



Department of the Legislative Assembly

Annual Report

2019 – 2020

Department of the Legislative Assembly
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DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Clerk and Chief Executive

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

Dear Chief Minister

I am pleased to submit to you the 2019 – 20 annual report for the Department of the Legislative Assembly in accordance with section 28 of the *Public Sector Employment and Management Act 1993*. Pursuant to my responsibilities as the Accountable Officer under section 13 of the *Financial Management Act 1995* (FMA), 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 FMA, 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 FMA
- (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 FMA, 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 FMA, Regulations and Treasurer's Directions.

Yours sincerely

Michael Tatham
Clerk

8 September 2020

Table of Contents

Clerk and Chief Executive - Overview	4
Functions and Objectives of the Agency	7
Legislation administered by the Agency	7
Organisation Chart.....	8
Board of Management	9
Agency Operations	9
House Division.....	9
Office of the Clerk.....	9
Research Service for Independent Members.....	9
Procedural Support and Security Services	10
Committees and Education Division	11
Committees	11
Social Media.....	12
Education Programmes and Community Engagement	12
Member and Corporate Support Division	13
Finance Unit	13
Business Services	13
Building and Property Management.....	15
Corporate Governance	15
Strategic and Business Planning	16
Risk Management and Audit.....	16
External Scrutiny	16
Agency Compliance Audit	16
End of Year Review.....	17
Access to Information	17
Privacy	17
Records and Archives Management.....	17
Work Health and Safety.....	17
Member Satisfaction Survey 2019	18
Annexure 1 Financial Report.....	19

Clerk and Chief Executive - Overview

In the final full financial year of the four year electoral cycle before the 2020 General Election, the Department of the Legislative Assembly has continued to ensure the delivery of a parliamentary service which permits Members of the Assembly to concentrate on serving their constituents.

During the latter half of the financial year, with the advent of the COVID-19 pandemic, it became evident that business as usual in the Assembly was no longer an option.

COVID-19 meant fewer Assembly meeting days than otherwise would have occurred this year. The decision of the Government to defer the Budget also meant that the six days earmarked for Estimates Committee hearings are deferred.

The Assembly adapted by permitting Members to telephone in from their electorates to attend Assembly meetings and the Government shortened the three day meeting weeks to a single day. The Assembly agreed to alter the normal routine of business on one of those to eliminate Question Time, so as to concentrate solely on Government Business.

Officers of the Legislative Assembly adapted by working from home where necessary and the Department put in place measures for enhanced cleaning and physical distancing as well.

The Department of the Legislative Assembly has proved itself a resilient workplace in the circumstances and remains prepared for future developments with a safety plan in place and a commitment to ensuring we follow the advice and directions of public health authorities as required.

While as the Chief Executive of the Department of the Legislative Assembly, I am accountable to the Chief Minister, who has the portfolio responsibility for the Department of the Legislative Assembly, I report on an almost daily basis to the Speaker of the Legislative Assembly.

On 23 June 2020 the Speakership changed from the Hon Kezia Purick MLA to the Hon Chanston Paech MLA. I express my thanks to the former Speaker for her support over the seven years I reported to her.

During the reporting period the Department continued to support the Members, Assembly meetings, committees, broadcast and reporting of the proceedings as well as the maintenance of the electorate offices, employment of electorate staff and the operations of Parliament House in Darwin.

During the year, we have worked closely with our colleagues elsewhere in Government to realise the development of the State Square masterplan to the stage of the opening of the new underground carpark adjacent to Parliament House which will soon see the re-development of the adjacent on ground carpark to become much anticipated green space which will continue to enhance the precinct.

Various State Square projects have been considered over the more than 25 years since the construction of the Supreme Court and Parliament House.

A welcome realisation of those plans will be the demolition of the Chan Building, which, when complete, will open up the front entrance of these two major civic buildings to a Smith Street entry and a splendid new vista.

As reported in previous years, we continue to use social media, reporting what is going on with the Assembly through those avenues.

Given the COVID-19 circumstances this year, social media has been even more important for keeping in touch and for updating those who wish to follow proceedings of the Assembly, its

committees and what we are doing in our education and outreach areas in more constrained times.

The *Know Your Assembly* seminars, now six years old, were in full flight during 2019 and early 2020 but have been postponed more recently. Planning is however underway to reboot them in September 2020 to ensure more Territorians have the benefit of attending and experiencing an in depth introduction to the Assembly and how it works.

These full day seminars increase awareness of the Legislative Assembly, bust some of the myths and misconceptions and teach the distinction between the Executive Government and the Assembly.

Assembly Members were surveyed again last year, as they are each year, against questions relating to Budget Paper 3 and the performance measures reported against annually.

Aggregated responses again scored well over 90 per cent satisfaction levels in every surveyed category.

Some focus has been placed on the Legislative Assembly Members *Code of Conduct and Ethical Standards* since a report from the Independent Commissioner Against Corruption was tabled in the Assembly on 23 June 2020.

No doubt, next year's Annual Report will highlight the responses arising from the implementation of the recommendations.

The Table Office review of the input and format of the Minutes of Proceedings to ensure clarity and ongoing compliance with the *Northern Territory (Self-Government) Act 1978* (Cth) to ensure they are properly kept and made available as required has resulted in a streamlined approach to the Minutes being uploaded and finalised faster than in previous years.

Procedural Bulletins continue to be issued by the Speaker after each Assembly meeting period. These record all of the matters of procedural importance for the Members.

The Standing Orders review for the 13th Assembly by the Standing Orders Committee has lapsed as a consequence of the prorogation of the Legislative Assembly in preparation for the General Election. It will be a matter for the 14th Assembly's Committee as to whether to continue the work already undertaken on these reforms by the previous Assembly.

Our two Independent Researchers finished their roles on 30 June 2020 due to the funding for the positions coming to an end. My thanks to them for the professional assistance and support they provided the large cohort of non-party aligned Assembly Members which were a feature of the 13th Assembly.

I also express thanks to the dedicated officers of the Department of the Legislative Assembly who remain late on Assembly meeting nights to ensure the Hansard transcripts are provided, the Minutes are posted to the website and the building operates and functions as required.

Our Committees team go out of their way to deliver excellent advice and written reports for the Members. Our other teams ensure security and safety, essential corporate support and hospitality services and all deliver a high quality product for Territorians.

Thanks again this year to the Chief Parliamentary Counsel and his team for their collegiate approach to advice on the bills drafted and presented in the Assembly and to the Auditor-General and her auditors for their assistance and support to ensure the accountability and integrity of the Department remains a top priority for us.

Members of the Legislative Assembly rarely receive thanks for the work they do.

Acknowledging the fact that this Department and my job would not exist if they did not exist, I genuinely thank all those who make the effort to be elected to, and continue in, the role of a Member of the Legislative Assembly of the Northern Territory.

Members deserve our respect for putting themselves out there and working in their communities to seek solutions to problems and assist constituents navigate the complexities of all of the rules and regulations of their interactions with government.

Often we hear Members criticised for the limited number of Assembly meeting days each year. However, when they are not in Parliament House speaking, legislating and debating, Members are most likely working for you. Go visit, or in COVID times, telephone their electorate office and see how accessible they really are.

It remains my privilege, along with my colleagues, to work in this role, playing our part to make this perhaps imperfect, but still the best democracy we know of, at all possible.



MICHAEL TATHAM
Clerk and Chief Executive

14 September 2020

Functions and Objectives of the Agency

The Department of the Legislative Assembly (DLA) facilitates the operations of the Legislative Assembly to make laws for the peace, order and good government of the Northern Territory.

