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To the Chair Joint Parliamentary Service Committee

Disclaimer of opinion

I was engaged to audit the financial report of the Joint Parliamentary Service for the financial year ended 30 June 2023.

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 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, Joint Parliamentary Service Committee 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 of the Committee have not provided access to the minutes of their meetings. As a result I cannot assess whether matters deliberated and decided on by the members that have financial consequences were recognised or disclosed in the financial report.

The members of the Joint Parliamentary Service Committee are also responsible for the control and management of the catering services at Parliament House. Income from these services, and the associated expenditure, as well as the cash held in the catering services bank account, were omitted from the financial report. As the members have not provided access to this financial information, I am unable to determine the impact of this 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 members of the Joint Parliamentary Service Committee are 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 the Joint Parliamentary Service for the financial year ended 30 June 2023.

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

I am independent of the Joint Parliamentary Service. 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.



Daniel O'Donohue
Acting Auditor-General

09 November 2023

Joint Parliamentary Service

Financial Statements

For the year ended 30 June 2023

Joint Parliamentary Service
Certification of the Financial Statements
for the year ended 30 June 2023

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;
 - present 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
27 / 10 / 2023



Chief Finance Officer
Joint Parliamentary Service
27 / 10 / 2023

Joint Parliamentary Service
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Appropriation	2.1	17 672	12 994
Resources received free of charge	2.2	503	800
Other income	2.3	123	20
Total income		18 298	13 814
Expenses			
Employee benefits expenses	3.2	7 283	6 607
Supplies and services	4.1	6 150	4 461
Depreciation and amortisation	4.2	1 675	1 539
Total expenses		15 108	12 607
Net result		3 190	1 207
Total comprehensive result		3 190	1 207

The accompanying notes form part of these financial statements.

Joint Parliamentary Service
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.1	12 066	9 331
Receivables	6.2	541	511
Total current assets		12 607	9 842
Non-current assets			
Receivables	6.2	69	6
Property, plant and equipment	5.1	79 769	79 030
Intangible assets	5.2	2 008	2 611
Total non-current assets		81 846	81 647
Total assets		94 453	91 489
Current liabilities			
Payables	7.1	1 207	1 608
Employee benefits	3.3	1 009	1 017
Provisions	7.2	41	39
Total current liabilities		2 257	2 664
Non-current liabilities			
Payables	7.1	316	253
Employee benefits	3.3	1 969	1 567
Provisions	7.2	120	102
Total non-current liabilities		2 405	1 922
Total liabilities		4 662	4 586
Net assets		89 791	86 903
Equity			
Retained earnings		73 862	70 974
Asset revaluation surplus		13 026	13 026
Contributed capital		2 903	2 903
Total equity		89 791	86 903

The accompanying notes form part of these financial statements.

Joint Parliamentary Service
Statement of Changes in Equity
for the year ended 30 June 2023

	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021	2 903	13 026	69 767	85 696
Net result for 2021-22	-	-	1 207	1 207
Total comprehensive result for 2021-22	-	-	1 207	1 207
Balance at 30 June 2022	2 903	13 026	70 974	86 903
Net result for 2022-23	-	-	3 190	3 190
Transfers as a result of an administrative restructure	-	-	(302)	(302)
Total comprehensive result for 2022-23	-	-	2 888	2 888
Balance at 30 June 2023	2 903	13 026	73 862	89 791

The accompanying notes form part of these financial statements.

Joint Parliamentary Service
Statement of Cash Flows
for the year ended 30 June 2023

	2023	2022
	Inflows (Outflows)	Inflows (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Appropriations	17 672	12 994
GST recovered from the ATO	601	591
Other receipts	162	789
Cash generated from operating activities	18 435	14 374
Cash outflows		
Employee benefits payments	(6 930)	(6 554)
Payments for supplies and services	(6 959)	(4 591)
Cash used in operating activities	(13 889)	(11 145)
Net cash provided by / (used in) operating activities	8.2 4 546	3 229
Cash flows from investing activities		
Cash outflows		
Purchase of property, plant and equipment	(1 641)	(2 251)
Purchase of Intangible assets	(170)	-
Cash used in investing activities	(1 811)	(2 251)
Net cash provided by / (used in) investing activities	(1 811)	(2 251)
Net increase / (decrease) in cash and cash equivalents	2 735	978
Cash and cash equivalents at the beginning of the reporting period	9 331	8 353
Cash and cash equivalents at the end of the reporting period	6.1 12 066	9 331

The accompanying notes form part of these financial statements.

