



DEPARTMENT OF THE LEGISLATIVE ASSEMBLY



ANNUAL REPORT 2017 - 2018



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

Office of the Clerk

The Hon Michael Gunner, MLA
Chief Minister
Parliament House
DARWIN NT 0800

Dear Chief Minister

I am pleased to submit to you the 2017-18 annual report for the Department of the Legislative Assembly in accordance with section 28 of the *Public Sector Employment and Management Act*. Pursuant to my responsibilities as the Accountable Officer under section 13 of the *Financial Management Act*, I advise to the best of my knowledge and belief:

- (a) proper records of all transactions affecting the agency are kept and the employees under my control observe the provisions of the *Financial Management Act*, the Financial Management Regulations and the Treasurer's Directions
- (b) procedures within this agency afford proper internal control and current descriptions of such procedures were recorded in accordance with the requirements of the *Financial Management Act*
- (c) no indication of fraud, malpractice, material breach of legislation or delegation, or major error in or omission from the accounts or records exists
- (d) in accordance with the *Financial Management Act*, the internal audit capacity was adequate and the results of the internal audits were reported to the Chief Executive Officer
- (e) the financial statements included in this report have been prepared from proper accounts and records and are in accordance with Treasurer's Directions, where appropriate and
- (f) all Employment Instructions issued by the Speaker and as applicable, the Commissioner for Public Employment have been adhered to.

I have received advice from the Chief Executive of the Department of Corporate and Information Services, which performs a number of functions on behalf of this agency, that proper records are maintained in compliance with the *Financial Management Act*, Regulations and Treasurer's Directions.

Yours sincerely


MICHAEL TATHAM

Clerk and Chief Executive

25 September 2018

TABLE OF CONTENTS

Clerk of the Legislative Assembly's Overview	4
Functions and Objectives of the Agency	6
Legislation administered by the Agency	6
Organisation of the Department	7
Board of Management	8
Agency Operations	8
House Division	8
Office of the Clerk	8
Independent Research Service	8
Finance Unit	9
Procedural Support and Security Services Unit	9
Committees and Education Division	10
Member and Corporate Support Division	11
Business Services	11
Building and Property Management	14
Corporate Governance	14
Strategic and Business Planning	14
Risk Management and Audit Committee	15
External Scrutiny	15
Performance Management	16
Access to Information	16
Privacy	16
Records and Archives Management	16
Legislative Compliance	17
Work Health and Safety Committee and Activities	17
Member Satisfaction Survey 2017	17
2017 Member Survey Results	18
Annexure 1: Financial Report	

Clerk of the Legislative Assembly's Overview

After more than five years as Chief Executive Officer of the Department of the Legislative Assembly and Clerk of the Legislative Assembly, it is again my pleasure to present this Annual Report about the year that was to advise how the Department of the Legislative Assembly continues to focus on serving the people of the Northern Territory by providing support to their elected Members.

The Department's three Divisions: Committees and Education; House; and Member and Corporate Support, continue to deliver outcomes for the operation of Assembly meetings, the administration of Members' electorate offices, the employment of Members' staff, and outreach and education programmes as well as the operation and maintenance of Parliament House.

During the year, the Speaker concluded her role as a representative of the Australian Region on the Executive Committee of the Commonwealth Parliamentary Association.

After hosting the Commonwealth Parliamentary Association Mid-Year Executive Committee meeting at Parliament House in Darwin during the previous year the Speaker attended her last meeting of her three-year term in Dhaka Bangladesh during November 2017.

As reported last year, professional development for Members of Parliaments was a focus of the Speaker's period on the Association's Executive, and the Northern Territory continues to enjoy a good reputation with the Association as an active and involved jurisdiction, ensuring opportunities for Members to increase their parliamentary skills.

The *Know Your Assembly* seminars continue to attract Territorians to learn more about how their parliament works and the seminar was held in Alice Springs and Katherine as well as Darwin.

We continue to encourage interested professionals from the public, private and non-government sectors to improve their understanding of parliamentary democracy. Those who attend consistently give positive feedback, demonstrating the ongoing value of providing these sessions.

The annual survey of Members continued a trend over recent years of a recorded improvement in a number of areas of service delivery to Members of the Legislative Assembly.

The results show that the work my colleagues undertake to serve Members and their constituents is appreciated and of a consistently high calibre. I have reported these results to the Department of the Legislative Assembly Board of Management to examine how the Department will make an effort for further improvement. Some of these margins may not be able to be improved upon however, shared services for ICT remains an ongoing challenge to ensure collaborative relationships with other agencies of Government are well maintained.

Last year I reported that Parliament House was #18 of 'things to do' in Darwin on the popular travel app *Trip Advisor*, this year it is ranked at #17.

Our team has risen to the challenge of improving our ranking for the third year in a row and the excellent work of our education and outreach colleagues and those who maintain a beautiful building has much to do with that result. The free tours are highly rated and worth the visit.

The Department continues to rely on shared services from Government and once again my thanks go to the leadership of the Departments on which we rely for property management and leasing support, information and communications technology support and contractor management and procurement support.

It is sometimes not well understood that this small Department is an integral part of Government which works collaboratively to procure and deliver on behalf of the Members and the people of the Northern Territory.

During the reporting period I had the privilege to attend the annual Society of Clerks at the Table in Commonwealth Parliaments (SOCATT) meeting held in conjunction with the 63rd Commonwealth Parliamentary Conference in Bangladesh, where I delivered a paper to colleagues about inaccurate media coverage of parliamentary administration.

I followed this up with a more detailed presentation on the same subject matter during January at a Charles Darwin University Law School Seminar on Parliamentary Procedure and Practice held at the Darwin Waterfront Campus.

The papers were very well received by colleagues and students.

The Northern Territory Legislative Assembly is an active participant in promoting professional development for its Members, its staff and for staff and Members of other Parliaments when we have the resources and capacity to contribute and learn.

Through the longstanding Australian and Pacific Parliaments twinning arrangements, the Northern Territory's relationship with the small pacific island jurisdiction of Niue continued to be of benefit to both jurisdictions with a visit to the Northern Territory by the Niue Clerk during the reporting period for her professional development as a new Clerk in that parliament.

The Department continues its all-staff forums to ensure that all officers have a voice and benefit from learning and development opportunities as well as to discuss matters of importance around corporate culture and workplace wellbeing.

The Department continues to be an employer of a diverse and talented group of Territorians with well-qualified staff from non-English speaking backgrounds, Aboriginal Territorians, gay and lesbian Territorians, a broad spectrum of age ranges and gender diversity in senior management.

I thank my colleagues for their commitment and dedication to delivering a magnificent public building and the seat of democracy in the Northern Territory, for their support to the Members and our openness to scrutiny and accountability.

While the Chief Minister is the relevant Minister for the Department, my day-to-day reporting is to the Speaker, who is the Commissioner for Employees of the Department and acts on behalf of Government to administer the agency. I express my thanks to Madam Speaker for her continued support and openness to innovation in the operation of the Assembly and the delivery of support to Members and to the Northern Territory.

Functions and Objectives of the Agency

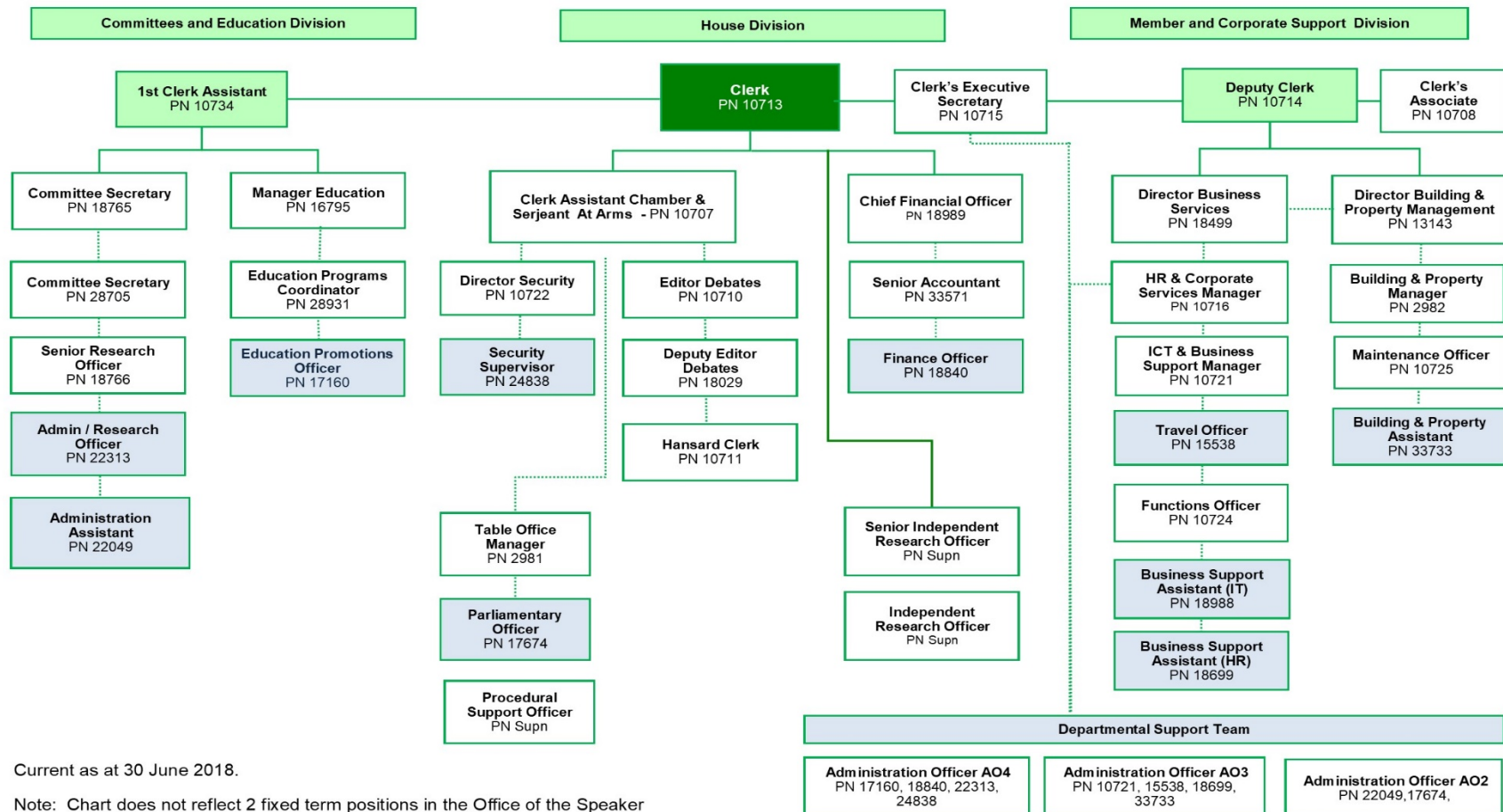
The Department of the Legislative Assembly (DLA) facilitates the operations of the Legislative Assembly to make laws for the peace, order and good government of the Northern Territory. The agency provides advice and services which support the Assembly, its Members and Committees and promote community engagement.

