriate, includes work undertaken by the former State Archives and Records Authority of New South Wales (SARA) between July 2022 and 30 December 2022.

While State Records NSW is a legal continuation of the former SARA, most of the functions of SARA are now being undertaken by Museums of History NSW (MHNSW). *The State Records Act 1998* is administered by State Records NSW and MHNSW. Content related to joint activity with MHNSW is included in this report and is clearly identified as such. For more information on the functions and activities of MHNSW, see the Museums of History NSW 2022–23 annual report, which is available at www.mhnsw.au.

1.1 Establishment and functions

The State Records Authority NSW (State Records NSW) is a budget-dependent agency and a statutory body representing the Crown under the *State Records Act 1998*. State Records NSW was established on 31 December 2022 as a dedicated agency responsible for recordkeeping standards, regulation, advice, education and policy.

State Records NSW is responsible for the administration of parts 1-3 and part 7 of the *State Records Act 1998*. Parts 2 and 3 of the Act relate to the records management responsibilities of public offices and the protection of State records.

Functions

The functions and powers of State Records NSW are established in the *State Records Act 1998*.

Section 66 of the Act states:

(1) *The Authority has the following functions—*

- *to oversee record-keeping by public offices of the State, including by determining standards and providing advice,*
- *to identify State records that have enduring value and should be retained as State archives,*
- *other functions conferred on it by this Act or another Act or law.*

(2) *The Authority has power to do all things that are supplemental or incidental to the exercise of the Authority's functions.*

(3) *The Authority has power to charge and receive fees for a service provided by the Authority under this Act.*

Administrative changes

Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No. 10) 2022 (Administration Arrangements), published on 16 December 2022 establish State Records Authority NSW (State Records NSW) and Museums of History NSW (MHNSW) as a Public Service Agency (Staff Agency).

This means that MHNSW and State Records NSW remain two separate statutory bodies, but have a common Head of Agency, the Chief Executive Officer MHNSW, for purposes relating to the *Government Sector Employment Act 2013*. The Executive Director, State Records NSW, is the Head of Agency for all other purposes, including under the *Government Sector Finance Act* and *State Records Act 1998*.

1.2 Aims and objectives

State Records NSW is the NSW Government’s records management authority.

Our core aim is to support transparent and accountable government by ensuring that government records are properly created, managed and made accessible to the public.

Our objective is to support effective and efficient recordkeeping by setting standards, promoting good practice, monitoring recordkeeping practice and compliance, and providing guidance, advice and resources.

Our primary stakeholders are the NSW Government and public offices, who we serve by overseeing recordkeeping in NSW public offices. MHNSW is a key stakeholder for our work in the identification of State archives.

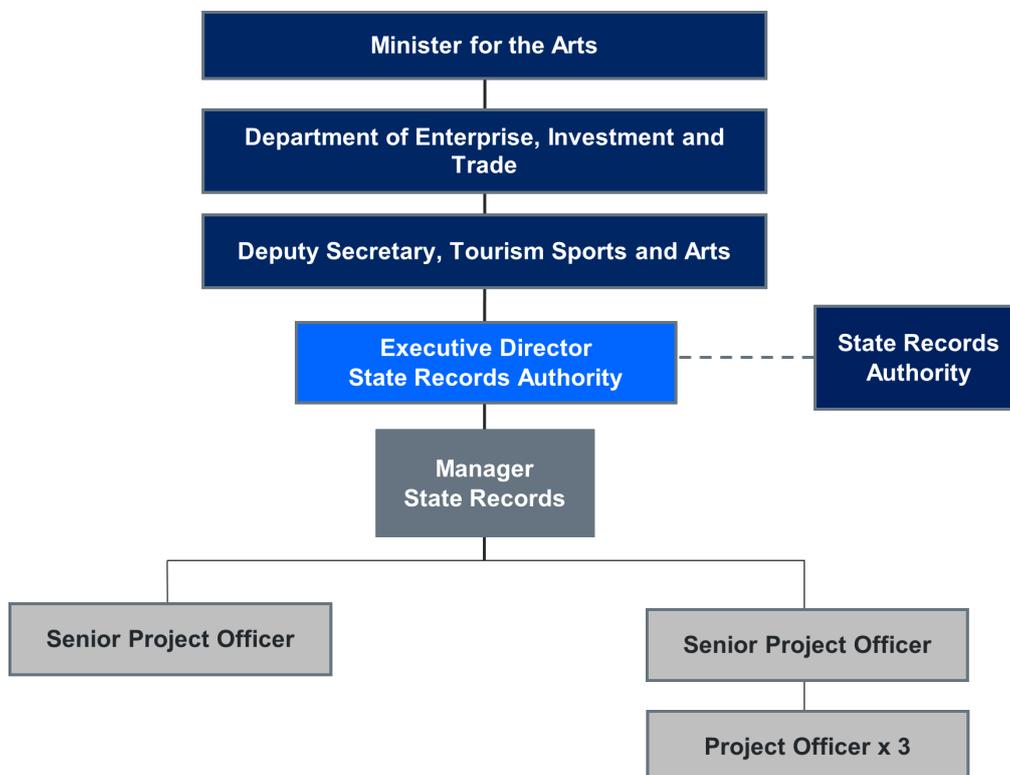
We also serve the interests of the community in the oversighting of recordkeeping and by setting minimum retention periods for State records to ensure that information is available in line with business and legal requirements, and community expectations, including the identification of some records for permanent retention as State archives.

1.3 Management and structure

Mary Darwell BA (Hons), LLB, LLM, GAICD served as the inaugural Executive Director of State Records NSW from 31 December 2022 to 3 June 2023, when she was appointed as CEO of MHNSW.

Martyn Killion BA Grad Dip AppSc (Info) Dip FHS undertook as the role of Executive Director of State Records NSW on a temporary basis from 5 June 2023 to 30 June 2023, during the recruitment process for the role of Executive Director State Records NSW, which occurred during this reporting period.

State Records NSW was formed as a micro agency defined as comprising up to ten employees during the reporting period. The organisational structure as at 30 June 2023 is set out below.



State Records NSW Board

The State Records NSW Board is responsible for determining the strategic plans and policies of State Records NSW, approving standards and codes of best practice and protection measures for State records.

The Board serves as a continuation of the SARA Board, with five positions of the Board novated on 31 December 2022. As of 30 June 2023, there were three vacancies on the Board.

Board members

Name and title	Representing and nominated by	Terms of appointment	Eligible Board meeting attendance
<p>Dr Brian Lindsay, Chair Professional researcher and author</p>	<p>Representing the history profession</p> <p>Nominated by the minister who administers the <i>State Records Act 1998</i></p> <p>Section 69(2)(b)(a), (3) and (5) of the State Records Act 1998</p>	<p>First term: 24/2/2019 – 23/2/2022</p> <p>Second term (novated): 16/3/2022 – 15/3/2025</p>	5 of 5
<p>Ms Elizabeth Tydd, Deputy Chair NSW Information Commissioner and CEO, NSW Information and Privacy Commission</p>	<p>Nominated by the minister who administers the <i>Government Sector Employment Act 2013</i> to represent public service agencies</p> <p>Section 69(2)(b) and Section 69(6) of the State Records Act 1998</p>	<p>First term: 9/8/2017 – 8/8/2020</p> <p>Second term (novated): 9/8/2020 – 8/8/2023</p> <p>Deputy Chair since 9/2/2022</p>	4 of 5
<p>Ms Amy Beaumont General Counsel at Port Authority of New South Wales</p>	<p>Nominated by the minister who administers the <i>State Owned Corporations Act 1989</i> to represent state-owned corporations</p> <p>Section 69(2)(b)(c) of the State Records Act 1998</p>	<p>First term (novated): 20/10/2021 – 19/10/2024</p>	4 of 5
<p>Ms Mary Darwell</p>	<p>Section 69(2)(a) of the State Records Act 1998</p>	<p>Appointed member in capacity as CEO, Museums of History NSW from 5/6/2023</p>	<p>Nil meetings scheduled from appointment date during reporting period</p>
<p>Dr Elizabeth McEntyre</p>	<p>Nominated by the minister who administers the <i>State Records Act 1998</i> to have knowledge of, or experience in, First Nations cultures</p> <p>Section 69(3)(c) of the State Records Act 1998</p>	<p>First term: 1/1/2023 – 31/12/2025</p>	2 of 2

Name and title	Representing and nominated by	Terms of appointment	Eligible Board meeting attendance
Dr Naomi Parry Duncan	Nominated by the minister who administers the <i>State Records Act 1998</i> to have knowledge of, or experience in, the use of state records Section 69(3)(a) of the <i>State Records Act 1998</i>	First term: 1/1/2023 – 31/12/2025	2 of 2
Vacant	Judge of a court of the state nominated by the Chief Justice of New South Wales. Nominated by the Chief Justice of New South Wales Section 69(2)(b)(e) of the <i>State Records Act 1998</i>		
Vacant	Member or officer of either House of Parliament nominated jointly by the President of the Legislative Council and the Speaker of the Legislative Assembly Section 69(2)(b)(d) of the <i>State Records Act 1998</i>		
Vacant	Nominated by the minister who administers the <i>State Records Act 1998</i> this Act and/or nominated by the minister to represent the <i>Government Sector Employment Act 2013</i> to represent public service agencies Section 69(2)(b) of the <i>State Records Act 1998</i>		

Number of Board meetings during reporting period for SARA

- 144th Board meeting, 17 August 2022
- 145th Board meeting, 26 October 2022
- 146th Board meeting, 30 November 2022

Number of Board meetings during reporting period for State Records NSW

- 147th Board meeting, 22 February 2023
- 148th Board meeting, 19 April 2023

Members who left the Boards during the reporting period

The following is an acknowledgement of former serving members of the Boards:

- Ms Jacqueline Feeney (SARA Board member from 3/8/2020 – 31/12/2022) - Represented the private sector. Term expired 31 December 2022, as the group represented was no longer a requirement under the State Records Act 1998. Attended 3 of 3 eligible Board meetings.
- Mr Scott Johnston (SARA and State Records NSW Board member 16/3/2020 – 15/3/2023) - Represented the Government Sector Employment Act 2013, to represent public service agencies. Attended 4 of 4 eligible Board meetings.
- The Hon Justice Geoff Lindsay (SARA Board member 1/1/2017 – 31/12/2019. Second term: 1/1/2020 – 31/12/2022) - Judge of the Supreme Court of NSW, nominated by the Chief Justice of New South Wales. Attended 2 of 3 eligible Board meetings.
- Mr Nazzareno (Reno) Lucarini (SARA Board member from 27/5/2020 – 31/12/2022) - Represented state law enforcement agencies. Term expired 31 December 2022, as the group represented was no longer a requirement under the State Records Act 1998. Nil meetings attended during the reporting period.
- The Hon Shayne Mallard MLC (SARA and State Records NSW Board member 20/10/2021 – 25/3/2023) - Nominated jointly by the President of the Legislative Council and the Speaker of the Legislative Assembly. Following the NSW state election on 25 March 2023, Mr Mallard is no longer a member of parliament and therefore does not fit the requirement of the Board under the Act. Attended 2 of 4 eligible Board meetings.
- The Hon Justice John Sackar (State Records NSW Board member from 31/12/2022, resigned 28/6/23 citing a potential conflict) - Judge of the Supreme Court of NSW, nominated by the Chief Justice of New South Wales. Attended 2 of 2 eligible Board meetings.
- Dr John Vallance served as State Records NSW Board member, as interim CEO of MHNSW, until 4 June 2023. Attended 2 of 2 eligible Board meetings.

Public Sector Advisory Committee

The Public Sector Advisory Committee was established to consult with public offices on recordkeeping programs and initiatives led by State Records NSW. The committee met once in the reporting period and its members were consulted during the year on the development of policies for State Records NSW. As of 30 June 2023, members were:

- André Jenkins, Director, Information Management, Clinical Excellence Commission
- David Pallot, Manager, Information and Records Management, Fire and Rescue NSW
- Deborah Naray, Head of Corporate Information, University of Technology Sydney
- Kate Curr, Manager, Digital Strategy & Innovation, State Library of NSW
- Lachlan Calvey, Senior Advisor Information Management, Department of Customer Service
- Lynne Paine, Director Information Management & Organisational Performance, Nepean Blue Mountains Local Health District
- Michael D Smith, Manager, Information Management, City of Sydney.

The committee:

- advises on initiatives relating to improving recordkeeping compliance within public offices
- collaborates with State Records NSW to identify and mitigate emerging areas of information risk in the NSW public sector and
- shares experiences and insights on records and information management in the NSW public sector.

