



Department of Parliamentary Services  
Parliament of Victoria  
**ANNUAL REPORT 2017–18**



**Department of  
Parliamentary Services**

The Hon. Bruce Atkinson, MLC  
President  
Legislative Council  
Parliament House  
Melbourne VIC 3002

The Hon. Colin Brooks, MP  
Speaker  
Legislative Assembly  
Parliament House  
Melbourne VIC 3002

Dear President and Speaker,  
I have pleasure in forwarding to you my  
report on the operations of the Department  
of Parliamentary Services for the year  
ended June 2018.

Yours sincerely,



Peter Lochert  
Secretary  
Department of Parliamentary Services

**Department of  
Parliamentary Services  
Annual Report [2017–18]**

Tabled in the Legislative Council and Legislative  
Assembly on 19 September 2018  
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Parliamentary Services.

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Photography By John Gollings

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DPS Executive Team

“ Throughout the year, the Department has continued to deliver the core services that are our main responsibility, and continues to achieve high levels of customer satisfaction. Recognition of good service is a credit to the skill, commitment and dedication of DPS staff. ”

## Secretary's Foreword

The delivery of the new Parliamentary Annexe dominated the work of the Department of Parliamentary Services (DPS) for the reporting period. This \$45 million project has delivered 102 offices to accommodate Members of Parliament and their accompanying staff. Funded predominantly from Parliament savings over the last decade, the project has been completed under budget and at a very high level of quality that will enable it to serve the needs of Parliament and Parliamentarians for decades to come.

For the first time since 1856, Members of Parliament have fit for purpose, secure and OH&S compliant office accommodation within the Parliament Precinct. The move has reduced the existing load and demands on Parliament House. This will enable the restoration of the current building consistent with its original intended heritage values, and will improve its function in a contemporary context.

The Annexe offered us the opportunity to develop and implement a range of 'best-in-class' initiatives in communications technology, IPTV and broadcasting of Parliamentary proceedings, environmental and building management systems, and access security. Many of these features will now be progressively extended back into Parliament House.

The reporting period also saw detailed planning completed for works on the East Wing of Parliament House to improve access, to address long-standing OH&S issues, and to improve the linkages between the new Annexe and the Chambers. Over the next 3 years, mechanical, electrical and communication systems will be upgraded in stages; new stairs and lifts installed; corridors and rooms that served as 'temporary' offices for the last hundred years or so will be restored to their original intent and design. "By-election corner" will then have compliant fire escape stairs and not represent the risk it has in decades past.

Responding to resolutions from both Houses, the Department continued to work with the Victorian Ombudsman in the conduct of her review into matters referred from the Legislative Council on 25 November 2015. In her report tabled on 21 March 2018, the Ombudsman made a number of recommendations aimed at addressing gaps and issues identified by the investigation. Measures within the control of the Presiding Officers have been implemented, others are before the House, and where further legislative change is required, have been referred to Government.

Probity, accountability and governance processes continue to be reviewed and strengthened within the parameters of available powers. However, internal audit and the Ombudsman have identified gaps which in my view will only be effectively addressed by better aligning responsibility for risks with the power to effectively manage that risk.

The Department has also collaborated with, and made referrals to, Victoria Police and the Independent Broad-based Anti-corruption Commission (IBAC).

The overall security environment has continued to challenge our ability to provide a safe environment for Members, staff and visitors to the Parliament Precinct and to the network of electorate offices. A major upgrade of security measures at electorate offices is underway with a quarter of all offices upgraded during the financial year.

Similarly, cyber security continues to be a significant challenge demanding continuous effort and investment to safeguard the information assets of Members and the Parliament. Increased demand for and reliance on digitisation in supporting increased mobility and changing work patterns only increases the importance of a robust and reliable IT infrastructure.

Throughout the year, the Department has continued to deliver the core services that are our main responsibility, and continues to achieve high levels of customer satisfaction. Recognition of good service is a credit to the skill, commitment and dedication of DPS staff. For this, I thank them.



**Peter Lochert**  
Secretary  
Department of Parliamentary Services

## Our Mission

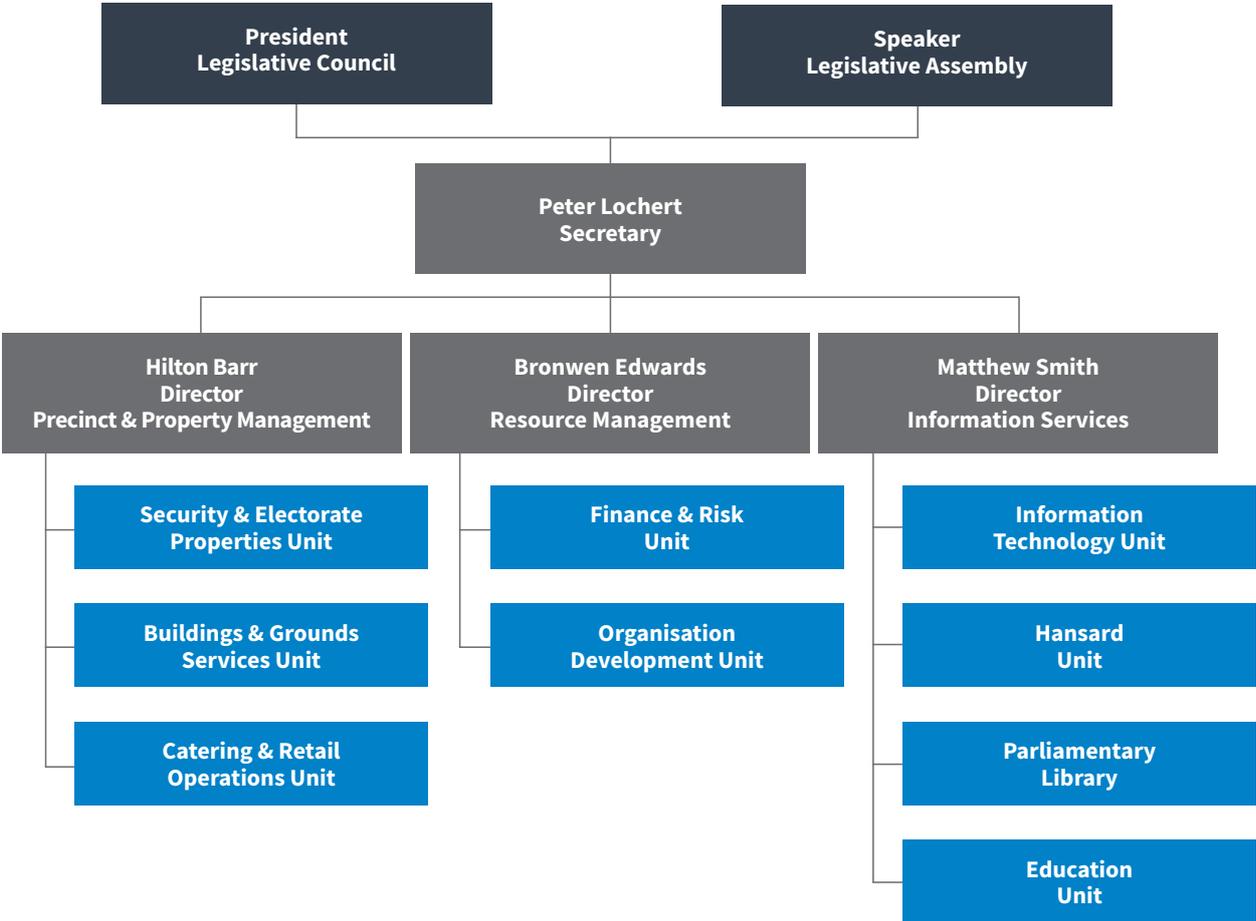
“ To deliver apolitical, professional and innovative services and advice to Members of the Victorian Parliament and to support the Parliament as an institution. ”



# The Department of Parliamentary Services

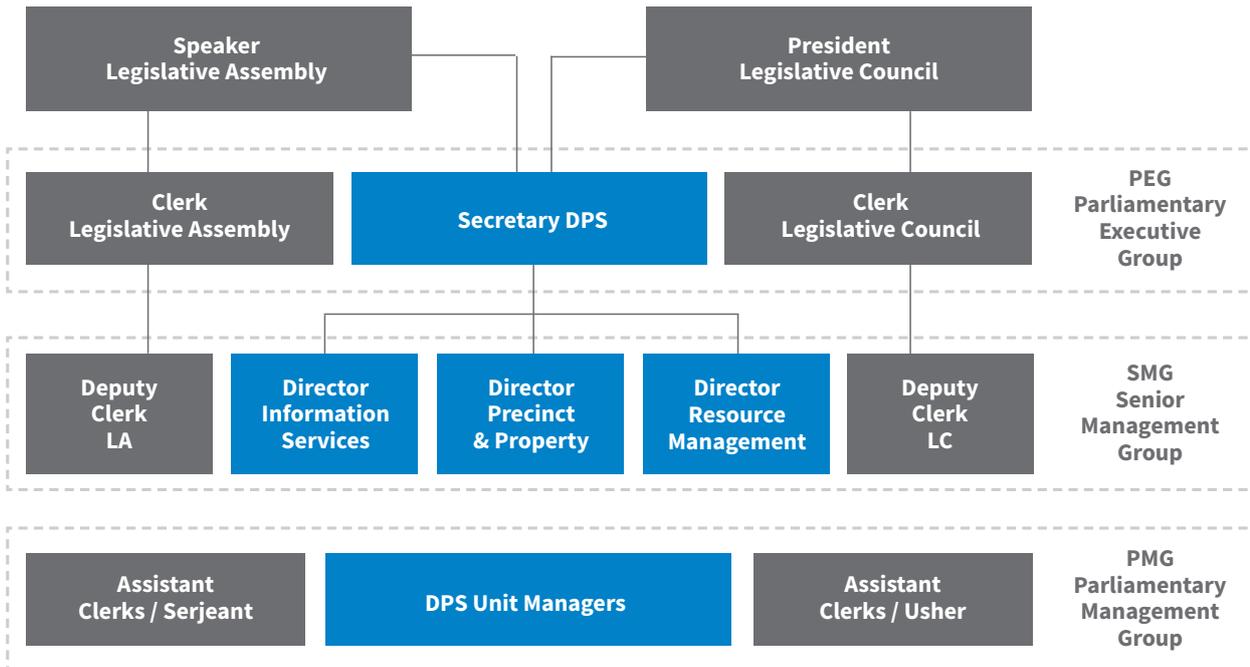
The Department of Parliamentary Services (DPS), created under the provisions of the Parliamentary Administration Act 2005, is responsible for the provision of infrastructure resources and support services to Members of Parliament and Parliamentary departments.