Legislation administered by the Agency

- *Constitutional Convention (Election) Act*
- *Legislative Assembly (Disclosure of Interests) Act 2008*
- *Legislative Assembly (Members' Code of Conduct and Ethical Standards) Act 2008*
- *Legislative Assembly (Powers and Privileges) Act*
- *Legislative Assembly (Security) Act*
- *Legislative Assembly Members (Miscellaneous Provisions) Act*
- *Legislative Assembly Members' Superannuation Contributions Act*
- *Legislative Assembly Members' Superannuation Fund Act*

Organisation of the Department

Department of the Legislative Assembly Organisation Chart



Current as at 30 June 2018.

Note: Chart does not reflect 2 fixed term positions in the Office of the Speaker

Board of Management

The Department of the Legislative Assembly (DLA) Board of Management is the Department's senior decision-making body with responsibility for strategic leadership and management to support the Department's priorities. The Board of Management:

- Monitors performance against objectives
- Maintains financial accountability
- Ensures people management and communication practices are effective, fair and equitable, and support corporate objectives.

The Board of Management is chaired by the Clerk and meets monthly. DLA staff are briefed on decisions, agency direction and relevant issues arising from the Board meetings at monthly staff forums.

Members of the Board of Management are key management personnel for the purposes of financial reporting and include:

- Michael Tatham, Clerk and Chief Executive
- Marianne Conaty, Deputy Clerk
- Russell Keith, First Clerk Assistant (Committees and Education)
- Sean O'Connor, Clerk Assistant Chamber and Serjeant at Arms (Procedural Services and Security)
- Diem Tang, Chief Financial Officer
- Jacqui Forrest, Director Business Services
- Bill Fryar (nominal), Director Building and Property Management (July 2017)
- Melissa Johnson (acting) Director Building and Property Management from 31 July 2017.

Agency Operations

House Division

Office of the Clerk

The Office of the Clerk provides procedural advice and support to the Speaker and Members of the Legislative Assembly and executive leadership of the Department of the Legislative Assembly.

The Office of the Clerk supports all domestic committees such as the Standing Orders, Privileges and House Committees.

Independent Research Service

The Research Service for Independent Members commenced operation in April 2017 to respond to individual and confidential requests such as reviews of legislation and issues of importance to the NT regarding parliamentary processes and economic and social issues. The Research Service does not engage in political research or speech writing.

In the reporting period, the service received and completed 86 research requests for independent Members.

Finance Unit

The Finance Unit provides strategic advice on financial and budgetary matters to the Speaker, the Clerk and the Department's Board of Management. It ensures legislative and regulatory compliance and manages departmental accounting policies, standards and processes.

Procedural Support and Security Services Unit

The Procedural Support and Security Services Unit supports the Assembly, its Members and their staff, allowing them to fulfil their parliamentary obligations in a safe and secure environment.

Procedural Support includes the Hansard and Table Office Units, which are responsible for the provision of administrative and procedural support and advice to Members during meetings of the Assembly, the production of parliamentary documentation and records and the management of related databases.

The Table Office has worked in collaboration with the Northern Territory Library on a project to establish an electronic database of the Legislative Assembly *Parliamentary Records* and Tabled Papers. Approximately 25,000 DLA *Parliamentary Records* and Tabled Papers are hosted on the Territory Stories database and are available online through the DLA website. All new Assembly documents are uploaded directly to Territory Stories.

Parliamentary Legislation Statistics

	Government	Opposition	Independent	Total
<i>Brought forward 1 July 2017</i>	3	-	2	5
Introduced	29	-	1	30
Withdrawn	-	-	-	-
Defeated	-	-	3	3
Passed	23	-	-	23
Acts Assented to	18	-	-	18
<i>Carried forward 30 June 2018</i>	9	-	-	9

Assembly Meeting Statistics

	2016 – 2017	2017 – 2018
Total meeting hours	198.45	237.14
Average meeting day hours	7.09	7.50
Number of meeting days	28	31
Number of bills passed	20	23
Total questions asked	449	557
Total papers tabled	333	431

The DLA Security Services ensure appropriate measures are in place to provide a safe and secure environment for Members, Staff, Parliament House building occupants and visitors.

The unit employs two DLA staff to coordinate emergency management activities for the Assembly and its precincts, which included the formation of the Cyclone Planning Team for Cyclone Marcus and the response to a possible hazardous materials incident at Parliament House that resulted in the evacuation of the building on 25 May 2018.

Frontline security for Parliament House is contracted to Wilson Security, which provides reception, screening and monitoring services to the site (including CCTV) and greets all visitors, Members, building occupants and contractors visiting the premises. The frontline guards are trained in crowd control techniques, customer service and conflict resolution. They are the first responders to security incidents and first aid requirements.

During the reporting period, approximately 170,397 visitors and building staff were screened on entry to Parliament House.

Committees and Education Division

During the reporting period, the Committees and Education Division supported the implementation of the Assembly's *Opening Parliament to the People* reforms, including a new committee structure and the referral of Bills to committees for inquiry and report before their second reading.

The number of committee reports is determined by referrals from the Assembly or self-referrals from the Committee as detailed in the table below.

Committee Activity Supported

Committee	Meetings	Hearings & Visits	Briefings	Reports
Public Accounts	19	4	7	2
House	4	0	0	0
Standing Orders	4	0	0	2
Social Policy Scrutiny Committee	19	5	0	9
Estimates	14	9	0	2
Economic Policy Scrutiny Committee	13	3	0	5
Committee of Privileges	5	1	0	1
Total	77	22	7	20

The Parliamentary Education Services (PES) provides high quality education, engagement, public relations and information programmes relating to the operations of the Northern Territory Parliament and its committees. The unit delivers school programmes, including outreach to rural and remote areas of the NT, adult education programmes, parliamentary promotions such as Open Day and public tours of Parliament House.

Participants in Parliamentary Education Services Programmes

Programme	Activity	Participants	No. of Events
Public Tours	Saturday and Wednesday tours	1927	132
		1927	132
Schools Programmes	Parliament House Tours	3337	144
	Bombing of Darwin Tours	129	6
	Role Plays	1801	64
	Step Up Be Heard	81	4
	Outreach Programmes	199	9
		5547	227
Special Events	Commonwealth Week	465	21
	Careers in Law Forum	27	4
	Democracy Dash	141	14
		633	39
Adult Education	Know Your Assembly	162	6
	Machinery of Government	102	5
	Adult Student Programmes and Tours	422	16
	General Programmes and Tours	376	33
		1062	60
Parliament Promotions	Open Day	797	4
	New Teacher Expo	20	1
		817	5
TOTAL		9986	463

Member and Corporate Support Division

Business Services

Business Services delivers services to both Members of the Assembly and the Department, including procurement, human resources, corporate information management, ICT, telecommunications, travel, vehicles and room hire bookings at Parliament House.

The Department of Corporate and Information Services (DCIS) manages outsourced ICT service contracts and provides an ICT Service Manager located at Parliament House to support the Legislative Assembly.

Funded Establishment

As at 30 June 2018 the DLA had an establishment of 40 full time equivalent (FTE), three executive, 30 permanent, and seven fixed term. All DLA positions are in the administrative stream. Of these 39 positions were filled, with one vacancy for a permanent position being finalised.

Hansard employed a pool of 16 casual staff and PES employed four casual staff to support peak activity periods.

