

Financial statements

The following information is a high-level summary of the 2020–21 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 2021.

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 2020–21 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 2020–21. 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 \$1.114M. The surplus equates to approximately 1% of appropriation revenue and can be primarily attributed to (a) contributions received below fair value from Department of Energy and Public Works for the Parliament House stonework restoration project; and (b) lower depreciation of capital assets.

During 2020-21 revenue increased 2% (\$2.275M). The main reason was an increase in appropriation revenue from the Queensland Government to cover operating expenses.

Operating expenses in 2020-21 increased 2% (\$1.92M). Higher costs were primarily due to a determination by the Queensland Independent Remuneration Tribunal to increase Members' allowances and the allowable carry-over of unspent allowances from 2019-20 to 2020-21 financial year.

	2020-21 Amount (\$'000)	2019-20 Amount (\$'000)
Total Income	106,427	104,152
Total Expenses	105,313	103,393
Net Operating Surplus/(Loss)	1,114	759

Statement of Financial Position

The Legislative Assembly of Queensland and Queensland Parliamentary Service maintained a stable financial position in 2020-21. Net assets increased by 2% (\$4.37 million) in 2020-21.

Land and buildings on the parliamentary precinct (\$192.3M) make-up the majority of total assets, while trade creditors and accrued employee benefits represent almost all of the total liabilities.

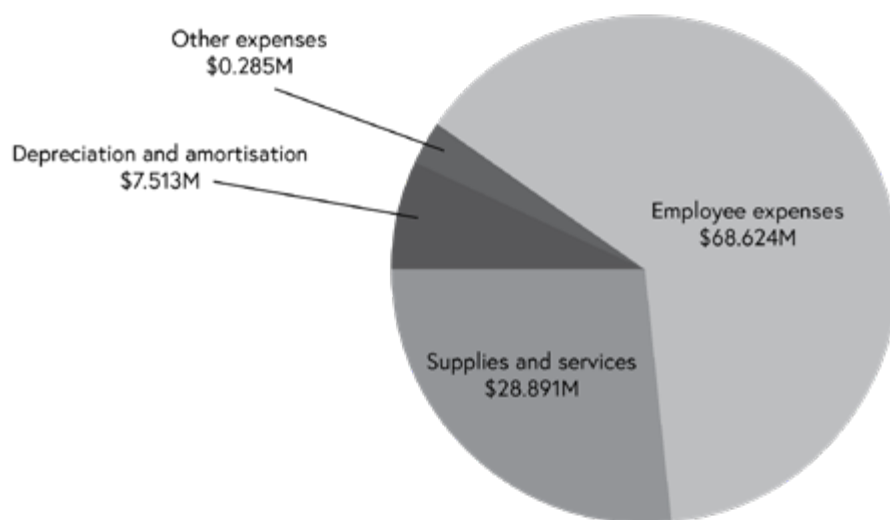
	2020-21 Amount (\$'000)	2019-20 Amount (\$'000)
Total Assets	224,252	220,764
Total Liabilities	3,842	4,731
Net Assets (Equity)	220,410	216,033
Increase/(Decrease) in Net Assets	4,377	374