DPS operates as a service provider to, and in close cooperation with, the Departments of the Legislative Assembly and the Legislative Council through the operations of the Parliamentary Executive Group (PEG), the Parliamentary Senior Management Group (SMG) and the Parliamentary Management Group (PMG).



# Corporate Governance

## Governance structure



## Statement of Corporate Intent

The Parliament of Victoria through its elected representatives is accountable to the Victorian community for the provision and conduct of representative government in the interests of Victorians.

The departments of the Parliament deliver support to the elected representatives and the institution of Parliament through operational business plans which are underpinned by the following values:

- **Effective corporate governance**  
*Accountability, impartiality, integrity, learning, environment*
- **Excellent service delivery and responsiveness**  
*Responsiveness, teamwork, performance management, effective systems and techniques*
- **Sustainability with a focus on the medium to long-term view**  
*Long-term planning, excellent communication, developing our people, safeguarding our physical infrastructure*

## Parliamentary Values

The *Parliamentary Administration Act 2005* also defines the values that should be demonstrated by Parliamentary officers, being:

- Responsiveness
- Impartiality
- Respect
- Integrity
- Accountability
- Leadership

## Underpinning Legislation

The Department of Parliamentary Services is involved in the administration of certain provisions of a number of Acts, including:

- Parliamentary Administration Act 2005
- Parliamentary Salaries and Superannuation Act 1968
- Heritage Act 1995
- Constitution Act 1975

## Audit Committee

As an advisory committee appointed by the Presiding Officers, the Audit Committee's role is to assist the Presiding Officers in the discharge of their duties with respect to financial compliance and risk management. This includes the oversight of internal and external audit functions, corporate governance, monitoring and identification of risk, and the tabling of annual financial statements on behalf of the Parliament. The Secretary, DPS and his office service the Audit Committee and provide the essential information in support of its functions.

The Audit Committee consists of the following members:

- The Speaker of the Legislative Assembly as Chair
- The President of the Legislative Council as Deputy Chair
- Secretary, Department of Parliamentary Services
- Clerk of the Legislative Council
- Clerk of the Legislative Assembly
- Two independent members who are not members of the Parliamentary administration. At least one external member must hold a relevant qualification in the financial/audit sector.

The main roles and responsibilities of the Audit Committee are to:

- Establish and maintain an internal audit and business risk assessment program;
- Assess the effectiveness of the Parliament's risk management framework processes;
- Assess the organisation's corporate practices and compliance with relevant laws, regulations, codes of conduct and guidelines adopted by the Presiding Officers; and
- Provide integrity for financial information for inclusion in the financial statements.

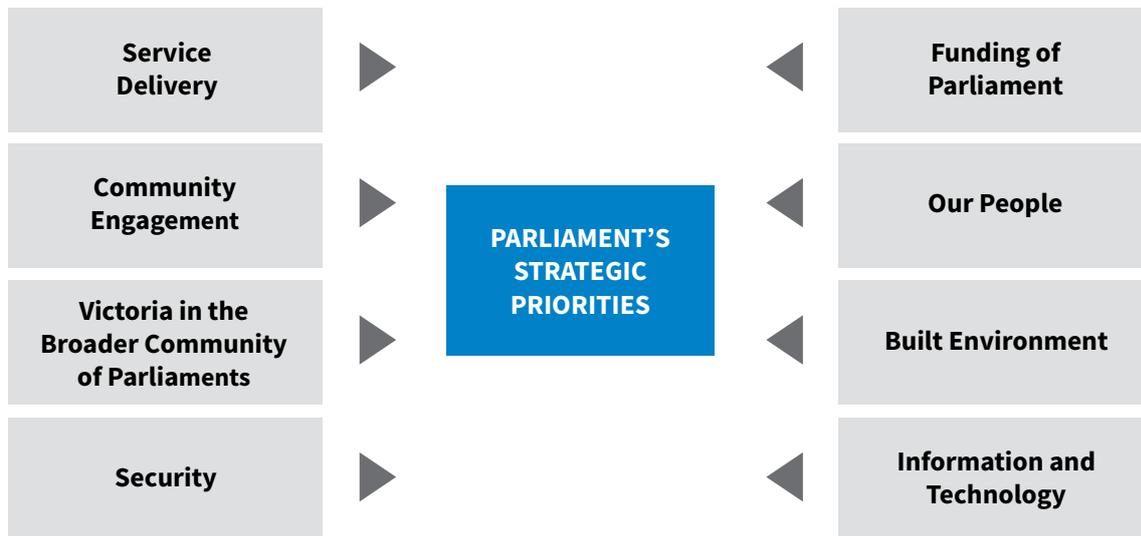
## House Committee

The House Committee is a joint committee established by the Parliamentary Committees Act 2003, comprising the President, the Speaker, five Members from the Legislative Council and six Members from the Legislative Assembly. It advises the Presiding Officers on the management of the refreshment rooms, gardens and building maintenance. The Speaker or the President chair committee meetings. The Secretary, DPS and his office service this committee and provide support required.

## Security Management Board

The Security Management Board is an advisory board appointed by the Presiding Officers of the Parliament. The board's role is to assist the Presiding Officers in the discharge of their duties particularly in relation to their role as owner/operator of critical infrastructure, their joint responsibility for occupational health and safety and for the control and management of the Parliamentary precinct. This includes: ensuring that there is adequate security for the critical infrastructure asset (based on threat identification and risk management principles); actively identifying, assessing and managing security risks; providing strategic direction on policy, practices and procedures in relation to all matters affecting security and emergency/incident management; and reviewing and sponsoring protective security infrastructure projects and improvements.

# Parliament's Strategic Priorities



## 1 Objective 1 – Service Delivery

The 58th Parliament of Victoria has created a more complex political dynamic with eight political parties represented. This diversity of political parties and members' skills, backgrounds and preferences necessitates a broad scope of service options to provide choice.

To fulfil their roles of legislating, scrutinising and representing, members and electorate officers require services to be apolitical, flexible, consistent and responsive. They seek trustworthiness, confidentiality and constructive relationships with service deliverers.

## 2 Objective 2 – Community Engagement

An ongoing aspiration is to increase community interest in Parliament and its purpose. The parliamentary precinct is a popular destination for the people of Victoria and attracts visitors from all over Australia and the world. Outreach programs take Parliament to the people, supplemented by online information and social media content.

## 3 Objective 3 – Victoria in the Broader Community of Parliaments

Victoria is strongly connected to the global family of parliaments. Through this network, it provides capability building to overseas parliaments and benchmarks itself against global parliamentary best practice.

Victoria will continue to be a valuable contributor to a parliamentary network that facilitates capacity building and support for the improvement of parliamentary standards in Australia, the Pacific and globally.

## 4 Objective 4 – Security

Members engage with their constituents in Parliament House and the 128 electorate offices spread across the state. Parliament recognises that security levels are likely to remain high over the foreseeable future and it will be operating within an environment where security is continuously evolving.

Ensuring the security of people in the parliamentary precinct and in electorate offices is of paramount importance to the effective conduct of democracy in Victoria.

## 5 Objective 5 – Funding of Parliament

Parliament is independent of government under the principle of the separation of powers. It requires appropriate funding to fulfil this role and must also demonstrate that it uses its resources effectively and efficiently.

## 6 Objective 6 – Our People

Parliament is unique. Servicing its complex needs requires highly skilled people working in a collaborative environment with an appreciation of the heritage of democracy in Victoria and the obligations associated with independence and the separation of powers.

Parliament's culture is characterised by professionalism, responsiveness, flexibility, trustworthiness, innovation and accountability. Its vision, purpose and priorities require exceptional management and leadership capabilities.

## 7 Objective 7 – Built Environment

Over the four years of the 58th Parliament, work will continue on Parliament House and the parliamentary precinct to protect its heritage, provide members and staff with a safe and efficient work environment and to ensure suitable public access.

## 8 Objective 8 – Information and Technology

Members and parliamentary staff should be able to work 24/7 from diverse locations using mobile devices and multiple technologies. Parliament has an opportunity over the next four years to create a capability which integrates IT solutions to support improved business processes, information management, communications, reporting and decision making.



# Delivery on Parliament's Strategic Priorities



## Objective 1 – Service Delivery

The core business of DPS is service provision to the Parliament, to Members, to Parliamentary departments, and increasingly to bodies associated with the Parliament such as the Victorian Ombudsman and IBAC.

Service delivery and improvement initiatives included:

- This year, the Finance and Risk unit was created by merging the functions of Budgets and Risks and Accounting and Administration units as a result of an extensive service review. A new structure is now in place headed up by a Chief Financial Officer to recognise the importance of providing authoritative and responsive financial management for the Parliament. The newly created unit manages all financial processes ranging from budgeting and planning, accounts payable and receivable functions, internal and external financial reporting, risk management, compliance with taxation and legislative requirements and provision of support to internal and external audit programs.
- Hansard continued its strong strategic focus on providing digital services to meet changing social needs and expectations. The past year has seen increased viewership of the live web streaming of Parliamentary proceedings, development of an IPTV service for the Parliament precinct and the introduction of a Video on Demand service called Parliament Replay.
- Hansard has also developed an audio visual standard for the precinct and upgraded four meeting rooms at 55 St Andrews Place. These rooms provide high-quality systems with easy-to-use control for meetings, committees and video conferencing.
- The Organisation Development unit has implemented the new Electorate Office staffing structure which results in a 25% increase in Electorate Officer FTE. Monthly inductions have also been added for commencing Electorate Officers along with a digitised off-boarding solution that streamlines the process for Parliamentary Officer cessations.
- The Leadership Program for Grades 4/5 have been completed and the program has been extended. A similar program is being developed for Grade 6 Parliamentary Officers. The suite of online learning programs was expanded to include cyber security and physical security awareness and active armed offender training.
- The team introduced single touch payroll which has allowed payroll reporting to be streamlined with the ATO. A replacement for the Human Resource Information System and Learning Management Systems are also being investigated. A project to implement an improved timesheet system solution has commenced and when finished will assist in automating the process of recording hours worked and payment of overtime.
- The Noggin software platform was selected and implemented to provide a co-ordinated, online and streamlined security incident and OH&S incident and hazard reporting system. Organisation Development worked in collaboration with Information Technology and the Security and Electorate Properties unit to implement this new system.
- The Catering and Retail unit has continued to invest significant time and resources over the past 12 months to further showcase everything that Victorian produce has to offer at Parliament of Victoria. This has included the continuation of themed menus, inspired by Victorian tourism regions, for the Members Dining Room and Strangers Corridor. Parliament House morning and afternoon high tea service continues to be very popular and receive positive guest comments.
- External and internal events have continued to grow steadily across the year, supported by the introduction of a new Point of Sales system. New coffee machines and electronic coffee grinders were acquired to meet the increased demand.
- The biggest challenge for the unit over the past 12 months has been responding to changes to the Legislative Council sitting schedule. Additional sitting days as well as extended hours have put pressure on internal resources.
- The Buildings and Grounds Services unit commenced digitising the management of air conditioning and lighting within Parliament House. The team spent the last year analysing and identifying opportunities for improvement, as well as implementing changes across the maintenance and projects team to deliver these improvements. The team developed plans to improve access to, and recording of, important documentation for future reference. As a result of the relocation of most Members into the new accommodation, works have commenced to improve accommodation to acceptable standards for Members remaining in Parliament House.

