



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Clerk House of Assembly

Opinion

I have audited the financial report of the House of Assembly for the financial year ended 30 June 2022.

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 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material 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 (including Independence Standards)* have been met.

I believe that the audit evidence I have 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 relevant 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 management 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.

In preparing the financial report, the Clerk of the House of Assembly is 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 Clerk of the House of Assembly 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 have audited the financial report of the House of Assembly for the financial year ended 30 June 2022.

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, but not for the purpose of expressing an opinion on the effectiveness of the House of Assembly's internal control

- 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
- conclude on the appropriateness of the Clerk of the House of Assembly's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- 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.



Andrew Richardson
Auditor-General

19 January 2023

House of Assembly

Financial Statements

For the year ended 30 June 2022

House of Assembly
Certification of the Financial Statements
for the year ended 30 June 2022

We certify that the:

- financial statements of the House of Assembly:
 - are in accordance with the accounts and records of the House of Assembly;
 - comply with relevant Treasurer's instructions;
 - comply with relevant Australian Accounting Standards;
 - 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 operation and cash flows for the financial year.
- internal controls employed by the House of Assembly for the financial year over its financial reporting and its preparation of financial statements have been effective.



Clerk
House of Assembly

19 / 12 / 2022



Chief Finance Officer
Joint Parliamentary Service

19 / 12 / 2022

House of Assembly
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Appropriation	2.1	18 597	20 083
Other income	2.2	52	177
Total income		18 649	20 260
Expenses			
Employee benefits expenses	3.2	2 491	2 936
Members' salaries and allowances	3.3	10 216	10 703
Supplies and services	4.1	2 512	2 119
Depreciation and amortisation	4.2	35	66
Net loss on revaluation of non-current assets	5.1	-	21
Assets provided for nil consideration to the Joint Parliamentary Service		147	1 701
Cash alignment transfers		2 213	1 388
Total expenses		17 614	18 934
Net result		1 035	1 326
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus	5.1	-	(47)
Total other comprehensive income		-	(47)
Total comprehensive result		1 035	1 279

The accompanying notes form part of these financial statements.

House of Assembly
Statement of Financial Position
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	6 418	6 560
Receivables	6.2	1 329	719
Total current assets		7 747	7 279
Non-current assets			
Property, plant and equipment	5.1	1 910	1 650
Intangible assets	5.2	26	32
Total non-current assets		1 936	1 682
Total assets		9 683	8 961
Current liabilities			
Payables	7.1	210	265
Employee benefits	3.4	334	394
Provisions	7.2	12	6
Total current liabilities		556	665
Non-current liabilities			
Payables	7.1	119	146
Employee benefits	3.4	739	937
Provisions	7.2	36	15
Total non-current liabilities		894	1 098
Total liabilities		1 450	1 763
Net assets		8 233	7 198
Equity			
Retained earnings		8 229	7 194
Asset revaluation surplus		4	4
Total equity		8 233	7 198

The accompanying notes form part of these financial statements.

House of Assembly
Statement of Changes in Equity
for the year ended 30 June 2022

	Asset Revaluation Surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020	51	5 868	5 919
Net result for 2020-21	-	1 326	1 326
Loss from revaluation of plant and equipment during 2020-21	(47)	-	(47)
Total comprehensive result for 2020-21	(47)	1 326	1 279
Balance at 30 June 2021	4	7 194	7 198
Net result for 2021-22	-	1 035	1 035
Total comprehensive result for 2021-22	-	1 035	1 035
Balance at 30 June 2022	4	8 229	8 233

The accompanying notes form part of these financial statements.

House of Assembly
Statement of Cash Flows
for the year ended 30 June 2022

	2022	2021
	Inflows (Outflows)	Inflows (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Appropriation	18 597	20 083
GST recovered from the ATO	269	202
Other receipts	-	188
Cash generated from operating activities	18 866	20 473
Cash outflows		
Employee benefits payments	(2 749)	(2 939)
Members' salaries allowances and superannuation	(10 216)	(10 703)
Payments for supplies and services	(3 364)	(2 815)
Cash alignment transfers to Consolidated Account	(2 213)	(1 388)
Cash used in operating activities	(18 542)	(17 845)
Net cash provided by / (used in) operating activities	8.2 324	2 628
Cash flows from investing activities		
Cash outflows		
Purchase of property, plant and equipment	(466)	(1 058)
Purchase of intangible assets	-	(32)
Cash used in investing activities	(466)	(1 090)
Net cash provided by / (used in) investing activities	(466)	(1 090)
Net increase / (decrease) in cash and cash equivalents	(142)	1 538
Cash and cash equivalents at the beginning of the reporting period	6 560	5 022
Cash and cash equivalents at the end of the reporting period	6.1 6 418	6 560

The accompanying notes form part of these financial statements.