Joint Parliamentary Service

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1. About the Joint Parliamentary Service

The Joint Parliamentary Service (JPS) is a not-for-profit entity and established under the *Parliament (Joint Services) Act 1985*.

JPS 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 JPS.

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

JPS provides services to both Houses of Parliament including Hansard reporting, library facilities, catering, financial administration, and building accommodation. JPS 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.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.3 Changes to JPS

As a result of an administrative restructure, the Parliamentary Network Support Group (PNSG) transferred from the Department of Treasury and Finance to JPS. This included twenty-four full time equivalent positions and budget funding of \$3.7 million. PNSG provides maintenance and support to the Parliamentary network and its client base.

The effective date of the transfer was 1 February 2023.

Transferred in

The following assets and liabilities were transferred to JPS

	Transfers
	\$'000
Current assets	
Receivables	79
Total current assets	79
Non-current assets	
Receivables	48
Property, plant and equipment	207
Total non-current assets	255
Total assets	334
Current liabilities	
Payables	67
Employee benefits	202
Total current liabilities	269
Non-current liabilities	
Employee benefits	367
Total non-current liabilities	367
Total liabilities	636
Total net liabilities transferred	302

Net liabilities transferred by the Department of Treasury and Finance were recognised at the carrying amount. The net liabilities transferred were treated as a reduction to Retained Earnings by JPS.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2. Income

2.1. Appropriation

	2023	2022
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the Appropriation Act	17 672	12 994
Total appropriation	17 672	12 994

Appropriations are recognised on receipt.

2.2. Resources received free of charge

	2023	2022
	\$'000	\$'000
Assets acquired at nil consideration from the House of Assembly	-	147
Assets acquired at nil consideration from the Legislative Council	-	74
Car parking received free of charge	421	507
Services received free of charge - Shared Services SA	82	72
Total resources received free of charge	503	800

2.3. Other Income

	2023	2022
	\$'000	\$'000
Recovery of salaries and related payments	28	17
Other	95	3
Total other income	123	20

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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

	2023	2022
	\$'000	\$'000
Salaries and wages	6 210	5 619
Employment on-costs - Superannuation	973	810
Employee on-costs - Other	34	51
Workers compensation	66	127
Total employee benefits expenses	7 283	6 607

Employment on-costs - superannuation

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

Executive remuneration

	2023	2022
\$157 001 – \$160 000*	n/a	1
\$160 001 – \$180 000	1	1
Total	1	2

The total remuneration received by those employees for the year was \$161 000 (2022: \$338 000).

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.

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.3. Employee benefits liability

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Annual leave	641	510
Long service leave	230	226
Skills and experience retention leave	102	73
Accrued salaries and wages	36	208
Total current employee benefits	1 009	1 017
<u>Non-current</u>		
Long service leave	1 840	1 439
Annual leave	129	128
Total non-current employee benefits	1 969	1 567
Total employee benefits	2 978	2 584

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 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 are expected to be payable within 12 months and are 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 are provided at note 10.1.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

4. Expenses

Employee benefits expenses are disclosed in note 3.2.

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
Information technology	1 397	1 061
Car parking	581	713
Building maintenance	635	538
Utilities	441	410
Cleaning	411	371
Agency staff hire	595	319
Printing and publishing	171	151
Minor works and equipment	937	126
Telephone	102	106
Audit fees	102	80
Shared Services	88	72
Insurance	63	57
Accommodation	69	56
Security	5	55
Library collection	34	51
Fringe benefits tax	38	47
Storage	41	33
Occupational, Health, Safety and Welfare compliance	33	31
Uniforms and allowances	17	28
Postage	21	22
Staff training and development	35	16
Consultants fees	183	14
Travelling expenses	16	12
Vehicle hire	10	11
Other	125	81
Total supplies and services	6 150	4 461

Accommodation

JPS'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*.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

4.2. Depreciation and amortisation

	2023	2022
	\$'000	\$'000
Depreciation		
Buildings	468	446
Plant and equipment	26	16
Fixtures and fittings	9	8
Computer equipment	399	351
Computer software	773	718
Total depreciation and amortisation	1 675	1 539

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 reviewed 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)
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 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 and therefore are not depreciated.