## Delivery on Parliament's Strategic Priorities

- The Electorate Properties team has been focused on streamlining and enhancing processes and systems to allow greater efficiency through the application of digitisation initiatives. One project, working closely with Information Technology, decommissioned the Lotus Notes Help request database used by electorate office staff to raise, track and resolve property maintenance and leasing matters into the current property management database. The new system provides an easier and more integrated service for our customers.
- As part of the Parliamentary Library's objective to record and maintain the history of our Parliament, five former Premier portraits have been commissioned and completed over the past 12 months: Sir Thomas Bent, Allan McLean, Sir William Murray McPherson, Sir Alexander James Peacock and Edmond John Hogan. These works will be installed next year.
- Over the past year, the Library has repurposed its space enabling the South Library to be allocated for use of Members of Parliament and the North Library will convert to a seminar, event and training space.
- Over the next 12 months, the Parliamentary Library will finalise and implement a Heritage strategy for Parliament's cultural heritage assets, a Records Management and Archives system and consolidate the Member and former Member databases using a new Parliamentary Information Management System.
- The past year has seen cross-functional team collaboration to work on a number of projects. Due to its success, project management methodologies are evolving towards a more agile approach across the organisation where projects can be implemented to a higher quality and be better aligned to the changing customer and technology environment.
- The establishment of the Parliamentary Budget Office has required DPS to provide a range of client services such as budget and financial, recruiting and human resource, information technology and project management services as well as administrative support. The ambitious set-up timeline, driven in no small part by this year's election, tested our current policies, procedures and systems and with a fully digital office underpinned by Microsoft Office 365 for email, One Drive and SharePoint, objectives and timelines were met.



## Output Measures

### Legislative Assembly

| Outputs  | Unit of Measure   | Target As at 30 Jun 18 | Actuals As at 30 Jun 18 | Target met or exceeded (Y/N) |
|--|-------------------|------------------------|-------------------------|------------------------------|
| <b>Quantity</b>  |                   |                        |                         |                              |
| Procedural references updated biannually   | Number            | 2                      | 2                       | Y                            |
| Regional visits to schools to conduct Parliamentary Role Plays   | Number            | 5                      | 6                       | Y                            |
| <b>Quality</b>   |                   |                        |                         |                              |
| Bills and amendments processed accurately through all relevant stages in compliance with constitutional requirements and standing orders | Percent           | 100                    | 100                     | Y                            |
| Member satisfaction that advice is responsive, prompt, clear and objective   | Percent           | 80                     | 98                      | Y                            |
| Teacher satisfaction with tours of Parliament for school groups  | Percent           | 95                     | 100                     | Y                            |
| <b>Timeliness</b>  |                   |                        |                         |                              |
| Documents tabled within time guidelines  | Percent           | 90                     | 100                     | Y                            |
| House documents available one day after sitting day  | Percent           | 100                    | 100                     | Y                            |
| Online information relating to bills updated within one day  | Percent           | 98                     | 100                     | Y                            |
| <b>Total output cost</b>   | <b>\$ million</b> | <b>38.3</b>            | <b>31.8</b>             |                              |

### Legislative Council

| Outputs   | Unit of Measure   | Target As at 30 Jun 18 | Actuals As at 30 Jun 18 | Target met or exceeded (Y/N) |
|---|-------------------|------------------------|-------------------------|------------------------------|
| <b>Quantity</b>   |                   |                        |                         |                              |
| Procedural references updated biannually  | Number            | 2                      | 2                       | Y                            |
| <b>Quality</b>  |                   |                        |                         |                              |
| Bills and amendments processed accurately through all relevant stages and other business of the House conducted according to law, standing and sessional orders | Percent           | 100                    | 100                     | Y                            |
| Member satisfaction with accuracy, clarity and timeliness of advice   | Percent           | 80                     | 100                     | Y                            |
| <b>Timeliness</b>   |                   |                        |                         |                              |
| Documents tabled within time guidelines   | Percent           | 90                     | 90                      | Y                            |
| House documents and other sitting-related information available one day after sitting day   | Percent           | 100                    | 100                     | Y                            |
| <b>Total output cost</b>  | <b>\$ million</b> | <b>18.9</b>            | <b>16.2</b>             |                              |

# Delivery on Parliament's Strategic Priorities

## Committees

| Outputs   | Unit of Measure   | Target<br>As at 30 Jun 18 | Actuals<br>As at 30 Jun 18 | Target met or exceeded (Y/N) |
|---|-------------------|---------------------------|----------------------------|------------------------------|
| <b>Quantity</b>   |                   |                           |                            |                              |
| Reports tabled per annum  | Number            | 28                        | 30                         | Y                            |
| <b>Quality</b>  |                   |                           |                            |                              |
| Committee members satisfied that advice about procedure, research and administration is responsive, clear, objective and prompt | Percent           | 80                        | 92                         | Y                            |
| Inquiries conducted and reports produced in compliance with procedural and legislative requirements                             | Percent           | 95                        | 100                        | Y                            |
| <b>Timeliness</b>   |                   |                           |                            |                              |
| Reports tabled in compliance with procedural and legislative deadlines  | Percent           | 95                        | 100                        | Y                            |
| <b>Total output cost</b>  | <b>\$ million</b> | <b>7.3</b>                | <b>6.7</b>                 |                              |

## Department of Parliamentary Services

| Outputs   | Unit of Measure   | Target<br>As at 30 Jun 18 | Actuals<br>As at 30 Jun 18 | Target met or exceeded (Y/N) |
|---|-------------------|---------------------------|----------------------------|------------------------------|
| <b>Quantity</b>   |                   |                           |                            |                              |
| IT systems availability – (Parliament and Electorate Offices)   | Percent           | 99                        | 99                         | Y                            |
| Monthly management reports to MPs and departments within 5 business days after the end of the month to include variance information against budgets | Number            | 12                        | 12                         | Y                            |
| Parliamentary audio system transmission availability  | Percent           | 99                        | 100                        | Y                            |
| Provide MPs with a functional electorate office   | Percent           | 95                        | 100                        | Y                            |
| <b>Quality</b>  |                   |                           |                            |                              |
| Clear audit opinion on Parliamentary Financial Statements (previous year)   | Percent           | 100                       | 100                        | Y                            |
| Clients satisfied with quality of information provided by Library staff   | Percent           | 85                        | 97                         | Y                            |
| Maintain and secure the parliamentary precinct and have it available for legislative program  | Percent           | 95                        | 100                        | Y                            |
| <b>Timeliness</b>   |                   |                           |                            |                              |
| Indexes, records, speeches and transcripts provided within agreed timeframes  | Percent           | 90                        | 92                         | Y                            |
| Payroll processing completed accurately and within agreed time frames   | Percent           | 99                        | 100                        | Y                            |
| <b>Total output cost</b>  | <b>\$ million</b> | <b>110.4</b>              | <b>103.7</b>               |                              |

## Objective 2 – Community Engagement

The Internship program continued and is now in its 28th year. Forty students from Monash University, Melbourne University, Latrobe University and Swinburne University completed the program. Two fellows from Deakin and RMIT Universities continue their research on the Victorian Prison population and mapping the evolution of Victoria's environment portfolio.

Seven Library seminars were held which attracted over 240 attendees. The topics included: Where is Artificial Intelligence taking us?; The current and future challenges facing Mongolia's system of Government; Housing affordability in Victoria; Choice, Control and the NDIS; Deliberative Democracy in Local Government; Autonomous Cars – Impact & Industry Disruption; and After Hazelwood - Victoria's Electricity Future?

The Deakin Oration is a joint project between the Library and the Community Education and Engagement unit. In 2017 it was delivered by Professor Tony Wong, CEO of the Cooperative Research Centre for Water Sensitive Cities. The event focussed on the theme of water and sustainability, exploring an issue that was of long-standing interest to Alfred Deakin.

The Library's heritage team contributed to Parliament's community engagement initiatives in collaboration with other cultural institutions. Four significant works; William Strutt's *Victoria the Golden*, Burke & Wills Sketchbook and Opening of the first Legislative Council, November 13, 1851; and John Pascoe Fawcner's handwritten 1838 *Melbourne Advertiser*, were loaned to the National Gallery of Victoria for their exhibition, *Colony: Australia 1770–1861*. William Strutt's *Victoria the Golden* featured in an eBook designed and produced by the Community Engagement and Education team. The eBook, which brought together the work of the State Library of Victoria, the National Library of Australia and the heritage team, was launched at Parliament House in May during the Australian Heritage Festival. The heritage team provided curatorial advice to other units preparing displays for Open Day, assisted the Tour Guides with the development of Art Tours and undertook research to correct some of the myths which had crept into our oral history. Over the next 12 months, there is an opportunity to showcase Parliament's architectural history and heritage to the community with the establishment of a heritage space.

Hansard has assisted many external organisations with audio visual support for their public events held at Parliament House. These organisations range from Melbourne Storm to Victoria Police, YMCA, universities and charities. Events include the annual

Deakin Oration, Twin Cities celebrations, Youth Parliament days and the state Schools' Constitutional Convention.

Hansard's AV services include large-screen displays, microphones, public address systems, laptops for presentations, vision switching and audio reinforcement for overflow rooms required for public meetings. The AV team also assisted with the provision of live captioning via Skype for Youth Parliament.

Hansard's broadcasting team has been able to make a positive contribution to the Community Engagement activities of the Parliament of Victoria. The broadcast team has been able to produce over 50 community engagement video productions in the last 12 months. These productions have covered and promoted the activities of various Parliamentary committees and news stories, and include a number of educational videos and special events such as the Deakin Oration and Open Day. Video productions documenting the various restoration activities around Parliament including the construction and opening of the new Members Annexe building, were also completed. These productions have featured on the Parliament's website, Facebook page and YouTube channel.