2. Strategy

2.1 Strategic objectives and outcomes

Strategic objectives

In February 2023, the Board approved the State Records NSW Corporate Plan. The plan is formed around three strategic objectives:

1. **Policy leadership and support** in providing jurisdictional wide leadership and support in policy development; maturing and making transparent the regulatory framework; maintaining a program of modernisation and continuous improvement for disposals; and building an evidence base to enable performance improvement across the sector to enable effective targeting of advisory effort.
2. **Champion quality and responsive practice** through a program of engagement, education and collaboration with public offices, integrity agencies and the community.
3. **Operational excellence** with a particular focus during the year of modernising our support, advice and intelligence gathering functions.

Key outcomes

- Preparation for, and implementation of, the changes to the *State Records Act 1998*. This was a primary focus for 2022-23.
- New website launched on 22 November 2022
- Completed review of 14 retention and disposal authorities and issued three new retention and disposal authorities to ensure that disposal rules were relevant, current and fit for purpose
- 97% of 376 public offices have comprehensive records retention and disposal coverage
- Conducted the annual recordkeeping monitoring exercise with an increased participation rate of 74% (up from 65% in 2022)
- Policy on the new notices power in the *State Records Act 1998* approved and issued February 2023
- E-learning site received 3,889 visits

3. Operations and performance

3.1 Policy leadership and support

Regulatory framework for the *State Records Act 1998*

The *State Records Act 1998* establishes State Records NSW as the regulator of records management and recordkeeping within NSW public offices.

The Act provides State Records NSW with regulatory powers, including the authority to issue formal requirements (for example, standards, codes of best practice, retention and disposal authorities, and notices) and provide records management services (for example, guidance and training) to assist and support public offices in their compliance with the Act.

State Records NSW uses a responsive regulatory approach. This enables cooperative and collaborative engagement with public offices to promote voluntary compliance and self-regulation with the Act. This approach enables State Records NSW to escalate its monitoring activities and actions according to the level of risk posed by non-compliance.

The *Regulatory framework for the State Records Act 1998* describes the approach and how the powers in the Act are used to support regulatory activities. The framework was updated during the year to include information about the new notices power and to ensure it provides public offices with sufficient information about the regulation of the Act.

New notices power in the *State Records Act 1998*

The *Museums of History Act 2022* amended the *State Records Act 1998* to create an additional monitoring power for State Records NSW (sections 12(5) and 12(6)).

These new sections commenced on 31 December 2022. They enable State Records NSW to issue a notice to a public office requiring the public office to conduct an assessment of its recordkeeping processes and records management program and to report the findings to State Records NSW. If State Records NSW is not satisfied with the public office's report or the findings of the report, then it may include information about this in its annual report.

This new power recognises the importance of good recordkeeping as a foundation of accountability and transparency of government and is designed to support better compliance across public offices. It will enhance the efficiency and effectiveness of existing regulatory tools.

A policy to support the use of this new power was approved and issued in February 2023. The policy is available on the State Records NSW website.

In 2022–23, no section 12(5) notices were issued and no reports in relation to a section 12(5) notice were received.

Review of standards, codes of best practice, and policies

A key component of the framework for records management in NSW Government are the 'rules' that are established for records management. State Records NSW has a key role in approving and reviewing standards and codes of best practice for all aspects of records management in NSW public offices (under section 13(1) of the *State Records Act 1998*).

There are currently two records management standards in operation: *Standard on records management* (Standard no 12, issued 2015, amended 2018) and *Standard on the physical storage of state records* (Standard no 13, issued 2019).

There is currently one code of best practice in operation: *AS ISO 15489.1: 2017 Information and documentation – Records management, Part 1: Concepts and principles*.

In 2023, State Records NSW commenced a program to review the standards and the code of best practice. The review is designed to ensure that these components of the records management framework for NSW Government remain relevant and consistent with best practices.

Review of Building the Archives policy

Building the Archives is a policy on records appraisal and the identification of state archives. It was first published in 2001 and had not undergone significant review since that time. It was considered timely to review the policy given the recent establishment of State Records NSW as a separate agency to the State Archives Collection, which is under the management of Museums of History NSW (MHNSW).

Initial consultation was held in May–June 2023 with a broad range of stakeholders, including MHNSW, public offices, related professional associations, collection users and the public. More than 175 responses were received during the initial consultation period. Work on this policy will be finalised in 2023-24.

2023 Recordkeeping Monitoring Exercise

State Records NSW conducts an annual Recordkeeping Monitoring Exercise with public offices. The authority for this Monitoring Exercise is section 12(4) of the *State Records Act 1998*, which requires each public office to report on its records management program in accordance with arrangements made with State Records NSW. The key objective of the 2023 Monitoring Exercise was to determine if there had been an increase in the overall records management maturity of public offices.



The results found that there was an increase in the rate of participation of public offices, with the 2023 Recordkeeping Monitoring Exercise receiving 278 responses (74% response rate), up from 247 responses (65% response rate) in 2022. Those public offices that did not respond to the Monitoring Exercise will be identified in our ‘State of recordkeeping in the NSW public sector’ report, to be released early 2023-24.

The overall records management maturity of the jurisdiction has increased from **2.67 out of 5 in 2022** to an overall records management maturity score of **2.79 out of 5 in 2023**. Records management maturity has increased for the following sectors of the jurisdiction:

- agencies, authorities and departments
- local government councils and
- local health districts.

Maturity has not increased in the university and state-owned corporation sectors of the jurisdiction of the *State Records Act 1998*.

This year’s results also indicate that more public offices are ‘mature’ in their records management maturity. Thirty-eight per cent (105) of participating public offices can be identified as ‘mature’ in their records management (achieving a total records management maturity score of 3 out of 5 or above, see Levels 3 and 4 below). This is up from 30% (73) of participating public offices in 2022.

The results also reveal that the number of public offices scoring an ‘initial’ overall maturity score (1 out of 5, see Level 1 below) has decreased. A number of public offices have moved up to the ‘developing’ maturity category (2 out of 5, see Level 2 below):

Year	Level 1	Level 2	Level 3	Level 4	Level 5
2022	34	140	65	8	0
2023	20	153	97	8	0

The average scores for every question have also improved. Five Records Management Assessment Tool (RMAT) questions are now above the baseline compliance score of 3: Question 3 on senior responsible officer for records management; Question 10 on security and protection of records; Question 14 on systems design; Question 15 on create, collect and capture; and Question 16 on storage of records. Many other questions are close to achieving baseline compliance.

The lowest scores for 2022 were for Question 9 on performance monitoring, Question 18 on state archives transfer and Question 19 on access directions. Results for these three questions have improved in 2023, although there is still more work required to increase these results to baseline compliance.

The results have provided a wealth of information on the state of records management across the jurisdiction and important intelligence for engaging with the NSW public sector regarding records management and recordkeeping. The Recordkeeping Monitoring Exercise will next be conducted in March 2024.

Other monitoring activities

Recordkeeping performance issues

State Records NSW monitors reports published by the Auditor-General of NSW, the NSW Ombudsman and the Independent Commission Against Corruption (ICAC) to identify recordkeeping performance issues. State Records NSW also takes note of media reports and issues raised by members of the public.

In March 2023, State Records NSW contacted NSW Treasury and Transport for NSW as a result of recordkeeping issues raised by the Auditor-General in the performance audit report *Design and implementation of the Transport Asset Holding Entity* (issued January 2023). Both public offices have responded to a request for further information about work being undertaken to address issues raised by the Auditor-General.

In June 2023, State Records NSW contacted the Department of Regional NSW as a result of recordkeeping issues raised by the Auditor-General in the performance audit report *Bushfire recovery grants* (issued February 2023). The department has responded to a request for further information.

Recordkeeping assessments

Recordkeeping assessments are an impartial and evidence-based assessment of a public office's recordkeeping, conducted by State Records NSW. Section 15 of the *State Records Act 1998* provides the authority for this work. The outcome of the assessment is a Recordkeeping Assessment Report which may include recommendations to the public office to remediate and improve recordkeeping.

No recordkeeping assessments were conducted during 2022–23.

Complaints about recordkeeping

While the *State Records Act 1998* provides no specific complaint-handling provisions or powers, each year State Records NSW handles a small number of complaints concerning recordkeeping in public offices. State Records NSW's Policy on managing complaints about recordkeeping in public offices guides staff in the handling of complaints, including their risk-based triage, assessment and response. The policy and complaint handling process ensures that State Records NSW accepts only those complaints aligned with its regulatory objectives.

During 2022–23, State Records NSW received three complaints about recordkeeping. Two complaints were assessed according to organisational policy and procedures and were declined, while the third complaint was closed prior to assessment as the complainant withdrew the matter.

Disposal regulation program

The *State Records Act 1998* prohibits the disposal of records except where it is authorised by State Records NSW and approved by the Board. This permission is given through the approval and issue of a retention and disposal authority (RDA).

An RDA is a formal instrument that identifies NSW public offices' records and:

- provides permission to dispose of records after the expiry of minimum retention periods
- identifies records of enduring value that should be retained as State archives
- enables transfer of State records into the State Archives Collection.

The RDA program focuses on ensuring the provision of appropriate disposal policies and identification of State archives while keeping pace with changes in public office and government structures, services and functions, and considering the interests of the NSW community.

Retention and disposal authority development and review

At the end of this financial year, 376 public offices were required to comply with obligations conferred under the *State Records Act 1998*. Of these offices, 97% have comprehensive retention and disposal coverage for their records. Of the remaining public offices, nine have some functional records covered, and three have no or few functional records covered by RDAs.

State Records NSW maintains a database with details of RDAs authorised for use by each public office with hyperlinks to the relevant documents and websites. This information has been made available on the State Records NSW website to ensure public offices are implementing the correct RDAs.

State Records NSW worked with the following public offices to provide or update disposal coverage:

- Department of Customer Service for updated disposal coverage for Fair Trading, the NSW Building Commissioner, protected tenancy records and mine subsidence compensation
- Surveillance Devices Commissioner for disposal coverage for the Commissioner's work
- Department of Communities and Justice to update the disposal authority for social housing
- Inspector of Custodial Services to develop a new disposal authority for the Inspector's work.

State Records NSW issued three new RDAs and reviewed 14 RDAs comprising:

- eight RDAs reviewed, redrafted and reissued
- one RDA reviewed and reissued
- four RDAs reviewed and revoked
- one RDA withdrawn.

Deteriorated and damaged records

State Records NSW can approve the destruction of records that have not yet reached their minimum retention periods if they are severely damaged or deteriorated or pose a health and safety issue to property or staff. Approval for the disposal of nitrate films held by Transport for NSW and NSW Spatial Services that are required as State archives was given due to the nitrate films being of a chemically volatile nature.

State Records NSW also received five notifications about records that had been damaged or destroyed due to flooding and severe weather events, or other incidents that caused irreversible damage or destruction of record.

3.2 Champion best practice

For the Record

During 2022–23, six issues of the *For the Record* newsletter were published. The newsletter provides updates and advice to recordkeeping professionals within NSW public offices. The newsletters are available from the State Records NSW website and are an ongoing resource for public offices.

New website

The new website www.staterecords.nsw.gov.au is designed to provide an engaging platform about the *State Records Act 1998* for public offices and public sector employees. The website design is in accordance with the NSW Government guidelines, and new content relating to the establishment of State Records NSW as a separate entity was developed during the year.

Website metrics	New website February–June 2023 ¹	SARA website – Government Recordkeeping section July–December 2022
Pageviews	126,153	353,334
Users	27,232	50,277
File downloads	11,989	13,415

Note 1: Data unavailable during January 2023.

Guidance and advice

State Records NSW provides guidance and resources on a range of records management topics via its website. Guidance and resources assist public offices in implementing the requirements of the *State Records Act 1998*, the records management standards and the code of best practice.

During 2022–23, State Records NSW published new guidance on changes to the *State Records Act 1998* and what this means for public offices, getting started in records management and the management of audiovisual material, objects, library materials and records received in error.

Records Managers Forum and regional tours

During 2022–23, State Records NSW engaged with public offices via online and face-to-face events. The Records Managers Forum and the regional tours provided participants with information about legislative changes, including new programs and new requirements. There were over 600 participants in the Forums and tour. Speaking engagements and meetings

During 2022–23, State Records NSW provided presentations and briefed NSW public offices at nine formal speaking engagements regarding changes to the *State Records Act 1998*.

In addition, State Records NSW attended 272 meetings with NSW public offices.

Training

There is a suite of e-learning modules available on the State Records NSW website. During 2022–23, there were 10,629 visits to the e-learning site, with 3,889 visitors exploring the e-learning modules.

During this period, State Records NSW provided copies of the e-learning modules to seven public offices for modification and use as part of their own in-house training programs.

A strategy is being developed for the refresh and replacement of the e-learning modules.

Recordkeeping enquiries

State Records NSW continues to receive and respond to enquiries from public officials, members of the public and other organisations about government recordkeeping in NSW.

During the reporting period, recorded enquiry numbers increased by 29.5% compared with the previous reporting period. The increase in enquiries came from public offices requesting Service Portal logons or how to use the portal for public office submission of annual recordkeeping assessment results.

