

# Annual Report

2017-18

Annual Report 2017-18

ISSN 0545-3593

State Archives and Records Authority of New South Wales  
PO Box 516  
Kingswood NSW 2747

Published 2018 written, edited and designed in-house.

Available in PDF format at [www.records.nsw.gov.au](http://www.records.nsw.gov.au)

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As at 30 June 2018 the State Archives and Records Authority of New South Wales is a related entity of the Department of Finance, Services and Innovation (DFSI).

Where a reference is made to a current policy or related document released under the previous title of the Department of Finance and Services (DFS) and the Office of Finance and Services (OFS) that name is still used in the text.

## Letter to the Minister



State Archives  
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The Hon Victor Dominello MP  
Minister for Finance, Services and Property  
GPO Box 5341  
SYDNEY NSW 2000

Dear Minister

On behalf of the State Archives and Records Authority of New South Wales, I am pleased to forward the Annual Report and Financial Statements of the Authority for the year ended 30 June 2018.

The report has been prepared in accordance with the requirements of the *Annual Report (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983* and the Regulations under those Acts.

Yours sincerely

A handwritten signature in blue ink, which appears to read 'Adam Lindsay', enclosed within a blue oval.

Adam Lindsay  
A/Executive Director  
State Archives and Records Authority of New South Wales

Date: 15 October 2018

## Table of contents

Executive Director's Report	5
Message from the Chairperson	7
1. About NSW State Archives and Records	8
1.1 Our vision	8
1.2 Who we are	8
1.3 Our stakeholders	8
1.4 What we do	9
1.5 How we do this	9
2. Performance, highlights and achievements	10
2.1 Key achievements	10
2.2 Performance summary	11
2.3 State of public sector recordkeeping	12
2.4 State Archives Collection	15
2.5 Commercial services	24
2.6 Information management	26
3. Corporate Overview	28
3.1 Board of NSW State Archives and Records	28
3.2 Legislation	30
3.3 Organisation structure	30
3.4 Advisory committees	31
4. Governance and accountability	33
4.1 Managing our people	33
4.2 Internal audit and risk management	38
4.3 <i>Public Interest Disclosures Act 1994 (PID Act)</i>	41
4.4 <i>Government Information (Public Access) Act 2009 (GIPA Act)</i>	41
4.5 <i>Privacy and Personal Information Protection Act 1998 (PPIP Act)</i>	45
4.6 Complaints	45
5. Other reporting requirements	46
5.1 Annual report preparation	46
5.2 Events after the reporting period	46
5.3 Nil to report	46
5.4 Accessing SARA's services	47
6. Financial report	48
6.1 Financial highlights	48
6.2 Corporate credit card use	48
6.3 Consultants	49
6.4 Gross Revenue raised from the sale of goods and services	49
6.5 Annual reporting of payment of accounts	49
6.6 Accounts due or paid within each quarter	50
Independent auditor's report	51
Financial statements	54
Compliance checklist	86

## Executive Director's Report

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Against a backdrop of change, in 2017-18 NSW State Archives and Records (SARA) has continued to grow, protect and share the State Archives Collection. The Chair of the SARA Board, Anne Henderson AM, highlighted our *Blaze: Working Women, Public Leaders* exhibition and the inaugural release of NSW Cabinet papers from 1987 in her report on page 7, both of which provided an opportunity to showcase the value, contemporary relevance and richness of the Collection.

The State Archives Collection is one of the country's most valuable cultural assets. It's extensive – measuring in excess of 84 linear kilometres and containing more than 13 million items – and it comprises our unique and irreplaceable documentary heritage dating from before European settlement in 1788.

A comprehensive revaluation of the Collection was completed this year, including 1,487 linear metres of records and 11,850 maps and plans that were accessioned during the financial year. Preserving the Collection is an important part of the work that we do, and this year our Preservation team treated over 2,500 fragile items and 57 boxes of at-risk archives.

Implementation of an Integrated Collection Management System (ICMS) commenced in November 2017 and is scheduled to go live in the first half of 2019. The new system will offer a range of exciting improvements for the organisation, documentation and movement of the Collection, as well as introducing a single portal for the public to view the Archives catalogue, its digital objects and our much-loved indexes.

We have continued to promote our Collection this year with a regional tour of the *Windows Into Wartime* exhibition and two new exhibitions – *Captured: Portraits of Crime 1870-1930* and *Blaze: Working Women, Public Leaders*. *Captured* received a highly commended award at the Annual National Trust (NSW) Heritage Awards 2018. In September 2017, we held an Open Day which comprised a full day of talks and tours as well as displays of material from the Collection. We have made some 90,000 additional Collection items discoverable online this year and filmed six new webinars, all of which are available on our website.

Participation with the Collection – onsite, online and on tour – was strong, with in excess of 11 million page views of Collection material on our Website and third-party channels. Visitation was also strong with more than 22,000 visitors to our Reading Room and some 12,000 to our regional exhibition touring program.

In order to make sure that archives are accessible into the future, good records management practices are required today. During 2017-18, SARA released a new Code of Best Practice for Records Management replacing an outdated 2002 Standard. A review is also being undertaken into the Standard on the physical storage of State records.

Our Government Records Repository (GRR) team continued to grow their value-added services this year. The GRR's Digitisation services reached new levels of activity with over 32 terabytes of data generated in 2017-18. The GRR also successfully tendered to digitise the Max Dupain Negative Collection for the State Library of NSW (SLNSW). The highlight of the project was the sixth and final cycle of negatives delivered to GRR by the SLNSW. This cycle contained all of the most important negatives in the Max Dupain collection, The Exhibition Negative Archive. Entrusting these negatives to GRR shows the strength of the relationship between SARA and the SLNSW and is a testament to the quality of the imaging being produced by the team.

Of course none of this would be possible without SARA's skilled and dedicated staff, who continue to work tirelessly to fund, protect and provide access to the nation's oldest archives collection.

The year culminated with a significant machinery of government change for SARA. On 1 July 2018, SARA formally transferred from the Department of Finance, Services and Innovation (DFSI) into Create NSW, within the Department of Planning and Environment (DPE). By positioning SARA within the Arts portfolio, our important contribution to the historical and cultural fabric of NSW is well reflected

and there are many synergies and shared challenges across the cultural institutions, including programming, conservation, storage, digitisation and public access.

Looking ahead, a statutory review of the *State Records Act 1998* will be undertaken over the next 12 months. The process will be led by Create NSW in close collaboration with our stakeholders including the SARA Board, DFSI, the Department of Premier and Cabinet and the Information and Privacy Commission. It will be an opportunity to consider a broad range of issues relating to the creation and keeping of records by NSW public offices, facilitating public access to those records identified to have enduring value as State Archives, and the responsibilities, functions and administration of SARA.

I would like to thank the Chair of the Board, Anne Henderson AM, for her support and advocacy, and the members of the Board for their dedication and advice. I would like to acknowledge the support received from the Hon. Victor Dominello, MP as our former Minister, and from DFSI over the past 11 years. The warm welcome extended by DPE and the Hon. Don Harwin MLC has been greatly appreciated by the SARA team and we are looking forward to celebrating the State Archives Collection as part of the Arts portfolio. I would also like to acknowledge the leadership of Theresa Fairman who was on secondment from DFSI as Acting Executive Director between March and August.

It is an exciting time to be leading SARA and I am looking forward to the achievements that we will celebrate over the coming years.

**Adam Lindsay**

A/Executive Director

NSW State Archives and Records

# Message from the Chairperson

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In September 2017, NSW State Archives and Records (SARA) held its inaugural annual release of historical Cabinet Records.

Under the 30-year release rule this meant that, in 2017, Cabinet Records released gave insights into the decisions made by the former Premier the Hon Barrie Unsworth and his Cabinet in 1987. Mr Unsworth joined our then Minister, the Hon Victor Dominello MP, to announce the release of the documents.

In a first for such documents released in NSW, Minister Dominello also announced that the documents would be available in digitised format saying that the digital initiative would make it easier for the public to access the Cabinet papers, currently only available at the State Archives in hard copy.

Announcing the Cabinet documents release, Minister Dominello said '1987 was a memorable year – Australia won the Cricket World Cup, the first mobile phone call was made in Australia and Burke's Backyard premiered on the Nine Network. But it was also an important and turbulent era in State politics.' Insights into this turbulent time in state politics will be further advanced with the release of the 1988 Cabinet documents in 2018, documents that will include the governments of both Labor's Mr Unsworth and Mr Nick Greiner's Coalition state government.

Each year, the release of these Cabinet papers will serve to remind Australians of the significant collections their archives hold. In 1987 alone, Cabinet decisions made included:

- Approval to build the \$750 million Sydney Harbour Tunnel
- Cabinet deliberations into the Chelmsford Private Hospital which led to the creation of a Royal Commission into Chelmsford the following year by the Greiner Government
- Plans to create Sydney's first university in Western Sydney were approved. Originally named Chifley University College, it was subsequently renamed the University of Western Sydney
- Dismissal of the City of Sydney Council, with decision making powers transferred to three Commissioners.

Another special event for SARA was held at the Whitlam Institute on 23 April 2018, when NSW Premier, the Hon Gladys Berejiklian MP, opened an important exhibition curated by our Senior Curator, Exhibitions, Dr Penny Stannard - *Blaze: Working Women, Public Leaders*.

The exhibition commemorates and celebrates the working lives of many of NSW's most significant women covering a wide range of fields – education, sport, STEAM (Science Technology Engineering the Arts and Mathematics), architecture and planning, communities, health, law and justice, regulation, parliament, information and finance.

Women highlighted in the exhibition include many known and others not so well known. Names such as Phyllis Shillito, Ella Gormley, Sarah Hynes, Rosette Edmunds, and Narelle Underwood join better known names such as Marion Mahony Griffin, Professor the Honourable Dame Marie Bashir AD CVO, Margaret Whitlam and Rose Scott. From police officers to parliamentarians, even to a state premier, the Blaze exhibition brought to life the service of women in NSW over many decades.

And, with digitisation, this beautiful and imaginative exhibition can be viewed online. Giving further impetus to my belief that SARA is a treasure trove waiting to be explored and made available more readily to the public.

**Anne Henderson AM**

Chair, Board of NSW State Archives and Records

# 1. About NSW State Archives and Records

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## 1.1 Our vision

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That the people and Government of NSW have ready access to records which illuminate history, enrich the life of the community and support good governance and accountability.

## 1.2 Who we are

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NSW State Archives and Records (SARA) is the NSW Government's archives and record management authority, and is the custodian of the nation's oldest archives collection. SARA looks after the largest collection of records documenting the history of NSW, to make sure it can be accessed and enjoyed for all time.

The State Archives Collection has a financial value of almost \$1 billion and a cultural worth beyond measure. An important part of our role at SARA is making sure that Government, the public sector, universities and local councils meet their recordkeeping obligations under the *State Records Act 1998* (the Act), supporting accountability and contributing to the future of the Archives.

SARA is a non-budget dependent agency, and a statutory body under Schedule 2 of the *Public Finance and Audit Act 1983*. In 2017-18, SARA was an agency within the Department of Finance, Services and Innovation (DFSI), however from 1 July 2018 moved to the Department of Planning and Environment (DPE), reporting to the Minister for the Arts. SARA's core regulatory, archival collection and service delivery functions were funded in 2017-18 through own-source commercial revenue (80%) and a grant from Treasury (20%). SARA's commercial services arm, the Government Records Repository (GRR) operates off budget to provide records storage services to the public sector.

SARA is committed to the following principles, which inform its service delivery strategies:

- maintaining and enhancing services to Government and the public
- maintaining essential services in an environment of fiscal constraint
- maximising the value obtained from available resources and focusing effort where the greatest impact can be made
- developing partnerships and sharing resources
- protecting privacy.

## 1.3 Our stakeholders

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### The people of NSW

We manage the State Archives Collection as custodians for the people of NSW.

While people in NSW are the principal clients of our public-orientated services, people from around Australia and across the world access our Collection for a wide range of purposes.

### The Government of NSW

We service the Government of NSW and individual NSW public sector bodies.

Government departments and agencies, State-owned corporations, local government, the public health system and universities are covered under the Act.



## 1.4 What we do

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At the Western Sydney Records Centre in Kingswood, SARA cares for the State Archives Collection, comprised of more than 84 kilometres of State Archives – maps, plans, volumes, objects and more – dating back to 1787. The State Archives Collection is the collective memory of NSW.

SARA's responsibilities include:

- setting and monitoring standards for the creation, management and disposal of State records in any format
- providing practical advice, guidance and training to the NSW public sector on recordkeeping
- providing cost effective storage, retrieval and consultancy services for semi active records of public sector bodies
- identifying records of enduring value to be retained as State Archives and authorising the disposal of temporary value records
- preserving the State Archives Collection in secure purpose-built environments and ensuring that Archives stored elsewhere are managed to the necessary standards
- documenting and cataloguing the State Archives Collection to provide context and accessibility
- providing access to the State Archives Collection (the Collection)
- providing a digital State Archive for the long-term preservation and access to born-digital Archives
- providing access to and preserving online Government publications through the OpenGov NSW website.

## 1.5 How we do this

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The operational activities of SARA can be broken down into three key functional areas:

- Collections Access and Engagement
- Government Recordkeeping.
- Commercial Operations (the GRR)

The GRR provides records storage, retrieval, delivery, disposal and related services to a range of clients, including NSW Government agencies, local councils, non-government organisations and some private clients.

The remaining two functional areas cover policy, administration, management of the Collection and the provision of public access to the State's Archives and records.

## 2. Performance, highlights and achievements

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### 2.1 Key achievements

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#### The State Archives Collection

- Current collection valuation of \$961 million
- Accessions of State Archives in 2017-18 increased collection value by \$83 million

#### Digital State Archive

- Over six million files were digitally transferred into the Digital State Archive
- Over 600 publications uploaded to the OpenGov website

#### Quality recordkeeping

- Future Proof blog had 15,308 visits
- E-learning site had 4,331 visits
- GRR digitised more than 11,355,000 images for clients

#### Sustainability

- Self-funded 80 per cent of operating budget through GRR and services to the public
- GRR operational revenue surplus 17 per cent of earnings
- 3.2 per cent holdings growth
- \$3.7 million operating surplus
- Ninety per cent growth of value-added services

#### Access, engagement & creative programming

- Highly successful exhibitions *Blaze: Working Women, Public Leaders* and *Captured: Portraits of Crime 1870-1930*
- *Captured* received a Highly Commended Award in the Heritage Events, Exhibitions and Tours category of the National Trust Heritage Awards
- Regional tours of exhibitions attracted more than 12,000 visitors
- Online exhibition material attracted 407,724 views on the SARA website
- More than 11 million interactions with the State Archives Collection through engagement online, including social media, and onsite visits to the reading room and exhibitions
- Nearly 90,000 new items made discoverable online through new transfers to the State Archives Collection and listing and indexing by the Volunteers Program

#### Other highlights

- Secure recycling of 163.34 tonnes of paper through GRR destruction service
- Volunteers worked over 4,215 hours adding 28,954 items to online indexes and listing 18,997 items for addition to Collection Search
- Volunteers digitised over 600 images from a series of doctors' photographs and assisted in the conservation and re-housing of Collection material

## 2.2 Performance summary

<b>Online Presence</b>	<p>1,177,500+ website visits</p> <p>7,049,200+ page views on main website</p> <p>15,300+ visits to the Future Proof blog</p> <p>4,300+ visits to the e-learning site</p> <p>61,900+ visits to the Government Recordkeeping site</p>
<b>Reading Room</b>	<p>22,500+ reading room visitors</p> <p>24,000+ original archives issued in the reading room</p> <p>40 community access points to the State Archives Collection across NSW</p>
<b>New Access</b>	<p>61,100+ Collection items catalogued during 2017-18</p> <p>Total of 1,776,500+ Collection items discoverable online</p>
<b>The Collection</b>	<p>11,900+ maps and plans accessioned, bringing the total number in the Collection to almost 1,850,000</p> <p>2,400+ metres of paper and volumes archives held in Regional Archives Centres</p> <p>84,200+ metres of paper based records in the State Archives Collection</p> <p>1,487 metres of material accessioned</p>
<b>Government Records Repository</b>	<p>646,300 metres of non-current records held</p> <p>31,800 metres of non-current records accessioned</p> <p>20,900+ metres in net growth of storage holdings</p> <p>262,600+ file retrieval operations</p> <p>347,000+ health files sentenced</p>
<b>Public Engagement</b>	<p>670+ participants in records management program events</p> <p>3,200+ total participants in public program events</p> <p>580+ participants in public program events in regional and rural NSW</p> <p>350+ participants in public program events in Western Sydney</p>
<b>Government Recordkeeping</b>	<p>Fifty per cent of public offices have comprehensive access directions</p> <p>Ninety-one per cent of public offices have comprehensive records retention and disposal coverage</p> <p>Seven new records retention and disposal authorities approved in the year and 15 existing authorities updated</p> <p>Issued new code of best practice for records management</p>

## 2.3 State of public sector recordkeeping

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SARA has statutory responsibility for promoting effective and efficient recordkeeping across the NSW public sector through the *State Records Act 1998* (the Act). This is undertaken by setting standards, providing guidance, promoting good practice and monitoring public office performance and compliance.

