



# annual report 2011-2012

Department of Parliamentary Services



# Letter of Transmittal

*The Hon Don Harwin MLC  
President of the Legislative Council  
Parliament House  
Macquarie Street  
Sydney, NSW 2000*

*The Hon Shelley Hancock MP  
Speaker of the Legislative Assembly  
Parliament House  
Macquarie Street  
Sydney, NSW 2000*

*To the Presiding Officers,*

*I am pleased to submit to you for tabling in each House the annual report for the Department of Parliamentary Services (DPS), for the year ended 30 June 2012.*

*While DPS is not legislatively required to table an annual report, I welcome the opportunity to provide information on the performance of DPS, as has been customary in previous years.*

*The content of the report incorporates the reporting requirements of the Annual Reports (Departments) Act 1985 and the Public Finance and Audit Act 1983, particularly in regard to the Department's operations and financial performance.*

*This report details major achievements for each functional area of DPS for the 2011-2012 financial year, providing information and statistics relating to some of the outputs and planned initiatives for the future.*

*I commend the report to you and thank you for your ongoing support.*

*Yours sincerely*

*Rob Stefanic  
Executive Manager*

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Department of Parliamentary Services

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# The Presiding Officers' Foreword

Welcome to the Annual Report for the Department of Parliamentary Services (DPS), for the year ending 30 June 2012. As the Presiding Officers of the Parliament, and the overseers of all matters relating to the effective functioning of the institution, we are pleased to be able to commend yet another record of the excellent services and support provided to members and staff by DPS.

In all areas, DPS has continued to exceed expectations and to provide increasingly innovative and forward-thinking solutions to the many physical and administrative challenges that arise in the day to day operations of the 55th Parliament. These challenges are many, varied and quite often unexpected, and so it is a credit to the professionalism of DPS staff that they are able to maintain their consistently high levels of service in all circumstances.

We would like to take this opportunity to thank the teams of DPS for their hard work, and for their ability to work in close collaboration with the legislative departments to support our institution.

We look forward to many more years of successful and essential service.

*The Hon Don Harwin MLC  
President of the Legislative Council*



*The Hon Shelley Hancock MP  
Speaker of the Legislative Assembly*



# Executive Manager's Review

Another year has passed by in a flash. As I look back, I am amazed but not surprised, at the many achievements of our DPS team. As you will read in the following pages, it has been an extremely busy and challenging year for all our people that support parliamentary democracy in NSW.

The beginning of the 2011-2012 financial year marked the fourth year since the formation of DPS. It was timely to conduct a review of the structure to assess what has worked well and what changes were necessary to shape effective services into the future, particularly in light of ever tightening budgetary constraints. Following this review two key structural changes were implemented. The first was the creation of the People & Engagement Branch, bringing human resources, industrial relations, payroll, learning and development, parliamentary education and public relations functions under one umbrella.

The second major structural change was the creation of a Deputy Executive Manager position that is also responsible for the People & Engagement Branch. At the conclusion of the DPS review, it became clear that it was of strategic importance for DPS to have a focus on engaging all our people and building our organisational capability.

Some of the DPS team achievements during the year have been attributed to the incredible collaborative effort with our colleagues in the Department of the Legislative Assembly and Department of the Legislative Council in various areas such as policy development, records management, web development, communications and coordination of public events. The appointment of new chief executives across the three parliamentary departments in the last 12 months has presented a rare opportunity to reshape our organisational culture with a focus on cooperation and collaboration. To this end, the Clerks of both Houses and I have worked together to produce a new Strategic Outlook for the parliamentary

departments, which will be launched in September 2012 and will focus on a number of strategic objectives and major initiatives we aim to achieve during the remainder of the 55th Parliament. We recognise that it is our collective responsibility to support the evolving representative and legislative role of our members of Parliament and that we must also fulfil this responsibility while effectively managing public resources.

Looking to the year ahead, I am committed to launching the first DPS strategic plan with a focus on further developing the accessibility and mobility of services, continuing to improve the effectiveness of Parliament House as a contemporary and safe workplace and enhancing the heritage attributes of Australia's first Parliament building. I am particularly enthusiastic about our recent and future efforts directed towards revealing and restoring various historic parts of the Rum Hospital building (you can read the story of the Wentworth Room later in this report). These works, combined with the promotion and support of interesting public events should continue to provide the community with new experiences when visiting Parliament House.

Before I conclude, I would like to thank the Speaker of the Legislative Assembly, the Hon Shelley Hancock MP and the President of the Legislative Council, the Hon Don Harwin MLC for their unwavering support for DPS and the work we do. They have been instrumental in ensuring the parliamentary departments work together for a common purpose. Finally, I am incredibly grateful to the DPS team of nearly 200 staff for their dedication, hard work and commitment. This document is an important historical record of your efforts, and your considerable professionalism, efficiency and diverse capabilities.





*Outstanding service. Innovative thinking. Experience.  
Knowledge. Commitment. Pride. Professionalism.  
Integrity. Responsiveness. Leadership.*

# What is a Department of Parliamentary Services?

## WHO WE ARE

***Outstanding service. Innovative thinking. Experience. Knowledge. Commitment. Pride. Professionalism. Integrity. Responsiveness. Leadership.***

These are the values and attributes that describe the Department of Parliamentary Services (DPS) – the central corporate support department of the Parliament of New South Wales. DPS aims to support parliamentary democracy in New South Wales by providing effective and innovative services to the Parliament and to ensure the preservation of Australia’s first Parliament.

Since its establishment in 2008, DPS has succeeded in building a professional, cohesive and effective service department. We provide:

- Maintenance and development of the parliamentary buildings and grounds
- Precinct security
- Printing, procurement and asset management
- Information based services including information technology infrastructure, Hansard, library, records, research and media monitoring
- Support and advice on matters of finances, members’ entitlements and risk management;
- Human resources, industrial relations, payroll, training and work, health and safety
- Catered venues, function and dining services, corporate communications and events management
- Public relations, community engagement and education programs.

The staff of DPS take great pride in serving the Parliament of New South Wales and we will continue to work together to provide professional, responsive and impartial support. We will also strive to turn our minds to ever-evolving and innovative solutions, harnessing technology and whatever is available to us to improve our services.

This report provides a summary of all that we have achieved in the past 12 months, and all that we plan to achieve in the next 12 months.

## WHAT WE’RE MADE OF

DPS boasts a crew of almost 200 professional, competent and experienced employees. Like all staff of the Parliament, we are committed to the institution, and to working to strengthen and foster respect for its role in fulfilling its democratic process.

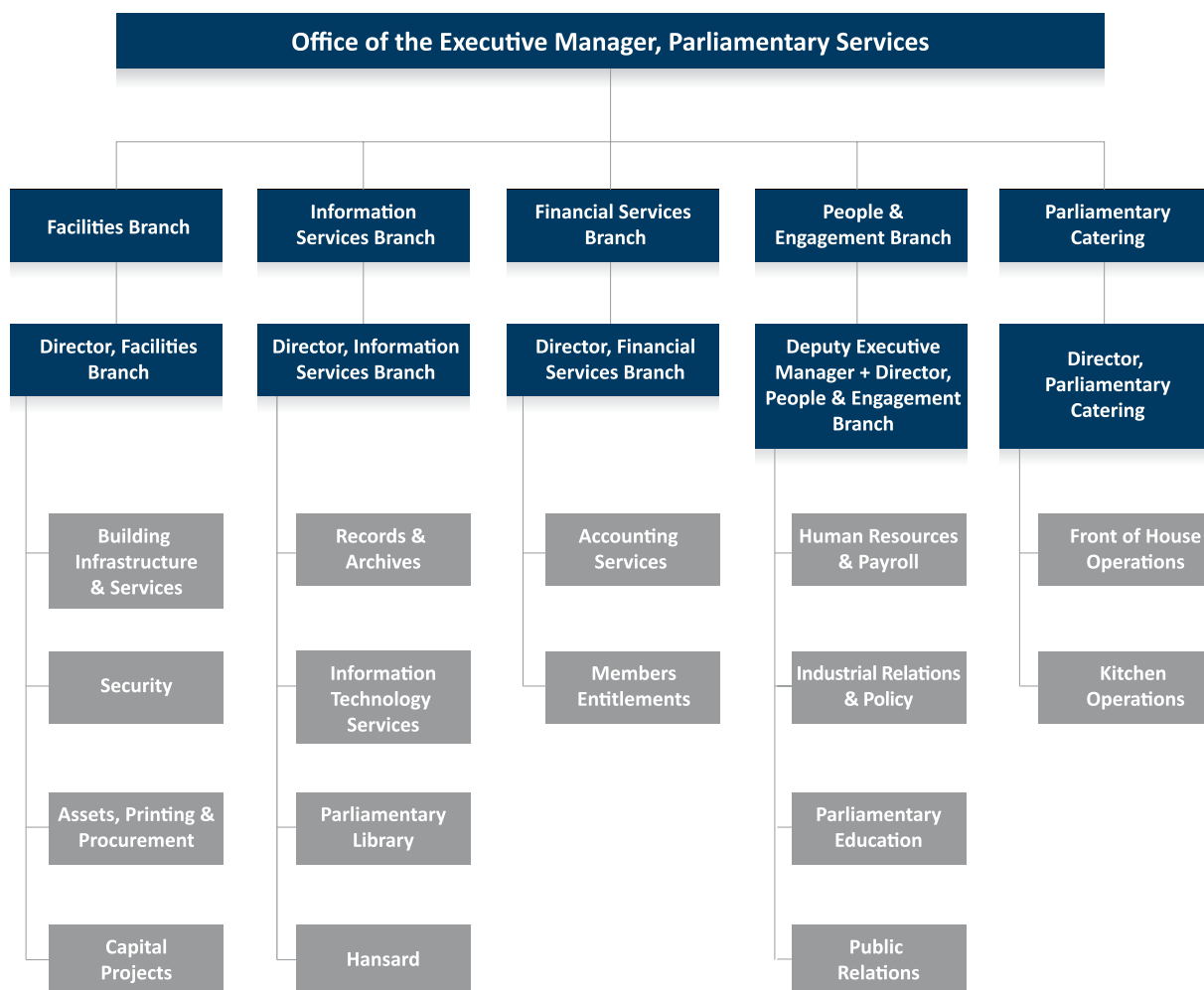
From cleaners and wait staff; to building managers and engineers; to HR and IR professionals; administrative and payroll staff; library, research and Hansard; public relations and corporate communications; education, IT and finance, each person within DPS brings a special set of skills to enhance the capacity of the Department to deliver its services.

DPS is organised into five clear branches:

- People and Engagement Branch
- Facilities Branch
- Information Services Branch
- Financial Services Branch
- Parliamentary Catering

Launched in early 2012, this new corporate structure stemmed from the need to arrange and deliver our services in a coherent way to provide the best possible outcomes for our clients.

# Organisational Structure





## The Directors

The Executive Management Team, as outlined below, provides the strategic direction and leadership to the staff of DPS.



**Mr Robert Stefanic**  
**Executive Manager**

Robert has carriage of the entire Department, and works closely with the Presiding Officers, the Clerk of the Legislative Council and the Clerk of the Legislative Assembly to oversee the corporate governance of the Parliament.



**Ms Julie Langsworth**  
**Deputy Executive Manager & Director, People and Engagement Branch**

Julie is a new recruit to DPS, having previously spent the past 17 years with the Legislative Council. Working to support the Executive Manager, Julie plays a key role in supporting corporate governance whilst also providing leadership and direction to the People and Engagement Branch. She is a most welcome (and busy) addition to our team.



**Mr Robert Nielsen**  
**Director, Facilities Branch**

Robert oversees the building managers, engineers, cleaning and security staff who keep the roof over our heads, the walls and gates secure, and the offices supplied and functional.



**Mr Simon Chalmers**  
**Director, Information Services Branch**

Overseeing the IT, Library, Hansard and Records and Archives teams, Simon makes sure that members, their staff and staff of the Parliament stay online, connected and have access to information wherever they may be.



**Mr John Gregor**  
**Director, Financial Services Branch**

Along with Julie, John is another of the new DPS recruits. With carriage of accounting and Members' Entitlement Services, he is the Chief Finance Officer and is responsible for navigating the Parliament through an increasingly tight budgetary climate.



**Mr Philip Freeman**  
**Director, Parliamentary Catering**

Philip is the Parliament's tireless in-house catering, functions and events expert, overseeing the operation of the Parliament's venues and catered services including Café Quorum, the Strangers' and Members' Dining Rooms.



### **Leadership Team** *(above)*

*Philip Freeman, Director Parliamentary Catering; Neil Dammerel, Manager ITS; Nicola Forbes, Manager Records & Archives; Robert Nielsen, Director Finance; Jeannie Douglass, Manager Education & Community Relations; Samantha Brown, Public Relations Coordinator; Mark Faulkner, Editor of Debates; Gareth Griffith, Manager Parliamentary Research Service; Scott Clark, Head Chef; Julie Langsworth, Deputy Executive Manager and Director People & Engagement Branch; Colin Brown, Manager Training & Development; Michael Liew, Manager Assets; Robert Stefanic, Executive Manager; Brett Wright, Manager Operations (Facilities Branch); Annette McNicol, Parliamentary Librarian; Carlos Andrade, Manager Operations (Parliamentary Catering); Andrew Kiejda, Manager Industrial Relations; Simon Chalmers, Director Information Services Branch; Stuart Lowe, Manager Members' Entitlements; John Gregor, Director Financial Services Branch; Craig Wheeler, Manager Human Resources.*

*Absent: Denise Driscoll, Executive Officer, Office of the Executive Manager; Jan Mullin, Financial Controller; Dean Fechner, Security Manager*

### **Executive Team** *(left)*

*Robert Stefanic, Executive Manager; John Gregor, Director Financial Services Branch; Philip Freeman, Director Parliamentary Catering; Julie Langsworth, Deputy Executive Manager and Director People & Engagement Branch; Simon Chalmers, Director Information Services Branch; Robert Nielsen, Director Facilities Branch*



*The staff of DPS take great pride in serving the Parliament of New South Wales and we will continue to work together to provide professional, responsive and impartial support.*



**Denise Driscoll,  
Executive Officer,  
Office of the Executive  
Manager**

Just about any time of the day, any day of the week, the Office of the Executive Manager is a

hive of activity. As the focal point for DPS within the Parliament, the office is constantly visited by a range of clients and DPS staff. In addition, the Office is often required to deal with all manner of issues relating to the functioning of the Parliament, while maintaining communication with the DPS Executive Team, the Presiding Officers, the Clerks, members and staff.

Managing all of this traffic falls to the very able and tireless Denise Driscoll, Executive Officer to the Executive Manager. For nearly three years, Denise has made sure the office has run smoothly and professionally while keeping the Executive Manager briefed and on time.

Whilst no two days are the same, Denise considers her job well done if issues are managed, problems are solved, deadlines are met, the Executive Manager is organised, the lines of communication are functioning well, the stream of information monitored, and a professional image is maintained.

Not feeling that she has had enough on her plate, in recent times Denise has also juggled projects above and beyond the call of duty, including the Parliament of New South Wales Aboriginal Art Prize and the Legislature's Audit and Risk Committee.