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1. About the House of Assembly

The House of Assembly (HA) is a not-for-profit entity and is established pursuant to the *Constitution Act 1934*.

HA consists of forty-seven Members elected by the inhabitants of the State legally qualified to vote.

HA 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 HA.

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.

1.2 Objectives and Programs

HA, 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.

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.3 Correction of a prior period error

During the 2021-22 financial year, an error was identified following review of the financial statement impacts as a result of valuations performed in 2020 - 21. It was determined that both the initial valuation and the adjustments posted into the financial statements were materially incorrect. The 2021 – 22 financial statements have been amended to show the correct comparative figures for the 2020 – 21 financial year.

Impacts of the restatement are shown below:

Financial statement line	Description	2020-21 reported balance	Prior period error	2020-21 restated balance
Net loss on revaluation of non-current assets	Revaluation decrements through profit and loss	219	(198)	21
<i>Net result</i>		<i>1,128</i>	<i>198</i>	<i>1,326</i>
Retained earnings	Balance as at 30 June 2021	6,996	198	7,194
Other comprehensive income	Changes in property, plant and equipment asset revaluation surplus	19	(66)	(47)
Asset revaluation surplus	Balance as at 30 June 2021	70		4
<i>Total comprehensive result</i>		<i>1,147</i>	<i>132</i>	<i>1,279</i>
Property, plant and equipment	Net revaluation increment/decrement	(200)	132	(68)

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2. Income

2.1. Appropriation

	2022	2021
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the Appropriation Act	8 094	7 930
Appropriation received under the <i>Parliamentary Remuneration Act 1990</i> and the <i>Parliamentary Committees Act 1991</i>	10 503	12 153
Total appropriation	18 597	20 083

Appropriations are recognised on receipt.

2.2. Other income

	2022	2021
	\$'000	\$'000
Reimbursements from Members of Parliament	-	123
Other	52	54
Total other income	52	177

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3. Employees

3.1. 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 \$440 000 in 2021-22 and \$417 000 in 2020-21.

3.2. Employee benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	2 122	2 431
Employment on-costs - superannuation	355	299
Employment on-costs - other	(14)	195
Workers compensation	28	11
Total employee benefits expenses	2 491	2 936

Employment on-costs - superannuation

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

Executive remuneration

	2022	2021
\$177 001 – \$197 000	1	1
\$237 001 – \$257 000	1	1
Total	2	2

The total remuneration received by those employees for the year was \$440 000 (2021: \$417 000).

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.

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.3. Members' salaries and allowance

	2022	2021
	\$'000	\$'000
Members' salaries and electorate allowances	8 882	9 261
On-costs - superannuation	1 271	1 374
On-costs - other	63	68
Total members' salaries and allowances	10 216	10 703

Members' salaries, electorate allowances and additional salaries of \$8.9 million (2021: \$9.3 million) reflected in these financial statements are paid from Appropriations provided under the *Parliamentary Remuneration Act 1990* and the *Parliamentary Committees Act 1991*. Ministers' salaries and allowances totalling \$4.4 million (2021: \$4.1 million) and superannuation of \$675 000 (2021: \$660 000) are not reported in these financial statements but in the financial statements of each Minister's respective Department.

Under the *Parliamentary Remuneration Act 1990*, Members of Parliament have an option to a motor vehicle for private use in lieu of their remuneration. Members lease the vehicles from Fleet SA through the Department of Treasury and Finance (Electorate Services). There is no added cost to HA due to this scheme, as payments for the vehicles are made out of Members' remuneration packages disclosed above.

3.4. Employee benefits liability

	2022	2021
	\$'000	\$'000
<u>Current</u>		
Annual leave	184	209
Long service leave	46	90
Skills and experience retention leave	20	17
Accrued salaries and wages	84	78
Total current employee benefits	334	394
<u>Non-current</u>		
Long service leave	576	801
Annual leave	163	136
Total non-current employee benefits	739	937
Total employee benefits	1 073	1 331

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

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

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

The current 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 staff 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 staff 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 at note 10.1.

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

4. Expenses

Employee benefits expenses and Members' salaries and allowances are disclosed in notes 3.2 and 3.3, respectively.