### New code of best practice for records management

In June 2018, SARA issued *AS ISO 15489.1: 2017 Information and documentation – Records management, Part 1: Concepts and principles* (the standard), a new code of best practice for records management under section 13(1) of the Act.

It is the new Australian standard for records management, and is a concise, contemporary representation of recordkeeping practice, with an emphasis on the digital environment. It defines the concepts and principles to be used in developing approaches to the creation, capture and management of records to meet compliance, business and societal requirements, and applies to all records, regardless of format, business or technological environment.

The standard is 'digital-ready' and can be used to guide flexible approaches to implementing records management tools and techniques in dynamically and technologically changing environments. It also represents national and international best practice. The standard will assist public offices in meeting the requirements of Parts 2 and 3 of the Act.

*AS ISO 15489.1 – 2002: Records Management Part 1: General* and *AS ISO 15489.2 – 2002: Records Management Part 2: Guidelines* has been revoked as a code of best practice and is no longer a requirement under section 13 of the Act.

### Review of the Standard on the physical storage of state records

SARA is required under the Act to ensure that records management standards remain relevant and fit for purpose, and is also required under section 13(4) of the Act to keep standards and codes of best practice under review. During 2017, following a review by an external consultant, a survey was conducted with public offices seeking their feedback and comments on the Standard on the physical storage of state records. Work is underway to update this standard and a new standard will be available later in 2018.

### Efficient retention of public sector records

Official records are kept to support frontline customer service delivery, facilitate public sector governance and accountability, and minimise business risk to Government. A small number of the total records generated are kept indefinitely as part of the State Archives Collection.

Public sector records cannot generally be destroyed without the approval of SARA and its Board. The minimum periods for which the records must be kept are identified in records retention and disposal authorities. Significantly, retention and disposal authorities also identify records to be kept as State Archives. Routine implementation of authorities enables the timely transfer of permanently valuable records to the State Archives Collection.

Records retention and disposal authorities are fundamental to effective and efficient management and disposal of official records. By identifying how long records need to be kept from a regulatory, business or archival perspective, retention and disposal authorities underpin sound records management. Prompt destruction of records that are no longer needed will reduce storage costs, assist agencies to manage growth in data and information, and minimise risk exposure.

## Analysis of retention and disposal authority coverage

SARA analysed 366 public offices for the extent of the disposal coverage of their functional records in 2017-18. Of these, 334 (91 per cent) have comprehensive retention and disposal coverage for their records. Of the remaining 32 public offices, 15 have some functional records covered and 17 have no or few functional records covered by retention and disposal authorities.

The following public offices obtained comprehensive or increased partial retention and disposal coverage during the year:

- Office of the Director of Public Prosecutions
- Office of the Inspector of the Independent Commission Against Corruption
- Office of the Inspector of the Law Enforcement Conduct Commission
- Technical and Further Education Commission (TAFE NSW)
- Australian Health Practitioner Registration Authority and National Boards
- Ambulance Service
- Law Enforcement and Conduct Commission
- Dams Safety Committee
- Taronga Conservation Society Australia.

SARA continued to provide guidance and assistance to public offices with nil or partial retention and disposal coverage for their functional records throughout the year. Nine public offices obtained comprehensive coverage during the year. SARA is working with a number of outstanding agencies to progress the development of comprehensive coverage.

## Identifying performance issues

SARA monitors reports published by the Auditor General of NSW, the NSW Ombudsman and the Independent Commission Against Corruption to identify recordkeeping performance issues. We also take note of media reports and issues raised with us by members of the public.

During 2017-18, SARA has considered a number of issues concerning recordkeeping that have been brought to our attention. During this period there were seven new issues raised and two carried forward from prior financial years. None of the seven new cases required a formal recordkeeping assessment process and four of them were officially closed through cooperation with the public offices concerned. As at 30 June 2018, there are five open issues being managed by SARA to be carried forward.

## Keyword Thesaurus products

SARA's Keyword Thesaurus products have good market penetration in Australia, both in the public and private sector. The products are designed to be adapted by organisations for use in classifying and indexing their records, and can also be used for a wide range of information management purposes.

During 2017-18, SARA sold three Keyword AAA licences (Law Enforcement Conduct Commission, Co-operative Bulk Handling Ltd, South Metropolitan Health Services) and 22 Keyword for Councils licences (Balranald Shire Council, Local Government Association of the Northern Territory, Campaspe Shire Council, Liverpool Plains Shire Council, Department of Corporate and Information Services Northern Territory, West Wimmera Shire Council, Gunnedah Shire Council, Waging Woodanilling Landcare Zone, Junee Shire Council and 13 Northern Territory Local Government organisations).

## Digital recordkeeping

During 2017-18, a main focus of digital recordkeeping was providing advice and guidance to agencies on their transition to working digitally, particularly in relation to the use of cloud-based services and digital collaboration tools.

We provided recordkeeping advice to several agencies undertaking major digital projects. Advice included interpretation and explanation of guidance and standards, connecting project managers with leading practitioners in other agencies or departments, and bringing together diverse organisations with similar challenges. We continued running our Digital Implementers Group, which provides an opportunity for public sector recordkeeping practitioners to share strategies and insights about their records and information management projects.

## Australasian Digital Recordkeeping Initiative (ADRI) Partnership

SARA worked closely with others on digital recordkeeping and archiving strategies and tools. The Australasian Digital Recordkeeping Initiative (ADRI) is an undertaking of CAARA, the peak body of government archives and records institutions in Australia and New Zealand. The primary objective of ADRI is to pool resources and expertise to find better ways to ensure that digital records are preserved and made accessible for the future.

During 2017-18, SARA participated in projects regarding implementation guidance for recordkeeping standard AS/NZS 5478:2015, information management requirements for business systems and software as a service, and digital records competencies for staff in government agencies.

## Providing records management guidance and advice

SARA provides online guidance and resources on a range of records management topics via our website and *Future Proof* blog. We also produce a newsletter, *For the Record*, issued six times a year, which is aimed at providing updates and advice to recordkeeping professionals within NSW public offices.

In 2017-18, SARA responded to 1,249 enquiries of varying levels of complexity about recordkeeping from a range of people working within NSW public offices, non-government organisations, private individuals and organisations, and from other jurisdictions.

## Recordkeeping events and training

In collaboration with our training partners, 24 short courses were delivered to 232 participants. A total of 328 participants attended SARA's short courses and workshops in 2017-18. Various recordkeeping events and presentations were attended by 346 public officials, including 229 attendees at SARA's Record Managers Forums.

## NSW Government response to Royal Commission into Institutional Responses to Child Sexual Abuse

The NSW Government responded to the recommendations of the Final Report of the Royal Commission into Institutional Responses to Child Sexual Abuse. The Government accepted, or accepted in principle, all of the Commission's recommendations relating to records and recordkeeping (recommendations 8.1 to 8.5). SARA will work with relevant NSW public offices and CAARA to support implementation of the Commission's recommendations.

A key recordkeeping-related recommendation of the Royal Commission was that records relating to child sexual abuse that has occurred or is alleged to have occurred should be retained for at least 45 years to allow for delayed disclosure by abuse victims (recommendation 8.2). SARA has audited current retention and disposal authorities to identify any authorities that may require review or amendment to ensure this minimum retention requirement is met. During 2018-19, SARA will liaise with relevant agencies regarding any proposed amendments or updates to their functional authorities.

## 2.4 State Archives Collection

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SARA manages and preserves the State Archives Collection on behalf of the people of NSW. The State Archives Collection is more than just the corporate memory of the NSW Government and broader public sector; it is a globally significant cultural collection that illuminates the past and provides insight and context for the present. As the Collection includes the earliest government records in Australia, dating from the arrival of the first Europeans, it is also used not only by people around Australia but also around the world.

### **Achievements**

- 1,487 linear metres plus 11,850 plans transferred as State Archives.
- 80,000 digital objects of State Archives preserved.

### **Adding to the Collection**

Records required as State archives to be accessioned into the Collection are identified in records retention policies. SARA works with public offices to transfer these records when they are no longer needed. Public offices are responsible for protecting State Archives that are under their control, and while transfer activity is high, many public offices hold records of archival value which they no longer use, often kept in less than ideal conditions. Archives not transferred to SARA's custody are at greater risk of loss or accidental destruction or damage.

Most of the current paper State Archives remain in their original form and uncopied, which poses challenges both in their ongoing preservation and in making them widely accessible. Another major challenge is to describe and document the Collection and provide information about the context of the records. This involves providing an overview of the content of each record series and when it was created, including lists of the items held, with links to the agencies which created the records over time and to any indexes or guidance on related archives.

### **Accessing the Collection**

SARA is committed to maintaining a range of access points, and making distributed management agreements to preserve and make Archives as accessible as possible in key locations throughout the State.

SARA provides access to the State Archives Collection through the Western Sydney Reading Room, the SARA website, selected third party websites, social media channels and 40 community access points across regional NSW, including seven Regional Archives Centres.

Distributed management agreements are currently in place for the Regional Archive Centres at Bowral, Wagga Wagga, Armidale and University of Newcastle, and for selected records held by the Powerhouse Museum and Western Sydney University.

### **Transfer of State Archives for 2017-18**

601 consignments from 190 series were received at the Western Sydney Records Centre (WSRC). Transfers from Spatial Services constituted 49 per cent of all transfers. This included 63 consignments from NRS 19513, the General Register of Deeds.

The State Archives Collection increased by 1,487 metres of standard format archives during the year, bringing the total Collection to more than 84 kilometres. Standard format Archives include files, volumes, microfilm reels, films, audio visual items and all other Archives stored on shelves and counted in linear metres.

### Standard format records accessioned into the State Archives Collection (metres)

Location of new accessions	2014-15	2015-16	2016-17	2017-18
State Archives accessioned to the Collection held at WSRC	2,347	1,982	1,623	1,487
State Archives accessioned to the Collection held at Regional Archives Centres	2	19	2	3

### Number of non standard format items accessioned into the State Archives Collection

Type of item	2014-15	2015-16	2016-17	2017-18
Maps and plans	3,412	8,193	13,631	11,850

### Standard format items in the State Archives Collection (metres)

	2015-16	2016-17	2017-18
Appraised Collection volume at WSRC	75,18	76,811	78,298
Yet-to-be appraised Collection volume at WSRC	3,519	3,519	3,519
Total Collection volume at WSRC	78,707	80,330	81,817
Collection volume at Regional Archive Centres	2,474	2,476	2,479
<b>Total Collection volume</b>	<b>81,181</b>	<b>82,806</b>	<b>84,296</b>

These figures do not include 794 metres of Parliamentary archives held by agreement with NSW Parliament.

### Grants to Regional Archives Centres for 2017-18

No grants were made in the 2017-18 financial year. Grant funding received in the previous year was expended in 2017-18.

### Storing and preserving the collection

As the level of transfer activity has increased, and more agencies are undertaking large-scale digitisation projects, there is a need to provide expert preservation advice before records are transferred into the State Archives Collection. SARA seeks to ensure that records of archival significance are being properly stored and managed while still in agency custody, and to provide guidance on appropriate handling, packaging and transportation for records to be transferred.

One of the most successful examples of this is SARA's long-standing relationship with Spatial Services (formerly Land and Property Information) during its progressive transfer of records into SARA's custody over the past decade. This past financial year, SARA provided Spatial Services with a report outlining appropriate stabilisation and preparation options for their remaining records prior to digital copying and transfer. Spatial Services used the report to assist with tendering for digitisation contracts. SARA's Preservation Services has also been involved in the stabilisation of the Primary Application Search Books and Primary Application Search Sketches before they are digitised and transferred to the State Archives Collection.

SARA has assisted Roads and Maritime Services to determine the nature and extent of stabilisation and preparation required for a large collection of plans, some of which are severely damaged, and others that are presently stored in inappropriate containers.

The Public Works Transformation Project oversaw the assessment, stabilisation and preparation of a mixed collection of photographic media, plans, wallpapers and volumes during their appraisal for transfer. SARA provided a report outlining the preservation requirements to assist the project team in contracting professional conservation services. SARA's specialist staff liaised with the contract



conservators to determine the level of treatment and to solve problems as they arose during the project. This saw the successful transfer of fully stabilised and appropriately housed records.

## Conservation

SARA assists agencies in identifying seriously damaged records, and advises on essential remedial conservation work that may be necessary before the records can be accepted into SARA's control. Conservation advice was requested by public offices, a range of private individuals and groups, and regional repositories on 23 occasions in 2017-18.

A further challenge has been maintaining large-scale preservation rehousing and treatment programs with the increase in priority requests and large projects.

During 2017-18, 2,612 fragile items received treatment as priority requests to enable access for a range of activities. This was a 57 per cent increase on treatments from 2016-17.

Agency retrieval saw 1,221 State Archives receiving treatment. This financial year has seen a marked difference in the method agencies are using to retrieve some of their records with 80 per cent of the records treated by Preservation Services being for Scan-on-Demand retrievals, rather than retrieval of physical files.

Fifty-seven boxes of at-risk archives received conservation treatment including divorce series, Colonial Secretary's in-letters and Deceased Estate Files. Our volunteers continue their valuable contribution in this area being the main resource available for us to re-house the very popular Deceased Estate Files.

## Digital State Archive

SARA's state-of-the-art digital archiving solution, the Digital State Archive, enables the long-term preservation and provision of access to the State's valuable digital records as State Archives. This is about ensuring the integrity and longevity of key government records in databases, file systems and the wide array of formats that characterise the digital working environment.