Enquiries received by stakeholders for 2022 and 2023

Stakeholder	2021–22	2022–23
NSW public offices	1308	1710
Members of the public / private sector	91	127
Other jurisdiction	41	28
Total number of enquiries	1440	1865

Collaboration with industry

State Records NSW participates in industry research and standards setting where the outcomes have direct relevance to recordkeeping in the NSW public sector. During 2022–23, State Records NSW participated in the following ways:

- as a member of the Standards Australia IT/21 – Records Management Committee
- as a member of the Standards Australia IT/21 subcommittee IT21/17 – Compliance Handbook
- as a member of the following International Organization for Standardization ISO/TC 46/SC 11 Archives/records management working groups:
 - WG1 – Metadata for records
 - WG17 – Managing records in cloud computing environments
 - WG19 – Risk assessment for records processes and systems
 - WG20 – Records Management Maturity Model
 - WG 21 – Disposition
 - Ad hoc Working Group 7 – Review of ISO 15489.

Communications engagement strategy

A communications plan has been developed to ensure that communications with stakeholders are useful, responsive, timely and intentional. Stakeholder identification and mapping has begun to inform the delivery of communications. In 2023–24, work will continue in the development of an overarching strategy, which will be informed by a satisfaction survey of public offices.

State Records NSW worked with an external agency to develop its website including a new animation, as a resource to promote good recordkeeping.

Building relationships

Oversight agencies

Oversight agencies are those agencies in the NSW Government that have special powers enabling them to safeguard the public interest and conduct investigations. They include the NSW Ombudsman, Independent Commission Against Corruption (ICAC), the Audit Office of NSW, and the Information and Privacy Commission of NSW.

In 2023, State Records NSW held meetings with the Auditor-General of NSW and the NSW Ombudsman to introduce the new agency and our work to improve recordkeeping.

During this period, State Records NSW also met with the Chief Cyber Security Officer and the Director of ID Support NSW to discuss issues of common interest, including the retention of proof of identity records.

Council of Australasian Archives and Records Authorities

State Records NSW became a member of the Council of Australasian Archives and Records Authorities (CAARA) on 31 December 2022.

CAARA is a peak body of government archives and records institutions in Australia and New Zealand.

State Records NSW attended the March and June meetings of CAARA in 2023 and participated in the following working groups:

- Australasian Digital Recordkeeping Initiative (ADRI) – its primary objective is to pool resources and expertise to find better ways to ensure that digital records are preserved and made accessible for the future.
- Emerging Recordkeeping Special Interest Group – its primary objective is to identify and address emerging recordkeeping issues.
- Education Working Group – its primary objective is to identify gaps in education and training offerings across the sector, and to look at opportunities to address the issue.

Records and Information Management Practitioners Alliance

The Records and Information Management Practitioners Alliance (RIMPA) is one of the key professional bodies for records management. State Records NSW engaged with RIMPA during 2022–23 by providing a detailed update on the legislative changes for the December 2022 issue of RIMPA's *iQ Magazine*.

The Executive Director, State Records NSW (jointly with MHNSW), presented on the NSW Government's approach to supporting records management and access to public records at the RIMPA Global half-day seminar on 21 February 2023.

3.3 Operational excellence

Training and networking opportunities

Staff have been supported to participate in both internal and external development opportunities, including attending relevant Institute of Public Administration Australia training courses and attendances at the 2023 Australian Society of Archivists' national conference.

In May–June 2023, all State Records NSW staff participated in a behavioural self-assessment and resilience training course to improve communication and collaborative work methods and to learn strategies to deal with change.

Supporting diversity and inclusion

Ensure our publications are accessible

As a NSW Government agency, State Records NSW is committed to accessibility to ensure its information is available to everyone.

This includes people with disability who may use assistive technology to read or listen to content or who would benefit from design features such as higher contrast colour palettes.

Publications produced by, or on behalf of, State Records NSW must meet the NSW Government Masterbrand guidelines, including accessibility standards.

State Records NSW also aims to meet the latest standard of the [Web Content Accessibility Guidelines](#) at an AA level on the State Records NSW website and identify opportunities to improve the website and its content to meet changing web accessibility standards.

4. Management and accountability

4.1 Human resources

Senior executive

Remuneration

Senior Executive Band	2022 (SARA)		2023 (State Records NSW)	
	Range \$ ¹	Average remuneration \$	Range \$ ¹	Average remuneration \$
Band 3	354,201 – 499,250	355,657 ²	361,301 – 509,251	0
Band 2	281,551 – 354,200	276,893 ³	287,201 – 361,300	293,708 ⁴
Band 1	197,400 – 281,550	213,272	201,350 – 287,200	0

Note 1: Salary ranges effective at the Workforce Profile census dates of 23 June 2022 and 22 June 2023.

Note 2: The Band 3 (Chief Executive Officer) salary was shared equally between SARA and SLM in 2022.

Note 3: The Band 2 (Chief Operating Officer) salary was shared equally between SARA and SLM in 2022.

Note 4: This figure relates to the Executive Director State Records NSW.

Gender diversity

Senior Executive Band	2022 (SARA) ¹				2023 (State Records NSW) ⁴			
	Female	Male	Total	% Representation by women	Female	Male	Total	% Representation by women
Band 3	0	0.5 ²	0.5	0	0	0	0	0
Band 2	0.5 ³		0.5	50%	0	1	0	0
Band 1	0	2	2	0	0	0	0	0
Total	0.5	2.5	3	16%	0	0	0	0%

Note 1: The figures for 2022 are the SARA figures from the previous annual report.

Note 2: The Band 3 (Chief Executive Officer) salary was shared equally between SARA and SLM in 2022.

Note 3: The Band 2 (Chief Operating Officer) salary was shared equally between SARA and SLM in 2022.

Note 4: Statistics are based on Workforce Profile census date (22 June 2023).

Employees

Number of senior executives and employees

Type	2020	2021	2022	2023
	SARA ¹	SARA ¹	SARA ¹	State Records NSW ^{1,2}
Senior executive	2.5	2.5	3	0
Ongoing	103.7	113.47	115.04	5.91
Temporary	20	40.7	52.35	0
Total	126.2	156.67	170.39	5.91

Note 1: Full-time equivalent staff (excludes chairpersons, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long-term leave without pay). Statistics are based on Workforce Profile census data as at 25 June 2020, 24 June 2021, 23 June 2022 and 22 June 2023.

Note 2: State Records NSW executive role was not substantially filled, and the Executive Director was counted within the MHNSW census on 22 June 2023, therefore senior executive figure is 0.

Employee-related costs

Type	2021	2022	2023
	SARA	SARA	State Records NSW ²
Executive	\$708,552	\$738,786	\$96,615 ³
Non-executive	\$11,916,149	\$14,227,087	\$696,692 ⁴
Total	\$12,624,701	\$14,965,873	\$793,307
Ratio senior executive	5.61%	4.94%	-%

Note 1: Figures are salary only.

Note 2: State Records NSW became effective on 31 December 2022.

Note 3: This is for the period 31 December 2022 to 3 June 2023.

Note 4: This is for the full reporting and includes SARA employees who were transferred to State Records NSW.

Employment relations

Policies and practices

State Records NSW manages its employees in accordance with NSW Government human resources policies and practices, following the policies and practices of MHNSW, which were updated to reflect the establishment of MHNSW, including the review of:

- learning and performance development plans through the implementation of My Hub, a learning and development platform
- induction sessions to enhance face-to-face presentations and develop online material
- recruitment processes to support fair and equal access to job opportunities by identifying reasonable adjustments that can be made to the application, interview and assessment process if requested by a person with a disability or diverse needs
- the Bullying and Harassment Free Workplace Policy, Remote Working Procedures, Managing Alcohol and Drugs in the Workplace Policy, and Working with Children and Young People Policy
- the Return to Work program through responsive, customised and effective programs that support staff.

We have continued to implement our People and Culture strategies, and validate their effectiveness through:

- staff engagement results as measured in the 2022 People Matter Employee Survey
- internal staff engagement pulse surveys, tracking diversity and inclusion priorities, and staff wellbeing data
- data analysis of recruitment, leave management, staff mobility, workforce planning, wellbeing, learning and development, and work, health and safety policies and practices.

Staff engagement

Staff engagement is monitored via the annual People Matter Employment Survey. The survey, conducted in August 2022, provided an opportunity for staff to have a say about their workplace and to help make it a better place to work.

In response to the results from the 2022 survey, a comprehensive Employee Engagement Action Plan was developed for 2022–23. Also contributing to the development of this plan was extensive staff consultation through workgroups, surveys and presentations by our executive and leadership teams.

The plan for 2022–23 focused on five key areas:

- organisational direction
- leadership
- change management and communication
- employment matters
- culture.

MHNSW and State Records NSW have successfully delivered the following initiatives:

- regular all staff meetings on a variety of topics, hosted by State Records NSW and different teams across MHNSW and recorded for those who are unable to attend
- promotion of Employee Assistance Program services, resulting in increased usage
- simplifying the recruitment and onboarding process/procedures while maintaining compliance.

4.2 Consultants

There were no consultant costs incurred by State Records NSW between January and June 2023. The tables below are related to expenses incurred by SARA between July and December 2022.

Engagements equal to or greater than \$50,000

Name of consultant	Project title	Amount (excl GST)
KPMG Australia	Development of the Securing Our History Detailed Business Case	\$367,826 ¹

Note 1: This consultant cost is recorded in the financial statements included in the State Records Annual Report but were incurred by SARA and relate to functions that were transferred to MHNSW.

Engagements less than \$50,000

No of engagements	Amount (excl GST)
4	\$55,143

4.3 Other reporting requirements

Privacy and Personal Information Protection Act 1998

The *Privacy and Personal Information Protection Act 1998* (PIIP Act) contains 12 Information Protection Principles regulating the collection, use and disclosure of personal information by NSW public sector agencies. These principles ensure that agencies collect personal information for lawful purposes, and that such information is protected from misuse and unauthorised release.

In accordance with section 33(1) of the PIIP Act, State Records NSW has implemented a Privacy Management Plan that outlines how State Records NSW complies with the principles of the PIIP Act and the *Health Records and Information Privacy Act 2002*. In support of this, State Records NSW also developed a Privacy Management Policy. The policy and the Privacy Management Plan can be found on our [Publications and Policies page](#).

Applications made under the PIIP Act

During the reporting period, State Records NSW received no applications by individuals requesting their personal information under section 14 of the PIIP Act and no applications for internal review of State Records NSW conduct under section 53(1) of the PIIP Act.

Government Information (Public Access) Act 2009

The *Government Information (Public Access) Act 2009* (GIPA Act) provides an open and transparent process for giving the public access to information held by NSW public sector agencies, including information held by State Records NSW.

Upon its establishment, State Records NSW conducted a review of the information it was to make publicly available in accordance with section 7(3) of the GIPA Act. State Records NSW will continue to assess its compliance in accordance with the GIPA Act and ensure improvements to promote and foster an open access/data culture.

Information regarding State Records NSW's approach to the provision of access is outlined in its Access to Information (GIPA) Policy and at <https://staterecords.nsw.gov.au/access-information>.

State Records NSW's policy suite is available at <https://staterecords.nsw.gov.au/publications-and-policies>.

During the reporting period (being 31 December 2022 to 30 June 2023), State Records NSW did not receive any formal access applications under the GIPA Act.

Public Interest Disclosures Act 1994

The *Public Interest Disclosures Act 1994* (PID Act) encourages and facilitates the disclosure of corrupt conduct, maladministration, serious and substantial waste, government information contravention and local government pecuniary interest contravention in the public sector.

Consistent with the NSW Ombudsman's Model Policy, the Public Interest Disclosures Policy establishes State Records NSW's internal reporting system for staff to make disclosures and provides guidance on how disclosures are dealt with.

The policy is published on the State Records NSW website at <https://staterecords.nsw.gov.au/publications-and-policies> as well as on the organisation's internal intranet. Targeted training for disclosure officers, and all staff training and communications are periodically scheduled to ensure State Records NSW staff are aware of their responsibilities per section 6E(1)(b) of the PID Act.

In accordance with section 31 of the PID Act and section 4 of the Public Interest Disclosures Regulation 2011, State Records NSW reports nil disclosures received during the period 31 December 2022 to 30 June 2023.

Events after reporting period

Following a recruitment process, Martyn Killion was appointed as Executive Director State Records NSW for the period 5 September 2023 to 30 June 2024.

Annual report preparations

This report was designed, written and edited in house. There were no external costs for publication of this report.

The report is available in PDF format at www.staterecords.nsw.gov.au This report complies with the *Government Sector Finance Act 2018* and *Government Sector Finance Regulation 2018*, *Government Information (Public Access) Act 2009*, Treasury Circulars and Treasurer's Directions, and Premier's memoranda.