Expenditure

Expenses from ordinary activities 2020–21

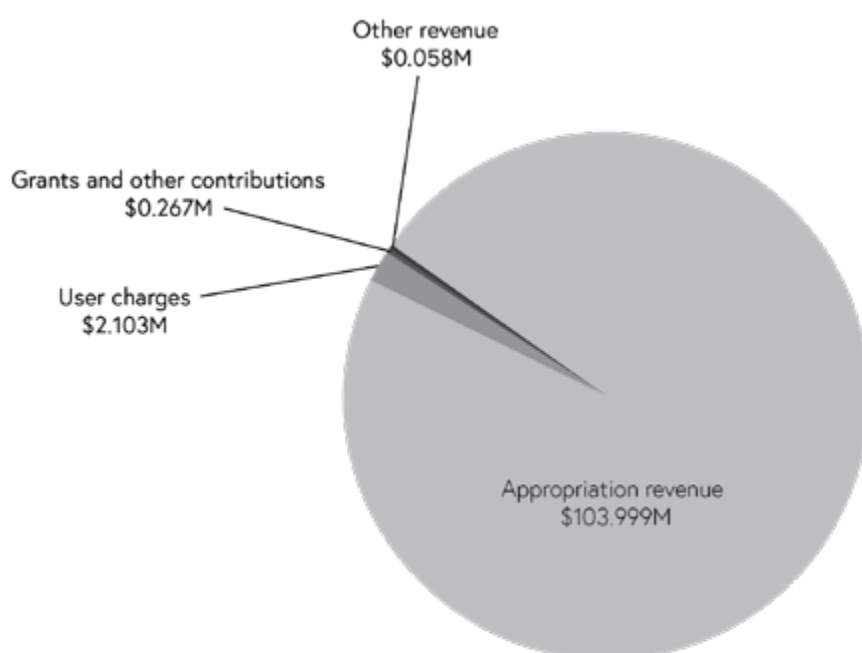
The graph opposite depicts expenditure by major resource category for 2020–21. It includes:

- 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.



Revenue

Revenue from ordinary activities 2020–21



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, and
- educational activities and publications.

Grants and other contributions represent capital works performed by the Department of Energy and Public Works at no cost to the Legislative Assembly.

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 the 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 2021.

Statement of Comprehensive Income by Service Areas

This statements 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 2021.

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 2021. 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 2021.

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 2021.

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 2021

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2021

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For the Year Ended 30 June 2021

Statement of Comprehensive Income

Year ended 30 June 2021

Operating Results	Notes	2021	2020	Original Budget 2021	Variance* 2021
		\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations					
Appropriation revenue	B1-1	103,999	100,401	102,170	1,829
User charges and fees	B1-2	2,103	2,105	2,169	(66)
Grants and other contributions	B1-3	267	720	-	267
Other revenue		58	926	32	26
Total Revenue		106,427	104,152	104,371	2,056
Total Income from Continuing Operations		106,427	104,152	104,371	2,056
Expenses from Continuing Operations					
Employee expenses	B2-1	68,624	68,131	68,895	(271)
Supplies and services	B2-2	28,891	26,822	27,127	1,764
Depreciation and amortisation	B2-3	7,513	8,112	8,115	(602)
Other expenses	B2-4	285	328	234	51
Total Expenses from Continuing Operations		105,313	103,393	104,371	942
Operating Result from Continuing Operations		1,114	759	-	1,114
Other Comprehensive Income					
Increase (decrease) in asset revaluation surplus	C4-1	2,549	930	-	2,549
Total Other Comprehensive Income		2,549	930	-	2,549
Total Comprehensive Income		3,663	1,689	-	3,663

*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 2021

Statement of Comprehensive Income by Major Service Areas

For year ended 30 June 2021

	Members' Salaries, Entitlements and Electorate Office Services		Parliamentary Precinct Support Services		General - Not Attributed		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Income from Continuing Operations								
Appropriation revenue	66,097	62,894	37,902	37,507	-	-	103,999	100,401
User charges and fees	-	-	1,910	1,854	193	251	2,103	2,105
Grants and other contributions	-	-	267	720	-	-	267	720
Other revenue	30	8	28	918	-	-	58	926
Total Income from Continuing Operations	66,127	62,902	40,107	40,999	193	251	106,427	104,152
Expenses from Continuing Operations								
Employee expenses	46,061	45,379	22,414	22,605	150	147	68,624	68,131
Supplies and services	18,067	14,573	10,781	12,145	43	104	28,891	26,822
Depreciation and amortisation	617	704	6,896	7,408	-	-	7,513	8,112
Other expenses	14	50	271	278	-	-	285	328
Total Expenses from Continuing Operations	64,759	60,706	40,361	42,436	193	251	105,313	103,393
Operating Result from Continuing Operations	1,368	2,196	(254)	(1,437)	-	-	1,114	759
Other Comprehensive Income								
Increase (decrease) in asset revaluation surplus	-	-	2,549	930	-	-	2,549	930
Total Other Comprehensive Income	-	-	2,549	930	-	-	2,549	930
Total Comprehensive Income	1,368	2,196	2,295	(507)	-	-	3,663	1,689

