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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 2022.

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 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 Chair of the 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 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 the provision of these services, and the associated expenditure, 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 2022.

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.



Andrew Richardson
Auditor-General

19 January 2023

Joint Parliamentary Service

Financial Statements

For the year ended 30 June 2022

Joint Parliamentary Service
Certification of the Financial Statements
for the year ended 30 June 2022

We certify that the:

- financial statements of the Joint Parliamentary Service:
 - are in accordance with the accounts and records of the Joint Parliamentary Service;
 - comply with relevant Treasurer's instructions;
 - comply with relevant Australian Accounting Standards;
 - presents a true and fair view of the financial position of the Joint Parliamentary Service at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Joint Parliamentary Service for the financial year over its financial reporting and its preparation of financial statements have been effective.



Chair

Joint Parliamentary
Service Committee

16 / 11 / 23



Chief Finance Officer
Joint Parliamentary
Service

16 / 11 / 23

Joint Parliamentary Service
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Appropriation	2.1	12 994	13 029
Resources received free of charge	2.2	800	2 639
Other income	2.3	20	652
Total income		13 814	16 320
Expenses			
Employee benefits expenses	3.2	6 607	6 443
Supplies and services	4.1	4 461	4 321
Depreciation and amortisation	4.2	1 539	1 730
Net loss on revaluation of non-current assets		-	8 283
Cash alignment transfers		-	696
Total expenses		12 607	21 473
Net result		1 207	(5 153)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		-	3 807
Total other comprehensive income		-	3 807
Total comprehensive result		1 207	(1 346)

The accompanying notes form part of these financial statements.

Joint Parliamentary Service
Statement of Financial Position
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	9 331	8 353
Receivables	6.2	511	392
Total current assets		9 842	8 745
Non-current assets			
Receivables	6.2	6	56
Property, plant and equipment	5.1	79 030	77 987
Intangible assets	5.2	2 611	2 999
Total non-current assets		81 647	81 042
Total assets		91 489	89 787
Current liabilities			
Payables	7.1	1 608	1 240
Employee benefits	3.3	1 017	975
Provisions	7.2	39	24
Total current liabilities		2 664	2 239
Non-current liabilities			
Payables	7.1	253	242
Employee benefits	3.3	1 567	1 556
Provisions	7.2	102	54
Total non-current liabilities		1 922	1 852
Total liabilities		4 586	4 091
Net assets		86 903	85 696
Equity			
Retained earnings		70 974	69 767
Asset revaluation surplus		13 026	13 026
Contributed capital		2 903	2 903
Total equity		86 903	85 696

The accompanying notes form part of these financial statements.

Joint Parliamentary Service
Statement of Changes in Equity
for the year ended 30 June 2022

	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020	2 903	9 219	71 591	83 713
Adjustment to recognise assets not previously recognised	-	-	3 329	3 329
Restated balance at 1 July 2020	2 903	9 219	74 920	87 042
Net result for 2020-21	-	-	(5 153)	(5 153)
Gain from revaluation of plant and equipment during 2020-21	-	3 807		3 807
Total comprehensive result for 2020-21	-	3 807	(5 153)	(1 346)
Balance at 30 June 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

The accompanying notes form part of these financial statements.

Joint Parliamentary Service
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		
Appropriations	12 994	13 029
GST recovered from the ATO	591	478
Receipts for paid parental leave scheme	-	2 003
Other receipts	789	762
Cash generated from operating activities	14 374	16 272
Cash outflows		
Employee benefits payments	(6 554)	(6 689)
Payments for supplies and services	(4 591)	(8 481)
Cash alignment transfers to Consolidated Account	-	(696)
Cash used in operating activities	(11 145)	(15 866)
Net cash provided by / (used in) operating activities	8.2 3 229	406
Cash flows from investing activities		
Cash outflows		
Purchase of property, plant and equipment	(2 251)	233
Purchase of intangible assets	-	(2 067)
Cash used in investing activities	(2 251)	(1 834)
Net cash provided by / (used in) investing activities	(2 251)	(1 834)
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of finance lease	-	-
Net cash generated from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	978	(1 428)
Cash and cash equivalents at the beginning of the reporting period	8 353	9 781
Cash and cash equivalents at the end of the reporting period	6.1 9 331	8 353

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 2022

1. About the Joint Parliamentary Service

The Joint Parliamentary Service (JPS) is 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 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. Additionally, rare books were included as part of this valuation and included as gains due to the assets not being recognised previously, as these assets have existed for numerous years just never recognised.

