



## DEPARTMENT OF THE LEGISLATIVE ASSEMBLY



---

**ANNUAL REPORT 2016 - 2017**

---



**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 2016-17 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**

// September 2017

# TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>Clerk of the Legislative Assembly's Overview</b> ..... | <b>4</b>  |
| <b>Functions and Objectives of the Agency</b> .....       | <b>7</b>  |
| <b>Legislation administered by the Agency</b> .....       | <b>7</b>  |
| <b>Organisation of the Department</b> .....               | <b>8</b>  |
| <b>Board of Management</b> .....                          | <b>9</b>  |
| <b>Agency Operations</b> .....                            | <b>10</b> |
| House Division .....                                      | 10        |
| Committees and Education Division .....                   | 11        |
| Member and Corporate Support Division.....                | 12        |
| <b>Management and Staff Training</b> .....                | <b>14</b> |
| <b>Corporate Governance</b> .....                         | <b>15</b> |
| Strategic and Business Planning .....                     | 16        |
| Risk Management and Audit Committee.....                  | 16        |
| Internal and External Scrutiny.....                       | 17        |
| Performance Management .....                              | 18        |
| Access to Information .....                               | 18        |
| Privacy .....   | 18        |
| Records and Archives Management.....                      | 18        |
| Legislative Compliance.....                               | 19        |
| Work Health and Safety Committee and Activities.....      | 19        |
| <b>Member Satisfaction Survey 2016</b> .....              | <b>19</b> |
| <b>Financial Statement Overview</b> .....                 | <b>21</b> |

## Clerk of the Legislative Assembly's Overview

The Department of the Legislative Assembly continues to focus on serving the people of the Northern Territory by providing support to their elected Members of the Legislative Assembly.

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

During the year, the Department supported the ultimate expression of democracy with the commencement of the Northern Territory's 13<sup>th</sup> Assembly on 18 October 2016 following a General Election held on 27 August 2016.

The election resulted in a change of government with a significant turnover of Members, the abolition of an electorate in Alice Springs (Greatorex) and the creation of a new electorate in Darwin (Spillett). New electorate offices had to be located, leased and fitted out, Members had to attend induction sessions and be provided copies of materials, provide their disclosure of interest returns and be sworn in.

The Assembly welcomed thirteen new Members to the 13<sup>th</sup> Assembly as well as one previously retired re-elected Member and the return of eleven other re-elected Members.

To an Assembly of 25 Members, Territory electors once again chose an Assembly with Members of Aboriginal heritage, the only Australian parliament to have Aboriginal membership in every parliament since its foundation. As in the 12<sup>th</sup> Assembly, six Members with Aboriginal heritage meet in the 13<sup>th</sup> Assembly.

For a short period, the Northern Territory Assembly with 48% women had the highest proportion of female representation in Australia until the Assembly of the Australian Capital Territory exceeded this with 52% women membership later in 2016 after an election in that jurisdiction.

The Speaker of the 13<sup>th</sup> Legislative Assembly was re-elected unopposed to the role at the commencement of the meetings in October and therefore also continued in her role as a representative of the Australian Region on the Executive Committee of the Commonwealth Parliamentary Association. Madam Speaker, with her parliamentary colleagues, hosted the Commonwealth Parliamentary Association Mid-Year Executive Committee meeting during April at Parliament House in Darwin.

The Mid-Year meeting saw delegates from each of the nine worldwide regions of the Association attend meetings in Darwin over four days during April where they contributed to debate, passed resolutions to further the work of the Association and continued to promote and facilitate Members of parliaments on a global basis develop democracy and undertake best practice in governance.

The professional development of Members of Parliaments has been a focus of the Speaker's membership on the Association and the Assembly was able to host the Mid-Year meeting on a cost neutral basis to Government by allocating funds from the Northern Territory Branch of the Commonwealth Parliamentary Association to support the meeting.

The *Know Your Assembly* seminars continue to attract Territorians to learn more about how their parliament works and for the first time the seminar was held in Katherine during the reporting period. A total of 196 people have participated in the forum during the reporting year.

The annual survey of Members resulted in 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 high calibre.

The 2016 results showed two categories in decline this year compared with four last year, one stable compared with two last year and six improvements compared to five improvements last year.

The categories in decline were the level of satisfaction with Department of Corporate and Information Services provided information and communication technology (ICT) services down from 94% to 90% and the level of satisfaction with Committee support was down from a previous 98% to 96%.

Chamber support, business services support to Members and their offices and financial support were all up to a very healthy 98% satisfaction level this year.

Last year we concentrated our efforts on improving the categories of Travel and Human Resources which were achieved, but there is now a concern that while these efforts yielded results, there have been declines in the other areas.

I reported these results to the Department of the Legislative Assembly Board of Management in early 2017 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 which requires more effort.

As occurs each year, the experiences of individual Members can have a significant impact on a category and its results. Some newly elected Members will have expectations their returning colleagues don't share.

Last year I reported that Parliament House was #20 of "things to do" in Darwin on the popular travel app *Trip Advisor*, this year it is ranked at #18.

Our team has risen to the challenge that we could improve our ranking 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 my thanks go to the leadership of the Departments on which we rely for property management and leasing, 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 a larger organism 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 the Assembly's chamber broadcast cameras were replaced due to the failure of some of them during the 2016 calendar year and the lack of availability of parts to service and repair them.

By the time they were replaced we were limping along with reduced visibility and coverage. Cameras, websites, audio visual systems and the like require constant maintenance and updates. This requires government expenditure.

Systems are often unable to be repaired or updated over a period of time as manufacturers improve the software and hardware and obsolete systems have to be replaced.

The logical comparison which many people will understand is that their smart phone purchased when they first hit the market in about 2008 is unable to be repaired or updated as each year new operating systems and improvements mean the old operating system is now redundant. The same applies to systems purchased by Government to keep Territorians informed about how their democratic institution is operating.

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 62<sup>nd</sup> Commonwealth Parliamentary Conference where I delivered a paper to colleagues about the operation of Northern Territory Standing Orders. This was my first SOCATT attendance since the 2012 meeting.

Next year I will be pleased to report on my approved attendance at the 2017 SOCATT Conference where I intend to present a paper on media scrutiny of parliamentary administration.

As an engaged member of SOCATT and working to support the Speaker and the Northern Territory Branch of the Commonwealth Parliamentary Association, I was invited to attend and deliver two papers to the Post-Election Seminar for the National Assembly of Zambia after their 2016 election and to work with my colleague the Clerk of the National Assembly of Zambia to draft the new standing orders for the rules governing all meetings of the Association's Executive Committee.

My experience as Secretary of the Northern Territory Legislative Assembly Standing Orders Committee has been invaluable in my work with CPA colleague jurisdictions as I continue to work

with that Committee on the redraft for the 13<sup>th</sup> Assembly and has stood me in good stead delivering on the Association's request.

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, which each Australian parliament participates in, the Northern Territory has a relationship with the small pacific island jurisdiction of Niue, who we have assisted in purchasing and installing a new Assembly recording system from Commonwealth Parliamentary Association funds.

During the year the Department has continued its monthly 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. We have recently focused on addressing concerns about bullying in the workplace since the release of the 2016 results of the People Matter Survey undertaken by the Office of the Commissioner for Public Employment and provided information and education as well as staff surveys to assist address any concerns.

The Department prides itself on its diversity by continuing to employ and encourage applications from well qualified candidates from non-English speaking backgrounds, Aboriginal Territorians, gay and lesbian officers, a broad spectrum of age ranges and promoting and achieving 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 responsible Minister for the Department, my day to day reporting is to the Speaker who is the Commissioner of Employment for employees of the Department and who acts on behalf of Government to administer the agency similar to the role of a Minister. 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.

**MICHAEL TATHAM**  
**Clerk and Chief Executive**

## Functions and Objectives of the Agency

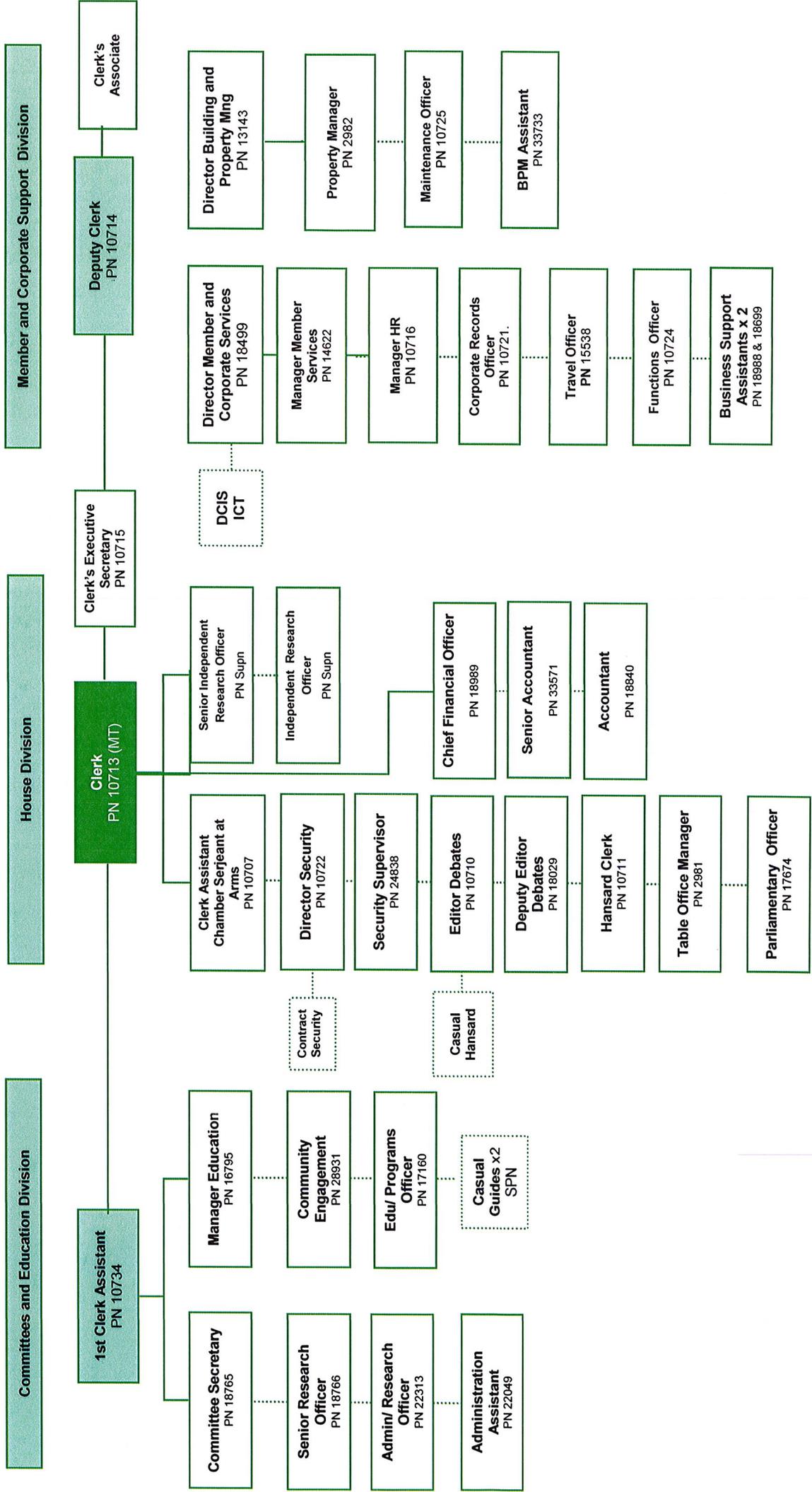
The function of the agency is to facilitate the operations of the Legislative Assembly to make laws for the peace, order and good government of the Northern Territory.