Achievements over the past year include:

- Continuing to work with NSW agencies to initiate new migration projects. Major projects included the electricity sector State-Owned Corporations and the Public Inquiry under the Charitable Fundraising Act 1991.
- Investigating the application of machine learning technologies for the automation of records management. This special project included an in-house pilot that achieved 85 per cent accuracy in classifying a corpus against GA28 *Administrative Records* and was featured in IT News.
- Refreshing the Digital State Archive's hardware infrastructure, moving from an on-premises solution to a managed as-a-service storage model hosted within the Government Data Centre (GovDC).

## Digitisation program

Under SARA's digitisation program, a total of 80,310 digital preservation files were created this financial year. These include:

- 1987 Cabinet papers – 45,667 preservation files created and made available online as 117 PDF files
- 1988 Cabinet papers – 25,397 preservation files created
- Doctors Photographs (NRS9873) – 1,189 preservation files created
- Surveyor General Sketch books (NRS13886) – 597 files uploaded
- Special Photograph books, Commissioner of Police (NRS18827) – 284 preservation files created
- School Photographic Collection (NRS15051) – 6,870 preservation files created

- An additional 210 digital preservation files were created.

## Documenting and cataloguing the Collection

There was significant agency documentation work undertaken during the reporting period. This work included many hospitals and health agencies, and current and former school agencies.

Other agencies added included WestConnex Delivery Authority, Sydney Motorway Corporation Pty Limited, Prospect Electricity, Venues NSW and the Division of Local Government.

Eleven Portfolios were added to Collection Search, including Counter Terrorism and WestConnex.

Series added to the Collection Search in 2017-18 included:

- Electricity Commission of NSW / Pacific Power - Photographic Collection, 1950-1994
- Morisset Hospital - Registers of discharges, removals and deaths, 1935-1965
- Morisset Hospital - Registers of admissions and discharges, 1909-2005
- Aperture cards – plans relating to public works projects, 1964-2009.

## Series and context documented

Type	Approved program 2017-18	Total at 30 June 2018
Documented series at WSRC	16	14,887
Documented series in Regional Archive Centres or other locations	0	1,894
Total documented series	16	16,781
Agencies	177	4,357
Persons	1	189
Portfolios	11	323
Ministries	0	99
Organisations	0	97
Activities	0	182
Functions	0	14

## State Archives in the online catalogue

	Result 2016-17	Result 2017-18	Target 2017-18
State Archives added to the online catalogue	32,454	61,004	30,000
Total State Archives in the online catalogue	1,715,580	1,776,584	1,745,000

## Integrated Collection Management System (ICMS) project

SARA is implementing an Integrated Collection Management System (ICMS). This system will replace the existing archive catalogue and integrate a digital asset management, preservation system and a front end search interface for external users. The project has capital funding of \$2.2 million and was triggered by the current Business Operations System which is at end of life. SARA developed a strategic approach to use the project as an opportunity to integrate a number of bespoke systems across the organisation that are used to store archive catalogue information and digital assets.

This integrated solution will provide the foundation for SARA's digital engagement and will, for the first time, allow the archive catalogue, digital objects and indexes to be accessed by the public through one

discovery layer. The project commenced in November 2017 and is scheduled to go live in February 2019.

## Valuation of the Collection

The State Archives Revaluation project (SARV) commenced in 2016-17 and was completed in 2017-18. The project was funded by a Treasury grant of \$2.3 million.

The valuer delivered a valuation of \$922 million. This includes items in the collection up to October 2017. Additions to the collection made after October 2017 were valued in accordance with the updated rates obtained during this project. These additions bring the total approximate value of the Collection to \$961 million at the end of 2017-18.

## Access directions cover all records kept more than 30 years

The *State Records Act 1998* requires public offices to make access directions. Access directions either open records to public access after 30 years or close them for a longer specified period. There is a presumption that records will be open to public access after 30 years. Types of records that may require a longer period of closure to protect sensitive information are identified in the *Attorney-General's Guidelines for Making Access Directions*. Records may also be withheld from public access for security reasons or to protect ongoing commercial confidentiality.

We maintain a register of access directions on our website and assist public offices to make access directions. The main trigger for making access directions remains the requirement that all items transferred into the State Archives Collection be covered by an access direction.

## Increase in access directions

Coverage	2014-15	2015-16	2016-17	2017-18
Partial coverage	1	2	1	3
Comprehensive coverage	19	5	7	2

Number of access directions made is not indicative of the quantity of records covered

Greater Hume Council and the Public Inquiry under the Charitable Fundraising Act 1991 (Returned Services League) were the two public offices to make comprehensive access directions this year.

## Achievement: Fifty per cent of all public offices now have comprehensive access directions

## Temporary recall of State Archives

Public offices may recall individual State Archives required for official use. SARA may provide temporary custody of the original record or supply a copy. In 2017-18, 3,315 requests were made for archives with 1,156 items returned or copies returned to the relevant agencies entitled to recall them.

## Use of the State Archives Collection

The purpose of preserving the State Archives Collection is to make the records available to enrich the lives of people and communities in NSW and beyond. In addition to their cultural value, archives help people to establish personal or family identity and entitlements.

## Enquiry services from the public

Format of enquiry	2015-16	2016-17	2017-18
Post	1,135	1,811	1,702
Email	7,527	4,271	6,703
Phone	4,746	4,141	4,089

Total enquiries	13,408	10,223	12,494*
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\*This number includes the total number of photocopy orders received

### Photocopy order service

Format of order	2015-16	2016-17	2017-18
Orders placed online	4,254	1,104	2,479
Orders received by mail	1,071	1,742	1,636
Total orders from the public	5,325	2,846	4,115

### Meeting service guarantees

Type	2015-16	2016-17	2017-18
Responses to written enquiries within 20 working days	98%	97%	94%
Completion of copying orders within 20 working days	100%	98%	97.8%

### Reading room visits

Access to State archives in the reading room is free. Original (uncopied) State archives are only accessible at the Western Sydney Records Centre and certain items of regional significance are available at our Regional Archive Centres. A Reader's Ticket is required to use original archives. 1,190 Reader's Tickets (valid indefinitely) were issued during the year.

Visits from the public	2015-16	2016-17	2017-18
Western Sydney	26,766	25,200	22,594

### Use of original archive items by readers at the Western Sydney Reading Room

Type	2015-16	2016-17	2017-18
Original archives issued	25,560	23,508	24,189
Readers using original items	5,030	4,721	4,775
Average number of original items per reader	5.1	5.0	5.0

### Creative use of the State Archives Collection in 2017-18

- Mockingbird Performance (Play) based on the experiences of women with postnatal psychosis admitted to psychiatric care
- Heritage App, Parramatta Parklands Trust
- *Teacher's Pet* podcast on the Lyn Dawson cold case (The Australian)
- Stories from the exhibitions *Blaze* and *Captured* generated a total of 18 interviews on ABC Radio
- Television series - *Who Do You Think You Are?*
- Documentary, *After the Swill* ( the Social History of Pub Culture)
- Documentary on Spanish Flu
- Documentary on the Queen and the Commonwealth
- Exhibition on pioneering women doctors in Queensland
- Centenary Exhibition for University of Sydney, School of Architecture, Design and Planning
- Television series - *Great Australian Railway Journeys*

- HistoryLab podcast 2SER - *Damages for a broken heart*, looking at Breach of Promise cases from the Court of Civil Jurisdiction.

### State Archives Collection supported the following research topics

- House naming practices during and after World War I
- Reserves for the protection of fauna
- History of restaurants in Sydney
- History of the Plant Pathology Herbarium
- Edgeroi Station Narrabri (Soldier Settlement)
- Mental health of colonial immigrants on the voyage to NSW
- Study of nature in early 20th century schools
- Study of women with postnatal psychosis admitted to psychiatric care
- Court cases involving Charles Kingsford Smith
- City underground railway.

### Exhibition loans

#### Carriageworks

Exhibition title: *The Great Strike 1917*

Exhibition dates: 15 July 2017 to 27 August 2017

Item loaned: NRS15309/1/1 Photograph album of Eveleigh Workshops during the 1917 railway strike.

#### Sydney Living Museums

Exhibition title: *Underworld: mugshots from the roaring twenties*

Loan period: 5 December 2017 to 20 August 2018

Item on loan: NRS18827/1/1: Special photograph books, Commissioner of Police

#### Charles Sturt University Regional Archives

Exhibition title: *Captured: Portraits of Crime 1870-1930*

Exhibition dates: 11 May 2018 to 8 June 2018

#### Wagga Wagga Gaol

Exhibition title: *Captured: Portraits of Crime 1870-1930*

### Community engagement events

SARA is committed to making the State Archives Collection known to a diverse range of communities and individuals across NSW, beyond our existing clients.

To raise awareness and understanding of the Collection, we organise and participate in an extensive outreach program comprising talks, tours, exhibitions, an online newsletter, education programs, stalls, launches and other events. Through our outreach program, we have built strong relationships with many of our public stakeholder groups.

**Achievement: Organised or contributed to 101 outreach events, attended by 3,208 people.**

Location of engagement events	2015-16	2016-17	2017-18
Onsite	397	1,237	1,508

Sydney	514	945	765
Western Sydney	395	436	351
Regional and rural NSW	1,299	567	584

## Exhibitions

SARA's exhibition program demonstrates the value of the State Archives Collection and our role as both a source of rigorous research and as a cultural institution that uses the State Archives Collection to address contemporary issues.

Each project within the program uses the State Archives Collection as its starting point and is delivered, to varying degrees, across a range of platforms including onsite in Western Sydney, off site at a range of venues, on tour through regional NSW and online.

### **Captured: Portraits of Crime 1870 – 1930**

The *Captured: Portraits of Crime 1870 – 1930* exhibition was opened at the Western Sydney Records Centre on 8 September 2017. The exhibition explores the stories of men, women and children who were incarcerated in NSW gaols from 1870 to 1930. The exhibition engages with photographic portraits and descriptions of prisoners sourced from the State Archive Collection of Gaol Photographic Description Books. In addition we have added 46,000 high resolution images to our online collection so that the people of NSW and those around the world can engage with this material for free and have easier access to the Collection. These records were digitised and interpreted through research within and beyond the archives to illuminate events and contexts that led ordinary people to commit crimes.

Since its first touring engagement at Broken Hill in September 2017, *Captured* has been hosted by six regional institutions across regional NSW.

A key feature of this exhibition is the strong online presence through an e-catalogue which has attracted 366,586 views.

*Captured* was recognised and highly commended by judges at the Annual National Trust (NSW) Heritage Awards 2018.

### **Blaze: Working Women, Public Leaders**

*Blaze: Working Women, Public Leaders* explores the stories and achievements of women who have served lead roles in the NSW public sector over a 150-year period, giving voice to remarkable trailblazers from the past, and offering insights and perspectives from women today about their unique and diverse journeys of leadership.

Opened by the Premier of NSW, The Hon. Gladys Berejiklian, BA, DIntS, MCom MP, the exhibition engages with the issue that women remain underrepresented in leadership. It aims to make the work of past and present NSW women public sector leaders more visible, and by doing so, contribute to improving the number of women in leadership.

This exhibition was displayed at the Whitlam Institute within Western Sydney University and is available online.

### **Windows into Wartime**

The touring version of the award-winning *Windows into Wartime* was launched at Wollongong on 27 September 2017. A version of the exhibition was also on display at Parliament House from 27 November 2017 to 22 December 2017.

The curation, installation and showing of a State Archives exhibition in such an iconic venue was a significant development in our exhibitions program, which is the foundation of a broader community engagement strategy.

## Release of 1987 Cabinet Papers

During 2017-18, SARA initiated an annual release of NSW Cabinet Papers, held as part of the State Archives Collection, to increase public awareness of important milestones in the history of NSW and the State Government. The initiative provides an opportunity to publicise the value, richness and contemporary relevance of the State Archives Collection.

The inaugural release of Cabinet Papers from 1987 took place at Parliament House on 7 September 2017. The release was announced by the Minister for Finance, Services and Property, the Hon Victor Dominello MP, and was attended by special guests the Hon Barrie Unsworth, former Premier, and Professor Paul Ashton, the historian engaged to examine the Cabinet Papers

The event was attended by a number of media outlets and media coverage was extensive. This included live broadcast by Sky News and coverage from Channels 2, 9 and 10, as well as an interview with the Minister on ABC Radio.

## Open Day

On Friday 8 September 2017, SARA hosted an Open Day at the Western Sydney Records Centre. The event comprised a full day of talks and tours as well as displays of material from the State Archives Collection and stallholders from community groups. In addition to the public events and launch of the exhibition *Captured*, the GRR hosted clients in a 'follow-a-file' event on the same day.

Together, both events were very well received by the 250 participants who attended on the day.

## Website activity

Website	Visits (sessions)	Unique Visitors	Page Views
Main website	1,177,531	791,167	7,049,226
Archives Outside blog	27,337	24,090	69,156
Digital gallery	27,147	23,036	45,927
eLearning	4,331	2,556	10,273
Future Proof blog	15,308	11,677	29,338
Indexes and Collection search	133,709	91,553	1,062,845
NSW Anzacs	5,382	4,901	9,146
Opening the catalogue	40	35	69
Soldier settlement	2,454	2,010	9,231
OpenGov NSW	20,960	15,898	58,738
<b>Total traffic</b>	<b>1,414,199</b>	<b>966,923</b>	<b>8,343,949</b>

Opening the Catalogue site closed in early October 2017.

## OpenGov NSW

OpenGov NSW is a searchable online repository for NSW Government publications such as annual reports, strategic plans, guides and policy documents, as well as information released by agencies under the *Government Information (Public Access) Act 2009*. Its role is to increase access to NSW government information and to simplify the publishing process for government agencies. It is valued by researchers for its ease of access and for providing a permanent home for information.

By publishing on OpenGov, agencies can insure that important government information remains available to government and the public without having to maintain it all on their own websites. By using

the state of the art preservation technologies of SARA's Digital State Archive, the contents of OpenGov will remain accessible and secure into the future.

During the 2017-18 year, the site grew from 5,024 to 5,705 publications.

## Social media activity

FLICKR	All time totals as at 2017-18	Result for 2017-18
All time views	19,691,086	2,097,605
Images uploaded	3,516	248
Contacts	2,036	87
Images 'favourited'	3,065	228
Images commented on	2,056	66
Images in Flickr groups	1,578	94
TWITTER	All time totals as at 2017-18	Result for 2017-18
Number of tweets	6,351	700
Followers	7,896	791
Ranking in Top 50 Oz Gov Tweets	60 times*	60 times
Impressions (views)	821,688*	821,688
FACEBOOK	All time totals as at 2017-18	Result for 2017-18
Impressions (views)	3,764,775	3,764,775
Page Likes	14,644	1,927
HISTORYPIN	All time totals as at 2017-18	Result for 2017-18
Channel views	11,825	64
YOUTUBE	All time totals as at 2017-18	Result for 2017-18
Subscribers	925	334
Video views	256,868	82,693
RSS SUBSCRIBERS	All time totals as at 2017-18	Result for 2017-18
Futureproof	380	33
For the Record eNewsletter	1,250	21
Now & Then eNewsletter	7,363	414

\*Note to table: Statistics in the 'Total' column are all time totals, with the exception of Top 50 Oz Gov Tweets and Impressions, which show the totals for that year only. The result column provides the result for 2017-18 by calculating the variance between 2017-18 and 2016-17, again with the exception of Top 50 Oz Gov Tweets and Impressions.