Though the hours may be long and demanding Denise always conducts herself with grace and serenity. Rob is boggled by how she does it!

**THE FACES OF DPS**



# What does a Department of Parliamentary Services do?

This section provides information on what we have been doing over the past 12 months of the 2011-2012 financial year.

As outlined in our previous annual reports, DPS prides itself on the ability to deliver high quality services and innovative solutions to the ever evolving needs of the Parliament. From implementing the latest mobile communication devices; to security and precinct upgrades; to developing new training courses to enhance organisational capacity; to streamlining corporate governance and policies; to improving communication between the departments, we have continued to forge ahead in many aspects of what we do.

## PEOPLE AND ENGAGEMENT BRANCH

The newest branch in DPS, People and Engagement consolidates Human Services (incorporating Human Resources & Payroll and Industrial Relations and Policy functions), Parliamentary Education and Public Relations teams into a cohesive unit. These teams specialise in human resources, industrial relations, work health and safety, civics education, learning and development and public relations. Among other things, the People and Engagement Branch provides information, advice and resources to enhance and develop the working environment for members and staff and to help deliver on key strategic objectives for the Parliament's education and community outreach initiatives, communications and public events.

While a newly formed unit, People and Engagement can report considerable progress over the past 12 months, as we seek to deliver on what our name promises. The following is a summary of these key achievements, as well as a glimpse into some of the plans for the future.

### FAST FACTS / DID YOU KNOW?

- In 2011-2012 there was a 40% increase in the number of Year 11 students attending the Young Women's seminar – very encouraging figures for the future of women participating in the Parliament!



## HUMAN SERVICES

### *A few of the things we've done this year*

#### Driving change

- One of the major focuses of the Human Services team was the establishment of an Employee Self Service system linked to the Parliament's intranet, via a new SAP portal. With the majority of parliamentary and members' staff now having access to the portal, the system has proven to be a convenient and streamlined gateway through which staff and managers can access core functions including leave applications and balances, bank account details, payslips and payment summaries, personal details and personnel reports.

Over time, this system will be developed to be more user friendly and will help to provide even more useful functions, with the next phase to include the electronic submission of Additional Temporary Staff (ATS) claims, and payment claims for parliamentary casual staff.

- Human Services staff coordinate the Parliament's Policy Review Steering Committee to standardise, review and update corporate policies that apply across the three departments. Since the beginning of the project, 14 major policies have been fully reviewed and approved by senior management. These have included the Gifts and Benefits policy, Study Leave and Assistance policy, Member's Mobile Offices policy, Fountain Court Exhibition Policy and Guidelines, Disposal of Library Material Policy and many more.

In total, there are approximately 300 policies, guidelines and forms that require review, and this will be a major priority of the three parliamentary departments moving forward into the next financial year.

- The project to standardise Human Services processes has also continued throughout this financial year

#### Providing advice and support

- The financial year saw a period of considerable change and some restructures, with Human Services called on many times to provide recruitment assistance and advice and support to the Parliament
- Human Services also continue to manage the appointment/probation process for the 100 new staff members who commenced following the March 2011 NSW State Election
- Staff also contributed to the Parliament's Twinning Program, by sharing information with a Human Resources representative from the Solomon Islands and to government representatives from Brunei.

#### Looking after Work Health and Safety and Injury Management

- The Department of Parliamentary Services is committed to ensuring the workplace health and safety (WHS) of Parliament's members, employees and visitors. Recent legislative changes have resulted in the existing Occupational Health and Safety Committee being disbanded however a new Work Health and Safety committee will be established in the next financial year. DPS will lead the re-establishment of this.

As part of a strategic Work, Health and Safety framework, Parliament developed an organisation wide Health and Safety policy, Policy Statement, Health and Safety Consultation Statement and Health and Safety Accountability and Authority Statement. Health and safety fact sheets have also been published, to assist staff with understanding WHS matters and how the legislation applies to them in the workplace. These documents are being reviewed in line with legislative changes, with the final reviews to be completed by the end of the 2012 calendar year. A full report of WHS incidents for the year can be found in the appendix.

#### *The next 12 months*

Moving forward, the Human Services team will continue to focus on new ways to develop and enhance service delivery. A number of major projects are currently underway including:

- Finalisation of a new and more effective team structure, with recruitment planned for a number of core positions in WHS and SAP systems administration
- Creation and implementation of a performance and professional development program for DPS
- Assistance with recruitment, and the provision of advice and support for restructures and recruitment actions across the Parliament
- Development of new staff exit policies and procedures
- Implementation of SAP upgrades and a further roll out of the new portal
- Completion of the project to standardise, review and update parliament-wide corporate policies.

#### **FAST FACTS / DID YOU KNOW?**

- In 2011-2012, 73 members of parliament attended the Leadership Programs for School Captains – a 30% increase on previous years and a fantastic opportunity for students to engage directly with the politicians

## TRAINING AND DEVELOPMENT

Along with looking after staff interests, building organisational capacity is another natural focus for the People and Engagement Branch. The Training and Development team is tasked with developing and implementing specialised programs to provide staff with the knowledge and resources required to excel in the parliamentary environment.

Following is a summary of the main training programs delivered over the year, which were made all the more vital in the wake of the March 2011 NSW State election.

### Members' Staff

A total of 212 Electorate Office staff from the Legislative Assembly and 16 Secretary/Research Assistants from the Legislative Council attended training facilitated by the Training and Development team.

A number of the training sessions and courses delivered during this reporting period are summarised below:

- The two day Members' Staff Induction course incorporated sessions by the relevant in-house experts on a range of topics essential for a new employee working for a member of Parliament.
- The two day Vital Information course provided an information conduit between members' staff and a range of public sector and non-government organisations in dealing with constituent enquiries. Agencies presenting at the course included; the NSW Ombudsman, the Independent Commission Against Corruption, the Office of Fair Trading, the Consumer, Tenancy and Traders Tribunal, the Department of Health, the Health Care Complaints Commission, the Mental Health Association of NSW, the Department of Housing and many more. A highlight of the course was the session conducted by the Auditor General, Mr Peter Achterstraat.
- The two day Thriving in Your Role course, facilitated by psychologist Sharon Bent, assisted staff in managing their personal mental health and wellbeing as well as providing strategies for dealing with difficult behaviours.
- The Supporting Your Member course was first launched in October 2011, and was developed as a joint project between DPS and the Legislative Assembly. The course, for Electorate Office staff,

is designed to equip staff with knowledge and skills to better support their members in parliamentary activities.

### Parliamentary Staff

In 12 months, 36 parliamentary staff attended induction training, acquiring the necessary organisational knowledge required to work effectively in their new roles. Several other staff members also took advantage of opportunities to attend information sessions facilitated by Davidson Trahaire Corpsych (the Parliament's Employee Assistance Program provider), covering topics such as 'Positive Parenting' and 'How to Relax and Stop Worrying'.

In addition, some new learning and development opportunities were provided including:

- The Parliament's first Intern Induction course, held in April 2012. The interns are tertiary students from a number of universities undertaking political studies. They are placed with both parliamentary staff, as well as members of both Houses
- In June 2012, 20 staff members were given the opportunity to attend a leadership training course, gaining skills and knowledge in the areas of effective management and inspirational leadership. It was extremely well received by attendees, and further leadership courses are planned for 2012-13.

### E-Learning

Whilst such face-to-face training is certainly a tried and true formula, the Parliament has also continued to explore the world of e-learning technologies as an innovative way to deliver training programs to staff.

Two training modules have been developed thus far including a 'Members' Ethics' course, designed to provide members with a comprehensive briefing on ethics and their responsibilities as members of Parliament.

A second module – Security in Electorate Offices – is due for release in July 2012. This module provides important information and advice to Electorate Offices, helping to safeguard the working environment and provide essential peace of mind.

Further training modules are currently being developed to meet the needs of members and staff, and will be released in 2013.



## PARLIAMENTARY EDUCATION

The small but highly industrious Parliamentary Education team has carriage of much our community outreach programs, particularly as they relate to schools and other educational institutions.

The past 12 months has seen hundreds of students and teachers pass through the gates to participate in tours of the Parliament and chambers, as well as more specialised programs such as Leadership Groups and Women in Parliament.

This small, yet dedicated team of parliamentary educators has a special passion for passing on the knowledge that will allow students to better participate in democracy and to better grasp the core tenets of civics education.

### ***A few of the things we've done this year***

- A new role play was developed for students attending tours of the chambers, focusing on the passage of a bill through the Houses
- Long-standing education programs received a refresh in order to facilitate greater participation from members and other parliamentary departments, strengthen partnerships with stakeholders and provide better active citizenship opportunities for students
- A Parliamentary Intern Policy was developed, and has led to a greater understanding between the Parliament and participating universities, and to increase in tertiary students placed with members or parliamentary staff. The Parliament has hosted over 40 interns this financial year, located with members of Parliament and within the parliamentary departments. The program has been a major success and will continue next financial year

- One of our Education Officers was chosen to represent NSW educators in the national consultation process for the draft Australian curriculum in Civics and Citizenship – a credit to the Parliament and to the extraordinary expertise of our educators.

### ***The next 12 months***

Looking ahead, the team is planning to further review and expand on their existing programs, and to explore opportunities for engaging with new audiences and stakeholders. Technology will also come into play, as the team looks to find new and exciting ways through which to engage and communicate on civics and the role of the Parliament – particularly to the more regional and remote areas of NSW. Here are just a few of the goals for the next financial year:

- Evaluate education programs through written assessment and teacher preview events (i.e. inviting teachers to attend prior to students)
- Expand community programs to include the youth audience (broadly speaking, those aged 18-30)
- Explore new and mutually beneficial opportunities to connect with stakeholders, with a particular focus on building relationships with other cultural institutions
- Explore opportunities to apply technologies such as social media and video conferencing (connected classrooms), in order to establish new avenues of outreach to regional schools and communities, many who aren't able to visit Parliament House.





## PUBLIC RELATIONS

The incredibly talented and hard-working Public Relations Coordinator, works to improve community and stakeholder engagement strategies. In particular, the Coordinator has a lead role in media relations and publicity, commercial and corporate marketing, event management, issues management as well as internal communications for the Parliament. While only one officer is dedicated to this area, the Coordinator strengthens departmental capacity in these areas through training and collaboration. The resulting achievements have been considerable.

### ***A few of the things we've done this year***

#### **Raising the public profile of the Parliament**

A key challenge is to know how to appropriately promote and/or publicise an institution such as the Parliament. In many cases, the answer lies in the Parliament's desire to involve more of the citizenry in the democratic processes of the state, and to educate people about who we are and what we do. To this end, we have been working to increase the profile of the Parliament, principally by publicising the Parliament's programs of public and community events.

Over the past 12 months, this has included:

- Managing promotional activity for the Parliament of New South Wales Plein Air Painting Prize, the Parliament of New South Wales Aboriginal Art Prize and underSTATED 2012 (a special showcase of treasures from our fine art collection)
- Managing promotional activity for our program of free public education events such as the Family Fun Day and A Little Night Sitting events

- Exploring avenues for commercial marketing to corporate clients, on behalf of Parliamentary Catering.

#### **Improving stakeholder relations**

On a corporate level the Parliament has many important stakeholders and the Public Relations Coordinator helps to build and manage many key partnerships including those with corporate supporters, the media and other government agencies (most notably cultural institutions associated with our program of artistic events).

In 2011, the Parliament signed a new Memorandum of Understanding for the Parliament of New South Wales Aboriginal Art Prize, welcoming back existing event partners in Arts NSW, Campbelltown City Council and the College of Fine Arts, UNSW, as well as new event partner Coal & Allied. The arrangement has led to a dramatic increase in the dollar value of the Prize (which is now the richest combined art incentive on offer to Aboriginal artists in Australia), and will provide a model for forging new and effective partnerships.

Increased media activity has also led to the formation of new relationships with key metro and regional media figures.

#### **FAST FACTS / DID YOU KNOW?**

- 155 schools from regional NSW attended forums and seminars, representing 27% of all students in attendance for the year



#### **Internal and corporate communications**

In addition to the focus on public promotions, the Public Relations Coordinator is also focussed on internal communications and the development of the Parliament's corporate brand and identity. The Public Relations Coordinator assisted with this project and has managed the subsequent development of a Parliamentary Style Guide. Developed in consultation with the House Departments this document brings together basic stylistic conventions and, in future months, will be used to develop a more unified and consistent brand for the Parliament's corporate communications.

From branding to communications, another key achievement has been further development of the Parliament's first monthly internal newsletter, *Interjections* – an information source for all staff of the Parliament featuring updates, events and news from across the Parliament.

Finally, the Public Relations Coordinator has also assisted with the development and implementation of training programs for staff, providing advice in the areas of media relations and effective media release writing to electorate officers and staff of the Legislative Council Committees.

#### ***The next 12 months***

Looking ahead and it's certainly going to be a busy year of promotions and communications, as the Parliament renews its focus on community engagement and enhancing the visitor experience of Parliament House. Some of the key projects on the horizon include:

- Continuing to promote the Parliament's art prizes and important public events through the media and other marketing channels
- Continuing the development of a corporate brand for the Parliament, in consultation with all three parliamentary departments
- Develop the DPS corporate brand
- Participating in the development of the Parliament's planned Visitor Engagement Strategy (a project designed to assess the current visitor experience and to identify new ways to improve public outreach programs and the Parliament's public environment)
- Expanding and managing corporate supporter relations for events such as the Parliament of New South Wales Spring Ball
- Exploring new opportunities for community engagement, such as social media.



## FACILITIES BRANCH

The management and maintenance of Parliament House and its grounds is a task even bigger than the precinct itself. From the largest of projects, such as building restorations, right through to routine activities, it is an undertaking that requires a skilled, dedicated and diverse team. Thankfully, the Facilities Branch brings together just such a group.

From keeping up the grounds, looking after building and asset maintenance, to providing cleaning, engineering, car park, recreational, office and accommodation services, to safeguarding members and staff, this close knit team continues to operate with professionalism and efficiency.

### *A few of the things we've done this year*

- The emergency lighting network received a complete refurbishment and upgrade, with all exits now even more clearly marked. In addition, an Emergency Warden Intercommunication System (EWIS) was installed to ensure more effective communication in the event of an emergency. Although the testing of the system has no doubt interrupted a few meetings, it will greatly enhance the Parliament's ability to react swiftly and ensure the safety of members and staff
- Working closely with the Legislative Council, the Facilities team project managed the installation of a new broadcast system for the Legislative Council Chamber, bringing it up to standard with current High Definition digital broadcast requirements. New microphones on the benches have also helped to improve the audio recording quality for parliamentary reporting, for the media and for web broadcasts to the public
- The historic façade of the Parliament received a slight refresh, with a number of projects undertaken to preserve and restore its period qualities. For example, a new guttering and piping system was installed on the North and South façades, as well as much needed repairs to the historic building occupied by the Speaker and senior officers of the Legislative Assembly
- Work continued on the ongoing project to strengthen the perimeter security of the precinct.

