



Parliament of New South Wales

Department of Parliamentary Services



**Annual Report
2008-2009**

DEPARTMENT OF PARLIAMENTARY SERVICES CONTACT DETAILS

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Public areas of the Parliament are open to the public from 9.30am to 5.00pm, Monday to Friday, except for public holidays.

Tours for school and community groups can be booked by telephoning (02) 9230 3444.

Free public tours of Parliament House are conducted at 1pm on the first Thursday of each month.

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TABLE OF CONTENTS

PRESIDING OFFICERS' FOREWORD 4

LETTER TO THE PRESIDENT AND THE SPEAKER 5

DEPARTMENT OF PARLIAMENTARY SERVICES EXECUTIVE MANAGEMENT 6

DEPARTMENT OF PARLIAMENTARY SERVICES OVERVIEW 7

EXECUTIVE MANAGER..... 8

BUILDING SERVICES 9

Significant achievements and highlights in 2008-2009 9

Service delivery targets and performance 9

Future plans 10

FINANCE..... 12

Significant achievements and highlights in 2008-2009 12

Future plans 12

Budget Position 13

INFORMATION SERVICES 14

Significant achievements and highlights in 2008-2009 15

Service delivery and target performance..... 16

Future plans 17

ORGANISATIONAL DEVELOPMENT..... 18

Significant achievements and highlights for 2008-2009 19

Future plans 19

PARLIAMENTARY CATERING..... 21

Significant achievements and highlights for 2008-2009 21

Service delivery targets and performance 21

Future plans 21

THE LEGISLATURE FINANCIAL STATEMENTS 22

Operating Statement for the Year Ended 30 June 2009 25

Balance Sheet as at 30 June 2009 26

Statement of Recognised Income and Expense for the Year Ended 30 June 2009 28

Cash Flow Statement for the Year Ended 30 June 2009 29

Expenses and Revenues for the year ended 30 June 2009 30

Supplementary Financial Statements..... 31

APPENDIX 1: EQUAL EMPLOYMENT OPPORTUNITY STATISTICS 53

APPENDIX 2: PARLIAMENTARY RESEARCH SERVICE PUBLICATIONS..... 56

APPENDIX 3: INTERNAL AUDIT AND RISK MANGAMENT AND INSURANCE 58

PRESIDING OFFICERS' FOREWORD



**The Hon Amanda Fazio
President**

**The Hon Richard Torbay
Speaker**

We are very pleased to commend the second Annual Report for the Department of Parliamentary Services for the year ending 30th June 2009.

This financial year has seen a number of positive changes and initiatives to improve services that assist Members perform their parliamentary duties. We support the direction the Department of Parliamentary Services continues to take under the leadership of its Executive Manager, Brian Ward. Our priority continues to be delivering efficient and effective services to Members and the public of NSW.

We would like to sincerely thank all the staff of the Department of Parliamentary Services for their ongoing commitment and hard work that facilitates the successful operation of the Parliament of New South Wales.

We would also like to acknowledge the former President of the Legislative Council, the Hon Peter Primrose MLC. Mr Primrose became President on 8 May 2007 and held that position throughout the reporting period covered by this report. Mr Primrose resigned as President on 17 November 2009, to take up a position in the ministry.

A handwritten signature in blue ink, appearing to read 'Amanda Fazio'.

Amanda Fazio MLC
President of the Legislative Council

A handwritten signature in blue ink, appearing to read 'Richard Torbay'.

Richard Torbay MP
Speaker of the Legislative Assembly

LETTER TO THE PRESIDENT AND THE SPEAKER



Brian Ward
Executive Manager
Department of Parliamentary Services

It is my pleasure to be delivering my second Annual Report on behalf of the Department of Parliamentary Services for the year ending 30th June 2009.

Our focus over the financial year has been the continuing improvement of parliamentary support services through a number of initiatives and changes. I am very pleased to see the success and benefits of these initiatives come to fruition and the Annual Report highlights a number of areas where I have seen a vast improvement of service delivery to Members and the Parliament in general.

I would like to thank all of the staff of the Department of Parliamentary Services for their continued hard work and dedication, as we continue to improve our level of service to the Parliament of NSW

Additionally, I would like to recognise the assistance and support my department and I have received from the Presiding Officers during the year.

A handwritten signature in black ink that reads 'B. A. Ward'.

Brian Ward
Executive Manager
Department of Parliamentary Services

DEPARTMENT OF PARLIAMENTARY SERVICES EXECUTIVE MANAGEMENT

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DEPARTMENT OF PARLIAMENTARY SERVICES OVERVIEW

The Department of Parliamentary Services provides logistical support and advice to Members of Parliament, the Departments of the Legislative Council and Legislative Assembly and the public, to ensure an effective working Parliament. The Department is comprised of the following sections:

- Executive
- Building Services
- Finance
- Information Services
- Organisational Development
- Parliamentary Catering



DPS Management Team: (from left): Kim Smith (Director Finance), Brian Ward (Executive Manager), Denise Driscoll (Executive Assistant), Robert Stefanic (Director Information Services), Lisa Vineburg (Director Organisational Development), Robert Nielsen (Manager Building Services), Anke Meyring (Executive Officer), Scott Clark (Head Chef), Carlos Andrade (Operations Manger, Catering)

EXECUTIVE MANAGER

I am pleased with the progress we have made throughout the financial year 2008-2009.

One of the many challenges we faced was to shape the structure of the Department of Parliamentary Services and consolidate existing services into one integrated entity to ensure efficient support to the Members and House Departments.

To support the new structure of the Department of Parliamentary Services, a new Executive Team has been established to strengthen our strategic focus and direction.

One of the highlights for 2008-2009 was the successful implementation of the recommendation of the IAB Members Services review, which was signed off by the Presiding Officers in December 2008.

Building security was enhanced through the introduction of the Special Constables and the implementation of the Memorandum of Agreement with the NSW Police, the new Guardhouse and upgrades to the front of Parliament House.

We were very pleased to again host and support the Aboriginal and Plein Air Art Prizes. Both events are invaluable to their respective art communities and allow the Parliament to take an active and engaged role in supporting the rich culture of NSW.

Our aim for this year is to further shape our strategic focus for the technical and budgetary challenges ahead, including the introduction of a staff training and development program, further improvements to our services to members and business development activities for Parliamentary Catering.



Rooftop Garden – Level 9

BUILDING SERVICES

The Building Services section comprises Security, Maintenance, Engineering and Printing. It's responsible for the maintenance and operation of Parliament House, which supports the Members in carrying out their parliamentary duties.

The Security team's core function is to ensure a safe and secure environment for the operation and integrity of the Parliament of NSW. The service provides 24 hours a day monitoring of the parliamentary precinct and electorate offices. Other functions include operating the building security systems, managing access into Parliament House, facilitating visits by dignitaries, security screening and managing security related incidents and threats to Members and staff.

The Building Maintenance team is responsible for the maintenance of the parliamentary building and grounds, which includes cleaning, gardening and maintenance of the building fabric and building structure, furniture and fittings, works of art and antiques.

The Engineering group is responsible for the operation and maintenance of engineering services, which includes such items as major electrical installations, emergency power generation, refrigeration plant, building automation system, air conditioning, hydraulics, fire fighting equipment electrical services, telecommunications and lifts.

The division also provides certain plant services to the Sydney Eye Hospital and the State Library of New South Wales.

The Printing team primarily meets the digital printing and copying needs of Members, parliamentary committees and other functional areas of the Parliament.

Significant achievements and highlights in 2008-2009

- Refurbishment of Ministerial suites and Members' rooms – 10 rooms were refurbished as scheduled at a cost of \$105,743.
- Installation of new carpets on Levels 11 and 12.
- Completion of the Parliament's Energy and Water Reduction Program.
- Implementation of Disability Access Audit Report recommendations, the Parliament's conservation management plan, confined spaces audit report recommendations and fire safety exit sign audit.
- Commencing refurbishment of a 5-year program to refurbish all toilets.
- Construction of Special Constables' operational facility.
- A transition from Parliament House Security personnel to NSW Police Special Constables.
- Upgrade to disabled access compliance and modernisation of Fountain Court lift.
- Installation of new Emergency Warning Intercommunication System.