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2021

Statement of Financial Position

As at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Current Assets			
Cash and cash equivalents	C1	13,368	8,107
Receivables	C2	1,620	2,434
Other current assets	C3	1,182	3,107
Inventories		164	207
Total Current Assets		16,334	13,855
Non-Current Assets			
Property, plant & equipment	C4	207,286	206,228
Intangibles		632	681
Total Non-Current Assets		207,918	206,909
Total Assets		224,252	220,764
Current Liabilities			
Payables	C5	2,706	3,714
Accrued employee benefits	C6	1,126	1,009
Other current liabilities		10	8
Total Current Liabilities		3,842	4,731
Total Liabilities		3,842	4,731
Net Assets		220,410	216,033
Equity			
Contributed equity	C7	3,535	2,819
Accumulated surpluses		32,475	31,362
Asset revaluation surplus	C7-3	184,400	181,852
Total Equity		220,410	216,033

The accompanying notes form part of these statements.

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2021

Statement of Assets and Liabilities by Major Service Areas

As at 30 June 2021

	Members' Salaries, Entitlements and Electorate Office Services		Parliamentary Precinct Support Services		General - Not Attributed		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current Assets								
Cash and cash equivalents	-	-	13,368	8,107	-	-	13,368	8,107
Receivables	155	94	1,425	1,345	40	995	1,620	2,434
Other current assets	25	991	1,157	2,116	-	-	1,182	3,107
Inventories	-	-	164	207	-	-	164	207
Total Current Assets	180	1,085	16,114	11,775	40	995	16,334	13,855
Non-Current Assets								
Property, plant & equipment	5,277	5,098	202,009	201,130	-	-	207,286	206,228
Intangibles	-	-	632	681	-	-	632	681
Total Non-Current Assets	5,277	5,098	202,641	201,811	-	-	207,918	206,909
Total Assets	5,457	6,183	218,755	213,586	40	995	224,252	220,764
Current Liabilities								
Payables	383	278	2,323	3,436	-	-	2,706	3,714
Accrued employee benefits	530	423	596	586	-	-	1,126	1,009
Other current liabilities	-	-	10	8	-	-	10	8
Total Current Liabilities	913	701	2,929	4,030	-	-	3,842	4,731
Total Liabilities	913	701	2,929	4,030	-	-	3,842	4,731
Net Assets	4,544	5,482	215,826	209,556	40	995	220,410	216,033

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2021

Statement of Changes in Equity

For the year ended 30 June 2021

	Notes	Accumulated Surpluses		Asset Revaluation Surplus		Contributed Equity		TOTAL	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Opening Balance as at 1 July		31,361	30,602	181,852	180,922	2,819	4,135	216,033	215,659
Operating Result from Continuing Operations		1,114	759	-	-	-	-	1,114	759
<u>Total Other Comprehensive Income</u>									
- Increase (Decrease) in Asset Revaluation Surplus	C7-3	-	-	2,548	930	-	-	2,548	930
<u>Transactions with Owners as Owners:</u>									
- Appropriated equity withdrawals	C7-2	-	-	-	-	(5,503)	(5,128)	(5,503)	(5,128)
- Appropriated equity injections	C7-2	-	-	-	-	6,219	3,812	6,219	3,812
Closing Balance as at 30 June		32,475	31,361	184,400	181,852	3,535	2,819	220,410	216,033

The accompanying notes form part of these statements.

