

House of Assembly

Financial report
for the year ended
30 June 2018



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To the Parliament of South Australia

As required by section 31(1)(a) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the House of Assembly for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the House of Assembly as at 30 June 2018, its financial performance and their cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Clerk, House of Assembly and the Chief Finance Officer, Joint Parliamentary Service.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the House of Assembly. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

Responsibilities of the Clerk of the House of Assembly for the financial report

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

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Clerk of the House of Assembly
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Clerk of the House of Assembly about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

28 September 2018

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30 June 2018

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Statement of Comprehensive Income

For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Expenses			
Employee benefits expenses	3	2,316	2,609
Members' salaries and allowances	4	10,582	10,280
Supplies and services	5	1,840	1,813
Depreciation and amorisation expense	6	133	120
Assets provided for nil consideration to the Joint Parliamentary Service	10	228	262
Total expenses		15,099	15,084
Income			
Other income		46	71
Total income		46	71
Net cost of providing services		15,053	15,013
Revenues from SA Government	7	17,411	15,225
Net result		2,358	212
Total comprehensive result		2,358	212

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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Statement of Financial Position

As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Current assets			
Cash and cash equivalents	8	4,710	2,487
Receivables	9	81	90
Total current assets		4,791	2,577
Non-current assets			
Property, plant and equipment	10	1,238	1,357
Total non-current assets		1,238	1,357
Total assets		6,029	3,934
Current liabilities			
Payables	11	180	203
Employee benefits	12	293	506
Provisions	13	5	2
Total current liabilities		478	711
Non-current liabilities			
Payables	11	84	80
Employee benefits	12	835	872
Provisions	13	8	5
Total non-current liabilities		927	957
Total liabilities		1,405	1,668
Net assets		4,624	2,266
Equity			
Retained earnings		4,573	2,215
Asset revaluation surplus	14	51	51
Total equity		4,624	2,266
Unrecognised contractual commitments	15		

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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Statement of Changes in Equity For the year ended 30 June 2018

	Note	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2016		51	2,003	2,054
Net result for 2016-17		-	212	212
Total comprehensive result for 2016-17		-	212	212
Balance at 30 June 2017		51	2,215	2,266
Net result for 2017-18		-	2,358	2,358
Total comprehensive result for 2017-18		-	2,358	2,358
Balance at 30 June 2018		51	4,573	4,624

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(2,560)	(2,582)
Members' salaries allowances and superannuation		(10,582)	(10,280)
Payments for supplies and services		(2,132)	(2,006)
Payments for paid parental leave scheme		(19)	-
Cash used in operations		(15,293)	(14,868)
Cash inflows			
GST recovered from the ATO		269	209
Receipts for paid parental leave scheme		25	-
Other receipts		53	77
Cash generated from operations		347	286
Cash flows from SA Government			
Receipts from State Government		17,411	15,225
Cash generated from SA Government		17,411	15,225
Net cash provided by operating activities	16	2,465	643
Cash flows from investing activities			
Purchase of property, plant and equipment		(242)	(392)
Net cash used in investing activities		(242)	(392)
Net increase in cash and cash equivalents		2,223	251
Cash and cash equivalents at 1 July		2,487	2,236
Cash and cash equivalents at 30 June	8	4,710	2,487

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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1. Objective of the House of Assembly

The House of Assembly is established under the *Constitution Act 1934*. The House of Assembly, together with the Legislative Council, constitute the Parliament of South Australia. The principal purpose of Parliament is to legislate for peace, order and responsible governance of South Australia. The House of Assembly consists of forty-seven Members elected by the inhabitants of the State legally qualified to vote. The House of Assembly also employs clerical and administrative officers.

Certain support services provided to the House of Assembly are not reflected in these financial statements but in the financial statements of the Joint Parliamentary Service. The House of Assembly provides assets to the Joint Parliamentary Service for nil consideration.

2. Summary of significant accounting policies

(a) *Statement of compliance*

These financial statements are in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

The House of Assembly has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the House of Assembly is a not-for-profit entity.