Service delivery targets and performance

Various projects, undertaken as part of the Parliament House energy and water savings upgrade yielded the following energy performance improvements:

- Average electricity consumption has reduced by approximately 21%.
- Average maximum demand has reduced substantially by approximately 30%.
- The Photo-Voltaic Solar Array has generated 35.8 MWh of renewable energy and reduced greenhouse gas emissions by 37.6 tonnes of CO₂.
- The upgrade of the cooling tower condenser water valve actuators resulted in a 50% decrease in cooling tower water usage.

The rainwater harvesting and cooling tower condenser water upgrades resulted in approximately 8% reduction in total water usage.

The effective use of the "Security Incident Reporting" system by staff has resulted in quicker response times and management of concerns, the ability to collate and recognise issues and address them appropriately.

Future plans

- Completion of a new Security Gatehouse on Macquarie St. and refurbishment of the Speaker's Garden.
- Continue implementation of Disability Access Audit Report recommendations including access for the public into the Houses' galleries.
- Implementation of the Parliament's Conservation Management Plan.
- Review and improve confined spaces in building.
- Implementation of the recommendations of the fire safety exit sign audit.
- Continue enhancements to infrastructure.
- Increase occupant awareness of sustainability practices within Parliament.
- Other planned initiatives, subject to availability of capital funding:
 - Upgrade of the Parliament's electrical infrastructure.
 - Replacement of the cooling towers.
 - Refurbishment of office accommodation to enable offsite Committee offices to return to the building and yield long-term leasing cost savings.
 - Ceiling tiles refurbishment.
 - Upgrade emergency exit lights to meet current best practice.
 - Improvements to the emergency egress from the building.
 - Improvements to the emergency evacuation system.



Solar Panels on Parliament House

FINANCE

The Finance section comprises the Finance and Members Services teams.

The Finance team provide finance and accounting services to the Members, the House Departments and the Department of Parliamentary Services. These services include payroll services, the payment of invoices, control and maintenance of the Fixed Asset Register, compliance with statutory reporting requirements, tax compliance, liaison with central agencies in relation to funding and governance matters, management reporting and support for the revenue generating activities of the Parliament.

Finance also supports the audit programs both internal and external with a lead role in the delivery of recommendations arising from the reviews.

Members Services support Members of the NSW Parliament and assist them in managing their parliamentary entitlements in accordance with legislative and other provisions. The team also offer advice and guidance to assist Members interpret Determinations and rulings of the Parliamentary Remuneration Tribunal, as well as other policies and/or legislation to support them in effectively undertaking their parliamentary duties.

Significant achievements and highlights in 2008-2009

The Presiding Officers agreed to implement the recommendations from the Report of the Internal Audit Bureau (IAB) entitled "Review of the Management of Members Entitlements" which was presented in December 2008. The report recommended a centralised shared services unit be established within the Department of Parliamentary Services (DPS) from 1 January 2009, with the Clerks and Executive Manager to resolve the transfer of staff dealing with Members' Service into DPS. This was the first step in establishing the new consolidated Members' Services section.

To achieve this, DPS established a number of working (task) groups to focus on developing the new policies and procedures that were required.

Finance successfully supported five meetings of the Internal Audit Committee.

Future plans

The implementation of a new structure for the Financial Services team as recommended by the internal auditors (completed in February 2009) will provide a platform for improvements to service delivery and other efficiencies. This restructure will enable streamlining of the management of members entitlements and will bring a self-assessment approach to the administration of those entitlements.

A review of the financial planning processes associated with the revenue generating activities of the Legislature will highlight opportunities to more actively manage those profit centres with the potential for growth.

Financial support is to be sought from NSW Treasury for the upgrade of the finance system (SAP) to allow for greater functionality to support the extended use of electronic transaction processing within finance and payroll processes. This additional functionality will complement the new structure to ensure cost efficiencies in the delivery of financial services.

Budget Position

The Net Cost of Services for the Legislature was higher than budget by \$1.321 M with unfavourable variances in employee related expenses and depreciation offset by favourable variances for total revenue and other expenses. Higher employee related costs were caused by termination payments associated with changes in security personnel and hindsight adjustments to the workers compensation premium.

INFORMATION SERVICES

Information Services delivers information related support services to the NSW Parliament through Archives, Hansard, Information Technology and Library functions. Information Services supports Members of Parliament to perform their legislative and representative duties as well as the corporate function of parliamentary administration in meeting strategic and operational priorities. Specifically, this service is provided to Members of Parliament, Electorate Offices, the Department of the Legislative Assembly, the Department of the Legislative Council and to other support functions within the Department of Parliamentary Services. Information Services also facilitates public access to parliamentary information through the NSW Parliament's website.

Information Services was formed in November 2008 to improve the coordination and delivery of information related support services. Accordingly, Archives, Hansard, Information Technology and Library functions were assembled into one organisational unit managed by the Director, Information Services, who is a member of the Executive Team of the Department of Parliamentary Services.

During 2008-09, an Information Services Client Consultation Strategy was developed and implemented to initiate a comprehensive client consultation process. The aim of the process is to learn what opinions clients have of our services; better understand client needs and expectations; and improve services and plan for future requirements.

The consultation process will occur in four stages. In this first stage, a client survey asked Members and Members' staff to rate the effectiveness of services provided and identify service priorities. Collation of these results was in progress at the end of the financial year. The next stage will involve focus groups comprising Members of Parliament to assist in developing proposals and ideas relating to specific issues arising from the survey. Stages three and four will involve a survey of corporate staff and then direct consultation with senior management groups. It is anticipated that stages two and three will be completed before the end of the calendar year.

Service units

Parliamentary Archives manage the records of Parliament including disposal, access, and retrieval of records in any format. In particular, records of the Legislative Assembly and Legislative Council are processed and progressively transferred to the State Records Authority of NSW under a Memorandum of Agreement.

Parliamentary Reporting or Hansard produces an impartial and accurate record of the debates and proceedings of the Parliament and its committees. This record or *Hansard* is the official report of the debates in the New South Wales Legislative Council and Legislative Assembly.

Information Technology Services provides the information and communications technology and infrastructure systems for the NSW Parliament. The service aims to deliver a secure, reliable and current technology framework. Services are delivered through two core functions: Infrastructure Management and Business Systems. Infrastructure Management provides ongoing management and development of core network and communications infrastructure requirements, incorporating a Help Desk, the management of policies, processes, computer equipment, data storage and external vendor relationships. Business Systems maintains and develops the NSW Parliament's software systems and databases and conducts system requirements analysis services.

The Parliamentary Library provides a specialised and authoritative information and research service, maintaining an emphasis on impartiality and confidentiality. The Library is comprised of three functional areas: Research Service, Reference &

Information and Information Resources. Reference & Information provides timely responses to information requests, proactively delivers targeted information to clients and creates new information products, which package information into searchable databases. Information Resources is responsible for the management and preservation of a diverse collection of hard copy and online resources encompassing the broad range of subject areas and facilitates access to a range of subscription databases and authoritative websites via the Library's intranet page. The Research Service produces publications for general distribution and on individual request. These publications aim to assist Members by providing more detailed commentary and analysis on important legislation and major NSW political issues in a format, which is impartial and accessible.

Significant achievements and highlights in 2008-2009

- The first transfer of archives to the State Records Authority under the Memorandum of Agreement consisting of 197 shelf metres of Tabled Papers.
- Implementation of a standardised (TRIM) records management platform across DPS. This will provide a foundation for further electronic information management initiatives in following years.
- Records disposal project following State Records policy resulting in destruction of 350 boxes (70 shelf metres) of sentenced corporate records.
- Upgrade of Hansard's voice recognition technology.
- Digitisation of Pre-1991 *Hansards* that involved scanning 101,210 pages of parliamentary debates from 1978—the 46th to the 49th Parliament.
- In-house development of an online leave processing system.
- Ethernet cabling infrastructure redesign and deployment.
- Successful completion of a scheduled computer replacement program.
- Upgrade to electronic security systems in collaboration with Building Services including server, switching and storage requirements.
- Acquisition of the first video conferencing facility for the NSW Parliament. The facility will be launched early in the next financial year and piloted by parliamentary committees as an alternative to travel for members or witnesses.
- Launch of Online Tabled Papers database to improve public access to tabled papers and eliminate the effort previously spent by procedure staff in producing separate printed bound volumes.
- Launch of an Electronic Newspaper Clippings service, replacing the manual system, now incorporating all NSW metropolitan and regional newspapers.
- Relaunch of Library's Press Releases database with full text searching capability, resulting in a more accessible resource and a significant increase in number of archived media releases.
- Update and redesign of the Parliamentary Library intranet to facilitate more accessible and intuitive subject-based access to online resources.
- Launch of comprehensive subscription databases via the Library' intranet page.