Accessing our services

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Phone: (02) 9714 3080

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Nil to report:

- Promotion
- Research and development
- Land disposal
- Exemptions
- Implementation of price determination
- Inclusion of unaudited financial statements
- Investment performance
- Liability management performance
- Economic or other factors
- Requirements arising from employment arrangements TC15-07

4.4 Internal audit and risk management

State Records NSW is committed to good corporate governance, including taking a robust approach to risk-management planning that identifies and addresses both external and internal risks to its operations. Internal risks are also managed through the development of new and revised policies and procedures, and the identification of appropriate risk-mitigation controls.

Following the transition to State Records NSW and MHNSW from Sydney Living Museums and the State Archives and Records Authority of New South Wales, State Records NSW's internal audit and risk management function is largely provided by MHNSW. MHNSW considers and supports both agencies in relation to internal audit and risk management.

For the period 1 July 2022 – 30 December 2022 SARA had an Audit and Risk Committee (ARC), which was integral to the organisation's corporate governance arrangements. Responsibilities included the review of internal controls, risk management, annual financial statements and both internal and external audits.

State Records NSW did not have an Audit and Risk Committee during the period 31 December 2022 – 31 June 2023, as is permitted under the Internal Audit and Risk Management Policy for the General Government Sector (TPP20-08) for up to 12 months for agencies that have undergone significant legislative and machinery of government changes. Audit and Risk Committee arrangements will be re-established in the 2023–24 financial year.

State Records NSW adopts the MHNSW Risk Management Framework, which outlines how the organisation manages the risks associated with its business processes. Effective risk management supports State Records NSW to deliver its strategy, outcomes and objectives.

The framework defines the organisation's risk governance structure, policy, appetite, responsibilities and processes, and aims to:

- foster and encourage a risk management culture that is seen as an integral positive component of decision-making
- embed risk management in all State Records NSW's business activities and decisions and inform resource allocation to assist in the delivery of outcomes
- assign accountability and responsibility for identifying, managing and reporting on existing and emerging risks to achieve organisational objectives
- ensure a consistent and effective approach to risk management while allowing innovation and continual improvement
- implement NSW Treasury Policy TPP 20-08 and AS ISO 31000:2018 Risk Management – Guidelines.

State Records NSW has an enterprise risk register that is reviewed at least quarterly.

Effective business continuity management procedures ensure that State Records NSW can continue to undertake critical functions in events where a disruption impacts the organisation and are a key element of State Records NSW's risk management planning and practice. State Records NSW is included in MHNSW's Business Continuity Management Suite, which identifies critical functions and risks, provides a plan to maintain or restore critical operations and a communication strategy to communicate with key people during a crisis. Scenario testing to assess the efficacy of the Business Continuity Management Suite is undertaken at least biannually by management.

Internal audit and risk management and cyber security attestations

On following pages.

Internal Audit and Risk Management Attestation Statement for the 2022-2023 Financial Year for State Records NSW

I, Kathryn Natoli, am of the opinion that State Records NSW (from 31 December 2022) has internal audit and risk management processes in operation that are, excluding the transitional arrangements described below, compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirement	For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework	
1.1 The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2 The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
Internal Audit Function	
2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	In Transition
2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	In Transition
2.3 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	In Transition
Audit and Risk Committee	
3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	In Transition

3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.

In Transition

Departures from Core Requirements

I, Kathryn Natoli, advise that the internal audit and risk management processes for State Records NSW depart from the following Core Requirements set out in the Internal Audit and Risk Management Policy for the General Government Sector: The departure from the Core Requirements is due to the agency implementing measures to achieve compliance with new policy requirements consistent with the permitted transitional arrangements, following the amendments made to the *State Records Act 1998* as at the 31st of December 2022.

Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
In Transition	
<p><i>2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.</i></p>	<p>State Records NSW was impacted by significant Machinery of Government (MoG) changes during the period, which impacted on the ability to establish an Audit & Risk Committee. From 31 December 2022 a number of amendments to the <i>State Records Act 1998</i> came into effect, which resulted in the separation of all of the agency's internal shared services and more than 95% of staff, who transitioned into a new agency established under the <i>Museums of History Act 2022</i>.</p> <p>From 31 December 2022, Audit and Risk Management support have been provided to State Records NSW by Museums of History NSW (MHNSW), under a shared service arrangement.</p> <p>MHNSW engaged KPMG as internal audit partners for the period 2-23/24 – 2025/26 following an open tender process. KPMG has developed a three-year internal audit plan for MHNSW and will conduct these audits as per the agreed audit plan. MHNSW's internal audit charter was recently approved at the July 2023 Audit and Risk Committee meeting and is consistent with the 'model charter'.</p> <p>State Records NSW does not currently have an independent internal audit function but will benefit from MHNSW's internal audit program.</p> <p>Prior to the end of the 12-month transitional period allowed under TPP20-08 an internal audit function that is appropriate for the agency and fit for purpose to ensure compliance is achieved.</p>
<p><i>2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.</i></p>	<p>The Accountable Authority has ensured that the MHNSW internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.</p> <p>Prior to the end of the 12-month transitional period allowed under TPP20-08 the Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing, to ensure compliance is achieved.</p>
<p><i>2.3 The Accountable Authority shall ensure the</i></p>	<p>Prior to the end of the 12-month transitional period allowed under TPP20-08 the Accountable Authority shall ensure the internal audit function</p>

Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
<i>agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.</i>	agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.
<i>3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.</i>	<p>State Records NSW was impacted by significant Machinery of Government (MoG) changes during the period, which impacted on the ability to establish an Audit & Risk Committee. From 31 December 2022 a number of amendments to the <i>State Records Act</i> 1998 came into effect, which resulted in the separation of much of the agency's responsibilities, internal shared services and staff who transitioned into a new agency established under the <i>Museums of History Act</i> 2022.</p> <p>The Audit and Risk Committee of the agency prior to 31 December 2022 was disbanded as a result of these MoG changes.</p> <p>Audit and Risk Committee arrangements will be formalised and in place by 31 December 2023, prior to the end of the 12-month transitional period allowed under TPP20-08 to ensure compliance is achieved.</p>
<i>3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.</i>	Prior to the end of the 12-month transitional period allowed under TPP20-08 the Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.

These processes, including the practicable alternative measures being implemented, demonstrate that State Records NSW has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the agency.



Kathryn Natoli
A/Executive Director
State Records NSW

Agency Contact:
Ellena Foster Constable
Head of Governance
governance@records.nsw.gov.au

Cyber Security Attestation Statement for the 2022-2023 Financial Year for State Records NSW

I, Kathryn Natoli, am of the opinion that State Records NSW (from 31 December 2022) has assessed our cyber security risks and are managing them in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Technology changes associated with the significant Machinery of Government changes that impacted on State Records NSW following changes to the *State Records Act 1998* from 31 December 2022 resulted in delays to the delivery of Cyber Security Uplift objectives and minor slippage in ICT controls during the period. This is in the process of being addressed with a target of a minimum Essential 8 maturity level of two by 30 June 2024.

Management of cyber security was addressed during the period by:

- Assessing cyber security risks. One risk was assessed as having a residual rating of high and was associated with State Records NSW's capacity to fund the ongoing costs of maintaining cyber security controls.
- ICT and Cyber Security was facilitated under a shared services arrangement with Museums of History NSW (MHNSW). Issues and initiatives were reviewed at monthly MHNSW Executive Governance meetings.
- Cyber Security policies and procedures were updated as scheduled.
- Continued delivery of Cyber Security Uplift goals which included mitigating the impact of the MHNSW domain migration following Machinery of Government changes enacted under changes to the *State Records Act 1998* from 31 December 2022.
- The completed Cyber Security Roadmap and Plan for 2023/24 remains on target to achieve a minimum of level 2 maturity for all Essential 8 requirements by 30 June 2024.

State Records NSW is dedicated to continuously improving the management of cyber security governance, resilience and ongoing operationalisation of improvements to controls and processes.

A handwritten signature in black ink, appearing to read "K. Natoli".

Kathryn Natoli
A/Executive Director
State Records NSW

Agency Contact:

David Thornell
Principal Project Officer - ICT
Governance@staterecords.nsw.gov.au

5. Sustainability

5.1 Disability Inclusion Action Plan

Disability Inclusion Action Plans (DIAPs) are a whole of government and whole of community approach to addressing areas that people with disability have identified as priorities.

MHNSW is consulting with internal and external stakeholders to prepare a DIAP that will include State Records NSW to ensure increased accessibility to the organisations' places, services and information and in relation to their workforce strategies.

During this reporting period and as a tailored plan is developed, MHNSW and State Records NSW relied on the DIAP of the Department of Enterprise, Investment and Trade to inform their practices and approach.

5.2 Modern Slavery Act 2018 (NSW)

State Records NSW utilises MHNSW's procurement and contract management policies, which are aligned with the NSW Procurement Policy Framework and Guidelines and take into account the provisions of the *Modern Slavery Act 2018*. State Records NSW procurement activities are guided by established procedures and the use of NSW Government procurement schemes, resources and contract templates that help ensure compliance with the *Modern Slavery Act 2018*.

MHNSW and State Records NSW additionally manage risks associated with procurement by making inquiries of their suppliers if an actual or suspected occurrence of modern slavery is identified. Both organisations are focused on enhancing their capability in proactively managing risks of modern slavery, particularly in relation to the procurement of goods and services and meeting due diligence obligations by seeking acknowledgement and compliance from suppliers on the application of the NSW Government Supplier Code of Conduct.

No actual or suspected occurrences of modern slavery were identified by MHNSW and State Records NSW during the reporting period in relation to their goods and suppliers.

5.3 Work health and safety

In accordance with the NSW *Work Health and Safety Act 2011* and the NSW Work Health and Safety Regulation 2017, State Records NSW is committed to ensuring the safety of its workers and clients.

In practice, this means providing a workplace free of risks to health and safety, ensuring workers have safe systems of work and by consulting with workers on safety matters.

The organisation undertakes workplace consultation and issue resolution by including workplace health and safety (WHS) as a standard agenda item in staff meetings and utilising the resources of WHS team members to provide advice and instigate WHS initiatives. State Records NSW has identified ergonomics and driving distances as WHS risks, for which the WHS team has responded with toolbox talks and guidance material.

The QIN (Quality Information Now) incident notification system is now embedded in the organisation. The QIN system captures incidents, hazards and WHS issues and provides accurate reporting.

Details of injuries and prosecutions under the *Work Health and Safety Act 2011*

There were no reported injuries, incidents or new claims by State Records NSW staff in the period 2022–23.

5.4 Workforce diversity

As State Records NSW has fewer than 20 staff members, the Public Service Commission is unable to provide statistics for the representation and distribution of employees in diversity groups.

Diversity and inclusion

Membership of Diversity Council of Australia

MHNSW is a member of the Diversity Council of Australia (DCA), an independent not-for-profit peak body leading diversity and inclusion in the workplace. As a member, MHNSW takes advantage of the extensive resources, expert guidance and learning opportunities available through the DCA and uses these to promote and advance inclusion and diversity at MHNSW and State Records NSW.

Through the work of their Diversity and Inclusion Network, MHNSW and State Records NSW are working to provide opportunities for staff to contribute diverse perspectives to organisational policies and processes, promote events that celebrate and raise awareness of key diversity and inclusion issues and reinforce a culture that fosters respect, inclusion and understanding.

Diversity and Inclusion Action Plan 2021–2023

The Sydney Living Museums and State Archives and Records Authority of New South Wales Diversity and Inclusion Action Plan 2021–2023 has been updated to reflect MHNSW and State Records NSW.

Both organisations' commitment to inclusion involves creating an environment that is respectful, welcoming and flexible, and where all employees can achieve their full potential. Both cultivate an inclusive and collaborative workplace where diversity of lived experience and background informs decision-making and innovation.

State Records NSW and MHNSW are in the final year of the current Diversity and Inclusion Action Plan. The plan is supported by a working group comprising staff from different classifications, grades, locations and diversity groups.

Achievements during 2022–23 across the three Pillars of Leadership, Workforce and Workplace include:

- Leadership – Hiring managers are supported with adjustments required for applicants during the recruitment process; Diversity and Inclusion survey results are used to prioritise learning and development, particularly regarding First Nations training.
- Workforce – Promoted working group, encouraged membership and supported activities and engagement with staff; mandatory Disability Awareness training for staff; enriched offering of Diversity and Inclusion learning and development, including Aboriginal Mental Health First Aid and Aboriginal and Torres Strait Islander Cultural Appreciation; supported creation of identified and targeted roles.
- Workplace – Mentoring program reviewed with mentor invitation to wider cultural institutions; working group supported engagement activities based on significant cultural events; staff involved with promoting and developing culturally diverse programs, events and exhibitions.

The action plan recognises MHNSW and State Records NSW as workplaces that respect and celebrate diversity and inclusion and make it a priority in planning, resourcing and daily work. The 2023–2024 action plan is currently under consideration.