(b) *Basis of preparation*

The preparation of the financial statements requires:

- the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis;
- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the House of Assembly's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
 - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items applies;
 - (b) expenses incurred as a result of engaging consultants;
 - (c) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

(c) *Rounding*

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

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(d) Taxation

The House of Assembly is not subject to income tax. The House of Assembly is liable for payroll tax, fringe benefits tax, goods and services tax (GST) and emergency services levy.

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.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

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 Australian Taxation Office is classified as part of operating cash flows.

(e) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where an asset line item combine amounts expected to be settled within 12 months and more than 12 months, the House of Assembly has separately disclosed the amounts expected to be recovered after more than 12 months.

(f) Non-current assets

Acquisition and recognition

All non-current assets are recorded at historic cost less accumulated depreciation, which is deemed to approximate fair value. Where assets are acquired at no value, or minimal value, they are recorded at book value, that is the amount recorded by the transferor entity immediately prior to the transfer.

All non-current tangible assets with a value equal to or in excess of \$5,000 are capitalised.

Buildings within which the House of Assembly operate are recognised in the financial statements for the Joint Parliamentary Service.

Art work on loan from the Art Gallery of South Australia is not recognised in the financial statements.

(g) Liabilities

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The House of Assembly has entered into operating leases.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased asset.

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Employee benefits

These benefits accrue for employees 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, 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 reporting date.

Where annual leave is expected to be payable within twelve months, the liability has been measured at the undiscounted amount expected to be paid. Where annual leave liability to be payable later than 12 months the liability is measured at present value.

The SERL liability 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.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entites. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

Provisions

Provisions are recognised when the House of Assembly has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the House of Assembly expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2018 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The House of Assembly is responsible for the payment of workers compensation claims.

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3. Employee benefits expenses	2018	2017
	\$'000	\$'000
Salaries and wages	1,988	2,261
Employment on-costs – superannuation	224	227
Employment on-costs – other	97	128
Workers compensation	7	(7)
Total employee benefits expenses	2,316	2,609

Employee benefits expenses includes all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Remuneration of employees	2018	2017
	No	No
The number of employees whose remuneration received or receivable falls within the following bands:		
\$159,001 – 169,000	-	1
\$169,001 – 179,000	1	-
\$219,001 – 229,000	-	1
\$229,001 – 239,000	1	-
Total	2	2

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. The total remuneration received by these employees was \$407,000 (2017 \$394,000).

4. Members' salaries and allowances	2018	2017
	\$'000	\$'000
Members' salaries and allowances	8,937	8,629
On-costs - superannuation	1,567	1,573
On-costs - other	78	78
Total members' salaries and allowances	10,582	10,280

Members' salaries, electorate allowances and additional salaries of \$8.9 million (2017 \$8.6 million) reflected in these financial statements are paid from Appropriations provided under the the *Parliamentary Remuneration Act 1990* and the *Parliamentary Committees (Miscellaneous) Act 1991*. Ministers' salaries and allowances totalling \$3.8 million (2017 \$3.9 million) and superannuation of \$726,000 (2017 \$842,000) are not reported in these financial statements but in the financial statements of each Minister's respective Department.

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5. Supplies and services

	2018	2017
	\$'000	\$'000
Printing	315	330
Information technology	76	150
Lease	136	124
Publications	50	48
Security	206	213
Vehicle hire	8	9
Members travel, accommodation and related expenses	493	544
Travelling expenses	18	38
Fringe benefits tax	136	170
Stationery	21	22
Staff training and development	13	13
Records and artwork management	4	-
Agency staff hire	41	15
Consultants fees	25	5
Advertisements	10	14
Community engagement	3	8
Repairs and maintenance	155	2
Minor works and equipment	43	6
Other	87	102
Total supplies and services	<u>1,840</u>	<u>1,813</u>

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

	2018		2017	
	No	\$'000	No	\$'000
Below \$10,000	1	2	1	5
Above \$10,000	1	23	-	-
Total paid/payable to consultants engaged	<u>2</u>	<u>25</u>	<u>1</u>	<u>5</u>

6. Depreciation and amortisation expense

	2018	2017
	\$'000	\$'000
Plant and equipment	22	28
Fixtures and fittings	33	34
Computer equipment	78	58
Total depreciation and amortisation	<u>133</u>	<u>120</u>

Depreciation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life
Plant and equipment	5 - 30 years
Fixtures and fittings (non-antique)	5 - 10 years
Computer equipment	3 - 5 years

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

Works of art controlled by the House of Assembly are anticipated to have very long and indeterminate useful lives. 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 for this class of asset.