- Launch of Research Service *E-briefs* and publication of 15 titles during reporting period.

Service delivery and target performance

- Accessions of records by Archives totalled 325 boxes (65 shelf metres) as compared with 184 standard boxes (31 shelf metres) in 2007-08.
- Archives reference service provided responses to:
 - 82 telephone inquiries
 - 207 written reference inquiries involving detailed research.
- Hansard provided transcription services to 127 parliamentary committee hearings, compared to 63 committees in 2007-08.
- Hansard timeliness measures and performance:
 - Hansard proofs provided online by 9.00 am the following day: 98%.
 - Daily proof provided completed within 3 hours of the last House rising: 99%.
 - Hansard proofs prepared as articles and indexed by speech titles and member names, and available on the Intranet by 11.00 am the following working day: 97%.
 - Corrected weekly pamphlets available within 7 days of the end of each sitting week: 97%.
- Committee transcripts prepared daily for hearings within Parliament House and on the next day for hearings conducted away from Parliament House: 97%.
- ITS are in the process of developing new service delivery and key performance indicators.
- Library service indicators appear in the following table:

Service	2008 – 2009	2007 – 2008
In-depth information requests completed	589	501
Brief information requests completed	6,183	7,499
Media monitoring requests completed	3,187	2,964
Inter-Library loans:	396	350
Press clippings digitally archived	26,459	28,546
E-clips (digital news clippings) distributed	16,085	11,905
Press releases added to collection	5,343	2,974
Individual research requests completed	82	34
Individual request papers completed	40	34
Briefing and background publications	29	13
Serials indexing records added to APLIS	705	N/a

Future plans

It is anticipated that the Information Services client consultation process will be largely completed before the end of 2009. An Information Services Strategic Plan will be developed following the client consultation that will identify a service direction and set priorities that endeavour to meet client expectations within budgetary and resource constraints. In the interim, various projects will be undertaken to ensure reliable operations are maintained:

- Facilitate staff working groups and workshops to identify efficiencies in work practices, enable staff to focus on tasks that add client value and meet Savings Implementation Plan requirements.
- Lead a whole of parliament approach towards implementing an Electronic Document Records Management System.
- Digitise Hansard of the 45th Parliament (from 1978) by February 2010.
- Evaluation of new reporting and transcription technologies.
- Updating of all parliamentary computers from Microsoft Office 2000 to the Office 2007 platform.
- Facilitate development of business cases for:
 - the replacement of the Legislative Assembly broadcasting system; and
 - upgrade of the Parliament's SAP enterprise resource management system.
- Upgrade of office computers to all Electorate Offices across NSW.
- Pilot broadband bandwidth expansion at various Electorate Offices.
- Implementation of recommendations from IT Security reviews to enhance network information security.
- Continue to evaluate and improve access to Library information resources by converting to online formats where possible.
- Expand access and capability of the media monitoring service by developing a system for electronic access to TV and radio media.
- Evaluate more cost-effective and reliable Library Management System technology.
- Develop and initiate activities to mark the occasion of 170th Anniversary of the establishment of the Parliamentary Library.

ORGANISATIONAL DEVELOPMENT

Organisational Development comprises the Organisational Development and Parliamentary Education teams.

The primary function of the Organisational Development team is to ensure that the way in which the DPS is structured and the quality of its management systems and tools are best practice and meet the strategic objectives of DPS and Parliament. The role of Organisational Development is to provide the tools, structures, policies, procedures and support to guide the organisation in the best way to get there.

The range of support services the Organisational Development team provides include:

- Training and development
- Recruitment, development planning
- Performance counselling
- HR administration
- OH&S injury management
- Industrial relations
- Policy governance and practice
- Business process analysis and review
- Strategic, operational and cultural initiative design, planning and implementation support.

The team also has a role in acting in concert with the Department of the Legislative Council and the Department of the Legislative Assembly, providing advice and expertise to enhance what currently exists and assisting both House departments to build new systems, tools and processes specifically designed to meet the needs of their respective unique environments.

Parliamentary Education aims to serve the interests of the Members and the people of New South Wales by originating and implementing programmes aimed at developing civics skills necessary for active citizenship in the community including school groups and the wider community and increasing the knowledge and understanding of the roles and functions of the Parliament and its Members. The role of the Parliamentary Education and Community Relations team is to:

- Provide support services to Members, particular to assist their role in servicing the information and education needs of their constituents.
- Provide educational resources, activities and support for schools, other educational institutions and the community.
- Offer professional development and seminar programmes for educators, government, non-government and community organisations.
- Write, develop and publish various formats to meet a range of education, community and visitor needs and to resource the Parliamentary visitors' programme.

Significant achievements and highlights for 2008-2009

The Organisational Development team was formed in late 2008 as a result of the Human Resources teams from the House departments being merged into one. Despite only recently being formed, the team in conjunction with the IT team has managed to deliver an online leave approval and processing system which has made a significant improvement to the process by which DPS team members apply for leave.

Some significant achievements in Education through the year have included:

- Working with the Department of Education and Training to develop a new internet-based resource "Inside NSW Parliament" to be officially launched in November 2009. A standalone version will also be available via touch screen kiosk in the foyer of Parliament House.
- Held 76 education events, with increased numbers of students and teachers participating (approx 4,000).
- 43 community events with approximately 5,000 community members participating in a wide range of activities including Australia Day and the Sydney Open.
- Wrote, coordinated and presented a paper on the role of parliamentary education in Australian parliaments – published in the Australian *Parliamentary Review*, Autumn 2009.

Future plans

The Organisational Development team is being reshaped to better meet the needs of its customers. The team will be working on the following initiatives during 2009/2010:

- A comprehensive development planning programme
- Succession planning programme
- Talent reviews
- Policy suite review, including the development of a corporate governance framework
- An internal communications programme
- Improvements to the tools and resources available to assist with the recruitment process
- Employee engagement programmes
- The development of a comprehensive training suite for Members, their staff and members of the House Departments and the Department of Parliamentary Services.

The Parliamentary Education team will continue to address community expectations of Parliament, particularly in relation to participation and awareness. Some initiatives include:

- Development of historical and feature signage in public area of Parliament House (“Heritage Trail”).
- Develop outreach programme based on Parliamentary simulation / decision-making.
- Participation in Macquarie 2010 commemoration in association with neighbouring institutions, including programmes for teachers.
- Development of additional segments for Parliamentary DVD.
- Development of new publications to support community programmes.

PARLIAMENTARY CATERING

Parliamentary Catering provides in-house dining and function facilities for Members, their guests and Parliamentary staff. Our aim is to provide outstanding customer service to our internal and external clients in a unique environment.

Our food services are operated out of two kitchens and provide food for the Members and Strangers Dining room, Café Quorum, room service and individual catered functions.

Our catering services are available to the public for corporate functions and conferences and we have begun to further develop the commercial aspect of our services through marketing of our unique venues.

Significant achievements and highlights for 2008-2009

During the last year we have established an internal business development team, which has been examining how we can build on our existing capabilities and promote our range of catering venues and services. This team has been working on updated trading terms and conditions, online advertising, refurbishment of catering assets and menu redesign.

Service delivery targets and performance

Parliamentary Catering has hosted a number of high profile functions over the year, including Deepavali, the Aboriginal Art Prize and various State and Consulate functions.

Future plans

Parliamentary Catering will continue to improve its customer services to Members, staff and external clients.



THE LEGISLATURE FINANCIAL STATEMENTS



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

The Legislature

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Legislature, which comprises the balance sheet as at 30 June 2009, the operating statement, statement of recognised income and expense, cash flow statement, service group statements and a summary of compliance with financial directives for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Legislature as at 30 June 2009, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

The Clerks' and Executive Manager's Responsibility for the Financial Report

The Clerk of the Legislative Assembly, the Clerk of the Parliaments and the Executive Manager Parliamentary Services are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Legislature's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Legislature's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Clerks and the Executive Manager Parliamentary Services, as well as evaluating the overall presentation of the financial report.

