

Financial Statements

The following information is a high-level summary of the 2019-2020 Statements of Comprehensive Income and Financial Position for the Legislative Assembly of Queensland and Queensland Parliamentary Service.

Foreword

The Clerk of the Parliament is pleased to present the financial statements for the Legislative Assembly of Queensland and Queensland Parliamentary Service for the year ending 30 June 2020.

The financial statements have been prepared in accordance with section 62(1) of the *Financial Accountability Act 2009* and relevant sections of the *Financial and Performance Management Standard 2019* to provide detailed information about the financial operations of the Legislative Assembly of Queensland and Queensland Parliamentary Service.

The Auditor General has certified the statements without qualification.

Chief Finance Officer Assurance Statement

The *Financial Accountability Act 2009* also requires that certain financial management responsibilities be delegated to the Chief Finance Officer. For the 2019-20 financial year, all minimum responsibilities of the Chief Finance Officer have been fulfilled. In accordance with section 54 of the *Financial and Performance Management Standard 2019*, the Chief Finance Officer has provided a statement to the Clerk of the Parliament regarding the efficiency, effectiveness and economy of financial controls in operation during 2019-20. This statement has also been presented to the Parliamentary Service Audit Management Group.

At a glance

Statement of Comprehensive Income

The operating activities of the Legislative Assembly of Queensland and Queensland Parliamentary Service delivered an operating surplus of \$0.759M. The surplus primarily relates to the Parliament House stonework restoration contribution received at below fair value from Department of Housing and Public Works.

During 2019-20 revenue increased 3.4% (\$3.4 million). The main reason was an increase in appropriation revenue from the Queensland Government to cover operating expenses.

Operating expenses in 2019-20 increased 4.8% (\$4.7 million). Higher costs were due to ITS projects and higher employee costs related to a determination by the Queensland Independent Remuneration Tribunal and one-off Enterprise Bargaining payments negotiated by the Queensland Government.

	2018-19 \$'000	2019-20 \$'000
Total Income	100,709	104,152
Total Expenses	98,669	103,393
Net Operating Surplus	2,040	759

Statement of Financial Position

The Legislative Assembly of Queensland and Queensland Parliamentary Service maintained a stable financial position in 2019-20. Net assets increased by 0.2% (\$0.4 million) in 2019-20.

Land and buildings on the parliamentary precinct (\$191.5M) make-up the majority of total assets, while trade creditors and accrued employee benefits represent almost all of the total liabilities.

	2018-19 \$'000	2019-20 \$'000
Total Assets	220,461	220,764
Total Liabilities	4,802	4,731
Net Assets	215,659	216,033
Increase/decrease in net assets	4,629	374

Revenue

Revenue from ordinary activities 2019-20

The main source of funding for the Legislative Assembly of Queensland and Queensland Parliamentary Service is appropriation funding from the Queensland Government.

Additional revenue is generated through the sale of goods and services such as: catering services, corporate services provided to client agencies, educational activities and publications. Grants and other contributions represent capital works performed by the Department of Housing and Public Works at no cost to the Legislative Assembly.

Revenues from ordinary activities	2019-20 \$'000
Appropriation Revenue	100,401
User charges	2,105
Grants and other contributions	720
Other revenue	926
Total	104,152

Expenditure

Expenses from ordinary activities 2019-20

The table below depicts expenditure by major resource category for 2019-20. It includes:

- payment of salaries and allowances to Members of Parliament, electorate office staff, Parliamentary Service officers and support staff
- operational costs required to provide the functions and activities to achieve Parliamentary Service objectives, and
- depreciation expenses associated with Parliamentary Service's buildings, plant and equipment.

Expenses from ordinary activities	2019-20 \$'000
Employee expenses	68,131
Supplies and services	26,822
Depreciation and amortisation	8,112
Other expenses	328
Total	103,393

Guide to the Financial Statements

The set of financial statements included in this annual report reflect various aspects of the financial operations of the Legislative Assembly of Queensland and Queensland Parliamentary Service.

Statement of Comprehensive Income

This statement reports the income and expenditure of the Legislative Assembly of Queensland and Queensland Parliamentary Service for the 12 month period ending 30 June 2020.

Statement of Comprehensive Income by Service Areas

This statement reports income and expenditure (including changes in property, plant and equipment asset values) under the two major service areas – *Members' Salaries, Entitlements and Electorate Office Services* and *Parliamentary Precinct Support Services* for the financial year ending 30 June 2020.

Statement of Financial Position

This statement reports the assets and liabilities, and equity of the Legislative Assembly of Queensland and Queensland Parliamentary Service as at 30 June 2020. Assets and liabilities are classified as current where it is expected that the item will be converted to cash (received or paid) during the following 12 month period. Assets and liabilities are classified as non-current where they are expected to be converted to cash at a time later than 12 months from 30 June 2020.

Statement of Assets and Liabilities by Service Areas

This statement reports assets, liabilities and equity under the two major service areas – *Members' Salaries, Entitlements and Electorate Office Services* and *Parliamentary Precinct Support Services* for the financial year ending 30 June 2020.

Statement of Changes in Equity

Equity is the residual difference between assets and liabilities and reflects the net worth of the Legislative Assembly of Queensland and Queensland Parliamentary Service. It also reflects the amount of equity contributed by Queensland Treasury. This statement reports changes in various categories of equity including Contributed Equity, Accumulated Surpluses, and Asset Revaluation Surpluses.

Statement of Cash Flows

This statement reports information regarding actual inflows and outflows of cash during the financial year and the available cash at the end of the financial year.

LEGISLATIVE ASSEMBLY OF QUEENSLAND
FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

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Statement of Comprehensive Income

Year ended 30 June 2020

Operating Results	Notes	2020	2019	Original Budget 2020	Variance* 2020
		\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations					
Appropriation revenue	B1-1	100,401	96,801	101,325	(924)
User charges and fees	B1-2	2,105	2,365	2,169	(64)
Grants and other contributions	B1-3	720	1,080	-	720
Other revenue	B1-4	926	18	32	894
Post-employment benefits		-	445	-	-
Total Revenue		104,152	100,709	103,526	626
Total Income from Continuing Operations		104,152	100,709	103,526	626
Expenses from Continuing Operations					
Employee expenses	B2-1	68,131	65,399	68,046	85
Supplies and services	B2-2	26,822	24,777	27,131	(309)
Depreciation and amortisation	B2-3	8,112	7,616	8,115	(3)
Other expenses	B2-4	328	877	234	94
Total Expenses from Continuing Operations		103,393	98,669	103,526	(133)
Operating Result from Continuing Operations		759	2,040	-	759
Other Comprehensive Income					
Increase (decrease) in asset revaluation surplus	C4-1	930	1,523	-	930
Total Other Comprehensive Income		930	1,523	-	930
Total Comprehensive Income		1,689	3,563	-	1,689

*An explanation of major variances is included at Note E1.