The objectives of the agency are to provide advice and services which support the Assembly, its Members and Committees and promote community engagement.

## Legislation administered by the Agency

- *Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act*
- *Constitutional Convention (Election) Act*
- *Legislative Assembly (Disclosure of Interests) Act*
- *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*

# Department of the Legislative Assembly Organisation Chart



## **Board of Management**

Primary responsibility for the Department of the Legislative Assembly (DLA's) strategic leadership and management rests with the Board of Management, which develops strategic direction to support the Department's priorities. The Board of Management is the department's most senior decision making body with responsibility for:

- Monitoring performance against objectives
- Maintaining financial accountability
- Ensuring 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. All members are responsible for ensuring that their staff are briefed on decisions and relevant issues. The Department of Corporate and Information Services (DCIS) Information and Communication Technology (ICT) Manager provides monthly briefings to the Board of Management on priority issues. Members of the Board of Management are key management personnel for the purposes of financial reporting.

### **MICHAEL TATHAM, Clerk and Chief Executive**

Mr Tatham holds a Bachelor of Arts, Bachelor of Laws, and Master of Laws from the University of Sydney as well as a Diploma in Legal Practice from the University of Technology, Sydney. He first joined the Department in 2005 and has been Clerk of the Legislative Assembly since July 2013.

### **MARIANNE CONATY, Deputy Clerk**

Ms Conaty holds Bachelors of Arts and Bachelor of Laws, a Graduate Diploma in Legal Practice and an Executive Master of Public Administration. She joined the Legislative Assembly in 2013.

### **RUSSELL KEITH, First Clerk Assistant (Committees and Education)**

Mr Keith holds an Executive Master of Public Administration, Bachelor of Legal Studies (Hons) and a Bachelor of Arts (Hons). He joined the Legislative Assembly in 2010.

### **SEAN O'CONNOR, Clerk Assistant Chamber and Serjeant at Arms**

Mr O'Connor holds a Master of Business Administration, a Master of Management, and a Bachelor of Business. He joined the Legislative Assembly in March 2017.

### **DIEM TANG, Chief Financial Officer**

Mrs Tang holds a Bachelor of Business in Accounting and joined the Legislative Assembly in 2012.

### **JACQUI FORREST, Director Business Services**

Ms Forrest holds an Associate Degree in Commerce and qualifications in Business and Contract Management. She has been with the Legislative Assembly since 2014.

### **BILL FRYAR, Director Building and Property Management**

Mr Fryar holds a Master of Arts from Griffith University and joined the Legislative Assembly in 2013.

# Agency Operations

---

## House Division

---

### Office of the Clerk

The Office of the Clerk has two roles: the first is to provide procedural advice and support to the Speaker and Members of the Legislative Assembly; the second is to provide 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

In October 2016 the NT Government provided fixed term funding to support the creation of two Independent Research positions to support to Independent Members of the Legislative Assembly by producing comprehensive, reliable, impartial and timely research reports, briefing material and other information when requested. These positions report to the Clerk.

The Research Service responds to individual and confidential requests on topics of specific concern to the Member and/or their electorate, and produces shared resources covering legislation reviews, parliamentary process, and economic and social issues of importance to the Northern Territory. The Research Service does not engage in overtly political research or speech writing. The service has established a reputation for timely, informative and useful research and in the first three months of operation undertook research for four Independent Members and completed 20 research requests.

### Finance Unit

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

### Procedural Services and Security Unit

Procedural Services includes the Hansard and Table Office Units that are responsible for the provision of administrative and procedural support and advice to Members during meetings of the Assembly, producing parliamentary documentation and records and managing related databases.

During the reporting period, the Hansard Unit trialled and implemented a new staffing structure to support the Estimates process using Hansard Reporters instead of typists for the transcription of the hearings. Hansard Reporters do not type verbatim (as typists do) but slightly edit the content to ensure it makes sense in written form and that all punctuation is correct.

The Table Office continued work on improving the new DLA website including uploading and tabled papers to ensure information is readily available online. The functionality of the new website is limited and the DLA is investigating a solution that offers database functionality to host and allow for advanced search of both tabled papers and Parliamentary Records for all Assemblies. In partnership with NT Libraries the DLA is trialling the use of the *Territory Stories* database as the DLA's Tabled Paper database due to the advanced search method it provides for Parliamentary Records.

The Security Unit provides security services and coordinates emergency management activities to ensure a safe and secure workplace for Members, Staff, Parliament House building occupants and visitors. During the reporting period, approximately 164,000 visitors and building staff were screened 30,000 times on entry to Parliament House. There were no major security incidents.

## Laws Introduced and Passed

|                                     | Government | Opposition | Independent | Total     |
|-------------------------------------|------------|------------|-------------|-----------|
| <i>Brought forward 1 July 2016</i>  | -          | -          | -           | -         |
| Introduced                          | 23         | -          | 2           | <b>25</b> |
| Withdrawn                           | -          | -          | -           | -         |
| Defeated                            | -          | -          | -           | -         |
| Passed                              | 20         | -          | -           | <b>20</b> |
| Acts Assented to                    | 20         | -          | -           | <b>20</b> |
| <i>Carried forward 30 June 2017</i> | 3          | -          | 2           | <b>5</b>  |

## Assembly Meeting Statistics

|                           | 2016 – 2017 | 2015 – 2016 |
|---------------------------|-------------|-------------|
| Total meeting hours       | 198.45      | 282.19      |
| Average meeting day hours | 7.09        | 11.15       |
| Number of meeting days    | 28          | 26          |
| Number of bills passed    | 20          | 44          |
| Total questions asked     | 449         | 383         |
| Total papers tabled       | 333         | 1906        |

## Committees and Education Division

The Committees and Education Division provides support to parliamentary scrutiny, select and standing committees to help them fulfil their functions and deliver parliamentary information, education and community awareness services.

During the reporting period, Committees drafted five reports (and two drafted by the Office of the Clerk), including for the Select Committee on Opening Parliament to the People's consideration of options for parliamentary reform.

### Committee Activity Supported

| Committee   | Meetings  | Hearings & Visits | Briefings | Reports  |
|---|-----------|-------------------|-----------|----------|
| Public Accounts   | 9         | 1                 | 5         | 1        |
| House   | 3         | 0                 | 0         | 0        |
| Standing Orders   | 2         | 0                 | 0         | 1        |
| Legal & Constitutional Affairs and Subordinate Legislation & Publications functions | 4         | 0                 | 0         | 1        |
| Estimates   | 4         | 3                 | 0         | 1        |
| Select Committee on Opening Parliament to the People                                | 9         | 2                 | 0         | 2        |
| Members' Interests  | 1         | 0                 | 0         | 1        |
| <b>Total</b>  | <b>32</b> | <b>6</b>          | <b>5</b>  | <b>7</b> |

## Participants in Parliamentary Education Services Programs

| Program               | Activity                     | Participants | Total         |
|-----------------------|------------------------------|--------------|---------------|
| Public Tours          | Saturday and Wednesday tours | 2071         |               |
|                       |                              |              | 2071          |
| Schools Programs      | Parliament House Tours       | 3387         |               |
|                       | Bombing of Darwin Tours      | 67           |               |
|                       | Role Plays                   | 1586         |               |
|                       | Step Up Be Heard             | 43           |               |
|                       | Outreach Programs            | 260          |               |
|                       |                              |              | 5343          |
| Special Events        | Commonwealth Week            | 471          |               |
|                       | Careers in Law Forum         | 92           |               |
|                       | YMCA Youth Parliament        | 10           |               |
|                       | Democracy Dash               | 23           |               |
|                       | CPA Roadshow                 | 162          |               |
|                       |                              |              | 758           |
| Adult Education       | Democracy in the NT          | 40           |               |
|                       | Know Your Assembly           | 196          |               |
|                       | Adult Student Tours          | 317          |               |
|                       | Community/Organisation Tours | 78           |               |
|                       |                              |              | 631           |
| Parliament Promotions | Open Day                     | 940          |               |
|                       | Induction Tours              | 20           |               |
|                       | Government Dept. Staff Tours | 52           |               |
|                       | VIP tours                    | 100          |               |
|                       | General tours                | 179          |               |
|                       | Bombing of Darwin Tour       | 25           |               |
|                       |                              |              | 1316          |
| <b>TOTAL</b>          |                              |              | <b>10,119</b> |

## Member and Corporate Support Division

### Business Services

The Business Services unit 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 and bookings at Parliament House.

DCIS oversees outsourced ICT service contracts and provides an ICT Service Manager located at Parliament House to support the Legislative Assembly.

## **Funded Establishment**

At 30 June 2017, the Department employed a total of 168 people including 39 DLA staff, 18 Hansard and education casuals and 111 electorate office staff as detailed in the tables below.

The Department employs all electorate staff and has corporate responsibility for the administration of the remuneration of Members.

The Hansard Unit employed a pool of 16 casual staff and the Education Unit employed two casual staff to support peak activity periods. Recruitment of additional casual education staff is ongoing.

### **DLA Staff by level**

| <b>Level</b>                          | <b>Headcount</b> |
|---------------------------------------|------------------|
| <b>Executive Contracts</b>            | <b>3</b>         |
| ECO5                                  | 1                |
| ECO3                                  | 1                |
| ECO1                                  | 1                |
| <b>Senior Administration Officers</b> | <b>9</b>         |
| SAO1                                  | 5                |
| SAO2                                  | 4                |
| <b>Administration Officers</b>        | <b>27</b>        |
| AO2                                   | 2                |
| AO3                                   | 4                |
| AO4                                   | 8                |
| AO5                                   | 5                |
| AO6                                   | 5                |
| AO7                                   | 3                |
| <b>Hansard Casuals</b>                | <b>16</b>        |
| AO2                                   | 6                |
| AO4                                   | 10               |
| <b>Education Casuals (AO4)</b>        | <b>2</b>         |
| <b>TOTAL</b>                          | <b>57</b>        |

The Department of the Legislative Assembly is the employer of electorate office staff, which includes Electorate Officers, Relief Electorate Officers, Electorate Officer Assistants and Electorate Liaison Officers.

There is an FTE equivalent of 25 electorate officers with 29 people in these roles due to job share arrangements.

Liaison Officers for Arnhem, Arafura, Daly and Barkly are employed for 15 hours per week in Groote Eylandt Maningrida and Wadeye and Borroloola respectively; the Stuart Liaison Officer is employed for 30 hours per week in Katherine.

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 Offices by position***

| <b>Role</b>                  | <b>Headcount</b> |
|------------------------------|------------------|
| Electorate Officers          | 29               |
| Liaison Officers             | 5                |
| Electorate Office Assistants | 25               |
| Casual Electorate Officers   | 52               |
| <b>TOTAL</b>                 | <b>111</b>       |

## **Management and Staff Training**

A total of 20 training and professional development activities were supported by the DLA. In addition to training of DLA staff, the Security Unit coordinated 23 Parliament House building occupants to attend fire extinguisher and warden training and the DLA and Northern Territory Library jointly funded a Library employee\* to attend the Parliamentary Libraries of Australia Conference.

