

# Joint Parliamentary Service

Financial report  
for the year ended  
30 June 2020



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## To the Chairman Joint Parliamentary Service

### Disclaimer of opinion

I was engaged to audit the financial report of Joint Parliamentary Service for the financial year ended 30 June 2020.

I do not express an opinion on the accompanying financial report. Because of the significance of the matter(s) described in the 'Basis for disclaimer of opinion' section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the two Chairs and the two Secretaries of the Joint Parliamentary Service and the Chief Finance Officer, Joint Parliamentary Service.

### Basis for disclaimer of opinion

The Members of the Joint Parliamentary Service Committee are responsible for the management of the Joint Parliamentary Service. The Members have not provided unrestricted access to the minutes of their meetings. As a result, I cannot assess whether matters deliberated and decided by the Members that have financial consequences have been recognised or disclosed in the financial report.

The Members of the Joint Parliamentary Service Committee are responsible for the control and management of the dining and refreshment services of Parliament House. Certain income from the provision of these services and associated expenditure has been omitted from the financial report. As the Members have not provided access to this financial information, I am unable to determine the effect of the omission on the financial report.

## **Responsibilities of the members of the Joint Parliamentary Service Committee for the financial report**

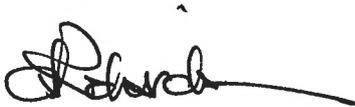
The Members of the Joint Parliamentary Service Committee are responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

## **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I was engaged to audit the financial report of Joint Parliamentary Service Committee for the financial year ended 30 June 2020.

My responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matters described in the 'Basis for disclaimer of opinion' section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

I am independent of the Joint Parliamentary Service Committee. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. The relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) have been met.



Andrew Richardson

**Auditor-General**

15 September 2020

**Joint Parliamentary Service  
Financial Statements**

**30 June 2020**

# Joint Parliamentary Service

## Financial Statements

### Statement of Comprehensive Income

For the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Income</b>			
Appropriations	4.1	12,818	12,420
Resources received free of charge	4.2	1,180	955
Other income	4.3	639	619
<b>Total income</b>		<b>14,637</b>	<b>13,994</b>
<b>Expenses</b>			
Employee benefits expenses	2.2	6,579	7,146
Supplies and services	3.1	4,455	4,338
Depreciation and amortisation expense	3.2	1,613	1,360
<b>Total expenses</b>		<b>12,647</b>	<b>12,844</b>
<b>Net result</b>		<b>1,990</b>	<b>1,150</b>
<b>Total comprehensive result</b>		<b>1,990</b>	<b>1,150</b>

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

# Joint Parliamentary Service

## Financial Statements

### Statement of Financial Position

As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	9,781	9,538
Receivables	6.2	500	683
<b>Total current assets</b>		<b>10,281</b>	<b>10,221</b>
<b>Non-current assets</b>			
Receivables	6.2	107	86
Property, plant and equipment	5.1	78,777	78,545
Intangible assets	5.2	689	862
<b>Total non-current assets</b>		<b>79,573</b>	<b>79,493</b>
<b>Total assets</b>		<b>89,854</b>	<b>89,714</b>
<b>Current liabilities</b>			
Payables	7.1	3,115	4,914
Employee benefits	2.3	1,011	1,036
Provisions	7.2	20	20
<b>Total current liabilities</b>		<b>4,146</b>	<b>5,970</b>
<b>Non-current liabilities</b>			
Payables	7.1	172	174
Employee benefits	2.3	1,784	1,819
Provisions	7.2	39	28
<b>Total non-current liabilities</b>		<b>1,995</b>	<b>2,021</b>
<b>Total liabilities</b>		<b>6,141</b>	<b>7,991</b>
<b>Net assets</b>		<b>83,713</b>	<b>81,723</b>
<b>Equity</b>			
Retained earnings		71,591	69,601
Asset revaluation surplus	8.1	9,219	9,219
Contributed capital	8.1	2,903	2,903
<b>Total equity</b>		<b>83,713</b>	<b>81,723</b>
<b>Unrecognised contractual commitments</b>	10.1		

The accompanying notes form part of these financial statements.