## 2.5 Commercial services

### Secure and efficient records storage

During 2017-18, SARA's off-budget records storage business, the GRR, continued to provide secure and efficient records storage and related services to the public sector.



The GRR aims to keep Government records storage costs low, while providing a model of best practice for services and facilities. The GRR primarily services inner-budget agencies, but clients also include local councils, public hospitals and universities. While demand for storage and retrieval of physical records continues to grow, the GRR has been working hard to meet client needs in terms of digital services, including digitisation, consulting and hosting. The GRR is continuing to develop and offer value-added services to allow clients to focus on their core business, and provide an income stream in the face of an anticipated future decline in paper storage requirements.

The work of the GRR also gives SARA significant insight to the challenges and trends that the sector is experiencing. The GRR works closely with agencies to help them efficiently control, manage and legally dispose of their records in a timely fashion (including transfer to the archival Collection). This assists SARA in achieving its strategic objectives by leveraging industry experience.

## File storage and retrieval service demand

The GRR accessioned 31,801 linear metres of incoming records during the year compared to 39,920 in 2016-17. With 10,839 linear metres of records being destroyed, transferred or permanently recalled, net growth of 20,962 linear metres was achieved. 2017-18 saw the GRR holdings grow to 646,293 linear metres of public sector records.

### Net growth of holdings

2015-16	2016-17	2017-18
6.0%	3.3%	3.2%

## File retrieval operations

A downward trend in file retrieval has been forecast for some time due to the anticipated impact of electronic recordkeeping systems within agencies, however this is being offset by the growth in health records and the active life of these records.

For several years, the GRR has tracked its overall client-facing operations. These include file retrieval activities, items transferred into storage, items removed from storage and boxes transferred and destroyed. The figure also includes boxes processed by our data entry teams for cataloguing and sentencing services, although the figure does not include the quantities of individual files which have been handled through these latter activities, nor does it include digitisation activity.

The decrease in operations in 2017-18 reflects the move to non-traditional services.

Year	Operations	% Increase / Decrease
2012-13	898,200	2%
2013-14	875,420	-3%
2014-15	746,346	-15%
2015-16	824,948	10%
2016-17	781,590	-5%
2017-18	642,988	-17.73%

## Value added services

2017-18 saw the GRR's digitisation service reach new levels of activity, with over 100 people working in the unit in periods of high demand. For example, in the six weeks to June 2018, the GRR successfully undertook a major project for the Department of Education, digitising personnel and student welfare records to a value of more than \$900,000, so that departmental staff could work digitally from 1 July 2018.

Other digital services delivered by the GRR include:

- imaging – 13 per cent of retrievals are now provided via 'scan on demand' imaging, and this figures is growing as our clients progressively obtain the capacity both technically and financially to operate digitally
- large scale 'back scanning' projects of client records. Over 32TB of data was generated this year through the Digitisation and Imaging unit
- EDMRS Management – The GRR hosts electronic records for our clients both passively (such as through our web system for delivery of imaged records) and actively (such as the CommSERV data base hosted for Community Services which now contains over 4,000,000 entries).

In the 2017-18 year, Fees and Consultancy revenue was \$4.23 million. This was related to:

- continued high usage of the GRR's specialised indexing and sentencing services
- a number of projects involving the GRR's team of consulting archivists who provide a wide range of professional services including archival appraisal, development of business classification systems and formulation of disposal instruments
- large scale digitising work undertaken for a number of clients.

### Financial viability

The GRR has operated as an off-budget service unit since 1 July 1990, relying primarily on paper based records storage fees to generate its operating revenue.

In 2017-18, a surplus of \$3.7 million was generated from a record revenue of \$22.3 million. This equates to approximately 16.6 per cent return on earnings.

	Result 2017-18 \$'000	Target 2017-18 \$'000
Revenue	22,253	18,104
Expenditure	18,523	16,018
Surplus	3,730	2,086

The Western Sydney Records Centre has total storage space of 474 linear kilometres for non-current records and archives, with the GRR now utilising an additional 253,293 linear metres in leased satellite repositories in the Penrith area.

The GRR's holdings grew by 20.96 kilometres in 2017-18.

### Environmental Impacts

During 2017-18, the GRR securely destroyed and recycled 163,340 kilograms of paper, equivalent to seven kilometres of storage or 37,335 boxes.

## 2.6 Information management

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SARA recognises the value of its information, records and knowledge as corporate assets. These assets include:

- information and records about the State Archives Collection and non-current records in our custody
- staff knowledge about NSW public sector records and archives

- an extensive database and information about the administration of the NSW public sector, and its recordkeeping practices, from 1788 to the current day
- a library of Government legislation and publications, and works on the history of NSW, for staff and clients to better understand the context of the State Archives Collection.

The Information Management team continued to focus on information security, business resilience and working with DFSI on cluster initiatives.

Achievements by our Information Management team include:

- implemented Information Security Management System (ISMS) compliant with ISO27001 standard
- implemented security hardening standards to mitigate network and / or service vulnerabilities
- completion of high speed link into GovDC provided direct connectivity to DFSI and GovConnect networks
- ongoing activities continued on provisioning of GovConnect services and Wi-Fi connectivity to GovConnect services.

## ICT risks identified and rated

The top five ICT risks identified to DFSI CIO during the period were:

- ICT Infrastructure: Network (Perimeter firewall security from external threats) – Low after treatment was applied
- Applications: Databases (ROSAA Valuation Database integrity) – Medium after treatment was applied
- Application: Web Applications (Digital Archives integrity) – Medium after treatment was applied
- Processes: Change management (control and tracking of system changes) – Low after treatment was applied
- IT Infrastructure: Backup Data Repository (data backup & restoration) – Low after treatment was applied.

## 3. Corporate Overview

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### 3.1 Board of NSW State Archives and Records

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SARA's Board has nine members and the statutory functions of determining SARA's policies and strategic plans, approving records management standards and approving the disposal of records.

Seven members are nominated by various Ministers to represent state law enforcement agencies, local government, the private sector, the history profession, public service agencies and State-owned corporations. One member is nominated jointly by the President of the Legislative Council and the Speaker of the Legislative Assembly, and one must be a judge of a court of the State, nominated by the Chief Justice of New South Wales.

Board members are appointed for a maximum of two consecutive terms, each term not exceeding three years.

#### Board members

##### **Chairperson – Ms Anne Henderson AM**

Deputy Director, The Sydney Institute

Nominated by the Minister administering the *State Records Act 1998* to represent the history profession.

Chairperson since February 2013

First term: 19 December 2012 – 18 December 2015

Second term: 24 February 2016 – 23 February 2019

##### **The Hon Justice Geoff Lindsay**

Judge of the Supreme Court of NSW

Nominated by the Chief Justice of New South Wales.

First term: 1 January 2017 – 31 December 2019.

##### **The Hon Dr Peter Phelps MLC**

Member of the Legislative Council, Member of the Liberal Party

Nominated jointly by the President of the Legislative Council and the Speaker of the Legislative Assembly. Member since 7 February 2007.

First term: 14 November 2012 – 13 November 2015

Second Term: 2 December 2015 – 1 December 2018

##### **Mr Rodney Wallis**

Managing Director Head of Resources, Utilities, Infrastructure and Transport, MUFG BANK, LTD

Nominated by Minister administering the *State Records Act 1998* to represent private sector.

First term: 24 February 2016 – 23 February 2019

##### **Ms Michelle Blicavs**

Councillor of Wollongong Council

Nominated by the Minister administering the *State Records Act 1998* to represent local government.

First term: 10 May 2017 – 9 May 2020

**Mr Jeffrey Greenwood**

Manager, Process and Records Services, NSW Police Force

Nominated by the Minister administering the *State Records Act 1998* to represent State law enforcement agencies, after consultation with the Ministers responsible for those agencies.

First term: 5 March 2014 – 4 March 2017

Second term: 10 May 2017 – 9 May 2020

**Ms Elizabeth Tydd**

NSW Information Commissioner

Nominated by the Minister administering the *Government Sector Employment Act 2013* to represent public service agencies.

First term: 9 August 2017 – 8 August 2020

**Ms Fiona Cushing**

Chief Financial Officer, Hunter Water Corporation

Nominated by the Minister who administers the *State Owned Corporations Act 1989*, to represent State-owned corporations.

First term: 5 March 2014 – 4 March 2017

Second Term: 9 August 2017 – 4 June 2018

**Ms Jeannine Biviano**

Deputy Secretary, Government and Corporate Services, Department of Finance, Services and Innovation

Nominated by the Minister who administers the *State Owned Corporations Act 1989*, to represent public service agencies.

First term: 9 August 2017 to 30 June 2018

**Board meetings**

The Board meets every two months. Six meetings were held in 2017-18.

MEMBER	ATTENDED	ELIGIBLE
Ms Anne Henderson (Chair)	6	6
Hon Geoff Lindsay	5	6
Hon Dr Peter Phelps MLC	6	6
Mr Rodney Wallis	5	6
Ms Michelle Blicavs	5	6
Mr Jeffrey Greenwood	6	6
Ms Elizabeth Tydd	3	6
Ms Fiona Cushing	3	5
Ms Jeannine Biviano	5	6

## 3.2 Legislation

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SARA is a statutory authority representing the Crown under the *State Records Act 1998*, which also sets public offices' obligations regarding their records, and governs public access to records more than 30 years old. The Act also established SARA and its Board.

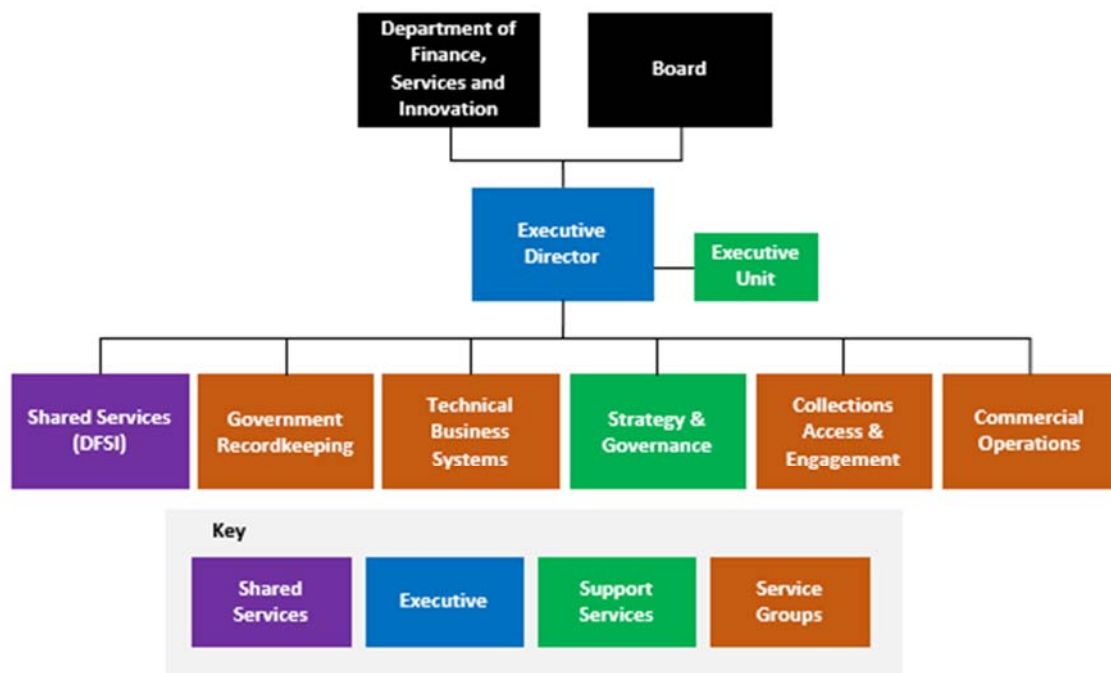
SARA's principal functions under the Act are to:

- develop and promote efficient and effective methods, procedures and systems for the creation, management, storage, disposal, preservation and use of State records
- provide for the storage, preservation, management and provision of access to any records in SARA's possession under the Act
- advise on and foster the preservation of the archival resources of the State, whether public or private
- document and describe State Archives in their functional and administrative context.

## 3.3 Organisation structure

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Organisation chart



Our executive (as at 30 June 2018)

**Geoff Hinchcliffe, MBA, BSc. Comp Science (Hons)**

**Executive Director** (on leave from February 2018)

Geoff Hinchcliffe is SARA's Executive Director. Prior to moving to Government in 2008, Geoff spent a decade delivering business-focused technology solutions for leading global investment banks and technology organisations.

Geoff spent more than seven years working in cultural institutions focusing on a broad range of digital engagement activities.

From March 2018 until August 2018, Theresa Fairman acted as Executive Director.

### **Adam Lindsay, BA BBus, BA (Hons), MA**

#### **Director Collections, Access and Engagement**

Adam Lindsay is SARA's Director of Collections, Access & Engagement, accountable for the State's globally significant Collection of Archives. Prior to this appointment, Adam was Assistant Director of Queensland Art Gallery | Gallery of Modern Art.

In his time with the Australian Government, Adam oversaw the delivery of digital television to remote Indigenous communities and led negotiations with Australia's commercial television broadcasters to realign the broadcasting spectrum used for Electronic News Gathering.

### **Ben Alexander**

#### **Director Commercial Operations**

Ben Alexander is SARA's Director of Commercial Operations, accountable for the operation of the GRR and provision of facilities services to SARA.

Ben has extensive experience in the commercial records management industry. Over the last 14 years at SARA, Ben has held roles including General Manager GRR, Operations Manager and Project Officer. Previously Ben worked in the private sector for Grace Records Management and Millers Document Services.

## **3.4 Advisory committees**

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SARA convenes two standing advisory committees. The committees comprise representatives from public sector and public clients and stakeholders.

### **Digital Records Advisory Group**

The Digital Records Advisory Group was established in 2007. The group:

- advises SARA on how to build digital recordkeeping capability across the NSW public sector
- collaborates with SARA to identify and mitigate emerging areas of information risk in NSW public offices
- provides feedback and advice on SARA's existing and planned services as part of the digital records and archives strategy
- tests digital records and archives solutions
- shares experiences and insights on digital information management in NSW public offices.

The group meets three times a year, and in 2017-18 comprised representatives from the Department of Education, Transport for NSW, City of Sydney, Department of Family and Community Services, Clinical Excellence Commission, Fire and Rescue NSW, University of Sydney, Department of Finance, Services and Innovation, Sydney Water, Department of Premier and Cabinet, Nepean Blue Mountains Local Health District, Lismore City Council, Goulburn Mulwaree Council, NSW Treasury and the Information and Privacy Commission.

## State Archives Advisory Group

The State Archives Advisory Group was established in April 2017, replacing the former Community Advisory Committee. The State Archives Advisory Group brings together stakeholder representatives from across NSW with a common interest in accessing and using the State archives collection through the services provided by SARA and increasing awareness of the work of SARA among key user groups and the broader community.

The group provides:

- feedback and advice on existing and planned access services including digital services
- advice on access and community engagement initiatives, including but not limited to exhibitions
- advocacy among the key stakeholder and user groups they represent to increase awareness of SARA's services and the State Archives Collection.

The group meets three to four times a year, and in 2017-18 comprised representatives of:

- Aboriginal communities
- Genealogists
- Local historians
- Professional historians
- Academic researchers
- Community Access Points
- Specialist user groups.