### ***The next 12 months***

Looking ahead, Facilities will be engaged with future corporate accommodation planning and relocation, further security upgrades, and working with new online technologies. The team will:

- Work closely with the Legislative Assembly to facilitate the return to the Parliament of the Legislative Assembly Committee staff, who occupy offsite office accommodation
- Commence planning for the development of new corporate accommodation within the footprint of Parliament House. Funding was obtained as a result of long term cost savings achieved from ceasing leased offsite accommodation. The design will be developed in association with the Government Architect's Office and Mr Andrew Andersons, who was the principal architect of the 1980s accommodation block. This will ensure the development will maintain the architectural integrity of the original design
- To maintain best practice in security, Facilities will be updating the X-ray scanning machines
- Facilities will also continue to make headway in implementing the Facilities Asset Management System (FAMS). This online system will improve asset maintenance, providing an important and convenient resource through which members and staff can report any maintenance and cleaning issues they may have.

FAMS will also be instrumental in streamlining our information on asset preventative maintenance and data collection – an important tool to help us keep track of the Parliament's many assets.



***Kirsty Aldred,  
Administrative Officer,  
Facilities Branch***

Behind every great team, there is a great administrator; someone who works to keep the ship afloat, the crew

working in unison and the mutinies at bay. For the Facilities Branch, this someone is Ms Kirsty Aldred. For the past three years, Kirsty has worked as the team's Administrative Officer, looking after general office administration and the more specific duties of security passes and overseeing access to the parliamentary car park (a role which often puts her in high demand!)

The smiling face of Facilities, Kirsty is an invaluable asset to Facilities and to DPS. Her wonderful sense of humour has made her a favourite with many clients, and along with her impressive corporate knowledge we hear she can also give a fantastic commentary on the latest episodes of Masterchef.

THE FACES OF DPS

### Continuing to Create a Sustainable Parliament

Since 2008, the Parliament – via Facilities – has been working towards creating a more sustainable environmentally ethical environment. Creatively named the ‘Parliament House Sustainability Program’, the program has focussed on introducing more ethically attainable and environmental products wherever possible and on reducing water consumption and energy usage through installing solar panels, recycled water schemes and energy efficient lighting.

We are pleased to be able to report considerable progress, with several key targets exceeded in the latest reports from the Office of Environment and Heritage (2010-2011 reporting period). For example, the Parliament’s commercial/industrial waste reduction results were well above the average results for the whole of government, with over 80% of waste able to be recycled. Additionally, the Parliament received an impressive above average result for purchasing copy paper with recycled content.

Looking to our own measures, and we can report that 25.6 kilowatt solar array on the roof (consisting of over 100 panels) exceeded design output once again with a total of 29,738 kilowatts of power generated in 2011-2012.

In 2011, Facilities undertook the replacement of the ageing air conditioning cooling towers with newer and more energy efficient models. Apart from the toilets, the old towers were the biggest consumers of water in the building and since we replaced them, significant savings have been achieved. While accurate figures were not available for this reporting period, it is anticipated the savings will be in the region on 12,000 kL or, to put it another way, enough water to fill almost five Olympic swimming pools!

The Parliament prides itself on setting an example in sustainable practice for other parliaments and organisations across Australia. For more information on our Sustainability Program, visit [www.parliament.nsw.gov.au](http://www.parliament.nsw.gov.au)



### FAST FACTS / DID YOU KNOW?

During the 2011-2012 financial year:

- The IT Service Desk received 11,109 support calls. Password resets were the most commonly requested reason for support (1,528 calls).
- 65% of all support requests were received by phone, and 25% via email
- Since statistics first started being collected in 2009, over 200,000 support calls have been received
- Reference librarians answered nearly 4,800 reference queries and provided in-depth research on over 600 topics



## INFORMATION SERVICES BRANCH

The way we view, use and distribute information continues to change at a rapid pace. This financial year has seen an accelerated demand for faster, easier access to information not just at the office, but also via a broad range of mobile devices geared to meet the needs of members and staff working on the move.

Leading the Parliament's response to these and other information-related challenges is the Information Services team – a specialist unit encompassing Information Technology Services (ITS), the Parliamentary Library, Hansard, and Records and Archives. Together, they help meet the technological, information, research and records needs of the Parliament, supporting both members in their representative duties and functions, as well as the corporate functions of the parliamentary departments.

In 2012-2013 year, the team is planning a client survey aimed at gathering feedback to help plan for its next technological charge. By working together, they look forward to embracing and supporting change whilst preserving the legacy of Parliament's rich information heritage.

In the meantime, here is a snapshot of what they have achieved in the past 12 months.

## INFORMATION TECHNOLOGY SERVICES

The ITS team provides the technological infrastructure of the Parliament and the 95 electorate offices across NSW. They are the team behind our desktops, laptops and mobile devices, helping us to accomplish everyday tasks and connect with colleagues, stakeholders and the community. They are also a forward-thinking team, and have been busy sourcing new technologies and software, as well as reviewing our existing online communication portals, searching out ways to improve the delivery of information via the Intranet and Internet.

### *A few of the things we've done this year*

During the 2011-2012 financial year:

- A major multi-year project to migrate from Novell Groupwise to Microsoft Active Directory, Outlook and Windows 7 was initiated. Considerable work has been undertaken in the preparation and finalisation of requirements, designs and tender processes to enable the migration to be completed in the 2012-2013 year. The project is designed to link in with the broader communication and technological needs of the Parliament, and to enhance our ability to communicate effectively with other organisations, agencies and stakeholders already using these technologies as standard tools for corporate interactions
- The major upgrade of the Parliament's website was completed, creating a more intuitive and user-friendly site through which the Parliament shares information with the community – [www.parliament.nsw.gov.au](http://www.parliament.nsw.gov.au)



- A major upgrade and consolidation of Parliament's TRIM corporate record management system was completed. The new system is being used to capture electronic documents and drive the standardisation of records management practices across the three parliamentary departments
- ITS played a key role in assisting the Human Services team to roll out the new Employee Self Service system, via the newly upgraded SAP platform
- The deployment of new multi-function devices to Legislative Assembly members' offices at Parliament House was completed
- The number of Inquiry Manager databases used by each of the Houses was consolidated from almost 50 down to just two, greatly improving staff efficiency, as well as data security
- ITS assumed responsibility for the administration of IT assets across the Parliament, including desktops, printers and smart phones.

#### **FAST FACTS / DID YOU KNOW?**

During the 2011-2012 financial year:

- Approximately 2,500 books and 8,000 journal articles were added to the Library's collection. In addition, over 60,000 new daily news clippings and 909 text journal articles were made available online
- 15,000 e-clip alerts (breaking news) were emailed to members and staff
- Media monitoring sourced and supplied over 4,500 requests for radio and television files

#### **The next 12 months**

- During the 2012-2013 financial year, a number of technology upgrades are scheduled:
  - Completion of the migration to Microsoft Active Directory, Outlook and Windows 7
  - Upgraded remote access and mobile computing solutions, including access to information services from popular devices such as iPads and iPhones
  - An upgrade of corporate backup systems, required to cater for future growth in data storage
  - Replacement of the point of sale and events management system used by Parliamentary Catering, to help that team develop greater efficiencies
  - Deployment of new multi-function devices to members of the Legislative Council
  - Replacement of the Hansard digital recording system
- Closer integration of the parliamentary network with the ministerial network (managed by the Department of Premier and Cabinet) is planned, which will enable greater information sharing between the two organisations
- Improvements are planned to the web-based employee and manager self-service SAP portal, including streamlining common processes relating to members' staff (for the example, the ATS functions outlined in the Human Services report)
- A long-term strategic review of Parliament's web content management system will be undertaken.



## THE PARLIAMENTARY LIBRARY

While the Parliamentary Library is the oldest of its kind in Australia, it aspires to provide a dynamic and contemporary information service, balancing the maintenance of an extensive collection of printed materials and historic artefacts with sophisticated information networks and online databases to support the information needs of members and staff. The team also provides crucial research, reference and information services to support members with a strong emphasis on monitoring media resources.

### ***A few of the things we've done this year***

During the 2011-2012 financial year, library staff achieved the following:

- Reference librarians answered nearly 4,800 reference queries and provided in- depth research on over six hundred topics
- The Library continued to develop its collection, adding over 2,500 books and 8,000 journal issues. Over 60,000 new daily news clippings and 900 text journal articles were also made available online via the Library catalogue. The catalogue now provides online access to over 700,000 items
- 45 research papers were published by the Parliamentary Research Service, including 9 publications related to Bills before Parliament and 24 publications on topical issues such as gun violence, wind farms and racial vilification laws. Some of the more important publications included 'Key Issues in Energy', 'Statistical Analyses of the 2011 State Election', and economic profiles on the Hunter, Illawarra, Central Coast and Murrumbidgee-Murray regions
- An additional 54 individual research papers were written in response to requests from members and staff, plus 71 individual research requests.

For a full list of all publications produced, please see the appendix.

### ***The next 12 months***

- The Library is committed to embracing the challenge of the new ways in which clients expect to receive information, and the team is eagerly awaiting the results of the impending Information Services survey
- The publication of a number of key research papers is planned, including:
  - Statistical papers on state electorates and regions, based on upcoming 2011 census data
  - An economic profile of Western Sydney





## PARLIAMENTARY REPORTING (HANSARD)

Another of the Parliament's longstanding information services, the Parliamentary Reporting staff prepare the official report of debates in the Legislative Council and Legislative Assembly (Hansard), as well as transcripts of committee hearings.

The team continues to provide a crucial service to members and staff, as well as to the people of New South Wales, many of whom access Hansard records online for their own purposes.

### *A few of the things we've done this year*

#### Service targets for the 2011-2012 financial year

- Full text daily proofs were uploaded to the Parliament's website within three hours of the last House rising. Performance achieved: 98%
- Articles of daily proofs were prepared, indexed by speech subject and member name and uploaded to the Parliament's website by 10.30am the next day. Performance achieved: 98%
- The timely publication of weekly pamphlets (the official corrected Hansard) for the last six months of 2011 was impacted upon by the sitting pattern adopted following the election in March 2011 (which saw the Parliament sit for 8 days straight). Following a return to the standing sitting patterns in February 2012, the target for publishing was achieved 100% of the time
- The early prorogation of the Parliament prior to March 2011 enabled the coordination and publication of bound volumes for 2010 (the final volumes for the 54th Parliament), a process which otherwise would have taken place later in the year. No bound volumes were published in the 2011-2012 financial year, however the 2011 proceedings of the 55th Parliament have been prepared in readiness for binding in 2012-2013
- Transcripts of committee hearings conducted within Parliament House were prepared as and when required and forwarded to the committee secretariat for publication on the Parliament's website. Performance achieved: 100%
- Transcripts of regional committee hearings were forwarded to the committee secretariat within agreed time frames on most occasions.

#### Additional achievements

- All Hansard reference guides and procedural publications were amended and updated between the adjournment of the Parliament for the Christmas 2011 recess and the resumption of Parliament in February 2012
- A detailed alphabetical printed index of every event, matter raised and speech made as recorded in Hansard, referenced by page number, was prepared for inclusion in the bound volumes



#### **FAST FACTS / DID YOU KNOW?**

During the 2011-2012 financial year:

- 18,245 'hits' were recorded on the 'Research Papers' page on the parliament's website
- Parliamentary Reporting staff produced a total of 14,337 pages of record – a 33% increase on the preceding financial year
- Parliamentary Reporting staff produced transcripts for 106 committee hearings

- The use of CAT hardware and software has been expanded to include four additional reporters, providing the Parliamentary Reporting staff with specialised and skilled new members of the team
- This risk of technical issues causing publication deadlines to be missed has been reduced by extending IT support to Parliamentary Reporting staff on sitting days, until two hours after the last House rises.

#### **The next 12 months**

- A number of challenges face parliamentary reporting in New South Wales, including:
  - An ageing workforce and skills shortages
  - Increasing costs of Hansard production
  - Ageing technology infrastructure

A strategic review of section operations is under way, with a report due in the 2012-2013 financial year
- During the 2012-2013 summer break, a number of technology upgrades are scheduled, including:
  - Hansard digital recording system – this system provides staff with instant access to playback recordings. The current infrastructure is over seven years old and operating beyond its expected service life. A system replacement is planned, to minimise the risk of a system failure
  - Latest version of Dragon voice-recognition software – this software is also relied upon to produce Hansard and committee transcripts.

## **RECORDS AND ARCHIVES**

As the oldest Parliament in Australia, the Parliament of New South Wales is naturally home to many important records and artefacts dating back through to the early days of the colony, when Governor Macquarie rode his horse through the dusty streets. Each tells an important story about the State's political, cultural, economic, social and environmental development.

Maintaining these relics of the past is the responsibility of the Records and Archives team, who are tasked with the documentation and preservation of the parliament's vast collection of historical papers and artefacts and objects of curiosity.

At the same time, they are also tasked with organising and managing the Parliament's contemporary corporate records. In recent times this has involved the implementation of an electronic records management system (TRIM) which has enabled departmental staff to securely store their communications, documents, publications and general day to day records of business – a process that has become common practice over the past 12 months.

#### **A few of the things we've done this year**

During the 2011-2012 financial year:

- 40,546 new records were registered in the Parliament's corporate records management system, bringing the total number of records registered to 159,832
- Records staff facilitated the transfer to State Records of 378 boxes of Legislative Assembly Tabled Papers, 162 boxes of Legislative Council Returns to Orders, and 1023 Joint Volumes of Legislative Council Parliamentary Papers.



### ***The next 12 months***

The Parliament has a multi-year corporate records management program in place to establish consistent records management practices across the three parliamentary departments. The first phase of this program, which commenced in early 2011, established a single records and archives management policy. At the same time, a new TRIM records management system was implemented, which uses a common business classification scheme across the three parliamentary departments (resulting in well-ordered records!) All existing records-related data from the three departments was consolidated and migrated into that system. A program of staff training and review has been ongoing since its launch.

The next phase of the program, planned for the coming financial year, is to establish a functional retention and disposal authority in consultation with State Records, covering records relating to the unique functions of the Parliament including parliamentary procedure, the conduct of parliamentary committees and inquiries and the administration of members' entitlements.

### ***FAST FACTS / DID YOU KNOW?***

- Around 15,525 sandwiches were created for Parliament House events throughout the year, carefully crafted by our dedicated team of sandwich experts

## **PARLIAMENTARY CATERING**

Arguably one of the most popular branches of DPS during the hours of breakfast, lunch, dinner, Parliamentary Catering provides in-house dining, café and function facilities to members, parliamentary staff and guests, as well as many community groups, visiting delegations and corporate bodies.

The team consists of highly experienced and professional event planners, wait staff, baristas, kitchen staff and chefs – all eager to keep the masses comfortably fed and watered a focus on New South Wales produce and ingredients.

There are six catered venues within the Parliament, presenting a unique and eclectic mix of heritage and modern appointments including the Members' and Strangers' Dining Rooms, Café Quorum, the Waratah Room, Theatrette and the open areas of the Fountain Court and the Rooftop Garden.

Parliamentary Catering prides itself on exceptional standards of service. Over the years Catering has become an integral part of the institution, entertaining members and hosting functions that leave a memorable impression on all visitors, whether they are the small community groups or international dignitaries. Catering has most notably served Queen Elizabeth and other members of the British and other royal families.