7. Revenues from SA Government	2018	2017
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	7,485	4,945
Appropriations received under the <i>Parliamentary Remuneration Act 1990</i> and the <i>Parliamentary Committees (Miscellaneous) Act 1991</i>	9,926	10,280
Total revenues from SA Government	<u>17,411</u>	<u>15,225</u>

Appropriations are recognised as revenues when the House of Assembly obtains control over the funding. Control over appropriations is normally obtained upon receipt.

8. Cash and cash equivalents		
Deposits with the Treasurer	4,710	2,487
Total cash and cash equivalents	<u>4,710</u>	<u>2,487</u>

Cash is measured at nominal value.

Deposits with the Treasurer includes funds held in the Accrual Appropriation Excess Funds Account. The balance of these funds is not available for general use, funds can only be used in accordance with the Treasurer's approval.

9. Receivables		
Receivables	8	11
Prepayments	73	75
Other	-	4
Total current receivables	<u>81</u>	<u>90</u>

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the House of Assembly will not be able to collect the debt. It is not anticipated that counterparties will fail to discharge their approximate net fair value due to being receivable on demand. There is no concentration of credit risk.

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10. Property, plant and equipment

	2018	2017
	\$'000	\$'000
Plant and equipment		
At cost (deemed fair value)	184	184
Less: Accumulated depreciation	(165)	(143)
Total plant and equipment	19	41
Fixtures and fittings		
At cost (deemed fair value)	489	489
Less: Accumulated depreciation	(203)	(170)
Total fixtures and fittings	286	319
Computer equipment		
At cost (deemed fair value)	1,277	1,277
Less: Accumulated depreciation	(1,093)	(1,015)
Total computer equipment	184	262
Works of art		
At cost (deemed fair value)	669	669
Total works of art	669	669
Capital works in progress		
Capital works in progress	80	66
Total capital works in progress	80	66
Total property, plant and equipment	1,238	1,357

Asset Movement Reconciliation 2017-18

	Plant and equipment	Fixtures and fittings	Computer equipment	Works of art	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	41	319	262	669	66	1,357
Additions	-	-	-	-	242	242
Assets provided for nil consideration	-	-	-	-	(228)	(228)
Depreciation	(22)	(33)	(78)	-	-	(133)
Carrying amount at 30 June	19	286	184	669	80	1,238

Asset Movement Reconciliation 2016-17

	Plant and equipment	Fixtures and fittings	Computer equipment	Works of art	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	68	353	218	669	39	1,347
Additions	1	-	102	-	289	392
Assets provided for nil consideration	-	-	-	-	(262)	(262)
Depreciation	(28)	(34)	(58)	-	-	(120)
Carrying amount at 30 June	41	319	262	669	66	1,357

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11. Payables	2018	2017
	\$'000	\$'000
Current		
Creditors	21	-
Accrued expenses	109	130
Employment on-costs	43	73
Parental leave	7	-
Total current payables	<u>180</u>	<u>203</u>
Non-current		
Employment on-costs	84	80
Total non-current payables	<u>84</u>	<u>80</u>
Total payables	<u>264</u>	<u>283</u>

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

Employee benefits on-costs include payroll tax, workers compensation and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

The House of Assembly makes contributions to several State Government 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 balance date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

Interest rate and credit risk

Creditors and accruals are raised for all amounts owing but unpaid. Employment on-costs are settled when the respective employee benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

12. Employee benefits

Current		
Annual leave	156	282
Long service leave	76	149
Skills and experience retention leave	19	28
Accrued salaries and wages	42	47
Total current employee benefits	<u>293</u>	<u>506</u>
Non-current		
Long service leave	727	872
Annual leave	108	-
Total non-current employee benefits	<u>835</u>	<u>872</u>
Total employee benefits	<u>1,128</u>	<u>1,378</u>

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience, expected terminations and known applications for leave.