The accompanying notes form part of these statements.

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

Statement of Comprehensive Income by Major Service Areas

For year ended 30 June 2020

	Members' Salaries, Entitlements and Electorate Office Services		Parliamentary Precinct Support Services		General - Not Attributed		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income from Continuing Operations								
Appropriation revenue	62,894	62,028	37,507	34,773	-	-	100,401	96,801
User charges and fees	-	-	1,854	2,065	251	300	2,105	2,365
Grants and other contributions	-	-	720	1,080	-	-	720	1,080
Other revenue	8	14	918	4	-	-	926	18
Post-employment benefits	-	445	-	-	-	-	-	445
Total Income from Continuing Operations	62,902	62,487	40,999	37,922	251	300	104,152	100,709
Expenses from Continuing Operations								
Employee expenses	45,379	44,109	22,605	21,189	147	101	68,131	65,399
Supplies and services	14,573	16,415	12,145	8,163	104	199	26,822	24,777
Depreciation and amortisation	704	383	7,408	7,233	-	-	8,112	7,616
Other expenses	50	102	278	775	-	-	328	877
Total Expenses from Continuing Operations	60,706	61,009	42,436	37,360	251	300	103,393	98,669
Operating Result from Continuing Operations	2,196	1,478	(1,437)	562	-	-	759	2,040
Other Comprehensive Income								
Increase (decrease) in asset revaluation surplus	-	-	930	1,523	-	-	930	1,523
Total Other Comprehensive Income	-	-	930	1,523	-	-	930	1,523
Total Comprehensive Income	2,196	1,478	(507)	2,085	-	-	1,689	3,563

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

Statement of Financial Position

As at 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget 2020 \$'000	Variance* 2020 \$'000
Current Assets					
Cash and cash equivalents	C1	8,107	13,929	9,645	(1,538)
Receivables	C2	2,434	1,177	1,378	1,056
Other current assets	C3	3,107	504	451	2,656
Inventories		207	189	169	38
Total Current Assets		13,855	15,799	11,643	2,212
Non-Current Assets					
Property, plant & equipment	C4	206,228	203,880	216,683	(10,455)
Intangibles		681	782	756	(75)
Total Non-Current Assets		206,909	204,662	217,439	(10,530)
Total Assets		220,764	220,461	229,082	(8,318)
Current Liabilities					
Payables	C5	3,714	3,895	3,351	363
Accrued employee benefits	C6	1,009	903	489	520
Other current liabilities		8	4	4	4
Total Current Liabilities		4,731	4,802	3,844	887
Total Liabilities		4,731	4,802	3,844	887
Net Assets		216,033	215,659	225,238	(9,205)
Equity					
Contributed equity	C7	2,819	4,135		
Accumulated surpluses		31,362	30,602		
Asset revaluation surplus	C7-3	181,852	180,922		
Total Equity		216,033	215,659		

*An explanation of major variances is included at Note E1.

The accompanying notes form part of these statements.

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

Statement of Assets and Liabilities by Major Service Areas

As at 30 June 2020

	Members' Salaries, Entitlements and Electorate Office Services		Parliamentary Precinct Support Services		General - Not Attributed		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current Assets								
Cash and cash equivalents	-	-	8,107	13,929	-	-	8,107	13,929
Receivables	94	79	1,345	1,059	995	39	2,434	1,177
Other current assets	991	26	2,116	478	-	-	3,107	504
Inventories	-	-	207	189	-	-	207	189
Total Current Assets	1,085	105	11,775	15,655	995	39	13,855	15,799
Non-Current Assets								
Property, plant & equipment	5,098	3,335	201,130	200,545	-	-	206,228	203,880
Intangibles	-	-	681	782	-	-	681	782
Total Non-Current Assets	5,098	3,335	201,811	201,327	-	-	206,909	204,662
Total Assets	6,183	3,440	213,586	216,982	995	39	220,764	220,461
Current Liabilities								
Payables	278	1,104	3,436	2,791	-	-	3,714	3,895
Accrued employee benefits	423	396	586	507	-	-	1,009	903
Other current liabilities	-	-	8	4	-	-	8	4
Total Current Liabilities	701	1,500	4,030	3,302	-	-	4,731	4,802
Total Liabilities	701	1,500	4,030	3,302	-	-	4,731	4,802
Net Assets	5,482	1,940	209,556	213,680	995	39	216,033	215,659

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

Statement of Changes in Equity

For the year ended 30 June 2020

	Notes	Accumulated Surpluses		Asset Revaluation Surplus		Contributed Equity		TOTAL	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Opening Balance as at 1 July		30,602	28,562	180,922	179,399	4,135	3,069	215,659	211,030
Operating Result from Continuing Operations		759	2,040	-	-	-	-	759	2,040
<u>Total Other Comprehensive Income</u>									
- Increase (Decrease) in Asset Revaluation Surplus	C7-3	-	-	930	1,523	-	-	930	1,523
<u>Transactions with Owners as Owners:</u>									
- Appropriated equity withdrawals	C7-2	-	-	-	-	(5,128)	(5,128)	(5,128)	(5,128)
- Appropriated equity injections	C7-2	-	-	-	-	3,812	6,194	3,812	6,194
Closing Balance as at 30 June		31,361	30,602	181,852	180,922	2,819	4,135	216,033	215,659

The accompanying notes form part of these statements.

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

Statement of Cash Flows

For the year ended 30 June 2020

	Notes	2020	2019	Original Budget 2020	Variance* 2020
		\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
<i>Inflows:</i>					
Departmental services receipts		101,844	96,751	101,325	519
User charges		1,954	2,871	2,319	(365)
GST input tax credits from ATO		3,227	2,903	-	3,227
GST collected from customers		387	302	-	387
Other		-	-	1,409	(1,409)
<i>Outflows:</i>					
Employee expenses		(69,377)	(66,685)	(68,046)	(1,331)
Supplies and services		(29,945)	(24,291)	(28,508)	(1,437)
GST remitted to ATO		(317)	(299)	-	(317)
GST paid to suppliers		(3,425)	(2,505)	-	(3,425)
Other		-	-	(384)	384
Net Cash Provided by Operating Activities	CF-1	4,348	9,047	8,115	(3,767)
Cash Flows from Investing Activities					
<i>Inflows:</i>					
Sales of non-financial assets		4	-	33	(29)
<i>Outflows:</i>					
Payments for property, plant and equipment		(8,858)	(5,879)	(6,832)	(2,026)
Net Cash Used in Investing Activities		(8,854)	(5,879)	(6,799)	(2,055)
Cash Flow from Financing Activities					
<i>Inflows:</i>					
Equity injections	C7-2	3,812	6,194	3,812	-
<i>Outflows:</i>					
Equity withdrawals	C7-2	(5,128)	(5,128)	(5,128)	-
Net Cash Provided by Financing Activities		(1,316)	1,066	(1,316)	-
Net increase (decrease) in cash held		(5,822)	4,234	-	(5,822)
Cash at beginning of financial year		13,929	9,695	9,645	4,284
Cash at End of Financial Year	C1	8,107	13,929	9,645	(1,538)

*An explanation of major variances is included at Note E1.