### ***A few of the things we've done this year***

The Parliament provided the backdrop and menus for many important functions throughout the year. Some of these functions included:

- The Parliament of New South Wales Aboriginal Art Prize 2011
- The Pacific Opera Gala Dinner
- The United Nations International Women's Day 2012
- The Australian Father of the Year Awards 2012
- United Nations Day 2012
- The Queen's Diamond Jubilee Lunch
- The Order of Australia Lunch
- Centenary of the Commonwealth Parliamentary Association Lunch
- The Marie Bashir Peace Awards Presentation
- Fundraising events for groups such as Shine for Kids, Alzheimer's Australia, White Ribbon and the Japanese Earthquake Appeal
- Diplomatic functions and Embassy events such as Bastille Day celebrations, Vietnamese Independence Day, Slovenia National Day and the National Day of Romania
- Events hosted by the Department of Premier and Cabinet
- Events hosted by members of Parliament.

In addition to such events, the Catering team has been busy making improvements to the internal services offered, and to the quality and range of menu choices served in the café and dining rooms. By the end of the financial year, we had:

- Continued to source new suppliers of quality produce and ingredients, as well as locally produced beers and wines
- Purchased a new service bench for the café kitchen, helping to improve the quality and efficiency of meal preparation and replacing the old bench, which had reached the end of its life cycle
- Achieved significant cost savings through sourcing a new linen provider
- Continued with commercial marketing activity to attract corporate business to the Parliament.

### ***The next 12 months***

The future is full of new improvements to our core services, including:

- The development of new and innovative menus by the Parliament's chefs
- The sourcing of new and tempting treats to refresh the offerings in the Café (for example, sandwiches, cakes, coffee and healthy snacks)
- The installation of wireless connections in the dining rooms, which will support the ability for members and their staff to operate mobile devices
- The implementation of a newer, more reliable and more efficient point of sales system
- Exploring new avenues for marketing to corporate bodies and government agencies
- Continued maintenance and improvement of the catered venues.



#### ***Mai Le, Dining Room Attendant***

The story of how Mai Le came to be one of Parliamentary Catering's most respected and hard working Dining Room Attendants is an incredible

one. Originally from Vietnam, Mai arrived in Australia in 1983 after making the difficult choice to leave her family behind in troubled Saigon and make the perilous journey to a new life with her brother.

Mai settled in Sydney and met and married her husband, with whom she has two children. With no initial English skills and no other family or friends, Mai had to work hard to start her new life. She began work as an embroiderer, and slowly worked her way through different jobs before starting as a casual employee with Food and Beverage Services, as Parliamentary Catering was then known.

Mai has since become one of the most valued permanent members of the Catering Team who maintains complete composure and a sense of humour when coordinating floor staff at the Parliament's many big functions.

THE FACES OF DPS

## FINANCIAL SERVICES BRANCH

The Financial Services Branch encompasses Accounting Services and the Members' Entitlements units, providing a range of expert advice, information and services on matters such as:

- The payment of invoices
- Compliance with statutory reporting requirements
- Tax compliance
- Control and maintenance of the Fixed Asset Register
- Management reporting
- Liaison with central agencies in relation to funding and governance matters
- Support for audit programs

The Members' Entitlements unit specifically offers advice and guidance to newly elected and existing members seeking to interpret rulings of the Parliamentary Remuneration Tribunal (PRT) as well as other policies and legislation. They also receive and assess members' claims against additional entitlements and develop policies relating to the use of entitlements.

No surprise that Financial Services staff are in near-constant demand from members, their staff and Parliamentary staff!

### ***A few of the things we've done this year***

- Incorporated mandatory early close procedures, to improve the quality of annual financial statements
- Reviewed the 2011/2012 draft financial statements by the Audit and Risk Committee prior to submission to the NSW Audit Office
- Completed financial statements for the year ending 2011/2012, meeting statutory requirements and deadlines
- Improved internal financial reporting standards to meet the requirements of the Parliamentary Executive Group
- Provided training and support sessions to educate and induct members' staff following the March 2011 State Election

- Administered a substantial increase in requests for advice and assessments of claims against entitlements, following the March 2011 State Election
- Further refined the production, checking and distribution of monthly expenditure reports for members
- Completed the development of the second edition of the 'Members' Entitlements Handbook', with a particular emphasis on providing information to answer commonly asked questions.

### ***The next 12 months***

Over the next financial year, Accounting Services will focus on plans to:

- Review business processes to drive efficiencies
- Identify education and training opportunities for staff
- Review and improve asset management and reporting
- Implement the point of sale financial system to support catering activities and better integrate back to the SAP financial system

The Members' Entitlements unit will:

- Continue to review policies and procedures relevant to the administration of Members' entitlements
- Develop online learning material that will assist Members and their staff to interpret the terms and conditions for the use of entitlements
- Further develop training opportunities for Members' Entitlement Unit staff
- Continue to develop the Members' Entitlements Handbook



## **CASE STUDY 1: BUILDING WITHIN THE BUILDING**

The parliamentary precinct is something of a living museum. Its buildings, chambers and rooms tell the story of the evolution of Parliament House from its early days as part of the Rum Hospital, through to its current status as the contemporary workplace of the 55th Parliament of New South Wales. It is one of the most unique, significant and treasured buildings in the Sydney CBD.

Balancing the needs of the heritage part of the Parliament with those of the modern accommodation block has proven a great challenge over the past few decades – particularly for the Department of Parliamentary Services and its Facilities Branch. Enhancements are being made to the precinct to address the pressing need for contemporary technology for the parliamentary chambers and meeting rooms, and to provide members and staff with office accommodation that meets current needs.

And yet, we are proud to say that we have never once lost sight of the building's rich historical significance. In fact, preserving our unique heritage remains an important priority and the Facilities Branch staff work with heritage consultants to ensure the precinct is maintained or restored with integrity and consistent with its origins. The broader challenge is to manage restoration that is also sympathetic to the needs of a working public building.

The largest restoration project to date was that undertaken during the 1970s, during which the Legislative chambers and the Parkes and the Jubilee rooms were redecorated and outfitted in a style echoing the 1800s.

Since then, there have been few opportunities for new restoration projects, with the focus largely on preservation and minimising the impact of a modern office complex on the building's heritage features. However in the past 12 months, two exciting new opportunities have arisen to restore yet more of the building's historic rooms, which we will proudly maintain as an important link to the past, and offer opportunities for members, parliamentary staff, and visitors to use and experience.



### ***Uncovering the Wentworth Room***

On the north side of the building and adjacent to the Legislative Assembly chamber is a small room that for many years has gone largely unnoticed by many of our visitors. Part of it was once used as a security checkpoint, and the remainder served as a makeshift library, with its doors closed to the public.

And yet no other room has played a longer or more central role in the affairs of this State. It is one of the oldest rooms in the CBD, and has witnessed many significant events in its near 200 years.

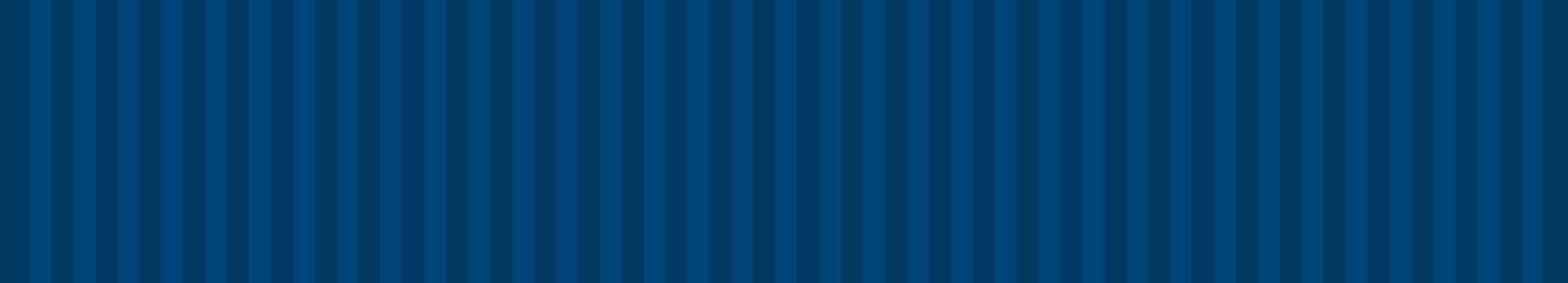
In the early days of the colony, it served as the Principal Surgeon's Quarters of the Rum Hospital – the colony's first permanent general hospital. It was so named because the building contractors were given a licence for the import and distribution of rum in the colony in return for building the facilities. By 1829, it had become the meeting place of the newly established Legislative Council – an historic step forward for legislation and governance in New South Wales.

When the opportunity came to restore the room, the Facilities Branch, in consultation with heritage architects Clive Lucas Stapleton & Partners, planned a program of careful restoration and renovation, with the aim of returning the room to its original Georgian state.

After many weeks of manual labour the room slowly began to emerge, revealing many surprising relics of the original Georgian architecture including marble detailing and some original wooden panelled windows and a rare example of hand painted oak graining, typical of the early 1800s. Retouches were commissioned to match the time period including the paint schemes and the Brussels weave carpet.

In keeping with the tradition of naming parliamentary rooms after important historical figures, the restored room has been renamed 'The Wentworth Room'. The naming is in honour of the first Principal Surgeon D'Arcy Wentworth (one of those contracted to build the hospital, in return for the rum licence) and his son, William Charles Wentworth, explorer and journalist, who became one of the most important figures in the development of parliamentary democracy in New South Wales – regarded as "father of the constitution".

Officially opened in 2011, the Wentworth Room will now once again play host to important meetings of State, and will continue its role as witness to decisions and events that will shape our future.



***The Information Services Management Team***

Leading the Parliament’s responses to a range of information and IT service challenges is a new, cohesive Information Services Management Team. They are: Simon Chalmers (Director, Information Services), Mark Faulkner (Editor of Debates), Neil Dammerel (Acting Manager, Information Technology Services), Gareth Griffith (Manager, Parliamentary Research Service), Annette McNicol (Parliamentary Librarian) and Nicola Forbes (Manager, Records and Archives).

With a broad range of experiences, expertise and corporate knowledge, there is no team better suited to meet the various challenges that will face the Parliament over the coming months and years, as new technologies and the demands of a modern office impact on the ways in which we send and receive information.

Already the team has begun working together to develop new service delivery plans taking account of new technologies and the way our clients work.

**THE FACES OF DPS**





***Uncovering the building blocks of history – archaeological studies under the Jubilee Room***

With its stained glass ceiling and walls resplendent with parliamentary tomes, the Jubilee room is one of the most iconic heritage spaces within Parliament House. Built in 1906 as a purpose built reading room, it is today a meeting space commonly used for parliamentary committees, hearings, community events and other programs.

In 2011, the Facilities Branch engaged the Government Architect’s office and Clive Lucas Stapleton & Partners to perform an archaeological investigation under the floorboards of this historic room, in an effort to identify possible space for a purpose built education centre within the limited parliamentary footprint. What they discovered was significant, surprising and extraordinary. Beneath the room are remnants of old sandstone walls that date back to 1811, when the foundations of the general hospital were first being laid by the early masons.

Comparisons of original and contemporary building plans suggest that these walls (some of which are up to 60cm thick), appear to have been part of a kitchen block that was built initially for the hospital and then later repurposed for the Parliament in 1838, and then gain in the 1860s when a refreshment room was added for members.

In 1906, the Jubilee Room was built over these foundations, which disappear from building plans some years later. Yet far from being demolished, some of the foundations appear to have been built into the existing Jubilee Room structure, with the recent excavations confirming that the western wall of the kitchen block is now in fact the eastern wall of the Jubilee Room.

These discoveries reveal yet more layers to the Parliament’s architectural history. Uncovering more of this history would require a lengthy archaeological dig that would disrupt the Jubilee Room for some time. Heritage architects are confident that future excavations could reveal further structural evidence such as paving, flagging, additional walls and fireplaces. There is also strong potential that artefacts may be buried beneath the infill and rubble.

For the time being, further archaeological work has been suspended due to resource constraints. Some archaeological ‘reveals’ will be performed in future if the opportunity arises, allowing the public to share in these unique and significant finds.





## CASE STUDY 2: BEHIND THE SCENES OF THE RESEARCH SERVICE

Research is the cornerstone of so much of the work performed in the parliamentary environment. From the work of the Houses in their legislative capacity and committees, to members, members' staff and parliamentary staff, many people require high quality research services.

Thankfully, the Parliament has its very own team of research specialists. The Parliamentary Research Service produces publications – both for general distribution and on individual request – which aim to assist members and staff by providing detailed commentary and analysis on legislation and major political issues in New South Wales.

Not surprisingly, they are usually in very high demand. In the past financial year, the team provided in-depth research papers on over 600 different topics, ranging from environmental, social, economic and demographic issues, as well as the highly topical issues of asylum seekers, gun violence, coal seam gas, classification of computer games and international trade.

Many of the papers also provide an important profile of the current state of NSW, such as economic indicators and population issues.

Such briefing papers inform not only members and committees, but also the public, with whom many of the papers are shared via the Parliament's website. In the 2011-2012 financial year, parliamentary research papers were accessed online over 18,000 times.

So what exactly does it take to produce a research paper? We know they are important, but what sort of work goes into producing for example, a 30 page report on noxious weeds in New South Wales? We asked the team to take us through the process. As expected, it's no simple task.

### ***Noxious Weeds, Briefing Paper 2/2012 prepared by Dr Daniel Montoya***

In August of 2011, the Research Team was contacted by a member of Parliament seeking more detailed information on the types of noxious weeds found in their electorate. In addition, the member wanted background information on the relevant legislative framework and an assessment of the actions taken to combat the problem by Landcare groups and other interested parties.

Not really a job for Google...

A Research Officer specialising in the environment (Dr Daniel Montoya) was set to the task, and immediately began the long process of investigating the topic. Sourcing information from a wide variety of NSW and Commonwealth government bodies, environmental groups and authorities, legislative bills and acts and scientific and community groups, Daniel was tasked with pulling together all of the relevant information and condensing it into a succinct, even-handed and user-friendly document – a job he estimates took somewhere in the vicinity of 100 hours!

Importantly, Daniel had to be mindful of structuring a paper that impartially set out key issues while addressing the interests of members. The resulting 30 page briefing paper provided an impartial and informative one stop shop for information on noxious weeds, the relevant federal laws and state policies, the key stakeholders and all actions taken to date.

As it was prepared specifically for a member, this particular paper was not made available to the public. However, as an indication of its use, the Noxious Weeds briefing paper was referred to in Hansard by members of both Houses in discussions around the Noxious Weeds Amendment Bill 2012.

Many of these specific research requests are however, later re-edited and published as NSW Parliamentary Research Service Research Papers, and are publicly available from the Parliaments website under the 'Research Papers' link.

### **CASE STUDY 3: A CLOSER LOOK AT COMMUNITY OUTREACH AND EDUCATION PROGRAMS**

The Parliament is arguably one of the most public institutions in New South Wales. As the home of modern democracy, parliamentary staff are responsible for helping to facilitate the governance of the State and directly engaging with the community.

It is this focus on the people of New South Wales that underlines much of the work that we do, particularly when it comes to a program of public and educational events aimed at developing new opportunities for engaging the citizenry and informing them about the role, functions and historical significance of the Parliament of New South Wales.