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2021

Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2021	2020
		\$'000	\$'000
Cash Flows from Operating Activities			
<i>Inflows:</i>			
Departmental services receipts		102,902	101,844
User charges		3,110	1,954
GST input tax credits from ATO		2,739	3,227
GST collected from customers		301	387
<i>Outflows:</i>			
Employee expenses		(68,337)	(69,377)
Supplies and services		(27,003)	(29,945)
GST remitted to ATO		(363)	(317)
GST paid to suppliers		(2,933)	(3,425)
Net Cash Provided by Operating Activities	CF-1	10,415	4,348
Cash Flows from Investing Activities			
<i>Inflows:</i>			
Sales of non-financial assets		-	4
<i>Outflows:</i>			
Payments for property, plant and equipment		(5,870)	(8,858)
Net Cash Used in Investing Activities		(5,870)	(8,854)
Cash Flow from Financing Activities			
<i>Inflows:</i>			
Equity injections	C7-2	6,219	3,812
<i>Outflows:</i>			
Equity withdrawals	C7-2	(5,503)	(5,128)
Net Cash Provided by (used in) Financing Activities		716	(1,316)
Net increase (decrease) in cash held		5,261	(5,822)
Cash at beginning of financial year		8,107	13,929
Cash at End of Financial Year	C1	13,368	8,107

The accompanying notes form part of these statements.

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2021

Notes to the Statement of Cash Flows

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

	2021	2020
	\$'000	\$'000
Operating result	1,114	759
Depreciation and amortisation	7,513	8,112
Loss on sale of assets	5	14
Gain on sale of assets	-	(4)
Receipt adjustment for goods and services received below fair value	(267)	(720)
Changes in Assets and Liabilities:		
(Increase)/decrease in Receivables	902	(1,456)
(Increase)/decrease in Other assets	1,925	(2,604)
(Increase)/decrease in Inventory	43	(19)
Increase/(decrease) in Payables	(807)	273
Increase/(decrease) in Accrued employee benefits	(5)	(11)
Increase/(decrease) in Other liabilities	(8)	4
Net Cash provided by Operating Activities	10,415	4,348

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2021

Notes to the Financial Statements

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 2020.

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 2019-20 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 2021

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	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	-	-	110,000	110,000	-	-
Buildings	-	-	-	-	82,333	81,543
Heritage and Cultural Assets:						
Artworks and Objects	-	-	3,606	3,606	-	-
Heritage Furniture	-	-	375	375	-	-
20 th Century Heritage Book Collection	-	-	-	-	452	394
Total	-	-	113,981	113,981	82,785	81,937

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 2021

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 Legislative Assembly of Queensland, its Members and committees.

The *Financial Accountability Act 2009* (Qld) defines the Legislative Assembly and Queensland Parliamentary Service as a department 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 2021

B1 REVENUE

B1-1 APPROPRIATION REVENUE

Reconciliation of Payments from Consolidated Fund to Appropriated Revenue Recognised in Operating Result	2021 \$'000	2020 \$'000
Budgeted departmental services appropriation	100,732	101,325
Unforeseen expenditure	1,795	519
Treasurer's Transfers	375	-
Total Appropriation Receipts (cash)	102,902	101,844
Plus: Opening balance of deferred appropriation funding payable	1,968	525
Less: Closing balance of deferred appropriation funding payable	871	1,968
Net Appropriation revenue	103,999	100,401
Plus: Deferred appropriation payable to Consolidated Fund	-	-
Appropriation Revenue recognised in Statement of Comprehensive Income	103,999	100,401

Accounting Policy – Appropriation Revenue

Appropriations provided under the *Appropriation (Parliament) (2020-21) Act 2021* (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. Capital appropriations are recognised as adjustments to equity, refer to Note C7-2.

Disclosure - Unforeseen Expenditure

Appropriations for Unforeseen Expenditure reflects additional appropriation received for expenditure not originally budgeted for. For the 2021 reporting period, unforeseen expenditure was related to costs associated with the 2020 state election and additional funding to support service delivery pressures.

Disclosure – Treasurer's Transfers

Appropriations for Treasurer's Transfers reflects a transfer of budget from capital to operating for the Library Management System.

Disclosure - Deferred Appropriation Payable

The closing balance of deferred appropriation funding payable is primarily required to meet 2021-22 expenses related to the Electorate Office Technology Model and other operational projects.

B1-2 USER CHARGES AND FEES

	2021 \$'000	2020 \$'000
Sale of Goods and Services		
Catering sales	1,587	1,555
Corporate services support	185	251
Education services	139	135
Car parking fees	153	122
Other user charges and fees		
Other	39	42
Total	2,103	2,105

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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.