# Joint Parliamentary Service

## Financial Statements

### Statement of Changes in Equity

#### For the year ended 30 June 2020

	Note	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2018		2,903	9,219	68,451	80,573
Net result for 2018-19		-	-	1,150	1,150
Total comprehensive result for 2018-19		-	-	1,150	1,150
Balance at 30 June 2019		2,903	9,219	69,601	81,723
Net result for 2019-20		-	-	1,990	1,990
Total comprehensive result for 2019-20		-	-	1,990	1,990
Balance at 30 June 2020		2,903	9,219	71,591	83,713

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

# Joint Parliamentary Service

## Financial Statements

### Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
		Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Appropriations		12,818	12,607
GST recovered from the ATO		393	280
Receipts for paid parental leave scheme		18	35
Other receipts		873	520
<b>Cash generated from operations</b>		<b>14,102</b>	<b>13,442</b>
<b>Cash outflows</b>			
Employee benefits payments		(6,627)	(6,899)
Payments for supplies and services		(6,630)	(2,935)
Return of appropriations - cash alignment policy		-	(187)
Payments for paid parental leave scheme		(30)	(22)
<b>Cash used in operations</b>		<b>(13,287)</b>	<b>(10,043)</b>
<b>Net cash provided by / (used in) operating activities</b>	8.2	<b>815</b>	<b>3,399</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(1,434)	(360)
Purchase of intangible assets		-	-
<b>Net cash used in investing activities</b>		<b>(1,434)</b>	<b>(360)</b>
Net increase in cash and cash equivalents		243	3,039
Cash and cash equivalents at 1 July		9,538	6,499
<b>Cash and cash equivalents at 30 June</b>	6.1	<b>9,781</b>	<b>9,538</b>

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

# Joint Parliamentary Service

## Financial Statements

### 1. About the Joint Parliamentary Service

The Joint Parliamentary Service is established under the *Parliament (Joint Services) Act 1985*.

The Joint Parliamentary Service does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Joint Parliamentary Service.

#### 1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

#### 1.2 Objectives

The Joint Parliamentary Service provides services to both Houses of Parliament including Hansard reporting, library facilities, catering, financial administration, and building accommodation. The Joint Parliamentary Service is administered by the Joint Parliamentary Service Committee which comprises the Speaker and two Members of the House of Assembly and the President and two Members of the Legislative Council.

#### 1.3 COVID-19 pandemic

With the advent of the COVID-19 pandemic, the Joint Parliamentary Service instituted a dynamic plan to ensure business continuity and minimal impact. This included a reduction of access to Parliament House, education and some staff working remotely.

## 2. Employees

### 2.1 Key management personnel

Members of the Joint Parliamentary Service Committee are key management personnel. These Members did not receive any remuneration for performing the role as a Committee member, their salaries and allowances have been disclosed in note 2.3 'Members' salaries and allowances' in the financial statements of the House of Assembly and Legislative Council.

# Joint Parliamentary Service

## Financial Statements

<b>2.2 Employee benefits expenses</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	5,679	6,253
Superannuation	552	546
Employee benefits - on-costs	299	345
Workers compensation	49	2
<b>Total employee benefits expenses</b>	<b>6,579</b>	<b>7,146</b>

### Employment on-costs – superannuation

The superannuation employment on-cost charge represents the Joint Parliamentary Service's contributions to superannuation plans in respect of current services of current employees.

<b>Executive remuneration</b>	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
The number of employees whose remuneration received or receivable falls within the following bands:		
\$334,001 – \$354,000	-	1
	<b>-</b>	<b>1</b>

The total remuneration received by those employees for the year was \$Nil (2019 \$343,000).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

<b>2.3 Employee benefits - liability</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	483	476
Long service leave	284	373
Skills and experience retention leave	58	47
Accrued salaries and wages	186	140
<b>Total current employee benefits</b>	<b>1,011</b>	<b>1,036</b>
<b>Non current</b>		
Long service leave	1,688	1,707
Annual leave	96	112
<b>Total non-current employee benefits</b>	<b>1,784</b>	<b>1,819</b>
<b>Total employee benefits</b>	<b>2,795</b>	<b>2,855</b>

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

# Joint Parliamentary Service

## Financial Statements

### *Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave*

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

### *Long service leave*

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 11.1.