DLA Staff by level

Level	FTE
Executive Contracts	3
ECO5	1
ECO3	1
ECO1	1
Senior Administration Officers	10
SAO1	5
SAO2	4
Administration Officers	28
AO2	2
AO3	3
AO4	10
AO5	4
AO6	6
AO7	3
Hansard Casuals	16
AO2	4
AO4	12
Education Casuals (AO4)	4
TOTAL	60

The DLA also employs electorate staff and has corporate responsibility for the administration of the remuneration of Members. This includes Electorate Officers, Relief Electorate Officers, Electorate Officer Assistants and Electorate Liaison Officers.

There is an FTE equivalent of 25 Electorate Officers with 27 people in these roles due to job share arrangements. The Members for Arafura, Arnhem, Barkly, Daly and Stuart are entitled to one full time Liaison Officer and the Members for Namatjira and Nhulunbuy are supported by an Electorate Liaison Officer employed for 15 hours per week.

Electorate Office Assistants are employed for an average of eight hours per week to a maximum of 104 hours per quarter. Relief Officers are employed on a casual basis and do not work set hours but provide ad-hoc support as required to cover periods of leave.

Electorate Office Staff by position

Role	Headcount
Electorate Officers	27
Liaison Officers	9
Electorate Office Assistants	20
Casual Electorate Officers	68
TOTAL	124

Professional Development

The DLA Work Partnership Plan (WPP) templates are completed in conjunction with the Capability Leadership Framework (CLF) criteria to enable employees to reflect on the skills and attributes required at their substantive level. The intention of aligning the WPP and the CLF is to enable staff and their managers to reflect on strengths and areas for future skill development and discuss how to achieve their unit's outcomes.

Professional development activities included participation in the following:

- 14th Annual Australia and New Zealand Parliamentary Information Technology Forum
- 2017 Westminster Seminar on Parliamentary Practice and Procedure
- 63rd Commonwealth Parliamentary Conference
- Annual Constitutional Law Conference
- Annual Electorate Officers Forum
- Australasian Parliamentary Educators Conference
- Australasian Study of Parliament Group Annual Conference
- Australia and New Zealand Association of Clerks at Table Professional Development Seminar
- Business Objects XI – Finance Datasets
- Cert IV in Project Management Practice
- Commonwealth Summit Women's Forum
- Confine small workplace emergencies
- Content Manager 9 (Territory Records Management system) Course
- CPA Australia and Pacific Regional Conference
- Effective Business Writing
- Electronic Credit Card Management System training
- Emotionally Intelligent Communicator
- Fire Safety – operate as part of an emergency control organisation
- Fire Warden Training (Parliament House)
- Guide to Contract Management
- Health and Safety Representative
- HPE Content Manager 9 (CM9) – Level 1
- ICT Voice Delegate Training
- Intermediate Excel
- Inter-Parliamentary Study Programme
- Know Your Assembly
- Pacific Support Practitioners Meeting
- Parliament Group Annual Conference
- Parliamentary Law, Practice and Procedure
- Presiding Officers and Clerks Conference
- Procurement Awareness
- Simplified Merit Selection

Building and Property Management

Building and Property Management has responsibility for the management of facilities at Parliament House and electorate offices throughout the Northern Territory. This includes:

- The infrastructure programme (minor new works and repairs and maintenance)
- Leasing (Electorate Offices and Parliament House tenancies)
- Asset and property management
- Service contract development and management
- Parliamentary audio and visual control systems including broadcast
- Artwork
- Management of on-site contractors.

Planned maintenance, minor new works and capital works are managed through the Department of Infrastructure Planning and Logistics (DIPL).

In 2017-18, the DLA coordinated three electorate office fit outs or significant refurbishments including the establishment of a new office for the Member for Spillett and a relocation of the Nhulunbuy electorate office to ground floor accommodation. The Barkly electorate office underwent a major office refurbishment.

Major repair and maintenance work within Parliament House included:

- Technical upgrade of lift numbers 2, 3 and 4 within budget and completed ahead of schedule
- A LED light replacement programme on level 1, NT Library within budget and ahead of schedule
- Replacement of veranda tiling and caulking project on level 2 outside the NT Library
- Replacement of chilled water pipe cladding in the level 1 plant room
- Painting at Parliament House
- Replacement of irrigation wiring on Liberty Square

Corporate Governance

The Department's corporate governance structure comprises the following elements:

- Leadership
- Strategic and business planning
- Risk management
- Internal and external scrutiny
- Performance
- Information management

Strategic and Business Planning

The Department's Strategic Plan 2016-20 commenced on 1 January 2016 and determines the DLA's goals and operational priorities. There are six major goals:

- Support the Assembly, its Committees and Members to fulfil their parliamentary responsibilities
- Provide administrative support and services to Members
- Ensure Parliament House and the parliamentary precinct is maintained to a high standard

- Enhance accountability and governance
- Maintain a highly skilled and committed work force
- Engage with the community to promote participation in the parliamentary process.

The goals in the Strategic Plan are translated into operational goals in Business Plans prepared by Units and then into WPPs for individual staff.

The Department maintains a Planning and Reporting Calendar containing entries for all known commitments and compliance activity for the year ahead. The Board of Management and the Audit Committee review the document on an ongoing basis.

Risk Management and Audit Committee

The Audit Committee assists the Clerk and the Board of Management to fulfil corporate governance responsibilities by:

- Managing a corporate governance framework for the Department, facilitating the risk assessment process and monitoring strategic and business risks
- Maintaining an audit plan
- Reviewing the adequacy and effectiveness of internal control mechanisms established to mitigate identified risks
- Reviewing the adequacy of departmental policies, standards and business procedures as referred or of the Committee's own motion
- Setting terms of reference for reviewing and completing internal audits and reviews
- Considering recommendations arising from all internal and external audits and reviews, and overseeing the implementation of action items arising from recommendations
- Undertaking any other functions and activities as determined from time to time by the Clerk.

In 2017-18, the Audit Committee comprised the Deputy Clerk (Chair), the First Clerk Assistant, the Director Business Services and an external member from the City of Darwin who met four times. The Committee reviewed and amended its terms of reference following a consultative process during the reporting period.

Strategic and operational business risk identification occurs at the business unit level and is reviewed during the annual business planning process.

The Department maintains a Strategic Risk Register that is reviewed regularly and forms the basis for timely reporting by risk owners on any mitigation activities and treatment plans. The Audit Committee also monitors the implementation of any recommendations made to the Department by the Auditor-General.

External Scrutiny

The Department is subject to the NT Auditor-General's audit programme under the powers and responsibilities established by the *Audit Act*. Three external audits were undertaken by the Northern Territory Auditor-General's Office during 2017-18.

End of Year Review

An end of year review was conducted to assess the adequacy of selected aspects of end of financial year reporting and controls over accounting and material financial transactions. Key findings indicated the DLA's accounting and control procedures are satisfactory. The results are detailed in the Auditor-General's November 2017 report that was tabled in Parliament on 23 November 2017 ([paper number 580](#)).

Agency Compliance Audit

Agency compliance audits confirm that Accountable Officers have implemented and maintained procedures that ensure legislated requirements are met. The findings indicate that DLA accounting and control procedures are reasonable.

The audit identified two minor issues relating to compliance with the Treasurer's Directions and the DLA has commenced a programme to address these.

The results of the agency compliance audit were published in the Auditor-General's August 2018 report that was tabled in Parliament on 23 August 2018 ([paper number 831](#)).

One salary overpayment was identified during this audit. The DLA is addressing this matter and has worked with DCIS to implement strategies to prevent this occurring again.

The results of the agency assessment were published in the Auditor-General's August 2018 Report that was tabled in Parliament on 23 August 2018 ([paper number 831](#)).

Performance Management

WPPs are developed by individual employees and their managers using business plans, job descriptions and the Capability and Leadership Framework as the foundation for identification of goals, projects and training needs.

WPPs are designed to support employees to reach individual goals and be given feedback on their performance. WPPs also aim to allow employees to reach their full potential, achieve job satisfaction and maximise their contribution and opportunities.

As a result the Department can link training to performance goals, enabling the prioritisation of training needs and investment for training resources. In the longer term, the process enhances the agency's succession planning.

Access to Information

In compliance with section 11 of the *Information Act*, the Department's structure, functions and types of information held is available on its website along with advice on how to make a request to access public sector information.

Three applications for access to information under the *Information Act* were received in the reporting period.

Privacy

The Department complies with the ten Information Privacy Principles (IPPs), established by Schedule 2 of the *Information Act*. Staff with access to personal information are aware of their obligations to manage information carefully and records management access caveats are in place and audited.

No privacy complaints were received in the reporting period.

Records and Archives Management

Pursuant to section 134 of the *Information Act* the DLA manages corporate records in compliance with Northern Territory Government records management standards. The Department also uses its Functional Records Disposal Schedule (No. 2015/7) to manage and store records specific to the Legislative Assembly's function.

The DLA has a specific increased focus on improving records management through its Information Management Strategic Plan 2016 - 2020. The focus for the reporting period included:

- Formalising and educating staff on rules for how documents are saved to the corporate record to ensure information can be easily found. This included training provided by the Records Manager in both one-on-one and group sessions.
- Reducing the reliance on network drives by removing obsolete documents and transferring corporate records to the records management system. A network drive policy was developed to provide DLA staff clear guidance on use of the network.
- Records Management is a standing agenda item at monthly staff forums to provide tips and hints on features of the corporate record system.
- Ongoing audits occur to ensure that corporate records are saved to the right security level to regulate appropriate access. This is reported to the Audit Committee on a quarterly basis. Records management is a standing agenda item at the Audit Committee
- A digitisation project to store electronic copies of permanent records that are stored in paper files is ongoing.
- Training all DLA staff in the corporate record system is ongoing.