Working independently and also in concert with the House Departments, DPS has been instrumental in number of key community outreach programs, driven in large part by the Parliamentary Education team within the People and Engagement Branch.

Current programs include public events such as 'A Little Night Sitting' talks and tours, as well as school tours and more tailored education programs including the 'Young Women's Leadership' and 'School Leadership' programs – two very successful initiatives that introduce secondary school students to the Parliament, its processes and members.

Another successful initiative launched in recent years has been the Parliament's Family Fun Day – a day of free and family-friendly activities such as arts & crafts, guided tours, children's trails, guessing competitions and live music. A coordinated effort between the three parliamentary departments, the October 2011 open day saw some 500 people come through the gates to experience the Parliament in a new and fun way.

And yet one of the great challenges for the Parliament is finding ways to engage those schools and community groups who are unable to visit the precinct – particularly those in rural and remote areas where transportation and funding can be an issue.

In these instances, Parliamentary Education works closely with the House Departments to identify opportunities where education programs can be taken into the more remote areas, in effect, taking the Parliament to the people.

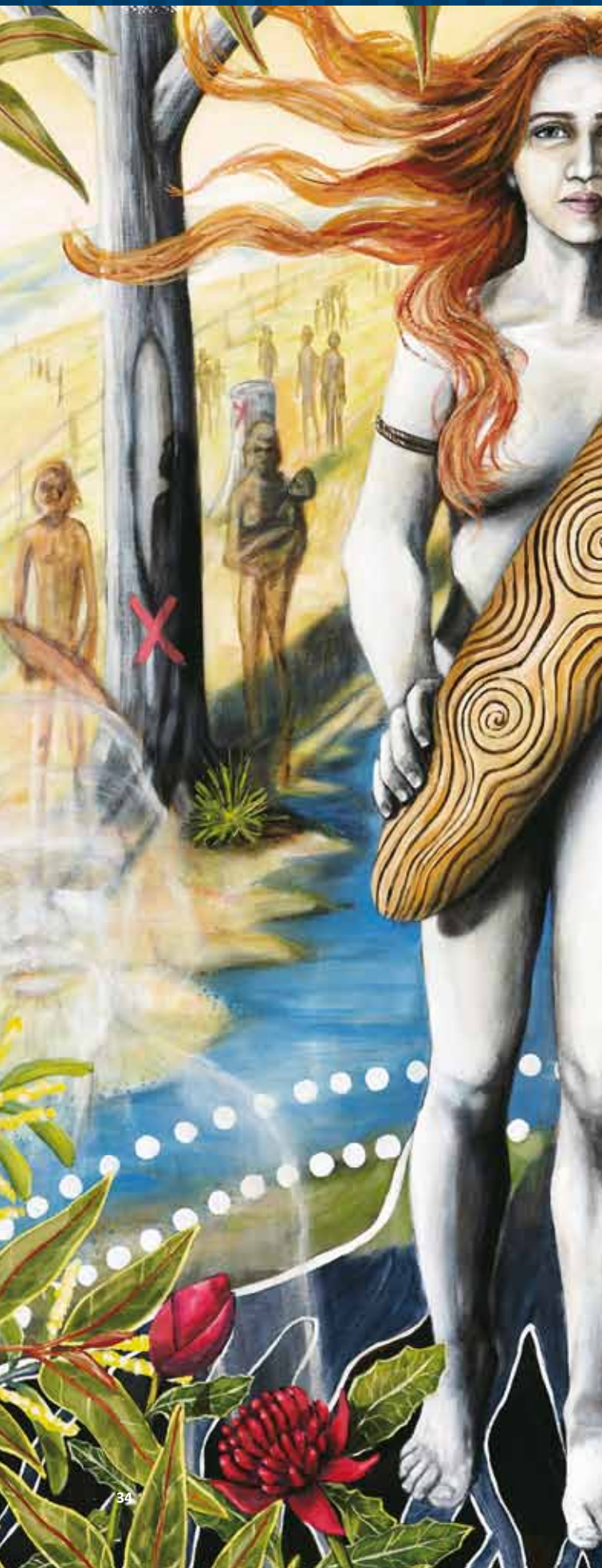
In 2012, Legislative Council Committee staff travelled to Parkes and Broken Hill, to conduct an Inquiry into Social and Economic Development in Central Western NSW. A Parliamentary Education Officer accompanied the committee staff, and was able to organise a series of visits and talks with secondary schools in the area.

Students studying the civics and citizenship elements of history, geography, legal studies and commerce were given the opportunity to hear from committee and education staff, and were able to participate in their own mock hearing – an interesting and effective way for them to learn more about the Parliament and its processes.

Such initiatives are an important way for the Parliament to extend its reach into all communities of New South Wales, and to engage the full citizenry with our participatory democracy.

Devising new and creative outreach mechanisms will be a key focus of the Education team in future years.





#### CASE STUDY 4: THE PARLIAMENTARY ART PRIZES

Parliament House has a long history of hosting community-based art exhibits in the celebrated Fountain Court space. These exhibitions provide an important opportunity for local artists and to showcase their works in a prestigious venue, whilst providing the community with a free exhibition of local art.

In addition, the Parliament also hosts major acquisitive art prizes each year: the Parliament of New South Wales Aboriginal Art Prize, the Parliament of New South Wales Plein Air Painting Prize and the anticipated re-launch of the Parliament of New South Wales Landscape Photography Prize.

Offering cash incentives to the winners, these Prizes help to contribute in a very real and meaningful way to the development of art and creativity in New South Wales communities. Each Prize is also acquisitive to the Parliament, providing a means through which we can build on our significant collection of fine art, which stretches back more than 150 years into the earliest days of the colony.

Every year, DPS plays an important role in administering, curating and promoting these prizes on behalf of the Parliament and its various partnered organisations. From coordinating artist entries, to organising the award ceremonies, to hanging the works, to publicising the exhibits through media and marketing channels, DPS involvement is considerable.

##### ***The 2011 Parliament of New South Wales Aboriginal Art Prize***

First held in 2005, the Parliament of New South Wales Aboriginal Art Prize was established as an opportunity for the Parliament to support the development of contemporary Aboriginal visual arts in New South Wales.

Now in its eighth year, it is one of the most anticipated events on the Aboriginal arts calendar, and has provided a unique avenue through which contemporary Aboriginal artists have been able to showcase their visions. It has opened many doors for past finalists and winners including the likes of Danny Eastwood, Roy Kennedy and Esme Timbery.

In 2011, with the support of event partners Campbelltown Arts, Arts NSW, the College of Fine Art UNSW and Coal & Allied, the Prize became the richest combined incentive on offer for Aboriginal artists born or living in New South Wales. It now offers a cash prize of \$40,000 to the winning artist and over \$120,000 worth of scholarships to undergraduate and postgraduate students through COFA – an incredible offer and one that the Parliament is proud to be part of.

*Leanne Tobin, Defending Country Winner 2011 Parliament of New South Wales Aboriginal Art Prize*

Held at the Parliament in October, the 2011 Prize was one of the most successful to date with over 120 entries received from a range of celebrated and emerging artists. The changing face of contemporary Aboriginal art was evident in the exhibition, which featured traditional paintings and carvings alongside more modern mediums such as glass sculptures and digital prints.

The eventual winner was Darug artist Leanne Tobin, for her evocative work *Defending Country*. Leanne was chosen as the winner by guest judges Dr Danie Mellor and Mr James Wilson-Miller and was awarded at a ceremony attended by the Presiding Officers, event partners, artists and members of Parliament.

The exhibition is currently completing a tour of regional New South Wales galleries including Muswellbrook, Tamworth and Grafton regional galleries, and the Brewarrina Cultural Centre.

**The 2012 Parliament of New South Wales Plein Air Painting Prize**

The Plein Air Painting Prize was established in 2008 and aims to recognise and engage contemporary proponents of the ‘en plein air’ painting tradition (the grand, centuries old practice of painting out of doors, in direct engagement with the landscape). It is one of the few prizes in Australia to focus exclusively on this unique and often over-looked style, and for the Parliament, it is a means through which to encourage artists to focus their talents on capturing every corner of New South Wales from urban to rural and natural landscapes.

The \$20,000 cash prize – made possible by event partners Allens Linklater and Connor and Solomon architects – has consistently attracted the State’s top plein air painters, and this year was no exception, with the likes of Tom Carment, Robert Malherbe and Vicki Parish represented in the finalists.

The eventual winner – chosen by guest judge Michael Rolfe – was John Bokor, for his oil on board work ‘Quiet Street in Bulli’. John was presented with the Prize at an awards evening hosted by the Parliament and attended by artists, sponsors and members of Parliament.

A special weekend opening allowed more members of the community the chance to view the exhibit, which presented a stunning series of portraits depicting many unique, exciting and beautiful views of New South Wales.

The opening included talks from the artists as well as coffee and refreshments in the parliamentary dining rooms.

DPS played a particularly important role in the 2012 Prize, coordinating the entries process (including collecting and storing over 284 individual works onsite), as well as the curatorial aspect of the Prize, which included hanging the finalist works according to internal artistic expertise.





*Simon Chalmers (middle) with Susan Want (Legislative Council) and Simon Johnston (Twinning Project), in front of the Bougainville House of Representatives*



*Clerk of the Bougainville House of Representatives, Mr Robert Tapi, in the Australian Museum's Pacific Collection*

## CASE STUDY 5: TWINNED TIDINGS

As part of the Commonwealth Parliamentary Association's (CPA) twinning program, the Parliament of New South Wales has partnership agreements (is 'twinned') with the parliaments of the Autonomous Region of Bougainville (the Bougainville House of Representatives) and the Solomon Islands (the National Parliament of Solomon Islands). With funding from AusAid (which commenced in April 2010), we have been able to commence a program of activities that will help to build organisational capacity and strengthen parliamentary democracy in the Solomon Islands and Bougainville.

The core of this vital Twinning project is secondments and placements of staff between the Parliaments. Secondments and placements are part of a comprehensive program to ensure that experience gained by the participants is relevant and can be translated into sustainable change in the home Parliament. A Parliament of NSW-based project coordinator works closely with the NSW Clerks and Executive Manager and the Clerks of the Pacific Parliaments to identify areas where staff will benefit from working closely with their peers in the participating Parliaments. Other twinning activities include the establishment of formal mentoring arrangements, technical and corporate support, and collaboration on research and writing tasks.

The Departments of the Legislative Council and Legislative Assembly and Department of Parliamentary Services have all participated in secondments and placements since the Twinning project began. The Houses in particular have focused on providing staff with expertise at senior levels in the committees, operations, procedure and office

administration. In recent times, DPS staff have in turn assisted in providing specialist advice and support in the areas of information services, IT, human resources and library services.

Most recently the Manager, Reference and Information Services travelled to the Solomon Islands to assist with a review of the National Parliament of Solomon Islands (NPSI) library in October 2011. Enhancing the capacity of the parliamentary library is a key priority for the NPSI, as they seek to create a more efficient and useful resource for parliamentarians and for the region.

The Manager, Reference and Information Services provided valuable advice and insights into the review, which has greatly assisting NPSI with planning changes and improvements to their services.

Moving forward, DPS will take a more active role in the Twinned project beginning with a Twinning workshop in early August that will focus attention on the areas of IT and corporate strategy, with Nicholas Sozou (ITS) and Julie Langsworth (Deputy Executive Manager) set to lend their expertise in information services, human resources and corporate governance. The Twinning workshop will not only result in practical projects (especially in the area of IT) but also assist with planning future Twinning activities. Most significantly, it will result in better relationships between the two Pacific parliaments, who have so much in common and so much to share.



*Rebeca Uribe, Financial Services Branch, with the Presiding Officers of the Parliament*



*Sam Truong, Facilities Branch, with the Presiding Officers of the Parliament*

## 2012 PARLIAMENTARY SERVICE AWARDS

Each year, the Parliamentary Service Awards are issued to a select group of staff from across the parliamentary departments, in recognition of their longevity of service to the Parliament and to the people of New South Wales.

In the past financial year, 20 DPS staff members reached significant career milestones, ranging from 10, 15 and 20 years of service. We thank them for their loyalty and outstanding years of service. They are:

Ms Linda Brooker – 10 years

Mr Gary Tay – 10 years

Mr Jason Pearse – 10 years

Mr Philip Herman – 10 years

Ms Patricia Vega – 10 years

Mr Robert Stefanic – 15 years

Mrs Debra Cole – 15 years

Mr Scott Clark – 15 years

Mr Gavin Anderson – 15 years

Ms Christine Lamerton – 15 years

Mr Andrew Henshaw – 15 years

Mrs Rebeca Uribe – 15 years

Mr Pedro Santiago – 20 years

Mr Neil Dammerel – 20 years

Mr Nhan (Sam) Truong – 20 years

Ms Fiona Gow – 20 years

Mr Trevor McDonald – 20 years

Mr Demetrio Miraflor – 20 years

Ms Lynette Sorenson – 20 years

Ms Wendy Tuttlebee – 20 years





# Financial Commentary

## The Parliament

The net result of the Parliament for 2011/2012 was \$1.975 million, \$124,000 below the budget of \$2.099 million.

The net cost of services, which excludes Government appropriations and employee benefits and other liabilities met by the Crown Entity, was \$126.56 million for 2011-12 compared to a budget of \$131.536 million. The favourable variance of \$4.976 million or 3.8% was due to lower than budgeted defined benefit superannuation expense for Member's of \$4.083 million, lower than budgeted retained revenue of \$143,000 and lower than expected depreciation expense of \$710,000. The lower superannuation expense for Members arose because most current Members of this closed scheme have now passed the 7 year membership period when maximum accruals occur.

Total expenses for the Parliament of \$132.436 million were slightly less the total of \$132.511 million for 2010-11. Employee related expenses combined with members' remuneration accounted for over 70% of the Parliament's operating expenditure. Both increased in line with the NSW public sector 2.5% pay rise after taking into account the additional funding received for separation payments following the March 2011 election. Depreciation increased due to the revaluation of Parliament's buildings and plant and equipment and ongoing building improvements.

## Outlook for the Parliament

The Parliament's budgeted net result for 2012-13 is a deficit of \$959,000. The deficit arises because expected depreciation expenses exceed capital funding by this amount for the financial year. The 2012-13 budget includes funding for the operating expenses for the new Microsoft Outlook e-mail system and escalation pay rises and other price increases.

The capital allocation for 2012-13 is \$6.244 million and includes an allocation of \$1.686 million to continue with the replacement of the e-mail system, \$309,000 to provide Members with multi-function devices and \$335,000 for self-service via the SAP portal, \$637,000 to replace the Hansard production system, \$900,000 to commence the project to improve the corporate accommodation at Parliament House as well as other information technology development and asset replacements.