5.5 Sustainability initiatives

E-waste recycling

In 2022–23, MHNSW and State Records NSW recycled 2,644 kilograms of general e-waste across all sites. The E-waste recycling program ensured that end-of-life assets such as computers, scanners, tablets, mobile phones, printers and servers, along with miscellaneous peripheral devices and cables, were responsibly disposed of using an accredited e-waste provider.

In addition, 638 hard drives or solid-state drives were securely erased, either with software tools or through physical destruction, and approximately 4,000 CDs and floppy disks were degaussed and/or destroyed.

In some cases, assets were resold after secure data destruction. Resale was carried out in accordance with the NSW Procurement Policy Framework.

This program to responsibly dispose of assets that are no longer required will continue each year.

Fleet

MHNSW and State Records NSW have one electric vehicle and three hybrid vehicles in the fleet. Global fleet efficiency improved to 11.1 litres per 100 kilometres, compared to 12 litres per 100 kilometres in 2021–22, across the 348,097 kilometres travelled in 2022–23.

Secure recycling

During 2022–23, MHNSW and State Records NSW securely destroyed and recycled 23,040 litres of paper across their operations.

6. Financial performance

6.1 Museums of History NSW and State Records Authority NSW Staff Agency

Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 10) 2022, on 16 December 2022, renamed the State Archives and Records Authority of New South Wales Staff Agency to the Museums of History NSW and State Records Authority NSW Staff Agency (the staff agency). The Chief Executive Officer of MHNSW is the head of the staff agency.

The audited financial statements for the staff agency are included in the Museums of History NSW Annual Report 2022-23 available at www.mhnsw.au.

6.2 State Records Authority NSW financial statements



INDEPENDENT AUDITOR'S REPORT

State Records Authority NSW

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the State Records Authority NSW (the Authority), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a Summary of Significant Accounting Policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entity it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- present fairly the financial position, financial performance and cash flows of the Authority and the consolidated entity.

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

Basis for Opinion

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

I am independent of the Authority and the consolidated entity in accordance with the requirements of the:

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

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

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

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

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

Executive Director's Responsibilities for the Financial Statements

The Executive Director is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the GSF Act, GSF Regulation and Treasurer's Directions. The Executive Director's responsibility also includes such internal control as the Executive Director determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director is responsible for assessing the ability of the Authority and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

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

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



David Daniels
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

20 October 2023
SYDNEY

Statutory financial statements for the year ended 30 June 2023

State Records Authority New South Wales

Statement by the Accountable Authority

Pursuant to section 7.6 of the *Government Sector Finance Act 2018* (the GSF Act), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's directions; and
- present fairly State Records Authority NSW's financial position, financial performance and cash flows.



Martyn Killion
Executive Director
State Records Authority NSW

Dated 19 October 2023

Statement of comprehensive income

For the year ended 30 June 2023

	Notes	Consolidated entity			Parent entity	
		Actual	Budget*	Actual	Actual	Actual
		2023	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000	\$'000
Continuing operations						
Expenses excluding losses						
Personnel services expenses	2(a)	370	2,005	-	9,427	14,684
Employee-related expenses	2(a)	20,358	40,359	19,569	-	-
Operating expenses	2(b)	6,058	10,962	12,434	6,058	12,434
Depreciation and amortisation	2(c)	3,947	7,616	7,278	3,947	7,278
Finance costs	2(d)	51	511	89	51	89
TOTAL EXPENSES EXCLUDING LOSSES		30,784	61,453	39,370	19,483	34,485
Revenue						
Sale of goods and services	3(a)	12,910	46,129	20,564	12,910	20,564
Grants and contributions	3(b) & 5	8,083	12,741	15,385	8,083	15,385
Acceptance by the Crown of employee benefits and other liabilities	3(c)	108	415	(205)	108	(205)
Personnel services revenue	3(d)	11,301	-	4,885	-	-
State archives revenue	9	25,966	6,212	15,343	25,966	15,343
TOTAL REVENUE		58,368	65,497	55,972	47,067	51,087
Operating result		27,584	4,044	16,602	27,584	16,602
Gain/(loss) on disposal	4	-	-	4	-	4
NET RESULT		27,584	4,044	16,606	27,584	16,606
Other comprehensive income						
Items that will not be reclassified to net result in subsequent periods						
Changes in revaluation surplus of property, plant and equipment	9	-	-	(3,148)	-	(3,148)
Total other comprehensive income		-	-	(3,148)	-	(3,148)
TOTAL COMPREHENSIVE INCOME		27,584	4,044	13,458	27,584	13,458

*Refer to Note 20.

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2023

	Notes	Consolidated entity			Parent entity	
		Actual	Budget*	Actual	Actual	Actual
		2023	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Current assets						
Cash and cash equivalents	6	248	5,600	5,301	248	5,301
Receivables	7	13	9,217	5,928	13	3,291
Inventories	8	-	12	22	-	22
TOTAL CURRENT ASSETS		261	14,829	11,251	261	8,614
Non-current assets						
Property, plant and equipment	9					
- Land and buildings		-	64,767	68,328	-	68,328
- Plant and equipment†		51	1,070,367	7,627	51	7,627
- Collection assets		-		1,054,488	-	1,054,488
TOTAL PROPERTY, PLANT AND EQUIPMENT		51	1,135,134	1,130,443	51	1,130,443
Right-of-use assets	10	-	7,543	4,101	-	4,101
Intangible assets	11	40	6,538	6,107	40	6,107
TOTAL NON-CURRENT ASSETS		91	1,149,215	1,140,651	91	1,140,651
TOTAL ASSETS		352	1,164,044	1,151,902	352	1,149,265
Liabilities						
Current liabilities						
Payables	13	36	13,504	3,727	36	5,331
Contract liabilities	14	-	500	2,268	-	2,268
Lease liabilities	15	-	3,060	2,051	-	2,051
Provisions	16	-	-	4,145	-	-
TOTAL CURRENT LIABILITIES		36	17,064	12,191	36	9,650
Non-current liabilities						
Contract liabilities	14	-	169	163	-	163
Lease liabilities	15	-	5,082	2,422	-	2,422
Provisions	16	-	165	264	-	168
TOTAL NON-CURRENT LIABILITIES		-	5,416	2,849	-	2,753
TOTAL LIABILITIES		36	22,480	15,040	36	12,403
NET ASSETS		316	1,141,564	1,136,862	316	1,136,862
Equity						
Asset revaluation surplus		-	357,692	785,437	-	785,437
Accumulated funds		316	783,873	351,425	316	351,425
TOTAL EQUITY		316	1,141,565	1,136,862	316	1,136,862

* Refer to Note 20.

† The budget against this is the total budget including plant and equipment.

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2023

	Notes	Consolidated and parent entity		
		Accumulated funds	Asset revaluation reserve	Total
		\$'000	\$'000	\$'000
Balance as at 1 July 2022		351,425	785,437	1,136,862
Net result for the year		27,584	-	27,584
Other comprehensive income		-	-	-
Net change in revaluation surplus of property, plant and equipment	9	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		27,584	-	27,584
Transactions with owners in their capacity as owners				
Increase/(decrease) in net assets from equity transfers	17	(378,693)	(785,437)	(1,164,130)
BALANCE AT 30 JUNE 2023		316	-	316

Balance as at 1 July 2021		334,819	788,585	1,123,404
Net result for the year		16,606	-	16,606
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	9	-	(3,148)	(3,148)
TOTAL OTHER COMPREHENSIVE INCOME		-	(3,148)	(3,148)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		16,606	(3,148)	13,458
Transactions with owners in their capacity as owners				
Increase/(decrease) in net assets from equity transfers		-	-	-
BALANCE AT 30 JUNE 2022		351,425	785,437	1,136,862

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2023

	Notes	Consolidated entity			Parent entity	
		Actual	Budget*	Actual	Actual	Actual
		2023	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Payments						
Personnel services expenses		(504)	-	-	(9,173)	(14,645)
Employee related expenses		(8,669)	(41,949)	(14,645)	-	-
Finance costs		(51)	(511)	(89)	(51)	(89)
Other		(8,763)	(9,911)	(13,602)	(8,763)	(13,602)
TOTAL PAYMENTS		(17,987)	(52,371)	(28,336)	(17,987)	(28,336)
Receipts						
Sale of goods and services		14,428	45,235	24,712	14,428	24,712
Grants and contributions	3(b)	8,083	12,741	15,385	8,083	15,385
Other		-	73	-	-	-
TOTAL RECEIPTS		22,511	58,049	40,097	22,511	40,097
NET CASH FLOWS FROM OPERATING ACTIVITIES	21	4,524	5,678	11,761	4,524	11,761
Cash flows from investing activities						
Purchases of land and buildings, plant and equipment, and collections assets	9	(396)	(3,854)	(4,135)	(396)	(4,135)
Purchases of intangible assets	11	(822)	(500)	(4,113)	(822)	(4,113)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,218)	(4,354)	(8,248)	(1,218)	(8,248)
Cash flows from financing activities						
Repayment of principal portion of lease liabilities		(876)	(1,354)	(1,752)	(876)	(1,752)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(876)	(1,354)	(1,752)	(876)	(1,752)
Net increase/(decrease) in cash and cash equivalents						
Opening cash and cash equivalents		5,301	5,630	3,540	5,301	3,540
Cash transferred in (out) as a result of administrative restructuring	17	(7,483)	-	-	(7,483)	-
CLOSING CASH AND CASH EQUIVALENTS	6	248	5,600	5,301	248	5,301

*Refer to Note 20.

The accompanying notes form part of these financial statements.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1 Summary of significant accounting policies

a) Reporting entity

The State Records Authority NSW (the Authority) is a statutory body of the NSW Government established by the *State Records Act 1998*. The Authority is a not-for-profit entity (as profit is not its principal objective) and has no cash-generating units. The Authority is consolidated as part of the NSW Total State Sector Accounts.

On 21 September 2022, the NSW Parliament passed the *Museums of History NSW Bill 2022*. The bill received the assent of the Governor of NSW and was gazetted on 7 October 2022. The *Museums of History NSW Act 2022* established and conferred functions on Museums of History NSW (MHNSW) and repealed the *Historic Houses Act 1980*; and amended the *State Records Act 1998* to transfer certain functions of the State Archives and Records Authority of New South Wales to Museums of History NSW and consequently rename the Authority; and made other provisions. The Act commenced on 31 December 2022.

The State Archives and Records Authority of New South Wales was renamed State Records Authority NSW. The functions transferred to MHNSW include the collection, management and preservation of the State Archives Collection; along with the commercial functions of the Government Records Repository. The functions retained by the Authority include oversight of recordkeeping across the NSW public sector.

Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 10) 2022, renamed the ‘State Archives and Records Authority of NSW Staff Agency’ to the ‘Museums of History NSW and State Records Authority NSW Staff Agency’ with effect from 31 December 2022.

These consolidated financial statements include the results of all activities related to the transferred functions of the Authority and Staff Agency for the period 1 July 2022 to 30 December 2022, from which point the administrative arrangements noted above took effect (refer to Note 17 for details of the resulting equity transfer that included all assets and liabilities as at 30 December 2022). From 31 December 2022, the income statement amounts and balance sheet items relate to the Recordkeeping Standards & Advice function of the Authority.

These financial statements for the year ended 30 June 2023 have been authorised for issue on 19 October 2023.

b) Basis of preparation

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

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018* (GSF Act); and
- Treasurer’s Directions issued under the GSF Act.

The Authority’s financial statements have been prepared on a going concern basis. The Authority received grant funding from the Department of Enterprise, Investment and Trade (DEIT), which receives appropriations from the Consolidated Fund. The allocated grant funding, combined with the Authority’s existing cash reserves and other revenue expected to be earned, are adequate to pay debts as and when they become due and payable for at least the next 12 months.

Property, plant and equipment, including the State Archives Collection, are measured at fair value using the valuation methodology outlined in Note 12. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

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

c) Statement of compliance

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

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

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

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

Notes to and forming part of the financial statements

For the year ended 30 June 2023

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

e) Comparative information

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

Comparative information in the financial statements includes the results of activities of the Authority for the 12 months ended 30 June 2022. In the current financial year, the financial statements include results of activities for the 12 months ended 30 June 2023, with reduced operations after 30 December 2022 (refer Note 1a).

f) Changes in accounting policy, including new or revised Australian Accounting Standards

i) Effective for the first time in 2022–23

The Authority has adopted all new amendments and interpretations issued by the Australian Accounting Standards Board that are relevant and effective for the current reporting period. The adoption of these amendments and interpretations did not have a significant impact on the Authority's financial statements.

ii) Issued but not yet effective

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

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

- AASB 2014-10: *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*
- AASB 17: *Insurance Contracts*
- AASB 2021-5: *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- AASB 2021-6: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- AASB 2021-7c: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-2: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2022-5: *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- AASB 2022-6: *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
- AASB 2022-7: *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- AASB 2022-8: *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*
- AASB 2022-9: *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*
- AASB 2022-10: *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
- AASB 2021-7b: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2022-1: *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information*

There are no expected significant impacts of the standards in the period of application.

g) Taxation status

The activities of the Authority are exempt from income tax.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

	Consolidated entity		Parent entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
2				
a) Personnel services expenses				
Salaries and wages (including annual leave)	433	-	8,029	13,000
Superannuation – defined benefit plans	41	-	731	1,133
Long service leave	(134)	-	108	(205)
Workers compensation insurance	3	-	74	111
Payroll tax and fringe benefits tax	27	-	485	645
	370	-	9,427	14,684
Employee-related expenses				
Salaries and wages (including annual leave)	17,258	17,319	-	-
Superannuation – defined benefit plans	1,689	1,559	-	-
Long service leave	242	(309)	-	-
Workers compensation insurance	161	139	-	-
Payroll tax and fringe benefits tax	1,008	861	-	-
	20,358	19,569	-	-
	20,728	19,569	9,427	14,684

Personnel services expenses of \$234,670 have been capitalised in intangibles (2021–22: \$2.28m) and therefore excluded from the above. There is no capitalised salaries for buildings and improvements in 2022–23 (2021–22: \$245,114).