Legislative Compliance

The Department complies with the requirements of the *Financial Management Act*, *Public Sector Employment and Management Act*, *Procurement Act*, *Information Act*, *Anti-Discrimination Act*, *Superannuation Act* and *Work Health and Safety (National Uniform Legislation) Act*.

An Agency Procurement Management Plan is reported against quarterly to ensure compliance with procurement legislation, guidelines and policies.

Work Health and Safety Committee and Activities

The DLA coordinates a Work Health Safety (WHS) staff committee for all tenants of Parliament House and a WHS steering committee.

The staff committee is convened by the Director of Security who is the Parliament House WHS advisor. The committee meets quarterly. No major issues were raised in the reporting period.

The steering committee provides recommendations on strategic direction, policy and procedures to the Clerk as required and also receives reports on incidents and hazards from the staff committee. If required, the steering committee will review and provide recommendations to the Clerk to address hazards and minor incidents or reduce the likelihood of reoccurrence.

Member Satisfaction Survey 2017

Members were surveyed during the October 2017 meetings of the Assembly against seven questions relating to Budget Paper 3 and performance measures which are reported against annually.

Members were asked to indicate a score from 0 to 100% against each of the questions.

Sixteen responses were received from a possible 25, two more than last year. The best return rate was in 2013, when 19 responses were received.

Members were again advised by the Speaker when the survey was circulated to Members that a non-return was counted as an indication of 100% satisfaction across all categories.

This method is applied every year. Nine surveys were not returned, allowing nine Members to have their views to be scored automatically as 100% satisfied.

A table setting out survey questions and results appears below.

2017 Member Survey Results

Questions	2017 Result	2016 Result
1. Satisfaction with Chamber Support and Advice	99%	98%
2. Production of the Parliamentary Record	99%	N/A
3. Satisfaction with Committee Meetings and Reports	96%	96%
4. Satisfaction with Education Programmes	96%	96%
5. Internal Services	95%	94% Travel 95% HR 98% Business Support
6. External Services	93%	90% IT
7. Satisfaction with Building Management Services	97%	93%

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY FINANCIAL REPORT

FINANCIAL STATEMENT OVERVIEW

For the year ended 30 June 2018

OVERVIEW

The 2017-18 financial statements and notes for the Department of the Legislative Assembly have been prepared on an accrual basis in accordance with the Northern Territory Financial Management Framework and the Australian Accounting Standards. The Department's financial performance in 2017-18 and comparatives for 2016-17 are reported in four financial statements: the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement.

Comprehensive Operating Statement

The comprehensive operating statement provides information on the financial performance of the department for the financial year.

	2017-18 \$000	2016-17 \$000	Variation \$000
Operating Income	28,906	28,408	496
Operating Expenses	31,690	31,433	257
Net Operating Surplus/(Deficit)	(2,784)	(3,025)	239
Other Comprehensive Income			
Comprehensive Surplus/(Deficit)	(2,784)	(3,025)	239

The operating activities of the Department of the Legislative Assembly's reported a net operating deficit of \$2.8 million. The operational deficit for the year was largely attributed to \$3.6 million in depreciation being a non-cash item, offset by the under expenditure of \$1.3 million against the repairs and maintenance budget and employee expense of \$0.45 million.

The department received total income \$28.9 million in 2017-18, an increase of \$0.5 million from 2016-17 primarily due to increased Output Appropriation resulting from increased of Members entitlements following the annual review of the Remuneration Tribunal Determination.

The department also recognises notional revenue of \$2.3 million for goods and services received free of charge, which includes Information Technology, Procurement and Payroll. This income is offset by notional expenditure to the same value.

Expenditure of \$31.7 million in 2017-18 is \$0.3 million higher than the 2016-17 expenditure predominantly due to an increase in repair and maintenance expense.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY FINANCIAL REPORT

Balance Sheet

The Balance Sheet provides a summary of the department's financial position on assets, liabilities and equity as at 30 June 2018.

	2017–18 \$000	2016–17 \$000	Variation \$000
Assets	290,198	291,971	(1,773)
Liabilities	1,509	1,630	(121)
Equity	288,689	290,341	(1,652)

During 2017-18 the department's total assets decreased by \$1.8 million from \$291.9 million to \$290.2 million primarily due to an decrease of \$3.2 million in the depreciative value of property, plant and equipment and an increase of \$1.3 million in the cash position due to lower than expected repairs and maintenance and employee expense.

Cash Flow Statement

The Cash Flow Statement reflects total cash payments and receipts during the financial year.

	2017–18 \$000	2016–17 \$000	Variation \$000
Cash at start of year	5,320	4,664	656
Net movement	1,292	656	636
Cash at end of year	6,612	5,320	1,292

As at 30 June 2018, the department's cash held of \$6.6 million was \$1.3 million more than at the end of 2016-17. The increase in cash held reflects the department's under expenditure compared to budget estimates.

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
FINANCIAL REPORT**

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached financial statements for the Department of the Legislative Assembly have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2018 and the financial position on that date.

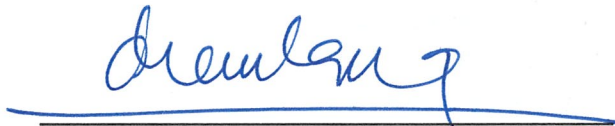
At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



MICHAEL TATHAM

Clerk and Chief Executive Officer

31/08/2018



DIEM TANG

Chief Financial Officer

31/08/2018

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
COMPREHENSIVE OPERATING STATEMENT**

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
INCOME			
Appropriation			
Output		26,432	25,789
Sales of goods and services ^(b)		83	100
Goods and services received free of charge	4	2,296	2,339
Other income ^(b)		94	181
TOTAL INCOME	3	28,906	28,408
EXPENSES			
Employee expenses		17,743	17,894
Administrative expenses			
Purchases of goods and services	6	2,350	2,480
Repairs and maintenance		2,874	2,410
Property management		2,849	2,750
Depreciation and amortisation	11, 12	3,578	3,549
Other administrative expenses ¹		2,297	2,350
TOTAL EXPENSES	3	31,690	31,433
NET SURPLUS/(DEFICIT)		(2,786)	(3,025)
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to net surplus/deficit:</i>			
Asset Revaluation Reserve		-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-
COMPREHENSIVE RESULT		(2,786)	(3,025)

¹ Includes DCIS service charges.

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
BALANCE SHEET**

As at 30 June 2018

	Note	2018 \$000	2017 \$000
ASSETS			
Current Assets			
Cash and deposits	8	6,612	5,320
Receivables	9	106	98
Inventories	10	12	13
Prepayments		54	10
Other assets ^(a)		-	-
Total Current Assets		6,783	5,440
Non-Current Assets			
Property, plant and equipment	11, 13	283,305	286,419
Heritage and cultural assets	12c, 13	111	112
Total Non-Current Assets		283,415	286,531
TOTAL ASSETS		290,198	291,971
LIABILITIES			
Current Liabilities			
Deposits held ^(a)		1	1
Payables	14	414	549
Provisions	15	1,094	1,078
Other liabilities	16	-	2
Total Current Liabilities		1,509	1,630
Non-Current Liabilities			
Provisions	15	-	-
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		1,509	1,630
NET ASSETS		288,689	290,341
EQUITY			
Capital		161,001	159,869
Reserves	17	169,603	169,603
Accumulated funds		(41,914)	(39,130)
TOTAL EQUITY		288,689	290,341

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2017-18					
Accumulated Funds		39,130	2,784	-	41,914
Asset Revaluation Reserve	17	(169,603)	-	-	(169,603)
Capital – Transactions with Owners					
Equity injections					
Capital appropriation		(1,705)	-	(41)	(1,746)
Equity transfers in		(158,207)	-	(1,090)	(159,298)
Other equity injections		(350)	-	-	(350)
Equity withdrawals					
Capital withdrawal ^(d)		393	-	-	393
		(159,869)	-	(1,131)	(161,001)
Total Equity at End of Financial Year		(290,341)	2,784	(1,131)	(288,687)
2016-17					
Accumulated Funds		36,105	3,025	-	39,130
Asset Revaluation Reserve	17	(169,603)	-	-	(169,603)
Capital – Transactions with Owners					
Equity injections					
Capital appropriation		(1,664)	-	(41)	(1,705)
Equity transfers in		(157,767)	-	(440)	(158,207)
Other equity injections		(350)	-	-	(350)
Equity withdrawals					
Capital withdrawal ^(d)		393	-	-	393
		(159,388)	-	(481)	(159,869)
Total Equity at End of Financial Year		(292,885)	3,025	(481)	(290,341)