Impacts of the restatement are shown below:

Financial statement line	Description	2020-21 reported balance	Prior period error	2020-21 restated balance
Retained earnings	Balance as at 1 July 2020	71,591	3,329	74,920
Resources received free of charge	Rare book collection acquired at nil consideration	3,168	(3,168)	-
Net loss on revaluation of non-current assets	Revaluation decrements through profit and loss	-	8,283	8,283
<i>Net result</i>		<i>6,298</i>	<i>(11,451)</i>	<i>(5,153)</i>
Retained earnings	Balance as at 30 June 2021	77,889	(8,122)	69,767
Other comprehensive income	Changes in property, plant and equipment asset revaluation surplus	(5,165)	8,972	3,807
Asset revaluation surplus	Balance as at 30 June 2021	4,054		13,026
<i>Total comprehensive result</i>		<i>1,133</i>	<i>(2,479)</i>	<i>(1,346)</i>
Property, plant and equipment	Rare books	3,168	161	3,329
Property, plant and equipment	Net revaluation increment/decrement	(5,165)	689	(4,476)

Joint Parliamentary Service
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	12 994	13 029
Total appropriation	12 994	13 029

Appropriations are recognised on receipt.

2.2. Resources received free of charge

	2022	2021
	\$'000	\$'000
Assets acquired at nil consideration from the House of Assembly	147	1 701
Assets acquired at nil consideration from the Legislative Council	74	861
Car parking received free of charge	507	-
Services received free of charge - Shared Services SA	72	77
Total resources received free of charge	800	2 639

2.3. Other Income

	2022	2021
	\$'000	\$'000
Car parking reimbursement	-	633
Recovery of salaries and related payments	17	16
Other	3	3
Total other income	20	652

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3. Employees

3.3. 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.

3.4. Employee benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	5 619	5 422
Employment on-costs - Superannuation	810	547
Employee on-costs - Other	51	390
Workers compensation	127	84
Total employee benefits expenses	6 607	6 443

Employment on-costs - superannuation

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

Executive remuneration

	2022	2021
\$157 001 – \$177 000	1	1
\$177 001 – \$197 000	1	-
Total number of members	2	1

The total remuneration received by those employees for the year was \$338 000 (2021: \$167 000).

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.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.5. Employee benefits liability

	2022	2021
	\$'000	\$'000
<u>Current</u>		
Annual leave	510	479
Long service leave	226	240
Skills and experience retention leave	73	55
Accrued salaries and wages	208	201
Total current employee benefits	1 017	975
<u>Non-current</u>		
Long service leave	1 439	1 486
Annual leave	128	70
Total non-current employee benefits	1 567	1 556
Total employee benefits	2 584	2 531

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 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.

Joint Parliamentary Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

4. Expenses

Employee benefits expenses are disclosed in note 3.2.

4.1. Supplies and services

	2022	2021
	\$'000	\$'000
Information technology	1 061	805
Car parking	713	590
Building maintenance	538	838
Utilities	410	455
Cleaning	371	415
Agency staff hire	319	208
Printing and publishing	151	216
Minor works and equipment	126	65
Telephone	106	110
Audit fees	80	78
Shared Services	72	78
Insurance	57	51
Accommodation	56	52
Security	55	10
Library collection	51	51
Fringe benefits tax	47	50
Storage	33	34
Occupational, Health, Safety and Welfare compliance	31	24
Uniforms and allowances	28	39
Postage	22	19
Staff training and development	16	45
Consultants fees	14	17
Travelling expenses	12	18
Vehicle hire	11	8
Emergency services levy	-	24
Other	81	21
Total supplies and services	4 461	4 321

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*.