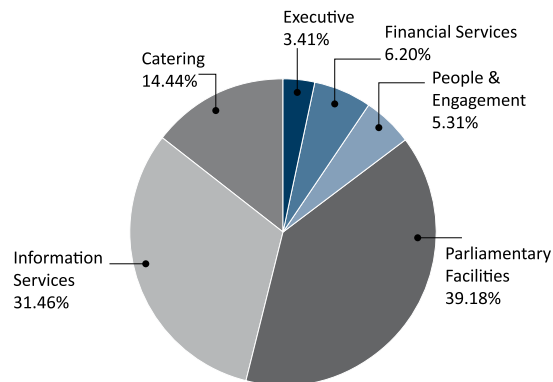
## Department of Parliamentary Services

The net cost of services for the Department of Parliamentary Services was \$26.459 million and represents 20.9% of the total net cost of services of the Legislature for the 2011-12 financial year. This reflects a favourable variance against budget of \$1.006 million or 3.7%. The main reason for this variance is the lower superannuation expense for the Member's defined benefit superannuation scheme for the year as explained under the financial commentary for the Parliament. The net cost of services was \$211,000 higher than the previous year.

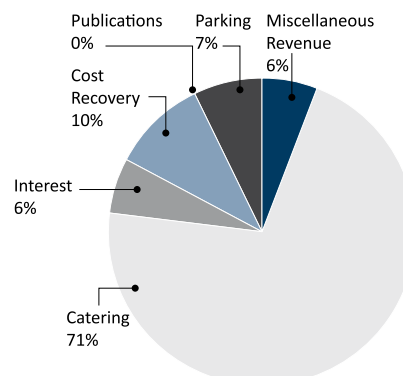
The Department generates revenue from catering activities including the hosting of functions. This revenue supports the operations of the Parliament and encourages community access. Revenue from catering activities was lower than budget by \$423,000 due to building works that limited operations.

Employee related expenses accounted for 58.4% of the total expenses of the Department of Parliamentary Services.

### DPS Total Expense



### DPS Revenue



*Start of unaudited financial statements*

**Statement of comprehensive income for the year ended 30 June 2012**

**Department of Parliamentary Services**

	<b>Actual 2012 \$'000</b>	<b>Budget 2012 \$'000</b>	<b>Actual 2011 \$'000</b>
<b>Expenses excluding losses</b>			
Operating expenses			
Employee related	18,004	20,255	16,849
Other operating expenses	9,581	8,147	10,150
Depreciation and amortisation	3,254	3,603	3,768
<b>Total Expenses excluding losses</b>	<b>30,839</b>	<b>32,005</b>	<b>30,767</b>
<b>Revenue</b>			
Sale of goods and services	3,912	4,335	4,178
Investment revenue	263	120	215
Other revenue	205	85	195
<b>Total Revenue</b>	<b>4,380</b>	<b>4,540</b>	<b>4,588</b>
<b>Gain / (loss) on disposal</b>	<b>0</b>	<b>0</b>	<b>69</b>
<b>Net Cost of Services</b>	<b>26,459</b>	<b>27,465</b>	<b>26,248</b>

*End of unaudited financial statements*



## INDEPENDENT AUDITOR'S REPORT

### The Legislature

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of The Legislature, which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity, statement of cash flows, service group statements and a summary of compliance with financial directives for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of The Legislature as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

### The Clerks' and Executive Manager's Responsibility for the Financial Statements

The Clerk of the Legislative Assembly, the Clerk of the Parliaments and the Executive Manager, Parliamentary Services are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Clerks and Executive Manager determine is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to The Legislature's preparation of the financial statements that give a true and fair view 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Clerks and Executive Manager, as well as evaluating the overall presentation of the financial statements.

I believe 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 control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies 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 roles by the possibility of losing clients or income.



Peter Achterstraat  
Auditor-General

9 October 2012  
SYDNEY



## The Legislature

### Financial Statements for the Year Ended 30 June 2012

#### Statement by Department Heads

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We state that:

- a. the accompanying financial statements have been prepared on an accrual basis in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983* and Public Finance and Audit Regulation 2010, and the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities;
- b. the statements exhibit a true and fair view of the financial position and financial performance of The Legislature; and
- c. there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Ronda Miller  
Clerk of the Legislative Assembly

Date: 8 /10 /2012

David Blunt  
Clerk of the Parliaments

Date: 8 /10 /2012

Robert Stefanic  
Executive Manager  
Dept. of Parliamentary Services

Date: 8 /10 /2012

## Start of audited financial statements

### *The Legislature*

#### **Statement of comprehensive income for the year ended 30 June 2012**

	Notes	Actual 2012 \$'000	Budget 2012 \$'000	Actual 2011 \$'000
<b>Expenses excluding losses</b>				
Operating expenses				
Employee related	2(a)	57,621	64,667	56,086
Other operating expenses	2(b)	31,486	26,532	31,861
Depreciation and amortisation	2(c)	6,675	7,385	5,864
Other expenses - Members' remuneration	2(d)	36,654	38,971	38,700
<b>Total Expenses excluding losses</b>		<b>132,436</b>	<b>137,555</b>	<b>132,511</b>
<b>Revenue</b>				
Recurrent appropriation	3(a)	115,510	116,599	113,221
Capital appropriation	3(a)	8,950	8,636	11,492
Sale of goods and services	3(b)	4,907	5,285	5,100
Investment revenue	3(c)	263	120	215
Grants and contributions	3(d)	335	370	291
Acceptance by the Crown Entity of employee benefits and other liabilities	3(e)	4,078	8,400	7,864
Other revenue	3(f)	371	244	626
<b>Total Revenue</b>		<b>134,414</b>	<b>139,654</b>	<b>138,809</b>
<b>Gain / (loss) on disposal</b>	4	<b>(3)</b>	<b>-</b>	<b>(69)</b>
<b>Net Result</b>		<b>1,975</b>	<b>2,099</b>	<b>6,229</b>
<b>Other comprehensive income</b>				
Net increase / (decrease) in property, plant and equipment asset revaluation surplus		4,094	-	252
<b>Total other comprehensive income</b>		<b>4,094</b>	<b>-</b>	<b>252</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>6,069</b>	<b>2,099</b>	<b>6,481</b>

*The Legislature***Statement of financial position as at 30 June 2012**

	Notes	Actual 2012 \$'000	Budget 2012 \$'000	Actual 2011 \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	6	3,093	2,204	2,192
Receivables	7	1,510	2,345	1,935
Inventories	8	91	105	119
<b>Total Current Assets</b>		<b>4,694</b>	<b>4,654</b>	<b>4,246</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	9			
- Land and buildings		135,563	134,178	131,033
- Plant and equipment		16,882	12,664	14,303
- Collection assets		42,629	43,125	43,155
Total property, plant and equipment		195,074	189,967	188,491
Intangible assets	10	1,888	1,813	2,038
<b>Total Non-Current Assets</b>		<b>196,962</b>	<b>191,780</b>	<b>190,529</b>
<b>Total Assets</b>		<b>201,656</b>	<b>196,434</b>	<b>194,775</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	11	5,853	5,211	5,670
Provisions	12	5,389	4,900	4,879
Other	13	109	-	-
<b>Total Current Liabilities</b>		<b>11,351</b>	<b>10,111</b>	<b>10,549</b>
<b>Non-Current Liabilities</b>				
Provisions	12	57	45	47
<b>Total Non-Current Liabilities</b>		<b>57</b>	<b>45</b>	<b>47</b>
<b>Total Liabilities</b>		<b>11,408</b>	<b>10,156</b>	<b>10,596</b>
<b>Net Assets</b>		<b>190,248</b>	<b>186,278</b>	<b>184,179</b>
<b>EQUITY</b>				
Asset revaluation surplus		36,900	32,806	32,806
Accumulated funds		153,348	153,472	151,373
<b>Total Equity</b>		<b>190,248</b>	<b>186,278</b>	<b>184,179</b>

The accompanying notes form part of these financial statements.

*The Legislature*

**Statement of changes in equity for the year ended 30 June 2012**

	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
<b>Balance at 1 July 2011</b>	151,373	32,806	184,179
<b>Net result for the year</b>	1,975	-	1,975
<b>Other comprehensive income</b>			
Net increase / (decrease) in property, plant and equipment	-	4,094	4,094
<b>Total other comprehensive income for the year</b>	-	4,094	4,094
<b>Total comprehensive income for the year</b>	1,975	4,094	6,069
<b>Balance at 30 June 2012</b>	153,348	36,900	190,248
<b>Balance at 1 July 2010</b>	145,144	32,554	177,698
<b>Net result for the year</b>	6,229	-	6,229
<b>Other comprehensive income</b>			
Net increase / (decrease) in property, plant and equipment	-	252	252
<b>Total other comprehensive income for the year</b>	-	252	252
<b>Total comprehensive income for the year</b>	6,229	252	6,481
<b>Balance at 30 June 2011</b>	151,373	32,806	184,179



*The Legislature***Statement of cash flows for the year ended 30 June 2012**

	Notes	Actual 2012 \$'000	Budget 2012 \$'000	Actual 2011 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Employee related		(53,023)	(56,188)	(54,623)
Other		(71,750)	(69,165)	(69,121)
<b>Total Payments</b>		<b>(124,773)</b>	<b>(125,353)</b>	<b>(123,744)</b>
<b>Receipts</b>				
Recurrent appropriation		115,510	116,599	113,221
Capital appropriation		8,950	8,636	11,492
Sale of goods and services		5,842	5,007	4,831
Interest received		263	145	190
Other		4,074	3,614	5,238
<b>Total Receipts</b>		<b>134,639</b>	<b>134,001</b>	<b>134,972</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>17</b>	<b>9,866</b>	<b>8,648</b>	<b>11,228</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of land and buildings, plant and equipment		(8,965)	(8,636)	(11,493)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(8,965)</b>	<b>(8,636)</b>	<b>(11,493)</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>901</b>	<b>12</b>	<b>(265)</b>
Opening cash and cash equivalents		2,192	2,192	2,457
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>6</b>	<b>3,093</b>	<b>2,204</b>	<b>2,192</b>

*The accompanying notes form part of these financial statements.*

The Legislature  
Supplementary Financial Statements

Service group statements for the year ended 30 June 2012

	Chamber and Committee Support *		Members' Support *		Community Access *		Not Attributable		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>THE LEGISLATURE'S EXPENSES &amp; INCOME</b>										
Expenses excluding losses										
Operating expenses										
· Employee related	7,606	7,403	46,903	45,654	3,112	3,029	-	-	57,621	56,086
· Other operating expenses	4,156	4,206	25,630	25,935	1,700	1,720	-	-	31,486	31,861
Depreciation and amortisation	881	774	5,433	4,773	361	317	-	-	6,675	5,864
Other expenses - Members' remuneration	4,838	5,108	29,837	31,502	1,979	2,090	-	-	36,654	38,700
<b>Total expenses excluding losses</b>	<b>17,481</b>	<b>17,491</b>	<b>107,803</b>	<b>107,864</b>	<b>7,152</b>	<b>7,156</b>	<b>-</b>	<b>-</b>	<b>132,436</b>	<b>132,511</b>
<b>Revenue</b>										
Recurrent appropriation	-	-	-	-	-	-	115,510	113,221	115,510	113,221
Capital appropriation	-	-	-	-	-	-	8,950	11,492	8,950	11,492
Sale of goods and services	648	673	3,994	4,152	265	275	-	-	4,907	5,100
Investment revenue	35	28	214	175	14	12	-	-	263	215
Grants and contributions	44	38	273	237	18	16	-	-	335	291
Acceptance by the Crown Entity of employee benefits and other liabilities	539	1,038	3,319	6,401	220	425	-	-	4,078	7,864
Other revenue	49	83	302	509	20	34	-	-	371	626
<b>Total revenue</b>	<b>1,315</b>	<b>1,860</b>	<b>8,102</b>	<b>11,474</b>	<b>537</b>	<b>762</b>	<b>124,460</b>	<b>124,713</b>	<b>134,414</b>	<b>138,809</b>
Gain / (loss) on disposal	-	(9)	(3)	(56)	-	(4)	-	-	(3)	(69)
<b>Net Result</b>	<b>(16,166)</b>	<b>(15,640)</b>	<b>(99,704)</b>	<b>(96,446)</b>	<b>(6,615)</b>	<b>(6,398)</b>	<b>124,460</b>	<b>124,713</b>	<b>1,975</b>	<b>6,229</b>
<b>Other Comprehensive Income</b>										
Increase / (decrease) in revaluation surplus	540	33	3,333	205	221	14	-	-	4,094	252
<b>Total Other Comprehensive Income</b>	<b>540</b>	<b>33</b>	<b>3,333</b>	<b>205</b>	<b>221</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>4,094</b>	<b>252</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(15,626)</b>	<b>(15,607)</b>	<b>(96,371)</b>	<b>(96,241)</b>	<b>(6,394)</b>	<b>(6,384)</b>	<b>124,460</b>	<b>124,713</b>	<b>6,069</b>	<b>6,481</b>

\* The names and purposes of each program are summarised in note 5.

Appropriations are made on an agency basis and not to individual service groups. Consequently, government contributions must be included in the "Not Attributable" column.

*The Legislature  
Supplementary Financial Statements  
Service group statements (continued)*

	Chamber and Committee Support *		Members' Support *		Community Access *		Not Attributable		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>THE LEGISLATURE'S ASSETS &amp; LIABILITIES</b>										
<b>Current Assets</b>										
Cash and cash equivalents	-	-	-	-	-	-	3,093	2,192	3,093	2,192
Receivables	-	-	-	-	-	-	1,510	1,935	1,510	1,935
Inventories	-	-	-	-	-	-	91	119	91	119
<b>Total current assets</b>							4,694	4,246	4,694	4,246
<b>Non-current Assets</b>										
Property, plant and equipment	-	-	-	-	-	-	195,074	188,491	195,074	188,491
Intangibles	-	-	-	-	-	-	1,888	2,038	1,888	2,038
<b>Total non-current assets</b>							196,962	190,529	196,962	190,529
<b>TOTAL ASSETS</b>							201,656	194,775	201,656	194,775
<b>Current liabilities</b>										
Payables	-	-	-	-	-	-	5,853	5,670	5,853	5,670
Provisions	-	-	-	-	-	-	5,389	4,879	5,389	4,879
Other	-	-	-	-	-	-	109	-	109	-
<b>Total current liabilities</b>							11,351	10,549	11,351	10,549
<b>Non-current liabilities</b>										
Provisions	-	-	-	-	-	-	57	47	57	47
<b>Total non-current liabilities</b>							57	47	57	47
<b>TOTAL LIABILITIES</b>							11,408	10,596	11,408	10,596
<b>NET ASSETS</b>							190,248	184,179	190,248	184,179

\* The names and purposes of each service group are summarised in Note 5.

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**

	2012				2011			
	RECURRENT APP'N \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000	CAPITAL APP'N \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000	RECURRENT APP'N \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000	CAPITAL APP'N \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000
<b>ORIGINAL BUDGET APPROPRIATION / EXPENDITURE</b>								
· Appropriation Act	116,599	113,298	8,636	8,636	108,584	108,188	10,603	10,603
Additional Appropriations	-	-	-	-	-	-	-	-
· s21A PF&AA – special appropriation	-	-	-	-	-	-	-	-
· s24 PF&AA – transfers of functions between departments	-	-	-	-	-	-	-	-
· s26 PF&AA – Commonwealth specific purpose payments	-	-	-	-	-	-	-	-
	116,599	113,298	8,636	8,636	108,584	108,188	10,603	10,603
<b>OTHER APPROPRIATIONS / EXPENDITURE</b>								
· Treasurer's Advance	2,462	2,212	2,000	314	8,737	5,033	2,121	889
· Section 22 – expenditure for certain works and services	-	-	-	-	-	-	-	-
· Transfers to/from another agency (s28 - Appropriation Act)	-	-	-	-	-	-	-	-
	2,462	2,212	2,000	314	8,737	5,033	2,121	889
<b>Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)</b>	119,061	115,510	10,636	8,950	117,321	113,221	12,724	11,492
<b>Amount drawn down against Appropriation Liability to Consolidated Fund*</b>		109		8,950				11,492

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 2012

#### 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 Catering business, under the joint direction and control of the Clerk of the Parliaments, the Clerk of the Legislative Assembly and 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 Catering business 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 not a NSW government department. 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 Accounts.