## ***Conferences and Training***

| <b>Conference/ Training</b>  | <b>Professional Development Seminar Attendees</b> |
|--|---|
| Australian and New Zealand Association of Clerks at the Table                          | 3   |
| Australasian and Pacific Hansard Editors Association conference                        | 1   |
| Australasian Study of Parliament Group   | 1   |
| Australasian Parliamentary Educators Conference  | 2   |
| Association of Parliamentary Libraries of Australia Conference*                        | 1   |
| Business Objects database (BOXI-HR) Training   | 2   |
| Commonwealth Parliamentary Conference  | 1   |
| Commonwealth Women Parliamentarians  | 1   |
| Dealing with Challenging Situations (Office of the Commissioner for Public Employment) | 1   |
| Electronic Card Management System Cardholder / Verifier (DCIS)                         | 1   |
| Electorate Officer Training (Conducted by the Dept. of the Chief Minister)             | 11  |
| Fire Extinguisher and Building Warden Training   | 23  |
| First Aid  | 1   |
| InDesign Introduction  | 1   |
| Know Your Assembly   | 19  |
| Pacific Parliamentary Development Practitioners Meeting                                | 1   |
| Post-Election Seminar (Commonwealth Parliamentary Association)                         | 1   |
| Presiding Officers and Clerks Conference   | 1   |
| Security Training (Wanding)  | 1   |
| Society of Clerks at the Table   | 1   |
| <b>TOTAL</b>   | <b>74</b>   |

## Conference Hosting

The Australasian Parliamentary Educators Conference (APEC) aims to engage citizens with the history, role and functions of their parliaments. The DLA hosted the 2016 APEC from 9 August – 11 August at Parliament House. The theme of the conference was: *Parliamentary Education: Engaging our Audiences*. Delegates from all States and Territories of Australia were represented alongside delegates from the Parliament of the Republic of Fiji, the Australian Federal Parliament, the Museum of Democracy at Old Parliament House and the Northern Territory Library. In total, 25 delegates attended the highly successful conference.

## Building and Property Management

The Building and Property Management Unit 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 (both inwardly and outwardly)
- Asset and property management
- Service contract development and management
- Parliamentary sound and vision system 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 2016-17 the DLA coordinated two electorate office fit outs including the establishment of a new office for the Member for Fong Lim and a relocation of the Johnston electorate office.

Major repair and maintenance work within Parliament House included:

- Technical upgrade of lift number 5 within budget and completed ahead of schedule
- Replacement of 23 year old damaged carpet in the Chief Minister's suite on level
- Repairs water leaks above the NT Library on level 1
- Replacement of the chilled water pumps and motors in the plant room on level 1
- Replacement of the main uninterruptable power supply (UPS) to Parliament House.

## Corporate Governance

The Department's corporate governance structure is comprised of the following elements:

- Internal and external scrutiny
- Leadership and management
- Legislative compliance
- Performance and information management
- Risk management
- Strategic and business planning.

---

## Strategic and Business Planning

---

The Department's Strategic Plan 2016-21 was implemented on 1 January 2016. It sets out the Department's strategic goals and annual operational priorities.

The Strategic Plan focuses on 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 Strategic Plan goals are translated into operational goals in Business Plans at the Unit level and then into Workplace partnership plans (WPPs) for individual staff. Additional effort was also made in building reporting capabilities to facilitate effective monthly reporting with an annual planning and reporting calendar which is monitored by the Board of Management and the Audit Committee.

---

## Risk Management and Audit Committee

---

The Audit Committee relies on business planning and ongoing review to identify risks. Strategic business risk identification at the business unit level takes place during the annual business planning process. Risks, both strategic and operational, are identified and assessed through this process. Any risks assessed as extreme are reported immediately to the Clerk, high level risks are reported to the Board of Management and the Internal Audit Committee monitors reports on mid-level risks on a quarterly basis.

Reporting on business performance occurs monthly and includes a requirement for review and reporting against identified risks as well as assessment of emerging risks, the results of which may be referred to the Board of Management.

The Audit Committee assists the Clerk and Board of Management fulfil corporate governance responsibilities. The Committee's functions and responsibilities are to:

- Manage a corporate governance framework for the Department, facilitating the risk assessment process and monitor strategic and business risks
- Review the adequacy and effectiveness of internal control mechanisms established to mitigate identified risks
- Review the adequacy of departmental policies, standards and business procedures
- Review terms of reference and completed audits and reviews
- Consider recommendations arising from all internal and external audits and reviews and facilitate the implementation and monitoring of action items arising from recommendations
- Develop and review the three year audit coverage plan and progress of the annual internal audit work plan
- Within the context of the Committee's primary objective, undertake any other functions and activities as determined from time to time by the Clerk.

In 2016-17 Audit Committee membership comprised the Deputy Clerk, the First Clerk Assistant, the Director Business Services and an external member from the City of Darwin. The Chief Financial Officer attends meetings by invitation. The Clerk appoints members, including the Chair of the Committee. The Committee holds a minimum of four meetings each financial year.

---

## Internal and External Scrutiny

---

Three external audits were conducted by the Northern Territory Auditor-General's Office during 2016-2017.

### Agency Compliance Audit

The Department of Legislative Assembly notes the Audit Opinion of the Auditor-General in relation to Department's Compliance audit 'that accounting and control procedures examined provide reasonable assurance that the responsibilities of the Accountable Officer, as set out in Treasurer's Directions and Procurement Regulations and Guidelines, will be met if those systems continue to operate in the manner identified in the audit'. The audit identified three issues relating to the DLA's registers and compliance with the Treasurer's Directions requiring attention. The Department notes the recommendations and has commenced a program to address them.

### Fraud Assessment Framework

On 20 February 2017, the Auditor-General notified the DLA that it would be subject to a *Selected Agencies – Fraud Assessment Framework Review*, investigating fraud control arrangements in selected Northern Territory Government Agencies and analysing the responses to determine the maturity of Agencies' Fraud Assessment Frameworks. As a consequence, the DLA completed a Fraud Control Survey on 10 March 2017 and established a Fraud Control Policy and associated incident reporting form on 7 March 2017.

On 12 May 2017, the Auditor-General's Review assessed the maturity of the DLA's Fraud Assessment Framework as requiring improvement.

The Department acknowledges the findings and confirms that the Fraud Assessment Framework is under review. On Friday 31 July 2017, all DLA staff were briefed on fraud control issues by a senior member of the Northern Territory Police at a whole of Department staff forum.

### Annual and Long Service Leave Entitlements

On 27 April 2017 the Auditor-General advised the DLA of the results of a review into DLA excess leave entitlements.

The Review identified that at 28 February 2017, five DLA staff had excess recreation leave and four had excess long service leave.

Electorate staff are employed on fixed-term arrangements at the discretion of the Member whom they work. The electorate office is a unique environment with uncertain tenure. Temporary employees working for Members of the Legislative Assembly are subject to the day to day requirements of electorate offices and may put electorate priorities in a political environment before reducing excess leave credits.

This is part of a risk the Department of the Legislative Assembly manages as an agency in regards to long leave. It is difficult to insist electorate office staff take leave when those staff are consciously working on the basis they may need funds payout if their Member is defeated or resigns.

The Speaker issued a Determination relating to employment conditions for electorate officers. EO4 of 2017 Fixed Term Electorate Officers provides Public Sector Employment and Management By-Law 4 Recreation Leave (excluding clause 4.6) and By-Law 8 Long Service Leave (excluding clauses 8.3 and 8.4) applies to fixed term contracts.

Excess leave for departmental staff is reported to the DLA's Audit Committee with monthly prompts given to Unit Heads through the Department's Board of Management meetings. A plan is in place for all departmental staff excess leave identified in the Auditor-General's Review to reduce the excess.

---

## Performance Management

---

Work Partnership Plans (WPPs) are developed by individual employees and their managers, using unit business plans as the foundation for identification of goals, projects and training needs.

WPPs ensure unit goals are achieved and employees are supported in reaching individual goals and given feedback on their performance. WPPs also aim to allow employees to reach their full potential, achieve job satisfaction and maximise their opportunities and contribution.

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 how access may be sought.

Applications to access government information held by the DLA can be lodged with the Director Business Services. All applications must:

- Be in writing
- Include the applicants name and an address for correspondence
- Provide sufficient detail to identify the information
- Include sufficient proof of the applicant's identity (photo identification)

An application fee of \$30 can be processed by the Receiver of Territory monies.

The DLA will endeavor to respond to applications within 30 days. If an application is complex, large or requires third party consultation, the DLA will advise the applicant that an extension of time is required and will provide an estimated time frame.

No applications for access to information under the *Information Act* were received in the reporting period.

---

## Privacy

---

The Department complies with the 10 Information Privacy Principles (IPPs) that appear in a Schedule to 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. A talent release form has been developed for the use of any images for promotional material. The DLA is developing a Privacy Policy consistent with the IPPs for release in October 2017.

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. Measures contained in the Plan include:

- Setting rules for how documents are saved to the corporate record system to ensure information can be easily found

- Survey conducted in 2016 to assess staff knowledge of records management (adapted from an assessment tool developed by the Public Records Office of Victoria). This will be followed up with a survey in 2018 to measure progress in knowledge and compliance with records management
- Reducing the reliance on network drives by removing obsolete documents and transferring corporate records to the records management system. This measure is 70 percent complete as of the end of the reporting period
- Ongoing audits of files to ensure that records are saved into the system, to be reported to the Audit Committee on a quarterly basis. Records management is a standing agenda item at the Audit Committee
- By 31 December 2018, all public records on paper files will be available on the corporate record system
- Training all DLA staff in the corporate record system is ongoing.

---

## Legislative Compliance

---

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

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

---

## Work Health and Safety Committee and Activities

---

The DLA manages its Work Health Safety (WHS) obligations through a WHS staff committee and the WHS steering committee.

The WHS staff committee is convened by the DLA WHS Advisor and is open to all building occupants. The committee meets quarterly and assists in developing standards and discusses and proposes solutions to identified WHS issues. No major issues were raised in the reporting period.

The WHS Steering Committee membership includes the DLA WHS Advisor (Chair), Director Business Services, Director Building & Property Management and Human Resources Manager. The committee receives reports on incidents and hazards that have been reported through the staff committee or otherwise and provides recommendations on strategic direction, policy and procedures to the Clerk as required. Three minor hazards were referred in the reporting period and have been addressed.

Employees can access an online incident reporting system managed by Workplace Injury Solutions to electronically report a workplace incident, which may have resulted in either an injury or near miss or recognition of a hazard, in the workplace. Two minor incidents reports were lodged online in the reporting period.

## Member Satisfaction Survey 2016

Members were surveyed between 22 and 24 November 2016 against ten questions relating to Budget Paper 3 and performance measures which are reported against annually. Members were asked to score from 0 to 10 against each question and the results were averaged as a percentage. Any score below 80% is a concern to the Department.

Fourteen responses were received from a possible 25, one fewer than last year. As has been the case for a number of years, Members are advised that each non return counts as 100% satisfaction across all criteria. This permits totally satisfied Members to allow their views to be scored automatically. The Speaker has made this position clear annually with no objections.

The results show two categories in decline this year compared with four last year, one stable compared with two last year and seven improvements compared to five improvements last year. As occurs each year the experiences of individual Members can have a significant impact on a category.