## 3. Expenses

Employee benefits expenses are disclosed in note 2.2.

### 3.1 Supplies and services

	2020	2019
	\$'000	\$'000
Accommodation	54	71
Building maintenance	1,181	990
Information technology	748	608
Car parking	625	600
Utilities	523	539
Cleaning	327	381
Printing and publishing	166	235
Agency staff hire	119	103
Telephone	114	143
Audit fees	80	78
Shared Services	80	93
Library collection	78	67
Fringe benefits tax	57	58
Insurance	47	48
Minor works and equipment	44	74
Uniforms and allowances	39	38
Storage	33	30
Staff training and development	32	18
Security	16	25
Travelling expenses	16	22
Consultants fees	15	15
Postage	15	12
Occupational, Health, Safety and Welfare compliance	12	12
Vehicle hire	9	19
Other	25	59
<b>Total supplies and services</b>	<b>4,455</b>	<b>4,338</b>

# Joint Parliamentary Service

## Financial Statements

### *Accommodation*

Some of the Joint Parliamentary Service's accommodation is provided by the Department of Planning, Transport and Infrastructure under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of lease set out in AASB 16.

In prior years expenses associated with MoAA have been classified as operating lease payments. Expenses associated with MoAA have been re-classified as accommodation expenses for both the current year and the comparative. Further details about this re-classification is set out in note 1.1.

### *Operating expense commitment payments*

Short term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not disclosed as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed above.

### *Consultants*

The number and dollar amount of consultancies paid/payable (included in supplies and services expenses) fell within the following bands:

	2020		2019	
	No	\$'000	No	\$'000
Below \$10,000	1	5	2	15
\$10,000 or above	1	10	-	-
<b>Total</b>	<b>2</b>	<b>15</b>	<b>2</b>	<b>15</b>

## 3.2 Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Buildings	550	514
Plant and equipment	238	248
Fixtures and fittings	5	3
Computer equipment	648	595
Intangible assets	172	-
<b>Total depreciation and amortisation</b>	<b>1,613</b>	<b>1,360</b>

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

### *Review of accounting estimates*

Assets' residual values, useful lives and amortisation methods are review and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

### *Useful life*

Depreciation and amortisation are calculated on a straight line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

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Class of asset	Useful life
Buildings	100 years
Plant and equipment	5 - 30 years
Fixtures and fittings (non-antique)	5 - 10 years
Computer equipment	3 - 10 years
Internally developed computer software	3 - 10 years

The remaining useful life of Parliament House is estimated to be 100 years.

The majority of fixtures and fittings are antiques, they are anticipated to have a very long and indeterminate useful life.

The library collection and works of art controlled by the Joint Parliamentary Service is mainly a research and heritage collection. Their service potential has not, in any material sense, been consumed during the reporting period. Consequently, no amount for depreciation has been recognised during the reporting period.

### 4. Income

#### 4.1 Appropriation

	2020	2019
	\$'000	\$'000
<b>Appropriations from SA Government</b>		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	12,818	12,607
<b>Total appropriations from SA Government</b>	<u>12,818</u>	<u>12,607</u>
<b>Payments to SA Government</b>		
Return of cash to Consolidated Account - cash alignment policy	-	187
<b>Total payments to SA Government</b>	<u>-</u>	<u>187</u>
<b>Net appropriations from SA Government</b>	<u><u>12,818</u></u>	<u><u>12,420</u></u>

#### *Appropriations*

Appropriations are recognised on receipt.

