

Joint Parliamentary Service

Financial report
for the year ended
30 June 2021



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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 2021.

I do not express an opinion on the accompanying financial report. Because of the significance of the matters 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 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- 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.

In preparing the financial report, the members of the Joint Parliamentary Service Committee are responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Joint Parliamentary Service Committee is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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 for the financial year ended 30 June 2021.

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 Joint Parliamentary Service. 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

27 September 2021

**Joint Parliamentary Service
Financial Statements**

30 June 2021

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Statement of Comprehensive Income

For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Appropriation	2.1	13,029	12,818
Resources received free of charge	2.2	5,807	1,180
Other income	2.3	652	639
Total income		19,488	14,637
Expenses			
Employee benefits expenses	3.2	6,443	6,579
Supplies and services	4.1	4,321	4,455
Depreciation and amortisation expense	4.2	1,730	1,613
Cash alignment transfers to Consolidated Account		696	-
Total expenses		13,190	12,647
Net result		6,298	1,990
Other comprehensive income			
Changes in property, plant and equipment asset revaluation surplus		(5,165)	-
Total comprehensive result		1,133	1,990

The accompanying notes form part of these financial statements.

Joint Parliamentary Service

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Statement of Financial Position

As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	6.1	8,353	9,781
Receivables	6.2	392	500
Total current assets		8,745	10,281
Non-current assets			
Receivables	6.2	56	107
Property, plant and equipment	5.1	77,137	78,777
Intangible assets	5.2	2,999	689
Total non-current assets		80,192	79,573
Total assets		88,937	89,854
Current liabilities			
Payables	7.1	1,240	3,115
Employee benefits	3.3	975	1,011
Provisions	7.2	24	20
Total current liabilities		2,239	4,146
Non-current liabilities			
Payables	7.1	242	172
Employee benefits	3.3	1,556	1,784
Provisions	7.2	54	39
Total non-current liabilities		1,852	1,995
Total liabilities		4,091	6,141
Net assets		84,846	83,713
Equity			
Retained earnings		77,889	71,591
Asset revaluation surplus	8.1	4,054	9,219
Contributed capital	8.1	2,903	2,903
Total equity		84,846	83,713

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the year ended 30 June 2021

	Note	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
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
Net result for 2020-21		-	-	6,298	6,298
Loss from revaluation of plant and equipment during 2020-21	5.1	-	(5,165)	-	(5,165)
Total comprehensive result for 2020-21		-	(5,165)	6,298	1,133
Balance at 30 June 2021		2,903	4,054	77,889	84,846

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash inflows			
Appropriations		13,029	12,818
GST recovered from the ATO		478	393
Receipts for paid parental leave scheme		2,003	18
Other receipts		762	873
Cash generated from operations		16,272	14,102
Cash outflows			
Employee benefits payments		(6,689)	(6,627)
Payments for supplies and services		(8,481)	(6,630)
Cash alignment transfers to Consolidated Account		(696)	-
Payments for paid parental leave scheme		-	(30)
Cash used in operations		(15,866)	(13,287)
Net cash provided by / (used in) operating activities	8.2	406	815
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		233	(1,434)
Purchase of intangible assets		(2,067)	862
Net cash used in investing activities		(1,834)	(572)
Net (decrease)/increase in cash and cash equivalents		(1,428)	243
Cash and cash equivalents at the beginning of the period		9,781	9,538
Cash and cash equivalents at the end of the period	6.1	8,353	9,781

The accompanying notes form part of these financial statements.

Joint Parliamentary Service

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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 with reduced disclosure.

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.

2. Income

2.1 Appropriation

	2021	2020
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	13,029	12,818
Total appropriation	13,029	12,818

Appropriations are recognised on receipt.

2.2 Resources received free of charge

	2021	2020
	\$'000	\$'000
Assets acquired at nil consideration from the House of Assembly	1,701	733
Assets acquired at nil consideration from the Legislative Council	861	367
Rare book collection acquired at nil consideration	3,168	-
Services received free of charge - Shared Services SA	77	80
Total resources received free of charge	5,807	1,180

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2.3 Other income	2021	2020
	\$'000	\$'000
Car parking reimbursement	633	617
Recovery of salaries and related payments	16	18
Other	3	4
Total other income	652	639

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

3. Employees

3.1 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 3.3 'Members' salaries and allowances' in the financial statements of the House of Assembly and Legislative Council.