Results in 2016-17 are as follows:

| <b>CATEGORY</b>                                     | <b>16/17 Final Result</b> | <b>15/16 Final Result</b> |
|---|---------------------------|---------------------------|
| <b>PARLIAMENTARY SERVICES</b>                       |                           |                           |
| 1. Satisfaction with Chamber Support and Advice     | 98%                       | 97%                       |
| 2. Satisfaction with Committee Meetings and Reports | 96%                       | 98%                       |
| 3. Satisfaction with Education Programmes           | 96%                       | 96%                       |
| 4. Satisfaction with Building Management Services   | 93%                       | 92%                       |
| 5. Satisfaction with Security Services              | 96%                       | 94%                       |
| <b>CORPORATE AND GOVERNANCE</b>                     |                           |                           |
| 6. Satisfaction with IT Services (provided by DCIS) | 90%                       | 94%                       |
| 7. Satisfaction with Travel Services                | 94%                       | 92%                       |
| 8. Satisfaction with Staffing and HR Services       | 95%                       | 94%                       |
| 9. Satisfaction Business Support Services           | 98%                       | 93%                       |
| 10. Satisfaction with Financial Reporting           | 98%                       | 95%                       |

## Financial Statement Overview

For the Year Ended 30 June 2017

### OVERVIEW

The 2016-17 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 2016-17 and comparatives for 2015-16 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.

|  | 2016-17<br>\$000 | 2015-16<br>\$000 | Variation<br>\$000 |
|--|------------------|------------------|--------------------|
| Operating Income                       | 28,408           | 25,983           | 2,425              |
| Operating Expenses                     | 31,433           | 29,046           | 2,387              |
| Net Operating Surplus/(Deficit)        | (3,025)          | (3,063)          | 38                 |
| Other Comprehensive Income             |                  | 28,884           | 28,884             |
| <u>Comprehensive Surplus/(Deficit)</u> | <u>(3,025)</u>   | <u>25,821</u>    | <u>22,796</u>      |

For the year ended 30 June 2017, the Department reported a net operating deficit of \$3.025 million. The operational deficit for the year was largely attributed to \$3.549 million in depreciation being non-cash in nature and unfunded expenditure under the annual appropriation, offset by the under expenditure of \$0.496 million against the Repairs and Maintenance budget.

The Department's total income in 2016-17 was \$28.408 million, an increase of \$2.425 million primarily due to increased Output Appropriation resulting from increased of Members entitlements following the annual review of the Remuneration Tribunal Determination and resettlement allowance payment for Members of the Legislative Assembly and termination payments for Electorate Officers following the August 2017 General Election.

The Department also recognises notional revenue of \$2.34 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 \$31.433 million in 2016-17 is \$2.387 million higher than the 2015-16 expenditure predominantly due to a \$1.9 million increase in entitlements and salaries for Members of the Legislative Assembly and a \$0.6 million increase in repair and maintenance expense.

## Balance Sheet

The Balance Sheet provides a summary of the Department's financial position on assets, liabilities and equity as at 30 June 2017.

|             | 2016-17<br>\$000 | 2015-16<br>\$000 | Variation<br>\$000 |
|-------------|------------------|------------------|--------------------|
| Assets      | 291,971          | 294,371          | (2,400)            |
| Liabilities | 1,630            | 1,486            | 144                |
| Equity      | 290,341          | 292,855          | (2,514)            |

During 2015-16 the Department's total assets decreased by \$2.4 million from \$294.37 million to \$291.97 million primarily due to an decrease of \$3 million in the depreciative value of property, plant and equipment and an increase of \$0.656 million in the cash position.

## Cash Flow Statement

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

|                       | 2016-17<br>\$000 | 2015-16<br>\$000 | Variation<br>\$000 |
|-----------------------|------------------|------------------|--------------------|
| Cash at start of year | 4,664            | 3,981            | 683                |
| Net movement          | 656              | 683              | (27)               |
| Cash at end of year   | 5,320            | 4,664            | 656                |

As at 30 June 2017, the Department's cash held of \$5.32 million was \$0.656 million more than at the end of 2015-16. The increase in cash held reflects the Department's under expenditure compared to budget estimates.

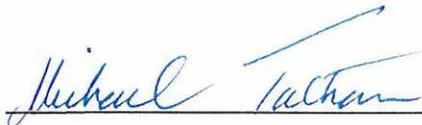
DEPARTMENT OF THE LEGISLATIVE ASSEMBLY  
FINANCIAL REPORT

**CERTIFICATION OF THE FINANCIAL STATEMENTS**

We certify that the attached financial statements for the Department of the Legislative Assembly have been prepared from 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 2017 and the financial position on that date.

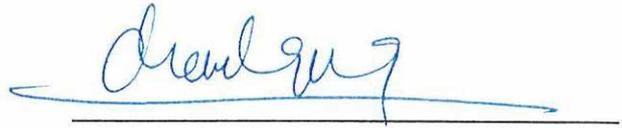
At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



**MICHAEL TATHAM**

Clerk and Chief Executive Officer

31 / 08 / 2017



**DIEM TANG**

Chief Financial Officer

31 / 08 / 2017

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

**For the year ended 30 June 2017**

|  | Note     | 2017<br>\$000  | 2016<br>\$000  |
|--|----------|----------------|----------------|
| <b>INCOME</b>  |          |                |                |
| Grants and subsidies revenue                                       |          |                |                |
| Current  |          | -              | 30             |
| Appropriation  |          |                |                |
| Output   |          | 25,789         | 23,497         |
| Sales of goods and services <sup>1</sup>                           |          | 100            | 93             |
| Goods and services received free of charge                         | 4        | 2,339          | 2,254          |
| Other income <sup>2</sup>  |          | 181            | 108            |
| <b>TOTAL INCOME</b>  | <b>3</b> | <b>28,408</b>  | <b>25,982</b>  |
| <b>EXPENSES</b>  |          |                |                |
| Employee expenses  |          | 17,894         | 15,937         |
| Administrative expenses  |          |                |                |
| Purchases of goods and services                                    | 6        | 2,480          | 2,910          |
| Repairs and maintenance  | 6        | 2,410          | 1,746          |
| Property Management  | 6        | 2,750          | 2,644          |
| Depreciation and amortisation                                      | 11, 12   | 3,549          | 3,554          |
| Other administrative expenses <sup>3</sup>                         |          | 2,350          | 2,254          |
| <b>TOTAL EXPENSES</b>  | <b>3</b> | <b>31,433</b>  | <b>29,045</b>  |
| <b>NET SURPLUS/(DEFICIT)</b>                                       |          | <b>(3,025)</b> | <b>(3,063)</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>                                  |          |                |                |
| <i>Items that will not be reclassified to net surplus/deficit:</i> |          |                |                |
| Asset Revaluation Reserve  |          | -              | 28,884         |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>                            |          | <b>-</b>       | <b>28,884</b>  |
| <b>COMPREHENSIVE RESULT</b>  |          | <b>(3,025)</b> | <b>25,821</b>  |

<sup>1</sup> Includes rental of Agency-controlled facilities to external parties.

<sup>2</sup> Includes reimbursements relating to costs incurred on behalf of the Commonwealth Parliamentary Association Northern Territory Branch.

<sup>3</sup> 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 2017**

|                                      | Note    | 2017<br>\$000  | 2016<br>\$000  |
|--------------------------------------|---------|----------------|----------------|
| <b>ASSETS</b>                        |         |                |                |
| <b>Current Assets</b>                |         |                |                |
| Cash and deposits                    | 8       | 5,320          | 4,664          |
| Receivables                          | 9       | 98             | 97             |
| Inventories                          | 10      | 13             | 15             |
| Prepayments                          |         | 10             | 19             |
| <b>Total Current Assets</b>          |         | <b>5,440</b>   | <b>4,795</b>   |
| <b>Non-Current Assets</b>            |         |                |                |
| Property, plant and equipment        | 11, 13  | 286,419        | 289,463        |
| Heritage and cultural assets         | 12c, 13 | 112            | 114            |
| <b>Total Non-Current Assets</b>      |         | <b>286,531</b> | <b>289,577</b> |
| <b>TOTAL ASSETS</b>                  |         | <b>291,971</b> | <b>294,372</b> |
| <b>LIABILITIES</b>                   |         |                |                |
| <b>Current Liabilities</b>           |         |                |                |
| Deposits held                        |         | 1              | 1              |
| Payables                             | 14      | 549            | 364            |
| Provisions                           | 16      | 1,078          | 1,122          |
| Other liabilities                    | 17      | 2              | -              |
| <b>Total Current Liabilities</b>     |         | <b>1,630</b>   | <b>1,487</b>   |
| <b>Non-Current Liabilities</b>       |         |                |                |
| Provisions                           | 16      | -              | -              |
| <b>Total Non-Current Liabilities</b> |         | <b>-</b>       | <b>-</b>       |
| <b>TOTAL LIABILITIES</b>             |         | <b>1,630</b>   | <b>1,487</b>   |
| <b>NET ASSETS</b>                    |         | <b>290,341</b> | <b>292,885</b> |
| <b>EQUITY</b>                        |         |                |                |
| Capital                              |         | 159,869        | 159,388        |
| Reserves                             | 19      | 169,603        | 169,603        |
| Accumulated funds                    |         | (39,130)       | (36,105)       |
| <b>TOTAL EQUITY</b>                  |         | <b>290,341</b> | <b>292,885</b> |

*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 2017**

|  | Note | Equity at<br>1 July<br>\$000 | Comprehensive<br>result<br>\$000 | Transactions<br>with owners in<br>their capacity<br>as owners<br>\$000 | Equity at<br>30 June<br>\$000 |
|--|------|------------------------------|----------------------------------|--|-------------------------------|
| <b>2016-17</b>                               |      |                              |                                  |  |                               |
| <b>Accumulated Funds</b>                     |      | 36,105                       | 3,025                            | -  | 39,130                        |
| <b>Asset Revaluation Reserve</b>             | 19   | (169,603)                    | -                                | -  | (169,603)                     |
| <b>Capital – Transactions with Owners</b>    |      |                              |                                  |  |                               |
| 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                           |      | 393                          | -                                | -  | 393                           |
|  |      | (159,388)                    | -                                | (481)  | (159,869)                     |
| <b>Total Equity at End of Financial Year</b> |      | <b>(292,885)</b>             | <b>3,025</b>                     | <b>(481)</b>   | <b>(290,341)</b>              |
| <b>2015-16</b>                               |      |                              |                                  |  |                               |
| <b>Accumulated Funds</b>                     |      | 33,042                       | 3,063                            | -  | 36,105                        |
| <b>Asset Revaluation Reserve</b>             | 19   | (140,718)                    | (28,884)                         | -  | (169,603)                     |
| <b>Capital – Transactions with Owners</b>    |      |                              |                                  |  |                               |
| Equity injections                            |      |                              |                                  |  |                               |
| Capital appropriation                        |      | (1,323)                      | -                                | (341)  | (1,664)                       |
| Equity transfers in                          |      | (157,534)                    | -                                | (234)  | (157,767)                     |
| Other equity injections                      |      | (350)                        | -                                | -  | (350)                         |
| Equity withdrawals                           |      |                              |                                  |  |                               |
| Capital withdrawal                           |      | 393                          | -                                | -  | 393                           |
|  |      | (158,814)                    | -                                | (575)  | (159,388)                     |
| <b>Total Equity at End of Financial Year</b> |      | <b>(266,490)</b>             | <b>(25,821)</b>                  | <b>(575)</b>   | <b>(292,885)</b>              |