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

My opinion does *not* provide assurance:

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

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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



Peter Achterstraat
Auditor-General

4 November 2009
SYDNEY



29 October 2009

File ref: DPS490

The Legislature

**Financial Statements for the Year ended
30 June 2009**

Statement by Department Heads

We state that:

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

Handwritten signature of Russell D. Grove in cursive.

Russell D. Grove
Clerk of the Legislative Assembly

Date: 29 October, 2009

Handwritten signature of Lynn Lovelock in cursive.

Lynn Lovelock
Clerk of the Parliaments

Date: 29 October 2009

Handwritten signature of Brian Ward in cursive.

Brian Ward
Executive Manager
Parliamentary Services

Date: 29 October 2009

THE LEGISLATURE***Operating Statement for the Year Ended 30 June 2009***

	Notes	Actual 2009 \$000	Budget 2009 \$000	Actual 2008 \$000
Expenses excluding losses				
Operating expenses				
Employee related	2(a)	53,582	52,289	49,766
Other operating expenses	2(b)	25,785	25,401	23,784
Depreciation and amortisation	2(c)	5,184	4,009	4,505
Other expenses	2(d)	<u>39,337</u>	<u>40,579</u>	<u>39,232</u>
Total Expenses excluding losses		<u>123,888</u>	<u>122,278</u>	<u>117,287</u>
Less:				
Revenue				
Sale of goods and services	3(a)	4,241	4,855	4,332
Investment revenue	3(b)	237	115	148
Grants and contributions	3(c)	832	865	1,160
Other revenue	3(d)	<u>1,194</u>	<u>350</u>	<u>1,374</u>
Total Revenue		<u>6,504</u>	<u>6,185</u>	<u>7,014</u>
Gain / (loss) on disposal	4	<u>(30)</u>	<u>-</u>	<u>(51)</u>
Net Cost of Services	20	<u>117,414</u>	<u>116,093</u>	<u>110,324</u>
Government Contributions				
Recurrent appropriation	5	101,753	102,443	98,567
Capital appropriation	5	5,557	5,557	4,134
Acceptance by the Crown Entity of employee benefits and other liabilities	6	<u>10,377</u>	<u>10,506</u>	<u>10,092</u>
Total Government Contributions		<u>117,687</u>	<u>118,506</u>	<u>112,793</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>273</u>	<u>2,413</u>	<u>2,469</u>

The accompanying notes form part of these statements.

THE LEGISLATURE
Balance Sheet as at 30 June 2009

	Notes	Actual 2009 \$000	Budget 2009 \$000	Actual 2008 \$000
ASSETS				
Current Assets				
Cash and cash equivalents	8	3,318	3,946	3,926
Receivables	9	1,732	1,766	1,766
Inventories	10	<u>105</u>	<u>165</u>	<u>165</u>
Total Current Assets		<u>5,155</u>	<u>5,877</u>	<u>5,857</u>
Non-Current Assets				
Property, Plant and Equipment	11			
- Land and Buildings		124,855	140,375	140,510
- Plant and Equipment		12,104	15,508	10,556
- Collection Assets		<u>41,862</u>	<u>38,117</u>	<u>40,480</u>
Total Property, Plant and Equipment		178,821	194,000	191,546
Intangible Assets	12	<u>111</u>	<u>110</u>	<u>151</u>
Total Non-Current Assets		<u>178,932</u>	<u>194,110</u>	<u>191,697</u>
Total Assets		<u>184,087</u>	<u>199,987</u>	<u>197,554</u>
LIABILITIES				
Current Liabilities				
Payables	13	5,541	4,842	5,042
Provisions	14	4,903	4,731	4,511
Other	15	<u>-</u>	<u>13</u>	<u>13</u>
Total Current Liabilities		<u>10,444</u>	<u>9,586</u>	<u>9,566</u>
Non-Current Liabilities				
Provisions	14	<u>44</u>	<u>35</u>	<u>35</u>
Total Non-Current Liabilities		<u>44</u>	<u>35</u>	<u>35</u>
Total Liabilities		<u>10,488</u>	<u>9,621</u>	<u>9,601</u>
Net Assets		<u>173,599</u>	<u>190,366</u>	<u>187,953</u>

EQUITY	16			
Reserves		27,199	41,826	41,826
Accumulated Funds		<u>146,400</u>	<u>148,540</u>	<u>146,127</u>
Total Equity		<u><u>173,599</u></u>	<u><u>190,366</u></u>	<u><u>187,953</u></u>

The accompanying notes form part of these statements.

THE LEGISLATURE

Statement of Recognised Income and Expense for the Year Ended 30 June 2009

	Notes	Actual 2009 \$000	Budget 2009 \$000	Actual 2008 \$000
Net increase / (decrease) in property, plant and equipment asset revaluation reserve		<u>(14,627)</u>	-	<u>9,532</u>
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		(14,627)	-	9,532
Surplus / (Deficit) for the year		<u>273</u>	<u>2,413</u>	<u>2,469</u>
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	16	<u>(14,354)</u>	<u>2,413</u>	<u>12,001</u>

The accompanying notes form part of these statements.

THE LEGISLATURE***Cash Flow Statement for the Year Ended 30 June 2009***

	Notes	Actual	Budget	Actual
		2009	2009	2008
		\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(50,468)	(50,223)	(47,625)
Other		<u>(60,506)</u>	<u>(57,520)</u>	<u>(56,890)</u>
Total Payments		<u>(110,974)</u>	<u>(107,743)</u>	<u>(104,515)</u>
Receipts				
Sale of goods and services		4,098	4,855	4,535
Interest received		232	115	133
Other		<u>4,949</u>	<u>1,215</u>	<u>3,299</u>
Total Receipts		<u>9,279</u>	<u>6,185</u>	<u>7,967</u>
Cash Flows From Government				
Recurrent appropriation	5	101,753	102,443	98,567
Capital appropriation	5	<u>5,557</u>	<u>5,557</u>	<u>4,147</u>
Net Cash Flows From Government		<u>107,310</u>	<u>108,000</u>	<u>102,714</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	<u>5,615</u>	<u>6,442</u>	<u>6,166</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of land and buildings, plant and equipment		-	-	-
Purchases of land and buildings, plant and equipment		<u>(6,223)</u>	<u>(6,422)</u>	<u>(4,749)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(6,223)</u>	<u>(6,422)</u>	<u>(4,749)</u>
NET INCREASE / (DECREASE) IN CASH		(608)	20	1,417
Opening cash and cash equivalents		<u>3,926</u>	<u>3,926</u>	<u>2,509</u>
CLOSING CASH AND CASH EQUIVALENTS	8	<u>3,318</u>	<u>3,946</u>	<u>3,926</u>

The accompanying notes form part of these statements.

THE LEGISLATURE
Service Group Statement
Expenses and Revenues for the year ended 30 June 2009

THE LEGISLATURE'S EXPENSES & REVENUES	Chamber and Committee Support		Members' Support		Community Access		<u>Non-attributable</u>		2009	2008
	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Expenses excluding losses										
Operating expenses										
· Employee related	7,073	6,569	43,616	40,510	2,892	2,687	-	-	53,581	49,766
· Other operating expenses	3,404	3,140	20,989	19,361	1,392	1,283	-	-	25,785	23,784
Depreciation and amortisation	684	595	4,220	3,667	280	243	-	-	5,184	4,505
Other expenses	5,192	5,179	32,020	31,935	2,126	2,118	-	-	39,338	39,232
Total Expenses excluding losses	16,353	15,483	100,845	95,473	6,690	6,331	-	-	123,888	117,287
Revenue										
Sale of goods and services	560	572	3,453	3,526	229	234	-	-	4,242	4,332
Investment revenue	31	20	193	120	13	8	-	-	237	148
Grants and contributions	110	153	677	944	45	63	-	-	832	1,160
Other revenue	158	181	971	1,119	64	74	-	-	1,193	1,374
Total Revenue	859	926	5,294	5,709	351	379	-	-	6,504	7,014
Gain / (loss) on disposal	(4)	(7)	(24)	(41)	(2)	(3)	-	-	(30)	(51)
Net Cost of Services	15,498	14,564	95,575	89,805	6,341	5,955	-	-	117,414	110,324
Government contributions**	-	-	-	-	-	-	117,687	112,793	117,687	112,793
NET EXPENDITURE /(REVENUE) FOR THE YEAR	15,498	14,564	95,575	89,805	6,341	5,955	(117,687)	(112,793)	(273)	(2,469)

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

**Appropriations are made on an agency basis and not to individual programs. Consequently, government contributions must be included in the "not attributable" column. The assets and liabilities of the Legislature are such that they cannot be attributed to specific service groups.