Notes to and forming part of the financial statements

For the year ended 30 June 2023

	Consolidated entity		Parent entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
b) Operating expenses				
Auditors' remuneration – external ¹	60	117	60	117
Auditors' remuneration – internal	(1)	60	(1)	60
Cost of sales – boxes and publications	41	80	41	80
Short-term leases	103	208	103	208
Maintenance	783	1,386	783	1,386
Insurance	320	547	320	547
Electricity, gas, rates	288	710	288	710
Minor stores, stationery	28	86	28	86
Motor vehicle running costs	70	161	70	161
Postage, telephone, printing	152	378	152	378
Promotional advertising, exhibition expenses	299	154	299	154
Rental expense – records storage (offsite)	37	55	37	55
Training	27	72	27	72
Cleaning	122	228	122	228
Contractors	1,939	2,815	1,939	2,815
Corporate services cost allocation	545	1,065	545	1,065
Professional fees	258	2,239	258	2,239
IT expenses	789	1,668	789	1,668
Travel	11	17	11	17
Other expenses	187	388	187	388
	6,058	12,434	6,058	12,434

¹ Total audit fee for the Authority was \$102,000. The remaining balance of \$42,000 was paid by Museums of History NSW.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

Maintenance

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

Insurance

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

Lease expense

The Authority recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term, that is, where the lease term at the commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (that is, variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

	Consolidated entity		Parent entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
c) Depreciation and amortisation expenses				
Depreciation				
Buildings and improvements	1,314	2,367	1,314	2,367
Plant and equipment	935	1,753	935	1,753
Right-of-use assets	877	1,760	877	1,760
Amortisation				
State Archives Collection	580	119	580	119
Computer software	241	1,279	241	1,279
	3,947	7,278	3,947	7,278

Refer to Notes 9, 10 and 11 for recognition and measurement policies on depreciation and amortisation.

d) Financial costs				
Interest expense from lease liabilities	51	89	51	89
	51	89	51	89

Finance costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's mandate to not-for-profit NSW general government sector entities.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

	Consolidated entity		Parent entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
3				
a) Sale of goods and services				
Sale of goods				
Publications	4	10	4	10
Boxes	56	103	56	103
	60	113	60	113
Rendering of services				
Photocopies	82	137	82	137
Storage	7,610	15,230	7,610	15,230
Retrieval	1,007	1,850	1,007	1,850
Consultancy	2,788	3,013	2,788	3,013
Destruction	106	132	106	132
Other*	1,257	89	1,257	89
	12,850	20,451	12,850	20,451
	12,910	20,564	12,910	20,564

*Other revenue includes insurance claim receipts of \$1.2 million (FY 2021-22: nil). The receipts were related to claims for loss of revenue due to COVID-19.

i) Sale of goods

Revenue from the sale of goods is recognised as revenue when the Authority satisfies a performance obligation by transferring ownership of assets. The Authority typically satisfies its performance obligations when an order is confirmed and invoiced. The payments are typically due when an invoice is generated and credit terms calculated.

Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present, as the sales are made with a short credit term.

ii) Rendering of services

Revenue from rendering of services is recognised when the Authority satisfies the performance obligation by transferring the promised services. The Authority typically satisfies its performance obligation when the service is provided or by reference to the stage of completion (as the customer receives and uses the benefits simultaneously and it is calculated based on time elapsed or costs incurred). The payments are typically due when an invoice is generated and credit terms calculated. Services include storage of third-party records and retrieval of those records, destruction of records, and project work offered as consultancy.

Revenue is measured at the transaction price agreed under the contract. No element of financing is deemed present, as payments are due when service is provided.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

	Consolidated entity		Parent entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
b) Grants and contributions				
From Department of Premier and Cabinet				
Grants without sufficiently specific performance obligations / milestones	-	3,289	-	3,289
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity	-	5,271	-	5,271
From Department of Enterprise, Investment and Trade				
Grants without sufficiently specific performance obligations / milestones	5,207	1,234	5,207	1,234
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity	2,428	21	2,428	21
From other institutions				
Recurrent grants – Create NSW	-	1,500	-	1,500
Capital grants – Create NSW	-	4,070	-	4,070
Grants – other*	448	-	448	-
	8,083	15,385	8,083	15,385

* Other grant revenue includes \$435,000 from the Department of Customer Service for the Digital Restart program.

The Authority receives grant funding from DEIT, who receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year.

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Authority is recognised when the Authority satisfies its obligations under the transfer. The Authority satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income because this most closely reflects the progress to completion.

Income from grants without sufficiently specific performance obligations is recognised when the Authority obtains control over the granted assets.

Volunteer services are measured at fair value and are recognised only when the fair value of those services can be reliably determined and the services would have been purchased if not donated.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

	Note	Consolidated entity		Parent entity	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
c) Acceptance by the Crown of personnel services benefits and other liabilities					
Long service leave		108	(205)	108	(205)
		108	(205)	108	(205)
d) Personnel services revenue					
Personnel services revenue	2(a)	11,301	4,885	-	-
		11,301	4,885	-	-

Personnel services revenue is recognised in the consolidated financial statements up until 30 December 2022, which is the last date the Authority controlled the staff agency. Effective 31 December 2022, the SARA Staff Agency was renamed the Museums of History NSW and State Records Authority NSW Staff Agency and control of the staff agency was transferred to Museums of History NSW. The renamed staff agency has continued to provide personnel services to the Authority from 31 December 2022.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

e) Deemed appropriations

The *Appropriation Act 2022* (Appropriations Act) (and the subsequent variations, if applicable) appropriates the sum of \$2.99 billion out of the Consolidated Fund for the services of Department of Enterprise, Investment and Trade (DEIT) for the year 2022–23. The spending authority of the Minister from the Appropriations Act has been delegated or subdelegated to officers of DEIT and entities that it is administratively responsible for, including State Records Authority NSW (the Authority).

The *Treasury and Energy Legislation Amendment Act 2022* made some amendments to sections 4.7 and 4.9 of the *Government Sector Finance Act 2018* (the GSF Act). These amendments commenced on 14 November 2022 and are applied retrospectively. As a result, the lead Minister for the Authority, being the Minister for the Arts, is taken to have been given an appropriation out of the Consolidated Fund under the authority of section 4.7 of the GSF Act, at the time the Authority receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the Authority. These deemed appropriations are taken to have been given for the services of DEIT.

In addition, government money that the Authority receives or recovers, from another GSF agency, of a kind prescribed by the GSF regulations that forms part of the Consolidated Fund, is now capable of giving rise to deemed appropriations where the receiving agency has a different lead Minister from the agency making the payment, or one or both of the agencies is a special office (as defined in section 4.7(8)).

On 16 June 2023, the GSF Amendment (Deemed Appropriations) Regulation 2023 was approved to bring the GSF regulations in line with the above deemed appropriation amendments to the GSF Act.

A summary of compliance is disclosed in the financial statements of the Annual Report of DEIT. It has been prepared by aggregating the spending authorities of the Minister for the Arts for the services of DEIT. It reflects the status at the point in time this disclosure statement is being made. SRANSW's spending authority and expenditure is included in the summary of compliance.

The delegation/sub-delegations for 2022–23 and 2021–22, authorising officers of the Authority to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but not the overall expenditure of the Authority. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation/sub-delegations are subject to the overall authority of the DEIT to spend monies under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the aggregate expenditure limit from the Appropriations Act and other sources is disclosed in the summary of compliance table included in the financial statements of the Annual Report of DEIT.

The authority receives its funding under appropriations from the Consolidated Fund / grant funding received from DEIT which receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year. The State Budget and related 2023-24 Appropriation Bill has been delayed until September 2023. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specified amounts from the Consolidated Fund. This authorisation is current from 1 July 2023 until the earlier of 30 September 2023 or enactment of the 2023-24 Appropriation Act.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

	Consolidated entity		Parent entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
4 Gain/(loss) on disposal				
Property, plant and equipment	-	4	-	4
	-	4	-	4

5 Conditions on contributions

There are no conditions placed on contributions other than to carry out the programs and activities of the Authority.

6 Current assets – cash and cash equivalents

Cash at bank and on hand	248	5,301	248	5,301
	248	5,301	248	5,301
Cash and cash equivalents (per statement of financial position)	248	5,301	248	5,301
Closing cash and cash equivalents (per statement of cash flows)	248	5,301	248	5,301

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Refer to Note 22 for details regarding credit risk and market risk arising from financial instruments.

7 Current assets – receivables

Trade receivables from contracts with customers	-	2,620	-	2,620
Personnel services receivables	-	2,637	-	-
Accrued income	-	12	-	12
Prepayments	-	587	-	587
Net GST receivable	13	72	13	72
	13	5,928	13	3,291

Details regarding credit risk of trade debtors that are neither past due nor impaired are disclosed in Note 22.

Recognition and measurement

The entity recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when the agency becomes a party to the contractual provisions of the instrument, the entity considers:

- whether the entity has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- whether at least one of the parties has performed under the agreement.

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

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

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

Impairment

For trade receivables, the Authority applies a simplified approach to calculating expected credit losses (ECLs). The Authority recognises a loss allowance based on the lifetime ECL at each reporting date. The Authority has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to those receivables.

No allowance for ECL was recognised for 2022–23 (2021–22: nil).

Notes to and forming part of the financial statements

For the year ended 30 June 2023

	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
8 Current assets – inventories				
Stock on hand – at cost	–	22	–	22
	–	22	–	22

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the 'first in first out' method. 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 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 Authority would incur to acquire the asset.

	Consolidated entity		Parent entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
9 Non-current assets – property, plant and equipment				
Land and buildings				
Gross carrying amount – fair value	–	112,683	–	112,683
Accumulated depreciation and impairment	–	(44,355)	–	(44,355)
Land and buildings at fair value	–	68,328	–	68,328
Plant and equipment				
Gross carrying amount – fair value	51	17,069	51	17,069
Accumulated depreciation and impairment	–	(9,442)	–	(9,442)
Plant and equipment at fair value	51	7,627	51	7,627
Collection assets				
Gross carrying amount – fair value	–	1,054,488	–	1,054,488
Accumulated depreciation and impairment	–	–	–	–
Collection assets at fair value	–	1,054,488	–	1,054,488
TOTAL PROPERTY, PLANT AND EQUIPMENT AT FAIR VALUE	51	1,130,443	51	1,130,443

Notes to and forming part of the financial statements

For the year ended 30 June 2023

Reconciliation

A reconciliation of the carrying amount of each class of property and equipment at the beginning and the end of the reporting period is shown below.

Consolidated and parent entity	Land and buildings	Plant and equipment	Collection assets	Total
	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2023				
Net carrying amount at start of year	68,328	7,627	1,054,488	1,130,443
Additions	109	287	-	396
Increase in State Archives Collection	-	-	25,966	25,966
Disposals	-	(26)	-	(26)
Depreciation expense	(1,314)	(935)	-	(2,249)
Depreciation written back on disposals		27		27
Administrative restructure – transfer out	(67,123)	(6,929)	(1,080,454)	(1,154,506)
NET CARRYING AMOUNT AT END OF YEAR	-	51	-	51
Year ended 30 June 2022				
Net carrying amount at start of year	65,264	8,551	1,044,415	1,118,230
Additions	3,308	829	-	4,137
Increase in State Archives Collection	-	-	15,343	15,343
Net revaluation increments less revaluation decrements	2,123	-	(5,271)	(3,148)
Depreciation expense	(2,367)	(1,753)	-	(4,120)
NET CARRYING AMOUNT AT END OF YEAR	68,328	7,627	1,054,488	1,130,443

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 12.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

Acquisition of property, plant and equipment

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

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

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

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

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.