The accompanying notes form part of these statements.

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

Notes to the Statement of Cash Flows

CF-1 Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2020	2019
	\$'000	\$'000
Operating surplus	759	2,040
Depreciation and amortisation	8,112	7,616
Loss on sale of assets	14	19
Gain on sale of assets	(4)	-
Receipt adjustment for goods and services received below fair value	(720)	(1,080)
<u>Changes in Assets and Liabilities:</u>		
(Increase)/decrease in Receivables	(1,456)	181
(Increase)/decrease in Other assets	(2,604)	(51)
(Increase)/decrease in Inventory	(19)	(29)
Increase/(decrease) in Payables	273	845
Increase/(decrease) in Accrued employee benefits	(11)	(448)
Increase/(decrease) in Other liabilities	4	(46)
Net Cash provided by Operating Activities	4,348	9,047

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

These financial statements cover the Legislative Assembly of Queensland and the Queensland Parliamentary Service.

The Legislative Assembly, together with the State Governor, forms the Queensland Parliament.

The Queensland Parliamentary Service is established under the *Parliamentary Service Act 1988* (Qld).

The Legislative Assembly does not control any other entities.

The head office and principal place of business of the Legislative Assembly of Queensland is:

*Parliament House
Corner George and Alice Streets
BRISBANE Q 4000*

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The Legislative Assembly has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

The Legislative Assembly is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

A1-3 PRESENTATION

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2018-19 financial statements. No material changes have been made to the comparative information.

Current and Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date or the Legislative Assembly does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the Clerk of the Parliament and Chief Finance Officer at the date of signing the Management Certificate.

A1-5 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for the following:

- Land, buildings, heritage and cultural assets which are measured at fair value; and
- Inventories which are measured at the lower of cost and net realisable value.

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Where fair value is used, the fair value approach is disclosed (refer to Note C4-4).

Fair Value Inputs

In determining fair value the Legislative Assembly adopts methodologies that maximises the use of observable inputs and minimises the use of unobservable inputs.

Fair Value Measurement Hierarchy

All assets of the Legislative Assembly for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

Level 1	represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
Level 2	represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
Level 3	represents fair value measurements that are substantially derived from unobservable inputs.

Details of assets measured under each category of fair value are set out as follows:

	Level 1		Level 2		Level 3	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	-	-	110,000	110,000	-	-
Buildings	-	-	-	-	81,543	76,688
Heritage and Cultural Assets:						
Artworks and Objects	-	-	3,606	3,606	-	-
Heritage Furniture	-	-	375	375	-	-
20 th Century Heritage Book Collection	-	-	-	-	394	394
Total	-	-	113,981	113,981	81,937	77,082

Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

A2 OBJECTIVES AND PRINCIPAL ACTIVITIES

The Legislative Assembly of Queensland consists of 93 Members of Parliament who discharge a range of important legislative and constituency responsibilities.

The *Parliamentary Service Act 1988* (Qld) provides for the establishment of the Queensland Parliamentary Service to deliver administrative and support services to the Queensland Legislative Assembly, its Members and committees.

The *Financial Accountability Act 2009* (Qld) defines the Legislative Assembly and Queensland Parliamentary Service as a departmental entity for the purpose of financial administration and reporting.

The objectives and goals of the Queensland Parliamentary Service are available on the Queensland Parliament's website at www.parliament.qld.gov.au. The Legislative Assembly is funded for the services it delivers principally by parliamentary appropriations. It also provides the following on a fee for services basis:

- Catering and gift shop services;
- Corporate services provided to client agencies; and
- Public sector education seminars.

A3 MAJOR SERVICE AREAS OF THE LEGISLATIVE ASSEMBLY OF QUEENSLAND

The Legislative Assembly has two major service areas called *Members' Salaries, Entitlements and Electorate Office Services*, and *Parliamentary Precinct Support Services*.

Members' Salaries, Entitlements and Electorate Office Services

Members' Salaries, Entitlements and Electorate Office Services represent the cost of Members' salaries and entitlements and maintaining and supporting electorate offices across the State.

The *Members' Remuneration Handbook* is issued pursuant to section 60 of the *Queensland Independent Remuneration Tribunal Act 2013* (Qld). The Handbook stipulates the current remuneration (i.e. salaries, allowances and entitlements) in connection with Members of the Legislative Assembly and includes services and support to Members' electorate and parliamentary offices. For more information refer to the *Members' Remuneration Handbook* located on the Queensland Parliament's website.

Parliamentary Precinct Support Services

Parliamentary Precinct Support Services delivers:

- advisory, information support services to assist the Parliament, its committees and Members to fulfil their constitutional and parliamentary responsibilities. These services include Chamber, Education & Communication Services; the Committee Office; the Parliamentary Library; and the Parliamentary Reporting and Broadcasting Service;
- services to promote the institution of Parliament and raise community awareness and understanding of its important role and functions;
- services to provide a safe and secure parliamentary precinct including Security and Attendant Services;
- accommodation and hospitality services that provide Members, staff and guests of the Parliament with an appropriate working environment; and
- organisational services that support the activities of Members and their staff and deliver and administer a range of entitlements afforded to Members pursuant to the *Members' Remuneration Handbook*; including Information Technology Services, Human Resource Services, and Financial and Administrative Services.

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

B1 REVENUE

B1-1 APPROPRIATION REVENUE

Reconciliation of Payments from Consolidated Fund to Appropriated Revenue Recognised in Operating Result	2020 \$'000	2019 \$'000
Budgeted departmental services appropriation	101,325	96,112
Unforeseen expenditure	519	639
Treasurer's Transfers	-	-
Total Appropriation Receipts (cash)	101,844	96,751
Plus: Opening balance of deferred appropriation funding payable	525	50
Less: Closing balance of deferred appropriation funding payable	1,968	525
Net Appropriation revenue	100,401	96,276
Plus: Deferred appropriation payable to Consolidated Fund (expense)	-	525
Appropriation Revenue recognised in Statement of Comprehensive Income	100,401	96,801

Accounting Policy – Appropriation Revenue

Appropriations provided under the *Appropriation (Parliament) Act 2019* (Qld) are recognised as revenue when received. Where the Legislative Assembly has an obligation to return unspent appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Prior to 1 July 2019, any liability at the end of the financial year for deferred appropriation repayable was debited to expense under the requirements of the superseded AASB 1004 *Contributions*.