Responses to our 2017 teacher survey suggested that teachers would like some professional development opportunities to feel more confident teaching the new civics and citizenship curriculum. In response, awareness and support for teachers was a key focus for the education unit during the year.

The annual professional development day for teachers was held in July to enhance teacher knowledge of what's available to them in the civics and citizenship space, as well as the additional tools and ideas about how to make this mandatory subject interesting and engaging for their students. Fifty teachers and pre-service teachers attended the day, which included presentations on resources and programs from members of the Civics and Citizenship Network, as well as a tour of Parliament House and afternoon classroom activities at the Big Issue Classroom or the Old Melbourne Gaol.

A separate program for primary teachers delivered a pilot session at Altona Primary School in November 2017. Programs for secondary and VCE teachers have been drafted and will be rolled out in the coming year.

Now in its third year, the annual Parliament Prize was launched during Law Week 2017 and provided an opportunity for creative engagement with Parliament and democracy by Victorian

## Delivery on Parliament's Strategic Priorities

students. Open to years 7-9 and 10-12 students, this year's open format saw creative entries with the years 7-9 category being won by a video, and the years 10-12 category won by a design outline of an app for Parliamentary education.

In the area of tertiary education, the education unit assisted the two House departments to design and coordinate a series of presentations for first year law students from Victoria University during the first term of 2018. The program, delivered by senior House department staff, was an authentic learning experience that increased understanding of the legislative process through face-to-face interaction with experts on parliamentary processes and legislation.

Overwhelmingly positive feedback was received for the Victorian Students' Parliamentary Programs held in August and September 2017. More than 100 primary students debated whether zoos are a thing of the past, and whether animals should be rehoused in their natural environment (they voted in the affirmative). Similar numbers of secondary students addressed two related

topics, whether compulsory voting should be abolished (no) and whether the voting age should be lowered to 16 (yes). This long-running program continues to increase the knowledge and understanding of democratic processes afforded to the participants.

Following consultation with members of the Parliament's education advisory panel, the use of digital technology was trialled to produce a learning module exploring the eight-hour day movement in Victoria. Launched in March and based on a paper by the Parliamentary Library, 'The Workday Revolution', this module is the first in a series of digital curriculum modules the unit will be producing to help high school students learn more about pivotal times and events in Victoria's history.



## Objective 3 – Victoria in the Broader Community of Parliaments

Over the past year a number of DPS units have collaborated with the UNDP to support the Fijian Parliament. Assistance has been provided in spaces such as finance, human resources, research and information technology.

The Victorian Parliament hosted the Australasian Parliamentary Educators' Conference in November. Twenty-five delegates from parliaments across Australia, New Zealand and the South Pacific came to Melbourne for the three-day event themed around 'New and cutting edge approaches to Parliamentary education'. This annual event is a highlight of the Parliamentary education calendar, providing an opportunity for delegates to meet and exchange ideas and issues around Parliamentary education.



## Objective 4 – Security

A significant focus for DPS over the past year has been an increased awareness and education of Members and staff about security protocols. Produced and, in cases, delivered in conjunction with Victoria Police, this education covers general and office security and has been made available using a number of delivery methods such as online training videos, security information booklets, and face-to-face seminars.

Active Armed Offender Training was provided to Parliamentary Officers to inform staff about what to do in the event of an active armed offender emergency in the Parliament precinct. Although this material can be confronting it has become a reality in today's society and Parliament is mindful of its duty of care in this regard.

Phase 1 of the security upgrade of electorate offices was completed. This consisted of upgrades including physical measures such as door peepholes and external lighting and signage where required. Phase 2 is currently in progress and consists of a range of electronic upgrades such as integrated alarm/CCTV and access control systems. Other measures such as sound amplification devices compensating for enhanced security glazing at electorate office reception counters (hearing device compatible) were installed. The next 12 months will see the Security team continue to roll out upgrades at electorate offices.

The legacy Lotus Notes Security Incident Database has also been decommissioned and replaced by Noggin. This new platform enables staff and members to report security incidents (as well as OH&S incidents) using a mobile phone or a web browser.

The coming year will present some challenges with continued works on public/private separation within Parliament House and bollards planned for installation. A separate project will be undertaken to give the Parliament an improved ability to manage access control across the precinct and electorate offices.

# Delivery on Parliament's Strategic Priorities

## Objective 5 – Funding of Parliament

In addition to managing all financial processes for the Parliament, the newly restructured Finance and Risk unit looks after the Member of Parliament Motor Vehicle Plan, oversight of Parliament's insurance and provides procurement support to managers and staff. The unit provides contract administration oversight through provision of standard contract template documentation reflecting best practice along with co-ordinating receipt of tenders and requests for proposals. This activity is undertaken through Tenderlink, an online system that ensures probity and transparency of our procurement processes.

The unit supports and reports on financial and risk matters to the Parliament's Audit Committee, an advisory body that includes the Presiding Officers as joint Chairs, two external independent members and the Parliamentary Executive Group.

Throughout the year significant effort has been invested in the new finance system: Oracle Cloud. Core modules have been implemented including a procure-to-pay rollout to electorate offices which will occur in the next financial year. This process will streamline administrative efforts once fully functional.

DPS are early adopters of this cloud-based finance system in the wider Victorian public sector. This project aims to increase digitisation potential where our customers (Members of Parliament and staff) can access our services anywhere and anytime.

The Finance and Risk unit continues to build constructive working relationships with key external stakeholders such as the Department of Treasury and Finance (DTF) and the Victorian Auditor-General's Office (VAGO). There have been numerous discussions and feedback provided to DTF about proposed changes to the Financial Management Act and Constitution Act to ensure that the principle of the separation of powers is not compromised.

During this year, preparations have also commenced to support the next election in November 2018. This will be a challenge for the forthcoming financial year with many Members retiring and new Members commencing.



Resource Management Directorate



## RECONCILIATION OF APPROPRIATION BILL 2017-18 & 2018-19 TO BUDGET PAPER NO. 3

|  | LEGISLATIVE COUNCIL |                          | LEGISLATIVE ASSEMBLY |                          | PARLIAMENTARY SERVICES |                          | JOINT INVESTIGATORY COMMITTEES |                          | PARLIAMENTARY BUDGET OFFICE |                          | VICTORIAN AUDITOR GENERAL |                          | TOTAL - EXCLUDING VAGO |                          | TOTAL INCLUDING VAGO |                          |
|--|---------------------|--------------------------|----------------------|--------------------------|------------------------|--------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------|---------------------------|--------------------------|------------------------|--------------------------|----------------------|--------------------------|
|  | 2017-18 BUDGET      | 2018-19 ESTIMATED BUDGET | 2017-18 BUDGET       | 2018-19 ESTIMATED BUDGET | 2017-18 BUDGET         | 2018-19 ESTIMATED BUDGET | 2017-18 BUDGET                 | 2018-19 ESTIMATED BUDGET | 2017-18 BUDGET              | 2018-19 ESTIMATED BUDGET | 2017-18 BUDGET            | 2018-19 ESTIMATED BUDGET | 2017-18 BUDGET         | 2018-19 ESTIMATED BUDGET | 2017-18 BUDGET       | 2018-19 ESTIMATED BUDGET |
| <b>FIGURES PUBLISHED IN APPROPRIATION BILL</b>       | 3,688               | 4,613                    | 4,801                | 4,981                    | 110,645                | 112,274                  | 7,263                          | 7,451                    | 3,300                       | 3,300                    | 16,589                    | 21,674                   | 129,697                | 132,619                  | 146,286              | 154,293                  |
| ADD SPECIAL APPROPRIATIONS                           | 15,169              | 15,237                   | 33,465               | 33,609                   |                        |                          |                                |                          |                             |                          | 558                       | 572                      | 48,634                 | 48,846                   | 49,192               | 49,418                   |
| LESS ATNAB INCLUDED IN BILL                          |                     |                          |                      |                          | -6,000                 | -1,920                   |                                |                          |                             |                          |                           | -4,670                   | -6,000                 | -1,920                   | -6,000               | -6,590                   |
| ESTIMATED OUTPUT CARRYOVER                           |                     |                          |                      |                          | 5,650                  | 5,932                    |                                |                          | 1,100                       |                          |                           |                          | 6,750                  | 5,932                    | 6,750                | 5,932                    |
| GRANT RECEIVED FROM DEECD                            |                     |                          |                      |                          | 14                     | 28                       |                                |                          |                             |                          |                           |                          | 14                     | 28                       | 14                   | 28                       |
| SECTION 29 RECEIPTS RETENTION AGREEMENT              |                     |                          |                      |                          | 86                     | 280                      |                                |                          |                             |                          | 26,012                    | 26,462                   | 86                     | 280                      | 26,098               | 26,742                   |
| OTHER REVENUE (RECOUPMENT OF EXPENSE, SECONDEES ETC) |                     |                          |                      |                          |                        |                          |                                |                          |                             |                          | 38                        | 45                       |                        |                          | 38                   | 45                       |
| <b>TOTAL APPROPRIATIONS</b>                          | <b>18,857</b>       | <b>19,850</b>            | <b>38,266</b>        | <b>38,590</b>            | <b>110,395</b>         | <b>116,594</b>           | <b>7,263</b>                   | <b>7,451</b>             | <b>4,400</b>                | <b>3,300</b>             | <b>43,197</b>             | <b>44,083</b>            | <b>179,181</b>         | <b>185,785</b>           | <b>222,378</b>       | <b>229,868</b>           |
| ROUNDED TO MILLIONS                                  | 18.9                | 19.9                     | 38.3                 | 38.6                     | 110.4                  | 116.6                    | 7.3                            | 7.5                      | 4.4                         | 3.3                      | 43.2                      | 44.1                     | 179.2                  | 185.8                    | 222.4                | 229.9                    |
| <b>FIGURES PUBLISHED IN BUDGET PAPER 3</b>           | <b>18.9</b>         | <b>19.8</b>              | <b>38.3</b>          | <b>38.6</b>              | <b>110.4</b>           | <b>116.6</b>             | <b>7.3</b>                     | <b>7.5</b>               | <b>4.4</b>                  | <b>3.3</b>               | <b>43.9</b>               | <b>43.5</b>              | <b>179.3</b>           | <b>185.8</b>             | <b>223.2</b>         | <b>229.3</b>             |
| Diff *   |                     |                          |                      |                          |                        |                          |                                |                          |                             |                          | -0.70                     | 0.60                     |                        |                          | -0.80                | 0.60                     |

\* VAGO has budgeted for a net deficit of \$0.7m in 2017-18 and a net surplus of \$0.6m in 2018-19.