Major inspection costs

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

Restoration costs

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

Depreciation of property, plant and equipment

Except for land and the State Archives Collection, 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 Authority.

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

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

The depreciation rates have been reviewed and have remained unchanged from the previous year.

Major category	Depreciation rate
Buildings and improvements	1.7%–13.1%
Plant and equipment	10%–25%
Shelving	2.5%–17.6%
Computer equipment	25%–33.3%

Notes to and forming part of the financial statements

For the year ended 30 June 2023

Revaluation of property, plant and equipment, excluding the State Archives Collection

Physical non-current assets are valued in accordance with the *Valuation of Physical Non-Current Assets at Fair Value* Policy and Guidelines Paper (TPP21-09) and Treasurer's Direction *Valuation of Physical Non-Current Assets at Fair Value* (TD21-05). TD21-05 and TPP21-09 adopt fair value in accordance with AASB 13, AASB 116 and AASB 140: *Investment Property*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote, and take into account the characteristics of the asset being measured, including any sociopolitical restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 12 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Authority conducts a comprehensive revaluation at least every three years for its land and buildings where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment. The last comprehensive revaluation of land and buildings was completed on 31 March 2020. Refer to Note 12.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

Revaluation of property, plant and equipment – State Archives Collection

The Authority recognises the State Archives Collection at fair value. The State Archives Collection is made up of a series of archives. A series is a group of records which results from the same business or recordkeeping activity, relates to a particular subject or function, has a similar format, or has another relationship arising out of the records' creation, receipt and use. When records are transferred from NSW Government organisations to the control of the Authority, they become state archives. Each new transfer within a series becomes a separate consignment and is recorded in the State Archives Management System (SAMS).

The Authority engages independent valuers to value the collection on the basis of fair value in accordance with AASB 13 and AASB 116. Additional guidance is given in Accounting Policy TPP 21-09 as applicable to heritage and cultural assets.

The SAMS, a complete listing of archives by consignment, is used as the basis of the valuation. The valuation process classifies the SAMS into seven categories and those categories contain indicative rates based on record type, format or other criteria. The categories are:

Valued individually

- Iconic – archives that have or are expected to have significant monetary value.
- Objects – objects not containing written or recorded information.

Valued according to accepted statistical methods

- Large Series – series containing a large number of related material or like records.
- Sampled Series Type – archives categorised by standardised record type.
- Sampled Series Format – archives categorised by generic format.
- AV Material – audiovisual archives formats.
- Maps and Plans – all maps and plans that are not part of a designated Large Series.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

The Authority revalues all of the State Archives Collection at least every five years as part of the five-year rolling valuation to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

The table below sets out the categories and when they were last comprehensively valued.

Category	Last valued
Sampled Series Format	March 2022
Objects	March 2021
AV Material	March 2021
Sampled Series Type	March 2021
Iconic	March 2020
Large Series	March 2020
Maps and Plans	March 2018

Revaluation of property, plant and equipment, and archives

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

For other assets valued using other valuation techniques, 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 recognised in other comprehensive income and credited to revaluation surplus. However, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that they offset an existing revaluation surplus on the same class of assets, in which case the decrement is debited directly to the revaluation surplus.

As the Authority is 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 revaluation surplus in respect of that asset is transferred to accumulated funds.

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

Impairment of property, plant and equipment, and collection assets

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

Notes to and forming part of the financial statements

For the year ended 30 June 2023

10 Leases

SARA as a lessee

The Authority leases storage facilities, material handling equipment and motor vehicles. Lease contracts are typically for fixed periods of three to six years, but may have extension options. Lease terms are negotiated on an individual basis and have different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Authority does not provide residual value guarantees in relation to leases.

AASB 16: *Leases* requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The Authority elected to recognise payments for short-term leases and low-value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low-value leases are assets with a fair value of \$10,000 or less when new, and mainly comprise equipment.

Right-of-use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property.

Consolidated and parent entity	Buildings and improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000
Balance as at 1 July 2022	3,842	259	4,101
Additions	-	46	46
Disposals	-	-	-
Depreciation expenses	(811)	(66)	(877)
Administrative restructure – transfer out	(3,031)	(239)	(3,270)
BALANCE AS AT 30 JUNE 2023	-	-	-
Balance as at 1 July 2021	5,464	200	5,664
Additions	-	206	206
Disposals	-	(9)	(9)
Depreciation expenses	(1,622)	(138)	(1,760)
BALANCE AS AT 30 JUNE 2022	3,842	259	4,101

Lease liabilities

The following table presents liabilities under leases.

	Note	2023 \$'000	2022 \$'000
Balance at the start of the year		4,473	6,032
Additions		47	206
Adjustments		-	(14)
Interest expenses		35	89
Payments		(911)	(1,840)
Administrative restructure – transfer out		(3,644)	-
BALANCE AT THE END OF THE YEAR	15	-	4,473

Notes to and forming part of the financial statements

For the year ended 30 June 2023

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2023 in respect of leases where the Authority is the lessee:

	2023 \$'000	2022 \$'000
Depreciation expense of right-of-use assets	877	1,760
Interest expense on lease liabilities	35	89
Expenses relating to short-term leases	-	-
Variable lease payments, not included in the measurement of lease liabilities	199	404
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME	1,111	2,253

The Authority had total cash outflows for leases of \$1.11 million (2021-22: \$2.25 million).

i) Right-of-use assets

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

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

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

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- buildings: one to six years;
- motor vehicles and material handling equipment: three to six years.

If ownership of the leased asset transfers to the Authority at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The Authority assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

ii) Lease liabilities

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

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase option reasonably certain to be exercised by the Authority; and
- payments of penalties for terminating the lease, if the lease term reflects the Authority exercising the option to terminate.

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

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

Notes to and forming part of the financial statements

For the year ended 30 June 2023

	Consolidated entity		Parent entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
11 Intangible assets				
State Archives Collection (digitised)				
Cost (gross carrying amount)	-	5,813	-	5,813
Accumulated amortisation and impairment	-	(777)	-	(777)
Net carrying amount	-	5,036	-	5,036
Software				
Cost (gross carrying amount)	40	4,684	40	4,684
Accumulated amortisation and impairment	-	(3,613)	-	(3,613)
Net carrying amount	40	1,071	40	1,071
TOTAL INTANGIBLE ASSETS FAIR VALUE	40	6,107	40	6,107

Reconciliation

Consolidated and parent entity	State Archives Collection (digitised) \$'000	Software \$'000	Total \$'000
Year ended 30 June 2023			
Net carrying amount at start of year	5,036	1,071	6,107
Additions	297	525	822
Transfer	(346)	346	-
Amortisation	(580)	(241)	(821)
Administrative restructure – transfer out	(4,407)	(1,661)	(6,068)
NET CARRYING AMOUNT AT END OF YEAR	-	40	40

Year ended 30 June 2022

Net carrying amount at start of year	1,279	2,116	3,395
Additions	3,784	327	4,111
Transfer	93	(93)	-
Amortisation	(120)	(1,279)	(1,399)
NET CARRYING AMOUNT AT END OF YEAR	5,036	1,071	6,107

Notes to and forming part of the financial statements

For the year ended 30 June 2023

Intangible assets

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

The State Archives Collection's (digitised) intangible assets are activities which preserve the state archives and improve public access to the State Archives Collection (digitised), particularly online. These activities include:

- a) **Cataloguing of the state archives** – which allows details of the items in the State Archives Collection (digitised) and digital images of them to be accessed online; and
- b) **Digitisation** – the process which converts physical items into digital objects for online access and for preservation.

Amortisation of the State Archives Collection's (digitised) intangible assets is at a rate of 33.33% (no change from prior year).

The Authority's intangible software assets are amortised using the straight-line method over a period of not more than four years.

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

Notes to and forming part of the financial statements

For the year ended 30 June 2023

12 Fair value measurement of non-financial assets

Fair value measurement and hierarchy

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

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

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

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

a) Fair value hierarchy

	Level 1	Level 2	Level 3	Total fair value
Consolidated and parent entity	\$'000	\$'000	\$'000	\$'000
2023				
Property, plant and equipment (Note 9)				
Land	-	-	-	-
Buildings and improvements	-	-	-	-
State archives	-	-	-	-
	-	-	-	-
2022				
Property, plant and equipment (Note 9)				
Land	-	11,731	-	11,731
Buildings and improvements	-	-	56,597	56,597
State archives	-	-	1,054,488	1,054,488
	-	11,731	1,111,085	1,122,815

There were no transfers between Level 1 and Level 2 during the period.

Plant and equipment, shelving, and computer equipment are carried at depreciated historical cost. Generally for these assets, the carrying amount is unlikely to be materially different from their fair value.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

b) Valuation techniques, inputs and processes

i) Land is based on observable inputs (Level 2)

The Authority engaged an independent professional valuer to provide a comprehensive valuation update in 2020. Land assets have been valued using the market approach with adjustment for condition, location and comparability.

ii) State archives are based on unobservable inputs (Level 3)

The Authority has adopted a five-year rolling valuation schedule, similar to the approach taken by other collecting institutions, ensuring all archives material is revalued at least every five years. During the 2022–23 financial year, the State Archives Collection was transferred to MHNSW on 31 December 2022 (Note 17). MHNSW engaged an independent professional valuer to perform a comprehensive valuation of Maps and Plans. This was completed in March 2023.

Input data for the valuation was derived by research of records of Australian and international sales, purchases and other forms of acquisition, knowledge of prices paid by other institutions, and valuation experience at other major archives.

Adjustments were made to the market value references to take into account the unique characteristics of the items being valued. Adjustments were made for age, nature, historical significance or other factors that impact on the item being valued. As those adjustments could not be observed and are significant to the fair value measurement, they have been categorised into Level 3 of the fair value hierarchy.

The collection was valued from physical inspection of items, either in full or through sampling, combined with previous knowledge of collection material and examination of item descriptions on SAMS.

iii) Buildings and improvements are based on unobservable inputs (Level 3)

During the 2022–23 financial year, the land and buildings of the Authority were transferred to MHNSW on 31 December 2022 (Note 17). MHNSW engaged an independent professional valuer to perform a comprehensive valuation on 31 March 2023 for the Western Sydney Records Centre. Where there are natural, legal, financial or other conditions imposed by government on the use and disposal of an asset such that there is no feasible alternative use in the relatively near future, such asset should be valued at fair (market) value for its existing use. Where the current market buying prices could not be observed, an asset's fair value is best measured by its depreciated replacement cost. However, when current market buying prices can be observed, the asset is valued using the direct comparison method of valuation, which references current market transactions of comparable properties in the surrounding area. The Western Sydney Records Centre is considered a specialised asset, where current market buying prices cannot be observed. Therefore, the depreciated replacement cost method of valuation is adopted.

Depreciated replacement cost is the current replacement cost of an asset, less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

The unobservable input in relation to buildings and improvements is the useful life. There is a considerable degree of subjectivity involved in establishing the useful life, particularly in relation to specialised asset buildings. The assumptions applied in this valuation are generally based on adopted life spans used in general commercial practice and for assets owned by various state government departments, local government and statutory authorities.

Management considers it unlikely that any change to the inputs will significantly affect the net result for the year. Instead, the impact will be on the asset revaluation reserve of the underlying asset class.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

c) Reconciliation of recurring Level 3 fair value measurements

Consolidated and parent entity	Buildings and improvements \$'000	Collection assets \$'000	Total recurring Level 3 fair value \$'000
Fair value as at 1 July 2022	56,598	1,054,487	1,111,085
Additions	109	25,966	26,075
Revaluation increments/(decrements) recognised in other comprehensive income	-	-	-
Depreciation	(1,314)	-	(1,314)
Administrative restructure – transfer out	(55,392)	(1,080,454)	(1,135,846)
FAIR VALUE AS AT 30 JUNE 2023	-	-	-
Fair value as at 1 July 2021	54,092	1,044,415	1,098,507
Additions	3,308	15,343	18,651
Revaluation increments/(decrements) recognised in other comprehensive income	1,564	(5,271)	(3,707)
Depreciation	(2,367)	-	(2,367)
FAIR VALUE AS AT 30 JUNE 2022	56,598	1,054,487	1,111,085

Notes to and forming part of the financial statements

For the year ended 30 June 2023

	Consolidated entity		Parent entity	
	2023	2022	2023	2022
13 Current liabilities – payables	\$'000	\$'000	\$'000	\$'000
Accrued salaries and wages	-	790	-	2,394
Creditors	36	2,288	36	2,288
Accrued expenses	-	649	-	649
	36	3,727	36	5,331

Details regarding credit risk, liquidity risk and market risk are disclosed in Note 22.

These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair 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.

14 Contract liabilities

Contract liabilities – current	-	2,268	-	2,268
Contract liabilities – non-current	-	163	-	163
	-	2,431	-	2,431

Contract liabilities relate to consideration received in advance from customers in respect to services to be provided. The contract liabilities balance is nil at year end because of the transfer to MHNSW (refer to Note 17).