#### 4.2 Resources received free of charge

	2020	2019
	\$'000	\$'000
Assets acquired at nil consideration from the House of Assembly	733	576
Assets acquired at nil consideration from the Legislative Council	367	286
Services received free of charge - Shared Services SA	80	93
<b>Total resources received free of charge</b>	<u><u>1,180</u></u>	<u><u>955</u></u>

# Joint Parliamentary Service

## Financial Statements

<b>4.3 Other income</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Car parking reimbursement	617	589
Recovery of salaries and related payments	18	23
Other	4	7
<b>Total other income</b>	<b>639</b>	<b>619</b>

The car parking reimbursement refers to the recovery of associated costs for the leasing of car parks for Parliamentary use.

## 5. Non-financial assets

<b>5.1 Property, plant and equipment</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land</b>		
Fair value	21,825	21,825
<b>Total land</b>	<b>21,825</b>	<b>21,825</b>
<b>Buildings</b>		
Fair value	51,159	51,158
Less: Accumulated depreciation	(2,092)	(1,541)
<b>Total buildings</b>	<b>49,067</b>	<b>49,617</b>
<b>Plant and equipment</b>		
At cost (deemed fair value)	4,907	4,559
Less: Accumulated depreciation	(1,390)	(1,152)
<b>Total plant and equipment</b>	<b>3,517</b>	<b>3,407</b>
<b>Fixtures and fittings</b>		
At cost (deemed fair value)	916	889
Less: Accumulated depreciation	(87)	(82)
<b>Total fixtures and fittings</b>	<b>829</b>	<b>807</b>
<b>Computer equipment</b>		
At cost (deemed fair value)	5,371	5,091
Less: Accumulated depreciation	(3,699)	(3,137)
<b>Total computer equipment</b>	<b>1,672</b>	<b>1,954</b>
<b>Library</b>		
Books, artifacts and collections at independent valuation	612	612
<b>Total library</b>	<b>612</b>	<b>612</b>
<b>Capital works in progress</b>		
Capital works in progress	1,255	323
<b>Total capital works in progress</b>	<b>1,255</b>	<b>323</b>
<b>Total property, plant and equipment</b>	<b>78,777</b>	<b>78,545</b>

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Property, plant and equipment with a value equal to or in excess of \$5 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about the Joint Parliamentary Service's approach to fair value is set out in note 11.2.

### *Resources received free of charge*

The Joint Parliamentary Service acquired assets at nil consideration from the House of Assembly and Legislative Council during the year. Refer to note 4.2.

### *Impairment*

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

<i>Reconciliation 2019-20</i>	Land	Buildings	Plant and equipment	Fixtures and fittings	Computer equipment	Library	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	21,825	49,617	3,407	807	1,954	612	323	78,545
Additions	-	-	13	28	88	-	454	583
Additions - Transfers to/(from) CWIP	-	-	335	-	288	-	(623)	-
Assets acquired at nil consideration	-	-	-	-	-	-	1,100	1,100
Depreciation	-	(550)	(238)	(5)	(648)	-	-	(1,441)
Other	-	-	-	(1)	(10)	-	1	(10)
<b>Carrying amount at 30 June</b>	<b>21,825</b>	<b>49,067</b>	<b>3,517</b>	<b>829</b>	<b>1,672</b>	<b>612</b>	<b>1,255</b>	<b>78,777</b>

<i>Reconciliation 2018-19</i>	Land	Buildings	Plant and equipment	Fixtures and fittings	Computer equipment	Library	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	21,825	50,132	3,451	810	2,441	612	273	79,544
Additions	-	-	5	-	54	-	317	376
Assets acquired at nil consideration	-	-	-	-	-	-	862	862
Additions - Transfers to/(from) CWIP	-	-	199	-	68	-	(1,129)	(862)
Depreciation	-	(514)	(249)	(2)	(595)	-	-	(1,360)
Disposals	-	-	-	-	(14)	-	-	(14)
Other	-	(1)	1	(1)	-	-	-	(1)
<b>Carrying amount at 30 June</b>	<b>21,825</b>	<b>49,617</b>	<b>3,407</b>	<b>807</b>	<b>1,954</b>	<b>612</b>	<b>323</b>	<b>78,545</b>

## 5.2 Intangible assets

	2020	2019
	\$'000	\$'000
<b>Computer software</b>		
Internally developed computer software	862	862
Accumulated amortisation	(173)	-
<b>Total computer software</b>	<b>689</b>	<b>862</b>

# Joint Parliamentary Service

## Financial Statements

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5,000.