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
CASH FLOW STATEMENT**

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Appropriation			
Output		26,432	25,789
Receipts from sales of goods and services		786	892
Total Operating Receipts		27,218	26,681
Operating Payments			
Payments to employees		(17,724)	(17,867)
Payments for goods and services		(8,243)	(7,905)
Total Operating Payments		(25,967)	(25,772)
Net Cash From/(Used in) Operating Activities	18	1,251	909
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from asset sales	5	-	-
Total Investing Receipts		-	-
Investing Payments			
Purchases of assets		-	(294)
Total Investing Payments		-	(294)
Net Cash From/(Used in) Investing Activities		-	(294)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Deposits received		-	-
Equity injections			
Capital appropriation		41	41
Total Financing Receipts		41	41
Financing Payments			
Equity withdrawals		-	-
Total Financing Payments		-	-
Net Cash From/(Used in) Financing Activities		41	41
Net increase/(decrease) in cash held		1,292	656
Cash at beginning of financial year		5,320	4,664
CASH AT END OF FINANCIAL YEAR	8	6,612	5,320

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
INDEX OF NOTES TO THE FINANCIAL STATEMENTS

Note

1. Objectives and funding
2. Statement of significant accounting policies
3. Comprehensive operating statement by output group

INCOME

4. Goods and services received free of charge
5. Gain on disposal of assets

EXPENSES

6. Purchases of goods and services
7. Write-offs, postponements, waivers, gifts and ex gratia Payments

ASSETS

8. Cash and deposits
9. Receivables
10. Inventories
11. Property, plant and equipment
- 12a. Intangibles
- 12b. Biological assets
- 12c. Heritage and cultural assets
13. Fair value measurement of non-financial assets

LIABILITIES

14. Payables
15. Provisions
16. Other liabilities

EQUITY

17. Reserves

OTHER DISCLOSURES

18. Notes to the cash flow statement
19. Financial instruments
20. Related parties
21. Contingent liabilities and contingent assets
22. Events subsequent to balance date
23. Budgetary information

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

1. OBJECTIVES AND FUNDING

The Department of the Legislative Assembly provides operational support and professional advice to Members of the Northern Territory Legislative Assembly and other clients, and promotes community understanding of the work of the Assembly and its committees.

The key functional responsibilities of the agency are:

- Facilitating the effective operation of the Assembly to ensure compliance with parliamentary practice, law and procedure;
- Managing the Parliament House facility;
- Providing administrative services and advice relating to Members' salaries, allowances and entitlements, Members' electorate offices and electorate office staff;
- Promoting community awareness and understanding of representative parliamentary democracy and the work of the Legislative Assembly; and
- Providing administrative and research support to the parliamentary standing and sessional committees.

The Department is predominantly funded by, and is dependent on, the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the agency controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the agency are summarised into several output groups. Note 3 provides summary financial information in the form of a Comprehensive Operating Statement by output group.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires the Department of the Legislative Assembly to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements should include:

- (i) a certification of the financial statements
- (ii) a comprehensive operating statement
- (iii) a balance sheet
- (iv) a statement of changes in equity
- (v) a cash flow statement and
- (vi) applicable explanatory notes to the financial statements.

b) Basis of accounting

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra-agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

The form of the agency financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

Standards and interpretations effective from 2017-18

The following new and revised accounting standards and interpretations were effective for the first time in 2017-18:

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Standards and Interpretations Issued but not yet effective

On the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have a potential impact on future reporting periods:

AASB 16 Leases

AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20. When the standard is effective it will supersede AASB 117 Leases and requires the majority of leases to be recognised on the balance sheet.

For lessees with operating leases, a right-of-use asset will now be included in the balance sheet together with a lease liability for all leases with a term of 12 months or more, unless the underlying assets are of low value. The comprehensive operating statement will no longer report operating lease rental payments. Instead a depreciation expense will be recognised relating to the right-to-use asset and interest expense relating to the lease liability.

For lessors, the finance and operating lease distinction remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

AASB 1058 Income for not-for-profit entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20.

Under the new AASB 1058 Income for Not-for-Profit Entities, revenue from grants and donations will be recognised when any associated performance obligation to provide goods or services is satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the balance sheet after adoption of this standard.

AASB 1058 clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 Revenue from Contracts with Customers.

While the full impacts are yet to be determined, potential impacts identified include:

- grants received to construct or acquire a non-financial asset will be recognised as a liability, and subsequently recognised as revenue as the performance obligations under the grant are satisfied. At present, such grants are recognised as revenue on receipt

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

- grants with an enforceable agreement and sufficiently specific performance obligations will be recognised as revenue progressively as the associated performance obligations are satisfied. At present, such grants are recognised as revenue on receipt
- grants that have an enforceable agreement but no specific performance obligations but have restrictions on the timing of expenditure will also continue to be recognised on receipt as time restriction on the use of funds is not sufficiently specific to create a performance obligation
- grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20.

AASB 1059 addresses the accounting for arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and managing at least some of those services.

Where a transaction meets the definition of a service concession arrangement, a service concession asset and liability will be recognised on the balance sheet and valued in accordance with the new standard.

The Territory's public-private partnership arrangements are currently under review to determine the applicability of AASB 1059 and the full impact of the new standard.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on future financial reporting.

c) Reporting entity

The financial statements cover the Department as an individual reporting entity.

The Department of the Legislative Assembly ("the Department") is a Northern Territory department established under the *Interpretation Act Administrative Arrangements Order*.

The principal place of business of the Department is:

Level 4 Parliament House
GPO Box 3721
Darwin NT 0801
Australia

d) Agency and territory items

The financial statements of Department of the Legislative Assembly include income, expenses, assets, liabilities and equity over which the Department of the Legislative Assembly has control (Agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

Central holding authority

The Central Holding Authority is the 'parent body' that represents the Government's ownership interest in Government-controlled entities.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the Government and managed by agencies on behalf of the Government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency's financial statements. However, as the agency is accountable for certain Territory items managed on behalf of Government.

e) Comparatives

Where necessary, comparative information for the 2017-18 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and rounding of amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero. Figures in the financial statements and notes may not equate due to rounding.

g) Changes in accounting policies

There have been no changes to accounting policies adopted in 2017-18 as a result of management decisions.

h) Accounting judgments and estimates

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements.

i) Goods and services tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

j) Contributions by and distributions to government

The agency may receive contributions from Government where the Government is acting as owner of the agency. Conversely, the agency may make distributions to Government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the agency as adjustments to equity.

The statement of changes in equity provides additional information in relation to contributions by, and distributions to, Government.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

3 COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

	Note	Assembly Services		Members and Client Services		Building Management Services		Corporate Governance		Total	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		\$000	\$000	\$000	\$000	\$000	\$000			\$000	\$000
INCOME											
Appropriation											
Output		3,287	3,152	15,265	15,254	6,652	5,795	1,228	1,558	26,432	25,789
Commonwealth											
Sales of goods and services						20		64		83	
Interest revenue											
Goods and services received free of charge	4							2,296	2,339	2,296	2,339
Gain on disposal of assets	5										
Other income		35	145	28	2	3	46	28	88	94	281
TOTAL INCOME		3,322	3,297	15,293	15,256	6,674	5,841	3,616	3,985	28,905	28,409
EXPENSES											
Employee expenses		2,861	2,519	12,713	13,253	795	783	1,374	1,347	17,743	17,894
Administrative expenses											
Purchases of goods and services	6	632	723	1,665	1,698	2,734	2,559	168	249	5,199	5,230
Repairs and maintenance		-	-	-	-	2,874	2,410	-	-	2,874	2,410
Depreciation and amortisation	11, 12	-	-	-	-	3,578	3,549	-	-	3,578	3,549
Other administrative expenses ¹		-	-	-	-	-	-	2,296	2,347	2,296	2,347
TOTAL EXPENSES		3,493	3,243	14,378	14,947	9,981	9,300	3,838	3,943	31,690	31,433
NET SURPLUS/(DEFICIT)		(171)	54	915	309	(3,307)	(3,459)	(222)	42	(2,784)	(3,024)
OTHER COMPREHENSIVE INCOME											
Asset Revaluation Reserve		-	-	-	-	-	-	-	-	-	-
COMPREHENSIVE RESULT		(171)	54	915	309	(3,307)	(3,459)	(222)	42	(2,784)	(3,024)

¹ Includes DCIS service charges.

This Comprehensive Operating Statement by output group is to be read in conjunction with the notes to the financial statements.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

Income

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Grants and other contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Appropriation

Output appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of agency outputs after taking into account funding from agency income. It does not include any allowance for major non-cash costs such as depreciation.

Commonwealth appropriation follows from the intergovernmental agreement on federal financial relations, resulting in specific purpose payments (SPPs) and national partnership (NP) payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by the Department of Treasury and Finance on behalf of the Central Holding Authority and then passed on to the relevant agencies as Commonwealth appropriation.

Revenue in respect of appropriations is recognised in the period in which the agency gains control of the funds.

Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the agency; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

	2018 \$000	2017 \$000
4. GOODS AND SERVICES RECEIVED FREE OF CHARGE		
Corporate and information services	2,296	2,339
Internal audits and reviews		
	2,296	2,339

5. GAIN ON DISPOSAL OF ASSETS

Net proceeds from the disposal of non-current assets	-	-
Less: Carrying value of non-current assets disposed	-	-
Gain on the disposal of non-current assets	-	-
Proceeds from sale of minor assets	-	-
Total Gain on Disposal of Assets	-	-

6. PURCHASES OF GOODS AND SERVICES

The net surplus/(deficit) has been arrived at after charging the following expenses:

Goods and services expenses:

Consultants ⁽¹⁾	19	62
Advertising ⁽²⁾	4	5
Marketing and promotion ⁽³⁾	12	71
Document production	17	11
Legal expenses ⁽⁴⁾	37	7
Recruitment ⁽⁵⁾	-	13
Training and study	92	38
Official duty fares	300	312
Travelling allowance	286	239
Accommodation	109	113
Communications	183	188
Hospitality	98	91
Information Technology	636	668
Membership and Subscriptions	28	21
Motor Vehicle Expenses	351	367
Office Requisites	15	23
Other Equipment Expenses	111	205
Other	52	46
	2,350	2,480

⁽¹⁾ Includes marketing, promotion and IT consultants.

⁽²⁾ Does not include recruitment, advertising or marketing and promotion advertising.

⁽³⁾ Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

⁽⁴⁾ Includes legal fees, claim and settlement costs.

⁽⁵⁾ Includes recruitment-related advertising costs.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

Repairs and maintenance expense

Funding is received for repairs and maintenance works associated with agency assets as part of output appropriation. Costs associated with repairs and maintenance works on agency assets are expensed as incurred.

Interest expense

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

7. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS

	Agency 2018 No. of Trans.		Agency 2017 No. of Trans.		Territory items 2018 No. of Trans.		Territory items 2017 No. of Trans.	
	\$000		\$000		\$000		\$000	
Write-offs, postponements and waivers under the <i>Financial Management Act</i>	-	1	12	2	-	-	-	-
Represented by:								
<i>Amounts written off, postponed and waived by Delegates</i>								
Irrecoverable amounts payable to the Territory or an agency written off	-	-	-	-	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-	-	-	-	-
Public property written off	-	1 ^a	1	1	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
Total written off, postponed and waived by delegates	-	1	1	1	-	-	-	-
<i>Amounts written off, postponed and waived by the Treasurer</i>								
Irrecoverable amounts payable to the Territory or an agency written off	-	-	11	1	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-	-	-	-	-
Public property written off	-	-	-	-	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
Total written off, postponed and waived by the Treasurer	-	-	11	1	-	-	-	-
Write-offs, postponements and waivers authorised under other legislation ^(a)	-	-	-	-	-	-	-	-
Gifts under the <i>Financial Management Act</i>	-	-	-	-	-	-	-	-
Gifts authorised under other legislation ^(a)	-	-	-	-	-	-	-	-
Ex gratia payments under the <i>Financial Management Act</i>								

a One transaction was written off at a value of less than \$500.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

	2018 \$000	2017 \$000
8. CASH AND DEPOSITS		
Cash on hand	5	5
Cash at bank	6,607	5,315
On call or short-term deposits		
	6,612	5,320

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner – refer also to Note 25.

9. RECEIVABLES		
Current		
Accounts receivable	19	15
Less: allowance for impairment losses	-	-
Interest receivables	-	-
GST receivables	86	69
Other receivables	1	14
Non-current		
Other receivables	-	-
Total receivables	106	98

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 21 financial instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable are generally settled within 30 days and other receivables within 30 days.

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

10. INVENTORIES	2018 \$000	2017 \$000
General inventories		
At cost		
At net realisable value	-	(2)
	<hr/>	<hr/>
Inventories held for distribution		
At cost	12	15
At current replacement cost	-	-
	<hr/>	<hr/>
Total inventories	<hr/> 12 <hr/>	<hr/> 13 <hr/>

During the year the Department of the Legislative Assembly was required to write off \$469.70 (\$1,320.00 in 2016-17) of uniform due to stock-take variances.

Inventories include assets held either for sale (general inventories) or for distribution at no or nominal consideration in the ordinary course of business operations.

General inventories are valued at the lower of cost and net realisable value, while those held for distribution are carried at the lower of cost and current replacement cost. Cost of inventories includes all costs associated with bringing the inventories to their present location and condition. When inventories are acquired at no or nominal consideration, the cost will be the current replacement cost at date of acquisition.

The cost of inventories are assigned using a mixture of first in, first out or weighted average cost formula or using specific identification of their individual costs.

Inventory held for distribution is regularly assessed for obsolescence and loss.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

	2018	2017
	\$000	\$000
11. PROPERTY, PLANT AND EQUIPMENT		
Land		
At fair value	84,910	84,910
Buildings		
At fair value	282,604	282,142
Less: accumulated depreciation	(84,582)	(81,045)
	198,022	201,097
Infrastructure		
At fair value	106	106
Less: accumulated depreciation	(9)	(6)
	97	100
Plant and equipment		
At fair value	2,309	2,309
Less: accumulated depreciation	(2,033)	(1,996)
	275	312
Leased Computer Software		
At capitalised cost	51	51
Less: accumulated amortisation	(51)	(51)
	-	-
Computer Hardware		
At capitalised cost	37	37
Less: accumulated depreciation	(37)	(37)
	-	-
Total Property, Plant and Equipment	283,305	286,419

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

11. PROPERTY, PLANT AND EQUIPMENT (continued)

2018 Property, plant and equipment reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2017-18 is set out below:

	Land	Buildings	Infrastructure	Plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2017	84,910	201,097	100	312	286,419
Additions	-	-	-	-	-
Depreciation	-	(3,537)	(3)	(37)	(3,576)
Additions/disposals from asset transfers	-	462	-	-	462
Carrying amount as at 30 June 2018	84,910	198,022	97	275	283,305

2017 Property, plant and equipment reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2016-17 is set out below:

	Land	Buildings	Infrastructure	Plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2016	84,910	204,414	102	37	289,463
Additions	-	-	-	294	294
Depreciation	-	(3,526)	(3)	(18)	(3,547)
Additions/disposals from asset transfers	-	209	-	-	209
Carrying amount as at 30 June 2017	84,910	201,097	100	312	286,419

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

Acquisitions

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10 000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

Complex assets

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

Construction (work in progress)

As part of the financial management framework, the Department of Infrastructure is responsible for managing general government capital works projects on a whole of government basis. Therefore appropriation for the Department of the Legislative Assembly's capital works is provided directly to the Department of Infrastructure, Planning and Logistics and the cost of construction work in progress is recognised as an asset of that department. Once completed, capital works assets are transferred to the agency.

Revaluations and impairment

Revaluation of assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land
- buildings
- infrastructure assets
- heritage and cultural assets
- biological assets and
- intangibles.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

Impairment of Assets

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible agency assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment. If an indicator of impairment exists, the agency determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's current replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the comprehensive operating statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the comprehensive operating statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 17 provides additional information in relation to the asset revaluation surplus.

Agency property, plant and equipment assets were assessed for impairment as at 30 June 2018. No impairment adjustments were required as a result of this review.

Depreciation and amortisation expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2018	2017
Buildings	100 years ^(a)	80 years
Infrastructure assets	40 years	82 years
Plant and equipment	10 years	10 years
Leased plant and equipment	3 years	3 years
Heritage and cultural assets	100 years	100 years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

12a. INTANGIBLES

The Department of the Legislative Assembly does not hold any intangible assets.

12b. BIOLOGICAL ASSETS

The Department of the Legislative Assembly does not hold any biological assets.

12c. HERITAGE AND CULTURAL ASSETS

Carrying amount

	2018 \$000	2017 \$000
At valuation	137	137
Less: Accumulated depreciation	(27)	(25)
Written down value – 30 June	111	112

Reconciliation of movements

Carrying amount at 1 July	112	114
Additions	-	-
Depreciation	(1)	(1)
Carrying amount as at 30 June	111	112

Heritage and Cultural Assets Valuation.

The Heritage and Cultural Assets have not been independently valued. Refer to Note 13: Fair Value Measurement of Non-Financial Assets for additional disclosures.

Impairment of heritage and cultural assets

Agency heritage and cultural assets were assessed for impairment as at 30 June 2018. No impairment adjustments were required as a result of this review.

Assets held for sale

The Department of the Legislative Assembly does not hold any assets for sale.

Leased assets

Leases under which the agency assumes substantially all the risks and rewards of ownership of an asset, are classified as finance leases. Other leases are classified as operating leases.

Finance leases

Finance leases are capitalised. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives should be recognised as a deduction of the lease expenses over the term of the lease.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

13. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

a) Fair Value Hierarchy

Fair values of non-financial assets categorised by levels of inputs used to compute fair value are:

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total fair value \$000
2017-18				
Asset classes				
Land (Note 11)	-	84,910	-	84,910
Buildings (Note 11)	-	-	198,022	198,022
Infrastructure (Note 11)	-	-	97	97
Plant and Equipment (Note 11)	-	-	275	275
Heritage and Cultural (Note 12)	-	-	111	111
Total	-	84,910	198,505	283,415
2016-17				
Asset classes				
Land (Note 11)	-	84,910	-	84,910
Buildings (Note 11)	-	-	201,097	201,097
Infrastructure (Note 11)	-	-	100	100
Plant and Equipment (Note 11)	-	-	312	312
Heritage and Cultural (Note 12)	-	-	112	112
Total	-	84,910	201,621	286,531

There were no transfers between Level 1 and Levels 2 or 3 during 2017-18.

b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value in 2017-18 are:

	Level 2 techniques	Level 3 techniques
Asset classes^(a)		
Land	Market	
Buildings		Cost
Infrastructure		Cost
Plant and Equipment		Cost
Heritage and Cultural		Cost

There were no changes in valuation techniques from 2016-17 to 2017-18.