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AASB 119 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.

AASB 119 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 remained unchanged from 2017 (2.5%).

This unchanged bond yield, which is used as the rate to discount future long service leave cash flows, results in no variation in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

13. Provisions	2018	2017
	\$'000	\$'000
Current		
Provision for workers compensation	5	2
Total current provisions	<u>5</u>	<u>2</u>
Non current		
Provision for workers compensation	8	5
Total non-current provisions	<u>8</u>	<u>5</u>
Total provisions	<u><u>13</u></u>	<u><u>7</u></u>
Provision movement		
Carrying amount at 1 July	7	14
Additional provisions recognised	6	-
Reduction in provisions recognised	-	7
Carrying amount at 30 June	<u><u>13</u></u>	<u><u>7</u></u>

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on the actuarial assessment performed by the Office for the Public Sector (a division of the Department of the Premier and Cabinet).

14. Equity		
Accumulated surplus	4,573	2,215
Asset revaluation surplus	51	51
Total equity	<u><u>4,624</u></u>	<u><u>2,266</u></u>

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15. Unrecognised contractual commitments	2018	2017
Operating lease commitments	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	116	112
Later than one year but no longer than five years	119	231
Total operating lease commitments	235	343

The House of Assembly's operating leases are for office accommodation. The leases are non- cancellable with terms ranging up to four years with some leases having the right of renewal. Rent is payable in arrears.

16. Cash flow reconciliation

Reconciliation of cash and cash equivalents at 30 June:

Cash and cash equivalents disclosed in the Statement of Financial Position	4,710	2,487
Balance as per the Statement of Cash Flows	4,710	2,487

Reconciliation of net cash provided by operating activities to net cost of providing services:

Net cash provided by operating activities	2,464	643
Less revenues from SA Government	(17,411)	(15,225)

Add/less non-cash items

Depreciation expense of non-current assets	(133)	(120)
Assets provided for nil consideration to the Joint Parliamentary Service	(228)	(262)

Movements in assets and liabilities

(Decrease)/increase in receivables	(8)	(10)
Decrease/(increase) in payables	19	(12)
Decrease/(increase) in employee benefits	250	(34)
(Increase)/decrease in provisions	(6)	7
Net cost of providing services	(15,053)	(15,013)

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17. Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100,000 have been included with the non government transactions, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses							
Employee benefits expenses	3	328	348	1,988	2,261	2,316	2,609
Members' salaries and allowances	4	1,645	1,651	8,937	8,629	10,582	10,280
Supplies and services:	5						
Printing		308	326	7	4	315	330
Information technology		-	20	76	130	76	150
Lease		136	124	-	-	136	124
Publications		-	-	50	48	50	48
Security		206	213	-	-	206	213
Vehicle hire		-	-	8	9	8	9
Members travel, accommodation and related expenses		-	-	493	544	493	544
Travelling expenses		-	-	18	38	18	38
Fringe benefits tax		-	-	136	170	136	170
Stationery		-	-	21	22	21	22
Staff training and development		-	-	13	13	13	13
Records and artwork management		-	-	4	-	4	-
Agency staff hire		-	-	41	15	41	15
Consultants fees		-	-	25	5	25	5
Advertisements		-	-	10	14	10	14
Community engagement		-	-	3	8	3	8
Repairs and maintenance		-	-	155	2	155	2
Minor works and equipment		-	-	43	6	43	6
Other		-	4	87	98	87	102
Depreciation and amortisation expense	6	-	-	133	120	133	120
Assets provided for nil consideration	10	228	262	-	-	228	262
Total expenses		2,851	2,948	12,248	12,136	15,099	15,084
Income							
Other		-	-	46	71	46	71
Revenues from SA Government	7	17,411	15,225	-	-	17,411	15,225
Total Income		17,411	15,225	46	71	17,457	15,296