B1-3 GRANTS AND OTHER CONTRIBUTIONS

	2021 \$'000	2020 \$'000
Goods and services received below fair value	267	720
Total	267	720

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 includes contributions by the Department of Energy and Public Works (DEPW) to the Parliament House Fence Restoration Program and supply and installation of electric vehicle charging stations by CS Energy. The Parliament House Fence Restoration Program is jointly funded by the DEPW and the Legislative Assembly to restore the perimeter fencing of the Parliament Precinct.

Refer to note C4-1.

B2 EXPENSES
B2-1 EMPLOYEE EXPENSES

	2021 \$'000	2020 \$'000
Employee Benefits		
Wages and salaries	57,505	56,931
Employer superannuation contributions	6,561	6,478
Annual leave levy/expense	3,043	3,166
Long service leave levy/expense	853	772
Other employee benefits	35	48
Employee Related Expenses		
Fringe benefits tax	309	348
Workers' compensation premium	150	159
Professional development	106	158
Other employee related expenses	62	71
Total	68,624	68,131
	2021	2020
Full-time equivalent employees	510	506

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B2-1 EMPLOYEE EXPENSES (Continued)

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 provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined contribution plans are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed in the period in which they are paid or payable following completion of the employee's service each pay period.

Defined benefit plan - 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*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the Legislative Assembly at the specified rate following completion of the employee's service each pay period. The Legislative Assembly's obligations are limited to those contributions paid.

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.

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

	2021 \$'000	2020 \$'000
Members' entitlements	10,245	7,084
Rental expenses	6,594	6,346
Commercial and professional services	4,657	4,278
Information and communication technology services	3,153	3,494
Maintenance and minor equipment	1,753	2,935
Utilities	1,055	1,124
Cost of goods sold	861	810
Consumables	355	338
Other costs	218	413
Total	28,891	26,822

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.

Accounting Policy – Rental expenses

The Department of Energy and Public Works (DEPW) 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 DEPW has substantive substitution rights over the assets. The related costs are expensed under rental expenses.

B2-3 DEPRECIATION AND AMORTISATION

	2021 \$'000	2020 \$'000
Depreciation	7,354	7,962
Amortisation	159	150
Total	7,513	8,112

B2-4 OTHER EXPENSES

	2021 \$'000	2020 \$'000
Insurance premiums - QGIF	122	101
External audit fees	92	92
Internal audit fees	45	57
Special payments	11	57
Loss/(Gain) from disposal of non-current assets	5	11
Other	10	10
Total	285	328

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B2-4 OTHER EXPENSES (Continued)

Disclosure – External audit fees

Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial statements are \$92,250 (2019-20: \$92,250).

Disclosure – Special payments

Special payments represent ex gratia expenditure that the Legislative Assembly is not contractually or legally obligated to make to other parties. A total of \$11,406 was paid to former employees for loss of employment during the 2020-21 reporting period.

C1 CASH AND CASH EQUIVALENTS

	2021 \$'000	2020 \$'000
Cash at bank	13,364	8,102
Imprest accounts	4	5
Total	13,368	8,107

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 received but not banked at 30 June 2021 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

	2021 \$'000	2020 \$'000
Trade debtors	316	1,050
GST receivable	591	393
GST payable	(36)	(98)
Annual leave reimbursements	607	288
Long service leave reimbursements	131	132
Other receivables	11	669
Total	1,620	2,434

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.

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The Legislative Assembly measures risk exposure using Aging 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 2020-21 financial year (2019-20: Nil).

C3 OTHER CURRENT ASSETS

	2021 \$'000	2020 \$'000
Prepayments	1,182	2,141
Accountable advance	-	966
Total	1,182	3,107