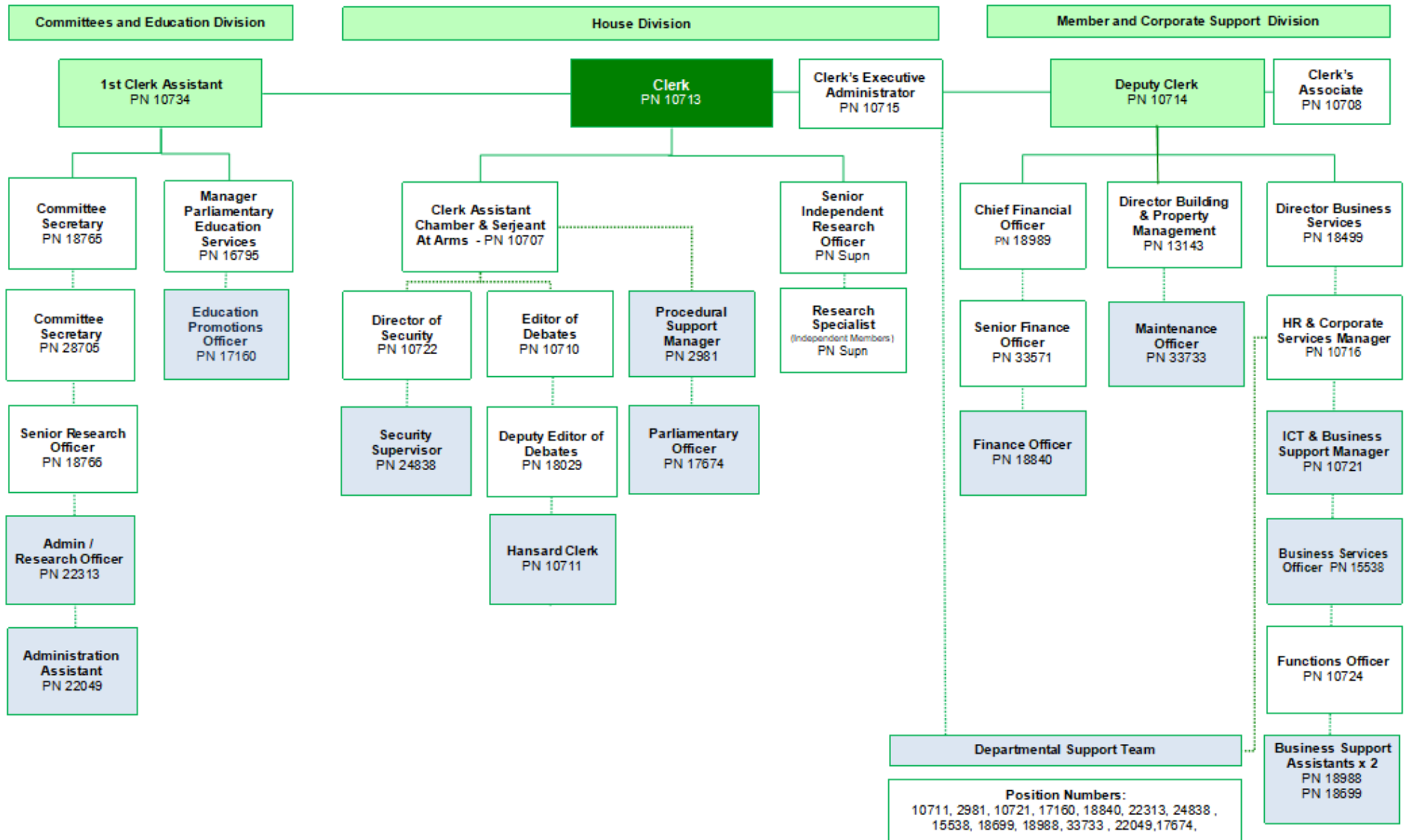
The agency is structured into three divisions that provide advice and services which support the Assembly, its Members and committees and promote community engagement.

Legislation administered by the Agency

The DLA administers the following Legislation:

- *Constitutional Convention (Election) Act 2011*
- *Legislative Assembly (Disclosure of Interests) Act 2008*
- *Legislative Assembly (Members' Code of Conduct and Ethical Standards) Act 2008*
- *Legislative Assembly (Powers and Privileges) Act 1992*
- *Legislative Assembly (Security) Act 1998*
- *Legislative Assembly Members (Miscellaneous Provisions) Act 1987*

Organisation Chart



Board of Management

The Board of Management meets monthly as the Department's senior decision-making body with responsibility for strategic leadership and management of priorities. The Board of Management is comprised of:

- Michael Tatham, Clerk and Chief Executive (Chair)
- Marianne Conaty, Deputy Clerk
- Russell Keith, First Clerk Assistant (Committees and Education)
- Craig Muir, Clerk Assistant Chamber and Serjeant at Arms (Procedural Services and Security)
- Diem Tang, Chief Financial Officer
- Jacqui Forrest, Director Business Services
- Melissa Johnson, Acting Director Building and Property Management.

Members of the Board of Management are key management personnel for the purposes of financial reporting. Their responsibilities include:

- monitoring performance against objectives
- maintaining financial accountability
- ensuring people management and communication practices are effective, fair and equitable, and support corporate objectives.

DLA staff are briefed on decisions, agency direction and relevant issues arising from the Board meetings at monthly staff forums.

Agency Operations

House Division

Office of the Clerk

The Office of the Clerk provides procedural advice and support to the Speaker and Members of the Legislative Assembly and executive leadership of the Department of the Legislative Assembly. The Office of the Clerk supports all domestic committees such as the Standing Orders, Privileges and House Committees.

Research Service for Independent Members

The Research Service supported the research requirements of independent Members to enable them to undertake their parliamentary responsibilities by producing reliable, impartial and timely research reports, briefing material and other information on request. In the reporting period, the service produced 92 research reports: 51 at the request of individual Members, and 41 initiated by the service for distribution to all independent Members.

Initiated by:	Long Reports	Short Reports	Bill Digests Summaries	Rapid Responses	Meeting & Briefings	Total
Member	10	15	0	17	9	51
Research Service	-	1	38	2	-	41
Total	10	16	38	19	9	92

Procedural Support and Security Services

Procedural Support includes the Hansard Unit and Table Office. The Table Office is responsible for the provision of administrative and procedural support and advice to Members during meetings of the Assembly. Hansard broadcasts and transcribes meetings and committees, and produces the edited *Parliamentary Record*.

The Table Office manages an electronic database of the Legislative Assembly *Parliamentary Records* and tabled papers. These documents are uploaded on meeting days by the Table Office to the [Territory Stories](#) database and are available online through the [DLA website](#).

Assembly Meeting Statistics

	2019 – 20	2018 – 19
Total meeting hours	195.52	243.59
Average meeting day hours	7.5	8.3
Number of meeting days	26	31
Number of bills passed	32	35
Total questions asked	398	515
Total papers tabled	447	463

Parliamentary Legislation Statistics

	Government	Opposition	Independent	Total
Bills - Brought forward 1 July 2019	6	-	-	6
Introduced	33	-	2	35
Withdrawn	1	-	-	1
Defeated	-	-	1	1
Lapsed	-	-	1	1
Passed	32	-	-	32
Acts Assented to	38	-	-	38
Bills - Carried forward 30 June 2020	-	-	-	-

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

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

During the reporting period 155,202 people were screened entering Parliament House.

Committees and Education Division

Committees

Committees are appointed by the Assembly to inquire into and report on matters of public importance or matters relating to the administration of the Assembly. Committee membership is made up of Government, Opposition and independent Members. The DLA provides impartial procedural, research and administrative support to committees to assist them perform their functions. The Committee Office supports scrutiny committees and the Office of the Clerk supports domestic committees.

During the year the Assembly replaced the Economic Policy Scrutiny Committee and Social Policy Scrutiny Committee with the Legislation Scrutiny Committee. This new committee continued to perform the same functions as the former two committees.

In response to the COVID-19 pandemic, the Assembly gave the Public Accounts Committee an additional temporary function of monthly hearings with the Security and Emergency Management Sub Committee of Cabinet and the Under Treasurer on the response to the pandemic and Territory finances.

With the deferral of the 2020 – 21 Budget, the Assembly did not establish an Estimates Committee during the period.

Committee Activity

Committee	Meetings	Hearings & Visits	Briefings	Reports
Scrutiny				
Economic Policy Scrutiny	16	4	10	9
Legislation Scrutiny	13	5	5	17
Public Accounts	19	5	7	2
Social Policy Scrutiny	14	2	8	10
Domestic				
House	3	-	-	-
Standing Orders	3	-	-	2
Committee of Privileges	-	-	-	-
Total	68	16	30	40

Bills Referred to Committees

Bill Referral	Bills
Economic Policy Scrutiny Committee	8
Legislation Scrutiny Committee	12
Social Policy Scrutiny Committee	8
Urgent (no referral)	6
Made order of the day after 30 Days (no referral)	-
Appropriation (to Estimates)	-
Total to committees	28
Percentage to committees	82%

Reports on Bills

	Reports
Social Policy Scrutiny Committee	8
Economic Policy Scrutiny Committee	9
Legislation Scrutiny Committee	17
Reported early	24
Reported when due	10
% reports recommending amendments	68%
Total reports on Bills	34

	Recommendations
Amendments recommended	114
Amendments considered by Assembly	114
Amendments adopted by Assembly	96
% amendments adopted when considered	84%

Social Media

The DLA uses social media to engage with the public and to promote the Parliament to a broad range of stakeholders.

Twitter is used when the Assembly meets or during Estimates hearings to notify followers of the business of the Assembly as it is happening. At 30 June 2020, the DLA had 1358 followers.