Disclosure - Unforeseen Expenditure

Appropriations for Unforeseen Expenditure reflects additional appropriation received for expenditure not originally budgeted for. For the 2020 reporting period, unforeseen expenditure was related to enterprise bargaining and state wage case outcomes.

Disclosure – Deferred appropriation payable

Treasury approved Legislative Assembly's request to carry forward part of the appropriation (\$1,968,000) into 2020-21. The carry forward amount is required to meet 2020-21 expenses related to the Electorate and Communication Allowance, Electorate Office Technology Improvements, and other operational projects.

B1-2 USER CHARGES AND FEES

	2020 \$'000	2019 \$'000
Sale of Goods and Services		
Catering sales	1,555	1,680
Corporate services support	251	300
Education services	135	202
Car parking fees	122	152
Other user charges and fees		
Other	42	31
Total	2,105	2,365

Accounting Policy – Sale of goods and services

Sales of goods and services are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This occurs upon delivery of the goods to the customer or completion of the requested services at which time the invoice is raised. User charges and fees are controlled by the Legislative Assembly.

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B1-3 GRANTS AND OTHER CONTRIBUTIONS

	2020 \$'000	2019 \$'000
Goods and services received below fair value	720	1,080
Total	720	1,080

Accounting Policy – Goods and services received below fair value

Contributions of goods/services are recognised only if the goods/services would have been purchased if they had not been donated and their fair value can be measured reliably.

Where this is the case, an equal amount is recognised as revenue and a corresponding amount is recognised as an expense or capital acquisition.

Disclosure – Goods and services received below fair value

Goods and services received below fair value are primarily in relation to contributions by the Department of Housing and Public Works (DHPW) to the Parliament House Fence Restoration Program. The Program is jointly funded by the DHPW and the Legislative Assembly to restore the perimeter fencing of the Parliament Precinct.

B1-4 OTHER REVENUE

	2020 \$'000	2019 \$'000
Other Revenue	926	18
Total	926	18

Disclosure – Other revenue

The large increase in Other revenue for the 2019-20 financial year relates to the recovery of expenditure from the Department of Premier and Cabinet for the North Queensland Regional Parliament 2019.

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2020 \$'000	2019 \$'000
Employee Benefits		
Wages and salaries*	56,931	54,314
Employer superannuation contributions	6,478	6,229
Annual leave levy/expense	3,166	2,926
Long service leave levy/expense	772	617
Other employee benefits	48	75
Employee Related Expenses		
Fringe benefits tax	348	825
Workers' compensation premium	159	156
Professional development	158	181
Other employee related expenses	71	76
Total	68,131	65,399

* Wages and salaries includes \$536,195 of \$1,250 one-off, pro-rata payments for 492 full-time equivalent employees (announced in September 2019).

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	2020	2019
Full-time equivalent employees	506	492

Accounting Policies – Employee Expenses

Wages & Salaries

Wages and salaries due at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the Legislative Assembly expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Sick Leave

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave

Under the Queensland Government's Annual Leave Central Scheme, a levy is made on the Legislative Assembly to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

Long Service Leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the Legislative Assembly to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

Superannuation

Employer superannuation contributions are paid to QSuper's superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable.

Members of Parliament elected prior to December 2004 are covered by the *Parliamentary Contributory Superannuation Act 1970* (Qld). Members of Parliament elected after December 2004 are subject to the *Superannuation (State Public Sector) Act 1990* (Qld) with the Legislative Assembly making employer contributions for these Members of Parliament.

The Legislative Assembly's obligation is limited to its contribution to QSuper or other nominated superannuation funds including self-managed superannuation funds.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

Workers' Compensation Premiums

The Legislative Assembly pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not considered an employee benefit and is therefore recognised separately as an employee related expense.

Note: Key management personnel and remuneration disclosures are detailed in Note F1.

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B2-2 SUPPLIES AND SERVICES

	2020 \$'000	2019 \$'000
Members' entitlements	7,084	8,881
Rental expenses	6,346	5,900
Commercial and professional services	4,278	3,152
Maintenance and minor equipment	2,935	2,044
Information and communication technology services	3,494	2,174
Utilities	1,124	1,180
Cost of goods sold	810	828
Consumables	338	320
Other costs	413	298
Total	26,822	24,777

Disclosure – Members' entitlements

Members are provided with a range of non-employee related resources and support pursuant to the *Members' Remuneration Handbook* (refer to Note A3). These entitlements include accountable allowances provided to Members, and specific allocations to meet various administrative costs. For the 2019-20 financial year the Queensland Independent Remuneration Tribunal (Determination 20/2020) allowed individual Members of Parliament to carry forward a maximum of 40% of un-acquitted Electorate and Communication Allowances to 2020-21. As at 30 June 2020, in total, approximately 15% of accountable advances were carried forward to 2020-21. Refer to Note C3.

Accounting Policy – Rental expenses

The Department of Housing and Public Works (DHPW) provides the Legislative Assembly with access to office accommodation under the Queensland Government Accommodation Office frameworks. These arrangements are categorised as procurement of services rather than as leases under AASB16 because DHPW has substantive substitution rights over the assets. The related costs are expensed under rental expenses.

Disclosure – Rental expenses

Property rental agreements are entered into as a means of acquiring access to electorate office accommodation. Agreed terms extend over a period of 5 to 10 years. The Legislative Assembly has no option to purchase the property at the conclusion of the rental agreements. Many arrangements provide an option to negotiate new terms to extend the rental periods.

Rental expenses on office accommodation include the minimum rental payments payable under the agreements. Payments are generally fixed with annual inflation escalation clauses applicable.

B2-3 DEPRECIATION AND AMORTISATION

	2020 \$'000	2019 \$'000
Depreciation	7,962	7,479
Amortisation	150	137
Total	8,112	7,616

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B2-4 OTHER EXPENSES

	2020 \$'000	2019 \$'000
Deferred appropriation payable to Consolidated Fund	-	525
Insurance premiums - QGIF	101	104
External audit fees	92	82
Special payments	57	91
Internal audit fees	57	46
Loss/(Gain) from disposal of non-current assets	11	17
Other	10	12
Total	328	877

Disclosure – Special payments

Special payments represent ex gratia expenditure and other expenditure that the Legislative Assembly is not contractually or legally obligated to make to other parties. A total \$56,830 was paid to former employees for loss of employment during the 2019-20 reporting period.

Disclosure – External audit fees

Total audit fees quoted by the Queensland Audit Office relating to the 2019-20 financial statements are \$92,250 (2018-19: \$90,000).