### *Reconciliation 2019-20*

	Internally developed computer software \$'000	<b>Total \$'000</b>
Carrying amount at 1 July	862	862
Amortisation	(173)	(173)
Carrying amount at 30 June	<u>689</u>	<u>689</u>

### *Reconciliation 2018-19*

	Internally developed computer software \$'000	<b>Total \$'000</b>
Carrying amount at 1 July	-	-
Additions	862	862
Carrying amount at 30 June	<u>862</u>	<u>862</u>

## 6. Financial assets

### 6.1 Cash and cash equivalents

	2020 \$'000	2019 \$'000
<b>Deposits with the Treasurer (Special deposit accounts)</b>		
Operating bank account	3,596	6,114
Accrual Appropriation Excess Funds	6,185	3,424
<b>Total deposits with the Treasurer (Special deposit accounts)</b>	<u>9,781</u>	<u>9,538</u>
<b>Total cash and cash equivalents</b>	<u>9,781</u>	<u>9,538</u>

#### *Deposits with the Treasurer*

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

Although the Joint Parliamentary Service controls the money reported above in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer. The Joint Parliamentary Service does not earn interest on its deposits with the Treasurer.

# Joint Parliamentary Service

## Financial Statements

6.2 Receivables	2020	2019
	\$'000	\$'000
<b>Current</b>		
Receivables	267	470
Prepayments	223	197
Other	10	16
<b>Total current receivables</b>	<b>500</b>	<b>683</b>
<b>Non-current</b>		
Prepayments	107	86
<b>Total non-current receivables</b>	<b>107</b>	<b>86</b>
<b>Total receivables</b>	<b>607</b>	<b>769</b>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST payable to the ATO is included as part of receivables.

The Joint Parliamentary Service does not hold any receivables arising from contracts with customers, as specified in *AASB 15 - Revenue from Contracts with Customers*.

## 7. Liabilities

Employee benefits liabilities are disclosed in note 2.3.

7.1 Payables	2020	2019
	\$'000	\$'000
<b>Current</b>		
Creditors	2,718	4,519
Accrued expenses	261	244
Employment on-costs	136	138
Parental leave	-	13
<b>Total current payables</b>	<b>3,115</b>	<b>4,914</b>
<b>Non-current</b>		
Employment on-costs	172	174
<b>Total non-current payables</b>	<b>172</b>	<b>174</b>
<b>Total payables</b>	<b>3,287</b>	<b>5,088</b>

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of payables.

# Joint Parliamentary Service

## Financial Statements

### *Employment on-costs*

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

The Joint Parliamentary Service makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

### *Paid parental leave scheme*

Paid Parental Leave Scheme payable represents amounts which the Joint Parliamentary Service has received from the Commonwealth Government to forward onto eligible employees via the department's standard payroll processes. That is, the Joint Parliamentary Service is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

## 7.2 Provisions

### Current

Provision for workers compensation	20	20
<b>Total current provisions</b>	<b>20</b>	<b>20</b>

### Non current

Provision for workers compensation	39	28
<b>Total non-current provisions</b>	<b>39</b>	<b>28</b>

### Total provisions

<b>59</b>	<b>48</b>
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### Provision movement

<b>Carrying amount at 1 July</b>	<b>48</b>	<b>49</b>
Additional provisions recognised	81	-
Reductions arising from payments	70	1
<b>Carrying amount at 30 June</b>	<b>59</b>	<b>48</b>

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Joint Parliamentary Service is responsible for the payment of workers compensation claims.