Facebook is used to promote facts about Parliament House, to promote dates and call for submissions for public hearings and other events occurring at Parliament House and to advertise DLA employment vacancies. At 30 June 2020, the DLA had 736 followers.

The DLA also maintains an email subscription service for notifications of Assembly committee activity, such as calls for submissions and tabling of reports. At 30 June there were 308 subscribers.

Education Programmes and Community Engagement

The Parliamentary Education Services Unit (PES) provides education, engagement, public relations and information programmes relating to the operations of the Northern Territory Parliament and its committees. The PES coordinates some programmes at Parliament House with the NT Electoral Commission.

The unit delivers school programmes, including outreach to rural and remote areas of the NT, adult education programmes, and parliamentary promotions such as Open Day and public tours of Parliament House.

Many of the unit's activities were suspended and modified in accordance with COVID-19 restrictions. The unit also increased its delivery of services online as an alternative to its face to face programs. The unit's staffing was also reduced in response to the Government's Root and Branch Review.

Participants in Parliamentary Education Services Programmes

Programme	Activity	Participants	Number
Public Tours	Wednesday tours	789	28
		789	28
Schools Programmes	Parliament House Tours	1686	71
	Role Plays	815	35
	Step Up Be Heard	112	7
	Outreach Programmes	127	7
		2740	120
Special Events	Commonwealth Week	469	18
	Bombing of Darwin	12	1
	Democracy Dash	90	1
		571	20
Adult Education	Know Your Assembly	82	2
	Machinery of Government	47	2
	Adult Student Programmes and Tours	165	8
	General Programmes and Tours	92	9
		386	21
Parliament Promotions	Open Day	122	1
		122	3
TOTAL		4608	190

Member and Corporate Support Division

Finance Unit

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

Business Services

Business Services administers procurement, human resources, corporate information management, ICT, telecommunications, travel, vehicles and venue hire at Parliament House.

The Department of Corporate and Information Services (DCIS) provides an ICT Service Manager located at Parliament House to support the Legislative Assembly and one contracted technician.

As at 30 June 2020, the DLA had a funded establishment of 34 positions comprising three executive contract officers, 27 permanent roles and four fixed term positions. From 1 July 2019, two FTE transferred to the Department of Infrastructure, Planning and Logistics and one FTE was reduced as part of Machinery of Government changes.

The DLA employed 24 Hansard casuals to support periods of peak activity. This is an increase of five from the previous year. DLA staff by level are set out below.

Positions by Level	No.
Executive Contracts	3
ECO5	1
ECO3	1
ECO1	1
Senior Administration Officers	9
SAO2	4
SAO1	5
Administration Officers	22
AO7	3
AO6	4
AO5	3
AO4	8
AO3	2
AO2	2
Hansard Casuals	24
AO4	15
AO2	9
TOTAL	58

The DLA employs staff for Members of the Legislative Assembly. A total of 168 people are employed in either fixed-term or casual contract arrangements as described below.

All Members are entitled to one full time equivalent (FTE) electorate officer and the Members for Arafura, Arnhem, Barkly, Daly and Namatjira, Nhulunbuy¹ and Stuart² are all entitled to one FTE liaison officer. The Office of the Speaker also had one FTE. These roles may be filled by more than one person through a job share arrangement.

All Members are entitled to 104 hours of support per quarter from an electorate office assistant that filled on either a fixed term or casual basis based on the operational needs of the office. Relief electorate 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.

*Staff of Members of the Legislative Assembly by position *as at Pay 26*

Role	No.
Office of the Speaker	2
Electorate Officers	30
Liaison Officers	9
Electorate Office Assistants	11
Casual Electorate Officers	116
TOTAL	168

¹ Electorate name will change to Mulka from 22 August 2020

² Electorate name will change to Gwoja from 22 August 2020

Professional Development

In 2019 – 20, the DLA implemented a revised performance management and development system known as the Work Partnership Plan (WPP). The WPP aims to improve employee engagement and to focus on:

- performance
- priorities of an employee's role
- career planning
- development opportunities.

In preparation for the WPP, employees perform a self-assessment against the Capability Leadership Framework (CLF) criteria, relevant to their level, to identify their strengths and areas for development.

The DLA supported 38 training and professional development activities and six staff members' attendance at conferences during the reporting period. The DLA also funded emergency warden training for 15 people employed in workplaces based at Parliament House.

Building and Property Management

The public areas of Parliament House are open Monday, Tuesday, Thursday and Friday from 7.30 am until 6.00 pm and from 7.30 am to 8.00 pm on Wednesday. It is open Saturday, Sunday and public holidays from 9.00 am until 6.00 pm. On days when the Assembly meets, Parliament House is open until the rising of the Assembly.

The DLA is responsible for ensuring Parliament House is a safe, secure and well-maintained building. The DLA works in partnership with the Department of Planning, Infrastructure and Logistics to undertake repairs and maintenance within the building and to plan minor new works and capital works.

Works within Parliament House and its precinct in 2019 – 20 included:

- upgrade of external veranda light fittings
- upgrade of the Building Management System and Security servers
- replacement of all fire sprinklers
- cleaning and resealing of the fountain on Speaker's Green.

Corporate Governance

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

- leadership
- strategic and business planning
- risk management
- internal and external scrutiny
- performance
- information management.

Strategic and Business Planning

The Department's Strategic Plan 2016 – 20 was reviewed during the reporting period and a draft Plan for 2020 – 24 was developed in consultation with all DLA staff. Through the leadership of the Executive Team, the Department uses a range of tools to achieve accountability, scrutiny and beneficial relationships that ensure strong democracy.

The goals in the Strategic Plan are translated into operational goals in Business Plans prepared by Units and then into WPPs for individual staff. The Department maintains a Planning and Reporting Calendar containing entries for all known commitments and compliance activity for the year ahead. The Board of Management and the Audit Committee review the document on an ongoing basis.

Risk Management and Audit

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

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

In 2019 – 20, the Audit Committee comprised the Deputy Clerk (Chair), the First Clerk Assistant, the Director Business Services, an external member from the Department of Parliamentary Services (Victoria) and two appointed observers. The Audit Committee met four times.

The DLA manages potential exposures through extensive mitigation and reporting practices.

External Scrutiny

The Department is subject to the NT Auditor-General's audit programme under the powers and responsibilities established by the *Audit Act 1995*. Two external audits were undertaken by the Northern Territory Auditor-General's Office during 2019 – 20.

Agency Compliance Audit

An agency compliance audit was conducted to assess whether internal control systems include necessary features to ensure compliance with financial legislative obligations, in particular responsibilities under Treasurer's Directions and the Procurement Governance Policy and Rules, and provide assurance that they were being achieved.

The audit opinion states that, in general the 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 results of the agency compliance audit were published in the Auditor-General's August 2020 report that was tabled in Parliament on 23 June 2020 ([paper number 1647](#)).

End of Year Review

An end of year review was conducted to assess the adequacy of selected aspects of end of financial year reporting and controls over accounting and material financial transactions. Key findings indicated the DLA's accounting and control procedures are satisfactory. The results are detailed in the Auditor-General's November 2019 report that was tabled in Parliament on 28 November 2019 ([paper number 1512](#)).

Access to Information

In compliance with section 11 of the *Information Act 2002*, the Department's structure, functions and types of information held is available on its website along with advice on how to make a request to access public sector information.

One application to access information under the *Information Act 2002* was received in the reporting period.

Privacy

The Department complies with the ten Information Privacy Principles (IPPs), established by Schedule 2 of the *Information Act 2002*. Staff with access to personal information are aware of their obligations to manage information carefully and records management access caveats are in place and audited.

No privacy complaints were received in the reporting period.

Records and Archives Management

Pursuant to section 134 of the *Information Act 2002* the DLA manages corporate records in compliance with Northern Territory Government records management standards.

Parliamentary records are managed in compliance with the *Northern Territory Self-Government Act 1978* (Cth) and Standing Orders.

Work Health and Safety

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 usually meets quarterly and assists in developing standards while facilitating cooperation between management and employees. The agency WHS Policy was reviewed and updated in May 2020 and is published on the intranet.

No major work health and safety issues were raised in the reporting period. Nine minor incidents were reported, one categorised as body stressing, four as slips, trips or falls, three as allergic reactions and one related to a worker being temporarily trapped in a lift due to an error by a technician. The body stressing matter was resolved through early intervention and physiotherapy sessions. The other minor incidents did not require medical treatment.

During the reporting period the DLA staff elected an employee to be the Health Safety Representative for the agency. The nominated officer did not report any issues in 2019 – 20.