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	3	14	1	7
\$10 000 or above	-	-	1	10
Total	3	14	2	17

Joint Parliamentary Service
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
Buildings	446	551
Plant and equipment	16	255
Fixtures and fittings	8	5
Computer equipment	351	678
Computer software	718	241
Total depreciation and amortisation	1 539	1 730

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

The majority of fixtures and fittings are antiques, they are anticipated to have a very long and indeterminate useful life and therefore 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 2022

5. Non-financial assets

5.1. Property, plant and equipment by asset class

	2022	2021
	\$'000	\$'000
Land		
Fair value	25 105	25 105
Total land	<u>25 105</u>	<u>25 105</u>
Buildings		
Fair value	46 798	43 072
Less: Accumulated depreciation	(446)	-
Total buildings	<u>46 352</u>	<u>43 072</u>
Plant and equipment		
At cost (deemed fair value)	427	366
Less: Accumulated depreciation	(16)	-
Total plant and equipment	<u>411</u>	<u>366</u>
Fixtures and fittings		
At cost (deemed fair value)	1 080	1 080
Less: Accumulated depreciation	(8)	-
Total fixture and fittings	<u>1 072</u>	<u>1 080</u>
Computer equipment		
At cost (deemed fair value)	1 987	1 716
Less: Accumulated depreciation	(351)	69
Total computer equipment	<u>1 636</u>	<u>1 785</u>
Library		
Books, artifacts and collections (fair value)	589	589
Total library	<u>589</u>	<u>589</u>
Rare books		
Rare book collection (fair value)	3 329	3 329
Total library	<u>3 329</u>	<u>3 329</u>
Capital works in progress		
Capital works in progress (at cost)	536	2 661
Total capital works in progress	<u>536</u>	<u>2 661</u>
Total property, plant and equipment	<u><u>79 030</u></u>	<u><u>77 987</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 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 2022

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 the year. Refer to note 2.2.

Impairment

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

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in note 10.2. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Joint Parliamentary Service
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)
Reconciliation 2021-22

	Land	Buildings	Plant and equipment and fixtures	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

Reconciliation 2020-21

	Land	Buildings	Plant and equipment and fixtures	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 2020	21 825	49 067	3 517	829	1 672	612	3 329	1 255	82 106
Additions	-	-	-	10	-	-	-	1 968	1 978
Transfers to/(from) CWIP	-	407	-	-	21	-	-	(428)	-
Assets acquired at nil consideration	-	-	-	-	-	-	-	11	11
Movement between asset classes	-	3 416	(2 901)	(6)	(509)	-	-	-	-
Assets written off	-	-	-	-	-	-	-	(145)	(145)
Depreciation	-	(551)	(255)	(5)	(678)	-	-	-	(1 489)
Net revaluation increment / (decrement)	3 280	(9 268)	5	251	1 279	(23)	-	-	(4 476)
Other	-	1	-	1	-	-	-	-	2
Carrying amount at 30 June 2021	25 105	43 072	366	1 080	1 785	589	3 329	2 661	77 987

Joint Parliamentary Service
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	3 743	3 413
Accumulated amortisation	(1 132)	(414)
Total computer software	<u>2 611</u>	<u>2 999</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	Total
	\$'000	\$'000
Carrying amount at 1 July 2021	2 999	2 999
Transfers from CWIP	330	330
Amortisation	(718)	(718)
Carrying amount at 30 June 2022	<u>2 611</u>	<u>2 611</u>

Reconciliation 2020-21

	Internally developed software	Total
	\$'000	\$'000
Carrying amount at 1 July 2020	689	689
Assets acquired at nil consideration	2 551	2 551
Amortisation	(241)	(241)
Carrying amount at 30 June 2021	<u>2 999</u>	<u>2 999</u>