C1 CASH AND CASH EQUIVALENTS

	2020 \$'000	2019 \$'000
Cash at bank	8,102	13,926
Imprest accounts	5	3
Total	8,107	13,929

Accounting Policy – Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June 2020 as well as deposits at call with financial institutions.

Legislative Assembly bank accounts are grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

C2 RECEIVABLES

	2020 \$'000	2019 \$'000
Trade debtors	1,050	213
GST receivable	393	232
GST payable	(98)	(28)
Annual leave reimbursements	288	567
Long service leave reimbursements	132	193
Other receivables	669	-
Total	2,434	1,177

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Accounting Policy – Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement on these amounts is required within 30 days of issue of monthly invoice.

Disclosure – Credit Risk Exposure of Receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those receivables inclusive of any provisions for impairment. No collateral is held as security and no credit enhancements relate to receivables held by the Legislative Assembly.

All receivables within terms are expected to be fully collectible and are considered of good credit quality based on recent collection history.

The Legislative Assembly measures risk exposure using Ageing analysis and adopts a credit management strategy which aims to reduce the exposure to credit default by regularly monitoring all funds owed.

C2-1 IMPAIRMENT OF RECEIVABLES
Accounting Policy – Impairment of Receivables

The Legislative Assembly conducts an annual assessment of receivables to identify whether an allowance for losses needs to be recorded. The assessment is made on each group of debtors that have similar customer profiles. The assessment considers lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting the Legislative Assembly's debtors, and relevant industry data form part of the assessment.

The majority of Legislative Assembly debtors are government agencies or associated with the Parliament (e.g. Members of Parliament) and the risk of loss by this group of debtors is considered very low. Other debtors make up a small portion of trade receivables.

Impairment of receivable is recorded where the annual assessment of allowance for losses is deemed material.

Where the Legislative Assembly has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Disclosure – Impairment of Receivables

The Legislative Assembly did not recognise an impairment of receivables during the 2019-20 financial year (2018-19: Nil).

C3 OTHER CURRENT ASSETS

	2020 \$'000	2019 \$'000
Prepayments	2,141	504
Accountable advance	966	-
Total	3,107	504

Disclosure – Prepayments

The prepayments include 2020-21 employee benefit payments which occurred on 30 June 2020.

Disclosure – Accountable advance

The accountable advance relates to un-acquitted Electorate and Communication Allowances carried forward from 2019-20 to 2020-21. Refer to Note B2-2.

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C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	Land		Buildings		Heritage and Cultural Assets		Plant and Equipment		Work in Progress		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	110,000	110,000	199,784	186,629	4,375	4,375	13,529	11,775	4,743	9,573	332,432	322,352
Less: Accumulated depreciation	-	-	(118,241)	(109,941)	-	-	(7,963)	(8,532)	-	-	(126,204)	(118,473)
Carrying amount at 30 June	110,000	110,000	81,543	76,688	4,375	4,375	5,566	3,243	4,743	9,573	206,228	203,880
<i>Represented by movements in carrying amount:</i>												
Carrying amount at 1 July	110,000	110,000	76,688	81,308	4,375	4,351	3,243	1,843	9,573	4,928	203,880	202,430
Acquisitions – purchased	-	-	-	30	-	24	816	817	7,858	5,470	8,674	6,341
Donations received	-	-	-	-	-	-	-	-	720	1,080	720	1,080
Disposals	-	-	-	-	-	-	(15)	(16)	-	-	(15)	(16)
Transfers between asset classes	-	-	10,839	564	-	-	2,570	1,341	(13,408)	(1,905)	-	-
Net revaluation increments/(decrements) in asset revaluation surplus	-	-	930	1,523	-	-	-	-	-	-	930	1,523
Depreciation expense	-	-	(6,914)	(6,737)	-	-	(1,048)	(742)	-	-	(7,962)	(7,479)
Carrying amount at 30 June	110,000	110,000	81,543	76,688	4,375	4,375	5,566	3,243	4,743	9,573	206,228	203,880

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C4-2 RECOGNITION AND ACQUISITION

Accounting Policy – Recognition Thresholds

Basis of Capitalisation and Recognition Thresholds

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as Property, Plant and Equipment:

Buildings	\$10,000
Land	\$1
Heritage and Cultural Assets	\$5,000
Plant and Equipment	\$5,000
Library Reference Collection	\$1,000,000

Items with a lesser value are expensed in the year of acquisition.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the Legislative Assembly. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Componentisation of Complex Assets

Complex assets comprise assets with separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset.

Components are valued on the same basis as the asset class to which the assets relate. The accounting policy for depreciation of complex assets, and estimated useful lives of components, are disclosed in Note C4-5.

The Legislative Assembly's complex assets are the Parliamentary Precinct buildings.

Accounting Policy – Cost of Acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

The cost of items acquired during the financial year has been judged by management of the Legislative Assembly to materially represent their fair value at the end of the reporting period.

Assets acquired at no cost or for nominal consideration, are recognised at their fair value at date of acquisition.

C4-3 MEASUREMENT USING HISTORICAL COST

Accounting Policy

Plant and equipment (and Intangibles) are measured at historical cost in accordance with *Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector*. The carrying amounts for such plant and equipment is not materially different from their fair value.

C4-4 MEASUREMENT USING FAIR VALUE

Accounting Policy

Land, buildings, and heritage and cultural assets are measured at fair value as required by *Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable.

Heritage and cultural assets include objects such as paintings, prints, clocks, heritage furniture and heritage books.

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Key Judgement: Valuing Parliamentary Library Assets -

<i>20th Century Heritage Book Collection:</i>	Assets are classified as heritage and cultural assets and they are valued in accordance with <i>Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector (NCAP 7 – Accounting for Library Collections)</i> . An in-house valuation is conducted by a professional librarian. An average cost of unique and valuable items obtained from the open market is applied to the number of items to value the total collection.
<i>The "O'Donovan Collection":</i>	Assets are carried at cost because no reliable market value can be obtained. Factors include: <ul style="list-style-type: none"> • the collection includes unique (one-off) heritage items; • the collection is irreplaceable; and • the collection will never be sold by the Legislative Assembly.
<i>Audio Visual Collection:</i>	Assets are carried at cost because no reliable market value can be obtained. Factors include: <ul style="list-style-type: none"> • the utility of the items are unique to the Queensland Parliament; • there is no market for such items therefore cannot be sourced externally or reliably valued; and • there is no comparable market.
<i>Current Reference Collection:</i>	Expensed on acquisition due to items having a short life and low value.

Use of Specific Appraisals

Revaluations using independent professional valuers or internal expert appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

The fair values reported by the Legislative Assembly are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (as defined in Note A1-5).