Member Satisfaction Survey 2019

Members' entitlements are reviewed by an independent Tribunal each year. The Tribunal's report determines the salary and other entitlements that enable Members to operate their electorate offices and to perform their roles as elected representatives for Territorians.

The DLA provides administrative services and support to Members in accordance with the Remuneration Tribunal Determination. As a key output of the agency and as detailed in Budget Paper 3, the DLA is committed to ongoing improvements to the delivery of services to Members of Parliament to ensure prompt and responsive services that meet their needs.

The services provided to Members are assessed annually by the DLA through a Member Satisfaction Survey. The results of the 2019 survey in comparison with 2018 is detailed in the table below.

Member Satisfaction Survey Results

Questions	2019 Result	2018 Result
1. Satisfaction with Chamber Support and Advice	99.2	98.12%
2. Production of the Parliamentary Record	99.6	97.6%
3. Satisfaction with Committee Meetings and Reports	98.91	98.13%
4. Satisfaction with Education Programmes	98.33	98%
5. Satisfaction with Internal Services	97.8	95%
6. Satisfaction with External Services	92.8	91.25%
7. Satisfaction with Building Management Services	98.5	95.7%

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Financial statement overview

For the year ended 30 June 2020

OVERVIEW

The 2019-20 financial statements 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 2019-20 and comparatives for 2018-19 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.

	2019–20 \$M	2018–19 \$M	Movement \$M
Operating Income	28.76	27.85	0.90
Operating Expenses	31.28	31.11	0.17
Net Operating Surplus/(Deficit)	(2.53)	(3.25)	0.72
Other Comprehensive Income	(12.22)		(12.22)
Comprehensive Surplus/(Deficit)	(14.75)	(3.25)	11.50

The department reported a net operating deficit of \$2.5 million. However with a net \$12.2 million decrease in the value of Parliament House's land and building, and Liberty Square's lands, the department reported a comprehensive deficit of \$14.7 million. This is the result of the revaluation of Land and Building which is reflected in the Statement of Change in Equity. Further details are set out in notes 12 and 16.

The operating activities reported a net operating deficit of \$2.53 million which was largely attributed to \$4.13 million in asset expense, offset by the under spend of \$1.59 million against employee and administrative expenses.

The department received total income of \$28.76 million in 2019-20, an increase of \$0.90 million compared to 2018-19. This increase is primarily due to increased Output Appropriation resulting from the expected underspend in employee and administrative expenses.

The department's primary source of income is Output Appropriation (\$24.17 million), which makes up 84.06 per cent of all agency income of \$28.76 million. Further income received by the department includes sales of goods and services of \$0.05 million or 0.17 per cent. Other income recognised by the agency includes goods and services received free of charge from the Department of Corporate and Information Services, repairs and maintenance received free of charge from the Department of Infrastructure, Planning and Logistics, and other miscellaneous revenue.

Expenditure of \$31.28 million in 2019-20 is \$0.17 million higher than the 2018-19 expenditure predominantly due to an increase in asset expense of \$0.32 million which was off-set by an under spend of \$0.15 million in employee and administrative expenses.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Balance Sheet

The Balance Sheet provides a summary of the department's financial position on assets, liabilities and equity as at 30 June 2020.

	2019–20 \$M	2018–19 \$M	Movement \$M
Assets	273.99	287.92	(13.93)
Liabilities	1.54	1.38	(0.16)
Equity	272.45	286.54	(14.09)

During 2019-20 the department's total assets decreased by \$13.93 million from \$287.92 million to \$273.99 million primarily due to the net impact of a decrease of \$15.75 million in the depreciative value of property, plant and equipment from \$278.78 million in 2018-19 to \$264.03 million in 2019-20, and an increase of \$1.79 million from the 2018-19 cash position of \$7.9 million due to lower than expected employee and administrative expenses.

Cash Flow Statement

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

	2019–20 \$M	2018–19 \$M	Movement \$M
Cash at start of year	7.90	6.61	1.29
Net movement	1.79	1.29	0.50
Cash at end of year	9.69	7.90	1.79

As at 30 June 2020, the department's cash held of \$9.69 million was \$1.79 million more than at the end of 2018-19. The increase in cash held reflects the department's lower than expected employee and administrative expense compared to budget estimates.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Certification of the financial statements

We certify that the attached financial statements for the Department of the Legislative Assembly have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* 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 2020 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

August 2020

31.



DIEM TANG

Chief Financial Officer

31 August 2020

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Comprehensive operating statement

For the year ended 30 June 2020

	Note	2020	2019
		\$000	\$000
INCOME			
Appropriation			
Output	4a	24,173	25,398
Sales of goods and services	4b	50	80
Goods and services received free of charge	5	4,460	2,338
Other income		73	42
TOTAL INCOME	3	28,756	27,858
EXPENSES			
Employee expenses		18,198	18,164
Administrative expenses			
Purchases of goods and services	6	1,767	1,935
Repairs and maintenance		-	2,159
Property management		2,729	2,710
Depreciation and amortisation	12, 13c	3,671	3,804
Other administrative expenses ¹		4,917	2,338
TOTAL EXPENSES	3	31,282	31,110
NET SURPLUS/(DEFICIT)		(2,526)	(3,252)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net surplus/(deficit)			
Changes in accounting policies		-	-
Correction of prior period errors		-	-
Changes in asset revaluation surplus		(12,219)	-
TOTAL OTHER COMPREHENSIVE INCOME		(12,219)	-
COMPREHENSIVE RESULT		(14,745)	(3,252)

¹ Includes DCIS service charges and DIPL repairs and maintenance 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 2020

	Note	2020 \$000	2019 \$000
ASSETS			
Current assets			
Cash and deposits	8	9,688	7,899
Receivables	10	116	63
Inventories	11	8	12
Prepayments		36	42
Total current assets		9,848	8,016
Non-current assets			
Property, plant and equipment	12, 17	264,029	279,782
Heritage and cultural assets	13c, 17	119	121
Total non-current assets		264,148	279,903
TOTAL ASSETS		273,996	287,919
LIABILITIES			
Current liabilities			
Deposits held		1	1
Payables	14	425	317
Provisions	15	1,116	1,064
Total current liabilities		1,542	1,382
Non-current liabilities			
Provisions	15	-	-
Total non-current liabilities		-	-
TOTAL LIABILITIES		1,542	1,382
NET ASSETS		272,454	286,537
EQUITY			
Capital		162,763	162,101
Reserves	16	157,384	169,603
Accumulated funds		(47,693)	(45,167)
TOTAL EQUITY		272,454	286,537

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 2020

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2019-20					
Accumulated funds		45,167	2,526 ⁽¹⁾	-	47,693
Asset revaluation reserves	16	(169,603)	12,219	-	(157,384)
Capital – transactions with owners					
Equity injections					
Capital appropriation		(1,787)	-	(41)	(1,828)
Equity transfers in		(160,357)	-	(588)	(160,945)
Other equity injections		(350)	-	(33)	(383)
Equity withdrawals					
Capital withdrawal		393	-	-	393
		(162,101)	-	(662)	(162,763)
Total equity at end of financial year		(286,537)	14,745	(662)	(272,454)
2018-19					
Accumulated funds		41,915	3,252	-	45,167
Asset revaluation reserves	16	(169,603)	-	-	(169,603)
Capital – transactions with owners					
Equity injections					
Capital appropriation		(1,746)	-	(41)	(1,787)
Equity transfers in		(159,298)	-	(1,059)	(160,357)
Other equity injections		(350)	-	-	(350)
Equity withdrawals					
Capital withdrawal		393	-	-	393
		(161,001)	-	(1,100)	(162,101)
Total equity at end of financial year		(288,689)	3,252	(1,100)	(286,537)

⁽¹⁾ Net surplus/(deficit) from the comprehensive operating statement

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 2020

	Note	2020 \$000	2019 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Appropriation			
Output		24,173	25,398
Receipts from sales of goods and services		393	668
Total operating receipts		24,566	26,066
Operating payments			
Payments to employees		(18,026)	(18,201)
Payments for goods and services		(4,825)	(6,582)
Total operating payments		(22,851)	(24,783)
Net cash from/(used in) operating activities	9a	1,715	1,283
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing receipts			
Proceeds from asset sales		-	-
Total investing receipts		-	-
Investing payments			
Purchases of assets		-	(37)
Total investing payments		-	(37)
Net cash from/(used in) investing activities		-	(37)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Equity injections			
Capital appropriation		41	41
Other equity injections		33	-
Total financing receipts		74	41
Financing payments			
Equity withdrawals		-	-
Total financing payments		-	-
Net cash from/(used in) financing activities	9b	74	41
Net increase/(decrease) in cash held		1,789	1,287
Cash at beginning of financial year		7,899	6,612
CASH AT END OF FINANCIAL YEAR	8	9,688	7,899

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 2020

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

- 4a. Appropriation
- 4b. Sales of goods and services
5. Goods and services received free of charge

Expenses

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

Assets

8. Cash and deposits
9. Cash flow reconciliation
10. Receivables
11. Inventories
12. Property, plant and equipment
- 13a. Intangibles
- 13b. Biological assets
- 13c. Heritage and cultural assets

Liabilities

14. Payables
15. Provisions

Equity

16. Reserves

Other disclosures

17. Fair value measurement
18. Financial instruments
19. Related parties
20. Contingent liabilities and contingent assets
21. Events subsequent to balance date
22. Budgetary information

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

1. Objectives and funding

The Department of the Legislative Assembly (“the Department”) 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 and therefore 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 summarised financial information in the form of a comprehensive operating statement by the output group.