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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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	110,000	110,000	210,821	199,784	4,433	4,375	13,578	13,529	5,082	4,743	343,914	332,432
Less: Accumulated depreciation		-	(128,488)	(118,241)	-	-	(8,140)	(7,963)	-	-	(136,628)	(126,204)
Carrying amount at 30 June	110,000	110,000	82,333	81,543	4,433	4,375	5,438	5,566	5,082	4,743	207,286	206,228
<i>Represented by movements in carrying amount:</i>												
Carrying amount at 1 July	110,000	110,000	81,543	78,688	4,375	4,375	5,566	3,243	4,743	9,573	206,228	203,890
Acquisitions – purchased	-	-	-	-	-	-	198	816	5,403	7,858	5,601	8,674
Donations received	-	-	15	-	-	-	-	-	252	720	267	720
Disposals	-	-	-	-	-	-	(5)	(15)	-	-	(5)	(15)
Transfers between asset classes	-	-	4,565	10,839	-	-	751	2,570	(5,316)	(13,408)	-	-
Net revaluation increments/(decrements) in asset revaluation surplus	-	-	2,491	930	58	-	-	-	-	-	2,549	930
Depreciation expense	-	-	(6,282)	(6,914)	-	-	(1,072)	(1,048)	-	-	(7,355)	(7,962)
Carrying amount at 30 June	110,000	110,000	82,333	81,543	4,433	4,375	5,438	5,566	5,082	4,743	207,286	206,228

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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.

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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.

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'.

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Disclosure - Revaluations

Buildings

A revaluation was performed by Gray Robinson Cottrell (GRC) during the 2020-21 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 4.49% (effective 30 June 2021) to the carrying value of the assets. The value of the Parliamentary building assets were adjusted accordingly during the 2020-21 financial year. The last comprehensive revaluation of the buildings were undertaken in the 2016-17 financial year.

Land

In 2020-21, State Valuation Services (SVS) conducted a comprehensive revaluation of the Parliamentary Land in accordance with the requirements of the International Valuation Standards and Australian Accounting Standard AASB 13 *Fair Value Measurement* and *Queensland Treasury's Non-current Asset Policies for the Queensland Public Sector*. 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 2021).

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.

The 20th Century Heritage Book Collection was assessed by the in-house professional librarian during the 2020-21 financial year resulting in an increase in book value by \$58,000 representing 14.7% increase from the 2012-13 valuation.

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.

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Depreciation Rates

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

Class	Rate %
Buildings:	
Heritage	1-6
Operational	1-6
Plant and equipment:	
Computer equipment	4-20
Other equipment	3-20
Rental property improvements	1-16

Useful lives and depreciation rates are reviewed annually. The review for the 2020-21 financial year caused no material impact to the depreciation expense.

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 2021 (2019-20: Nil).

C5 PAYABLES

	2021	2020
	\$'000	\$'000
Trade creditors	1,808	1,746
Deferred appropriation payable	871	1,968
Tax Payable	27	-
Total	2,706	3,714

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.

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C6 ACCRUED EMPLOYEE BENEFITS

	2021 \$'000	2020 \$'000
Current		
Annual leave levy payable	877	790
Long service levy payable	224	189
Other	25	30
Total	1,126	1,009

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*.

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 C7-2).

C7-2 APPROPRIATION RECOGNISED IN EQUITY

Reconciliation of Payments from Consolidated Fund to Equity Adjustment

	2021 \$'000	2020 \$'000
Appropriated equity withdrawals	(5,503)	(5,128)
Appropriated equity injections	6,219	3,812
Equity adjustment recognised in Contributed Equity	716	(1,316)

C7-3 ASSET REVALUATION SURPLUS BY ASSET CLASS

	Land \$'000	Buildings \$'000	Heritage & Cultural Assets \$'000	Total \$'000
Balance 1 July 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
Revaluation increments	-	2,490	58	2,548
Balance 30 June 2021	96,710	84,101	3,589	184,400

Accounting Policy

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

D1 CONTINGENCIES

The Legislative Assembly holds bank guarantees totaling \$156,000 which were issued by contractors in accordance with contracts entered into between both parties. The guarantees protect the Legislative Assembly against any potential non-performance of contractors.

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D2 COMMITMENTS

D2-1 Capital Expenditure Commitments

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

<i>Buildings</i>	2021 \$'000	2020 \$'000
Not later than 1 year	2,042	841
Total	2,042	841

<i>Intangibles</i>	2021 \$'000	2020 \$'000
Not later than 1 year	412	108
Total	412	108

Disclosure – Capital Expenditure Commitments Buildings

The Legislative Assembly entered into new contracts during the 2020-21 financial year for capital projects associated with upgrades of critical infrastructures in the Parliamentary Annexe building.