Use of Indices

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The Legislative Assembly ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date.

Accounting for Changes in Fair Value

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

For assets revalued using a cost valuation approach (e.g. current/depreciated replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'.

Disclosure - Revaluations

Buildings

A revaluation was performed by Gray Robinson Cottrell (GRC) during the 2019-20 financial year by undertaking an indexation assessment for the Parliamentary Precinct buildings and land improvements. Based on the assessment of relevant indices such as Building Price Index (BPI) and Locality Index (LI), GRC recommended an indexation adjustment of 1.63% (effective 30 June 2020) to the carrying value of the assets. The value of the Parliamentary building assets were adjusted accordingly during the 2019-20 financial year.

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Land

In 2019-20, State Valuation Services (SVS) conducted a desktop valuation. The valuation took into account:

1. The condition of the market including recent sales of development sites that have heritage implications; and
2. Development restrictions caused by Parliament House's heritage listing and the location of land under the Riverside Expressway.

There was no change to the value of the land (effective 30 June 2020).

Heritage and Cultural Assets

The last comprehensive independent revaluation of heritage and cultural assets was undertaken in 2013 (for artworks & objects; and the 20th Century Heritage Book Collection) and 2014 (for heritage furniture).

The Legislative Assembly assessed the value of the heritage and cultural assets as not material compared to the total balance of property, plant and equipment therefore a more recent comprehensive revaluation was not considered cost-effective and was not performed. It is intended that some significant heritage assets be valued on an as needed basis from an operational perspective.

C4-5 DEPRECIATION EXPENSE

Accounting Policy

Land and heritage and cultural assets are not depreciated as they have unlimited useful lives.

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Legislative Assembly.

Key Judgement: Straight line depreciation is used reflecting the progressive and even consumption of future economic benefits over their useful life to the Legislative Assembly.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property, plant and equipment.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

The depreciable amount of rental property improvements is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the rent agreements, whichever is the shorter. The unexpired period of a rent includes any option period where exercise of the option is probable.

For depreciable assets other than building assets, residual value is determined to be \$100 reflecting the estimated amount to be received on disposal at the end of their useful life.

Depreciation Rates

Key Estimate: For each class of depreciable asset the following depreciation rates are used:

Class	Rate %
Buildings:	
Heritage	1-6
Operational	2-6
Plant and equipment:	
Computer equipment	13-20
Other equipment	4-20
Rental property improvements	11-32

Useful lives and depreciation rates are reviewed annually. The review for the 2019-20 financial year caused no material impact to the depreciation expense.

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C4-6 IMPAIRMENT

Accounting Policy

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Legislative Assembly determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment Events

The Legislative Assembly has no asset impairment as at 30 June 2020 (2019: Nil).

C5 PAYABLES

	2020	2019
	\$'000	\$'000
Trade creditors	1,746	3,239
Deferred appropriation payable	1,968	525
Taxation payable	-	131
Total	3,714	3,895

Accounting Policy – Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured. As the Legislative Assembly expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Disclosure – Liquidity Risk Exposure, Measurement and Risk Management Strategies

The Legislative Assembly is exposed to liquidity risk in respect of its payables.

The Legislative Assembly has an existing bank overdraft facility limit approved by Queensland Treasury. This facility combined with daily cash flow observations ensures the Legislative Assembly has sufficient funds available to meet employee and supplier obligations as they fall due.

The Legislative Assembly settles all payables within a 12 month period.

C6 ACCRUED EMPLOYEE BENEFITS

	2020	2019
	\$'000	\$'000
Current		
Annual leave levy payable	790	701
Long service levy payable	189	161
Other	30	41
Total	1,009	903

Accounting Policy – Accrued Employee Benefits

No provision for annual leave or long service leave is recognised in the Legislative Assembly's statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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C7 EQUITY

C7-1 CONTRIBUTED EQUITY

Appropriations for equity adjustments are recognised as Contributed Equity when they meet the characteristics of equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* (refer Note C6-2).

C7-2 APPROPRIATION RECOGNISED IN EQUITY

Reconciliation of Payments from Consolidated Fund to Equity Adjustment

	2020 \$'000	2019 \$'000
Appropriated equity withdrawals	(5,128)	(5,128)
Appropriated equity injections	3,812	6,194
Equity adjustment recognised in Contributed Equity	(1,316)	1,066

C7-3 ASSET REVALUATION SURPLUS BY ASSET CLASS

	Land \$'000	Buildings \$'000	Heritage & Cultural Assets \$'000	Total \$'000
Balance 1 July 2018	96,710	79,158	3,531	179,399
Revaluation increments	-	1,523	-	1,523
Balance 30 June 2019	96,710	80,681	3,531	180,922
Revaluation increments	-	930	-	930
Balance 30 June 2020	96,710	81,611	3,531	181,852

Accounting Policy

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

D1 CONTINGENCIES

There are no known material contingencies as at 30 June 2020.

D2 COMMITMENTS

D2-1 Capital Expenditure Commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

Buildings	2020 \$'000	2019 \$'000
Not later than 1 year	841	316
Total	841	316

Other Property, Plant and Equipment	2020 \$'000	2019 \$'000
Not later than 1 year	18	1,204
Total	18	1,204

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<i>Intangibles</i>	2020	2019
	\$'000	\$'000
Not later than 1 year	108	-
Total	108	-

D2-2 Other Commitments

Material classes of other commitments include rental commitments for electorate office accommodation agreements and parliamentary precinct service maintenance contracts. Other commitments are inclusive of non-recoverable GST input tax credits, contracted for at reporting date, but not recognised in the accounts and are payable:

	2020	2019
	\$'000	\$'000
Not later than 1 year	10,050	8,747
Later than 1 year but not later than 5 years	17,069	12,762
Later than 5 years	2,591	3,504
Total	29,710	25,013

D3 EVENTS AFTER THE BALANCE DATE

No matter or circumstances have arisen since the end of the financial year that has significantly affected or may significantly affect the operation or financial statements of the Legislative Assembly in subsequent financial years.

D4 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, there are no new or amended Australian Accounting Standards identified that will have significant impacts to the future financial reporting of the Legislative Assembly.

E1 BUDGETARY REPORTING DISCLOSURES

This section contains explanations of major variances between the Legislative Assembly's actual 2019-20 financial results and the original budget presented to Parliament.