Level 2 fair values of land and buildings were based on market evidence of sales price per square metre of comparable land and buildings.

Level 3 fair values of specialised buildings and infrastructure were determined by computing their current replacement costs because an active market does not exist for such facilities. The current replacement cost was based on a combination of internal records of the historical cost of the facilities, adjusted for contemporary technology and construction approaches. Significant judgement

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

was also used in assessing the remaining service potential of the facilities, given local environmental conditions, projected usage, and records of the current condition of the facilities.

c) Additional Information for Level 3 Fair Value Measurements

(i) Reconciliation of Recurring Level 3 Fair Value Measurements

	Buildings \$000	Infrastructure \$000	Plant and Equipment \$000	Heritage and Cultural \$000
2017-18				
Fair value as at 1 July 2017	201,097	100	312	112
Additions	462	-	143	-
Disposals	-	-	(143)	-
Depreciation	(3,537)	(3)	(37)	(1)
Gains/losses recognised in net surplus/deficit ^(c)	-	-	-	-
Gains/losses recognised in other comprehensive income ^(c)	-	-	-	-
Fair value as at 30 June 2018	198,022	97	275	111
2016-17				
Fair value as at 1 July 2016	204,414	103	36	114
Additions	-	-	294	-
Disposals	209	-	-	-
Depreciation	(3,526)	(3)	(18)	(1)
Gains/losses recognised in net surplus/deficit ^(c)	-	-	-	-
Gains/losses recognised in other comprehensive income ^(c)	-	-	-	-
Fair value as at 30 June 2017	201,097	100	312	112

(ii) Sensitivity analysis

The Level 3 assets apart from Buildings use historical cost less depreciated value to obtain the asset's fair value. As the material components of these assets do not have an active market, historical cost method of valuation was used. In respect of sensitivity of fair value to changes in input, higher or lower useful life would increase or decrease the fair value respectively.

Buildings asset was revalued as at 30 June 2015 using replacement cost.

14. PAYABLES

	2018 \$000	2017 \$000
Accounts payable	59	186
Accrued expenses	355	364
Total payables	414	549

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency. Accounts payable are normally settled within 30 days.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

	2018	2017
	\$000	\$000
15. PROVISIONS		
Current		
<i>Employee benefits</i>		
Recreation leave	811	810
Leave loading	113	92
Other employee benefits	6	4
<i>Other current provisions</i>		
Other provisions	164	172
	1,094	1,078
Non-current		
<i>Employee benefits</i>		
Recreation leave	-	-
	-	-
Total Provisions	1,094	1,078

The Agency employed 101 employees as at 30 June 2018 (100 employees as at 30 June 2017).

Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements and
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including Department of the Legislative Assembly and as such no long service leave liability is recognised in agency financial statements.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

	2018	2017
	\$000	\$000
16. OTHER LIABILITIES		
Current		
Other liabilities	-	2
	-	2
Non-current		
Other liabilities	-	-
	-	-
Total other liabilities	-	2

Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

The agency makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in agency financial statements.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

17. RESERVES

	2018	2017
	\$000	\$000
Asset revaluation surplus		
<i>(i) Nature and purpose of the asset revaluation surplus</i>		
The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the asset revaluation surplus.		
<i>(ii) Movements in the asset revaluation surplus</i>		
Balance as at 1 July	169,603	169,603
Increment/Decrement – land	-	-
Increment/Decrement – buildings	-	-
Increment/Decrement – infrastructure	-	-
Balance as at 30 June	169,603	169,603

18. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of Cash

The total of agency 'Cash and deposits' of \$6,612,000 recorded in the balance sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

Reconciliation of net surplus/deficit to net cash from operating activities

Net surplus/deficit	(2,784)	(3,025)
<i>Non-cash items:</i>		
Depreciation and amortisation	3,578	3,549
Asset write-offs/write-downs	-	-
Asset donations/gifts	-	-
Gain/loss on disposal of assets	-	-
R&M – Minor New Work Non Cash	628	231
<i>Changes in assets and liabilities:</i>		
Decrease/(increase) in receivables	(8)	(1)
Decrease/(increase) in inventories	1	2
Decrease/(increase) in prepayments	(44)	9
Decrease/(increase) in other assets	-	-
(Decrease)/increase in payables	(135)	185
(Decrease)/increase in provision for employee benefits	24	(28)
(Decrease)/increase in other provisions	(8)	(16)
(Decrease)/increase in other liabilities	(2)	2
Net cash from operating activities	1,251	909

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

19. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the Department of the Legislative Assembly include cash and deposits, receivables, payables and finance leases. The Department of the Legislative Assembly has limited exposure to financial risks as discussed below.

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised on the balance sheet when the agency becomes a party to the contractual provisions of the financial instrument. The agency's financial instruments include cash and deposits; receivables; advances; investments loan and placements; payables; advances received; borrowings and derivatives.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments Presentation. These include statutory receivables arising from taxes including GST and penalties.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The agency's investments, loans and placements, and borrowings are predominantly managed through the NTTC adopting strategies to minimise the risk. Derivative financial arrangements are also utilised to manage financial risks inherent in the management of these financial instruments. These arrangements include swaps, forward interest rate agreements and other hedging instruments to manage fluctuations in interest or exchange rates.

a) Categorisation of financial instruments

The carrying amounts of the agency's financial assets and liabilities by category are disclosed in the table below.

2017-18 Categorisation of financial instruments

Fair value through profit or loss

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Designated at fair value	Total
	\$000	\$000
Cash and deposits	6,612	6,612
Receivables ¹	20	20
Total financial assets	6,632	6,632
Deposits held ¹	1	1
Payables ¹	414	414
Total financial liabilities	415	415

1. Total amounts disclosed here exclude statutory amounts

2016-17 Categorisation of financial instruments

	Fair value through profit or loss	
	Designated at fair value	Total
	\$000	\$000
Cash and deposits	5,320	5,320
Receivables ¹	29	29
Total financial assets	5,349	5,349
Deposits held ¹	1	1
Payables ¹	549	549
Total financial liabilities	550	550

1. Total amounts disclosed here exclude statutory amounts

Classification of Financial Instruments

AASB 7 Financial Instruments: Disclosures requires financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity investments
- loans and receivables and
- available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss (FVTPL) and
- financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

An instrument is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or
- a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

A financial instrument may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- the instrument forms part of a group of financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss include deposits held excluding statutory deposits, accounts payable and accrued expenses. Financial assets at fair value through profit or loss include short-term securities and bonds.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables.

Available-for-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the comprehensive operating statement.

Financial Liabilities at Amortised Cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

Derivatives

The agency enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. The agency does not speculate on trading of derivatives.

Derivatives are initially recognised at fair value on the date a derivative contract is entered in to and are subsequently remeasured at their fair value at each reporting date. The resulting gain or loss is recognised in the comprehensive operating statement immediately unless the derivative is designated and qualifies as an effective hedging instrument, in which event, the timing of the recognition in the comprehensive operating statement depends on the nature of the hedge relationship. Application of hedge accounting will only be available where specific designation and effectiveness criteria are satisfied.

Netting of Swap Transactions

The agency, from time to time, may facilitate certain structured finance arrangements, where a legally recognised right to set-off financial assets and liabilities exists, and the Territory intends to settle on a net basis. Where these arrangements occur, the revenues and expenses are offset and the net amount is recognised in the comprehensive operating statement.

b) Credit Risk

The agency has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the agency has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the agency's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Receivables

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and aging analysis of receivables is presented below.

Internal receivables ^(a)	Aging of receivables \$000	Aging of impaired receivables \$000	Net receivables \$000
2017-18			
Not overdue	6	-	6
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	6	-	6
2016-17			
Not overdue	-	-	-
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	-	-	-

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

External receivables^(a)	Aging of receivables \$000	Aging of impaired receivables \$000	Net receivables \$000
2017-18			
Not overdue	7	-	7
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	7	-	7
Total	14	-	14
2016-17			
Not overdue	26	-	26
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	1	-	1
Overdue for more than 60 days	2	-	2
Total	29	-	29

^(a) Internal receivables are from entities controlled by the NTG (entities listed in TAFR 2016-17 Note 43: Details of controlled entities at reporting date), whereas external receivables are from third parties external to the NTG.

c) Liquidity risk

Liquidity risk is the risk that the agency will not be able to meet its financial obligations as they fall due. The agency's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the agency's remaining contractual maturity for its financial assets and liabilities.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

2018 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-interest bearing	Total	Weighted average
	Less than a Year	1 to 5 Years	More than 5 Years	Less than a Year	1 to 5 Years	More than 5 Years			
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	%
Assets									
Cash and deposits							6,612	6,612	
Receivables							20	20	
Total Financial Assets							6,632	6,632	
Liabilities									
Deposits held							1	1	
Payables							414	414	
Total Financial Liabilities							415	415	

2017 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-interest bearing	Total	Weighted average
	Less than a Year	1 to 5 Years	More than 5 Years	Less than a Year	1 to 5 Years	More than 5 Years			
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	%
Assets									
Cash and deposits							5,320	5,320	
Receivables							29	29	
Total financial assets							5,349	5,349	
Liabilities									
Deposits held							1	1	
Payables							549	549	
Total financial liabilities							550	550	

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

(i) Interest rate risk

The Department of the Legislative Assembly is not exposed to interest rate risk as agency financial assets and financial liabilities are non-interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose the Department of the Legislative Assembly to interest rate risk.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

(ii) Price Risk

The Department of the Legislative Assembly is not to price risk as the Department of the Legislative Assembly does not hold units in unit trusts.