THE LEGISLATURE**Supplementary Financial Statements****SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES**

	2009				2008			
	Recurrent Appropriation	Expenditure / Net Claim on Consolidated Fund	Capital Appropriation	Expenditure / Net Claim on Consolidated Fund	Recurrent Appropriation	Expenditure / Net Claim on Consolidated Fund	Capital Appropriation	Expenditure / Net Claim on Consolidated Fund
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
· Appropriation Act	102,443	101,753	5,557	5,557	96,844	96,808	3,240	3,240
· Additional Appropriations								
· s21A PF&AA – special appropriation	-	-	-	-	-	-	-	-
· s24 PF&AA – transfers of functions between departments	-	-	-	-	-	-	-	-
· s26 PF&AA – Commonwealth specific purpose payments	-	-	-	-	-	-	-	-
	102,443	101,753	5,557	5,557	96,844	96,808	3,240	3,240
OTHER APPROPRIATIONS / EXPENDITURE								
· Treasurer's Advance	-	-	-	-	2,812	1,759	958	894
· Section 22 – expenditure for certain works and services	-	-	-	-	-	-	-	-
· Transfers to/from another agency (s32 – Appropriation Act)	-	-	-	-	-	-	-	-
	-	-	-	-	2,812	1,759	958	894
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	102,443	101,753	5,557	5,557	99,656	98,567	4,198	4,134
Amount drawn down against Appropriation		101,753		5,557		98,567		4,147
Liability to Consolidated Fund*		-		-		-		13

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

*The Liability to Consolidated Fund represents the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund".

THE LEGISLATURE

Notes to and forming part of the Financial Statements for year ended 30 June 2009

1. Summary of Significant Accounting Policies

(a) Reporting Entity

The Legislature, as a reporting entity, comprises all the operating activities of the Parliament of New South Wales, including the House Committee, under the direction and control of the Executive Manager Parliamentary Services. It includes all the functions of parliamentary representation undertaken by the Legislative Council and the Legislative Assembly, and the Department of Parliamentary Services. The House Committee provides food and beverage services for Members of Parliament, their guests and staff. It also caters for functions held at Parliament House.

The Legislature is a not-for-profit entity (as profit is not its principal objective) and has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector.

This financial report for the year ended 30 June 2009 has been authorised for issue by the Clerk of the Legislative Assembly, the Clerk of the Parliaments and the Executive Manager Parliamentary Services on 29 October 2009.

(b) Basis of Preparation

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

- ❖ Applicable Australian Accounting Standards which include Australian Accounting Interpretations;
- ❖ The requirements of the *Public Finance and Audit Act 1983* and Regulation, and
- ❖ The Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies, or issued by the Treasurer.

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

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

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

(c) Statement of Compliance

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

(d) Income Recognition

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

(i) Parliamentary Appropriations and Contributions

Parliamentary Appropriations and contributions from other bodies (including grants and donations) are generally recognised as income when The Legislature obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions are normally obtained upon the receipt of cash.

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

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

(ii) Sales of Goods

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

(iii) Rendering of Services

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

(iv) Investment Revenue

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

(v) Other Revenue

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

(e) Employee Benefits and other provisions**(i) Salaries and Wages, Annual Leave, Sick Leave and On- Costs**

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

Long-term annual leave that is not expected to be taken within twelve months is not measured at present value in accordance with AASB 119 *Employee Benefits* as the amount involved is not considered material.

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

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

(ii) Long Service Leave and Superannuation

The Legislature's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Legislature accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities". Prior to 2005/06 the Crown Entity also assumed the defined contribution superannuation liability.

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 09/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

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

(iii) Other Provisions

Other provisions exist when: The Legislature has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

(f) Insurance

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

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

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

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

(h) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by The Legislature. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

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

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

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

(i) Capitalisation Thresholds

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

(j) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with *AASB 116 Property, Plant and Equipment*.

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

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

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

Land	30 June 2009 Valustate Pty Ltd
Buildings	30 June 2009 D P Martin Pty Ltd
Plant & Equipment (Building Technical Services Assets)	30 June 2009 D P Martin Pty Ltd
Collection Assets:	
Library Collection	30 June 2009 Simon Storey Valuers
Archives Collection	30 June 2009 Simon Storey Valuers
Antiques	30 June 2009 Simon Storey Valuers
Artworks	30 June 2009 Simon Storey Valuers

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

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the

assets), the gross amount and the related accumulated depreciation are separately restated.

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

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

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

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

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

(k) Impairment of Property, Plant and Equipment

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

(l) Depreciation of Property Plant and Equipment

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

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

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

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

(m) Maintenance

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

(n) Leased Assets

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

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

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

(o) Intangible Assets

The Legislature recognises intangible assets only if it is probable that future economic benefits will flow to the Legislature and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

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

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

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

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

(p) Loans and Receivables

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

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

(q) Inventories

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

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

(r) Other Assets

Other assets are recognised on a cost basis.

(s) Impairment of financial assets

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

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the Operating Statement.

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

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

(t) Payables

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

(u) Budgeted Amounts

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

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

2. Expenses excluding Losses

(a) Employee Related Expenses	2009	2008
	\$000	\$000
Salaries and wages (including recreation leave)	41,244	40,051
Superannuation – defined benefit plans	1,217	1,221
Superannuation – defined contribution plans	2,802	2,575
Payroll tax and fringe benefits tax	2,697	2,709
Long service leave	1,494	812
Worker's compensation insurance	838	680
Employment agency staff	3,132	1,742
Other	158	(24)
	53,582	49,766
(b) Other Operating Expenses including the following:	2009	2008
	\$000	\$000
Auditor's remuneration		
– Audit of the financial reports	57	52
– Audit of Members' additional entitlements under Parliamentary Remuneration Tribunal Determination	56	55
Cost of Sales - House Committee	917	870
Operating Lease Rental Expense-Minimum Lease Payments	4,993	4,754
Maintenance	1,663	2,060
Insurance	243	261
Printing and stationery	6,634	5,435
Telecommunication costs	1,126	1,247
Travel expenses	1,821	1,879
Computer costs	2,295	2,181
Stores	566	507
Postage	761	733
Miscellaneous	1,763	1,386
Energy charges	1,064	1,100
Cleaning and laundry	620	602
Contract and other fees	1,206	662
	25,785	23,784
	2009	2008
	\$000	\$000
<i>Reconciliation – Total maintenance</i>		
Maintenance expense – contracted labour and other (non-employee related), as above	1,663	2,060
Maintenance undertaken by Dept of Commerce	-	919
Employee related maintenance expense included in Note 2 (a)	3,582	3,013
Total maintenance expenses included in Note 2(a) + 2(b)	5,245	5,992

(c) Depreciation and Amortisation expense

	2009	2008
Depreciation:	\$000	\$000
– buildings		
– plant and equipment	1,422	1,279
– collection assets	2,594	1,917
	174	146
	4,190	3,178
Amortisation:		
– leasehold improvements		
– intangibles	928	890
	66	273
Total Depreciation and Amortisation Expense	994	1,163
	5,184	4,505

(d) Other Expenses

	2009	2008
Salaries and allowances of Members of Parliament	\$000	\$000
Superannuation entitlements – Members	28,988	28,612
Payroll tax & fringe benefits tax – Members’ entitlements	7,671	7,951
Special Projects	2,300	2,361
	378	308
	39,337	39,232

3. Revenue

(a) Sale of Goods and Services

	2009	2008
<u>Sale of Goods</u>	\$000	\$000
House Committee sales of food and beverages	2,641	2,771
Energy recoup from Sydney Hospital and State Library	470	497
Sale of publications	21	24
	3,132	3,292
<u>Rendering of Services</u>		
Rent on Parliament House ministerial offices	909	841
Miscellaneous	200	199
	1,109	1,040
	4,241	4,332