# Delivery on Parliament's Strategic Priorities

## Objective 6 – Our People

### Secretary - Department of Parliamentary Services

|           |         |                                    |
|-----------|---------|------------------------------------|
| Peter     | Lochert | Secretary - Parliamentary Services |
| Stephanie | McGraw  | Executive Assistant                |
| Prue      | Purdey  | Election Coordinator               |

### Directors - Department of Parliamentary Services

|         |         |   |
|---------|---------|---|
| Hilton  | Barr    | Director - Precinct & Property Management |
| Bronwen | Edwards | Director - Resource Management            |
| Matthew | Smith   | Director - Information Services           |

### Information Services

|           |                 |  |
|-----------|-----------------|--|
| Angelo    | Altair          | Audiovisual Supervisor                       |
| Patricia  | Altair          | Subeditor                                    |
| Terry     | Aquino          | Coordinator, Information Access & Management |
| Marianne  | Aroozoo         | Research & Inquiries Officer                 |
| Sandra    | Beks            | Serials Assistant                            |
| Gavin     | Bertram         | Subeditor                                    |
| John      | Blyth           | Broadcast Officer                            |
| Nick      | Bone            | Sessional Reporter                           |
| Jon       | Breukel         | Coordinator, Research & Inquiries            |
| Gavin     | Bullen          | Senior Systems Administrator                 |
| Christine | Butcher         | Sessional Monitor/Keyboarder                 |
| Johanna   | Canizales Amaya | Network & System Administrator               |
| Rebecca   | Chanock         | Sessional Reporter                           |
| Yu Ching  | Chui            | Service Desk Analyst                         |
| Francesca | Clements        | Reporter                                     |
| David     | Cousins         | Project Manager                              |
| Anja      | D'Alessio       | Leader Business Solutions                    |
| Rachael   | Dewar           | Reporter                                     |
| Sarah     | Eatwell         | Publishing Business Support Officer          |
| Sarah     | Edwards         | Heritage Collections Officer                 |
| Bob       | Febrianto       | Project Manager                              |
| Timothy   | Fewings         | Broadcast Media Officer                      |
| Michael   | Finke           | Sessional Reporter                           |
| Robin     | Gallagher       | Intranet Officer                             |
| Teresa    | Gornall         | Electorate Officer - Speaker's Office        |
| Michael   | Graham          | Research Assistant                           |
| Jake      | Grantford       | Broadcast Officer                            |
| Mark      | Greatorex       | Publishing & CIT Business Support Officer    |

|            |             |   |
|------------|-------------|---|
| Patricia   | Greig       | Editor  |
| Trevor     | Griscti     | Broadcast Officer                                     |
| Maria      | Hansen      | Senior Reporter                                       |
| Margaret   | Harnath     | Sessional Subeditor                                   |
| Linda      | Harris      | Reporter  |
| Mark       | Harris      | Broadcast Coordinator                                 |
| Richard    | Henson      | Media Assistant                                       |
| Crusader   | Hillis      | Sessional Reporter                                    |
| Eleanor    | Hogan       | Sessional Reporter                                    |
| Emma       | Hurford     | Reporter  |
| Alice      | Jonas       | Research & Inquiries Officer                          |
| Sue        | Kebbe       | Reporter  |
| Andrew     | Kelly       | Broadcast Officer                                     |
| Foong Ling | Kong        | Editor  |
| Michael    | Lamonato    | Sessional Reporter                                    |
| Stephen    | Lauder      | Cataloguing Assistant                                 |
| Marshall   | Lee         | Leader Business Services                              |
| Bella      | Lesman      | Statistical Research Analyst                          |
| Meredith   | Lewis       | Subeditor   |
| Andrew     | Lisperguer  | Systems Support Officer                               |
| Suzie      | Luddon      | Community Engagement Projects Officer                 |
| Peggy      | Ludt-Nash   | Sessional Reporter                                    |
| Carolyn    | Macvean     | Manager, Parliamentary Library & Information Services |
| Archana    | Maduvinkody | Project Manager                                       |
| Michael    | Mamouney    | Media Officer   |
| Jennifer   | Martyn      | Reporter  |
| Andrew     | McBride     | Manager Information Technology                        |
| Patricia   | McCudden    | Sessional Reporter                                    |
| Kevin      | Mills       | Sessional Subeditor                                   |
| Ross       | Mueller     | Project Manager                                       |
| Lan        | Nguy        | Vendor & IT Administration Support Officer            |
| Stephen    | Nichols     | Broadcast Officer                                     |
| Jesse      | Nonneman    | Audiovisual Officer                                   |
| Monique    | Novacco     | Broadcast Officer                                     |
| Emma       | O'Connell   | Heritage Collections Officer                          |
| Caley      | Otter       | Research & Inquiries Officer                          |
| George     | Parton      | Sessional Monitor/Keyboarder                          |
| Chris      | Partsenidis | Senior Security Network Engineer                      |
| Claire     | Pavasaris   | Sessional Reporter                                    |
| Aamir      | Peerzada    | Service Desk Analyst                                  |
| Irene      | Petrakis    | Sessional Reporter                                    |
| Alice      | Petrie      | Research & Inquiries Officer                          |
| Nicholas   | Phipps      | System Administrator                                  |
| Phillip    | Pietruschka | Technical Officer                                     |
| Ryan       | Pow         | Broadcast Officer                                     |

|             |                    |  |          |              |  |
|-------------|--------------------|--|----------|--------------|--|
| Christopher | Prasad             | Service Desk Analyst Coordinator             | Spencer  | King         | Electorate Properties Officer                |
| Andrew      | Preston            | Sessional Reporter                           | Ian      | Kleinschmidt | Maintenance Officer                          |
| Justin      | Price              | Audiovisual Officer                          | Samantha | Matthews     | Manager, Security and Electorate Properties  |
| Debra       | Reeves             | Research & Loans Officer                     |          |              |  |
| Daisy       | Rissotto           | Administrative Assistant                     | Paul     | McConville   | Manager, Catering & Retail Operations        |
| Karina      | Roberts            | Sessional Reporter                           |          |              |  |
| Rob         | Salvatore          | Broadcast Officer                            | Mary-Dee | Morgan       | Functions & Events Coordinator               |
| Clement     | Scott              | SharePoint Administrator                     | Paula    | Netto        | Administrative Officer                       |
| James       | Scott              | Manager, Hansard                             | Katie    | Newcombe     | Security Administration                      |
| Arun        | Sebastian          | Network Security Engineer                    |          |              | Team Leader                                  |
| Richard     | Slade              | Sessional Reporter                           | Tammy    | Nguyen       | Security Administration Officer              |
| Joshua      | Slewa              | Service Desk Analyst                         | Steven   | Nikolovski   | Security Administration Officer              |
| Heather     | Smith              | Reporter                                     | Brian    | O'Neill      | Electorate Properties Officer                |
| Victoria    | Spicer             | Coordinator, Heritage & Collections          | Zoltan   | Pok          | Kitchen Steward                              |
|             |                    |  | Rachel   | Robertson    | Team Leader Grounds & Gardens                |
| Patrick     | Spillane           | Reporter                                     | Melanie  | Thompson     | Senior Chef                                  |
| Evan        | Squire             | Subeditor                                    | Paul     | Vranes       | Maintenance Officer - Carpentry              |
| Timothy     | Swanson            | Business Analyst                             | Grant    | Williams     | Security Coordinator                         |
| Linden      | Taylor             | Subeditor                                    |          |              |  |
| Shilpa      | Thatikonda         | Vendor and IT Administration Support Officer |          |              |  |
| Angus       | Tonkin             | Sessional Reporter                           | Voula    | Andritsos    | Senior Learning & Development Consultant     |
| Alan        | Turner             | Reporter                                     | Anne     | Shotri       | Organisation Development Officer (OH&S & HR) |
| Matt        | Tynan              | Broadcast Officer                            |          |              |  |
| Miguel      | Velasquez Quintero | Service Desk Analyst                         | Fran     | Barresi      | Leader, HR Services                          |
| Simon       | Whitehead          | Publishing & CIT Business Support Officer    | Barry    | Cull         | Leader, Remuneration & Payroll Services      |

### Resource Management

### Precinct and Property Management

|             |              |   |           |              |  |
|-------------|--------------|---|-----------|--------------|--|
| Stephen     | Andrews      | Team Leader Building Services           | Richard   | D'Souza      | Management Accountant                        |
| Tanya       | Arbutovic    | Electorate Properties Officer           | Corinne   | Duggan       | Organisation Development Officer - Payroll   |
| Raymond     | Barrera      | Maintenance Officer                     |           |              |  |
| James       | Bellerby     | Electorate Properties Officer           | Vince     | Fukes        | Senior Accounts Officer - Accounts Payable   |
| Suzie       | Blom         | Projects Officer                        |           |              |  |
| Adam        | Boyd         | Security Adviser                        | Roberto   | Geronimo     | Accounts Payable Officer                     |
| Christopher | Butler       | Maintenance Officer - Electrical        | Renee     | Grech        | Learning & Development Officer               |
| Tom         | Clapham      | Electorate Properties Officer           | Richard   | Jordan       | Manager, Organisation Development            |
| Regan       | Connally     | Office Administration & Project Officer | Matt      | Jordon       | Organisation Development Officer             |
| Michael     | Craig        | Executive Chef                          |           |              |  |
| Robert      | De Graaf     | Maintenance Officer - Electrical        | Harpreet  | Kandola      | Senior Budget and Risk Analyst               |
| Jacqueline  | Doolan       | Customer Service Supervisor             | Beti      | Kouloumendas | Organisation Development Officer - Payroll   |
| Paul        | Dunstone     | Security Adviser                        |           |              |  |
| John        | Fothergill   | Manager, Buildings & Grounds Services   | Paul      | Leyland      | Manager Financial Operations                 |
|             |              |   | Rachelle  | McCutcheon   | Organisation Development Officer             |
| Nicole      | Fotheringham | Electorate Properties Coordinator       | Laurence  | McGlade      | Financial Accountant                         |
|             |              |   | Clare     | McMullan     | Organisation Development Officer             |
| Karen       | Fox          | Senior Customer Service Officer         |           |              |  |
| Martyn      | French       | Security Adviser                        | Viv       | Prasad       | Budget & Risk Officer                        |
| Andrew      | Gaff         | Coordinator, Facilities Management      | George    | Prelec       | Organisation Development Officer - Payroll   |
| Melody      | Garcia       | Kitchen Steward                         |           |              |  |
| Rachel      | Gatewood     | Senior Projects Coordinator             | Allison   | Ridge        | Payroll Coordinator                          |
| David       | Gorman       | Security Adviser                        | Charu     | Saxena       | Chief Financial Officer                      |
| Lynette     | Greene       | Electorate Properties Officer           | Alexandra | Trigg        | Organisation Development Officer (OH&S & HR) |
| Linda       | Haddow       | Horticulturist                          |           |              |  |
| John        | Hurle        | Senior Horticulturist - Turf            | Cory      | Woodger      | Systems Accountant                           |
| Amy         | Kearney      | Electorate Properties Officer           |           |              |  |

# Delivery on Parliament's Strategic Priorities

## Staff Profiles



**Suzie Blom**

Suzie joined Parliament House as a Project Officer in the Buildings and Grounds team in August 2016. Now a familiar face around Parliament, Suzie has a background as a consulting civil engineer and project manager. Her experience lies in the construction of landfills; water recycling plants; public realm improvements; and building services upgrades.