(iii) Currency Risk

The Department of the Legislative Assembly is not exposed to currency risk as the Department of the Legislative Assembly does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

e) Net Fair Value

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

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the agency include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal agency adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument and

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

For financial instruments measured and disclosed at fair value, the following table groups the instruments based on the level of inputs used.

2018	Total carrying amount	Net fair value level 1	Net fair value level 2	Net fair value level 3	Net fair value total
	\$000	\$000	\$000	\$000	\$000
Financial assets					
Cash and Deposits	6,612	6,612			6,612
Receivables	20	20			20
Total financial assets	6,632	6,632			6,632
Financial liabilities					
Deposits Held	1	1			1
Payables	414	414			414
Total financial liabilities	415	415			415
2017	Total carrying amount	Net fair value level 1	Net fair value level 2	Net fair value level 3	Net fair value total
	\$000	\$000	\$000	\$000	\$000
Financial assets					
Cash and Deposits	5,320	5,320			5,320
Receivables	29	29			29
Total financial assets	5,349	5,349			5,349
Financial liabilities					
Deposits Held	1	1			1
Payables	549	549			549
Total financial liabilities	550	550			550

The net fair value of all financial instruments are based on market value.

There were no changes in valuation techniques during the period.

Transfer between categories

There were no transfers between categories during the period.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

20. Related Parties

i) Related Parties

The Department of the Legislative Assembly is a government administrative entity and is wholly owned and controlled by the Territory Government. Related parties of the department include:

- the portfolio minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the department directly; and
- spouses, children and dependants who are close family members of the portfolio minister or KMP; and
- all public sector entities that are controlled and consolidated into the whole of government financial statements; and
- any entities controlled or jointly controlled by KMP's or the portfolio minister or controlled or jointly controlled by their close family members.

ii) Key Management Personnel (KMP)

Key management personnel of the Department of the Legislative Assembly are those persons having authority and responsibility for planning, directing and controlling the activities of the Department of the Legislative Assembly. These include the Chief Minister, the Chief Executive Officer and the six additional members of the Board of management of the Department of the Legislative Assembly as listed below:

- Chief Minister, Hon Michael Gunner
- Clerk (Chief Executive Officer), Mr Michael Tatham
- Deputy Clerk, Ms Marianne Conaty
- First Clerk Assistant, Mr Russel Keith
- Clerk Assistant Chamber & Serjeant-at-Arms, Mr Sean O'Connor
- Chief Finance Officer, Mrs Diem Tang
- Director Business Services, Ms Jacqui Forrest
- Acting Director Building & Property Management, Ms Melissa Johnson

iii) Remuneration of Key Management Personnel

The details below includes the salaries and other benefits of the Chief Minister as the Chief Minister's remunerations and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within the Treasurer's annual financial statements.

The aggregate compensation of key management personnel of the Department of the Legislative Assembly is set out below:

	2017-18	2016-17
	\$000	\$000
Short-term benefits	1,803	1,943
Termination Benefits	-	102
Post-Employment Benefits	160	129
Total	1,963	2,174

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

iv) Related party transactions:

Transactions with Northern Territory Government controlled entities

The department's primary ongoing source of funding is received from the Central Holding Authority in the form of output and capital appropriation and on-passed Commonwealth national partnership and specific purpose payments.

The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government controlled entities.

Related Party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	Year \$000	Year \$000	Year \$000	Year \$000
<i>All NTG Government departments</i>	-	-	-	-
<i>Associates</i>	-	-	-	-
<i>Subsidiaries</i>	-	-	-	-

The department's transactions with other government entities are not individually significant.

Other related party transactions are as follows:

Given the breadth and depth of Territory Government activities, related parties will transact with the Territory Public sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. Additionally, there were no related party transactions in excess of \$10,000.

21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Department of the Legislative Assembly had no quantifiable contingent liabilities or contingent assets as at 30 June 2018 or 30 June 2017.

22. EVENTS SUBSEQUENT TO BALANCE DATE

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

23. BUDGETARY INFORMATION

Comprehensive Operating Statement	2017-18 Actual	2017-18 Original budget	Variance	Note
	\$000	\$000	\$000	
INCOME				
Output	26,432	25,893	539	1
Sales of goods and services	83	75	8	
Goods and services received free of charge	2,296	2,102	194	
Other income	94	52	42	
TOTAL INCOME	28,906	28,122	784	
EXPENSES				
Employee expenses	17,743	17,912	(169)	
Administrative expenses				
Purchases of goods and services	5,199	4,852	347	2
Repairs and maintenance	2,874	3,256	(382)	3
Depreciation and amortisation	3,578	3,622	(44)	
Other administrative expenses	2,297	2,102	195	
TOTAL EXPENSES	31,690	31,744	(54)	
NET SURPLUS/(DEFICIT)	(2,784)	(3,622)	838	
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net surplus/deficit				
Changes in accounting policies	-	-	-	
Correction of prior period errors	-	-	-	
Changes in asset revaluation surplus	-	-	-	
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	
COMPREHENSIVE RESULT	(2,784)	(3,622)	838	

Notes:

The following note descriptions relate to variances greater than \$200,000, or where multiple significant variances have occurred.

1. The increase of output appropriation of \$0.539 million primarily reflects Members and Electorate office entitlements funding pursuant to Remuneration Tribunal Determination.
2. Purchase of goods and services are over budget by \$0.347 million primarily due to costs relating to utility, property management and other operations.
3. Repairs and Maintenance's decrease of \$0.382 million due to timing of completion of projects under taken by the Department of Infrastructure, Planning and Logistics.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

	2017-18 Actual	2017-18 Original budget	Variance	Note
Balance Sheet	\$000	\$000	\$000	
ASSETS				
Current assets				
Cash and deposits	6,612	4,664	1,948	1
Receivables	106	96	10	
Inventories	12	15	(3)	
Prepayments	54	19	35	
Total current assets	6,783	4,794	1,989	
Non-current assets				
Property, plant and equipment	283,305	282,447	858	
Heritage and cultural assets	111	-	111	
Total non-current assets	283,415	282,447	968	
TOTAL ASSETS	290,198	287,241	2,957	
LIABILITIES				
Current liabilities				
Deposits held	1	1	-	
Payables	414	363	51	
Provisions	1,094	1,121	(27)	
Other liabilities	2	-	2	
Total current liabilities	1,509	1,485	24	
Non-current liabilities				
Provisions	-	-	-	
Total non-current liabilities	-	-	-	
TOTAL LIABILITIES	1,509	1,485	26	
NET ASSETS	288,689	285,756	2,933	
EQUITY				
Capital				
Opening balance	159,869	160,249	(380)	
Equity injections/withdrawals	1,131	41	1,090	
Reserves	169,603	169,603	-	
Accumulated funds				
Opening balance	(39,130)	(40,515)	1,385	
Current year surplus/(deficit)	(2,784)	(3,622)	838	
TOTAL EQUITY	288,689	285,756	2,933	

Notes:

The following note descriptions relate to variances greater than \$200,000, or where multiple significant variances have occurred.

1. The above budget cash and deposit balance at the end of the financial year is a result of the under spend in repairs and maintenance and Members and Electorate offices use of entitlements pursuant to Remuneration Tribunal Determination.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

	2017-18 Actual	2017-18 Original budget	Variance	Note
Cash Flow Statement	\$000	\$000	\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Appropriation				
Output	26,432	25,893	539	1
Receipts from sales of goods and services	786	127	659	2
Total operating receipts	27,218	26,020	1,198	
Operating payments				
Payments to employees	17,724	17,912	(188)	
Payments for goods and services	8,243	8,108	135	
Total operating payments	25,967	26,020	(53)	
Net cash from/(used in) operating activities	1,251	-	1,251	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Proceeds from asset sales	-	2	(2)	
Repayment of advances	-	-	-	
Sales of investments	-	-	-	
Total investing receipts		2	(2)	
Investing payments				
Purchases of assets	-	43	(43)	
Advances and investing payments	-	-	-	
Total investing payments		43	(43)	
Net cash from/(used in) investing activities		(41)	(41)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Deposits received	-	-	-	
Equity injections	-	-	-	
Capital appropriation	41	41	-	
Total financing receipts	41	41		
Financing payments				
Equity withdrawals	-	-	-	
Total financing payments	-	-	-	
Net cash from/(used in) financing activities	41	41	-	
Net increase/(decrease) in cash held	1,295	-	1,295	
Cash at beginning of financial year	5,320	4,664	656	
CASH AT END OF FINANCIAL YEAR	6,613	4,664	1,948	

Notes:

The following note descriptions relate to variances greater than \$200,000, or where multiple significant variances have occurred.

1. The increase of output appropriation of \$0.539 million mainly reflects Members and Electorate offices entitlements pursuant to Remuneration Tribunal Determination.
2. The increase of receipts from sales of goods and services primarily reflect Goods and Services receipts from taxation authority.