3.2 Employee benefits expenses	2021	2020
	\$'000	\$'000
Salaries and wages	5,422	5,679
Superannuation	547	552
Employee benefits - on-costs	390	299
Workers compensation	84	49
Total employee benefits expenses	6,443	6,579

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.

Executive remuneration	2021	2020
	No	No
The number of employees whose remuneration received or receivable falls within the following bands:		
\$154,001 – \$174,000	1	-
	1	-

The total remuneration received by those employees for the year was \$167,000 (2020 \$Nil).

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.

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3.3 Employee benefits - liability	2021	2020
	\$'000	\$'000
Current		
Annual leave	479	483
Long service leave	240	284
Skills and experience retention leave	55	58
Accrued salaries and wages	201	186
Total current employee benefits	<u>975</u>	<u>1,011</u>
Non current		
Long service leave	1,486	1,688
Annual leave	70	96
Total non-current employee benefits	<u>1,556</u>	<u>1,784</u>
Total employee benefits	<u><u>2,531</u></u>	<u><u>2,795</u></u>

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.

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 10.1.

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4. Expenses

Employee benefits expenses are disclosed in note 3.2.

4.1 Supplies and services

	2021	2020
	\$'000	\$'000
Building maintenance	838	1,181
Information technology	805	748
Car parking	590	625
Utilities	455	523
Cleaning	415	327
Printing and publishing	216	166
Agency staff hire	208	119
Telephone	110	114
Audit fees	78	80
Shared Services	78	80
Minor works and equipment	65	44
Accommodation	52	54
Library collection	51	78
Insurance	51	47
Fringe benefits tax	50	57
Staff training and development	45	32
Uniforms and allowances	39	39
Storage	34	33
Occupational, Health, Safety and Welfare compliance	24	12
Emergency services levy	24	-
Postage	19	15
Travelling expenses	18	16
Consultants fees	17	15
Security	10	16
Vehicle hire	8	9
Other	21	25
Total supplies and services	4,321	4,455

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.

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.

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Consultants

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

	2021		2020	
	No	\$'000	No	\$'000
Below \$10,000	1	7	1	5
\$10,000 or above	1	10	1	10
Total	2	17	2	15

4.2 Depreciation and amortisation

	2021	2020
	\$'000	\$'000
Buildings	551	550
Plant and equipment	255	238
Fixtures and fittings	5	5
Computer equipment	678	648
Intangible assets	241	172
Total depreciation and amortisation	1,730	1,613

All non-current assets not held for sale with 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:

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.

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5. Non-financial assets

5.1 Property, plant and equipment by asset class

	2021	2020
	\$'000	\$'000
Land		
Fair value	25,105	21,825
Total land	<u>25,105</u>	<u>21,825</u>
Buildings		
Fair value	42,964	51,159
Less: Accumulated depreciation	-	(2,092)
Total buildings	<u>42,964</u>	<u>49,067</u>
Plant and equipment		
Fair value	373	4,907
Less: Accumulated depreciation	-	(1,390)
Total plant and equipment	<u>373</u>	<u>3,517</u>
Fixtures and fittings		
Fair value	1,045	916
Less: Accumulated depreciation	-	(87)
Total fixtures and fittings	<u>1,045</u>	<u>829</u>
Computer equipment		
Fair value	1,149	5,371
Less: Accumulated depreciation	69	(3,699)
Total computer equipment	<u>1,218</u>	<u>1,672</u>
Library		
Books, artifacts and collections at fair value	603	612
Total library	<u>603</u>	<u>612</u>
Rare books		
Rare book collection at fair value	3,168	-
Total library	<u>3,168</u>	<u>-</u>
Capital works in progress		
Capital works in progress	2,661	1,255
Total capital works in progress	<u>2,661</u>	<u>1,255</u>
Total property, plant and equipment	<u>77,137</u>	<u>78,777</u>

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 10.2.

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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 2.2.

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.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in note 10.2. 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.