Since commencing with the Department of Parliamentary Services, Suzie has been heavily involved with the construction of the new office accommodation building and has been greatly appreciative of the support and patience demonstrated by Parliament staff during its construction. Suzie is the go-to person for all information, and is able to provide the answer to any question relating to the new build. She has quickly become an integral part of the Buildings and Grounds team, and is well known for being a 'Jill of all trades'. Suzie enjoys working with different teams within Parliament, and enjoys constructive and effective relationships with external stakeholders such as architects, builders, and engineers.

While she is unable to pick just one favourite aspect of the new Annexe, a definite frontrunner is the roof terrace. Planted with native vegetation, the terrace is environmentally friendly and employs innovative technologies such as bubbledeck floor slabs and geothermal heating and cooling systems.

Considering herself very fortunate to be involved at a time when the Department is undertaking one of the most extensive program of works in the history of the Precinct, Suzie is looking forward to the continuation of circulation improvement works within Parliament House, and the reinstatement of heritage spaces to their originally intended purpose. Suzie finds the construction within the building particularly interesting as it exposes original construction methods and hidden features such as the many fireplaces that have been infilled over time.

Suzie is currently undertaking further study in project management at RMIT and enjoys contributing to the cryptic crosswords at morning tea with the Buildings and Grounds Services team.



**Marie De Leon**

Marie started work as a Payroll Officer in the Organisation Development unit in May 2017. She currently enjoys assisting Members of Parliament, electorate officers and Parliamentary officers with their pay queries and learning more around the payroll processes to assist with the 2018 election. She finds her role interesting and challenging as she has been

exposed to end-to-end payroll procedures. Prior to working at Parliament, Marie worked in payroll at Costco Ringwood and Moorabbin, where she assisted in opening both warehouses. She also worked at Jetstar specialising in time and attendance, which included an opportunity to fly up front with the pilots on a trip to Brisbane.

Before her family's permanent move to Australia, Marie first settled with her family in Brisbane but due to humidity, she preferred Melbourne's weather and instantly adored its vibrant city life. Prior to Australia, Marie spent most of her teenage years in Hamilton, New Zealand and her childhood years in Al-Khobar, Saudi Arabia.

Marie is a proud mum of a three-year-old toddler who starts kindergarten next year. Marie and her family recently travelled to Japan in May and visited both Disney Worlds in Tokyo and Thomas Land at Mt. Fuji. She rode one of the world's fastest roller coasters at Fuji-Q Amusement Park however decided not to try it again. From musical, automated toilets to Hello Kitty trains, they found their Japanese visit to be interesting and culturally unique.

Some weekends Marie helps out with her family's business, working as a barista from skills she developed when working at Krispy Kreme. Coffee and shopping with friends are her idea of relaxation and she loves spending quality time with her son at play centre cafes until the 'Terrible Threes Syndrome' kicks in. Marie and her husband are also currently working on their house renovations after having bought their first home in 2013.



### Foong Ling Kong

Foong Ling Kong joined Hansard in October 2016 as Editor of Debates after a two-decade career in book publishing.

As a child growing up in Petaling Jaya, Malaysia, she used to draw and write on pink, green and white scrap paper that her stenographer mother brought home from work. It amuses her no end

that many years later and a hemisphere apart, she now works in a Parliament as her mother did.

Foong Ling's past life as a publisher and an editor of books on culture, current affairs and politics meant that many of the books she commissioned drew on Hansard. She concedes she was ridiculously fortunate to have worked with writers and thinkers the calibre of Anne Summers, Gideon Haigh, Kerry O'Brien, Leigh Sales, Paul Keating, Elisabeth Wynhausen, John Clarke and others.

These books of words were balanced by her other work on illustrated cookbooks by Tetsuya Wakuda, Jill Dupleix, Charmaine Solomon and Stefano de Pieri, and a stint reviewing restaurants for *The Age Good Food Guide*. Her abiding interest and faith in the mischief-making potential of the word also led her to the boards of *Overland*, the Stella Prize and, currently, the Feminist Writers Festival.

Foong Ling's learning curve at Hansard has been very steep, and she knows there remains much to learn. She considers it a privilege to have had a ring-side seat to a few legislative firsts since she's been at the Parliament of Victoria, witnessing the passage of bills on voluntary assisted dying and treaty negotiations with Aboriginal Victorians.

A recent study tour of Parliaments in Scotland, Wales and on the Isle of Man and a Commonwealth Hansard Editors Association conference in Westminster provided valuable insight into the work practices and the technology currently in operation around the world.

She is energised and excited by her Hansard experience, not least because of the inspiring team she is part of, and the challenges and opportunities that a large workplace presents. With work happening behind the scenes on a new production system in time for the 59th Parliament and the constant evolution that happens in Hansard, there is much to keep her inveterate curiosity about how things are made ticking over.

Away from work, Foong Ling is a ballet mum who dreams in cake. She and her husband can often be found feeding family and friends on a weekend, singing and dancing (badly) in the kitchen with their teenage daughter, or with their noses in a book.



# Delivery on Parliament's Strategic Priorities

## Employment Framework

Two enterprise agreements outline conditions of employment for Parliamentary employees (excluding executives). The Parliamentary Officers' (Non-Executive Staff – Victoria) Single Enterprise Agreement 2016 applies to Parliamentary Officers, and the Electorate Officers (Victoria) Single Enterprise Agreement 2013 applies to Electorate Officers.

## Department of Parliamentary Services

|                       | 2018                  |               |                                 | 2017                  |               |                                 |
|-----------------------|-----------------------|---------------|---------------------------------|-----------------------|---------------|---------------------------------|
|                       | Ongoing               |               | Fixed term and casual employees | Ongoing               |               | Fixed term and casual employees |
|                       | Employees (Headcount) | FTE           | FTE                             | Employees (Headcount) | FTE           | FTE                             |
| <b>Gender:</b>        |                       |               |                                 |                       |               |                                 |
| Male                  | 66                    | 65.00         | 19.32                           | 53                    | 50.8          | 20.56                           |
| Female                | 59                    | 54.38         | 14.69                           | 57                    | 52.18         | 12.22                           |
| <b>Total</b>          | <b>125</b>            | <b>119.38</b> | <b>34.01</b>                    | <b>110</b>            | <b>102.98</b> | <b>32.78</b>                    |
| <b>Age</b>            |                       |               |                                 |                       |               |                                 |
| Under 25              | 1                     | 1.00          | 0.90                            | 1                     | 0.6           | 0.55                            |
| 25-34                 | 28                    | 27.54         | 11.07                           | 26                    | 24.6          | 10.43                           |
| 35-44                 | 29                    | 26.76         | 6.79                            | 23                    | 20.9          | 9.36                            |
| 45-54                 | 36                    | 34.98         | 6.15                            | 32                    | 30.58         | 5.02                            |
| 55-64                 | 25                    | 23.40         | 7.68                            | 23                    | 21.5          | 6.81                            |
| Over 64               | 6                     | 5.70          | 1.42                            | 5                     | 4.8           | 0.6                             |
| <b>Total</b>          | <b>125</b>            | <b>119.38</b> | <b>34.01</b>                    | <b>110</b>            | <b>102.98</b> | <b>32.77</b>                    |
| <b>Classification</b> |                       |               |                                 |                       |               |                                 |
| VPS 1                 | 0                     | 0             | 0.00                            | 0                     | 0             | 0                               |
| VPS 2                 | 5                     | 5             | 3.14                            | 7                     | 7             | 3.44                            |
| VPS 3                 | 39                    | 36.86         | 5.00                            | 34                    | 31            | 6.6                             |
| VPS 4                 | 24                    | 23.02         | 8.73                            | 19                    | 17.08         | 7.66                            |
| VPS 5                 | 35                    | 32.9          | 12.88                           | 29                    | 27.3          | 11.75                           |
| VPS 6                 | 18                    | 17.7          | 2.36                            | 18                    | 17.7          | 2.33                            |
| VPS 7                 | 1                     | 1             | 0.00                            | 0                     | 0             | 0                               |
| Other                 | 0                     | 0             | 0.90                            | 0                     | 0             | 0                               |
| Executive             | 3                     | 2.9           | 1.00                            | 3                     | 2.9           | 1                               |
| <b>Total</b>          | <b>125</b>            | <b>119.38</b> | <b>34.01</b>                    | <b>110</b>            | <b>102.98</b> | <b>32.78</b>                    |



## Electorate Officers

|                       | 2018                  |               |                                 | 2017                  |               |                                 |
|-----------------------|-----------------------|---------------|---------------------------------|-----------------------|---------------|---------------------------------|
|                       | Ongoing               |               | Fixed term and casual employees | Ongoing               |               | Fixed term and casual employees |
|                       | Employees (Headcount) | FTE           | FTE                             | Employees (Headcount) | FTE           | FTE                             |
| <b>Gender:</b>        |                       |               |                                 |                       |               |                                 |
| Male                  | 146                   | 102.17        | 20.02                           | 117                   | 81.17         | 33.55                           |
| Female                | 276                   | 188.08        | 30.56                           | 226                   | 154.61        | 22.54                           |
| <b>Total</b>          | <b>422</b>            | <b>290.25</b> | <b>50.58</b>                    | <b>343</b>            | <b>235.78</b> | <b>56.09</b>                    |
| <b>Age</b>            |                       |               |                                 |                       |               |                                 |
| Under 25              | 53                    | 28.21         | 14.00                           | 32                    | 19.27         | 20.38                           |
| 25-34                 | 102                   | 74.55         | 14.92                           | 91                    | 64.9          | 12.55                           |
| 35-44                 | 81                    | 54.31         | 9.47                            | 55                    | 38.19         | 8.53                            |
| 45-54                 | 81                    | 56.96         | 4.64                            | 78                    | 51.82         | 6.32                            |
| 55-64                 | 84                    | 62.52         | 4.67                            | 69                    | 50.45         | 6.05                            |
| Over 64               | 21                    | 13.70         | 2.88                            | 18                    | 11.15         | 2.26                            |
| <b>Total</b>          | <b>422</b>            | <b>290.25</b> | <b>50.58</b>                    | <b>343</b>            | <b>235.78</b> | <b>56.09</b>                    |
| <b>Classification</b> |                       |               |                                 |                       |               |                                 |
| Other                 | 422                   | 290.25        | 50.56                           | 343                   | 235.78        | 56.09                           |
| <b>Total</b>          | <b>422</b>            | <b>290.25</b> | <b>50.56</b>                    | <b>343</b>            | <b>235.78</b> | <b>56.09</b>                    |

Note: Staffing for electorate officers increased due to allocation of an additional 0.5 FTE in each electorate office.