*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 2017**

|   | Note | 2017<br>\$000   | 2016<br>\$000   |
|---|------|-----------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |      |                 |                 |
| <b>Operating Receipts</b>                           |      |                 |                 |
| Grants and subsidies received                       |      |                 |                 |
| Current   |      | -               | 30              |
| Appropriation                                       |      |                 |                 |
| Output  |      | 25,789          | 23,497          |
| Receipts from sales of goods and services           |      | 892             | 772             |
| <b>Total Operating Receipts</b>                     |      | <b>26,681</b>   | <b>24,299</b>   |
| <b>Operating Payments</b>                           |      |                 |                 |
| Payments to employees                               |      | (17,867)        | (16,193)        |
| Payments for goods and services                     |      | (7,905)         | (7,765)         |
| <b>Total Operating Payments</b>                     |      | <b>(25,772)</b> | <b>(23,958)</b> |
| <b>Net Cash From/(Used in) Operating Activities</b> | 20   | <b>909</b>      | <b>341</b>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |      |                 |                 |
| <b>Investing Receipts</b>                           |      |                 |                 |
| Proceeds from asset sales                           | 5    | -               | -               |
| <b>Total Investing Receipts</b>                     |      | -               | -               |
| <b>Investing Payments</b>                           |      |                 |                 |
| Purchases of assets                                 |      | (294)           | -               |
| <b>Total Investing Payments</b>                     |      | <b>(294)</b>    | -               |
| <b>Net Cash From/(Used in) Investing Activities</b> |      | <b>(294)</b>    | -               |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |      |                 |                 |
| <b>Financing Receipts</b>                           |      |                 |                 |
| Deposits received                                   |      | -               | -               |
| Equity injections                                   |      |                 |                 |
| Capital appropriation                               |      | 41              | 341             |
| <b>Total Financing Receipts</b>                     |      | <b>41</b>       | <b>341</b>      |
| <b>Financing Payments</b>                           |      |                 |                 |
| Equity withdrawals                                  |      | -               | -               |
| <b>Total Financing Payments</b>                     |      | -               | -               |
| <b>Net Cash From/(Used in) Financing Activities</b> |      | <b>41</b>       | <b>341</b>      |
| Net increase/(decrease) in cash held                |      | 656             | 682             |
| Cash at beginning of financial year                 |      | 4,664           | 3,981           |
| <b>CASH AT END OF FINANCIAL YEAR</b>                | 8    | <b>5,320</b>    | <b>4,664</b>    |

*The Cash Flow Statement 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 2017

**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. Borrowings and Advances
  16. Provisions
  17. Other Liabilities
  18. Commitments
- EQUITY**
19. Reserves
- OTHER DISCLOSURES**
20. Notes to the Cash Flow Statement
  21. Financial Instruments
  22. Related Parties
  23. Contingent Liabilities and Contingent Assets
  24. Events Subsequent to Balance Date
  25. Accountable Officer's Trust Account
  26. Schedule of Administered Territory Items
  27. Budgetary Information
  28. Budgetary Information: Administered Territory Items

# DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 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 2017 based on the form determined by the Treasurer. The form of agency financial statements is to 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.

## DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

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

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.

The following new and revised accounting standards and interpretations were effective for the first time in 2016-17:

#### **AASB 124 Related Party Disclosures**

This standard applies to not-for-profit sector for the first time in 2016-17. The accounting standard requires disclosures about the remuneration of key management personnel, transactions with related parties, and relationships between parent and controlled entities. For any such transactions, disclosures will include the nature of the related party relationship, as well as information about those transactions' terms/conditions and amounts, any guarantees given/received, outstanding receivables/payables, commitments, and any receivables where collection has been assessed as being doubtful.

Several other amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

At 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 come onto the balance sheet together with a lease liability for all leases with a term of more than 12 months, 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.

While 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 with 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.

## DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

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.
- 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.

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:

Parliament House  
Mitchell Street  
Darwin NT 0800

#### **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

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

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, these items have been separately disclosed in Note 26 – Schedule of Administered Territory Items.

#### **e) Comparatives**

Where necessary, comparative information for the 2015-16 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 2016-17 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

## DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

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.

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 2017**

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

**3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP**

|  | Note  | Assembly Services |              | Members and Client Services |               | Building Management Services |                | Corporate Governance |              | Total          |                |
|--|-------|-------------------|--------------|-----------------------------|---------------|------------------------------|----------------|----------------------|--------------|----------------|----------------|
|  |       | 2017              | 2016         | 2017                        | 2016          | 2017                         | 2016           | 2017                 | 2016         | 2017           | 2016           |
|  |       | \$000             | \$000        | \$000                       | \$000         | \$000                        | \$000          | \$000                | \$000        | \$000          | \$000          |
| <b>INCOME</b>                              |       |                   |              |                             |               |                              |                |                      |              |                |                |
| Grants and subsidies revenue               |       |                   |              |                             |               |                              |                |                      |              |                |                |
| Current                                    |       | -                 | 30           | -                           | -             | -                            | -              | -                    | -            | -              | 30             |
| Appropriation                              |       |                   |              |                             |               |                              |                |                      |              |                |                |
| Output                                     |       | 3,152             | 3,451        | 15,254                      | 13,667        | 5,795                        | 4,938          | 1,558                | 1,441        | 25,789         | 23,497         |
| Goods and services received free of charge | 4     | 199               | 179          | 1,940                       | 1,897         | 199                          | 179            | -                    | -            | 2,339          | 2,255          |
| Gain on disposal of assets                 | 5     | -                 | -            | -                           | -             | -                            | -              | -                    | -            | -              | -              |
| Other income                               |       | 145               | 79           | 2                           | 15            | 46                           | 61             | 88                   | 46           | 281            | 201            |
| <b>TOTAL INCOME</b>                        |       | <b>3,497</b>      | <b>3,739</b> | <b>17,196</b>               | <b>15,579</b> | <b>6,040</b>                 | <b>5,178</b>   | <b>1,676</b>         | <b>1,487</b> | <b>28,409</b>  | <b>25,983</b>  |
| <b>EXPENSES</b>                            |       |                   |              |                             |               |                              |                |                      |              |                |                |
| Employee expenses                          |       | 2,519             | 2,617        | 13,254                      | 11,381        | 783                          | 753            | 1,347                | 1,186        | 17,894         | 15,937         |
| Administrative expenses                    |       |                   |              |                             |               |                              |                |                      |              |                |                |
| Purchases of goods and services            | 6     | 731               | 835          | 1,700                       | 1,922         | 2,559                        | 2,541          | 241                  | 255          | 5,230          | 5,553          |
| Repairs and maintenance                    |       | -                 | -            | 209                         | 363           | 2,201                        | 1,383          | -                    | -            | 2,410          | 1,746          |
| Depreciation and amortisation              | 10,11 | 1                 | -            | 4                           | 15            | 3,544                        | 3,539          | -                    | -            | 3,549          | 3,554          |
| Other administrative expenses <sup>1</sup> |       | 199               | 179          | 1,940                       | 1,898         | 199                          | 179            | 11                   | -            | 2,349          | 2,256          |
| <b>TOTAL EXPENSES</b>                      |       | <b>3,449</b>      | <b>3,631</b> | <b>17,098</b>               | <b>15,579</b> | <b>9,287</b>                 | <b>8,395</b>   | <b>1,598</b>         | <b>1,441</b> | <b>31,433</b>  | <b>29,046</b>  |
| <b>NET SURPLUS/(DEFICIT)</b>               |       | <b>47</b>         | <b>108</b>   | <b>98</b>                   | <b>-</b>      | <b>(3,246)</b>               | <b>(3,217)</b> | <b>77</b>            | <b>46</b>    | <b>(3,034)</b> | <b>(3,063)</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>          |       |                   |              |                             |               |                              |                |                      |              |                |                |
| Asset Revaluation Reserve                  |       | -                 | -            | -                           | -             | -                            | 28,884         | -                    | -            | -              | 28,884         |
| <b>COMPREHENSIVE RESULT</b>                |       | <b>47</b>         | <b>108</b>   | <b>98</b>                   | <b>-</b>      | <b>(3,413)</b>               | <b>25,667</b>  | <b>70</b>            | <b>46</b>    | <b>(3,024)</b> | <b>25,821</b>  |

<sup>1</sup> Includes DCIS service charges.

# DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 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 on-passed 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 2017**

|  | 2017         | 2016         |
|--|--------------|--------------|
|  | \$000        | \$000        |
| <b>4. GOODS AND SERVICES RECEIVED FREE OF CHARGE</b>                                 |              |              |
| Corporate and information services   | 2,339        | 2,254        |
|  | <b>2,339</b> | <b>2,254</b> |
| <b>5. GAIN ON DISPOSAL OF ASSETS</b>   |              |              |
| 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   | -            | -            |
| <b>Total Gain on Disposal of Assets</b>  | <b>-</b>     | <b>-</b>     |
| <b>6. PURCHASES OF GOODS AND SERVICES</b>  |              |              |
| The net surplus/(deficit) has been arrived at after charging the following expenses: |              |              |
| <b>Goods and services expenses:</b>  |              |              |
| Consultants <sup>(1)</sup>   | 62           | 122          |
| Advertising <sup>(2)</sup>   | 5            | -            |
| Marketing and promotion <sup>(3)</sup>   | 71           | 44           |
| Document production  | 11           | 157          |
| Legal expenses <sup>(4)</sup>  | 7            | 19           |
| Recruitment <sup>(5)</sup>   | 13           | 21           |
| Training and study   | 38           | 119          |
| Official duty fares  | 312          | 294          |
| Travelling allowance   | 239          | 219          |
| Accommodation  | 113          | 102          |
| Communications   | 188          | 216          |
| Hospitality  | 91           | 156          |
| Information Technology   | 668          | 634          |
| Membership and Subscriptions   | 21           | 19           |
| Motor Expenses   | 367          | 386          |
| Office Requisites  | 23           | 82           |
| Other Equipment Expenses   | 205          | 250          |
| Other  | 46           | 70           |
|  | <b>2,480</b> | <b>2,910</b> |

<sup>(1)</sup> Includes marketing, promotion and IT consultants.

<sup>(2)</sup> Does not include recruitment, advertising or marketing and promotion advertising.

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

<sup>(4)</sup> Includes legal fees, claim and settlement costs.

<sup>(5)</sup> Includes recruitment-related advertising costs.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

**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.

**Property Management Expense**

Funding is received for costs associated with the property management of agency property as part of output appropriation. Costs associated with the property management are expensed as incurred.

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

|  | Agency    |               | Agency |               | Territory Items |               | Territory Items |               |
|--|-----------|---------------|--------|---------------|-----------------|---------------|-----------------|---------------|
|  | 2017      | No. of Trans. | 2016   | No. of Trans. | 2017            | No. of Trans. | 2016            | No. of Trans. |
|  | \$000     |               | \$000  |               | \$000           |               | \$000           |               |
| <b>Write-offs, Postponements and Waivers Under the <i>Financial Management Act</i></b> | <b>12</b> | <b>2</b>      | -      | -             | -               | -             | -               | -             |
| 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         | 1             | -      | -             | -               | -             | -               | -             |
| Waiver or postponement of right to receive or recover money or property                | -         | -             | -      | -             | -               | -             | -               | -             |
| <b>Total Written Off, Postponed and Waived by Delegates</b>                            | <b>1</b>  | <b>1</b>      | -      | -             | -               | -             | -               | -             |
| <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                | -         | -             | -      | -             | -               | -             | -               | -             |
| <b>Total Written Off, Postponed and Waived by the Treasurer</b>                        | <b>11</b> | <b>1</b>      | -      | -             | -               | -             | -               | -             |
| <b>Write-offs, Postponements and Waivers Authorised Under Other Legislation</b>        | -         | -             | -      | -             | -               | -             | -               | -             |
| <b>Gifts Under the <i>Financial Management Act</i></b>                                 | -         | -             | -      | -             | -               | -             | -               | -             |
| <b>Gifts Authorised Under Other Legislation <sup>(a)</sup></b>                         | -         | -             | -      | -             | -               | -             | -               | -             |
| <b>Ex Gratia Payments Under the <i>Financial Management Act</i></b>                    | -         | -             | -      | -             | -               | -             | -               | -             |

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2017**

|                             | 2017         | 2016         |
|-----------------------------|--------------|--------------|
|                             | \$000        | \$000        |
| <b>8. CASH AND DEPOSITS</b> |              |              |
| Cash on hand                | 5            | 5            |
| Cash at bank                | 5,315        | 4,659        |
|                             | <b>5,320</b> | <b>4,664</b> |

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                   | 15     | 35     |
| Less: Allowance for impairment losses | -      | -      |
| <br>GST receivables                   | <br>69 | <br>62 |
| Other receivables                     | 14     | -      |
|                                       | 98     | 97     |