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	Note	SA Government		Non-SA Governmen		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	8	2,738	2,487	-	-	2,738	2,487
Receivables:	9						
Receivables		-	-	8	11	8	11
Prepayments		-	-	73	75	73	75
Other		-	-	-	4	-	4
Total financial assets		2,738	2,487	81	90	2,819	2,577
Financial liabilities							
Payables:	11						
Creditors		-	-	21	-	21	-
Accrued expenses		44	77	65	53	109	130
Employment on-costs		9	9	118	144	127	153
Parental leave		-	-	7	-	7	-
Total financial liabilities		53	86	211	197	264	283

18. Financial risk management / Financial instruments

18.1 Financial risk management

Risk management is managed by the House of Assembly'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 House of Assembly 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.

18.2 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 note 2 or respective financial asset/financial liability note.

Refer below for the carrying amounts of each of the following categories of financial assets and liabilities: Loan and receivables; and financial liabilities measured at cost.

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Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Note	2018	2018	2017	2017
		Carrying Amount/ Fair Value \$'000	Contractual Maturities Current \$'000	Carrying Amount/ Fair Value \$'000	Contractual Maturities Current \$'000
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents	8	4,710	4,710	2,487	2,487
Loans and receivables					
Receivables (1) (2)	9	8	8	12	12
		<u>4,718</u>	<u>4,718</u>	<u>2,499</u>	<u>2,499</u>
Financial liabilities					
Financial liabilities at cost					
Payables (1)	11	80	80	73	73
		<u>80</u>	<u>80</u>	<u>73</u>	<u>73</u>

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables.

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 9 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

19. Related party transactions

The House of Assembly is established under the *Constitution Act 1934*. The House of Assembly, together with the Legislative Council, constitute the Parliament of South Australia.

Related parties of the House of Assembly include all key management personnel and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Collectively, but not individually significant transactions with government related entities.

Quantitative information about transactions and balances between the House of Assembly and SA Government entities are disclosed at note 17.

Key management personnel

Key management personnel of the House of Assembly include the Clerk and the Deputy Clerk.

Total compensation for key management personnel was \$419,000 in 2017-18 and \$419,000 in 2016-17.

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20. Impact of standards and statements not yet implemented

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the House of Assembly for the period ending 30 June 2018.

The House of Assembly has outlined the amended standard that may have impact on its financial statements in the table below:

Ref	Title and date of standard application	Summary	Impact on financial statements	Application date for the House of Assembly
AASB 9	Financial Instruments 1st July 2018	<p>This new standard sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.</p> <p>AASB 9 replaces IAS 39 Financial Instruments: Recognition and Measurement.</p>	<p>The House of Assembly has not yet quantified the impact of applying AASB 9 to its financial assets and financial liabilities on the financial statements.</p>	1st July 2018
AASB 15	Revenue from contracts with customers 1 July 2019	<p>This new standard establishes the principals that the House of Assembly shall apply to report useful information to users of financial statements about the nature, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>AASB 15 replaces AASB 118 Revenue.</p>	<p>The House of Assembly expects that the impact of applying AASB 15 on its revenue and cash flows will be minimal as it is unlikely there will be any material contracts with customers.</p>	1 July 2019
AASB 16	Leases 1 July 2019	<p>This new standard introduces a single accounting model for lessees.</p> <p>The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset, and a lease liability representing its obligations to make lease payments.</p> <p>AASB 16 substantially carries forward the lessor accounting requirements in AASB 117.</p>	<p>This new standard is a significant change from the past 30 years of accounting for leases.</p> <p>It will require the House of Assembly to record almost all operating lease arrangements in all financial statements.</p> <p>The House of Assembly has not yet quantified the impact of applying AASB 16 to its current operating lease arrangements on the financial statements.</p>	1 July 2019

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Certification of the Financial Statements

We certify that the:

- financial statements of the House of Assembly:
 - are in accordance with the accounts and records of the House of Assembly; 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 House of Assembly 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 House of Assembly over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Clerk
House of Assembly

26 / 9 / 2018



Chief Finance Officer
Joint Parliamentary Service

26 / 9 / 2018