# Delivery on Parliament's Strategic Priorities

## Learning and Development

New courses introduced into Parliament included strategies for managing the challenging role of being an electorate officer, writing winning newsletters for your community and Acrobat Pro Essentials. In recognition of the different work patterns of electorate officers and with the endorsement of the Presiding Officers, eleven monthly half-day induction programs were held for staff during the year. A total of 133 electorate officers attended these sessions which focused on their employment conditions and responsibilities.

Seminars covering Mental Health, R U OK, and Understanding and Helping Poor Sleep were popular sessions during the year. Parliament's employee assistance provider CARFI delivered a total of six programs to over 100 staff, including Challenging Phone Calls, Supporting Staff with Return to Work, and Managing Responses to challenging situations.

Internal subject matter experts facilitated and delivered programs to their peers. Hansard delivered Dragon training (specific training for reporters), working with PDFs and style and form changes. The Finance and Risk unit delivered end-of-financial-year management training and the Organisation Development unit delivered recruitment and selection training and Code of Conduct sessions for Parliamentary officers. The Code of Conduct training was delivered by Lander and Rogers and included a panel of representatives from senior management as well as scenario discussions. The Security and Electorate Properties unit also ran five workshops to a total of 168 Parliamentary Officers on Active Armed Offender training for Parliamentary officers. This complemented the eLearning program launched in April 2018. Other eLearning programs launched during the year included cybersecurity and OH&S awareness.

The Senior Management Group endorsed a leadership program aimed at emerging leaders, with the first group completing the program during the year and a new group commencing in the last half of 2017-2018. The program is project based and includes staff across the Legislative Assembly, Legislative Council and the Department of Parliamentary Services. This approach breaks down organisational silos, encourages collaboration and is a practical activity for the benefit of the organisation. Leadership activities such as this contribute to the development of future leaders and supports personal learning and development as a capability building and retention strategy.

## White Ribbon Accreditation

The Victorian Parliament made White Ribbon history by becoming the first Parliament in the world to achieve White Ribbon workplace accreditation. This achievement recognised the Victorian Parliament as a pioneer in contributing to national cultural change to prevent and respond to violence against women.

Announcing the accreditation, White Ribbon Australia recognised that the Victorian Parliament had demonstrated effective leadership, resource allocation, communication, human resource policy development and training to create a safer and more respectful workplace, supporting Members of Parliament and staff to be respectful across all spheres.

For White Ribbon Day, Members, Parliamentary staff and representatives of the White Ribbon organisation attended a morning tea, at which White Ribbon Australia chair Nicholas Cowdery, QC, presented Parliament's working group with our accreditation certificate. Social media posts reached thousands of people across Victoria and received a positive response from the hundreds of people who engaged with them.

## Employee Relations

After a long period of consultation and negotiations, the Electorate Officers' (Victoria) Single Enterprise Agreement 2017 went to a ballot on 14 and 15 May 2018. A rate of 56% of Electorate Officers lodged a vote with 98% approving the new agreement. Key initiatives of this new agreement include family violence leave and gender-neutral parental leave. Electorate Officers received pay outcomes agreed through the negotiations by the end of this financial year.

Additional capability was provided to each electorate office through an increase in funded positions from 2.0 FTE to 2.5 FTE per office and variation in the electorate office position structure to engage and retain specialist skills.

Parliamentary officer capability was developed through organisational restructure, reallocation of resources to specialist and increased application of technology enabling digitisation of business processes.

## Occupational Health and Safety and Employee Welfare

During the reporting period, the Organisation Development unit coordinated a wide range of OH&S and staff wellness activities with a focus on understanding and responding to family violence, appropriate workplace behaviours, and emergency management. The corporate wellness program continued the focus on prevention with programs such as flu vaccinations, skin checks, and heart health checks. These programs and other activities were available to large numbers of staff and Members to participate directly and through online educational resources. This included staff involvement in external activities such as Australia's Biggest Morning Tea fundraising and blood bank donations.

### Occupational Health and Safety Key Statistics

| Measure                              | Description  | Result |
|--------------------------------------|--|--------|
| Incidents and hazards                | Number of incidents  | 31     |
|                                      | Number of reported hazards                                       | 8      |
| Claims<br>(reported during the year) | Number of minor claims*  | 5      |
|                                      | Number of standard claims**                                      | 4      |
|                                      | Number of lost time claims                                       | 2      |
|                                      | Number of claims exceeding 13 weeks                              | 1      |
|                                      | Return to work compliance  | 100%   |
| OH&S Committee                       | Committee Meetings   | 7      |
|                                      | OH&S Representative initial and refresher training participation | 100%   |
| Hazard Inspections                   | Workplace hazard inspections                                     | 16     |
| Corporate Wellness Activities        | Number of participants   | 432    |

\* Minor claim – a claim that exceeds the annual indexed thresholds for medical and like expenses and/or lost days.

\*\* Standard claim – a claim that exceeds the threshold limits.

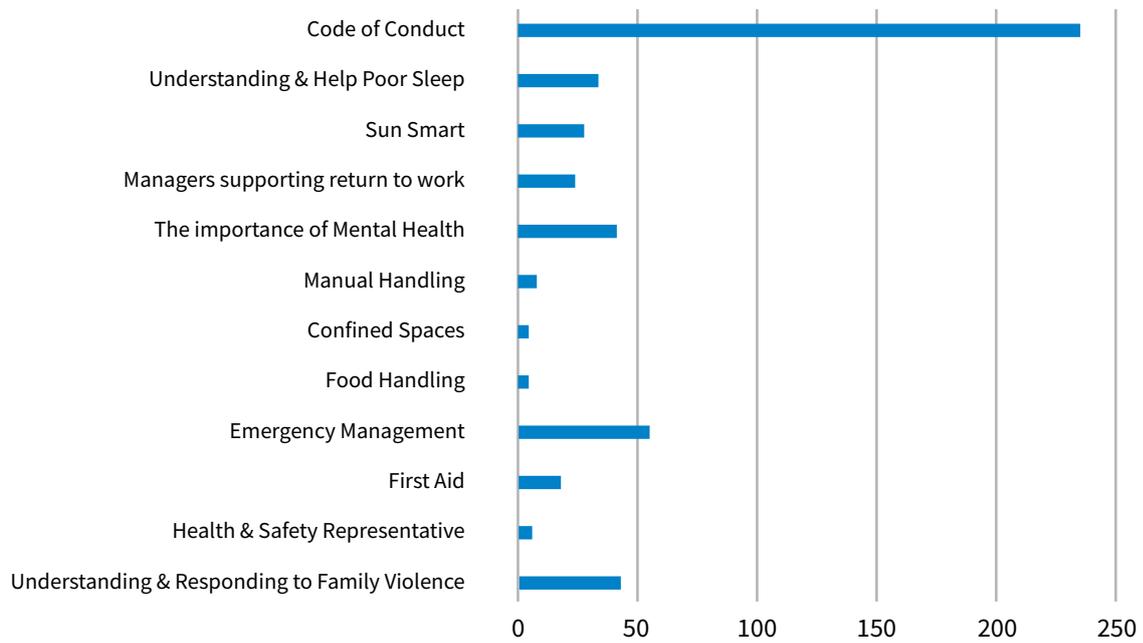
Source – Xchanging (insurance provider) relates to claims submitted during the reporting period.

### Occupational Health and Safety Incidents

| Breakdown of OH&S Incidents |                      |
|-----------------------------|----------------------|
| 14                          | sprain or strain     |
| 7                           | bruising or swelling |
| 3                           | burn                 |
| 1                           | anxiety or stress    |
| 6                           | dizzy / nauseas      |

# Delivery on Parliament's Strategic Priorities

## Occupational Health and Safety Training



## Objective 7 - Built Environment

Planning for the coming year's projects at Parliament House commenced. Due to their extensive, high-profile and overlapping nature, coordination will be a major challenge. The stone restoration works, stage 11 phase 2, will see hoarding across the Spring Street facade, along the northern colonnade. At the same time, the Spring Street bollards security project will require hoarding across the pedestrian sidewalk and hoarding along the southern colonnade. Works to improve circulation within the building will begin, and continue for the foreseeable future, providing further challenges for the team.

### Heritage and Stone Restoration

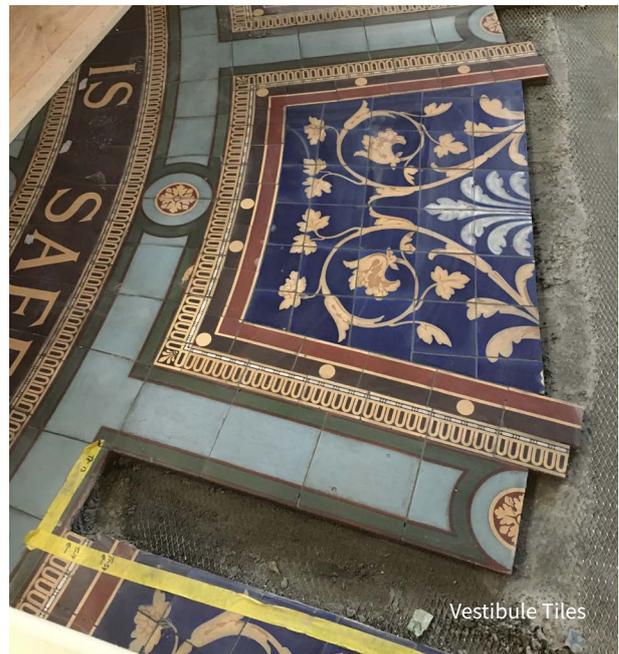
Stage 10 of the stone restoration works, focusing on the northwestern corner, was completed in October 2017. Stage 11, split across two phases, is currently underway and will see restoration of the Spring Street facade. Phase 1 affects the northern part of the facade, and is expected to be completed in August 2018. Phase 2 of the works extends to the middle building's facade and requires O'Connor and Sons Stonemasons to take possession of the northern colonnade and steps, commencing in July 2018.