2. Statement of significant accounting policies

1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act 1995* and related Treasurer’s Directions. The *Financial Management Act 1995* requires the Department of the Legislative Assembly to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements should include:

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

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

2. Basis of accounting

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

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

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

Standards and interpretations effective from 2019-20

AASB 15 Revenue from contracts with a customer / AASB 1058 Income for not-for-profit entities

AASB 15 Revenue from contracts with customers (AASB 15) supersedes AASB 111 Construction contracts, AASB 118 Revenue and related interpretations and applies, with limited exceptions, to all revenue arising from contracts with customers. Under AASB 15 revenue from agreements that are enforceable, have sufficiently specific performance obligations and transfer goods or services to the customer or third party beneficiary will be recognised when or as performance obligations are satisfied. AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when assessing contracts with their customers.

AASB 1058 Income for not-for-profit entities (AASB 1058) clarifies and simplifies income-recognition requirements that apply to not-for-profit entities and replaces most of the not-for-profit provisions under AASB 1004 Contributions. AASB 1058 applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, and where volunteer services are received.

In contrast with previous standards such as AASB 1004, AASB 1058 allows deferral of income from capital grants where there is an enforceable contract with sufficiently specific performance obligations and the agreement does not require the agency to transfer the asset to other parties. For such capital grants, the funding received is initially deferred in an unearned revenue liability and subsequently recognised as revenue as or when the agency satisfies obligations under the agreement. Where funding is received from another Territory Government-controlled entity other than Commonwealth funds on-passed by the Central Holding Authority, revenue is recognised upfront on receipt.

AASB 15 and AASB 1058 do not have an impact on the financial position of the Department of the Legislative Assembly for 2019-20.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

AASB 16 Leases

AASB 16 Leases (AASB 16) supersedes AASB 117 Leases and relevant interpretations and introduces significant changes to lessee accounting by removing the distinction between operating and finance leases. For lessees with operating leases, a right-of-use asset has now been recognised on the balance sheet together with a lease liability at the lease commencement, for all leases except for leases with a term of less than 12 months or where the underlying assets are of low value. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged and has not had a significant impact for leases where the agency is the lessor.

Inter-governmental leases or subleases lease arrangements are excluded from the scope of AASB 16 pursuant to Treasurer's Direction Leases. As the Department of Information and Corporate Services manages the leases on behalf of the Department, AASB 16 does not have an impact on the financial position of the Department of Legislative Assembly.

AASB 2016-8 Amendments to Australian accounting standards – Australian implementation guidance for not-for-profit entities (AASB 9 Financial instruments)

AASB 2016-8 is effective for the first time in 2019-20 and will require non-contractual receivables arising from statutory requirements to apply the initial recognition and measurement requirements of AASB 9. The requirements of AASB 2016-8 are largely consistent with existing recognition and measurement practices of the agency and is therefore not expected to have a material impact.

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.

Standards and interpretations issued but not yet effective

No Australian accounting standards have been early adopted for 2019-20.

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

3. Reporting entity

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

The Department of the Legislative Assembly is a Northern Territory department established under the *Interpretation Act 1978 and Administrative Arrangements Order*.

The principal place of business of the Department is:

Level 4 Parliament House
GPO Box 3721
Darwin NT 0801
Australia

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

4. Agency and Territory items

The financial statements of the 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.

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.

5. Comparatives

Where necessary, comparative information for the 2019-20 financial year has been reclassified to provide consistency with current year disclosures.

6. 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.

7. Changes in accounting policies

There have been no changes to accounting policies adopted in 2019-20 as a result of management decisions. Changes in policies relating to COVID-19 are disclosed in 11 below.

8. 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.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

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.

9. Goods and services tax

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

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

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.

10. 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 1995* 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.

11. Impact of COVID-19

The Territory Government modified its debt recovery process and postponed the payment date for a number of regulatory fees and charges to ease financial hardship faced by individuals and businesses as a result of COVID-19.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

3. Comprehensive operating statement by output group

	Note	Assembly Services		Members and Client Services		Building Management Services		Corporate Governance		Total	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
INCOME											
Appropriation											
Output	4a	3,799	3,106	16,049	15,804	3,102	5,278	1,223	1,210	24,173	25,398
Sales of goods and services	4b	-	-	-	-	18	15	32	65	50	80
Goods and services received free of charge	5	-	-	-	-	2,117	-	2,343	2,338	4,460	2,338
Other income		12	21	43	-	16	21	2	-	73	42
TOTAL INCOME		3,811	3,127	16,092	15,804	5,253	5,314	3,600	3,613	28,756	27,858
EXPENSES											
Employee expenses		2,701	2,743	13,618	13,238	574	905	1,305	1,278	18,198	18,164
Administrative expenses											
Purchases of goods and services	6	469	536	1,283	1,352	2,607	2,618	137	139	4,496	4,645
Repairs and maintenance		-	-	-	-	-	2,159	-	-	-	2,159
Depreciation and amortisation	12,13c	-	-	-	-	3,671	3,804	-	-	3,671	3,804
Other administrative expenses ¹		-	-	-	-	2,574	-	2,343	2,338	4,917	2,338
TOTAL EXPENSES		3,170	3,279	14,901	14,590	9,426	9,486	3,785	3,755	31,282	31,110
NET SURPLUS/(DEFICIT)		641	(152)	1,191	1,214	(4,173)	(4,172)	(185)	(142)	(2,526)	(3,252)
OTHER COMPREHENSIVE INCOME											
Items that will not be reclassified to net											
Changes in asset revaluation surplus		-	-	-	-	(12,219)	-	-	-	(12,219)	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-	-	-	(12,219)	-	-	-	(12,219)	-
COMPREHENSIVE RESULT		641	(152)	1,191	1,214	(16,392)	(4,172)	(185)	(142)	(14,745)	(3,252)

¹Includes DCIS service charges.

This comprehensive operating statement by output group is to be read in conjunction with the notes to the financial statements.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

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.

4. Revenue

a) Appropriation

		2020		2019
	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	
Output	-	24,173	24,173	25,398
Total appropriation	-	24,173	24,173	25,398

Output appropriation is the operating payment to each agency for the outputs they provide as specified in the *Appropriation Act*. It does not include any allowance for major non-cash costs such as depreciation. The treatment of output appropriations remains the same after adopting AASB 15 and AASB 1058 i.e. revenue is recognised when the agency gains control of the funds, because they do not have sufficiently specific performance obligations.

b) Sales of goods and services

		2020		2019
	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	
Sales of goods and services	-	50	50	80
Total sales of goods and services	-	50	50	80

Sale of goods

Until 30 June 2019, revenue from sales of goods is recognised as revenue when the agency transfer significant risks and rewards of ownership of the goods to the buyer. From 1 July 2019, revenue from sales of goods is recognised when the agency satisfies a performance obligation by transferring the promised goods.

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

Rendering of services

Until 30 June 2019, revenue from rendering services was recognised by reference to the stage of completion of the contract. From 1 July 2019, revenue from rendering of services is

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

recognised when the agency satisfies the performance obligation by transferring the promised services.

5. Goods and services received free of charge

	2020	2019
	\$000	\$000
Corporate and information services	2,343	2,338
Repairs and maintenance	2,117	-
	4,460	2,338

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature. From 1 July 2019, repairs and maintenance expenses and associated employee costs were centralised under the Department of Infrastructure, Planning and Logistics as part of a machinery of government change and now forms part of goods and services free of charge of the agency.