## 4. Governance and accountability

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### 4.1 Managing our people

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#### Social responsibility plan and multicultural department policies and services program

SARA supports the Government's social responsibility commitments to culturally and linguistically diverse communities, people with disabilities, women and Indigenous people. Broadly speaking, SARA adopted the related plans and strategies of DFSI.

#### Diversity and inclusion policies and services

SARA is covered under the following DFSI strategies and plans, including:

- Diversity and Inclusion Strategy 2015-2019
- Disability Action Plan
- The Accessibility Network
- Aboriginal Staff Network
- Women in Leadership Program
- The Young Professionals Network
- Graduate Program
- Refugee Program.

A number of diversity and inclusion events took place throughout the year including International Women's Day celebrations, Harmony Day and Men's Health Week.

#### Employment relations policies and practices

SARA manages its employees in accordance with government human resources policies and practices, following policies and practices from DFSI including:

- Equity in employment opportunities
- Ensuring health and safety at work, return to work programs, and providing confidential counselling and advice services
- Embracing diversity and gender balance: for women, people with disabilities, Aboriginal people and people with different ethnic backgrounds
- Fostering ethical conduct and individual performance
- Enabling staff to develop their skills, knowledge and careers
- Providing flexibility in working hours to support work/life balance
- Supporting study leave for staff undertaking relevant courses.

SARA is also represented on the DFSI Consultative Committee.

## Work health and safety and injury management

SARA is committed to providing staff, contractors, visitors and volunteers a safe and health working environment in order to prevent occupational injuries and illness. We comply with the *Work Health and Safety Act 2011*, the Work Health and Safety Regulation 2011 and its Codes of Practice.

Our Health and Safety Committee (HSC) continues to function effectively in accordance with its Constitution, role and responsibilities. The Committee provides a consultative framework so that decision making on health and safety reflects the concerns of the whole workplace. All employee-nominated members of the HSC have attended training for Health and Safety Representatives. In 2017-18, the HSC is comprised of staff representatives from our two locations, the WHS Coordinator, the Facilities Manager and two management representatives.

Our Mental Health First Aid (MHFA) program was continued through 2017-18 with the MHFA officers promoting the importance of good mental health. SARA has now embedded mental health awareness into new starter inductions so that every employee is provided with tools and resources to confidently approach someone whose wellbeing they may be concerned about. In addition to this, the MHFA team also promoted mental health issues with a number of events such as R U OK? Day, Movember and Men's Health Week.

### Work health and safety report

	2015-16	2016-17	2017-18
Incidents Reported	39	24	35
New Claims*	6	3	4

\* New Claims information has been provided by Allianz and DFSI

## Employment and senior executive statistics

### Employment

Division	2015 <sup>1,2</sup>	2016 <sup>1,2</sup>	2017 <sup>1,2</sup>	2018 <sup>1,2</sup>
Senior Executive	1	1	3	4
Senior Officer	1	1	0	0
Ongoing	109.8	105.4	102.1	98.7
Temporary	3.9	4.9	9	36.5
Graduate	0	0	4	0
<b>Total</b>	<b>115.7</b>	<b>112.3</b>	<b>118.1</b>	<b>139.3</b>

Note 1: Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay).

Note 2: Statistics are based on Workforce Profile census data as at 18 June 2015, 30 June 2016, 29 June 2017 and 28 June 2018.

## Senior executive

Senior Executive Band	2017 <sup>1,2,3</sup>				2018 <sup>1,2,3</sup>			
	Female	Male	Total	% Representation by women	Female	Male	Total	% Representation by women
Band 4 (Secretary)	0	0	0	0%	0	0	0	0%
Band 3 (Deputy Secretary)	0	0	0	0%	0	0	0	0%
Band 2 (Executive Director)	0	1	1	0%	1	1	2	50%
Band 1 (Director)	0	2	2	0%	0	2	2	0%
<b>Total</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0%</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>25%</b>

Senior Executive Band	2017 <sup>4</sup>		2018 <sup>4</sup>	
	Range \$	Average Remuneration \$	Range \$	Average Remuneration \$
Band 4 (Secretary)	452,251 – 522,500	0	463,551 - 535,550	0
Band 3 (Deputy Secretary)	320,901 – 452,250	0	328,901 - 463,550	0
Band 2 (Executive Director)	251,051 – 320,900	255,818	261,451 - 328,900	264,526
Band 1 (Director)	178,850 – 255,050	198,314	183,300 - 261,450	207,395

Note 1: Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.

Note 2: Statistics are based on Workforce Profile census data as at 29 June 2017 and 28 June 2018.

Note 3: All employees reported in 2017 and 2018 are appointed under the Government Sector Employment Act. Salary band based on current assignment including those on a temporary above level assignment for more than two months.

Note 4: Salary ranges effective at the Workforce Profile census dates of 29 June 2017 and 28 June 2018.

## Employee Related costs

Employee Related Costs 2018	Amount
Executive	\$760,874
Non-Executive	\$10,713,861
<b>Total</b>	<b>\$11,474,735</b>
Ratio Senior Executive	6.6%

## Workforce diversity statistics

Trends in the representation of workforce diversity groups				
Workforce Diversity Group	Benchmark/Target	2016 <sup>1,2</sup>	2017 <sup>1,2</sup>	2018 <sup>1</sup>
Women	50%	57.6%	56.2%	58.9%
Aboriginal People and Torres Strait Islanders <sup>4</sup>	3.3%	0.8%	0.8%	0.8%
People whose first language Spoken as a child was not English	23.2%	12.2%	11.4%	14.8%
People with a disability	5.6%	9.7%	7.5%	8.6%
People with a disability requiring work-related adjustment	N/A	3.2%	2.3%	2.8%

Note 1: Statistics are based on Workforce Profile census data as at 30 June 2016, 29 June 2017 and 28 June 2018.

Note 2: Workforce diversity statistics for 2016 and 2017 reflect the current composition of the department and may vary from those reported in previous annual reports.

Note 3: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 4: The NSW Public Sector Aboriginal Employment Strategy 2014 – 17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 5: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 6: In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Trends in the representation of workforce diversity groups				
Workforce Diversity Group	Benchmark <sup>7,8</sup>	2016	2017	2018
Women	100	111	106	107
Aboriginal People and Torres Strait Islanders	100	N/A	N/A	N/A
People whose first language Spoken as a child was not English	100	N/A	N/A	76
People with a disability	100	N/A	N/A	N/A
People with a disability requiring work-related adjustment <sup>6</sup>	100	N/A	N/A	N/A

Note 7: A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

Note 8: The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

## Digital Information Security Annual Attestation Statement



State Archives  
& Records

PO Box 516, Kingswood NSW 2747  
T 02 9673 1788 | [www.records.nsw.gov.au](http://www.records.nsw.gov.au)  
ABN: 96 588 554 718

### **Digital Information Security Annual Attestation Statement for the 2017-2018 Financial Year for the State Archives and Records Authority of New South Wales**

I, Adam Lindsay, am of the opinion that the State Archives and Records Authority of New South Wales had an Information Security Management System in place during the 2017-2018 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of the State Archives and Records Authority of New South Wales are adequate.

Risks to the digital information and digital information system of the State Archives and Records Authority of New South Wales have been assessed with an independent ISMS developed in accordance with the NSW Government Digital Information Security Policy.

*Adam Lindsay*  
Adam Lindsay

A/Executive Director, State Archives and Records Authority of New South Wales

## 4.2 Internal audit and risk management

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The Internal Audit and Risk Management Statement attests to the fact that SARA has complied with core policy requirements in the preceding year.

### Insurance premiums and claims

SARA pays premiums to the NSW Treasury Managed Fund for all insurance cover. Premiums are subject to a five-year hindsight adjustment process. SARA has carefully assessed major risk areas and believes that its insurance coverage is adequate.

Category	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Workers Compensation <sup>1</sup>	185,970	151,765	158,078	155,148	127,426	155,197
Motor Vehicles	34,040	34,130	23,811	28,000	26,300	34,600
Property	38,960	45,920	61,990	83,690	112,980	152,530
Public Liability	1,140	1,100	1,100	1,100	1,100	1,100
Other	840	900	590	560	250	250
<b>TOTAL</b>	<b>260,950</b>	<b>233,815</b>	<b>245,569</b>	<b>268,498</b>	<b>268,056</b>	<b>343,677</b>

Note 1: Workers compensation figures exclude hindsight TMF adjustments. Total TMF adjustments for financial year is \$3,000.

### Ethical conduct

As a government entity, SARA is potentially exposed to the risk of unethical and corrupt conduct by staff in relation to use of government information. SARA utilised DFSI's *Code of Ethics and Conduct*. All new staff are required to read and sign the *Code of Ethics and Conduct*.

A link on our website during 2017-18 directed members of the public and staff to DFSI's Business Ethics statement. Professional archivists working for SARA who are members of the Australian Society of Archivists are also subject to the Society's Code of Ethics.

All SARA Board members are required to sign a code of conduct and declaration of interests.

SARA adheres to the *DFSI Fraud and Corruption Internal Reporting Policy*. As required by the policy, SARA has submitted an Attestation Statement outlining compliance with policy to Treasury.

## Internal audit and risk management attestation statement

### Internal Audit and Risk Management Attestation Statement for the 2017-2018 Financial Year for the State Archives and Records Authority

I, Adam Lindsay, Acting Executive Director, am of the opinion that the State Archives and Records Authority has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements	For each requirement, please specify whether compliant, non-compliant, or in transition
<b>Risk Management Framework</b>	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
<b>Internal Audit Function</b>	
2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
<b>Audit and Risk Committee</b>	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

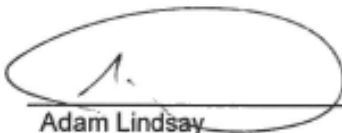
## **Membership**

The chair and members of the Audit and Risk Committee are:

- Carol Holley, Independent Chair, from 2 December 2015 to 1 December 2020;
- Dianne Hill, Independent Member, from 1 February 2016 to 31 January 2019;
- Nirmal Hansra, Independent Member, from 20 December 2018 to 19 December 2021;
- Bruce Turner AM, Independent Member, from 22 January 2016 to 21 January 2019.

This Audit and Risk Committee has been established under a Treasury approved shared arrangement with the following departments/statutory bodies:

- Department of Finance, Services and Innovation
- Rental Bond Board
- Fair Trading Administration Corporation
- Building Professionals Board
- Subsidence Advisory
- NSW Government Telecommunications Authority
- State Archives and Records Authority



Adam Lindsay  
Acting Executive Director  
State Archives and Records Authority

Date: 6 September, 2018.

Agency Contact Officer



### 4.3 Public Interest Disclosures Act 1994 (PID Act)

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As staff were employees of DFSI, SARA was covered by the DFSI Fraud and Corruption Internal Reporting Policy which outlines the support and protections available to staff under the PID Act, for a person wishing to make a public interest disclosure (PID). The policy was widely available on the DFSI intranet and included details of the nominated officers who are authorised to receive a disclosure.

PID resources were available to staff on the DFSI intranet and highlighted during induction training. The DFSI Fraud and Corruption Internal Report Policy was reviewed and updated in May 2018.

#### Statistical information on PIDs

	PIDs made by public officials in performing day to day functions (1)	PIDs not covered by (1) that are made under a statutory or other legal obligation	All other PIDs
Number of public officials who made PIDs to SARA	2	0	0
Number of PIDs received in total	2	0	0
Of PIDs received, number primarily about:			
Corrupt conduct	2	0	0
Maladministration	0	0	0
Serious and substantial waste of public or local government money	0	0	0
Government information contraventions	0	0	0
Local government pecuniary interest conventions	0	0	0
Number of PIDs finalised	2	0	0

### 4.4 Government Information (Public Access) Act 2009 (GIPA Act)

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The GIPA Act requires NSW Government agencies to make mandatory disclosures of information, encourages proactive releases of information and provides mechanisms for individuals to apply to access government information.

SARA routinely releases information free of charge on its website when it is considered to be in the public interest, such as codes, guides, policies, procedures, reports and statistical information, available at [www.records.nsw.gov.au/about-state-records/accessing-state-records-information](http://www.records.nsw.gov.au/about-state-records/accessing-state-records-information).

Under section 7(3) of the GIPA Act, agencies must review their proactive release of government information program at least once every 12 months. SARA's parent agency, DFSI, proactively released information about programs and initiatives, updated answers to frequently asked questions based on community feedback, listed policy documents for public access and provided statistical information about business operations. DFSI's Proactive Release Register is available at [www.finance.nsw.gov.au/accessing-ofs-information/proactive-release-register](http://www.finance.nsw.gov.au/accessing-ofs-information/proactive-release-register).

SARA received four GIPA applications in 2017-18, one of which remained outstanding after 30 June 2018.

**Table A: Number of applications received by type of applicant and outcome**

	Access granted in full or in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0
Private Sector business	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0
Members of the public (application by legal rep)	0	0	2	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	1
TOTAL	0	0	2	0	0	0	1

More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This is also applies to Table B. One application received but not finalised in 2017-18 is not included in this table as no outcome is available to report on.

**Table B: Number of applications by type of application and outcome**

	Access granted in full or in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	0	0	2	0	0	0	1
Access applications (other than personal)	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0
TOTAL	0	0	2	0	0	0	1

A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual). One application received but not finalised in 2017-18 is not included in this table as no outcome is available to report on.

**Table C: Invalid applications**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

**Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act**

Reason	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

**Table E: Other public interest consideration against disclosure: matters list in table to section 14**

Reason	Number of times application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	3
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	3

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

Review Type	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by Administrative Decisions Tribunal	0	0	0
Total	0	0	0

The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

Applicant	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access applications relates (see section 54 of the Act)	0

**Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)**

Type of transfer	Number of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0

## 4.5 Privacy and Personal Information Protection Act 1998 (PIIP Act)

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The PIIP Act contains 12 Information Protection Principles regulating the collection, use and disclosure of personal information by NSW public sector agencies. These principles ensure that agencies collect personal information for lawful purposes, and that such information is protected from misuse and unauthorised release.

NSW Government agencies are required to prepare and implement a privacy management plan in accordance with section 33(1) of the PIIP Act. The SARA Privacy Management Plan outlines how SARA complies with the Information Protection Principles with its own records. The plan also outlines how SARA supports the principles through its role as the coordinating agency for standards of official recordkeeping by NSW public offices under the *State Records Act 1998*.

SARA pursues this role with an understanding of the importance of privacy and the way personal information in official records should be managed. SARA's Privacy Management Plan can be found at [www.records.nsw.gov.au/about-state-records/privacy-management-plan](http://www.records.nsw.gov.au/about-state-records/privacy-management-plan).

### Applications made under the PIIP Act

#### **Access request applications under section 14 of the PIIP Act**

In 2017-18, SARA received four formal access applications by individuals requesting their personal information under the PIIP Act.

#### **Applications for internal review of the conduct of SARA under section 53(1) of the PIIP Act**

In 2017-18, SARA received one application for an internal review under the PIIP Act. As at 30 June 2018, the internal review had not been finalised.

## 4.6 Complaints

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During the 2017-18 year, SARA commenced drafting a new Complaints Handling Policy. The intent of the policy is to ensure that SARA handles complaints about its services and staff fairly, efficiently and effectively, and adopts the NSW Ombudsman's Complaint Management Framework and Model Policy with select customisation in order to reflect any unique operating requirements.