The library collection and rare books controlled by JPS 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.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5. Non-financial assets

5.1. Property, plant and equipment by asset class

	2023	2022
	\$'000	\$'000
Land		
Fair value	25 105	25 105
Total land	25 105	25 105
Buildings		
Fair value	47 259	46 798
Less: Accumulated depreciation	(915)	(446)
Total buildings	46 344	46 352
Plant and equipment		
At cost (deemed fair value)	820	427
Less: Accumulated depreciation	(116)	(16)
Total plant and equipment	704	411
Fixtures and fittings		
At cost (deemed fair value)	1 111	1 080
Less: Accumulated depreciation	(20)	(8)
Total fixture and fittings	1 091	1 072
Computer equipment		
At cost (deemed fair value)	4 750	1 987
Less: Accumulated depreciation	(2 369)	(351)
Total computer equipment	2 381	1 636
Library		
Books, artifacts and collections (fair value)	589	589
Total library	589	589
Rare books		
Rare book collection (fair value)	3 329	3 329
Total library	3 329	3 329
Capital works in progress		
Capital works in progress (at cost)	226	536
Total capital works in progress	226	536
Total property, plant and equipment	79 769	79 030

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 are recorded at cost. Detail about the JPS's approach to fair value is set out in note 10.2.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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

Resources received free of charge

JPS acquired assets at nil consideration from the House of Assembly and Legislative Council during 2021-22. 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.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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

Reconciliation 2022-23

	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 2022	25 105	46 352	411	1 072	1 636	589	3 329	536	79 030
Additions	-	-	6	-	465	-	-	1 133	1 604
Transfers to/(from) CWIP	-	460	313	-	670	-	-	(1 443)	-
Transfer between asset classes	-	-	-	-	(170)	-	-	-	(170)
Transfer in from administrative restructure	-	-	-	28	179	-	-	-	207
Depreciation	-	(468)	(26)	(9)	(399)	-	-	-	(902)
Carrying amount at 30 June 2023	25 105	46 344	704	1 091	2 381	589	3 329	226	79 769

Reconciliation 2021-22

	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 2021	25 105	43 072	366	1 080	1 785	589	3 329	2 661	77 987
Additions	-	-	15	-	-	-	-	2 236	2 251
Transfers to/(from) CWIP	-	3 726	60	-	207	-	-	(4 323)	(330)
Assets received for nil consideration	-	-	-	-	-	-	-	221	221
Depreciation	-	(446)	(16)	(8)	(351)	-	-	-	(821)
Disposals	-	-	(14)	-	(5)	-	-	-	(19)
Assets written off	-	-	-	-	-	-	-	(259)	(259)
Carrying amount at 30 June 2022	25 105	46 352	411	1 072	1 636	589	3 329	536	79 030

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.2. Intangible assets

	2023	2022
	\$'000	\$'000
Computer software		
Internally developed computer software	3 952	3 743
Accumulated amortisation	(1 944)	(1 132)
Total computer software	2 008	2 611
Total intangible assets	2 008	2 611

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 2022-23

	Internally developed software	Total
	\$'000	\$'000
Carrying amount at 1 July 2022	2 611	2 611
Transfers between asset classes	170	209
Amortisation	(773)	(812)
Carrying amount at 30 June 2023	2 008	2 008

Reconciliation 2021-22

	Internally developed software	Total
	\$'000	\$'000
Carrying amount at 1 July 2021	2 999	2 999
Assets acquired at nil consideration	330	330
Amortisation	(718)	(718)
Carrying amount at 30 June 2022	2 611	2 611

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)		
Operating bank account	2 020	621
Accrual Appropriation Excess Funds	10 046	8 710
Total deposits with the Treasurer (Special deposit accounts)	12 066	9 331
Total cash and cash equivalents	12 066	9 331

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

6.2. Receivables

	2023	2022
	\$'000	\$'000
Current		
Prepayments	278	159
Other	55	225
Statutory receivables		
GST input tax recoverable	208	127
Total current receivables	541	511
Non-current		
Prepayments	69	6
Total non-current receivables	69	6
Total receivables	610	517

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.