6. Purchases of goods and services

	2020	2019
	\$000	\$000
The net surplus/(deficit) has been arrived at after charging the following expenses:		
Goods and services expenses:		
Consultants	-	21
Advertising	-	1
Marketing and promotion ¹	4	23
Document production	4	13
Legal expenses ²	24	26
Recruitment ³	3	-
Training and study	11	13
Official duty fares	148	167
Travelling allowance	211	253
Accommodation	28	44
Communications	163	168
Hospitality	45	77
Information technology charges and communications	634	611
Membership and subscriptions	8	15
Motor vehicle expenses	304	340
Office requisites	12	10
Other equipment expenses	107	97
Other	61	56
	1,767	1,935

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

¹ Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

² Includes legal fees, claim and settlement costs.

³ Includes recruitment-related advertising costs.

Purchases of goods and services generally represent the day-to-day running costs incurred in normal operations, including supplies and service costs recognised in the reporting period in which they are incurred.

Repairs and maintenance expense

From 1 July 2019, repairs and maintenance expenses were centralised under the Department of Infrastructure, Planning and Logistics (DIPL) as part of machinery of government changes. The agency now recognises a notional repairs and maintenance expense under services received free of charge in Note 5. 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.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

7. Write-offs, postponements, waiver, gifts and ex gratia payments

	Agency				Territory items			
	2020	No. of	2019	No. of	2020	No. of	2019	No. of
	\$000	trans.	\$000	trans.	\$000	trans.	\$000	trans.
Write-offs, postponements and waivers under the <i>Financial Management Act 1995</i>	3	1	2	1	-	-	-	-
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	3	1	-	-	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	2	1	-	-	-	-
Total written off, postponed and waived by delegates	3	1	2	1	-	-	-	-
<i>Amounts written off, postponed and waived by the Treasurer</i>								
Write-offs, postponements and waivers due to COVID-19	-	-	-	-	-	-	-	-
Irrecoverable amounts payable to the Territory or an agency written off	-	-	-	-	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-	-	-	-	-
Public property written off	-	-	-	-	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
Total written off, postponed and waived by the Treasurer	-	-	-	-	-	-	-	-
Write-offs, postponements and waivers authorised under other legislation	-	-	-	-	-	-	-	-
Gifts under the <i>Financial Management Act 1995</i>	-	-	-	-	-	-	-	-
Gifts authorised under other legislation	-	-	-	-	-	-	-	-
Ex gratia payments under the <i>Financial Management Act 1995</i>	-	-	-	-	-	-	-	-

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

8. Cash and deposits

	2020	2019
	\$000	\$000
Cash on hand	2	2
Cash at bank	9,686	7,897
	9,688	7,899

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.

9. Cash flow reconciliation

a) Reconciliation of cash

The total of agency 'Cash and deposits' of \$9,687,857 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

	2020	2019
	\$000	\$000
Net surplus/(deficit)	(2,526)	(3,252)
<i>Non-cash items:</i>		
Depreciation and amortisation	3,671	3,804
Asset write-offs/write-downs	457	-
Repairs and maintenance – minor new work non-cash	-	805
<i>Changes in assets and liabilities:</i>		
Decrease/increase in receivables	(53)	43
Decrease/increase in inventories	-	(1)
Decrease/increase in prepayments	7	10
Decrease/increase in other assets	-	-
Decrease/increase in payables	107	(97)
Decrease/increase in provision for employee benefits	32	(17)
Decrease/increase in other provisions	20	(12)
Decrease/increase in other liabilities	-	-
Net cash from operating activities	1,715	1,283

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

b) Reconciliation of liabilities arising from financing activities

2019-20

	1 July	Recognised on AASB 16 adoption	Adjusted 1 July	Cash flows				Other		30 June	
				Loans and advances	Capital appropriation	Equity injections	Other	Total cash flows	Other		Total other
				\$000	\$000	\$000	\$000	\$000	\$000		\$000
Deposits held	-	-	-	-	-	-	-	-	-	-	
Borrowings	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	41	33	-	74	-	-	
Total	-	-	-	-	41	33	-	74	-	-	

2018-19

	1 July	Cash flows				Other		30 June	
		Loans and advances	Capital appropriation	Equity injections	Other	Total cash flows	Other		Total other
		\$000	\$000	\$000	\$000	\$000	\$000		\$000
Deposits held	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-
Other	-	-	-	41	-	-	41	-	-
Total	-	-	-	41	-	-	41	-	-

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

10. Receivables

	2020	2019
	\$000	\$000
Current		
Accounts receivable	36	14
Less: loss allowance	-	-
	60	14
GST receivables	60	48
Other receivables	20	1
	116	63
Non-current		
Other receivables	-	-
	-	-
Total receivables	116	63

Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. The entity applies the simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables, contracts receivables and accrued contract revenue. To measure expected credit losses, receivables are grouped based on shared risk characteristics and days past due. In accordance with the provisions of the *Financial Management Act 1995*, receivables are written-off when there is no reasonable expectation of recovery.

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.

11. Inventories

	2020	2019
	\$000	\$000
General inventories		
At cost	-	-
At net realisable value	-	-
	-	-
Inventories held for distribution		
At cost	8	12
At current replacement cost	-	-
	8	12
Total inventories	8	12

During the year the Department of the Legislative Assembly was required to write-off \$3,470.57 (2018-19: nil) of uniform due to obsolescence.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

Inventories include assets held either for sale (general inventories) or 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.

12. Property, plant and equipment

a) Total property, plant and equipment

	2020	2019
	\$000	\$000
Land		
At fair value	69,000	84,910
Buildings		
At fair value	290,138	282,662
Less: accumulated depreciation	(95,433)	(88,159)
	<u>194,705</u>	<u>194,503</u>
Infrastructure		
At fair value	106	106
Less: accumulated depreciation	(14)	(11)
	<u>92</u>	<u>95</u>
Plant and equipment		
At fair value	2,302	2,302
Less: accumulated depreciation	(2,098)	(2,064)
	<u>204</u>	<u>238</u>
Computer Software		
At capitalised cost	37	37
Less: accumulated depreciation	(9)	(1)
	<u>28</u>	<u>36</u>
Leased Computer Software		
At capitalised cost	51	51
Less: accumulated depreciation	(51)	(51)
	<u>-</u>	<u>-</u>
Computer Hardware		
At capitalised cost	37	37
Less: accumulated depreciation	(37)	(37)
	<u>-</u>	<u>-</u>
Total Property, Plant and Equipment	<u><u>264,029</u></u>	<u><u>279,782</u></u>

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

2020 Property, plant and equipment reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2019-20 is set out below:

	Land	Buildings	Infrastructure	Plant and equipment	Computer Software	Total
	\$000	\$000	\$000	\$000		\$000
Carrying amount as at 1 July 2019	84,910	194,503	95	238	36	279,782
Additions	-	-	-	-	-	-
Additions from assets transfers		135	-	-	-	135
Disposals	-	-	-	-	-	-
Depreciation expense	-	(3,624)	(3)	(34)	(8)	(3,669)
Revaluation increments/(decrements)	(15,910)	3,691	-	-	-	(12,219)
Carrying amount as at 30 June 2020	69,000	194,705	92	204	28	264,029

2019 Property, plant and equipment reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2018-19 is set out below:

	Land	Buildings	Infrastructure	Plant and equipment	Computer Software	Total
	\$000	\$000	\$000	\$000		\$000
Carrying amount as at 1 July 2018	84,910	198,022	97	275	-	283,305
Additions	-	242	-	-	37	279
Disposals	-	-	-	-	-	-
Depreciation expense	-	(3,762)	(2)	(37)	(1)	(3,802)
Carrying amount as at 30 June 2019	84,910	194,503	95	238	36	279,782

Acquisitions

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

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.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

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 separately depreciated over their expected useful lives.

Construction (work in progress)

As part of the financial management framework, the Department of Infrastructure, Planning and Logistics 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, Planning and Logistics and the cost of construction work in progress is recognised as an asset of that department. Once completed, capital works assets are transferred to the agency.

Revaluations and impairment

Revaluation of assets

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

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

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 2020 were independently conducted. The valuer was Colliers International. Refer to Note 17. Fair value measurement for additional disclosures.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

Impairment of assets

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

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

Impairment losses are recognised in the comprehensive operating statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent 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 16 provides additional information in relation to the asset revaluation surplus.

Agency property, plant and equipment assets were assessed for impairment as at 30 June 2020. 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:

	2020	2019
Buildings	100 years	100 years
Infrastructure assets	40 years	40 years
Plant and equipment	10 years	10 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 2020

13a. Intangibles

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

13b. Biological assets

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

13c. Heritage and cultural assets

	2020	2019
	\$000	\$000
Carrying amount		
At valuation	149	149
Less: Accumulated depreciation	(30)	(28)
Written down value – 30 June	<u>119</u>	<u>121</u>
Reconciliation of movements		
Carrying amount at 1 July	121	111
Additions	-	-
Disposals	-	-
Depreciation	(2)	(6)
Additions/(disposals) from asset transfers	-	16
Carrying amount as at 30 June	<u>119</u>	<u>121</u>

Heritage and cultural assets valuation

Heritage and Cultural Assets have not been independently valued. Refer to Note 17. Fair value measurement for additional disclosures.