## 8. Other disclosures

### 8.1 Equity

The asset revaluation surplus is to record increments and decrements in the fair value of property, plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

# Joint Parliamentary Service

## Financial Statements

### 8.2 Cash flow

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

<i>Cash flow reconciliation</i>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at 30 June:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	9,781	9,538
Balance as per the Statement of Cash Flows	9,781	9,538
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net cash provided by / (used in) operating activities	816	3,399
<b>Add/less non-cash items</b>		
Depreciation expense of non-current assets	(1,613)	(1,360)
Assets acquired at significantly less than fair value	1,100	862
<b>Movements in assets and liabilities</b>		
(Decrease)/increase in receivables	(188)	150
Increase in prepayments	26	197
Decrease/(increase) in payables	1,801	(1,852)
Decrease/(increase) in employee benefits	59	(248)
(Increase)/decrease in provisions	(11)	2
<b>Net result</b>	<b><u>1,990</u></b>	<b><u>1,150</u></b>

## 9. Changes in accounting policy

### 9.1 AASB16 Leases

At the time of preparation of the 2018-19 financial report, the Joint Parliamentary Service had elected to adopt AASB 16 – Leases from 1 July 2019. Subsequently, recognition changes were imposed on lease arrangements that had been entered into by the Joint Parliamentary Service.

The Joint Parliamentary Service has accommodation services provided by the Department of Planning, Transport and Infrastructure (DPTI) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies.

These MoAA do not meet the definition of lease set out either in AASB 16 or in the former standard AASB 117.

Commitments related to accommodation services provided by DPTI are included in Note 10.1.

### 9.2 Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

# Joint Parliamentary Service

## Financial Statements

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the department. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

## 10. Outlook

### 10.1 Unrecognised contractual commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

<i>Expenditure commitments</i>	2020	2019
	\$'000	\$'000
Other commitments contracted for but not recognised as liabilities are payable as follows:		
Within one year	141	151
Later than one year but no longer than five years	-	134
<b>Total expenditure commitments</b>	<b>141</b>	<b>285</b>

The Joint Parliamentary Service's expenditure commitments are for agreements for computer and software related contracts.

<i>Operating expense commitments</i>	2020	2019
	\$'000	\$'000
Commitments in relation to arrangements contracted at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	706	753
Later than one year but no longer than five years	152	870
Later than five years	85	60
<b>Total operating expense commitments</b>	<b>943</b>	<b>1,683</b>

The Joint Parliamentary Service's commitments are for office accommodation, car parking and storage. The arrangements are cancellable with terms ranging up to nine years with some leases having the right of renewal. Rent is payable in arrears.

### 10.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Joint Parliamentary Service is not aware of any contingent assets or liabilities.

# Joint Parliamentary Service

## Financial Statements

### 11. Measurement and risk

#### 11.1 Long service leave liability – measurement

*AASB 119 Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

*AASB 119 Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has decreased from 2019 (1.25%) to 2020 (0.75%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has revised the salary inflation rate down to 2.5% (2019 4%) for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$129,000 and employee benefits expense of \$129,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The conditional portion of long service leave relates to employees with less than ten years' service.

#### 11.2 Fair value

*AASB 13 Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

##### *Initial recognition*

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

##### *Revaluation*

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the Chief Finance Officer each year.

# Joint Parliamentary Service

## Financial Statements

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

### *Land and buildings*

An independent valuation of the land and buildings owned by the Joint Parliamentary Service was conducted as at 30 June 2016 by Fred Taormina B.App.Sc.(Val.), A.A.P.I. (Associate member of the Australian Property Institute) Certified Practicing Valuer on behalf of Valcorp Pty Ltd.

The valuation of land and buildings was prepared on a fair value basis.

### *Library collection*

An independent valuation of the library collection owned by the Joint Parliamentary Service was conducted as at 30 June 2016 by Fred Taormina B.App.Sc.(Val.), A.A.P.I. (Associate member of the Australian Property Institute) Certified Practicing Valuer on behalf of Valcorp Pty Ltd.

The valuation of library collection was a desk top valuation that updated a previous valuation determined at 30 June 2011. The valuation was determined by grouping the library collection into categories. Those categories with an intrinsic value were determined at net market value. The remainder of the categories were determined at written down replacement cost.