The new policy will apply to complaints about all officers, consultants, contractors and outsourced service providers performing work for SARA. It will also apply to all SARA activities that involve receiving or managing complaints from the public, made to or about SARA, regarding SARA's services, recordkeeping practices, staff and complaint handling. Complaints made about poor recordkeeping in the NSW Public Sector, staff grievances and public interest disclosures will be dealt with through separate policies and procedures.

SARA accepts feedback on its services as part of its guarantee for public-oriented services. Feedback can be provided directly to staff, by post or email, or through the feedback widget on the SARA website.

During 2017-18, most of the feedback received came through the feedback widget and concerned the search functionality of SARA's website. These issues are being addressed through upgrading and maintenance of the website.

## 5. Other reporting requirements

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### 5.1 Annual report preparation

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This report was written, designed and edited in house. There were no external costs for publication of this report. The report is available in PDF format at [www.records.nsw.gov.au](http://www.records.nsw.gov.au).

This report complies with the *Public Finance and Audit Act 1983* and Regulation 2015, *Annual Reports (Statutory Bodies) Act 1984* and Regulation 2015, *Government Information (Public Access) Act 2009*, Treasury Circulars and Treasurer's Directions and Premier's memoranda.

### 5.2 Events after the reporting period

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On 1 July 2018, the Minister for the Arts became the Minister responsible for administering the *State Records Act 1998*. As a result, SARA staff transferred from DFSI to the Department of Planning and Environment.

### 5.3 Nil to report

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- Overseas travel
- Significant legislative changes
- Significant judicial decisions
- Disclosure of controlled entities
- Disclosure of subsidiaries
- Research and development
- Land disposal
- Funds granted to non-government community organisations
- Economic or other factors
- Exemptions
- Implementation of price determination
- Inclusion of unaudited financial statements
- Investment performance
- Requirements arising from employment arrangements
- Liability management performance

## 5.4 Accessing SARA's services

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### Contact us

**Website:** [www.records.nsw.gov.au](http://www.records.nsw.gov.au)

**Email:** [srecords@records.nsw.gov.au](mailto:srecords@records.nsw.gov.au)

**Phone:** (02) 9673 1788

**Postal Address:** PO Box 516, KINGSWOOD NSW 2747

### Visit us

#### **Western Sydney Records Centre (including public reading room)**

161 O'Connell Street, Kingswood

#### **Opening hours**

**Monday to Friday:** 9 am to 5 pm

**Saturday:** 10 am to 4 pm

**Sunday and public holidays:** CLOSED

Reading rooms and public facilities are wheelchair accessible

## 6. Financial report

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### 6.1 Financial highlights

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SARA's financial statements were prepared on an accrual accounting basis for 2017-18.

SARA's net surplus for the year was \$76.3 million, exceeding the budgeted negative net result of \$2.3 million by \$78.6 million. The comprehensive revaluation of the State Archives Collection during the financial year contributed to this result.

The net surplus and positive variance to budget is due to State Archive accessions of \$83.1 million, compared to the budgeted \$3 million. This favourable variance of \$80 million resulted from the contributions from Spatial Services of \$36.5 million, and recognition of new State Archives not previously recorded of \$30.9 million, identified during the revaluation process completed in March 2018. In addition, the GRR generated \$22.4 million revenue from the sale of goods and services, which was \$4.3 million above the budgeted amount of \$18.1 million for the year.

#### **SARA revenue by category**

Category	%
Treasury funded	5%
Revenue from sale of goods and services	20%
Other revenue – State archives	75%

SARA's operating expenses were \$35.1 million, \$5.5 million over budget due to contingent labour required for the generation of additional income, fees for service charges required for the completion of the State Archives revaluation process, an increase in corporate costs from DFSI, an increase in IT-related expenses, costs for building repairs and maintenance, and an increase in rental expenses for new commercial space for Commercial Operations.

#### **SARA expenses by category**

Category	%
Personnel services	46%
Depreciation	11%
Contingent labour	15%
Corporate charges from DFSI	7%
Occupancy costs	10%
Other expenses	11%

### 6.2 Corporate credit card use

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No unexplained irregularities in the use of corporate credit cards have been recorded during the year. The Executive Director certifies that credit card use has been in accordance with Premier's Memoranda and Treasurer's Directions.



## 6.3 Consultants

### Engagements over \$50,000

During 2017-18, SARA did not have any engagements with consultants valued at \$50,000 or more.

### Engagements under \$50,000

Category	Number of engagements	Amount
Management Services – Conflict of Interest	1	\$9,000
Management Services – Recruitment Practices	1	\$12,570

## 6.4 Gross Revenue raised from the sale of goods and services

	2015-2016 (\$'000)	2016-2017 (\$'000)	2017-2018 (\$'000)
Total Consolidated Funds Programs *	350	258	255
Government Records Repository Services	19,495	19,702	22,253
Total revenue	18,845	19,960	22,508

\* Total consolidated funds program gross revenue excludes Recurrent Grants and Crown Assumed Liabilities

## 6.5 Annual reporting of payment of accounts

Quarter	Current (i.e. within due date) (\$'000)	Less than 30 days overdue (\$'000)	Between 30 and 60 days overdue (\$'000)	Between 61 and 90 days overdue (\$'000)	More than 90 days overdue (\$'000)
<b>All suppliers</b>					
September	1,633	18	0	0	0
December	398	61	0	0	16
March	1,817	30	0	0	42
June	2,639	11	99	0	45

## 6.6 Accounts due and paid within each quarter

All suppliers	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018
Number of accounts due for payment	542	336	352	399
Number of accounts paid on time	534	331	343	376
Actual percentage of accounts paid on time, (based on number of accts)	99%	99%	97%	94%
Dollar amount of accounts due for payment \$'000	5,436	5,231	5,513	5,722
Dollar amount of accounts paid on time \$'000	5,402	5,197	5,224	5,352
Actual percentage of accounts paid on time (based on \$)	99%	99%	95%	94%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

Small business suppliers	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018
Number of accounts due for payment to small businesses	11	4	5	9
Number of accounts due to small businesses paid on time	11	4	5	9
Actual percentage of small business accounts paid on time (based on #accts)	100%	100%	100%	100%
Dollar amount of accounts due for payment to small businesses \$'000	63	46	44	57
Dollar amount of accounts due to small businesses paid on time \$'000	63	46	44	57
Actual percentage of small business accounts paid on time (based on \$)	100%	100%	100%	100%
Number of payments to small business for interest on overdue accounts	0	0	0	0
Interest paid to small business on overdue accounts	0	0	0	0

# Independent auditor's report

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## INDEPENDENT AUDITOR'S REPORT

State Archives and Records Authority of New South Wales

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of State Archives and Records Authority of New South Wales (the Authority), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Authority in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

## Other Information

Other information comprises the information included in the Authority's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Director of the Authority is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises of the 'Statement in Accordance with Section 41C of the *Public Finance and Audit Act 1983*'.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Director's Responsibilities for the Financial Statements

The Director is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Director determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Authority will be dissolved by an Act of Parliament or otherwise cease operations.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Authority carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Nathan Carter  
Director, Financial Audit Services

20 September 2018  
SYDNEY

## Financial statements

STATE ARCHIVES AND RECORDS AUTHORITY OF NEW SOUTH WALES  
Statement in Accordance with Section 41C  
of *Public Finance and Audit Act 1983*

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, I state that, in my opinion:

- a) The accompanying financial statements and notes thereto exhibit a true and fair view of the financial position of State Archives and Records Authority of New South Wales as at 30 June 2018 and its financial performance for the year then ended.
- b) The accompanying financial statements and notes thereto have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*, and Financial Reporting Directions mandated by the Treasurer.
- c) I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

SIGNED:



DATE: 18 September 2018

EXECUTIVE DIRECTOR: Adam Lindsay

# START OF AUDITED FINANCIAL STATEMENTS

## State Archives and Records Authority of New South Wales Statement of comprehensive income for the year ended 30 June 2018

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>Expenses excluding losses</b>				
Personnel services expense	2 (a)	16,218	16,819	15,883
Operating expenses	2 (b)	14,943	8,665	9,819
Depreciation and amortisation	2 (c)	3,941	4,067	3,690
Grants and subsidies		-	28	36
<b>Total Expenses excluding losses</b>		<b>35,102</b>	<b>29,579</b>	<b>29,428</b>
<b>Revenue</b>				
Sale of goods and services	3 (a)	22,508	18,319	19,960
Grants and contributions	3 (b), 5	5,806	5,806	6,410
Other revenue	3 (c)	83,150	3,165	48,398
<b>Total Revenue</b>		<b>111,464</b>	<b>27,290</b>	<b>74,768</b>
Gain / (loss) on disposal	4	(10)	-	-
<b>Net result</b>		<b>76,352</b>	<b>(2,289)</b>	<b>45,340</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Net increase/(decrease) in property, plant and equipment revaluation surplus		(92,332)	-	8,092
<b>Total other comprehensive income</b>		<b>(92,332)</b>	<b>-</b>	<b>8,092</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(15,980)</b>	<b>(2,289)</b>	<b>53,432</b>

The accompanying notes form part of these financial statements.

# State Archives and Records Authority of New South Wales

## Statement of financial position as at 30 June 2018

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	6	7,423	4,825	11,673
Receivables	7	4,156	2,860	3,362
Inventories	8	29	17	22
<b>Total Current Assets</b>		<b>11,608</b>	<b>7,702</b>	<b>15,057</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	9			
- Land		8,765	9,265	8,765
- Buildings and improvements		43,203	42,721	42,297
- Plant and equipment		715	667	782
- Shelving		5,159	4,814	5,575
- Computer equipment		1,225	1,115	1,046
- State archives		981,139	986,817	970,322
Total property, plant and equipment		1,020,206	1,025,399	1,028,787
Intangible assets	10			
- Collection		1,789	1,765	1,794
- Software		1,125	2,061	796
Total intangible assets		2,914	3,826	2,590
<b>Total Non-Current Assets</b>		<b>1,023,120</b>	<b>1,029,225</b>	<b>1,031,377</b>
<b>Total Assets</b>		<b>1,034,728</b>	<b>1,036,927</b>	<b>1,046,434</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	12	9,848	6,797	5,586
<b>Total Current Liabilities</b>		<b>9,848</b>	<b>6,797</b>	<b>5,586</b>
<b>Non-Current Liabilities</b>				
Provisions	13	123	96	111
<b>Total Non-Current Liabilities</b>		<b>123</b>	<b>96</b>	<b>111</b>
<b>Total Liabilities</b>		<b>9,971</b>	<b>6,893</b>	<b>5,697</b>
<b>Net Assets</b>		<b>1,024,757</b>	<b>1,030,034</b>	<b>1,040,737</b>
<b>EQUITY</b>				
Reserves		765,403	858,030	857,735
Accumulated funds		259,354	172,004	183,002
<b>Total Equity</b>		<b>1,024,757</b>	<b>1,030,034</b>	<b>1,040,737</b>

The accompanying notes form part of these financial statements.



**State Archives and Records Authority of New South Wales**  
**Statement of changes in equity for the year ended 30 June 2018**

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2017		183,002	857,735	1,040,737
Net result for the year		76,352	-	76,352
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	9	-	(92,332)	(92,332)
Total other comprehensive income		-	(92,332)	(92,332)
Total comprehensive income for the year	18	76,352	(92,332)	(15,980)
Balance at 30 June 2018		259,354	765,403	1,024,757
Balance at 1 July 2016		137,662	849,643	987,305
Net result for the year		45,340	-	45,340
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	9	-	8,092	8,092
Total other comprehensive income		-	8,092	8,092
Total comprehensive income for the year	18	45,340	8,092	53,432
Balance at 30 June 2017		183,002	857,735	1,040,737

The accompanying notes form part of these financial statements.

**State Archives and Records Authority of New South Wales**  
**Statement of cash flows for the year ended 30 June 2018**

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Personnel services expense		14,572	16,819	15,614
Other		15,037	9,075	13,153
<b>Total Payments</b>		<b>29,609</b>	<b>25,894</b>	<b>28,767</b>
<b>Receipts</b>				
Sale of goods and services		24,430	18,702	21,288
Grants and contributions	3(b)	5,806	5,806	6,410
<b>Total Receipts</b>		<b>30,236</b>	<b>24,508</b>	<b>27,698</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	18	<b>627</b>	<b>(1,386)</b>	<b>(1,069)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of property, plant and equipment		(4,104)	(4,143)	(1,334)
Purchases of intangibles	10	(773)	(1,568)	(814)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(4,877)</b>	<b>(5,711)</b>	<b>(2,148)</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>(4,250)</b>	<b>(7,097)</b>	<b>(3,217)</b>
Opening cash and cash equivalents		11,673	11,922	14,890
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	6	<b>7,423</b>	<b>4,825</b>	<b>11,673</b>

The accompanying notes form part of these financial statements.

# State Archives and Records Authority of New South Wales

## Notes to the financial statements

### for the year ended 30 June 2018

#### 1. Summary of Significant Accounting Policies

##### (a) Reporting entity

The State Archives and Records Authority of New South Wales (Authority) is a statutory body of the NSW State Government established by the *State Records Act 1998*, and includes the Government Records Repository. The Authority is a not-for-profit entity (as profit is not its principal objective) and has no cash generating units. The Authority is consolidated as part of the NSW Total State Sector Accounts.

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Director of the Authority on 18 September 2018.

##### (b) Basis of preparation

The Authority's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and
- Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment, including State archives, and assets held for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise. State archives collection is measured at fair value using the valuation methodology outlined in Note 9.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Authority's presentation and functional currency.

##### (c) Statement of compliance

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

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

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

- amount of GST incurred by the Authority as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense, and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

##### (e) Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

##### (f) Changes in accounting policy, including new or revised AAS

###### (i) Effective for the First Time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year except as a result of the following new or revised AAS that have been applied for the first time in 2017-18.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*

The standards identified above had no material impact on the Authority's financial statements.

(ii) *Issued But Not Yet Effective*

NSW public sector entities are not permitted to early adopt new AAS, unless NSW Treasury determines otherwise.

The following new AAS have not been applied and are not yet effective:

- AASB 9 *Financial Instruments*
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 *regarding Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for-Profit Entities*

The review of the impact of these Standards to the Financial Statements to the Authority is currently being completed.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>2. Expenses excluding losses</b>		
(a) Personnel services expense		
Salaries and wages (including annual leave)	11,275	9,840
Superannuation - defined benefit plans	30	(91)
Superannuation - defined contribution plans	866	802
Long service leave	204	107
Workers' compensation insurance	174	401
Payroll tax and fringe benefit tax	683	842
Other contractors	2,966	4,182
	<u>16,218</u>	<u>15,883</u>
Personnel Services expenses of \$0.046 million have been capitalised in Intangibles asset accounts, and therefore excluded from the above (2017: \$0.044 million).		
(b) Operating expenses		
Auditor's remuneration - audit of the financial statements	164	96
Cost of Sales - Boxes	145	149
Cost of Sales - Publications	3	9
Operating lease rental expense - minimum lease payments	1,595	1,450
Maintenance	770	673
Insurance	189	141
Electricity, Gas, Rates	679	627
Stationery	41	41
Minor stores	166	139
Consultants	22	132
Motor Vehicles	222	251
Postage, Telephone, Printing	339	274
Promotional advertising	228	90
Rental expense - records storage (offsite)	204	190
Training	133	35
Cleaning	278	276
Fee for Service - Contractors	5,390	2,416
Corporate Cost Allocation	2,246	1,253
Computer Expense	1,504	937
Security Expenses	390	427
Other	235	213
	<u>14,943</u>	<u>9,819</u>

**Recognition and Measurement**

**Maintenance expense**

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

**Insurance**

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

**Leased assets**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risk and rewards.

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>2. Expenses excluding losses (continued)</b>		
(c) Depreciation and amortisation		
Depreciation		
Buildings and improvements	2,423	2,253
Plant and equipment	128	190
Shelving	416	417
Computer equipment	535	455
	<u>3,502</u>	<u>3,315</u>
Amortisation		
Computer software	439	375
	<u>439</u>	<u>375</u>
Total Depreciation and amortisation	<u>3,941</u>	<u>3,690</u>

Refer to Note 9 and Note 10 for recognition and measurement policies on depreciation and amortisation.