<i>Reconciliation 2020-21</i>	Land	Buildings	Plant and equipment	Fixtures and fittings	Computer equipment	Library	Rare Books	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	21,825	49,067	3,517	829	1,672	612	-	1,255	78,777
Additions	-	-	-	10	-	-	-	1,968	1,978
Additions - Transfers to/(from) CWIP	-	407	-	-	21	-	-	(428)	-
Assets acquired at nil consideration	-	-	-	-	-	-	3,168	11	3,179
Movement between asset classes	-	3,416	(2,901)	(6)	(509)	-	-	-	-
Written off	-	-	-	-	-	-	-	(145)	(145)
Depreciation	-	(551)	(255)	(5)	(678)	-	-	-	(1,489)
Net revaluation increment / (decrement)	3,280	(9,376)	12	216	713	(9)	-	-	(5,164)
Other	-	1	-	-	(1)	-	-	-	-
Carrying amount at the end of the period	25,105	42,964	373	1,044	1,218	603	3,168	2,661	77,136

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<i>Reconciliation 2019-20</i>	Land	Buildings	Plant and equipment	Fixtures and fittings	Computer equipment	Library	Rare Books	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	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)
Carrying amount at 30 June 2020	21,825	49,067	3,517	829	1,672	612	-	1,255	78,777

5.2 Intangible assets

	2021 \$'000	2020 \$'000
Computer software		
Internally developed computer software	3,413	862
Accumulated amortisation	(414)	(173)
Total computer software	2,999	689

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.

<i>Reconciliation 2020-21</i>	Internally developed computer software \$'000	Total \$'000
Carrying amount at the beginning of the period	689	689
Assets acquired at nil consideration	2,551	2,551
Amortisation	(241)	(241)
Carrying amount at the end of the period	2,999	2,999

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Reconciliation 2019-20

Internally developed computer software \$'000	Total \$'000
862	862
(173)	(173)
<u>689</u>	<u>689</u>

Carrying amount at 1 July 2019

Amortisation

Carrying amount at 30 June 2020

6. Financial assets

6.1 Cash and cash equivalents

2021 \$'000	2020 \$'000
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Deposits with the Treasurer (Special deposit accounts)

Operating bank account

791	3,596
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Accrual Appropriation Excess Funds

7,562	6,185
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Total deposits with the Treasurer (Special deposit accounts)

<u>8,353</u>	<u>9,781</u>
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Total cash and cash equivalents

<u>8,353</u>	<u>9,781</u>
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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.

Some of the Joint Parliamentary Service's appropriation is deposited into the Accrual Appropriation Excess Funds account. 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.

6.2 Receivables

2021 \$'000	2020 \$'000
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Current

Prepayments

159	223
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Other

58	10
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Statutory receivables

GST input tax recoverable

175	267
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Total current receivables

<u>392</u>	<u>500</u>
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Non-current

Prepayments

56	107
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Total non-current receivables

<u>56</u>	<u>107</u>
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Total receivables

<u>448</u>	<u>607</u>
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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.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

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

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 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 3.3.

7.1 Payables

	2021	2020
	\$'000	\$'000
Current		
Creditors	763	2,717
Accrued expenses	322	261
Statutory payables		
GST payable	1	1
Employment on-costs	154	136
Paid Parental Leave Scheme payable	-	-
Total current payables	1,240	3,115
Non-current		
Statutory payables		
Employment on-costs	242	172
Total non-current payables	242	172
Total payables	1,482	3,287

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.

Statutory payables do not arise from contracts.

The net amount of GST recoverable from the ATO is included as part of receivables. However, if a net GST payable arises then this amount would be disclosed in this Payables note.

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Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA 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.

7.2 Provisions

Current

Provision for workers compensation	24	20
Total current provisions	24	20

Non current

Provision for workers compensation	54	39
Total non-current provisions	54	39

Total provisions	78	59
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Provision movement

Carrying amount at 1 July	59	48
Additional provisions recognised	102	81
Reductions arising from payments	83	70
Carrying amount at 30 June	78	59

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 2021 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. 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.