Joint Parliamentary Service
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)		
Operating bank account	621	791
Accrual Appropriation Excess Funds	8 710	7 562
Total deposits with the Treasurer (Special deposit accounts)	<u>9 331</u>	<u>8 353</u>
Total cash and cash equivalents	<u><u>9 331</u></u>	<u><u>8 353</u></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 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

	2022	2021
	\$'000	\$'000
Current		
Prepayments	159	159
Other	225	58
Statutory receivables		
GST input tax recoverable	127	175
Total current receivables	<u>511</u>	<u>392</u>
Non-current		
Prepayments	6	56
Total non-current receivables	<u>6</u>	<u>56</u>
Total receivables	<u><u>517</u></u>	<u><u>448</u></u>

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 2022

7. Liabilities

Employee benefits liabilities are disclosed in note 3.5.

7.1. Payables

	2022	2021
	\$'000	\$'000
Current		
Creditors	1 303	763
Accrued expenses	141	322
Statutory payables		
GST payable	2	1
Employment on-costs	162	154
Total current payables	<u>1 608</u>	<u>1 240</u>
Non-current		
Statutory payables		
Employment on-costs	253	242
Total non-current payables	<u>253</u>	<u>242</u>
Total payables	<u><u>1 861</u></u>	<u><u>1 482</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.

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 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.

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7.2. Provisions

	2022 \$'000	2021 \$'000
<u>Current</u>		
Provision for workers compensation	39	24
Total current provisions	39	24
<u>Non-current</u>		
Provision for workers compensation	102	54
Total non-current provisions	102	54
Total provisions	141	78
<i>Provision movement</i>		
Carrying amount at 1 July	78	59
Additional provisions recognised	136	102
Reductions arising from payments	(73)	(83)
Carrying amount at 30 June	141	78

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.

JPS is responsible for the payment of workers compensation claims.

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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 \$'000	2021 \$'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	9 331	8 353
Balance as per the Statement of Cash Flows	<u>9 331</u>	<u>8 353</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	3 229	406
Add / (less) non-cash items		
Depreciation/ amortisation expense of non-current assets	(1 539)	(1 730)
Net loss on revaluation of non-current assets	-	(8 283)
Net resources received free of charge	221	2 562
Assets written off	(259)	-
Loss on disposal of non-current assets	(19)	-
Movement in assets and liabilities		
Increase/(Decrease) in receivables	69	(159)
(Increase)/decrease in payables	(379)	1 804
(Increase)/decrease in employee benefits	(53)	266
(Increase) in provisions	(63)	(19)
Net result	<u>1 207</u>	<u>(5 153)</u>

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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.

	2022	2021
Expenditure commitments contracted for but not recognised as liabilities are payable as follows:	\$'000	\$'000
Within one year	100	227
Later than one year but not longer than five years	63	141
Later than five years	-	62
Total expenditure commitments	163	430

JPS's expenditure commitments are for agreements for computer and software related contracts and for office accommodation and storage. 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 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 \$211 000 and employee benefits expense of \$211 000. 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.

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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	2022 Carrying amount \$'000	2021 Carrying amount \$'000
Financial assets			
Cash and cash equivalents			
Cash and cash equivalents	6.1.	9 331	8 353
Financial assets at amortised cost			
Receivables	6.2	225	134
Total financial assets		9 556	8 487
Financial liabilities			
Financial liabilities at amortised cost			
Payables	7.1	1 015	968
Total financial liabilities		1 015	968

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.

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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*.

	2022	2022	2022	2021	2021	2021
	House of	Legislative		House of	Legislative	
	Assembly	Council	Total	Assembly	Council	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses						
Payments to Members of Parliament	10 216	5 421	15 637	10 703	5 543	16 246
Other Payments	-	-	-	929	713	1 642
Total administered expenses	10 216	5 421	15 637	11 632	6 256	17 888
Administered income						
Cash appropriation received from SA Government	11 023	5 889	16 912	12 153	6 526	18 679
Total administered income	11 023	5 889	16 912	12 153	6 526	18 679
Net (expenses) / income	807	468	1 275	521	270	791
Net amount payable/(receivable) by JPS			1 275			791

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