E1-1 EXPLANATIONS OF MAJOR VARIANCE

Explanations of Major Variances – Statement of Comprehensive Income

<i>Appropriation revenue:</i>	<p><i>Appropriation revenue</i> is lower than budgeted due to funding deferrals based on a determination made by the Queensland Independent Remuneration Tribunal to carry forward un-acquitted Electorate and Communication Allowance, the Electorate Office Technology Model, and other operating projects.</p> <p>The reduction to 2019-20 revenue for these deferrals was partly offset by additional funding received in 2019-20 for enterprise bargaining and state wage case outcomes (unforeseen expenditure). Refer to Note B1-1.</p>
<i>Grants and other contributions:</i>	<p><i>Grants and other contributions</i> reflect goods received below fair value in respect of contributions made by the Department of Housing and Public Works to the Parliament House Fence Restoration Program. The project is on hold until final planning arrangements have been approved. Refer to Note B1-3.</p>
<i>Other revenue:</i>	<p>The variance in <i>Other revenue</i> is related to the recovery of expenditure from the Department of Premier and Cabinet for the North Queensland Regional Parliament held in September, 2019.</p>

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Supplies and services: The variance in *Supplies and services* is related to members' allowance being carried forward to 2020-21. It is partly offset by higher maintenance related expenditure than budgeted for in 2019-20.

Explanations of Major Variances – Statement of Financial Position

Cash and cash equivalents: The lower *Cash and cash equivalents* relates to payments of wages and salaries which occurred on 30 June 2020 partly offset by capital works and other operating projects being delayed until 2020-21.

Receivables: The increase to *Receivables* is due to material invoices issued to Department of Premier and Cabinet in relation to the Townsville Regional Parliament in late June 2020 and an outstanding ATO refund in relation to the Legislative Assembly's 2019-20 FBT Return.

Other current assets: The increase to *Other current assets* relates to prepayments of wages and salaries and a determination made by the Queensland Independent Remuneration Tribunal to allow a higher percentage of un-acquitted Electorate and Communication Allowances to be carried forward to 2020-21. Refer to Note B2-2.

Property, plant and equipment: The variance in Property, plant and equipment is due to capital works being delayed until 2020-21.

Payables Payables can vary from year to year depending on the timing major capital projects and appropriation deferrals. Impacting the variance between payables and the budget in 2019-20 were: a large appropriation deferral offset by lower payables for capital works and travel. In addition, the budget needs to be realigned with the budget for Accrued employee benefits.

Accrued employee benefits: Accrued employee benefits vary from one year to the next due to the timing of payment cycles at year end. Compared to previous years there are no accrued salaries in 2019-20. In addition, the budget needs to be realigned with the budget for Payables.

Explanations of Major Variances – Statement of Cash flows

Departmental services receipts: *Departmental services receipts* were higher than budgeted in 2019-20 due to additional funding received in 2019-20 for enterprise bargaining and state wage case outcomes.

User charges: *User charges* were lower than budgeted in 2019-20 due to decreased revenue from Parliamentary Catering Services, car parking, and education seminars conducted by Education and Communication Services primarily due to the impact of COVID-19 on operations.

Payments for property, plant and equipment: The variance between the budget and payments for *Payments for property, plant and equipment* relate to the timing of when planned capital works are completed.

F1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

Details of Key Management Personnel

The following table details the key management personnel who had authority and responsibility for planning, directing and controlling the activities of the Legislative Assembly during 2019-20 and 2018-19. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Speaker of the Legislative Assembly	The role of the Speaker of the Legislative Assembly in relation to the Queensland Parliamentary Service is to decide major policies to guide the operation and management of the Legislative Assembly; to prepare budgets; to decide the size and organisation of the Legislative Assembly and the services to be supplied by the Legislative Assembly; and to supervise the management and delivery of services by the Legislative Assembly.
Clerk of the Parliament	The Clerk of the Parliament is the Principal Officer of the Legislative Assembly providing advice to the Speaker, Ministers, Members of Parliament and Parliamentary Committees on parliamentary law, practice and procedure. The Clerk of the Parliament is also the Chief Executive Officer and Accountable Officer of the Parliamentary Service.

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For the Year Ended 30 June 2020

Position	Position Responsibility
Deputy Clerk	The Deputy Clerk of the Parliament is responsible for assisting at the table of the house during parliamentary sittings, managing the Assembly and Committee Services Division; and contributes to the executive management of the Parliamentary Service as a member of the Executive Management Group and Chair of the Audit Management Group.
Director of Corporate Services and Electorate Office Liaison	The Director of Corporate Services and Electorate Office Liaison is responsible for leading human resource management, financial and administrative services, and electorate office liaison; and contributes to the executive management of the Parliamentary Service as a member of the Executive Management Group and the Chair of Workplace, Health and Safety Management Group.
Director of Information Services and Parliamentary Librarian	The Director of Information Services and Parliamentary Librarian is responsible for leading the Information Services Division; and contributes to the executive management of the Parliamentary Service as a member of the Executive Management Group (EMG) and the Chair of the Information and Communication Technology Management Group.
Director of Property and Facility Services	The Director of Property and Facility Services is responsible for leading the Property and Facility Services Division (which provides a range of critical accommodation, security and hospitality services to Members, staff and visitors); and contributes to the executive management of the Parliamentary Service as a member of the Executive Management Group and the Chair of Security Management Group.

KMP Remuneration Policies

Remuneration policy for the Legislative Assembly's key management personnel is set under the *Parliamentary Services Act 1988* (Qld). Individual remuneration and other terms of employment are specified in employment contracts.

Remuneration expenses for key management personnel comprise the following components:

Short term employee expenses which include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee was a key management person; and
- non-monetary benefits – taxable benefits received by employees including the fringe benefits tax applicable.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

KMP Remuneration Expenses

The following disclosures focus on the expenses incurred by the Legislative Assembly that are attributable to key management positions during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

2019-20

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Benefit	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000
Speaker of the Legislative Assembly	329	2	-	39	370
Clerk of the Parliament	323	2	7	40	372
Deputy Clerk	212	-	5	21	238
Director of Corporate Services and Electorate Office Liaison	177	-	4	18	199
Director of Information Services and Parliamentary Librarian	153	-	3	18	174
Director of Property and Facilities Services	154	8	3	18	183

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2018-19

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Benefit	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000
Speaker of the Legislative Assembly	328	30	-	39	397
Clerk of the Parliament	355	1	7	41	404
Deputy Clerk	186	-	4	22	212
Director of Corporate Services and Electorate Office Liaison	176	-	4	18	198
Director of Information Services and Parliamentary Librarian	149	-	3	18	170
Director of Property and Facilities Services	149	-	3	18	170

Disclosure – Speaker of the Legislative Assembly

Direct remuneration for the Speaker of the Legislative Assembly is set out in the *Members' Remuneration Handbook*. In addition, certain non-monetary benefits are provided pursuant to the *Guidelines for the Financial Management of the Office of the Speaker*. For the purpose of KMP Remuneration, 'Monetary Expenses' includes direct remuneration associated with the Speaker's role as a Member, and an additional salary component associated with duties undertaken as the Speaker of the Legislative Assembly. The *Members' Remuneration Handbook* and the *Guidelines for the Financial Management of the Office of the Speaker* are published on the Queensland Parliament's website: <http://www.parliament.qld.gov.au>

Performance Payments

No KMP remuneration packages provide for performance or bonus payments.