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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>Reconciliation of net result to cash flows from operating activities</i>	2021	2020
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	8,353	9,781
Balance as per the Statement of Cash Flows	8,353	9,781
Reconciliation of net cash provided by operating activities to net result:		
Net cash provided by / (used in) operating activities	405	816
Add/less non-cash items		
Depreciation expense of non-current assets	(1,730)	(1,613)
Net resources received free of charge	5,730	1,100
Movements in assets and liabilities		
(Decrease) in receivables	(44)	(188)
Increase in prepayments	(115)	26
Decrease in payables	1,805	1,801
Decrease in employee benefits	266	59
(Increase) in provisions	(19)	(11)
Net result	6,298	1,990

9. Outlook

9.1 Unrecognised contractual commitments

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

<i>Expenditure commitments</i>	2021	2020
	\$'000	\$'000
Other commitments contracted for but not recognised as liabilities are payable as follows:		
Within one year	177	141
Total expenditure commitments	177	141

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

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<i>Operating expense commitments</i>	2021	2020
Commitments in relation to arrangements contracted at the reporting date but not recognised as liabilities are payable as follows:	\$'000	\$'000
Within one year	50	706
Later than one year but no longer than five years	141	152
Later than five years	62	85
Total operating expense commitments	253	943

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

9.2 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.

10. Measurement and risk

10.1 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 increased from 2020 (0.75%) to 2021 (1.25%).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is an decrease in the long service leave liability of \$139,000 and employee benefits expense of \$139,000. 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 actuarial assessment performed by the Department of Treasury and Finance has left the salary inflation rate at 2.5% for long service leave liability.

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

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10.2 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.

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 2021 by Fred Taormina B.App.Sc.(Val.), A.A.P.I. (Associate member of the Australian Property Institute) Certified Practising 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 2021 by Fred Taormina B.App.Sc.(Val.), A.A.P.I. (Associate member of the Australian Property Institute) Certified Practising Valuer on behalf of Valcorp Pty Ltd.

Rare books

The valuation of the library rare books was conducted for the first time, as at 30 June 2021, by Michael Treloar, an antiquarian bookseller and expert in the field of rare books. Those rare books with an intrinsic value were determined at net market value.

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10.3 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 *SA Government Risk Management Guide* 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.

Classification of financial instruments

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

Category of financial asset and financial liability	Note	2021 Carrying Amount/ Fair Value \$'000	2020 Carrying Amount/ Fair Value \$'000
Financial assets			
Cash and cash equivalents			
Cash and cash equivalents	6.1	9,781	9,781
Financial assets at amortised cost			
Receivables	6.2	(134)	(261)
Total financial assets		<u>9,647</u>	<u>9,520</u>
Financial liabilities			
Financial liabilities at amortised cost			
Payables	7.1	968	2,859
Total financial liabilities		<u>968</u>	<u>2,859</u>

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Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

11. Administered Items

11.1 Disclosure of Administered Items as at 30 June 2021

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

	2021 House of Assembly \$'000	2021 Legislative Council \$'000	2021 Total \$'000	2020 House of Assembly \$'000	2020 Legislative Council \$'000	2020 Total \$'000
Administered expenses						
Payments to Members of Parliament	10,703	5,543	16,246	10,946	5,176	16,122
Other payments	929	713	1,642	-	-	-
Total administered expenses	11,632	6,256	17,888	10,946	5,176	16,122
Administered income						
Cash appropriation received from SA Government	12,153	6,526	18,679	10,866	5,012	15,878
Total administered income	12,153	6,526	18,679	10,866	5,012	15,878
Net (expenses) / income	521	270	791	(80)	(164)	(244)
Net amount payable/(receivable) by Joint Parliamentary Service			791			(244)

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

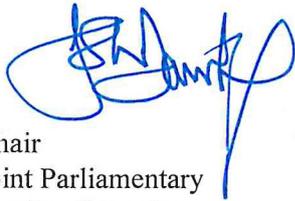
Joint Parliamentary Service

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;
 - comply with relevant Treasurer's instructions;
 - comply with relevant Australian Accounting Standards;
 - 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 operation and cash flows for the financial year.
- internal controls employed by the Joint Parliamentary Service for the financial year over its financial reporting and its preparation of financial statements have been effective.



Chair
Joint Parliamentary
Service Committee

/ / 2021



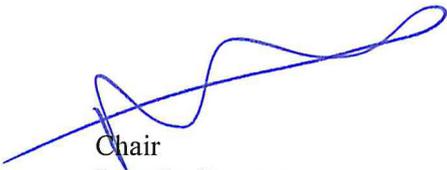
Secretary
Joint Parliamentary
Service Committee

23 / 09 / 2021



Chief Finance Officer
Joint Parliamentary Service

23 / 9 / 2021



Chair
Joint Parliamentary
Service Committee

23 / 9 / 2021



Secretary
Joint Parliamentary
Service Committee

23 / 9 / 2021