(b) Investment Revenue	2009	2008
	\$000	\$000
Interest revenue on operating accounts	237	148
	237	148

(c) Grants and Contributions	2009	2008
	\$000	\$000
Department of Environment – energy and water savings project	832	241
Department of Commerce maintenance work	-	919
	832	1,160

(d) Other Revenue	2009	2008
	\$000	\$000
Increment from asset valuation offsetting prior decrement	494	702
Assets recognised for first time	358	-
Contribution of assets	-	256
Miscellaneous	342	416
	1,194	1,374

4. Gain/(Loss) on Disposal

	2009	2008
	\$000	\$000
Loss on disposal of plant and equipment		
Proceeds from disposal	-	-
Written down value of assets disposed	(30)	(51)
Net gain/(loss) on disposal of plant and equipment	(30)	(51)

5. Appropriations

	2009	2008
	\$000	\$000
Recurrent Appropriations		
Total recurrent drawdowns from Treasury (per Summary of Compliance)	101,753	98,567
Less: Liability to Consolidated Fund (per Summary of Compliance)	-	-
	101,753	98,567

Comprising:

Recurrent Appropriations (per Operating Statement)	101,753	98,567
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	2009	2008
	\$000	\$000
Capital Appropriations		
Total capital drawdowns from Treasury (per Summary of Compliance)	5,557	4,147
Less: Liability to Consolidated Fund (per Summary of Compliance)		13
	5,557	4,134

Comprising:

Capital Appropriations (per Operating Statement)	5,557	4,134
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6. Acceptance by the Crown Entity of Employee Benefits and other Liabilities

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

	2009	2008
	\$000	\$000
Employees		
Superannuation	1,217	1,221
Long service leave	1,494	813
Payroll tax on superannuation	74	73
	2,785	2,107
Members		
Superannuation	7,171	7,533
Payroll tax on superannuation	421	452
	7,592	7,985
	10,377	10,092

7. Service Groups of the Legislature

Service Group 1.1 Chamber and Committee Support

Service Description: This service group covers procedural support (specialist advice, information and research services to Members); chamber support (operational support for the chambers to carry out their business); committee support (the provision of a secretariat for each committee, the provision of advice and information on its operation and on its enquiry and the provision of mechanisms to allow for public consultation) and Parliamentary reporting (Hansard services to the Houses and to committees).

Linkage to Results: This service group contributes to the Parliament of New South Wales fulfilling its role as a representative and legislative body by working towards a range of intermediate results that include the effective functioning of the Parliament and its committees and supporting Members of Parliament to fulfil their Parliamentary roles.

Service Group 1.2 Members' Support

Service Description: This service group covers Members' services (the provision of human resources services to Members and the administration of Members' entitlements); facilities management (maintenance of Members' offices, the Parliament House building and associated services such as security, catering, building services) financial services and information services. With regard to the Legislative Assembly Members, it includes management of electorate offices lease, fitout and maintenance of equipment and amenities.

Linkage to Results: This service group contributes to the Parliament of New South Wales fulfilling its role as a representative and legislative body by working towards a range of intermediate results that include the effective functioning of the Parliament and its committees and supporting Members of Parliament to fulfil their Parliamentary roles.

Service Group 1.3 Community Access

Service Description: This service group covers community education services such as school tours, visitor tours and open days and education in service sessions for teachers; exhibition services (historical displays, art exhibitions, expositions); public events and functions, particularly utilising the building's function rooms; webstreaming of the proceedings in both Houses and Members' newsletters to constituents.

Linkage to Results: This service group contributes to the Parliament of New South Wales fulfilling its role as a representative and legislative body by working towards the intermediate result of Community access and awareness of the role and functions of the Parliament.

8. Current Assets – Cash and Cash Equivalents

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

	2009	2008
	\$000	\$000
Cash at Bank and on hand	3,318	3,926
	3,318	3,926

The Legislature has the following banking facilities as at 30 June 2009:

- Cheque cashing authority of \$20,000, which is the total encashment facility provided to enable recoupment of advance account activities.
- Tape negotiation authority of \$3,000,000. This facility authorised the bank to debit The Legislature's operating bank account up to the above limit when processing the electronic payroll and vendor files.
- MasterCard facility of \$731,000.

Refer to Note 21 for details regarding credit risk, liquidity risk and market risk arising from financial statements.

	2009	2008
	\$000	\$000
9. Current Assets – Receivables		
Sales of goods and services	797	627
Less: Allowance for impairment	35	8
	762	619
G.S.T. recoverable from A.T.O.	650	707
Other debtors	10	10
Prepayments	215	340
Investment income	95	90
	1,732	1,766
	2009	2008
	\$000	\$000
<i>Movement in the allowance for impairment</i>		
Balance at July 1	8	16
Amounts written off during the year	-	-
Amounts recovered during the year	(1)	(15)
Increase/ (decrease) in allowance recognised in profit or loss	28	7
Balance at 30 June	35	8

10. Current Assets – Inventories

	2009	2008
	\$000	\$000
Food and beverage stock at cost	105	165
	<u>105</u>	<u>165</u>

11. Non-current Assets – Property, Plant and Equipment

	Land and Buildings	Plant and Equipment	Collection Assets	Total
	\$000	\$000	\$000	\$000
At 1 July 2008 – fair value				
Gross carrying amount	185,376	46,630	49,767	281,773
Accumulated depreciation and impairment	<u>44,866</u>	<u>36,074</u>	<u>9,287</u>	<u>90,227</u>
Net Carrying Amount	<u>140,510</u>	<u>10,556</u>	<u>40,480</u>	<u>191,546</u>
At 30 June 2009 – fair value				
Gross carrying amount	174,568	48,875	51,322	274,765
Accumulated depreciation and impairment	<u>49,713</u>	<u>36,771</u>	<u>9,460</u>	<u>95,944</u>
Net Carrying Amount	<u>124,855</u>	<u>12,104</u>	<u>41,862</u>	<u>178,821</u>

Reconciliation

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

	Land and Buildings	Plant and Equipment	Collection Assets	Total
	\$000	\$000	\$000	\$000
Year ended 30 June 2009				
Net carrying amount at start of year	140,510	10,556	40,480	191,546
Additions	3,280	2,912	363	6,555
Disposals	-	(1,267)	-	(1,267)
Net revaluation increments less revaluation decrements	(16,808)	1,483	1,193	(14,132)
Accumulated depreciation written back on disposal	-	1,237	-	1,237
Internal transfers	223	(223)	-	-
Depreciation Expense	(2,350)	(2,594)	(174)	(5,118)
Net carrying amount at end of year	<u>124,855</u>	<u>12,104</u>	<u>41,862</u>	<u>178,821</u>

	Land and Buildings	Plant and Equipment	Collection Assets	Total
	\$000	\$000	\$000	\$000
At 1 July 2007				
Gross Carrying Amount	174,059	42,555	47,508	264,122
Accumulated depreciation and impairment	<u>40,799</u>	<u>33,306</u>	<u>9,141</u>	<u>83,246</u>
Net Carrying Amount	<u>133,260</u>	<u>9,249</u>	<u>38,367</u>	<u>180,876</u>
At 30 June 2008				
Gross Carrying Amount	185,376	46,630	49,767	281,773
Accumulated depreciation and impairment	<u>44,866</u>	<u>36,074</u>	<u>9,287</u>	<u>90,227</u>
Net Carrying Amount	<u>140,510</u>	<u>10,556</u>	<u>40,480</u>	<u>191,546</u>

Reconciliation

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

	Land and Buildings	Plant and Equipment	Collection Assets	Total
	\$000	\$000	\$000	\$000
Year ended 30 June 2008				
Net carrying amount at start of year	133,260	9,249	38,367	180,876
Additions	2,137	2,573	9	4,719
Disposals	(565)	(484)	-	(1,049)
Net revaluation increments less revaluation decrements	7,282	702	2,250	10,234
Accumulated depreciation written back on disposal	565	433	-	998
Transfers				
Depreciation Expense	<u>(2,169)</u>	<u>(1,917)</u>	<u>(146)</u>	<u>(4,232)</u>
Net carrying amount at end of year	<u>140,510</u>	<u>10,556</u>	<u>40,480</u>	<u>191,546</u>