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.

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

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

7. Liabilities

Employee benefits liabilities are disclosed in note 3.3.

7.1. Payables

	2023	2022
	\$'000	\$'000
Current		
Contractual payables	710	1 303
Accrued expenses	330	141
Statutory payables		
GST payable	8	2
Employment on-costs	159	162
Total current payables	1 207	1 608
Non-current		
Statutory payables		
Employment on-costs	316	253
Total non-current payables	316	253
Total payables	1 523	1 861

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual 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 are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

JPS 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 changed from the 2022 rate (42%) to 43%. The average factor for the calculation of employer superannuation on-costs has changed from the 2022 rate 10.6% to 11.1%. These rates are used in the employment on-cost calculation. The net financial effect of these changes in the current financial year is immaterial.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

7.2. Provisions

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Provision for workers compensation	41	39
Total current provisions	41	39
<u>Non-current</u>		
Provision for workers compensation	120	102
Total non-current provisions	120	102
Total provisions	161	141
<i>Provision movement</i>		
Carrying amount at 1 July	141	78
Additional provisions recognised	24	136
Reductions arising from payments	(4)	(73)
Carrying amount at 30 June	161	141

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 2023 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.

JPS is responsible for the payment of workers compensation claims.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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.

	2023	2022
	\$'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	12 066	9 331
Balance as per the Statement of Cash Flows	12 066	9 331
Reconciliation of net cash provided by/(used in) operating activities to net result from providing services		
Net cash provided by/(used in) operating activities	4 546	3 229
Add / (less) non-cash items		
Depreciation/ amortisation expense of non-current assets	(1 675)	(1 539)
Net liabilities transferred as a result of an administrative restructure	302	-
Net resources received free of charge	-	221
Assets written off	-	(259)
Loss on disposal of non-current assets	-	(19)
Movement in assets and liabilities		
Increase in receivables	93	69
Decrease/(increase) in payables	338	(379)
(Increase) in employee benefits	(394)	(53)
(Increase) in provisions	(20)	(63)
Net result	3 190	1 207

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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.

	2023	2022
	\$'000	\$'000
Expenditure commitments contracted for but not recognised as liabilities are payable as follows:		
Within one year	1 118	100
Later than one year but not longer than five years	227	63
Total expenditure commitments	1 345	163

JPS's expenditure commitments are for agreements for building maintenance, computer and software related contracts and for office accommodation. The arrangements are cancellable with terms ranging up to two years with some arrangements 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.

JPS 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.

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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 2022 (3.5%) to 2023 (4.0%).

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 actuarial assessment performed by the Department of Treasury and Finance has increased the salary inflation rate from 2022 (2.5%) to 2023 (3.5%) for 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 \$54 000 and employee benefits expense of \$54 000. 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.

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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, 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 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 JPS 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 JPS 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 JPS's executive management. JPS 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

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

JPS 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 JPS.

Market risk

JPS does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. JPS 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

JPS measures all financial instruments at amortised cost or fair value.

	Note	2023 Carrying amount \$'000	2022 Carrying amount \$'000
Financial assets			
Cash and cash equivalents			
Cash and cash equivalents	6.1	12 066	9 331
Financial assets at amortised cost			
Receivables	6.2	50	225
Total financial assets		12 116	9 556
Financial liabilities			
Financial liabilities at amortised cost			
Payables	7.1	902	1 332
Total financial liabilities		902	1 332

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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 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.

11. Administered Items

The JPS administers the payment of Members' salaries funded by appropriation under the *Parliamentary Remuneration Act 1990* and the *Parliamentary Committees Act 1991*.

	2023	2023	2023	2022	2022	2022
	House of Assembly	Legislative Council	Total	House of Assembly	Legislative Council	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses						
Payments to Members of Parliament	10 818	6 319	17 137	10 216	5 421	15 637
Total administered expenses	10 818	6 319	17 137	10 216	5 421	15 637
Administered income						
Cash appropriation received from SA Government	11 246	6 510	17 756	11 023	5 889	16 912
Total administered income	11 246	6 510	17 756	11 023	5 889	16 912
Net (expenses) / income	428	191	619	807	468	1 275
Net amount payable/(receivable) by JPS			619			1 275

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