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:

	2021 \$'000	2020 \$'000
Not later than 1 year	11,966	10,050
Later than 1 year but not later than 5 years	28,423	17,069
Later than 5 years	18,665	2,591
Total	59,053	29,710

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 2020-21 financial results and the original budget presented to Parliament.

As the 2020-21 original budget presented to Parliament did not include a budgeted Balance Sheet or budgeted Statement of Cash Flows, only the budget to actual disclosures for the Statement of Comprehensive Income is presented below.

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E1-1 EXPLANATIONS OF MAJOR VARIANCE

Explanations of Major Variances – Statement of Comprehensive Income

<i>Appropriation revenue:</i>	<i>Appropriation revenue</i> is higher than budgeted due to appropriations for unforeseen expenditure related to costs associated with the 2020 state election and additional funding to support service delivery pressures, and a Treasurer's Transfer from capital to operating for the Library Management System. Refer to Note B1-1.
<i>Grants and other contributions:</i>	<i>Grants and other contributions</i> reflect goods received below fair value in respect of contributions made by the Department of Energy and Public Works and CS Energy. Refer to Note B1-3.
<i>Other revenue:</i>	The variance in <i>Other revenue</i> is related to the sale of information technology equipment.
<i>Supplies and services:</i>	The variance in <i>Supplies and services</i> is related to additional funding to support service delivery pressures, and expenditure on the Library Management System. Refer to Note B2-2.

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 2020-21 and 2019-20. 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.
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 (ICTMG).
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.

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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.

2020-21

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	330	2	-	39	371
Clerk of the Parliament	342	1	8	41	392
Deputy Clerk	214	1	5	22	242
Director of Corporate Services and Electorate Office Liaison	172	-	4	19	195
Director of Information Services and Parliamentary Librarian	146	-	3	19	168
Director of Property and Facilities Services	143	9	3	18	173

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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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 received services associated with Parliament House Fence Restoration Program from the Department of Energy and Public Works and supply and installation of electric vehicle charging stations from CS Energy, free of charge (Note B1-3).

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

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2020-21.

Accounting Standards Applied for the First Time in 2020-21

No Australian Accounting Standards applied to the Legislative Assembly for the first time in the 2020-21 financial year have any material impact on the financial statements.

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).

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2021

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 2020-21 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

	2021 \$'000	2020 \$'000
<u>Significant expense transactions arising from COVID-19</u>		
Additional expenses:		
Virtual Parliament related costs	1	83
Additional employee related expenses	25	67
Other expenses	65	62
Reduction in expenses:		
Reduction in electorate and communication allowance	-	(966)
Reduction in Members' travel expenses	(356)	(308)
Reduction in catering services expenses	-	(279)
Reduction in committee travel expenses	(171)	(82)
Reduction in other expenses	-	(70)
	<u>(436)</u>	<u>(1,493)</u>
	2021 \$'000	2020 \$'000
<u>Significant revenue transactions arising from COVID-19</u>		
Reduction in catering services revenues	113	522
Reduction in education seminar revenues	62	39
Reduction in other revenue	-	37
	<u>175</u>	<u>598</u>

Additional employee entitlements

The Legislative Assembly recorded 70 days of special leave associated with COVID-19 pandemic for which \$16,805 was expensed in employee expenses during the 2020-21 financial year.

Credit loss on receivables

COVID-19 has had no impact on credit risks of trade debtors as majority 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 2020-21 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 2020-21 financial year to provide the latest valuation 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 2021 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.

Legislative Assembly of Queensland Financial Statements
For the Year Ended 30 June 2021

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 24/08/2021



Signature

N J LAURIE LLB LLM (Hons) MBA

Clerk of the Parliament

Date 24/08/2021



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 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 2021, 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 2021, 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 Liaison..

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 2021:

- 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. Worral'.

Brendan Worral
Auditor-General

25 August 2021

Queensland Audit Office
Brisbane