Impairment of heritage and cultural assets

Agency heritage and cultural assets were assessed for impairment as at 30 June 2020. No impairment adjustments were required as a result of this review.

14. Payables

	2020	2019
	\$000	\$000
Accounts payable	18	38
Accrued expenses	407	279
Total payables	<u>425</u>	<u>317</u>

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 2020

15. Provisions

	2020	2019
	\$000	\$000
Current		
<i>Employee benefits</i>		
Recreation leave	849	812
Leave loading	96	99
Other employee benefits	-	2
 <i>Other current provisions</i>		
Other provisions	171	151
	1,116	1,064
 Non-current		
<i>Employee benefits</i>		
Other employee benefits	-	-
 <i>Other non-current provisions</i>		
Other provisions	-	-
	-	-
 Total provisions	1,116	1,064

The Agency employed 98.7 Full Time Equivalent employees as at 30 June 2020 (96 employees as at 30 June 2019).

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 and other leave entitlements
- 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 <agency> and therefore 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 2020

Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)
- 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 therefore not recognised in agency financial statements.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

16. Reserves

Asset revaluation surplus

(i) Nature and purpose of the asset revaluation surplus

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.

	Land		Buildings		Infrastructure		Plant and Equipment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>(ii) Movements in the asset revaluation surplus</i>										
Balance as at 1 July	70,490	70,490	99,641	99,641	(106)	(106)	(422)	(422)	169,603	169,603
Changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-
Increment/(decrement)	(15,910)	-	3,691	-	-	-	-	-	(12,219)	-
Impairment (losses)/reversals	-	-	-	-	-	-	-	-	-	-
Transfers to accumulated funds	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June	54,580	70,490	103,332	99,641	(106)	(106)	(422)	(422)	157,384	169,603

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

17. Fair value measurement

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 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 not available publicly but 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

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
- 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.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

a) Fair value hierarchy

The table below presents non-financial assets recognised at fair value in the balance sheet categorised by levels of inputs used to compute fair value.

	Level 1		Level 2		Level 3		Total fair value	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets								
Land (Note 12)	-	-	69,000	84,910	-	-	69,000	84,910
Buildings (Note 12)	-	-	-	-	194,705	194,503	194,705	194,503
Infrastructure (Note 12)	-	-	-	-	92	95	92	95
Plant and Equipment (Note 12)	-	-	-	-	204	238	204	238
Computer Software (Note 12)	-	-	-	-	28	36	28	36
Heritage and Cultural (Note 13c)	-	-	-	-	119	121	119	121
Total assets	-	-	69,000	84,910	195,148	194,993	264,148	279,903

There were no transfers between Level 1 and Levels 2 or 3 during 2019-20.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

b) Valuation techniques and inputs

Valuation techniques used to measure fair value in 2019-20 are:

	Level 2 techniques	Level 3 techniques
Asset classes		
Land	Market	
Buildings		Cost
Infrastructure		Cost
Plant and Equipment		Cost
Computer Software		Cost
Heritage and Cultural		Cost

There were no changes in valuation techniques from 2018-19 to 2019-20.

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

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

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

c) Additional information for level 3 fair value measurements

(i) Reconciliation of recurring level 3 fair value measurements of non financial assets

	Buildings	Infrastructure	Plant and equipment	Computer Equipment	Heritage and Culture
	\$000	\$000	\$000	\$000	\$000
2019-20					
Fair value as at 1 July 2019	194,503	95	238	36	121
Additions	135	-	-	-	-
Disposals	-	-	-	-	-
Depreciation	(3,624)	(3)	(34)	(8)	(2)
Gains/(losses) recognised in net surplus/deficit	-	-	-	-	-
Gains/(losses) recognised in other comprehensive income	3,691	-	-	-	-
Fair value as at 30 June 2020	194,705	92	204	28	119
2018-19					
Fair value as at 1 July 2018	198,022	97	275	-	111
Additions	242	-	-	37	12
Disposals	-	-	-	-	-
Depreciation	(3,761)	(2)	(37)	(1)	(2)
Gains/(losses) recognised in net surplus/deficit	-	-	-	-	-
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-
Fair value as at 30 June 2019	194,503	95	238	36	121

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

18. 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 paid; investment in shares; 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.

The Department of the Legislative Assembly has limited exposure to financial risks as discussed below.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The Territory Government'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) Categories of financial instruments

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

	Fair value through profit or loss			Fair value through other comprehensive income	Total
	Mandatorily at fair value	Designated at fair value	Amortised cost		
	\$000	\$000	\$000	\$000	\$000
2019-20					
Cash and deposits	-	9,688	-	-	9,688
Receivables	-	-	36	-	36
Total financial assets	-	9,688	36	-	9,724
Deposits held	-	1	-	-	1
Payables	-	425	-	-	425
Total financial liabilities	-	426	-	-	426

2018-19

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

Cash and deposits	-	7,899	-	-	7,899
Receivables	-	-	15	-	15
Total financial assets	-	7,899	15	-	7,914
Deposits held	-	1	-	-	1
Payables	-	317	-	-	317
Total financial liabilities	-	318	-	-	318

Categories of financial instruments

The agency's financial instruments are classified in accordance with AASB 9.

Financial assets are classified under the following categories:

- amortised cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVTPL).

Financial liabilities are classified under the following categories:

- amortised cost
- Financial assets at fair value through profit or loss (FVTPL).

These classification are based on the agency's business model for managing the financial assets and the contractual terms of the cash flows. Where assets are measured at fair value, gains and losses will either be recorded in profit or loss, or other comprehensive income.

Financial instruments are reclassified when and only when the agency's business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by the agency to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interest.

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. The agency's financial assets categorised at amortised cost include receivables, advances paid, leases receivables, term deposits and certain debt securities.

Financial assets at fair value through other comprehensive income

Financial assets are classified at fair value through other comprehensive income when they are held by the agency to both collect contractual cash flows and sell the financial assets, and the contractual cash flows are solely payments of principal and interest.

These assets are initially and subsequently recognised at fair value. Changes in the fair value are recognised in other comprehensive income, except for the recognition of impairment gains

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

or losses and interest income which are recognised in the operating result in the comprehensive operating statement. When financial assets are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the comprehensive operating statement.

For equity instruments elected to be categorised at FVOCI, changes in fair value recognised in other comprehensive income are not reclassified to profit or loss on derecognition of the asset. Dividends from such instruments continue to be recognised in the comprehensive operating statement as other income when the agency's right to receive payments is established.

The agency does not have any financial assets under this category.

Financial assets at fair value through profit or loss

Financial assets are classified at FVTPL where they do not meet the criteria for amortised cost or FVOCI. These assets are initially and subsequently recognised at fair value with gains or losses recognised in the net result for the year.

The agency's financial assets categorised at FVTPL include investments in managed unit trusts and certain debt instruments. Unrealised gains in relation to these investments are recognised in other economic flows in the comprehensive operating statement, however realised gains are recognised in the net result.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured at amortised cost using the effective interest rate method. The agency's financial liabilities categorised at amortised cost include all accounts payable, deposits held, advances received, lease liabilities and borrowings.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified at FVTPL when the liabilities are either held for trading or designated as FVTPL. Financial liabilities classified at FVTPL are initially and subsequently measured at fair value with gains or losses recognised in the net result for the year.

For financial liabilities designated at FVTPL, changes in the fair value of the liability attributable to changes in the agency's credit risk are recognised in other comprehensive income, while remaining changes in the fair value are recognised in the net result.

The agency does not have any financial liabilities under this category.

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.

Credit risk relating to receivables is disclosed in Note 10.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

c) Liquidity risk

Liquidity risk is the risk 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 it will always have sufficient funds to meet its liabilities when they fall due. This is achieved by ensuring minimum levels of cash are held in the agency bank account to meet various current employee and supplier liabilities. The agency's exposure to liquidity risk is minimal. Cash injections are available from the Central Holding Authority in the event of one-off extraordinary expenditure items arise that deplete cash to levels that compromise the agency's ability to meet its financial obligations.

The following tables detail the agency's remaining contractual maturity for its financial liabilities, calculated based on undiscounted cash flows at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the balance sheet, which are based on discounted cash flows.