**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the period ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>3. Revenue</b>		
<b>Recognition and Measurement</b>		
Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.		
(a) Sale of goods and services		
Sale of goods		
Publications	3	3
Boxes	240	245
Rendering of services		
Storage	14,618	13,838
Retrieval	3,093	3,170
Consultancy	4,058	2,239
Photocopies	108	79
Destruction	232	211
Other	156	175
	<u>22,508</u>	<u>19,960</u>
<b>Recognition and Measurement</b>		
<b>Sale of goods</b>		
Revenue from sale of goods is recognised as revenue when the Authority transfers the significant risks and rewards of ownership of the goods, usually on delivery of the goods.		
<b>Rendering of services</b>		
Revenue from rendering of services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date). Services activities include storage of third party records, retrieval of those records, and project work offered as consultancy.		
(b) Grants and contributions		
Recurrent Grants from NSW Department of Finance, Services and Innovation	2,418	3,840
Capital Grants from NSW Department of Finance, Services and Innovation	3,388	2,570
	<u>5,806</u>	<u>6,410</u>
<b>Recognition and Measurement</b>		
Grants and contributions are generally recognised as revenue when the Authority obtains control over the assets comprising the grants and contributions. Control over grants and contributions are normally on receipt of assets.		
(c) Other revenue		
State archives revenue	83,150	48,398
	<u>83,150</u>	<u>48,398</u>
<b>Recognition and Measurement</b>		
State archives revenue is non-cash generating. Archives received during the year are recognised for the first time at fair value and included in Other income. Control over archives occurs when receipt and verification by way of count and inspection is conducted by the Authority.		

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>4. Gain / (loss) on disposal</b>		
(a) Gain/(loss) on disposal of intangible assets - 'Collection'		
Proceeds from disposal	-	-
Written down value of assets disposed	(10)	-
Net gain/(loss) on disposal of intangible assets - 'Collection'	(10)	-
Total gain/(loss) on disposal	(10)	-

**5. Conditions on Contributions**

There are no conditions placed on contributions other than to carry out the Programs / Activities of the Authority.



**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>6. Current Assets - Cash and cash equivalents</b>		
Cash at Bank and on hand	7,423	11,673

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

	2018 \$'000	2017 \$'000
Cash and cash equivalents (per Statement of Financial Position)	7,423	11,673
Cash and cash equivalents (per Statement of Cash Flows)	7,423	11,673

Refer Note 19 for details regarding credit risk and market risk arising from financial instruments.

	2018 \$'000	2017 \$'000
<b>7. Current Assets - Receivables</b>		
Sale of goods and services	3,626	2,945
Prepayments	530	417
Net GST Receivable	-	-
	4,156	3,362

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 19.

**Recognition and Measurement**

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables, including trade receivables, prepayments etc. are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

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

**Impairment of financial assets**

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

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

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>8. Current Assets - Inventories</b>		
Stock on hand - at cost	29	22
	<u>29</u>	<u>22</u>

**Recognition and Measurement**

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

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the Authority would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**9. Property, plant and equipment**

	Land	Buildings and improvements	Plant and equipment	Shelving	Computer equipment	State archives	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2017 - fair value</b>							
Gross carrying amount	8,765	80,729	1,223	9,111	1,788	970,322	1,071,938
Accumulated depreciation and impairment	-	(38,432)	(441)	(3,536)	(742)	-	(43,151)
Net carrying amount	8,765	42,297	782	5,575	1,046	970,322	1,028,787
<b>At 30 June 2018 - fair value</b>							
Gross carrying amount	8,765	84,058	1,088	9,111	2,374	961,139	1,066,535
Accumulated depreciation and impairment	-	(40,855)	(373)	(3,952)	(1,149)	-	(46,329)
Net carrying amount	8,765	43,203	715	5,159	1,225	961,139	1,020,206

**Reconciliation**

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

	Land	Buildings and improvements	Plant and equipment	Shelving	Computer equipment	State archives	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2018</b>							
Net carrying amount at beginning of year	8,765	42,297	782	5,575	1,046	970,322	1,028,787
Additions	-	3,329	61	-	714	83,149	87,253
Disposals	-	(361)	(202)	-	(128)	-	(691)
Net revaluation increment less revaluation decrements	-	-	-	-	-	(92,332)	(92,332)
Depreciation expense	-	(2,423)	(128)	(416)	(535)	-	(3,502)
Depreciation written back on disposals	-	361	202	-	128	-	691
Other movements	-	-	-	-	-	-	-
Net carrying amount at end of year	8,765	43,203	715	5,159	1,225	961,139	1,020,206

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 11.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**9. Property, plant and equipment (continued)**

	Land	Buildings and improvements	Plant and equipment	Shelving	Computer equipment	State archives	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2016 - fair value</b>							
Gross carrying amount	7,500	74,279	1,689	9,110	1,630	921,902	1,016,110
Accumulated depreciation and impairment	-	(37,529)	(607)	(3,118)	(559)	-	(41,813)
Net carrying amount	7,500	36,750	1,082	5,992	1,071	921,902	974,297
<b>At 30 June 2017 - fair value</b>							
Gross carrying amount	8,765	80,729	1,223	9,111	1,788	970,322	1,071,938
Accumulated depreciation and impairment	-	(38,432)	(441)	(3,536)	(742)	-	(43,151)
Net carrying amount	8,765	42,297	782	5,575	1,046	970,322	1,028,787

**Reconciliation**

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

	Land	Buildings and improvements	Plant and equipment	Shelving	Computer equipment	State archives	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2017</b>							
Net carrying amount at beginning of year	7,500	36,750	1,082	5,992	1,071	921,902	974,297
Additions	-	973	54	-	286	48,420	49,733
Disposals	-	-	(81)	-	(536)	-	(617)
Net revaluation increment less revaluation decrements	1,265	8,827	-	-	-	-	8,092
Depreciation expense	-	(2,253)	(190)	(417)	(455)	-	(3,315)
Depreciation written back on disposals	-	-	82	-	535	-	617
Other movements	-	-	(165)	-	145	-	(20)
Net carrying amount at end of year	8,765	42,297	782	5,575	1,046	970,322	1,028,787

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 11.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**9. Property, plant and equipment (continued)**

**Recognition and Measurement**

**Acquisitions of assets**

Assets acquired are initially recognised at cost. 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 Australian Accounting Standards.

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

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

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

**Capitalisation thresholds**

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

**Major inspection costs**

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

**Restoration costs**

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

**Assets not able to be reliably measured**

The Authority holds certain assets that have not been recognised in the Statement of Financial Position because the Authority is unable to measure reliably the value for the assets, and these assets are considered immaterial. These assets are maps/plans, boxes, volumes, images, aperture cards, and packets of archives where the quantity of incoming items creates difficulty associated with counting the identified archives.

**Depreciation of property plant and equipment**

Except for Land and State archives, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority. All material identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset. Certain heritage assets including original artworks and State archive collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

Asset Class	Depreciation Rate
Buildings and Improvements	1.7%-13.1%
Plant and Equipment	10%-25%
Shelving	2.5%-17.6%
Computer Equipment	25%-33.3%

The depreciation rates have been reviewed and have remained unchanged from previous year.



**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**9. Property, plant and equipment (continued)**

**Recognition and Measurement (continued)**

**Leased assets**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risk and rewards.

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

**Revaluation of Property, plant and equipment excluding State archives**

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment are measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximises relevant observable inputs and minimise unobservable inputs. Also refer Note 11 for further information regarding fair value.

Revaluations shall be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Authority revalues property, plant and equipment, excluding State archives, at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last comprehensive land and buildings revaluation was completed on 31 March 2017 and was based on an independent assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. The Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**9. Property, plant and equipment (continued)**

**Recognition and Measurement (continued)**

**Revaluation of Property, plant and equipment - State archives**

The Authority recognises the State archives at fair value. The State archives Collection is made up of series of archives. A series is a group of records which results from the same business or recordkeeping activity, relate to a particular subject or function, have a similar format, or have another relationship arising out of their creation, receipt and use. When records are transferred from NSW government organisations to the control of the Authority, they become State archives.

The Authority engaged an independent valuer to value the collection on the basis of Fair Value in accordance with Australian Accounting Standards AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment* in 2018. Additional guidance is given in NSW Treasury's Policy and Guidelines paper TPP 14-01 - Accounting Policy: Valuation of Physical Non-Current Assets at Fair Value as applicable to heritage and cultural assets.

The "Register of Series", a complete listing of archive series is used as the basis of the valuation. The valuation process classifies the Register of Series into two categories and those categories are divided into sub-categories. The two categories are:

- The Register of Iconic State Archives – this listing contains those archives that have or are expected to have significant monetary value. Every Iconic State archive entry is valued individually or as a set.
- Non Iconic State Archives – this register is split into sub-categories based on type and format and valued according to accepted statistical methods.

The Authority revalues State archives at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation of State archives was completed on 31 March 2018.

**Revaluation of Property, plant and equipment – all**

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

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

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

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

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

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

**Impairment of property, plant and equipment**

As a not-for-profit entity, with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**10. Intangible assets**

	Collection \$'000	Software \$'000	Total \$'000
<b>At 1 July 2017</b>			
Cost (gross carrying amount)	1,794	1,340	3,134
Accumulated amortisation	-	(544)	(544)
Net carrying amount	<u>1,794</u>	<u>796</u>	<u>2,590</u>
<b>At 30 June 2018</b>			
Cost (gross carrying amount)	1,789	2,073	3,862
Accumulated amortisation	-	(948)	(948)
Net carrying amount	<u>1,789</u>	<u>1,125</u>	<u>2,914</u>
<b>Year ended 30 June 2018</b>			
Net carrying amount at start of year	1,794	796	2,590
Additions (acquired separately)	5	768	773
Amortisation (recognised in "depreciation and amortisation")	-	(439)	(439)
Disposals	(10)	(35)	(45)
Amortisation written back on disposals	-	35	35
Net carrying amount at end of year	<u>1,789</u>	<u>1,125</u>	<u>2,914</u>
	Collection \$'000	Software \$'000	Total \$'000
<b>At 1 July 2016</b>			
Cost (gross carrying amount)	1,248	1,084	2,332
Accumulated amortisation	-	(200)	(200)
Net carrying amount	<u>1,248</u>	<u>884</u>	<u>2,132</u>
<b>At 30 June 2017</b>			
Cost (gross carrying amount)	1,794	1,340	3,134
Accumulated amortisation	-	(544)	(544)
Net carrying amount	<u>1,794</u>	<u>796</u>	<u>2,590</u>
<b>Year ended 30 June 2017</b>			
Net carrying amount at start of year	1,248	884	2,132
Additions (acquired separately)	527	287	814
Amortisation (recognised in "depreciation and amortisation")	-	(375)	(375)
Disposals	-	-	-
Assets transfer	19	-	19
Amortisation written back on disposals	-	-	-
Net carrying amount at end of year	<u>1,794</u>	<u>796</u>	<u>2,590</u>



**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**10. Intangible assets (continued)**

**Recognition and Measurement**

**Intangible assets**

The Authority recognises intangible assets only if it is probable that future economic benefits will flow to the Authority and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Authority's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

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

The Collection intangible assets are activities which aim to preserve the State archives and improving user access via online channels. This is achieved through:

- (a) Archive Cataloguing - the creation of catalogue records of the State archives, allowing catalogued items and digital images to be linked, searched and accessed online; and
- (b) Digitisation Conservation - the process which converts physical items into digital objects for online access.

Collection intangible assets are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

The Authority's intangible software assets are amortised using the straight line method over a period of not more than 4 years.

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

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**11. Fair value measurement of non-financial assets**

**Fair value measurement and hierarchy**

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Authority recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(a) Fair value hierarchy**

2018	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
<b>Property, plant and equipment</b>	9				
Land		-	8,765	-	8,765
Buildings and improvements		-	-	43,203	43,203
State archives		-	-	961,139	961,139
		-	8,765	1,004,342	1,013,107
<b>2017</b>		<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total fair value \$'000</b>
<b>Property, plant and equipment</b>	9				
Land		-	8,765	-	8,765
Buildings and improvements		-	-	42,297	42,297
State archives		-	-	970,322	970,322
		-	8,765	1,012,619	1,021,384

There were no transfers between Level 1 or 2 during the period.

Plant and equipment, shelving, and computer equipment are carried at depreciated historical cost. Generally for these assets, the carrying amount is unlikely to be materially different from their fair value.

**(b) Valuation techniques, inputs and processes**

**(i) Land is based on observable inputs (Level 2)**

The Authority engaged an independent professional valuer to provide a comprehensive valuation update in 2017. Land asset has been valued using the market approach with adjustment for condition, location, and comparability. The independent professional valuer assessed that there had been an increase of \$1.265 million in the market value of land as at 31 March 2017. A desktop valuation was completed by an independent professional valuer in June 2018. It was assessed that there was no significant change to the fair value of land as at 30 June 2018.

**(ii) State archives are based on unobservable inputs (Level 3)**

The Authority engaged an independent professional valuer to provide an update on the valuation, completed in March 2018. Input data for the valuation was derived by research of records of Australian and international sales, purchases and other forms of acquisition, knowledge of prices paid by other institutions, and valuation experience at other major archives.

Various on-line databases were used for market value references. These included manuscript material in rarebookhub.com, abe.com, abpc.com and invaluable.com. Information from various dealer's catalogues were also used.

Adjustments were made to the market value references to take into account the unique characteristics of the items being valued. Adjustments were made for age, nature, historical significance or other factors, which impact on the item being valued. As those adjustments could not be observed and are significant to the fair value measurement they have been categorised into level 3 of the fair value hierarchy.

The collection was valued from physical inspection of the sampled items combined with examination of some item descriptions on State Archives collection search. Management considers it unlikely that any change to the inputs will significantly affect the net result for the year. Instead the impact will be on the asset revaluation reserve and the underlying asset class.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**11. Fair value measurement of non-financial assets (continued)**

**(b) Valuation techniques, inputs and processes ( continued)**

(iii) Buildings and improvements are based on unobservable inputs (Level 3).

The Authority engaged an independent professional valuer to perform a comprehensive valuation update in 2017. A desktop valuation was completed by an independent professional valuer in June 2018. It was assessed that there was no significant change to the fair value of buildings and improvements in this desktop valuation. Where there are natural, legal or financial or other conditions imposed by government on use and disposal of asset such that there is no feasible alternative use in the relatively near future, such asset should be valued at fair (market) value for its existing use. Where the current market buying prices could not be observed, an assets fair value is best measured by its depreciated replacement cost. However when current market buying prices can be observed the asset is to be valued having regard to the direct comparison method of valuation having reference to current market transactions of comparable properties in the surrounding area. The Western Sydney Records Centre is considered a specialised asset where current market buying prices cannot be observed; therefore, the depreciated replacement cost method of valuation is adopted.