12. Intangible Assets**Software**

At 1 July 2008	\$000
Cost (gross carrying amount)	2,442
Accumulated amortisation and impairment	<u>2,291</u>
Net carrying amount	<u>151</u>

At 30 June 2009	
Cost (gross carrying amount)	2,468
Accumulated amortisation and impairment	<u>2,357</u>
Net carrying amount	<u>111</u>

Reconciliation

Year ended 30 June 2009	
Net carrying amount at start of year	151
Additions	26
Disposals	-
Accumulated amortisation written back on disposal	-
Amortisation (recognised in depreciation and amortisation)	<u>(66)</u>
Net carrying amount at end of year	<u>111</u>

At 1 July 2007

Cost (gross carrying amount)	2,380
Accumulated amortisation and impairment	<u>2,017</u>
Net carrying amount	<u>363</u>

At 30 June 2008

Cost (gross carrying amount)	2,442
Accumulated amortisation and impairment	<u>2,291</u>
Net carrying amount	<u>151</u>

Reconciliation

Year ended 30 June 2008	
Net carrying amount at start of year	363
Additions	61
Disposals	-
Accumulated amortisation written back on disposal	-
Amortisation (recognised in depreciation and amortisation)	<u>(273)</u>
Net carrying amount at end of year	<u>151</u>

13. Current Liabilities – Payables	2009	2008
	\$000	\$000
Accrued wages, salaries and on-costs	2,000	2,065
Creditors	3,541	2,977
	5,541	5,042

14. Current and non-current Liabilities – Provisions

	2009	2008
	\$000	\$000
(a) Current		
Recreation leave	3,787	3,587
On-cost on employee benefits	1,116	924
	4,903	4,511

(b) Non-Current

On-cost on employee benefits	44	35
	44	35

(c) Aggregate employee benefits and related on-costs:

Provisions – Current	4,903	4,511
Provisions - Non-Current	44	35
Accrued salaries, wages and on-costs (note 13)	2,321	2,065
	7,268	6,611

Of employee benefits for recreation leave \$2,777,000 is expected to be settled within twelve months and \$1,010,000 is expected to be settled after twelve months. All accrued wages and salaries are expected to be settled within twelve months.

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

15. Current Liabilities – Other

	2009	2008
	\$000	\$000
Liability to Consolidated Fund	-	13
	-	13

16. Changes in Equity

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2009	2008	2009	2008	2009	2008
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at the beginning of the financial year	146,127	143,658	41,826	32,294	187,953	175,952
<u>Changes in equity - other than transactions with owners as owners</u>						
Surplus/(Deficit) for the year	273	2,469	-	-	273	2,469
Increment/(Decrement) on revaluation of:						
• Land and Buildings	-	-	(16,808)	7,282	(16,808)	7,282
• Plant and Equipment			988	-	988	-
• Collection Assets	-	-	1,193	2,250	1,193	2,250
<u>Total</u>	<u>273</u>	<u>2,469</u>	<u>(14,627)</u>	<u>9,532</u>	<u>(14,354)</u>	<u>12,001</u>
<u>Transfers within equity</u>						
Asset revaluation reserve balance transferred to accumulated funds on disposal of asset	-	-	-	-	-	-
<u>Total</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at the end of the financial year	146,400	146,127	27,199	41,826	173,599	187,953

Asset Revaluation Reserve

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

17. Commitments and Expenditure**(a) Operating Lease Commitments**

Future non-cancellable operating lease rentals not provided for and payable:

	2009	2008
	\$000	\$000
Not later than one year	4,786	3,839
Later than one year but not later than five years	6,848	6,311
Later than five years	90	106
Total (including GST)	11,724	10,256

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

The above total includes GST input tax credits of \$1,036,000 (\$900,000 – 2008), which will be recoverable from Australian Taxation Office (ATO).

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

	2009	2008
	\$000	\$000
Not later than one year	4,093	3,668
Later than one year but not later than five years	5,843	6,311
Later than five years	90	106
Electorate Office Lease Commitments (including GST)	<u>10,026</u>	<u>10,085</u>

The above total includes GST input tax credits of \$882,000 (\$884,000 – 2008), which will be recoverable from the ATO.

(b) Other Expenditure Commitments

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

	2009	2008
	\$000	\$000
Not later than one year	95	1,510
Total (including GST)	<u>95</u>	<u>1,510</u>

The above total for 2009 includes GST input tax credits of \$9,000 (\$137,000 – 2008) that will be recoverable from the ATO.

18. Contingent Liabilities and Contingent Assets

The Legislature had no contingent assets or contingent liabilities at reporting date.

19. Budget Review

Net Cost of Services

Net Cost of Services was \$1,321,000 higher than budget because of higher employee and depreciation expenses and lower than estimated revenue.

Assets and Liabilities

Total assets were less than budget by \$15,900,000 due to a valuation decrement to land of \$16,300,000. Liabilities exceeded budget by \$867,000 due to higher trade creditors and an increase in the value of employee entitlements.

Cash Flows

Net cash inflows from operating activities were \$827,000 less than budget due to higher operating expenses.

20. *Reconciliation of Net Cash Flows from Operating Activities to Net Cost of Services:*

	2009	2008
	\$000	\$000
Net Cash used in operating activities	5,615	6,166
Depreciation	(5,184)	(4,505)
(Increase) / decrease in provisions	(402)	58
(Decrease) / increase in receivables, inventories and other assets	(93)	65
(Increase) / decrease in creditors and other liabilities	(458)	(222)
Gain / (Loss) on sale of non-current assets	(30)	(51)
Asset acquired via grant / donation	-	256
Valuation increment recognised in Operating Statement	494	702
Assets recognised for first time	358	-
Long Service Leave	(1,494)	(813)
Superannuation	(8,387)	(8,754)
Payroll tax on superannuation	(496)	(525)
Less cash flows from government:		
Capital Allocation	(5,557)	(4,134)
Recurrent Allocation	(101,753)	(98,567)
Net Cost of Services	<u>(117,414)</u>	<u>(110,324)</u>

21. *Financial Instruments*

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

Cash

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

At period end the deposits were earning 2.9% (6.25% in 2008) while the effective interest rate during the reporting period was 4.45% (5.87% in 2008).

Receivables

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

The credit risk is the carrying amount (net of any provision for doubtful debts). As at balance date, the greatest risk was represented by receivables, totalling \$137,000 (\$144,000 in 2008), which had been outstanding for more than 90 days.

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

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

Bank Overdraft

The Legislature does not have any bank overdraft facility.

Trade Creditors and Accruals

These liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are not secured) are settled in accordance with Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

Fair value

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

22. *After Balance Sheet Date Events*

There are no after balance sheet date events.

End of Financial Statements

APPENDIX 1: EQUAL EMPLOYMENT OPPORTUNITY STATISTICS***Equal Opportunity – Department of Parliamentary Services 2009*****% of Total Staff**

EEO Group	Benchmark or Target	2008	2009
Women	50%	52%	54%
Aboriginal People and Torres Strait Islanders	2%	3.3%	
People whose language first spoken as a child was not English	20%	32%	38%
People with a disability	12%	10%	7%
People with a disability requiring work-related adjustment	7%	0%	

Staff Numbers by Level – Department of Parliamentary Services 2009

Population: Headcount non-casual employees at June by remuneration of substantive position

Level	Total Staff	Respondents	Men	Women	Aboriginal People & Torres Strait Islanders	People from Racial, Ethnic, Ethno-Religious Minority Groups	People Whose Language First Spoken as a Child was not English	People with a Disability	People with a Disability Requiring Work-related Adjustment
< \$36,677	0	0	0	0	0	0	0	0	0
\$36,677 - \$48,172	49	9	19	30	0	9	8	0	0
\$48,173 - \$53,854	21	7	12	9	0	3	3	1	0
\$53,855 - \$68,147	34	14	13	21	0	7	4	0	0
\$68,148 - \$88,127	38	17	21	17	0	4	2	1	0
\$88,128 - \$110,160	36	14	16	20	0	2	0	3	0
> \$110,160 (non SES)	7	4	5	2	0	2	2	0	0
> \$110,160 (SES)	0	0	0	0	0	0	0	0	0
TOTAL	185	65	86	99	0	27	19	5	0