4.1. Supplies and services

	2022	2021
	\$'000	\$'000
Supplies and services - Members of Parliament		
Country members accommodation	134	164
Printing, stationery and publications	106	99
Travelling expenses	42	21
Ex-members allowances	13	29
Fringe benefits tax	4	139
Other	2	1
Total supplies and services - Members of Parliament	301	453
Supplies and services - other		
Information technology	801	775
Security	408	218
Printing, stationery and publications	361	333
Accommodation	127	121
Fringe benefits tax	123	(54)
Minor works and equipment	32	12
Advertising	29	30
Community engagement	28	8
Commonwealth Parliamentary Association	19	19
Staff training and development	16	10
Subscription television	15	15
Repairs and maintenance	13	11
Souvenirs	12	3
Travelling expenses	11	35
Records and artwork management	11	10
Uniforms and allowances	7	18
Vehicle hire	3	7
Consultants fees	-	1
Other	195	94
Total supplies and services - Other	2 211	1 666
Total supplies and services	2 512	2 119

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

4.1. Supplies and services (continued)

Supplies and services to Members of Parliament

Members of Parliament are able to access the country members' accommodation allowance, determined by the Remuneration Tribunal of South Australia. The South Australian Government Cabinet approves the various travel entitlements and the stationery allowance provided to Members. Former Members of Parliament are entitled to an allowance for rail travel, as approved by the Executive Council.

Accommodation

HA's accommodation is provided by the Department for Infrastructure and Transport 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 Leases*.

Consultants

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

	2022	2022	2021	2021
	Number	\$'000	Number	\$'000
Below \$10 000	-	-	2	1
Total	-	-	2	1

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

4.2. Depreciation and amortisation

	2022	2021
	\$'000	\$'000
Plant and equipment	6	4
Fixtures and fittings	8	29
Computer equipment	15	33
Computer software	6	-
Total depreciation	35	66

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 depreciation/ 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 (years)
Plant and equipment	5 – 30 years
Fixtures and fittings (non-antique)	5 – 10 years
Computer equipment	3 – 10 years

The majority of fixtures and fittings are antiques, they are anticipated to have a very long and indeterminate useful life and therefore not depreciated.

Works of art controlled by HA 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.

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5. Non-financial assets

5.1. Property, plant and equipment by asset class

	2022	2021
	\$'000	\$'000
Plant and equipment		
Fair value	29	33
Less: Accumulated depreciation	(6)	-
Total plant and equipment	<u>23</u>	<u>33</u>
Fixtures and fittings		
Fair value	239	439
Less: Accumulated depreciation	(8)	-
Total fixture and fittings	<u>231</u>	<u>439</u>
Computer equipment		
Fair value	46	46
Less: Accumulated depreciation	(15)	-
Total computer equipment	<u>31</u>	<u>46</u>
Works of art		
Fair value	761	577
Total works of art	<u>761</u>	<u>577</u>
Capital works in progress		
Capital works in progress (at cost)	864	555
Total capital works in progress	<u>864</u>	<u>555</u>
Total property, plant and equipment	<u><u>1 910</u></u>	<u><u>1 650</u></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 except capital works in progress which is recorded at cost. Detail about HA's approach to fair value is set out in note 10.2.

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.1. Property, plant and equipment by asset class (continued)

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.

Reconciliation 2021-22

	Plant and equipment \$'000	Fixtures and fittings \$'000	Computer Equipment \$'000	Works of art \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2021	33	439	46	577	555	1 650
Additions	10	-	-	-	456	466
Assets provided for nil consideration	-	-	-	-	(147)	(147)
Depreciation	(6)	(8)	(15)	-	-	(29)
Other	(14)	(200)	-	184	-	(30)
Carrying amount at 30 June 2022	23	231	31	761	864	1 910

Reconciliation 2020-21

	Plant and equipment \$'000	Fixtures and fittings \$'000	Computer Equipment \$'000	Works of art \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2020	9	261	78	711	1 368	2 427
Additions	-	-	7	50	1 033	1 090
Transfers to / (from) CWIP	-	114	-	-	(114)	-
Assets provided for nil consideration	-	-	-	-	(1 701)	(1 701)
Depreciation	(4)	(29)	(33)	-	-	(66)
Net revaluation increment / (decrement)	28	93	(5)	(184)	-	(68)
Other	-	-	(1)	-	(31)	(32)
Carrying amount at 30 June 2021	33	439	46	577	555	1 650

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.2. Intangible assets

	2022	2021
	\$'000	\$'000
Computer software		
Internally developed computer software	32	32
Accumulated amortisation	(6)	-
Total computer software	<u>26</u>	<u>32</u>

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 2021-22

	Internally developed software \$'000	Total \$'000
Carrying amount at 1 July 2021	32	32
Amortisation	(6)	(6)
Carrying amount at 30 June 2022	<u>26</u>	<u>26</u>

Reconciliation 2020-21

	Internally developed software \$'000	Total \$'000
Carrying amount at 1 July 2020	-	-
Additions	32	32
Carrying amount at 30 June 2021	<u>32</u>	<u>32</u>

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

6. Financial assets

6.1. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)		
Accrual Appropriation Excess Funds	3 700	3 527
Total deposits with the Treasurer (Special deposit accounts)	<u>3 700</u>	<u>3 527</u>
Operating bank account	2 718	3 033
Total cash and cash equivalents	<u>6 418</u>	<u>6 560</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.