F2 RELATED PARTY TRANSACTIONS**Transactions with people/entities related to KMP**

All transactions with KMP and their related entities are conducted in the ordinary course of business on normal commercial terms and conditions no more favourable than those given to other customers.

Transactions with Queensland Government-controlled entities

While the Legislative Assembly and Queensland Parliamentary Service are independent from the Executive Government the Legislative Assembly's primary ongoing source of funding is from the Queensland Government which includes appropriation revenue (Note B1-1) and equity injection (Note C7-1 and C7-2), both of which are provided in cash via Queensland Treasury.

The Legislative Assembly receives services associated with Parliament House Fence Restoration Program from the Department of Housing and Public Works, free of charge.

The Legislative Assembly sells a range of goods and services to individuals and entities. Transactions with other Queensland Government-controlled entities are conducted in the ordinary course of business on normal commercial terms and conditions no more favorable than those given to other customers.

F3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICIES**Changes in Accounting Policies**

The Legislative Assembly did not voluntarily change any of its accounting policies during 2019-20.

Accounting Standards Early Adopted

The Legislative Assembly did not early adopt any Australian Accounting Standards for the 2019-20.

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Accounting Standards Applied for the First Time in 2019-20

The Legislative Assembly applied three new accounting standards for the first time in 2019-20 and assessed the impact on the financial statements -

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The Legislative Assembly receives appropriation funding from the Consolidated Funds which falls within the scope of AASB 1058. Accordingly, appropriation revenue is recognised in the period the cash appropriation is received. Other fees and charges from sale of goods and services which represents 2% of the total revenue continues to be recognised as revenue as delivery of goods and services to the customers represents the sole performance obligations. The amount of any right of return assets or refund liability is assessed to be immaterial to record on transition.

AASB 16 Leases

The Legislative Assembly holds property rentals for commercial office accommodation through the Queensland Government Accommodation Office (QGAO) and vehicle leases with QFleet. As per the reporting exemption approved by the Queensland Treasury, these lease arrangements do not qualify for reporting requirements under AASB 16 as the Department of Housing and Public Works has the substantive substitution rights over the leased assets. Costs in relation to these are expensed as supplies and services when incurred in the 2019-20 financial year.

The Legislative Assembly has no other lease arrangement that qualifies for reporting requirements under AASB 16.

F4 TAXATION

The Legislative Assembly is a State body defined under the *Income Tax Assessment Act 1936* (Cth) and is exempt from Commonwealth taxation with the exception of fringe benefits tax (FBT) and goods and services tax (GST). FBT and GST are the only taxes accounted for by the Legislative Assembly. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note C2).

F5 COVID-19 IMPACT ON FINANCIAL STATEMENTS AND OTHER EMERGING RISKS

F5-1 COVID-19 IMPACT ON FINANCIAL STATEMENTS

The following significant transactions were recognised by the Legislative Assembly during the 2019-20 financial year in response to the COVID-19 pandemic. The amounts below are subjective estimates based on known impacts to normal operations, changes to forecasts, and comparisons to previous years' performance.

Significant financial impacts – COVID-19

Operating Statement

	2020 \$'000
<u>Significant expense transactions arising from COVID-19</u>	<u>\$'000</u>
Additional expenses:	
Virtual Parliament related costs	83
Additional employee related expenses	67
Other expenses	62
Reduction in expenses:	
Reduction in electorate and communication allowance	(966)
Reduction in Members' travel expenses	(308)
Reduction in catering services expenses	(279)
Reduction in committee travel expenses	(82)
Reduction in other expenses	(70)
	<u>(1,493)</u>
<u>Significant revenue transactions arising from COVID-19</u>	<u>\$'000</u>
Reduction in catering services revenues	522
Reduction in education seminar revenues	39
Reduction in other revenue	37
	<u>598</u>

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2020

Balance Sheet

	2020
	\$'000
<u>Significant asset transactions arising from COVID-19</u>	
Increase in accountable advances	966
	966

Additional employee entitlements

The Legislative Assembly recorded 219 days of special leave associated with COVID-19 pandemic for which \$49,930 was expensed in employee expenses during the 2019-20 financial year.

Credit loss on receivables

COVID-19 has had no impact on credit risks of trade debtors as 97% of the total trade receivables represent Queensland Government agencies or customers associated with the Legislative Assembly.

The Legislative Assembly did not recognise any bad debts in the 2019-20 financial year resulting from COVID-19.

Fair value on non-current assets

The Legislative Assembly measures the Parliamentary Precinct buildings and land at fair value. Parliamentary land is measured using the market approach and the Parliamentary buildings using the current replacement value. Independent valuers were engaged during the 2019-20 financial year to provide an interim revaluation of these two non-current assets and potential impact of COVID-19 as at the reporting date.

The independent valuers have concluded that there is no significant change in value of the Parliamentary land and building as a result of COVID-19 for 30 June 2020 financial statement reporting.

F5-2 CLIMATE RISK DISCLOSURE

The Legislative Assembly has not identified any material climate related risks related to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

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Management Certificate

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (Qld) (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Legislative Assembly of Queensland for the financial year ended 30 June 2020 and of the financial position of the Legislative Assembly of Queensland at the end of that year; and

The Clerk of the Parliament, as the Accountable Officer of the Legislative Assembly of Queensland, acknowledges responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal control and risk management processes with respect to financial reporting throughout the reporting period.

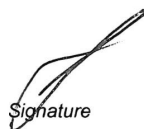


Signature

C R ATKINSON BBus(Accy) MIPA

Director, Corporate Services and Electorate Office Liaison

Date 25/08/2020



Signature

N J LAURIE LLB LLM (Hons) MBA

Clerk of the Parliament

Date 25/08/2020



INDEPENDENT AUDITOR'S REPORT

To the Clerk of the Parliament, Legislative Assembly of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Legislative Assembly of Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major service areas as at 30 June 2020, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major service areas for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the certificates given by the Clerk of the Parliament and the Director, Corporate Services and Electorate Office Liason.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the 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 department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.



The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 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 the 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. This is not done for the purpose of expressing an opinion on the effectiveness of the department's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department'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 department'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 my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department 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.

I communicate with the Accountable Officer regarding, 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 my audit.



Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.

A handwritten signature in blue ink, appearing to read "B.P. Worrall".

Brendan Worrall
Auditor-General

26 August 2020

Queensland Audit Office
Brisbane