Revenue recognised during the year that was included in the contract liability balance at the beginning of the year	1,444	468
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Notes to and forming part of the financial statements

For the year ended 30 June 2023

	Notes	Consolidated entity		Parent entity	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
15 Current/non-current liabilities – lease liabilities					
Lease liability – current	10	–	2,051	–	2,051
Lease liability – non-current	10	–	2,422	–	2,422
		–	4,473	–	4,473

Lease liabilities are determined in accordance with AASB 16.

Changes in liabilities arising from financing activities	Leases \$'000
As at 1 July 2022	4,473
Financing cash flows	(876)
Adjustments	–
New leases	47
Administrative restructure – transfer out	(3,644)
AS AT 30 JUNE 2023	–
As at 1 July 2021	6,032
Financing cash flows	(1,752)
Adjustments	(13)
New leases	206
AS AT 30 JUNE 2022	4,473

Notes to and forming part of the financial statements

For the year ended 30 June 2023

16 Provisions	Note	Consolidated entity		Parent entity	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current					
Employee benefits and related on-costs					
Annual leave		-	3,038	-	-
Long service leave		-	1,107	-	-
		-	4,145	-	-
Non-current					
Long service leave		-	96	-	-
Other provisions					
Restoration costs		-	168	-	168
TOTAL PROVISIONS		-	4,409	-	168
Aggregate employee benefits and related on-costs					
Provisions		-	4,241	-	-
Accrued salaries, wages and on-costs (Note 13)		-	790	-	2,394
		-	5,031	-	2,394

Restoration costs

The restoration costs relate to make-good cost for the property leases which the Authority expects to be liable for in a future period.

Movement in provisions – restoration costs

Carrying amount at the beginning of the period		168	168
Additional provisions recognised		16	16
Equity transfers	17	(184)	(184)
Carrying amount at 30 June 2023		-	-

Recognition and measurement

Employee benefits and related on-costs

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

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119: *Employee Benefits* (although short-cut methods are permitted).

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

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.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

Long service leave and superannuation

The Authority's liabilities for long service leave and defined benefit superannuation are assumed by the Crown. The Authority 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 of employee benefits and other liabilities'.

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

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

Consequential on-costs

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

Other provisions

Provisions are recognised when:

- the Authority has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

When the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the statement of comprehensive income.

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

Notes to and forming part of the financial statements

For the year ended 30 June 2023

17 Equity

i) Asset revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Authority's policy on the revaluation of property, plant and equipment as discussed in Note 9.

ii) Accumulated funds

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

iii) Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (for example, revaluation surplus and foreign currency translation reserve).

iv) Equity transfer

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

Transfers arising from an administrative restructure involving non-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to the paragraph below, in most instances this will approximate fair value.

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

On 21 September 2022, the NSW Parliament passed the Museums of History NSW Bill 2022. The bill received the assent of the Governor of NSW and was gazetted on 7 October 2022. The *Museums of History NSW Act 2022* established and conferred functions on Museums of History NSW (MHNSW) and repealed the *Historic Houses Act 1980*; and amended the *State Records Act 1998* to transfer certain functions of the State Archives and Records Authority of New South Wales to MHNSW and consequently rename the Authority; and made other provisions. The Act commenced on 31 December 2022, which is the date assets and liabilities were transferred.

The net assets transferred from the State Archives and Records Authority of New South Wales (SARA), on 31 December 2022, were as follows:

Current assets

Cash and cash equivalents	7,483
Receivables	7,254
Inventories	9
	14,746

Non-current assets

Land and buildings	67,123
Plant and equipment	6,929
Collection assets	1,080,454
Right-of-use assets	3,270
Intangible assets	6,068
	1,163,844
TOTAL ASSETS	1,178,590

SARA
\$'000

Notes to and forming part of the financial statements

For the year ended 30 June 2023

	SARA \$'000
Current liabilities	
Payables	7,076
Contract Liabilities	3,393
Lease liabilities	1,184
	11,653
Non-current liabilities	
Contract liabilities	163
Lease liabilities	2,460
Provisions	184
	2,807
TOTAL LIABILITIES	14,460
NET ASSETS	1,164,130

	Consolidated entity		Parent entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
18 Commitments				
Capital commitments				
Aggregate capital expenditure for acquisitions contracted for at balance date and not provided for:				
- Not later than one year (under one year)	-	131	-	131
TOTAL (INCLUDING GST)	-	131	-	131

The potential total of input tax credits recoverable from the Australian Taxation Office for the above commitments is nil (2021-22: \$11,885).

Notes to and forming part of the financial statements

For the year ended 30 June 2023

19 Contingent assets and liabilities

The Authority is unaware of any contingent assets or contingent liabilities at the date of this report (2021–22: nil).

20 Budget review

The budgeted amounts are drawn from the original budgeted financial statements presented to NSW Parliament in respect of the reporting period. Subsequent adjustments to the original budget are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained below.

Net result

The results reflected in these financial statements incorporate the changes during the financial year 2022–23 which transferred out operations from the Authority to MHNSW. The budget is a full-year budget for the Authority and hence the results aren't comparable. The Authority's half-year budget was transferred to MHNSW during the year. The 2022–23 results were a surplus to the budget due to greater amounts of accessions of collection items which increased the non-cash revenue.

Assets and liabilities

With the exception of a minor equipment balance, all assets, liabilities and equity were transferred out from the Authority to MHNSW.

Cash flows

The residual cash balance at year-end reflects the level of operations from 31 December 2022 for the Authority.

	Consolidated entity		Parent entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
21 Reconciliation of cash flows from operating activities to net result				
Reconciliation of cash flows from operating activities to the net result as reported in the statement of comprehensive income as follows:				
Net cash flows from operating activities	4,524	11,761	4,524	11,761
Depreciation and amortisation expenses	(3,947)	(7,278)	(3,947)	(7,278)
State archives revenue	25,966	15,343	25,966	15,343
Increase/(decrease) in trade and other receivables	939	(484)	939	(484)
Increase/(decrease) in inventories	(13)	(12)	(13)	(12)
(Increase)/decrease in trade and other payables	1,240	(1,007)	1,240	(1,007)
(Increase)/decrease in contract liabilities	(1,125)	(1,721)	(1,125)	(1,721)
Net gain/(loss) on sale of property, plant and equipment	-	4	-	4
NET RESULT	27,584	16,606	27,584	16,606

Notes to and forming part of the financial statements

For the year ended 30 June 2023

22 Financial instruments

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

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

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

Class	Notes	Categories	Consolidated entity		Parent entity	
			2023	2022	2023	2022
			\$'000	\$'000	\$'000	\$'000
a) Financial instrument categories						
Financial assets						
Cash and cash equivalents	6	Amortised cost	248	5,301	248	5,301
Receivables ¹	7	Amortised cost	-	2,382	-	2,382
<hr/>						
Financial liabilities						
Payables ²	13	Financial liabilities measured at amortised cost	33	3,460	33	3,460
Lease liabilities	15	Financial liabilities measured at amortised cost	-	4,473	-	4,473

¹ Excludes statutory receivables and prepayments (that is, not within scope of AASB 7: *Financial Instruments: Disclosures*).

² Excludes statutory payables and unearned revenue (that is, not within scope of AASB 7: *Financial Instruments: Disclosures*).

Notes to and forming part of the financial statements

For the year ended 30 June 2023

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

b) Financial risk

i) Credit risk

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

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

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

The Authority considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Authority may also consider a financial asset to be in default when internal or external information indicates that the Authority is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Authority.

Cash and cash equivalents

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

Receivables – trade debtors

The collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

Expected credit losses are recognised by considering the default risks from past experience, current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30-day terms. The Authority applies the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Authority has identified the debtor profile (predominantly NSW Government agencies) to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, a failure to make contractual payments for a period of greater than 90 days past due.

In the current financial year, there was no bad debt write-off (2021–22: nil).

The loss allowance for trade debtors as at 30 June was determined as follows:

	Consolidated entity			Parent entity		
	Total \$'000	Expected credit loss rate	Expected credit loss \$'000	Total \$'000	Expected credit loss rate	Expected credit loss \$'000
2023						
<30 days overdue	–	0%	–	–	0%	–
30 days–90 days overdue	–	0%	–	–	0%	–
>90 days overdue	–	0%	–	–	0%	–
2022						
<30 days overdue	2,742	0%	–	2,742	0%	–
30 days–90 days overdue	166	0%	–	166	0%	–
>90 days overdue	21	0%	–	21	0%	–

The analysis excludes statutory receivables and prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 7.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2023.

ii) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

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

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Executive Director (or a person appointed by the Executive Director) may automatically pay the supplier simple interest.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

The table below summarises the maturity profile of the Authority's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

Consolidated entity	\$'000			Maturity dates			
	Nominal amount*	Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 year	1–5 years	> 5 years
2023							
Payables							
Accrued salaries and wages	-	-	-	-	-	-	-
Creditors	36	-	-	36	36	-	-
Lease Liabilities	-	-	-	-	-	-	-
	36	-	-	36	36	-	-
2022							
Payables							
Accrued salaries and wages	790	-	-	790	790	-	-
Creditors	2,937	-	-	2,937	2,937	-	-
Lease Liabilities	4,602	4,473	-	-	2,051	2,422	-
	8,329	4,473	-	3,727	5,778	2,422	-
Parent entity							
2023							
Payables							
Personnel services payable	-	-	-	-	-	-	-
Creditors	36	-	-	36	36	-	-
Lease Liabilities	-	-	-	-	-	-	-
	36	-	-	36	36	-	-
2022							
Payables							
Personnel services payable	2,394	-	-	2,394	2,394	-	-
Creditors	2,937	-	-	2,937	2,937	-	-
Lease Liabilities	4,602	4,473	-	-	2,051	2,422	-
	9,933	4,473	-	5,331	7,382	2,422	-

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

iii) Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (that is, until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2021–22. The analysis assumes that all other variables remain constant.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Authority's exposure to interest rate risk is set out in the table below. A reasonably possible change of +/-1% is used, consistent with current trends in interest rates (based on official RBA interest-rate volatility over the past five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest-rate volatility.

Consolidated and parent entity	\$'000				
	Carrying amount	-1% Profit	-1% Equity	1% Profit	1% Equity
2023					
Financial assets					
Cash and cash equivalents	248	(2)	(2)	2	2
2022					
Financial assets					
Cash and cash equivalents	5,301	(53)	(53)	53	53

c) Fair value measurement

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

Notes to and forming part of the financial statements

For the year ended 30 June 2023

23 Related party disclosures

The Authority's key management personnel compensation is as follows:

	2023 \$'000	2022 \$'000
Short-term employee benefits:		
Salaries	471	527
Other monetary allowances [*]	–	1
Post-employment benefits	48	49
TOTAL REMUNERATION	519[^]	577

^{*} This amount is the sitting fees for Board attendance.

[^] From 1 July 2022 to 30 December 2022, the Authority incurred \$400,000 in respect of the key management personnel services that were provided by the State Archives and Records Authority Staff Agency. From 31 December 2022 to 30 June 2023, the Authority incurred \$119,000 in respect of the key management personnel services that were provided by a separate management entity, the Museums of History NSW and State Records Authority NSW Staff Agency.

Key management personnel (KMP) are those persons having the authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly, including any director (whether executive or otherwise) of the Authority. For monetary benefits, the Authority's KMP are considered to be the Executive.

The key management personnel compensation excludes the Minister for the Arts. Ministerial compensation is paid by the NSW Legislature, not the Authority. It also excludes long service leave amounts, which are assumed by the Crown.

During the year, the Authority did not enter into any transactions with KMP, their close family members and controlled or jointly controlled entities thereof.

Other related party transactions

During the year, the Authority entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by the NSW Government. These transactions, which are conducted as arms-length transactions, are a significant portion of the Authority's rendering of services/receiving of services, and are in aggregate as follows:

Nature of transaction	2023		2022	
	Transaction value \$'000	Net receivable/ (payable) \$'000	Transaction value \$'000	Net receivable/ (payable) \$'000
Rendering of services	11,201	–	20,361	2,633
Receiving of services	112	–	15,662	(89)

From 1 July 2019 up till 31 December 2022, the Authority and the Historic Houses Trust of New South Wales (HHT), trading as Sydney Living Museums, have shared a Chief Executive Officer. This precipitated inter-company transactions, which include corporate services provided by the HHT to the Authority. The aggregate value of the transactions and outstanding balances are as follows:

Nature of transaction				
Receiving of services				
Corporate services costs	505	–	986	–
Groundskeeping costs at Kingswood	–	–	41	–
	505	–	1,027	–

24 Events after the reporting period

No other matter or circumstance has arisen since the end of the financial year to the date of this report that has affected or may significantly affect the activities of the Authority, the results of those activities or its state of affairs.

END OF AUDITED FINANCIAL STATEMENTS