**Non-Current**

|                          |           |           |
|--------------------------|-----------|-----------|
| Other receivables        | -         | -         |
|                          | -         | -         |
| <b>Total Receivables</b> | <b>98</b> | <b>97</b> |

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 2017

|  | 2017      | 2016      |
|--|-----------|-----------|
|  | \$000     | \$000     |
| <b>10. INVENTORIES</b>                   |           |           |
| <b>Inventories Held for Distribution</b> |           |           |
| At cost                                  | 13        | 15        |
| <b>Total Inventories</b>                 | <b>13</b> | <b>15</b> |

During the year the Department of Legislative Assembly was required to write-off \$1,320.00 (\$0 2015-16) of Uniforms 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 2017

|  | 2017                  | 2016                  |
|--|-----------------------|-----------------------|
|  | \$000                 | \$000                 |
| <b>11. PROPERTY, PLANT AND EQUIPMENT</b>   |                       |                       |
| <b>Land</b>                                |                       |                       |
| At fair value                              | 84,910                | 84,910                |
| <b>Buildings</b>                           |                       |                       |
| At fair value                              | 282,142               | 281,933               |
| Less: Accumulated depreciation             | (81,045)              | (77,519)              |
|  | <u>201,097</u>        | <u>204,414</u>        |
| <b>Infrastructure</b>                      |                       |                       |
| At fair value                              | 106                   | 106                   |
| Less: Accumulated depreciation             | (6)                   | (3)                   |
|  | <u>100</u>            | <u>102</u>            |
| <b>Plant and Equipment</b>                 |                       |                       |
| At fair value                              | 2,309                 | 2,015                 |
| Less: Accumulated depreciation             | (1,996)               | (1,978)               |
|  | <u>312</u>            | <u>37</u>             |
| <b>Leased Computer Software</b>            |                       |                       |
| At capitalised cost                        | 51                    | 51                    |
| Less: Accumulated depreciation             | (51)                  | (51)                  |
|  | <u>-</u>              | <u>-</u>              |
| <b>Computer Hardware</b>                   |                       |                       |
| At cost                                    | 37                    | 37                    |
| Less: Accumulated depreciation             | (37)                  | (37)                  |
|  | <u>-</u>              | <u>-</u>              |
| <b>Total Property, Plant and Equipment</b> | <u><u>286,419</u></u> | <u><u>289,463</u></u> |

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2017**

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

**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<br>\$000 | Buildings<br>\$000 | Infrastructure<br>\$000 | Plant and<br>Equipment<br>\$000 | Total<br>\$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            |
| Revaluation increments/(decrements)        | -             | -                  | -                       | -                               | -              |
| <b>Carrying Amount as at 30 June 2017</b>  | <b>84,910</b> | <b>201,097</b>     | <b>100</b>              | <b>312</b>                      | <b>286,419</b> |

**2016 Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2015-16 is set out below:

|  | Land<br>\$000 | Buildings<br>\$000 | Infrastructure<br>\$000 | Plant and<br>Equipment<br>\$000 | Total<br>\$000 |
|--|---------------|--------------------|-------------------------|---------------------------------|----------------|
| Carrying Amount as at 1 July 2015          | 54,150        | 209,713            | 209                     | 61                              | 264,133        |
| Additions                                  | -             | -                  | -                       | -                               | -              |
| Depreciation                               | -             | (3,526)            | (3)                     | (25)                            | (3,554)        |
| Additions/(Disposals) from asset transfers | -             | -                  | -                       | -                               | -              |
| Revaluation increments/(decrements)        | 30,760        | (1,772)            | (103)                   | -                               | 28,885         |
| <b>Carrying Amount as at 30 June 2016</b>  | <b>84,910</b> | <b>204,414</b>     | <b>102</b>              | <b>37</b>                       | <b>289,463</b> |

## DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

#### **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 all agency capital works is provided directly to the Department of Infrastructure 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; and
- heritage and cultural assets.

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

The latest revaluations as at 30 June 2016 were independently conducted. The valuer was Colliers International. Refer to Note 13: Fair Value Measurement of Non-Financial Assets for additional disclosures

# DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 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 depreciated 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 2017. 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:

|                              | 2017      | 2016      |
|------------------------------|-----------|-----------|
| Buildings                    | 80 years  | 80 years  |
| Infrastructure Assets        | 82 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 2017

**12a. INTANGIBLE ASSETS**

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.

|  | 2017       | 2016       |
|--|------------|------------|
|  | \$000      | \$000      |
| <b>12c. HERITAGE AND CULTURAL ASSETS</b> |            |            |
| <b>Carrying amount</b>                   |            |            |
| At valuation                             | 137        | 137        |
| Less: Accumulated depreciation           | (25)       | (23)       |
| Written down value – 30 June             | <u>112</u> | <u>114</u> |
| <b>Reconciliation of movements</b>       |            |            |
| Carrying amount at 1 July                | 114        | 115        |
| Additions                                | -          | -          |
| Depreciation                             | (1)        | (1)        |
| <b>Carrying amount as at 30 June</b>     | <u>112</u> | <u>114</u> |

**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 2017. 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 are to 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 2017**

**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  | Level 2       | Level 3        | Total Fair Value |
|---------------------------------|----------|---------------|----------------|------------------|
|                                 | \$000    | \$000         | \$000          | \$000            |
| <b>2016-17</b>                  |          |               |                |                  |
| <b>Asset Classes</b>            |          |               |                |                  |
| 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              |
| <b>Total</b>                    | <b>-</b> | <b>84,910</b> | <b>201,621</b> | <b>286,531</b>   |
| <b>2015-16</b>                  |          |               |                |                  |
| <b>Asset Classes</b>            |          |               |                |                  |
| Land (Note 11)                  | -        | 84,910        | -              | 84,910           |
| Buildings (Note 11)             | -        | -             | 204,414        | 204,414          |
| Infrastructure (Note 11)        | -        | -             | 102            | 102              |
| Plant and Equipment (Note 11)   | -        | -             | 37             | 37               |
| Heritage and Cultural (Note 12) | -        | -             | 114            | 114              |
| <b>Total</b>                    | <b>-</b> | <b>84,910</b> | <b>204,667</b> | <b>289,577</b>   |

There were no transfers between Level 1 and Levels 2 or 3 during 2016-17.

**b) Valuation Techniques and Inputs**

Valuation techniques used to measure fair value in 2016-17 are:

|                       | Level 2<br>Techniques | Level 3<br>Techniques |
|-----------------------|-----------------------|-----------------------|
| <b>Asset Classes</b>  |                       |                       |
| Land                  | Market                |                       |
| Buildings             |                       | Cost                  |
| Infrastructure        |                       | Cost                  |
| Plant and Equipment   |                       | Cost                  |
| Heritage and Cultural |                       | Cost                  |

There were no changes in valuation techniques from 2015-16 to 2016-17.

Colliers International provided valuations for the land, buildings and infrastructure assets.

Level 2 fair values of land 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 depreciated replacement costs because an active market does not exist for such facilities. The depreciated replacement cost was based on a combination of internal records of the historical cost of the facilities, adjusted for contemporary technology and construction

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2017**

approaches. Significant judgement 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<br>\$000 | Infrastructure<br>\$000 | Plant and<br>Equipment<br>\$000 | Heritage and<br>Cultural<br>\$000 |
|---|--------------------|-------------------------|---------------------------------|-----------------------------------|
| <b>2016-17</b>  |                    |                         |                                 |                                   |
| Fair value as at 1 July 2016  | 204,414            | 103                     | 36                              | 114                               |
| Additions   | -                  | -                       | 294                             | -                                 |
| Depreciation  | (3,526)            | (3)                     | (18)                            | (1)                               |
| Additions/Disposals from asset transfers                                | 209                | -                       | -                               | -                                 |
| Gains/losses recognised in other<br>Revaluation Increments/(Decrements) | -                  | -                       | -                               | -                                 |
| <b>Fair value as at 30 June 2017</b>                                    | <b>201,097</b>     | <b>100</b>              | <b>312</b>                      | <b>112</b>                        |
| <b>2015-16</b>  |                    |                         |                                 |                                   |
| Fair value as at 1 July 2015  | 209,713            | 209                     | 61                              | 115                               |
| Additions   | -                  | -                       | -                               | -                                 |
| Depreciation  | (3,526)            | (3)                     | (25)                            | (1)                               |
| Additions/Disposals from asset transfers                                | -                  | -                       | -                               | -                                 |
| Gains/losses recognised in other<br>Revaluation Increments/(Decrements) | (1,772)            | (103)                   | -                               | -                                 |
| <b>Fair value as at 30 June 2016</b>                                    | <b>204,414</b>     | <b>103</b>              | <b>36</b>                       | <b>114</b>                        |

**(ii) Sensitivity analysis**

The Level 3 assets apart from Buildings use historical cost less depreciated value to obtain the assets' 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**

|                       | 2017<br>\$000 | 2016<br>\$000 |
|-----------------------|---------------|---------------|
| Accounts payable      | 186           | 144           |
| Accrued expenses      | 364           | 220           |
| <b>Total Payables</b> | <b>549</b>    | <b>364</b>    |

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 2017**

|                                 | 2017         | 2016         |
|---------------------------------|--------------|--------------|
|                                 | \$000        | \$000        |
| <b>16. PROVISIONS</b>           |              |              |
| <b>Current</b>                  |              |              |
| <i>Employee benefits</i>        |              |              |
| Recreation leave                | 810          | 834          |
| Leave loading                   | 92           | 94           |
| Other employee benefits         | 4            | 6            |
| <i>Other current provisions</i> |              |              |
| Other provisions                | 172          | 187          |
|                                 | <b>1,078</b> | <b>1,122</b> |
| <b>Non-Current</b>              |              |              |
| <i>Employee benefits</i>        |              |              |
| Recreation leave                | -            | -            |
|                                 | -            | -            |
| <b>Total Provisions</b>         | <b>1,078</b> | <b>1,122</b> |

The Agency employed 100 employees as at 30 June 2017 (94 employees as at 30 June 2016).

**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 the 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 2017**

|                                | 2017<br>\$000 | 2016<br>\$000 |
|--------------------------------|---------------|---------------|
| <b>17. OTHER LIABILITIES</b>   |               |               |
| <b>Current</b>                 |               |               |
| Other liabilities              | 2             | 1             |
|                                | 2             | 1             |
| <b>Non-Current</b>             |               |               |
| Other liabilities              | -             | -             |
|                                | -             | -             |
| <b>Total Other Liabilities</b> | <b>2</b>      | <b>1</b>      |

**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.

**18. COMMITMENTS**

|  | 2017                    |                         | 2016     |          |
|--|-------------------------|-------------------------|----------|----------|
|  | Internal <sup>(a)</sup> | External <sup>(a)</sup> | Internal | External |
|  | \$000                   | \$000                   | \$000    | \$000    |
| <b>Operating Lease Commitments</b>   |                         |                         |          |          |
| The agency leases property under non-cancellable operating leases expiring from 0 to 3 years. Leases generally provide the agency with a right of renewal at which time all lease terms are renegotiated. The agency also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows: |                         |                         |          |          |
| Within one year  | -                       | 0                       | -        | 4        |
| Later than one year and not later than five years  | -                       | -                       | -        | 0        |
|  | -                       | <b>0</b>                | -        | <b>4</b> |

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2017**

|  | 2017           | 2016           |
|--|----------------|----------------|
|  | \$000          | \$000          |
| <b>19. RESERVES</b>  |                |                |
| <b>Asset Revaluation Surplus</b>   |                |                |
| <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        | 140,718        |
| Increment/(Decrement) – land   | -              | 30,760         |
| Increment/(Decrement) – buildings  | -              | (1,772)        |
| Increment/(Decrement) – infrastructure   | -              | (103)          |
| <b>Balance as at 30 June</b>   | <b>169,603</b> | <b>169,603</b> |