This financial statement for the year ended 30 June 2012 has been authorised for issue by the Clerk of the Legislative Assembly, the Clerk of the Parliaments and the Executive Manager Parliamentary Services on 8 October 2012.

##### (b) Basis of preparation

The Legislature's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* (PFAA) 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.

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

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

##### (c) Statement of compliance

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

##### (d) 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.

##### (e) Accounting for the Goods and Services Tax (GST)

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

## The Legislature

### Notes to and forming part of the Financial Statements for year ended 30 June 2012

- 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.

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

#### (f) 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

Except as specified below, 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 is normally obtained upon the receipt of cash.

Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent money must be repaid to the Consolidated Fund.

##### (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.

#### (g) Assets

##### (i) 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.

## The Legislature

### Notes to and forming part of the Financial Statements for year ended 30 June 2012

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.

#### (ii) 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.

#### (iii) 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 (Treasury Policy Paper 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	April 2012	ValuState Pty Ltd
Buildings	June 2012	D P Martin Pty Ltd
Plant & Equipment (Building Technical Services Assets)	June 2012	D P Martin Pty Ltd
Collection Assets:		
Library Collection	June 2009	Simon Storey Valuers
Archives Collection	June 2009	Simon Storey Valuers
Antiques	June 2012	Christies Australia
Artworks	June 2012	Stella Downer Sue Hewitt

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 revaluation surplus, 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 net result, the increment is recognised immediately as revenue in the net result.

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

## The Legislature

### Notes to and forming part of the Financial Statements for year ended 30 June 2012

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

#### (iv) 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.

#### (v) 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 including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognize 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

#### (vi) Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognized in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

#### (vii) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

#### (viii) 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.

#### (ix) 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.



*The Legislature***Notes to and forming part of the Financial Statements for year ended 30 June 2012**

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

**(x) 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.

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

**(xi) 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 recognized in the net result for the year when impaired, derecognised or through the amortisation process.

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

**(xii) Inventories**

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(xiii) 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 Legislature 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 net result for the year.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the net result for the year, 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 net result for the year.

## The Legislature

### Notes to and forming part of the Financial Statements for year ended 30 June 2012

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as "available for sale" which must be made through the revaluation surplus. 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.

#### (h) Liabilities

##### (i) 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.

##### (ii) Employee benefits and other provisions

###### (a) 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 measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on 2 year Australian government bonds of 2.46% (2011 4.44%) are used to discount long-term annual leave.

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

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

###### (b) 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".

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 NSW Treasury Circular *Accounting for Long Service Leave and Annual Leave 12/06*) 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.

###### (c) 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.

*The Legislature***Notes to and forming part of the Financial Statements for year ended 30 June 2012**

## (i) Equity and reserves

## (i) Revaluation surplus

The revaluation surplus 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(g)(iii).

## (ii) Accumulated Funds

The category accumulated funds includes all current and prior period retained funds.

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

## (j) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

## (k) Comparative information

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

## (l) New Australian Accounting Standards issued but not yet effective

A number of new Accounting Standards have not been applied and are not yet effective, in accordance with NSW Treasury Circular *Mandates of Options and Major Policy Decisions under Australian Accounting Standards 12/04*. The possible impact of these Standards in the period of initial application is unlikely to result in a material adjustment.

*The Legislature*

**Notes to and forming part of the Financial Statements for year ended 30 June 2012**

**2. Expenses Excluding Losses**

(a) Employee Related Expenses

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages (including recreation leave)	48,077	47,434
Superannuation – defined benefit plans	645	1,051
Superannuation – defined contribution plans	3,271	3,194
Payroll tax and fringe benefits tax	2,952	2,899
Long service leave	2,299	1,079
Workers' compensation insurance	377	429
	<b>57,621</b>	<b>56,086</b>

(b) Other Operating Expenses including the following:

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Auditors remuneration		
– audit of the financial statements	64	74
– audit of Members' additional entitlements under Parliamentary Remuneration Tribunal Determination	48	54
Cost of Sales - House Committee	1,140	1,081
Operating lease rental expense-minimum lease payments	5,279	5,195
Maintenance	1,586	1,603
Insurance	268	233
Consultants	47	152
Contractors	4,179	4,382
Printing and stationery	6,303	6,541
Telecommunication costs	985	979
Travel expenses	1,958	1,723
Computer costs	3,155	2,900
Stores	271	385
Postage	573	1,258
Advertising	357	306
Energy charges	1,594	1,341
Cleaning and laundry	756	718
Contract and other fees	1,499	1,715
Other	1,424	1,221
	<b>31,486</b>	<b>31,861</b>
	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>

*Reconciliation – Total maintenance*

Maintenance expense – contracted labour and other (non-employee related), as above	1,586	1,603
Employee related maintenance expense included in Note 2 (a)	3,715	3,561
Total maintenance expenses included in Note 2(a) + 2(b)	<b>5,301</b>	<b>5,164</b>

*The Legislature***Notes to and forming part of the Financial Statements for year ended 30 June 2012**

## (c) Depreciation and amortisation expense

	2012	2011
	\$'000	\$'000
Depreciation:		
– buildings	2,811	2,544
– plant and equipment	3,066	3,140
– collection assets	28	28
	<u>5,905</u>	<u>5,712</u>
Amortisation:		
– intangibles	770	152
	<u>770</u>	<u>152</u>
Total Depreciation and Amortisation Expense	<u>6,675</u>	<u>5,864</u>

## (d) Other Expenses – Members' Remuneration

	2012	2011
	\$'000	\$'000
Salaries and allowances of Members of Parliament	31,719	30,161
Superannuation entitlements – Members	2,726	6,127
Payroll tax & fringe benefits tax – Members' entitlements	1,975	2,131
Special projects	234	281
	<u>36,654</u>	<u>38,700</u>

**3. Revenue**

## (a) Appropriations

	2012	2011
	\$'000	\$'000
<b>Recurrent appropriations</b>	<b>\$'000</b>	<b>\$'000</b>
Total recurrent draw-downs from NSW Treasury (per Summary of compliance)	115,619	113,221
Less: Liability to Consolidated Fund (per Summary of compliance)	109	-
	<u>115,510</u>	<u>113,221</u>
Comprising:		
Recurrent appropriations (per Statement of Comprehensive Income)	<u>115,510</u>	<u>113,221</u>
<b>Capital Appropriations</b>	<b>\$'000</b>	<b>\$'000</b>
Total capital draw-downs from NSW Treasury (per Summary of compliance)	8,950	11,492
	<u>8,950</u>	<u>11,492</u>
Comprising:		
<b>Capital appropriations</b>	<u>8,950</u>	<u>11,492</u>
(per Statement of Comprehensive Income)		

*The Legislature*

**Notes to and forming part of the Financial Statements for year ended 30 June 2012**

(b) Sale of Goods and Services

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Sale of Goods</u>		
House Committee sales of food and beverages	3,114	3,324
Sale of publications	6	31
	<u>3,120</u>	<u>3,355</u>
<u>Rendering of Services</u>		
Energy recoup from Sydney Hospital and State Library	443	526
Rent on Parliament House ministerial offices	1,025	924
Miscellaneous	319	295
	<u>1,787</u>	<u>1,745</u>
	<b><u>4,907</u></b>	<b><u>5,100</u></b>

(c) Investment Revenue

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest revenue on operating accounts	263	215
	<u>263</u>	<u>215</u>

(d) Grants and Contributions

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Twinning Project - Pacific Public Sector Linkage's Program No.1	335	291
	<u>335</u>	<u>291</u>

The NSW Parliament is twinned with the Parliaments of the Solomon Islands and the Autonomous Region of Bougainville, under the auspices of the Commonwealth Parliamentary Association. The NSW Parliament sought and received funding from AusAID to support the twinning arrangements. The 'Twinning project', or 'Strengthening parliamentary institutions in the Solomon Islands and Bougainville' is anticipated to cost \$1.17 million over three years (April 2010 to April 2013), with \$844,356 provided through AusAID's Pacific Public Sector Linkages Program. The balance is provided by the participating parliaments. The focus of the project is to strengthen parliamentary democracy by building the capacity of the parliamentary administration.

*The Legislature***Notes to and forming part of the Financial Statements for year ended 30 June 2012**

## (e) Acceptance by the Crown Entity of Employee Benefits and Other Liabilities

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

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Employees</b>		
Superannuation	645	1,051
Long service leave	2,077	1,126
Payroll tax on superannuation	35	58
	<b>2,757</b>	<b>2,235</b>
<b>Members</b>		
Superannuation	1,253	5,336
Payroll tax on superannuation	68	293
	<b>1,321</b>	<b>5,629</b>
	<b>4,078</b>	<b>7,864</b>

## (f) Other Revenue

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Assets recognised for first time	52	16
Telecommunication tower rental	29	103
Workers' compensation hindsight adjustment	71	59
Televising Parliament expenditure recoupment	76	56
Staff on seconded salary recoupment	55	280
Miscellaneous items	88	112
	<b>371</b>	<b>626</b>

**4. Gain / (Loss) on Disposal**

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Written down value of assets disposed	(3)	(69)
Net gain/(loss) on disposal of plant and equipment	<b>(3)</b>	<b>(69)</b>

## *The Legislature*

### **Notes to and forming part of the Financial Statements for year ended 30 June 2012**

#### **5. 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 fulfill 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 fulfill 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.



*The Legislature***Notes to and forming part of the Financial Statements for year ended 30 June 2012****6. Current Assets – Cash and Cash Equivalents**

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

Cash and cash equivalents assets recognized in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

	2012	2011
	\$'000	\$'000
Cash at bank and on hand	3,093	2,192
	<u>3,093</u>	<u>2,192</u>

Refer to Note 17 for details regarding credit risk, liquidity risk and market risk arising from financial statements.

**7. Current Assets - Receivables**

	2012	2011
	\$'000	\$'000
Sales of goods and services	559	1,040
Less: Allowance for impairment	18	19
	<u>541</u>	<u>1,021</u>
GST recoverable from ATO	682	621
Other debtors	67	62
Prepayments	70	123
Investment income	150	108
	<u>1,510</u>	<u>1,935</u>

*Movement in the allowance for impairment*

Opening balance	19	36
Amounts written off during the year	-	-
Amounts recovered during the year	(19)	(28)
Increase/ (decrease) in allowance recognised in profit or loss	18	11
	<u>18</u>	<u>19</u>

**8. Current Assets - Inventories**

	2012	2011
	\$'000	\$'000
Held for resale		
Food and beverage stock at cost	91	119
	<u>91</u>	<u>119</u>

*The Legislature*

**Notes to and forming part of the Financial Statements for year ended 30 June 2012**

**9. Non-Current Assets – Property, Plant and Equipment**

	Land and Buildings \$'000	Plant and Equipment \$'000	Collection Assets \$'000	Total \$'000
<b>At 30 June 2011 – fair value</b>				
Gross carrying amount	186,785	56,535	52,672	295,992
Accumulated depreciation and impairment	55,752	42,232	9,517	107,501
Net Carrying Amount	<u>131,033</u>	<u>14,303</u>	<u>43,155</u>	<u>188,491</u>
<b>At 30 June 2012 – fair value</b>				
Gross carrying amount	194,823	57,048	52,173	304,044
Accumulated depreciation and Impairment	59,260	40,166	9,544	108,970
Net Carrying Amount	<u>135,563</u>	<u>16,882</u>	<u>42,629</u>	<u>195,074</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 \$'000	Plant and Equipment \$'000	Collection Assets \$'000	Total \$'000
<b>Year ended 30 June 2012</b>				
Net carrying amount at start of year	131,033	14,303	43,155	188,491
Additions	5,534	3,085	52	8,671
Disposals	-	(3)	-	(3)
Net revaluation increments less revaluation decrements	3,085	1,559	(550)	4,094
Reclassification to intangibles	(1,278)	1,004		(274)
Depreciation expense	(2,811)	(3,066)	(28)	(5,905)
Net carrying amount at end of year	<u>135,563</u>	<u>16,882</u>	<u>42,629</u>	<u>195,074</u>

*The Legislature***Notes to and forming part of the Financial Statements for year ended 30 June 2012**

	Land and Buildings \$'000	Plant and Equipment \$'000	Collection Assets \$'000	Total \$'000
<b>At 30 June 2010</b>				
Gross Carrying Amount	180,983	51,304	52,713	285,000
Accumulated depreciation and impairment	51,622	39,219	9,488	100,329
Net Carrying Amount	129,361	12,085	43,225	184,671
<b>At 30 June 2011</b>				
Gross Carrying Amount	186,785	56,535	52,672	295,992
Accumulated depreciation and impairment	55,752	42,232	9,517	107,501
Net Carrying Amount	131,033	14,303	43,155	188,491

**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 \$'000	Plant and Equipment \$'000	Collection Assets \$'000	Total \$'000
<b>Year ended 30 June 2011</b>				
Net carrying amount at start of year	129,361	12,085	43,225	184,671
Additions	4,881	4,899	23	9,803
Disposals	-	-	(65)	(65)
Net revaluation increments less revaluation decrements	252	-	-	252
Reclassification to intangibles	(917)	459	-	(458)
Depreciation expense	(2,544)	(3,140)	(28)	(5,712)
Net carrying amount at end of year	131,033	14,303	43,155	188,491

*The Legislature*

**Notes to and forming part of the Financial Statements for year ended 30 June 2012**

**10. Intangible Assets**

**Software licensing and upgrade**

<b>At 1 July 2011</b>	<b>\$'000</b>
Cost (gross carrying amount)	4,632
Accumulated amortisation and impairment	<u>2,594</u>
Net carrying amount	<u>2,038</u>
<b>At 30 June 2012</b>	
Cost (gross carrying amount)	5,252
Accumulated amortisation and impairment	<u>3,364</u>
Net carrying amount	<u>1,888</u>

**Reconciliation**

**Year ended 30 June 2012**

Net carrying amount at start of year	2,038
Additions	346
Disposals	-
Reclassification to intangibles	274
Accumulated amortisation written back on disposal	-
Amortisation (recognised in depreciation and amortisation)	<u>(770)</u>
Net carrying amount at end of year	<u>1,888</u>

**At 1 July 2010**

Cost (gross carrying amount)	2,468
Accumulated amortisation and impairment	<u>2,441</u>
Net carrying amount	<u>27</u>

**At 30 June 2011**

Cost (gross carrying amount)	4,632
Accumulated amortisation and impairment	<u>2,594</u>
Net carrying amount	<u>2,038</u>

**Reconciliation**

**Year ended 30 June 2011**

Net carrying amount at start of year	27
Additions	1,705
Reclassification to intangibles	458
Accumulated amortisation written back on disposal	-
Amortisation (recognised in depreciation and amortisation)	<u>(152)</u>
Net carrying amount at end of year	<u>2,038</u>

*The Legislature***Notes to and forming part of the Financial Statements for year ended 30 June 2012****11. Current Liabilities - Payables**

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Accrued wages, salaries and on-costs	2,614	2,087
Trade creditors	2,586	2,508
Other payables	653	1,075
	<u><b>5,853</b></u>	<u><b>5,670</b></u>

**12. Current / Non- Current Liabilities – Provisions**

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Employee benefits and related oncosts</b>		
Recreation leave	4,085	3,780
On-cost on employee benefits	1,361	1,146
	<u><b>5,446</b></u>	<u><b>4,926</b></u>
<b>Aggregate employee benefits and related on-costs</b>		
Provisions – Current	5,389	4,879
Provisions - Non-Current	57	47
Accrued salaries, wages and on-costs (note 11)	2,614	2,088
	<u><b>8,060</b></u>	<u><b>7,014</b></u>

Of employee benefits for recreation leave \$3.142M is expected to be settled within twelve months and \$943,000 is expected to be settled after twelve months. All accrued wages and salaries are expected to be settled within twelve months.