2020 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Liabilities					
Deposits held	1	1	-	-	1
Payables	425	425	-	-	425
Total financial liabilities	426	426	-	-	426

2019 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Liabilities					
Deposits held	1	1	-	-	1
Payables	317	317	-	-	317
Total financial liabilities	318	318	-	-	318

d) Market risk

Market risk is the risk 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.

(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

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

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.

19. 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
- close family members of the portfolio minister or KMP including spouses, children and dependants
- all public sector entities that are controlled and consolidated into the whole of government financial statements
- any entities controlled or jointly controlled by KMP's or the portfolio minister, or controlled or jointly controlled by their close family members.

ii) Key management personnel (KMP)

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

- Chief Minister, Hon Michael Gunner
- Clerk (Chief Executive Officer), Mr Michael Tatham
- Deputy Clerk, Ms Marianne Conaty
- First Clerk Assistant, Mr Russell Keith
- Clerk Assistant Chamber and Serjeant-at-Arms, Mr Craig Muir
- Chief Financial Officer, Mrs Diem Tang
- Director Business Services, Ms Jacqui Forrest
- Acting Director Building and Property Management, Ms Melissa Johnson

iii) Remuneration of key management personnel

The details below includes the salaries and other benefits of the Chief Minister as the Chief Minister's remunerations and allowances are payable by the Department of the Legislative Assembly.

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

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

	2019-20	2018-19
	\$000	\$000
Short-term benefits	1,963	1,815
Post-employment benefits	162	153
Termination benefits	-	-
Total	2,125	1,968

iv) Related party transactions:

Transactions with Northern Territory Government-controlled entities

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

Other related party transactions

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.

20. Contingent liabilities and contingent assets

The Department of the Legislative Assembly had no contingent liabilities or contingent assets as at 30 June 2020 or 30 June 2019.

21. Events subsequent to balance date

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

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

22. Budgetary information

Comprehensive operating statement	2019-20 Actual ^(a)	2019-20 Original budget ^(b)	Variance ^(c)	Note
	\$000	\$000	\$000	
INCOME				
Appropriation				
Output	24,173	26,551	(2,378)	1
Sales of goods and services	50	75	(25)	
Goods and services received free of charge	4,460	2,434	2 026	1
Other income	73	52	21	
TOTAL INCOME	28 756	29,112	(356)	
EXPENSES				
Employee expenses	18,198	19,621	(1,423)	2
Administrative expenses				
Purchases of goods and services	4,496	4,727	(231)	3
Repairs and maintenance	-	2,330	(2,330)	1
Depreciation and amortisation	3,671	3,622	49	
Other administrative expenses	4,917	2,434	2,483	1
TOTAL EXPENSES	31,282	32,734	(1,452)	
NET SURPLUS/(DEFICIT)	(2,526)	(3,622)	1,096	
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net				
Changes in asset revaluation surplus	(12,219)	-	(12,219)	4
TOTAL OTHER COMPREHENSIVE INCOME	(12,219)	-	(12,219)	
COMPREHENSIVE RESULT	(14,745)	(3,622)	(11,123)	

^(a) The line items and corresponding amounts duplicate those reported on the face of the comprehensive operating statement.

^(b) Original budget amounts correspond to those disclosed in the NTG Budget 2019-20 BP3 Agency Budget Statements (May 2019), classified on a basis that is consistent with the presentation and classification adopted in the corresponding financial statement.

^(c) Variance = Actual amount – Budget amount.

Notes:

The following note descriptions relate to variances greater than to variances greater than \$0.2 million, or where multiple significant variances have occurred.

1. The decrease of \$2.4 million in output appropriation mainly reflects repairs and maintenance expenses and associated employee costs that were centralised under the Department of Infrastructure, Planning and Logistics as part of a machinery of government change and now forms part of goods and services free of charge of the agency from 1 July 2019.
2. Below budget employee expenses resulted from a number of positions being vacant for part of the financial year and associated employee costs centralised under the Department of Infrastructure, Planning and Logistics as part of a machinery of government change.
3. Purchases of goods and services were below budget by \$0.2 million predominantly as a result of timing of expenditure on Members of the Legislative Assembly and electorate offices use of entitlements pursuant to Remuneration Tribunal Determination.
4. Variation due to the accounting recognition of existing asset revaluations.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

Balance Sheet	2019-20 Actual ^(a)	2019-20 Original budget ^(b)	Variance ^(c)	Note
	\$000	\$000	\$000	
ASSETS				
Current assets				
Cash and deposits	9,688	6,292	3,396	1
Receivables	116	106	10	
Inventories	8	12	(4)	
Prepayments	36	53	(17)	
Total current assets	9,848	6,463	3,385	
Non-current assets				
Property, plant and equipment	264,029	276,134	(12,105)	2
Heritage and cultural assets	119	119	-	
Total non-current assets	264,148	276,253	(12,105)	
TOTAL ASSETS	273,996	282,716	(8,720)	
LIABILITIES				
Current liabilities				
Deposits held	1	1	-	
Payables	425	414	11	
Provisions	1,116	1,093	23	
Total current liabilities	1,542	1,508	34	
TOTAL LIABILITIES	1,542	1,508	34	
NET ASSETS	272,454	281,208	(8,754)	
EQUITY				
Capital	162,763	162,092	671	3
Reserves	157,384	169,603	(12,219)	2
Accumulated funds	(47,693)	(50,487)	2,794	4
TOTAL EQUITY	272,454	281,208	(8,754)	

^(a) The line items and corresponding amounts duplicate those reported on the face of the balance sheet.

^(b) Original budget amounts correspond to those disclosed in the NTG Budget 2019-20 BP3 Agency Budget Statements (May 2019), classified on a basis that is consistent with the presentation and classification adopted in the corresponding financial statement.

^(c) Variance = Actual amount – Budget amount.

Notes:

The following note descriptions relate to variances greater than \$0.2 million or where multiple significant variances have occurred.

1. The above budget cash and deposits balance at the end of the financial year is a result of underspend in repairs and maintenance and Members of the Legislative Assembly and electorate offices use of entitlements pursuant to Remuneration Tribunal Determination.
2. Variation due to the accounting recognition of existing asset revaluations.
3. Variation due to the transfer of equity for capital projects completed by the Department of Infrastructure and Logistics.
4. The movement in accumulated funds reflects the improved operating result.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

Cash flow statement	2019-20 Actual ^(a)	2019-20 Original budget ^(b)	Variance ^(c)	Note
	\$000	\$000	\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Appropriation				
Output	24,173	26,551	(2,378)	1
Receipts from sales of goods and services	393	127	266	
Total operating receipts	24,566	26,678	(2,112)	
Operating payments				
Payments to employees	18,026	19,621	(1,595)	2
Payments for goods and services	4,825	7,057	(2,232)	3
Total operating payments	22,851	26,678	(3,827)	
Net cash from/(used in) operating activities	1,715	-	1,715	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Proceeds from asset sales	-	2	(2)	
Total investing receipts	-	2	(2)	
Investing payments				
Purchases of assets	-	(43)	43	
Total investing payments	-	(43)	43	
Net cash from/(used in) investing activities	-	(41)	41	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Equity injections				
Capital appropriation	41	41	-	
Equity injections	33	-	33	
Total financing receipts	74	41	33	
Financing payments				
Equity withdrawals	-	-	-	
Total financing payments	-	-	-	
Net cash from/(used in) financing activities	74	41	33	
Net increase/(decrease) in cash held	1,789	-	1,789	
Cash at beginning of financial year	7,899	6,292	1,607	
CASH AT END OF FINANCIAL YEAR	9,688	6,292	3,396	

^(a) The line items and corresponding amounts duplicate those reported on the face of the cash flow statement.

^(b) Original budget amounts correspond to those disclosed in the NTG Budget 2019-20 BP3 Agency Budget Statements (May 2019), classified on a basis consistent with the presentation and classification adopted in the corresponding financial statement.

^(c) Variance = Actual amount – Budget amount.

Notes:

The following note descriptions relate to variances greater than \$0.2 million or where multiple significant variances have occurred.

1. The decrease of \$2.4 million in output appropriation mainly reflects repairs and maintenance expenses and associated employee costs that were centralised under the Department of Infrastructure, Planning and Logistics as part of a machinery of government change and now forms part of goods and services free of charge of the agency from 1 July 2019.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Notes to the financial statements

For the year ended 30 June 2020

2. Below budget employee expenses resulted from a number of positions being vacant for part of the financial year and associated employee costs centralised under the Department of Infrastructure, Planning and Logistics as part of a machinery of government change.
3. Purchases of goods and services were below budget by \$0.2 million predominantly as a result of timing of expenditure on Members of the Legislative Assembly and electorate offices use of entitlements pursuant to Remuneration Tribunal Determination.