**20. NOTES TO THE CASH FLOW STATEMENT**

**Reconciliation of Cash**

The total of agency 'Cash and deposits' of \$5,320,000 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**

|  |            |            |
|--|------------|------------|
| <b>Net Surplus/(Deficit)</b>                           | (3,025)    | (3,063)    |
| <i>Non-cash items:</i>                                 |            |            |
| Depreciation and amortisation                          | 3,549      | 3,554      |
| R&M – minor new works non-cash                         | 231        | 234        |
| <i>Changes in assets and liabilities:</i>              |            |            |
| Decrease/(Increase) in receivables                     | (1)        | (15)       |
| Decrease/(Increase) in inventories                     | 2          | -          |
| Decrease/(Increase) in prepayments                     | 9          | (1)        |
| (Decrease)/Increase in payables                        | 185        | (448)      |
| (Decrease)/Increase in provision for employee benefits | (28)       | 109        |
| (Decrease)/Increase in other provisions                | (15)       | (28)       |
| (Decrease)/Increase in other liabilities               | 2          | -          |
| <b>Net Cash from Operating Activities</b>              | <b>909</b> | <b>341</b> |

## DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

#### 21. 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.

##### **k) 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 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.

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2017**

**2016-17 Categorisation of Financial Instruments**

|                                    | Fair value through profit or loss |              |
|------------------------------------|-----------------------------------|--------------|
|                                    | Designated at<br>fair value       | Total        |
|                                    | \$000                             | \$000        |
| Cash and deposits                  | 5,320                             | 5,320        |
| Receivables <sup>1</sup>           | 29                                | 29           |
| <b>Total Financial Assets</b>      | <b>5,349</b>                      | <b>5,349</b> |
| Deposits held <sup>1</sup>         | 1                                 | 1            |
| Payables <sup>1</sup>              | 549                               | 549          |
| <b>Total Financial Liabilities</b> | <b>550</b>                        | <b>550</b>   |

1.Total amounts disclosed here exclude statutory amounts

**2015-16 Categorisation of Financial Instruments**

|                                    | Fair value through profit or loss |              |
|------------------------------------|-----------------------------------|--------------|
|                                    | Designated at<br>fair value       | Total        |
|                                    | \$000                             | \$000        |
| Cash and deposits                  | 4,664                             | 4,664        |
| Receivables <sup>1</sup>           | 35                                | 35           |
| <b>Total Financial Assets</b>      | <b>4,699</b>                      | <b>4,699</b> |
| Deposits held <sup>1</sup>         | 1                                 | 1            |
| Payables <sup>1</sup>              | 364                               | 364          |
| <b>Total Financial Liabilities</b> | <b>365</b>                        | <b>365</b>   |

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.

## DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

#### **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.

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; or
- 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; or
- 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 2017

### 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.

| <b>Internal Receivables<sup>(a)</sup></b> | <b>Aging of<br/>Receivables<br/>\$000</b> | <b>Aging of<br/>Impaired<br/>Receivables<br/>\$000</b> | <b>Net<br/>Receivables<br/>\$000</b> |
|---|---|--|--------------------------------------|
| <b>2016-17</b>                            |   |  |                                      |
| Not overdue                               | -   | -  | -                                    |
| Overdue for less than 30 days             | -   | -  | -                                    |
| Overdue for 30 to 60 days                 | -   | -  | -                                    |
| Overdue for more than 60 days             | -   | -  | -                                    |
| <b>Total</b>                              | <b>-</b>                                  | <b>-</b>   | <b>-</b>                             |
| <b>2015-16</b>                            |   |  |                                      |
| Not overdue                               | -   | -  | -                                    |
| Overdue for less than 30 days             | -   | -  | -                                    |
| Overdue for 30 to 60 days                 | -   | -  | -                                    |
| Overdue for more than 60 days             | -   | -  | -                                    |
| <b>Total</b>                              | <b>-</b>                                  | <b>-</b>   | <b>-</b>                             |

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2017**

| <b>External Receivables<sup>(a)</sup></b> | Aging of<br>Receivables<br>\$000 | Aging of<br>Impaired<br>Receivables<br>\$000 | Net<br>Receivables<br>\$000 |
|---|----------------------------------|--|-----------------------------|
| <b>2016-17</b>                            |                                  |  |                             |
| Not overdue                               | 13                               | -  | 26                          |
| Overdue for less than 30 days             | -                                | -  | -                           |
| Overdue for 30 to 60 days                 | 1                                | -  | 1                           |
| Overdue for more than 60 days             | 2                                | -  | 2                           |
| <b>Total</b>                              | <b>16</b>                        | <b>-</b>                                     | <b>29</b>                   |
| <b>2015-16</b>                            |                                  |  |                             |
| Not overdue                               | 8                                | -  | 8                           |
| Overdue for less than 30 days             | 1                                | -  | 1                           |
| Overdue for 30 to 60 days                 | 2                                | -  | 2                           |
| Overdue for more than 60 days             | 24                               | -  | 24                          |
| <b>Total</b>                              | <b>35</b>                        | <b>-</b>                                     | <b>35</b>                   |

<sup>(a)</sup> Internal receivables are from entities controlled by the NTG (entities listed in TAFR 2015-16 Note 41: 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 2017**

**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        | %                |
| <b>Assets</b>                      |                        |              |                   |                     |              |                   |                      |              |                  |
| Cash and deposits                  |                        |              |                   |                     |              |                   | 5,320                | 5,320        |                  |
| Receivables                        |                        |              |                   |                     |              |                   | 29                   | 29           |                  |
| <b>Total Financial Assets</b>      |                        |              |                   |                     |              |                   | <b>5,349</b>         | <b>5,349</b> |                  |
| <b>Liabilities</b>                 |                        |              |                   |                     |              |                   |                      |              |                  |
| Deposits held                      |                        |              |                   |                     |              |                   | 1                    | 1            |                  |
| Payables                           |                        |              |                   |                     |              |                   | 549                  | 549          |                  |
| <b>Total Financial Liabilities</b> |                        |              |                   |                     |              |                   | <b>550</b>           | <b>550</b>   |                  |

**2016 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        | %                |
| <b>Assets</b>                      |                        |              |                   |                     |              |                   |                      |              |                  |
| Cash and deposits                  |                        |              |                   |                     |              |                   | 4,664                | 4,664        |                  |
| Receivables                        |                        |              |                   |                     |              |                   | 35                   | 35           |                  |
| <b>Total Financial Assets</b>      |                        |              |                   |                     |              |                   | <b>4,699</b>         | <b>4,699</b> |                  |
| <b>Liabilities</b>                 |                        |              |                   |                     |              |                   |                      |              |                  |
| Deposits held                      |                        |              |                   |                     |              |                   | 1                    | 1            |                  |
| Payables                           |                        |              |                   |                     |              |                   | 364                  | 364          |                  |
| <b>Total Financial Liabilities</b> |                        |              |                   |                     |              |                   | <b>365</b>           | <b>365</b>   |                  |

**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 2017

#### **(ii) Price Risk**

The Department of the Legislative Assembly is not exposed 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 2017**

- 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.

| <b>2017</b>                        | Total<br>Carrying<br>Amount | Net Fair<br>Value Level<br>1 | Net Fair<br>Value Level<br>2 | Net Fair<br>Value Level<br>3 | Net Fair<br>Value<br>Total |
|------------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|----------------------------|
|                                    | \$000                       | \$000                        | \$000                        | \$000                        | \$000                      |
| <b>Financial Assets</b>            |                             |                              |                              |                              |                            |
| Cash and Deposits                  | 5,320                       | 5,320                        |                              |                              |                            |
| Receivables                        | 29                          | 29                           |                              |                              |                            |
| <b>Total Financial Assets</b>      | <b>5,349</b>                | <b>5,349</b>                 |                              |                              |                            |
| <b>Financial Liabilities</b>       |                             |                              |                              |                              |                            |
| Deposits Held                      | 1                           | 1                            |                              |                              |                            |
| Payables                           | 549                         | 549                          |                              |                              |                            |
| <b>Total Financial Liabilities</b> | <b>550</b>                  | <b>550</b>                   |                              |                              |                            |
| <b>2016</b>                        |                             |                              |                              |                              |                            |
|                                    | Total<br>Carrying<br>Amount | Net Fair<br>Value Level<br>1 | Net Fair<br>Value Level<br>2 | Net Fair<br>Value Level<br>3 | Net Fair<br>Value<br>Total |
|                                    | \$000                       | \$000                        | \$000                        | \$000                        | \$000                      |
| <b>Financial Assets</b>            |                             |                              |                              |                              |                            |
| Cash and Deposits                  | 4,664                       | 4,664                        |                              |                              |                            |
| Receivables                        | 35                          | 35                           |                              |                              |                            |
| <b>Total Financial Assets</b>      | <b>4,699</b>                | <b>4,699</b>                 |                              |                              |                            |
| <b>Financial Liabilities</b>       |                             |                              |                              |                              |                            |
| Deposits Held                      | 1                           | 1                            |                              |                              |                            |
| Payables                           | 364                         | 364                          |                              |                              |                            |
| <b>Total Financial Liabilities</b> | <b>365</b>                  | <b>365</b>                   |                              |                              |                            |

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 2017

### 22. 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 Department the Legislative Assembly. These include the Chief Minister, the Clerk and the six additional members of the Board of Management of the Department the Legislative Assembly as listed below:

- Chief Minister, Hon Michael Gunner
- Former Chief Minister, Hon Adam Giles
- Clerk (Chief Executive Officer), Mr Michael Tatham
- Deputy Clerk, Ms Marianne Conaty
- First Clerk Assistant, Mr Russell Keith
- Clerk Assistant Chamber & Serjeant-at-Arms, Mr Sean O'Connor
- Chief Finance Officer, Mrs Diem Tang
- Director Business Services, Ms Jacqui Forrest
- Director Property Management, Mr Bill Fryar

#### 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 both the Department of the Legislative Assembly and Treasurer's Annual Financial Statements.

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

|                          | 2016-17 |
|--------------------------|---------|
|                          | \$000   |
| Short-term benefits      | 1,943   |
| Termination benefits     | 102     |
| Post Employment Benefits | 129     |
| Total                    | 2,174   |

# DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

### iv) Related party transactions:

#### Transactions with Northern Territory Government controlled entities

The departments' 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    | Payments to     | Amounts owed       | Amounts owed       |
|---------------------------------------|-----------------|-----------------|--------------------|--------------------|
|                                       | related parties | related parties | by related parties | to related parties |
|                                       | Year            | Year            | Year               | Year               |
|                                       | \$000           | \$000           | \$000              | \$000              |
| <i>All NTG Government departments</i> | -               | -               | -                  | -                  |
| <i>Associates</i>                     | -               | -               | -                  | -                  |
| <i>Subsidiaries</i>                   | -               | -               | -                  | -                  |

The departments' 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.

### 23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Department of the Legislative Assembly had no contingent liabilities or contingent assets as at 30 June 2017 or 30 June 2016.

### 24. 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.

### 25. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

In accordance with section 7 of the *Financial Management Act*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust. A summary of activity is shown below:

| Nature of Trust Money | Opening<br>Balance | Receipts | Payments | Closing<br>Balance |
|-----------------------|--------------------|----------|----------|--------------------|
|                       | 1 July 2016        |          |          | 30 June 2017       |
| Gym Locker Deposit    | 1                  |          |          | 0                  |

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2017**

1

0

Accountable Officer's Trust Account has been closed following Auditor-General's recommendation. Outstanding balance has been reclassified as other deposit held.