## 11.3 Financial instruments

### *Financial risk management*

Risk management is managed by the Joint Parliamentary Service's executive management and risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Joint Parliamentary Service is exposed to financial risk - liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

### *Liquidity risk*

The Joint Parliamentary Service is funded principally from appropriation by the SA Government. The Joint Parliamentary Service works with the Department of Treasury and Finance to determine the cash flows required for the parliamentary process and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to note 7.1 for further information.

### *Categorisation of financial instruments*

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/financial liability note.

# Joint Parliamentary Service

## Financial Statements

### *Classification applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement*

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Loan and receivables
- Financial liabilities measured at cost.

### *Classification applicable from 1 July 2018 under AASB 9 Financial Instruments*

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The Joint Parliamentary Service measures all financial instruments at amortised cost.

Category of financial asset and financial liability	Note	2020 Carrying Amount/ Fair Value \$'000	2019 Carrying Amount/ Fair Value \$'000
<b>Financial assets</b>			
Cash and cash equivalents			
Cash and cash equivalents	6.1	9,781	9,538
Financial assets at amortised cost			
Receivables	6.2	6	355
<b>Total financial assets</b>		<u>9,787</u>	<u>9,893</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost			
Payables	7.1	2,863	4,620
<b>Total financial liabilities</b>		<u>2,863</u>	<u>4,620</u>

### *Receivables and payables*

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.

# Joint Parliamentary Service

## Financial Statements

### 12. Administered Items

#### 12.1 Disclosure of Administered Items as at 30 June 2020

The Joint Parliamentary Service administers the payment of Members salaries funded by appropriations under the *Parliamentary Remuneration Act 1990* and the *Parliamentary Committees (Miscellaneous) Act 1991*.

	2020	2020	2020	2019	2019	2019
	House	Legislative	Total	House	Legislative	Total
	of	Council		of	Council	
	Assembly			Assembly		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered expenses</b>						
Payments to Members of Parliament	10,946	5,176	16,122	10,626	5,100	15,726
<b>Total administered expenses</b>	<b>10,946</b>	<b>5,176</b>	<b>16,122</b>	<b>10,626</b>	<b>5,100</b>	<b>15,726</b>
<b>Administered income</b>						
Cash appropriations received from SA Government	10,866	5,012	15,878	11,035	5,296	16,331
<b>Total administered income</b>	<b>10,866</b>	<b>5,012</b>	<b>15,878</b>	<b>11,035</b>	<b>5,296</b>	<b>16,331</b>
<b>Net (expenses) / income</b>	<b>(80)</b>	<b>(164)</b>	<b>(244)</b>	<b>409</b>	<b>196</b>	<b>605</b>
Net amount payable/(receivable) by Joint Parliamentary Service			(244)			605

Net amounts payable/(receivable) by the Joint Parliamentary Service are included with creditors in note 7.1.

# Joint Parliamentary Service

## Financial Statements

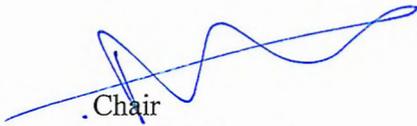
### Certification of the Financial Statements

We certify that the:

financial statements of the Joint Parliamentary Service:

- are in accordance with the accounts and records of the Joint Parliamentary Service; and
- comply with relevant Treasurer's instructions; and
- comply with relevant Australian accounting standards; and
- presents a true and fair view of the financial position of the Joint Parliamentary Service at the end of the financial year and the result of its operations and cash flows for the financial year.

Internal controls employed by the Joint Parliamentary Service over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Chair  
Joint Parliamentary  
Service Committee

10 / 9 / 2020



Secretary  
Joint Parliamentary  
Service Committee

10 / 9 / 2020



Chief Finance Officer  
Joint Parliamentary Service

10 / 9 / 2020



Chair  
Joint Parliamentary  
Service Committee

16 / 9 / 2020



Secretary  
Joint Parliamentary  
Service Committee

10 / 09 / 2020