Some of HA's appropriation is deposited into the Accrual Appropriation Excess Funds account. Although HA controls the money reported above in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer. HA does not earn interest on its deposits with the Treasurer.

6.2. Receivables

	2022	2021
	\$'000	\$'000
Current		
Receivables	17	42
Members remuneration recovery	807	521
Prepayments	101	55
Other	404	101
Total current receivables	<u>1 329</u>	<u>719</u>

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

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

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2022	2021
	\$'000	\$'000
Current		
Creditors	31	57
Accrued expenses	121	143
Statutory payables		
Employment on-costs	58	65
Total current payables	<u>210</u>	<u>265</u>
Non-current		
Statutory payables		
Employment on-costs	119	146
Total non-current payables	<u>119</u>	<u>146</u>
Total payables	<u><u>329</u></u>	<u><u>411</u></u>

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.

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.

HA 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.

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave has remained at 42%. The average factor for the calculation of employer superannuation on-costs has changed from the 2021 rate 10.1% to 10.6%. These rates are used in the employment on-cost calculation. The net financial effect of these changes in the current financial year is immaterial.

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7.2. Provisions

	2022	2021
	\$'000	\$'000
Current		
Provision for workers compensation	12	6
Total current provisions	<u>12</u>	<u>6</u>
Non-current		
Provision for workers compensation	36	15
Total non-current provisions	<u>36</u>	<u>15</u>
Total provisions	<u><u>48</u></u>	<u><u>21</u></u>
Provision movement		
Carrying amount at 1 July	21	15
Additional provisions recognised	27	8
Reductions arising from payments	-	(2)
Carrying amount at 30 June	<u><u>48</u></u>	<u><u>21</u></u>

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 2022 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 staff as required under current legislation.

HA is responsible for the payment of workers compensation claims.

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

8. Other disclosures

8.1. Equity

The asset revaluation surplus is used 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.

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.

	2022	2021
	\$'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	6 418	6 560
Balance as per the Statement of Cash Flows	<u>6 418</u>	<u>6 560</u>
Reconciliation of net cash provided by/(used in) operating activities to net result from providing services		
Net cash provided by/(used in) operating activities	324	2 628
Add / (less) non-cash items		
Depreciation expense of non-current assets	(35)	(66)
Net loss on revaluation of non-current assets	-	(21)
Assets provided for nil considerations to the Joint Parliamentary Service	(147)	(1 701)
Movement in assets and liabilities		
Increase in receivables	610	596
Decrease/(increase) in payables	52	(113)
Decrease in employee benefits	258	8
(Increase) in provisions	(27)	(5)
Net result	<u><u>1 035</u></u>	<u><u>1 326</u></u>

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

9. Outlook

9.1. Unrecognised contractual commitments

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

	2022	2021
	\$'000	\$'000
Commitments in relation to arrangements contracted at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	134	56
Later than one year but not longer than five years	58	-
Total expenditure commitments	192	56

HA's commitment is for office accommodation, through MoAAs with the Department for Infrastructure and Transport. The arrangements are cancellable with term remaining of 17 months. 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.

HA is not aware of any contingent assets or liabilities.

9.3. Events after reporting period

There are no known events after balance date that affect these financial statements.

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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 staff departures and periods of service. These assumptions are based on staff 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 2021 (1.25%) to 2022 (3.5%).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$81 000 and employee benefits expense of \$81 000. 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 left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

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, excluding capital WIP, 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. 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.

An independent valuation of the property, plant and equipment owned by HA 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.

House of Assembly
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.3. Financial instruments

Financial risk management

Risk management is managed by HA's executive management.

HA 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

HA is funded principally from appropriation by the SA Government. HA 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.

Credit risk

HA has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. No collateral is held as security and no credit enhancements relate to financial assets held by HA.

Market risk

HA does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. HA does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in TI 23 Management of Foreign Currency Exposures.

There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

Details of the material accounting policy information 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

HA measures all financial instruments at amortised cost.

		2022	2021
		Carrying	Carrying
		amount	amount
	Note	\$'000	\$'000
Financial assets			
Cash and cash equivalents			
Cash and cash equivalents	6.1	6 418	6 560
Financial assets at amortised cost			
Receivables	6.2	17	42
Total financial assets		6 435	6 602
Financial liabilities			
Financial liabilities at amortised cost			
Payables	7.1	107	154
Total financial liabilities		107	154

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 and 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 AASB 7 *Financial Instruments: Disclosures* will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.