*The Legislature*

**Notes to and forming part of the Financial Statements for year ended 30 June 2012**

**13. Current Liabilities – Other**

	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>
Liability to Consolidated Fund	109	-
	<b>109</b>	<b>-</b>

**14. Commitments for expenditure**

(a) Operating Lease Commitments

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	3,879	3,662
Later than one year but not later than five years	6,299	4,035
Later than five years	95	233
Total (including GST)	<b>10,273</b>	<b>7,930</b>

The Legislature is the lessee of 96 properties throughout NSW, 95 being electorate offices and 1 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 \$918,000 (\$707,000 – 2011), which will be recoverable from Australian Taxation Office (ATO).

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

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	3,677	3,224
Later than one year but not later than five years	6,299	3,833
Later than five years	95	233
Electorate Office Lease Commitments (including GST)	<b>10,071</b>	<b>7,290</b>

The above total includes GST input tax credits of \$900,000 (\$649,000 – 2011), which will be recoverable from the ATO.

*The Legislature***Notes to and forming part of the Financial Statements for year ended 30 June 2012**

## (b) Capital Commitments

Aggregate capital expenditure contracted for the completion of security works and replacement of the cooling tower at Parliament House at balance date and not provided for:

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	326	2,231
Total (including GST)	<b>326</b>	<b>2,231</b>

The above total includes GST input tax credits of \$29,636 (\$202,819 – 2011), which will be recoverable from the ATO.

**15. Contingent Liabilities and Contingent Assets**

The Legislature had no contingent assets or contingent liabilities at reporting date (2011: nil).

**16. Budget Review****Net result**

The net result of \$1.975M was below budget (\$2.099M) by \$124,000 reflecting lower than budgeted employee related expenses (\$7.046M), depreciation and amortisation (\$710,000) and other expenses - Members' remuneration (\$2.317M). This was offset by higher than budgeted other operating expenses (\$4.954M) and lower revenue (\$5.24M).

Employee related expenses were \$7.046M less than the budget of \$64.667M and other expenses – Members' remuneration was less than the budget of \$38.971M by \$2.317M. These two items taken together reflect a variation of \$9.363M lower than the budget of \$103.638M and should be considered together, as aggregated they represent total employment related costs of Members and staff. The primary reasons for the variation were the reclassification of temporary employment agency staff as contractors (\$4.149M) and a lower factor used to calculate the liability of members' defined benefits superannuation. This significantly reduced the superannuation expense by \$4.083M compared with 2010/2011.

Actual total employment related costs included a component for payment of termination payments and related costs for Members' staff opting to take separation payments following the election in March 2011. These costs were fully funded by an additional appropriation of \$2.12M.

Other operating expenses were higher than the budget of \$26.532M by \$4.954M mainly due to the reclassification of contractors from employee related expenses to this budget item.

Depreciation and amortisation expenses were \$710,000 less than the budget of \$7.385M. This variation arose from later than estimated completion dates for capital projects undertaken during the 2011/2012 financial year.

Revenue from the sale of goods and services was \$378,000 lower than the budget of \$5.285M due to the impact of security glazing works on the earnings from external functions and room hire. AusAID grants of \$335,000 were received in relation to work undertaken as part of a parliamentary "Twinning" arrangement. Other revenue was higher than the budget of \$244,000 by \$127,000 mainly due to a refund for workers compensation premium as a hindsight adjustment, salary recoupment for seconded staff and recoupment of expenditure for televising Parliament.

*The Legislature*

**Notes to and forming part of the Financial Statements for year ended 30 June 2012**

**Assets and liabilities**

Total current assets of \$4.694M were higher than the budget of \$4.654M by \$40,000 due to higher than budgeted cash holdings offset by lower receivables. Current assets were \$448,000 higher than the prior year current assets for similar reasons.

Total non-current assets of \$196.962M were higher than the budget of \$191.78M by \$5.182M primarily due to the revaluation of property, plant and equipment. Capital works programs were \$8.965M for the year.

Total liabilities of \$11.408M were higher than the budget of \$10.156M by \$1.252M due to higher payables and an increase in provisions for employee benefits. Liabilities were higher than prior year total liabilities by \$812,000.

**Cash flows**

Net cash flows from operating activities were \$1.218M higher than the budget of \$8.648M due to an additional appropriation for capital works received during the financial year of \$314,000 and less than budgeted payments from operating activities of \$580,000.

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

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Net cash used in operating activities	9,866	11,228
Depreciation	(6,675)	(5,864)
(Increase) / decrease in provisions	(520)	579
(Decrease) / increase in receivables, inventories and other assets	(453)	153
(Increase) / decrease in creditors and other liabilities	(292)	186
Gain / (Loss) on sale of non-current assets	(3)	(69)
Assets recognised for first time	52	16
Net result	<u>1,975</u>	<u>6,229</u>



## The Legislature

### Notes to and forming part of the Financial Statements for year ended 30 June 2012

#### 18. 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, including derivative financial instruments, for speculative or any other purposes.

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

The Clerks and the Executive Manager have overall responsibility for the establishment and oversight of risk management and review and agree policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by The Legislature, to set risk limits and controls and to monitor risks.

#### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2012	2011
Class:			\$'000	\$'000
Cash and cash equivalents	6	N/A	3,093	2,192
Receivables <sup>1</sup>	7	Loans and receivables (at amortised cost)	828	1,191
Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
			2012	2011
Class:			\$'000	\$'000
Payables <sup>2</sup>	11	Financial liabilities measured at amortised cost	3,348	3,583

#### Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7 *Financial Instruments: Disclosures*).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7 *Financial Instruments: Disclosures*).

#### (b) Credit risk

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

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

Credit risk associated with The Legislature's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

## The Legislature

### Notes to and forming part of the Financial Statements for year ended 30 June 2012

#### 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 NSW Treasury.

#### Receivables - trade debtors

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 uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. Interest is earned on food and beverage sales after 60 days at 2% per month. No interest is charged on any other debtors. Food and beverage sales are made on 30-day terms. Other sales are made on either 14 or 30-day terms.

The only financial assets that are past due or impaired are "sales of goods and services" in the "receivables" category of the statement of financial position.

	\$'000	\$'000	\$'000
	Total <sup>1,2</sup>	Past due but not impaired <sup>1,2</sup>	Considered impaired <sup>1,2</sup>
<b>2012</b>			
< 3 months overdue	196	194	2
3 months – 6 months overdue	95	87	8
> 6 months overdue	81	73	8
<b>2011</b>			
< 3 months overdue	194	192	2
3 months – 6 months overdue	26	21	5
> 6 months overdue	41	29	12

#### Notes

1. Each column in the table reports "gross receivables".
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 (*Financial Instruments: Disclosures*) and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the statement of financial position.

#### (c) Liquidity Risk

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

The Legislature has the following banking facilities as at 30 June 2012:

- Cheque cashing authority of \$20,000, which is the total encashment facility provided to enable recoupment of advance account activities.
- Tape negotiation authority of \$3M. 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 \$550,000.

## The Legislature

### Notes to and forming part of the Financial Statements for year ended 30 June 2012

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured), with the exception of Members Entitlements, are settled in accordance with the policy set out in NSW Treasury Circular *Payment of Accounts* 11/12. If trade terms are not specified, payment is made no later than 30 days from the receipt of a correctly rendered invoice.

The table below summarises the maturity profile of The Legislature' financial liabilities, together with the interest rate exposure.

#### Maturity analysis and interest rate exposure of financial liabilities

	\$'000		\$'000			\$'000		
	Weighted Average Effective Int. Rate	Nominal Amount <sup>1</sup>	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
<b>2012</b>								
Trade Payable	-	3,348	-	-	3,348	3,348	-	-
Total Financial Liabilities	-	3,348	-	-	3,348	3,348	-	-
<b>2011</b>								
Trade Payables	-	3,583	-	-	3,583	3,583	-	-
Total Financial Liabilities	-	3,583	-	-	3,583	3,583	-	-

#### Notes

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

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Legislature's exposures to market risk are primarily through interest rate risk on The Legislature's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment Facilities. The Legislature has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which The Legislature operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2011. The analysis assumes that all other variables remain constant.

*The Legislature*

**Notes to and forming part of the Financial Statements for year ended 30 June 2012**

**Interest rate risk**

Exposure to interest rate risk arises primarily through The Legislature's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Legislature does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Legislature's exposure to interest rate risk is set out below.

	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>Carrying</b>	<b>-1%</b>	<b>-1%</b>	<b>1%</b>	<b>1%</b>
	<b>Amount</b>	<b>Profit</b>	<b>Equity</b>	<b>Profit</b>	<b>Equity</b>
<b>2012</b>					
<i>Financial assets</i>					
Cash and cash equivalents	3,093	(31)	(31)	31	31
<b>2011</b>					
<i>Financial assets</i>					
Cash and cash equivalents	2,192	(22)	(22)	22	22

**19. Events After Reporting Period**

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

**End of audited financial statements**



## Appendix A

### Audit and Risk Committee Report

In compliance with Treasury Circular 09/08, The Legislature's Audit and Risk Committee (hereafter referred to as "the Committee") aims to oversee the internal audit function, risk management, corporate governance, and monitoring The Legislature's governance, risk and control frameworks and its external accountability requirements.

#### Committee Membership

The Committee operated during 2011-12 with three members independent of The Legislature:

- Mr Jim Mitchell (Independent Chairperson)
- Ms Christine Feldmanis (Independent Member) and
- Ms Gerry Brus (Independent Member).

The Clerk of the Legislative Assembly, Clerk of the Legislative Council and the Executive Manager of Parliamentary Services also attended meetings of the Committee as invitees. Meetings were also regularly attended by the Chief Audit Executive and representatives of the NSW Audit Office.

#### Committee Meetings

The Committee met on four occasions during 2011-12. It:

- approved a three year strategic internal audit plan;
- gave assurance to the Clerks of both Houses and the Executive of Parliamentary Services concerning end-of-year financial reporting for The Legislature;
- reviewed the development of a compliance framework for changes to the Public Interest Disclosures Act 1994; and
- implemented the internal and external audit programs outlined below.

In addition, the Committee held two extraordinary meetings:

- to review the draft financial statements for The Legislature prior to submission to the Audit Office of NSW; and
- following completion of the audit of the financial statements of The Legislature, reviewed the Client Service Report, final proposed version of the financial statements and Management Representation Letter and recommended certification of the financial statements.

#### Internal Audit

The Parliament's internal audit services are currently provided by Deloitte.

During the reporting year the following reports were tabled before the Committee for review:

- Business risk assessment
- Members entitlements
- Members entitlements – themed audit (Electorate Mail Out Account)
- Asset Management and
- Payroll Management.

The Committee also reviewed a Probity Audit Report prepared by O'Connor Marsden for the Security Strengthening of Parliament House Project.

#### External Audit

The NSW Audit Office is engaged by the Parliament to provide external audit services. These services include:

- Audit of the Parliament's financial statements to provide reasonable assurance that the financial statements are free from material misstatement and
- A review of Members' use of additional entitlements in accordance with the conditions of Determination of Additional Entitlements for Members of the Parliament of New South Wales by the Parliamentary Remuneration for the year ended 30 June 2011.

#### Insurance

Insurance cover for the Parliament is provided through the NSW Government Self Insurance Scheme, NSW Treasury Managed Fund. Coverage is provided for:

- Workers Compensation
- Liability
- Motor vehicle
- Property
- Miscellaneous, including members' personal accident and travel cover.

## Appendix B

### Department of Parliamentary Services EEO Actual Staff Numbers

Remuneration Level of Substantive Position	Total Staff (Men & Women)	Respondents	Men	Women	Aboriginal and 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
\$0 - 40,662	1	1	0	1	0	1	1	0	0
\$40,662 - \$53,407	44	6	16	28	0	6	6	0	0
\$53,407 - \$59,705	19	6	10	9	0	3	4	1	0
\$59,705 - \$75,552	33	17	12	21	0	6	4	0	0
\$75,552 - \$97,702	58	22	21	37	0	4	2	2	0
\$97,702 - \$122,128	25	10	16	9	0	2	1	1	0
\$122,128 > (Non SES)	2	1	2	0	0	1	1	0	0
<b>Total</b>	<b>182</b>	<b>63</b>	<b>77</b>	<b>105</b>	<b>0</b>	<b>23</b>	<b>19</b>	<b>4</b>	<b>0</b>

## Appendix C

### Summary of Reported Incidents 2011-2012

	No. of Incidents	Lost Time Injuries	STF	Strains	Journey	Other	Claims Opened	Total Cost
DPS (Overall)	31	4	7	5	11	8	0	\$0

STF = Slips, Trips and Falls

Strains = Includes manual handling incidents

Journey = Incidents involving travel to or from, or authorised absences from work (including lunch breaks)

Other = All other incidents not categorised





## Appendix D

### Library Research Publications 2011-2012

Jun 2012	<b><i>Wind Farms: regulatory developments in NSW</i></b> by Nathan Wales and Daniel Montoya
Jun 2012	<b><i>Funding opportunities for community groups</i></b> by Gareth Griffith and Nathan Wales
Jun 2012	<b><i>Mandatory pre-payment of night taxi fares</i></b> by Gareth Griffith
Jun 2012	<b><i>Family Violence Courts</i></b> by Edwina Schneller
May 2012	<b><i>The Central Coast Region: An Economic Profile</i></b> by John Wilkinson
May 2012	<b><i>Workers compensation: an update</i></b> by Lenny Roth and Lynsey Blayden
Apr 2012	<b><i>Removal of Judicial Officers : An Update</i></b> by Gareth Griffith
Apr 2012	<b><i>Economic Indicators NSW (April 2012)</i></b> by Talina Drabsch
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**Parliament of New South Wales**  
Macquarie Street  
SYDNEY NSW 2000  
[www.parliament.nsw.gov.au](http://www.parliament.nsw.gov.au)