**27. BUDGETARY INFORMATION**

| <b>Comprehensive Operating Statement</b>                          | 2016-17<br>Actual | 2016-17<br>Original<br>Budget | Variance     | Note |
|---|-------------------|-------------------------------|--------------|------|
|   | \$000             | \$000                         | \$000        |      |
| <b>INCOME</b>   |                   |                               |              |      |
| Taxation revenue  | -                 | -                             | -            |      |
| Grants and subsidies revenue                                      |                   |                               |              |      |
| Current   | -                 | -                             | -            |      |
| Capital   | -                 | -                             | -            |      |
| Appropriation   |                   |                               |              |      |
| Output  | 25,789            | 25,789                        | -            |      |
| Commonwealth  | -                 | -                             | -            |      |
| Sales of goods and services                                       | 100               | 75                            | 25           | 1    |
| Interest revenue  | -                 | -                             | -            |      |
| Goods and services received free of charge                        | 2,339             | 2,102                         | 237          |      |
| Gain on disposal of assets  | -                 | -                             | -            |      |
| Other income  | 181               | 52                            | 129          | 2    |
| <b>TOTAL INCOME</b>   | <b>28,408</b>     | <b>28,018</b>                 | <b>390</b>   |      |
| <b>EXPENSES</b>   |                   |                               |              |      |
| Employee expenses   | 17,894            | 18,705                        | (811)        | 3    |
| Administrative expenses   |                   |                               |              |      |
| Purchases of goods and services                                   | 5,230             | 4,955                         | 275          | 4    |
| Repairs and maintenance   | 2,410             | 2,906                         | (496)        | 5    |
| Depreciation and amortisation                                     | 3,549             | 3,760                         | (211)        | 6    |
| Other administrative expenses                                     | 2,351             | 2,102                         | 249          |      |
| Grants and subsidies expenses                                     |                   |                               |              |      |
| Current   | -                 | -                             | -            |      |
| Capital   | -                 | -                             | -            |      |
| Community service obligations                                     | -                 | -                             | -            |      |
| Interest expenses   | -                 | -                             | -            |      |
| <b>TOTAL EXPENSES</b>   | <b>31,433</b>     | <b>32,428</b>                 | <b>(995)</b> |      |
| <b>NET SURPLUS/(DEFICIT)</b>                                      | <b>(3,025)</b>    | <b>(4,410)</b>                | <b>1,385</b> |      |
| <b>OTHER COMPREHENSIVE INCOME</b>                                 |                   |                               |              |      |
| <b>Items that will not be reclassified to net surplus/deficit</b> |                   |                               |              |      |
| Changes in accounting policies                                    | -                 | -                             | -            |      |
| Correction of prior period errors                                 | -                 | -                             | -            |      |
| Changes in asset revaluation surplus                              | -                 | -                             | -            |      |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>                           | <b>-</b>          | <b>-</b>                      | <b>-</b>     |      |
| <b>COMPREHENSIVE RESULT</b>                                       | <b>-</b>          | <b>-</b>                      | <b>-</b>     |      |

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2017**

**Notes:**

The following note descriptions relate to variances greater than 10 per cent or \$100,000, or where multiple significant variances have occurred:

<sup>1</sup> Increase in sales of goods and services mainly relates to event hire fees and charges in Parliament house.

<sup>2</sup> Primarily the result of hosting a function - Commonwealth Parliamentary Association 2017 Mid-Year Meeting April 2017.

<sup>3</sup> Underspend in employee budget primarily due to the timing of Members' use of entitlement to employ staff for their Electorate Offices and timing of Departmental staff recruitment of a number of positions.

<sup>4</sup> Actual goods and services purchases of \$275k over budget was primarily due to timing of members' use of their entitlements as provided (\$133k) for by the Remuneration Tribunal Determination and the Commonwealth Parliamentary Association NT Branch Executive Committee Mid-Year Meeting in April 2017 that was not budgeted for but fully recovered in miscellaneous income.

<sup>5</sup> Under budget in R&M due to timing of completion of projects undertaken by the Department of Planning Infrastructure and Logistics.

<sup>6</sup> Under budget in Depreciation. Budget for Depreciation has been adjusted to align with Fixed Assets Register.

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2017**

| <b>Balance Sheet</b>                 | 2016-17<br>Actual | 2016-17<br>Original<br>Budget | Variance     | Note |
|--------------------------------------|-------------------|-------------------------------|--------------|------|
|                                      | \$000             | \$000                         | \$000        |      |
| <b>ASSETS</b>                        |                   |                               |              |      |
| <b>Current assets</b>                |                   |                               |              |      |
| Cash and deposits                    | 5,230             | 4,664                         | 656          |      |
| Receivables                          | 98                | 96                            | 2            |      |
| Inventories                          | 13                | 15                            | (2)          |      |
| Prepayments                          | 10                | 19                            | (9)          |      |
| <b>Total current assets</b>          | <b>5,440</b>      | <b>4,794</b>                  | <b>646</b>   |      |
| <b>Non-current assets</b>            |                   |                               |              |      |
| Property, plant and equipment        | 286,419           | 286,028                       | 391          |      |
| Heritage and cultural assets         | 112               | -                             | 112          |      |
| <b>Total non-current assets</b>      | <b>286,531</b>    | <b>286,028</b>                | <b>503</b>   |      |
| <b>TOTAL ASSETS</b>                  | <b>291,971</b>    | <b>290,822</b>                | <b>1,149</b> |      |
| <b>LIABILITIES</b>                   |                   |                               |              |      |
| <b>Current liabilities</b>           |                   |                               |              |      |
| Deposits held                        | 1                 | 1                             | -            |      |
| Payables                             | 549               | 363                           | 186          |      |
| Provisions                           | 1,078             | 1,121                         | (43)         |      |
| Other liabilities                    | 2                 | -                             | 2            |      |
| <b>Total current liabilities</b>     | <b>1,630</b>      | <b>1,485</b>                  | <b>145</b>   |      |
| <b>Non-current liabilities</b>       |                   |                               |              |      |
| Provisions                           | -                 | -                             | -            |      |
| <b>Total non-current liabilities</b> | <b>-</b>          | <b>-</b>                      | <b>-</b>     |      |
| <b>TOTAL LIABILITIES</b>             | <b>1,630</b>      | <b>1,485</b>                  | <b>145</b>   |      |
| <b>NET ASSETS</b>                    | <b>290,341</b>    | <b>289,337</b>                | <b>1,004</b> |      |
| <b>EQUITY</b>                        |                   |                               |              |      |
| Capital                              |                   |                               |              |      |
| Opening balance                      | 159,388           | 159,388                       | -            |      |
| Equity injections/withdrawals        | 481               | 861                           | (380)        |      |
| Reserves                             | 169,603           | 169,603                       | -            |      |
| Accumulated funds                    |                   |                               |              |      |
| Opening balance                      | (36,105)          | (36,105)                      | -            |      |
| Current year surplus/(deficit)       | (3,025)           | (4,410)                       | 1,385        |      |
| <b>TOTAL EQUITY</b>                  | <b>290,341</b>    | <b>289,337</b>                | <b>1,004</b> |      |

**Notes:**

Variations greater than 10 per cent or \$100,000 are recognised as significant and as such require explanation. There were no significant variations between actual and budget amounts in 2016-17.

**DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2017**

| <b>Cash Flow Statement</b>                          | 2016-17       | 2016-17       | Variance     | Note  |
|---|---------------|---------------|--------------|-------|
|   | Actual        | Original      |              |       |
|   | Budget        |               |              |       |
|   | \$000         | \$000         | \$000        |       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |               |               |              |       |
| <b>Operating receipts</b>                           |               |               |              |       |
| Taxes received                                      | -             | -             | -            |       |
| Grants and subsidies received                       |               |               |              |       |
| Current   | -             | -             | -            |       |
| Capital   | -             | -             | -            |       |
| Appropriation                                       |               |               |              |       |
| Output  | 25,789        | 25,789        | -            |       |
| Commonwealth  | -             | -             | -            |       |
| Receipts from sales of goods and services           | 278           | 127           | 151          | 1 & 2 |
| Interest received                                   | -             | -             | -            |       |
| <b>Total operating receipts</b>                     | <b>26,067</b> | <b>25,916</b> | <b>151</b>   |       |
| <b>Operating payments</b>                           |               |               |              |       |
| Payments to employees                               | 17,867        | 18,705        | (838)        | 3     |
| Payments for goods and services                     | 7284          | 7,211         | 73           |       |
| Grants and subsidies paid                           |               |               |              |       |
| Current   | -             | -             | -            |       |
| Capital   | -             | -             | -            |       |
| Community service obligations                       | -             | -             | -            |       |
| Interest paid                                       | -             | -             | -            |       |
| <b>Total operating payments</b>                     | <b>25,151</b> | <b>25,916</b> | <b>(765)</b> |       |
| <b>Net cash from/(used in) operating activities</b> | <b>916</b>    |               | <b>916</b>   |       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |               |               |              |       |
| <b>Investing receipts</b>                           |               |               |              |       |
| Proceeds from asset sales                           | -             | 2             | (2)          |       |
| Repayment of advances                               | -             | -             | -            |       |
| Sales of investments                                | -             | -             | -            |       |
| <b>Total investing receipts</b>                     | <b>-</b>      | <b>2</b>      | <b>(2)</b>   |       |
| <b>Investing payments</b>                           |               |               |              |       |
| Purchases of assets                                 | 294           | 43            | 251          |       |
| Advances and investing payments                     | -             | -             | -            |       |
| <b>Total investing payments</b>                     | <b>294</b>    | <b>43</b>     | <b>251</b>   |       |
| <b>Net cash from/(used in) investing activities</b> | <b>(294)</b>  | <b>(41)</b>   | <b>(253)</b> |       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |               |               |              |       |
| <b>Financing receipts</b>                           |               |               |              |       |
| Proceeds of borrowings                              | -             | -             | -            |       |
| Deposits received                                   | -             | -             | -            |       |
| Equity injections                                   |               |               |              |       |
| Capital appropriation                               | 41            | 41            | -            |       |
| Commonwealth appropriation                          | -             | -             | -            |       |
| Other equity injections                             | -             | -             | -            |       |
| <b>Total financing receipts</b>                     | <b>41</b>     | <b>41</b>     | <b>-</b>     |       |
| <b>Financing payments</b>                           |               |               |              |       |

## DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

|   |              |              |            |
|---|--------------|--------------|------------|
| Repayment of borrowings                             | -            | -            | -          |
| Finance lease payments                              | -            | -            | -          |
| Equity withdrawals                                  | -            | -            | -          |
| <b>Total financing payments</b>                     | <b>-</b>     | <b>-</b>     | <b>-</b>   |
| <b>Net cash from/(used in) financing activities</b> | <b>41</b>    | <b>41</b>    | <b>-</b>   |
| Net increase/(decrease) in cash held                | 656          | -            | <b>656</b> |
| Cash at beginning of financial year                 | 4,664        | 4,664        | -          |
| <b>CASH AT END OF FINANCIAL YEAR</b>                | <b>5,320</b> | <b>4,664</b> | <b>656</b> |

#### Notes:

The following note descriptions relate to variances greater than 10 per cent or \$100,000, or where multiple significant variances have occurred:

<sup>1</sup> Increase in sales of goods and services mainly relates to event hire fees and charges in Parliament house.

<sup>2</sup> Primarily the result of hosting a function - Commonwealth Parliamentary Association 2017 Mid Year Meeting April 2017.

<sup>3</sup> Underspend in employee budget primarily due to the timing of Members' use of entitlement to employ staff for their Electorate Offices and timing of Departmental staff recruitment of a number of positions.

<sup>4</sup> Purchase of Assets for Parliament House Chamber's camera replacement, should be against Minor New Work Program, will contact Infrastructure to correct.