Percent of total staff by employment category – Department of Parliamentary Services 2009

Level	Total Staff	Respondents	Men	Women	Aboriginal People & Torres Strait Islanders	People from Racial, Ethnic, Ethno- Religious Minority Groups	People Whose Language First Spoken as a Child was not English	People with a Disability	People with a Disability Requiring Work- related Adjustment
Permanent Full-time	145	34%	57%	43%	-	34%	22%	8%	-
Permanent Part-time	34	38%	-	100%	-	77%	62%	8%	-
Temporary Full-time	3	33%	100%		-	-	-	-	-
Temporary Part-time	3	33%	33%	67%	-	-	-	-	-
Contract: SES	-	-	-	-	-	-	-	-	-
Contract: Non SES	-	-	-	-	-	-	-	-	-
Training Positions	-	-	-	-	-	-	-	-	-
Retained Staff	-	-	-	-	-	-	-	-	-
Casual	5	20%	20%	80%	-	-	-	-	-
TOTAL	190	35%	46%	54%	-	40%	28%	7%	-
SUBTOTALS									
Permanent	179	35%	46%	54%	-	42%	30%	8%	-
Temporary	6	33%	67%	33%	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
Full-Time	148	34%	57%	43%	-	33%	22%	8%	-
Part-Time	37	38%	3%	97%	-	71%	57%	7%	-

Figures are based on number of respondents.

APPENDIX 2: PARLIAMENTARY RESEARCH SERVICE PUBLICATIONS

Title	Author	Paper No.
E-Briefings:		
Intoxication and the Criminal Law	Gareth Griffith	1/08
Child Pornography Law Update	Gareth Griffith	2/08
Road Congestion Charging	Stewart Smith	3/08
Liquor, Licenses and Lockouts	Jason Arditi	4/08
Internet Censorship and Mandatory Filtering	Tom Edwards & Gareth Griffith	5/08
Political Donations Law Update	Gareth Griffith	6/08
Ethanol and Biodiesel	Stewart Smith	7/08
Recent Developments in Abortion Law	Kathryn Simon	8/08
Charter of Rights Update	Gareth Griffith	1/09
The NSW Housing Code	Stewart Smith	2/09
Privatisation of Prisons Update	Tom Edwards & Gareth Griffith	3/09
Oversight of Public Appointments	Gareth Griffith	4/09
Censorship Law – questions and answers	Gareth Griffith	5/09
FOI update - proposed reforms in NSW	Gareth Griffith	6/09
Gang Laws: An Update	Jason Arditi	7/09
Briefing Papers:		
The Regulation of Lobbying	Gareth Griffith	5/08
Transport problems Facing Large Cities	Tom Edwards & Stewart Smith	6/08
Privacy: the Current Situation	Jason Arditi	7/08
Marine Protected Areas	Tom Edwards	8/08
Child Pornography Law	Gareth Griffith & Kathryn Simon	9/08
Oil Supply and Petrol Prices	Stewart Smith	10/08
Local Government in NSW	Jason Arditi	11/08
Emissions Trading	Tom Edwards & Stewart Smith	12/08
Asylum Seekers	Kathryn Simon	13/08
A World Game: Events and Tourism in NSW	John Wilkinson	14/08

Parliamentary Privilege: First Principles and Recent Applications	Gareth Griffith	1/09
The NSW Economy: An Update	John Wilkinson	2/09
Homelessness in NSW	Kathryn Simon	3/09
Sustainable Development	Tom Edwards	4/09
Public Interest Disclosures	Jason Arditi	5/09

Background Papers:

2007 New South Wales Election: Final Analysis	Antony Green	1/08
NSW Legislative Council Elections 2007	Antony Green	1/09
NSW Legislative Assembly Elections 2007: two-candidate preferred results by polling place	Antony Green	2/09

APPENDIX 3: INTERNAL AUDIT AND RISK MANGAMENT AND INSURANCE

Internal Audit

The internal audit focus for the reporting year remained on implementing the various audit recommendations made relating to improving internal controls in the Finance area, Food and Beverage Services, Asset Management and Information Technology.

The Parliament's Audit and Risk Committee comprises four members:

- Mr Jim Mitchell - the Independent Chairperson,
- Mr Russell Grove - Clerk of the Legislative Assembly,
- Ms Lynn Lovelock - Clerk of the Parliaments and
- Mr Brian Ward - Executive Manager Department of Parliamentary Services..

The Committee met on five occasions during the year with representatives of internal and external audit service providers and the Financial Controller attending as observers at the invitation of the Audit Committee. Activities undertaken by the Committee during the year included:

- Oversighting the IAB Review of the Management and Administration of Members' Entitlements and monitoring progress in implementing the various recommendations arising from that review.
- Conducting a review of the Audit and Risk Committee's Terms of Reference to establish if they were still relevant, which resulted in the Committee's role being expanded to include risk management. As a consequence of this expanded role, the committees name was changed to the "Audit and Risk Committee".
- Provided clearance for the sign off by the Presiding Officers of the financial statements for the 2007/2008 financial year, which was followed by the Auditor General issuing an unqualified audit opinion.
- Directed that the Parliament's Internal Auditor Deloitte Touche Tohmatsu (Deloitte) undertake a refresh of the business risk assessment that they had previously conducted in 2006.
- Approved the Internal Audit Plan for the Parliament for the three-year period 2008/09 to 2010/11 inclusive, based on the outcome of the updated business risk assessment.
- Received, considered and adopted the recommendations contained in the NSW Audit Office management letters for both the 2007/08 financial audit and the Members' Entitlement audit.
- Noted the proposed Department of Parliamentary Services delegations prior to submission to the Presiding Officers for approval.
- Directed that a data analytics review of both the Parliament's Members and staff payrolls be undertaken by Deloitte to identify any payroll anomalies. No major issues detected.
- Approved the Terms of Reference for a Regulatory and Compliance Internal Audit review and considered the recommendations contained in the draft report.
- Approved the Terms of Reference for an internal audit review of the Parliament's Business Continuity Plan and considered the recommendations contained in the draft report.

- Approved the Terms of Reference for Deloitte to complete a Fraud Risk Assessment and subsequent development of a Fraud and Corruption Prevention Plan for the Parliament overall and a separate plan for administration of Members' entitlements.
- Followed up on progress made by the Parliament's administration in implementing the audit recommendations made in both current and previous Audit Office Management Letters and Internal Audit Reports.
- Approved the Terms of Reference for Deloitte to develop policy and procedures for dealing with suspected improper entitlement claims by Members' of Parliament.
- Approved the issue of an invitation to audit firms on the NSW Government State Panel Contract for provision of audit and related services.
- Consider the Client Service Plan for the 2008/2009 financial audit of the Parliament's finances and Members' entitlements and recommend the issue of an invitation by the Presiding Officers for the Auditor General to conduct the audit.

Risk Management and Insurance

Deloitte undertook an update of the Strategic Business Risk Assessment and this was used to develop the Parliament's Internal Audit Plan.

The Parliament's insurance cover is provided by the NSW Government Self Insurance Scheme, the Treasury Managed Fund. Under the self assurance scheme the Parliament's Workers Compensation claims are administered by Allianz whilst GIO Australia continues to manage the other four insurance categories, comprising:

- Liability;
- Motor Vehicle;
- Property and
- Miscellaneous.

For the 2008/2009 reporting year Department of Parliamentary Services employees lodged five Workers' Compensation insurance claims, four of which were lost time injury claims. This represents a decrease of nine claims from the previous year. The average cost per claim per employee increased from \$4,821 in 2007/2008 to \$6,197 per employee in 2008/2009.

Department/Section	No of Claims	Total Cost \$	Average Cost Per Claim \$
Parliamentary Building Services	3	16,163	5,388
Parliamentary Food and Beverage Services	1	6,500	6,500
Parliamentary Security Services	1	8,322	8,322
Total	5	30,985	6,197

Three property insurance claims for a combined cost of \$7,012 were lodged during the reporting year. These claims related to the loss of equipment through theft (\$3,065), water damage from a leaky sprinkler head (\$1,120) and water damage to stationery supplies (\$2,827).

For the three remaining categories of insurance no claims were received that impacted on DPS operations.