Depreciated Replacement Cost is the current replacement cost of an asset, less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

There is a considerable degree of subjectivity involved in establishing the life expectancy or effective life, particularly in relation to specialised asset buildings. The assumptions in this valuation are generally based on adopted life spans used in general commercial practice and for assets owned by various State Government Departments, Local Government and Statutory Authorities.

The unobservable input in relation to the building and improvements is the economic life and remaining life.

Management considers it unlikely that any change to the inputs will significantly affect the net result for the year. Instead the impact will be on the asset revaluation reserve and the underlying asset class.

**(c) Reconciliation of recurring Level 3 fair value measurements**

	Buildings and improvements	State Archives	Total Recurring Level 3 Fair value
	\$'000	\$'000	\$'000
<b>2018</b>			
Fair value as at 1 July 2017	42,297	970,322	1,012,619
Additions	3,329	83,149	86,478
Revaluation increments/decrements recognised in other comprehensive income	-	(92,332)	(92,332)
Depreciation	(2,423)	-	(2,423)
<b>Fair Value as at 30 June 2018</b>	<b>43,203</b>	<b>961,139</b>	<b>1,004,342</b>
	Buildings and improvements	State Archives	Total Recurring Level 3 Fair value
	\$'000	\$'000	\$'000
<b>2017</b>			
Fair value as at 1 July 2016	36,750	921,902	958,652
Additions	973	48,420	49,393
Revaluation increments/decrements recognised in other comprehensive income	6,827	-	6,827
Depreciation	(2,253)	-	(2,253)
<b>Fair Value as at 30 June 2017</b>	<b>42,297</b>	<b>970,322</b>	<b>1,012,619</b>

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>12. Current Liabilities - Payables</b>		
Accrued personnel services expense	4,362	2,417
Creditors	2,794	1,172
Other	1,160	913
Revenue received in advance	1,456	1,059
Net GST payable	76	25
	<u>9,848</u>	<u>5,586</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 19.

**Recognition and Measurement**

**(i) Payables**

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

**(ii) Personnel services benefits and other payables**

The Authority receives personnel services from the Department of Finance, Services and Innovation (DFSI). DFSI is not a Special Purpose Service Entity and does not control the Authority under this arrangement.

In accordance with NSW Treasury Circular 15/07 *Financial and Annual Reporting Requirements Arising from Personnel Service Arrangements*, a liability representing the total amount payable to DFSI is recognised in the Statement of Financial Position.

As the Authority is not an employer, the disclosure requirements of AASB 119 *Employee Benefits* in respect of employee benefits do not apply.

Liabilities for personnel services relating to salaries and wages (including non-monetary benefits), recreation leave, long service leave, paid sick leave, payroll tax, superannuation and on-costs which the employees render the service are recognised and measured at undiscounted amounts of the benefits and as invoiced by DFSI.

The outstanding amounts of workers compensation insurance premiums and fringe benefits tax, which are consequential to the provision of personnel services by the DFSI, are recognised as liabilities and expenses where the personnel services to which they relate have been recognised.



**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>13. Non-Current Liabilities - Provisions</b>		
Restoration costs	123	111
<b>Total Provisions</b>	<u>123</u>	<u>111</u>

The restoration costs amount, relates to make good cost for the property leases which is expected to be incurred from 2020. The amount is based on an estimated make good amount of \$0.13 million in 2018 discounted using the Australian Government bond rate 2.63% at 30 June 2018 (2.6% at 30 June 2017).

**Movements in provisions**

Movements in each class of provision during the financial year are set out below:

	Restoration \$'000	Total \$'000
<b>2018</b>		
Carrying amount at 1 July 2017	111	111
Unwinding / change in the discount rate	12	12
Carrying amount at 30 June 2018	<u>123</u>	<u>123</u>

**Other provisions**

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when an entity has a detailed formal plan and the entity has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

**14. Equity**

**Recognition and Measurement**

**Revaluation surplus**

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the entity's policy on the revaluation of property, plant and equipment as discussed in Note 9.

**Accumulated Funds**

The category 'Accumulated Funds' includes all current and prior period retained funds.

**Reserves**

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

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>15. Commitments</b>		
<b>(a) Capital Commitments</b>		
Aggregate capital expenditure for acquisitions contracted for at balance date and not provided for:		
Not later than one year	618	2,989
later than one year and no later than five years	127	407
Later than five years	-	-
Total (including GST)	<u>745</u>	<u>3,396</u>

The capital projects include the Integrated Collections Management System.

**(b) Operating Lease Commitments**

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

Not later than one year	2,661	1,522
Later than one year and no later than five years	4,492	4,861
Later than five years	312	750
Total (including GST)	<u>7,465</u>	<u>7,133</u>

This represents State Fleet car leases and off site storage facilities.

The potential input tax credits recoverable from the Australian Tax Office for the above commitments are \$0.678 million (\$0.648 million in 2016-17).

**16. Contingent Liabilities and Contingent Assets**

The Authority is unaware of any contingent assets or contingent liabilities at the date of this report (Nil in 2016-17).

# **State Archives and Records Authority of New South Wales**

## **Notes to the financial statements**

### **for the year ended 30 June 2018**

#### **17. Budget Review**

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

#### **Net result**

The actual net result was higher than budget by \$79 million due to the State archives revenue, which is difficult to value in the budget process.

Total Revenue was up by \$84 million primarily due to state archives received during the year (\$80 million) and improved revenue generation from service (\$4 million). The Authority used its surplus cash as a funding source in 2017-18.

Total Expenses were over budget by \$6 million. Expenses were higher due to additional contractor staff engaged to work on fee-for-service activities and to support records management projects.

#### **Assets and liabilities**

Net Assets of the Authority were \$5 million below budget. The Authority's balance sheet was impacted by the revaluation decrement of the State archives asset (\$92 million), offset by State archives received during the year (\$83m).

#### **Cash flows**

The Authority's cash flow and liquidity remained strong in 2018. Cash and cash equivalents exceeded budget. Net cash flow from operating activities for the year was \$2 million above budget, due to an increase of \$6m in receipts for the sale of goods and services, offset by an increase in the payment of other expenses of \$4m.

The net cash flow from investing activities for the year was \$0.8 million below budget as the Authority deferred investment in capital project work due to delays in the procurement process. This capital work will be completed during the year ending 30 June 2019.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>18. Reconciliation of Cash Flows from Operating Activities to Net Result</b>		
Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:		
Net cash flows from operating activities	627	(1,069)
Depreciation and amortisation expense	(3,941)	(3,690)
Finance Costs	(12)	(15)
Other revenue	83,150	48,398
Increase / (decrease) in receivables and other assets	801	505
Decrease / (increase) in payables	(4,263)	1,211
Net gain / (loss) on disposal of property, plant and equipment	(10)	-
<b>Net Result</b>	<u><u>76,352</u></u>	<u><u>45,340</u></u>



**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**19. Financial Instruments**

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

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

The Executive Director of State Archives has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Authority on a regular basis.

**(a) Financial Instrument categories**

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
<b>Class:</b>			<b>2018</b>	<b>2017</b>
			<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	6	N/A	7,423	11,673
Receivables <sup>1</sup>	7	Loans and receivables (at amortised cost)	3,296	2,677
Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
<b>Class:</b>			<b>2018</b>	<b>2017</b>
			<b>\$'000</b>	<b>\$'000</b>
Payables <sup>2</sup>	12	Financial liabilities measured at amortised cost	8,119	4,409

**Notes:**

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**19. Financial Instruments (continued)**

**(b) Financial risks**

**(i) Credit Risk**

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

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

Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

**Cash and cash equivalents**

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

**Receivables - trade debtors**

All trade debtors are recognised at the amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2018: \$2.1 million, 2017: \$1.9 million), less than 6 months past due (2018: \$1.155 million, 2017: \$0.983 million) and more than 6 months past due (2018: \$0.031 million, 2017: \$0.006 million) are not considered impaired.

Together, these represent 100% of the total trade debtors. Most of the Authority's debtors are NSW public sector agencies.

The only financial assets that are past due or impaired are 'sales of goods and services' in the receivables' category of the statement of financial position. As at 30 June, the ageing analysis of trade debtors is as follows:

	2018 \$'000	2017 \$'000
Neither past due nor impaired	2,110	1,688
Past due but not impaired		
< 3 months overdue	1,008	829
3 months – 6 months overdue	147	154
> 6 months overdue	31	6
	<u>1,186</u>	<u>989</u>
Impaired		
< 3 months overdue	0	0
3 months – 6 months overdue	0	0
> 6 months overdue	0	0
	<u>0</u>	<u>0</u>
Total receivables - gross of allowance for impairment	<u>3,296</u>	<u>2,677</u>

Notes: The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 7.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**19. Financial Instruments (continued)**

**(ii) Liquidity risk**

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Director (or a person appointed by the Director) may automatically pay the supplier simple interest.

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

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

	\$'000				Maturity Dates		
	Interest Rate Exposure						
	Nominal <sup>1</sup> Amount	Fixed Interest Rate	Variable Interest Rate	Non- interest bearing	< 1 year	1-5 years	> 5 years
<b>2018</b>							
<i>Payables</i>							
Personnel services payable	4,339	-	-	4,339	4,339	-	-
Creditors	3,780	-	-	3,780	3,780	-	-
	<u>8,119</u>	<u>-</u>	<u>-</u>	<u>8,119</u>	<u>8,119</u>	<u>-</u>	<u>-</u>
<b>2017</b>							
<i>Payables</i>							
Personnel services payable	2,417	-	-	2,417	2,417	-	-
Creditors	1,992	-	-	1,992	1,992	-	-
	<u>4,409</u>	<u>-</u>	<u>-</u>	<u>4,409</u>	<u>4,409</u>	<u>-</u>	<u>-</u>

Note:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables include both interest and principal cash flows and therefore may not reconcile to the amounts in the Statement of Financial Position.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**19. Financial Instruments (continued)**

**(iii) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposures to market risk are primarily through interest rate risk. The Authority has no exposure to other price risk or foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2017. The analysis assumes that all other variables remain constant.

**Interest rate risk**

The Authority does not have any borrowing and its exposure to interest rate risk is minimal.

The Authority's exposure to interest rate risk is set out below.

\$'000					
	Carrying amount	Profit	-1% Equity	Profit	+1% Equity
<b>2018</b>					
<i>Financial assets</i>					
Cash and cash equivalents	7,423	(74)	(74)	74	74
<b>2017</b>					
<i>Financial assets</i>					
Cash and cash equivalents	11,673	(117)	(117)	117	117

**(c) Fair value measurement**

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates their fair value because of their short term nature.

**State Archives and Records Authority of New South Wales**  
**Notes to the financial statements**  
**for the year ended 30 June 2018**

**20. Related Party Disclosures**

The Authority's key management personnel compensation are as follows:

	2018 \$'000	2017 \$'000
Short-term employee benefits:		
Salaries	262	254
Other monetary allowances	-	-
Non-monetary benefits	-	-
Other long-term employee benefits	0	38
Post-employment benefits	40	20
Termination benefits	179	-
Total remuneration	<u>481</u>	<u>312</u>

The key management personnel compensation excludes the Minister for Finance, Services and Property. Ministerial compensation is paid by the NSW Legislature, not the Authority. It also excludes long service leave amounts which are assumed by the Crown.

During the year, the Authority did not enter into any transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

**Other related party transactions**

During the year, the Authority entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions which are conducted as arm's length transactions are a significant portion of the Authority's rendering of services / receiving of services, in aggregate are as follows.

Nature of transactions	2018		2017	
	Transaction value \$'000	Net receivable/ (payable) \$'000	Transaction value \$'000	Net receivable/ (payable) \$'000
Rendering of Services	20,884	3,409	19,754	2,982
Receiving of Services	16,066	(1,972)	14,454	(2,938)
Purchase of Goods	131	(262)	285	(256)

**21. Events after the Reporting Period**

Effective from 1 July 2018, Department of Planning and Environment will be providing personnel services to the Authority. The persons from Department of Finance, Services and Innovation who provided personnel services to the Authority were transferred to Department of Planning and Environment in accordance with *Administrative Arrangements (Administrative Changes—NSW State Archives and Subsidence Advisory NSW) Order 2018*. This event has no impact in 2017-18 financial statements.

End of audited financial statements

## Compliance checklist

Compliance requirement	Section in the annual report	Page
Access	5.4 Accessing SARA's services	47
Additional matters for inclusion in annual reports		
<i>Privacy and Personal Information Protection Act 1998 (PPIPA)</i>	4.5 <i>Privacy and Personal Information Protection Act 1998</i>	45
Annual report production costs and availability	5.1 Annual report preparation	46
Events after the reporting period	5.2 Events after the reporting period	46
Agreements with multicultural NSW	4.1 Managing our people	33
Aims and objectives	1 About NSW State Archives and Records	8
Budgets	6.1 Financial highlights	48
Charter	1 About NSW State Archives and Records 3.2 Legislation	8, 30
Consultants	6.3 Consultants	49
Consumer response	4.6 Complaints	45
Credit card certification	6.2 Corporate credit card use	48
Digital information security policy attestation	4. Governance and Accountability	37
Disability inclusion action plans	4.1 Managing our people	33
Disclosure of controlled entities	5.3 Nil to report	46
Disclosure of subsidiaries	5.3 Nil to report	46
Economic or other factors	5.3 Nil to report	46
Exemptions	5.3 Nil to report	46
Financial statements	6 Financial report	54
Funds granted to non-government community organisations	5.3 Nil to report	46
<i>Government Information (Public Access) Act 2009</i>	4.4 <i>Government Information (Public Access) Act 2009 (GIPA Act)</i>	41
Human resources	4.1 Managing our people	33
Implementation of price determination	5.3 Nil to report	46
Identification of audited financial statements	Independent Auditor's Report	51
Inclusion of unaudited financial statements	5.3 Nil to report	46
Internal audit and risk management policy attestation	4.2 Internal audit and risk management	38
Investment performance	5.3 Nil to report	46
Land disposal	5.3 Nil to report	46
Legal change	5.3 Nil to report	46



Compliance requirement	Section in the annual report	Page
Letter of submission	Letter to the Minister	3
Liability management performance	5.3 Nil to report	46
Management and activities	2 Performance, highlights and achievements	10
Management and structure	3.1 Board of the NSW State Archives and Records 3.3 Organisation structure	28, 30
Multicultural policies and services program	4.1 Managing our people	33
Numbers and remuneration of senior executives	4.1 Managing our people	33
Payment of accounts	6.5 Annual reporting of payment of accounts	49
Promotion	5.3 Nil to report	46
Public availability of annual reports	5.1 Annual report preparation	46
Public interest disclosures (PID)	4.3 <i>Public Interest Disclosures Act 1994</i> (PID Act)	41
Requirements arising from employment arrangements	5.3 Nil to report	46
Research and development	5.3 Nil to report	46
Risk management and insurance activities	4.2 Internal audit and risk management	38
Summary view of operations	2.1 Key achievements	10
Time for payment of accounts	6.6 Accounts due or paid within each quarter	50
Work health and safety	4.1 Managing our people	33
Workforce diversity	4.1 Managing our people	33