### Building function

#### *Vestibule Tiles*

The elaborate mosaic in the Vestibule of Parliament House required repairs and restoration due to shifting of the floor underneath. The original hand-crafted tiles were made in the late 1870s in England and painstakingly laid one by one by the Parliament's own housekeeper. Heritage tile specialists removed approximately 150 tiles, repairing those able to be reused and replacing those too damaged for reuse. Temporary hand-painted tiles have been laid until the new ones, manufactured in the United Kingdom at the original tile factory, are completed. Stage 2 of the Vestibule tile restoration will continue into 2019.



#### *Parliamentary Gardens*

The horticulturists have spent the last year working in between and around trade and building works across the Parliamentary Precinct. A large part of the grounds has been out of circulation with the new annexe being built, so the team have spent time protecting significant trees and maintaining the heritage gardens. Focus was also directed on the re-establishment of the bowling green surface and replanting areas affected by the external fence works.

# Delivery on Parliament's Strategic Priorities

## Solar Hot Water at Parliament House

A new solar hot water system, servicing the kitchens and some bathrooms, was installed over the past year. The system pre-heats the water, using solar energy, up to 55°C, before the water is then heated to the optimum temperature of 67°C in the hot water unit. The 380 litre tank saves on energy usage with water temperature normally entering the hot water unit at an average of 14°C before being heated to the required temperature using electricity.



## Bathroom Upgrades

The ground floor Parliament House bathrooms located underneath the stairs were upgraded to more modern standards. The four cupboard-sized toilets received a much needed renovation including new tiles to the floors and walls as well as new fixtures.

Due to upcoming circulation works, the ground floor toilets along the back corridor required a move across the corridor. The newly constructed toilets were built in the old compactus area, which housed various items for the Legislative Assembly and the Parliamentary Library. Removal of the papers and dismantling of the compactus was a task in itself, successfully completed with staff across all Departments working together to ensure works could begin on time. The new toilets were opened for use at the end of January 2018, replacing the restrooms located on the opposite side of the corridor.

## Electorate Offices

The Security and Electorate Properties unit decommissioned the legacy Lotus Notes property request database and replaced it with a modern system integrated to the Vision/Qube property maintenance solution. Cases can now be logged using a web browser via our intranet platform, "Billy". Mobility capability is planned, enabling requests to be logged by Members and staff via a mobile device.

Electorate office services were improved through streamlined processes and procedures as well as additional training and upskilling to improve auditing capabilities. An additional architect and fit out contractor was engaged to join the building services panel and a project was initiated to establish a furniture supply panel. These panels will simplify the process of undertaking electorate office relocations and upgrades, thereby shortening timelines.

The Security and Electorate Properties unit is funded to deliver 10 relocation projects over the next financial year, a task that is ever-increasing in difficulty due to the challenges in sourcing suitable properties at competitive rates.



## Remediation of Office Accommodation Project

The major building project undertaken in 2017-18 has been the completion of a new annexe at the rear of Parliament House that will serve as Members' accommodation. Monday 7 May 2018 saw the first Members of Parliament move into the new office accommodation, two years after the demolition of the temporary annexe, affectionately known as the 'Chookhouse'.

This purpose-built office accommodation building can house 102 Members of Parliament and accompanying electorate office staff. The building is linked to Parliament House via a tunnel to the old lower library, walkway at ground level, and a bridge to the Members balcony and first floor. Over the next two years, works will continue to improve circulation between the buildings, including new lifts and stairwells.

Ecological sustainable development design principles have been incorporated into the new office building to reduce its ongoing resource requirements. Greener construction materials, with a high recycled component, have been selected, along with low energy fittings and movement sensors. The building is heated and cooled through a geothermal exchange system, a cost-effective and energy-efficient way to heat and cool buildings. A rainwater tank captures water for use in toilet flushing and irrigation.

The new offices have a design life of at least 100 years and are standardised in both size and fittings, complying with relevant legislation relating to safe workplaces. Key views from Parliament House looking out into the garden and toward St Peter's Church and St Patrick's Cathedral have been maintained, as have the views from the garden to Parliament House.

Amongst a number of new technologies this project has included is a Building Management System to monitor and minimise the use of power in the building by controlling the lighting and ventilation systems. The system, along with the geothermal heating and cooling, is expected to provide a reduction in precinct energy use over the coming years.

Other technologies introduced are already being deployed back into the main building to improve services to building occupants. Systems including IPTV, and network-based audio, bells and clocks will all be increasingly deployed across the precinct. These modern network-delivered services have a smaller physical footprint when compared to older technologies, thus enabling more of the original heritage of the building to be maintained.



# Delivery on Parliament's Strategic Priorities

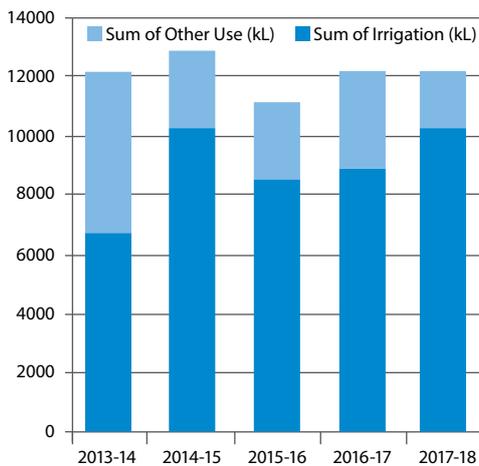
## Environmental Sustainability Report

The Buildings and Grounds unit monitors electricity, gas and water usage throughout the Parliamentary Precinct, including the collection and use of rainwater in the gardens.

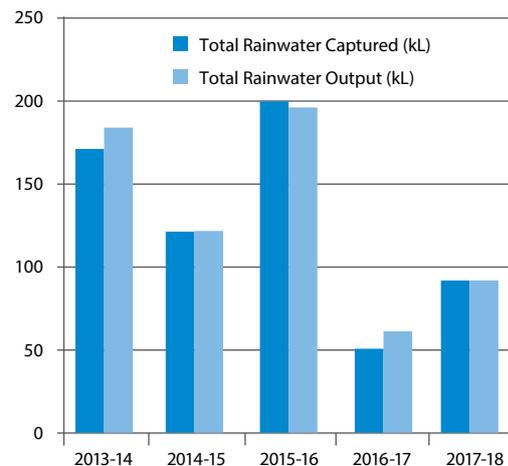
Over the duration of the 2017-18 financial year gas usage has decreased by 61% from the previous year. Electricity usage has increased slightly, due to the construction works on the Parliamentary Precinct.

Mains water use has remained consistent with previous years. Rainwater capture and output has increased, compared to the previous year.

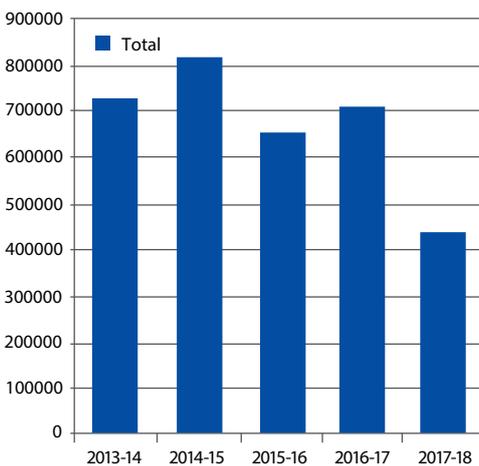
### Annual Mains Water Use



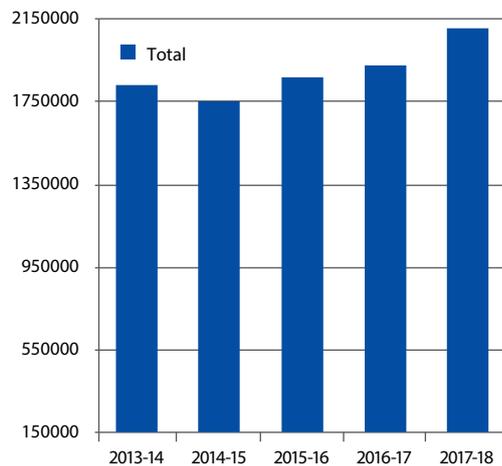
### Total Rainwater Capture v. Total Rainwater Output



### Annual Parliament Precinct Gas Use (Mj)



### Annual Parliament Precinct Electricity Use (kWh)



## Objective 8 – Information and Technology

All Members of Parliament now have access to video of their speeches from the chamber. This internal Video on Demand service is located on our intranet, “Billy”, and is accessible to Members in Parliament and their electorate offices. Members can download and publish their contributions easily within 24 hours. Hansard has started a project to move its publishing system to a Sharepoint-based solution similar to that currently in operation at the South Australian, New South Wales and Commonwealth Parliaments.

This undertaking will be progressing during the Election period of 2018 and is expected to be operational early in the 59th Parliament. The benefits of this new system will be quicker, more accessible review and publishing of Member contributions, faster access for staff and Government departments to the Daily Hansard, and a foundation for digitisation of other Parliamentary processes.

Hansard has worked hard to establish an effective AV standard for the entire precinct. In time, all meeting rooms will have a consistent standard of equipment and services that operate with the same ease-of-use. The AV standard is based on best practice operations from a number of similar environments.

A diesel generator was installed in the Parliament House car park to ensure continuity of Information Technology and Hansard Audio and Broadcast services during planned and unplanned power disruptions.

The new Members’ office accommodation project enabled a number of new technologies to be introduced. One major improvement was the introduction of a new IPTV system including all free-to-air TV channels, selected news and current affairs cable TV channels as well as two live Legislative Assembly, two live Legislative Council and two live Committee channels. This service runs across the Parliament’s IT network and is available in almost 150 locations across the Parliamentary Precinct including all Members’ offices in Parliament House and the new annexe.

Multifunction devices supporting scanning and printing were installed into all Annexe offices enabling members and their electorate office staff to print directly to the Member’s Parliament House office.

In parallel to the rollout of Acer computers with Windows 10 and Office 2016 to all 128 electorate offices, Member laptops were also replaced. These new laptops have improved Member mobility as they have been delivered with a docking station installed at both the Member’s electorate office as well as their Parliament House office.

OneDrive on Microsoft Office 365 is currently being trialled within the Information Technology unit with plans are underway to roll it out across the Parliament network during 2018-19.

Customer service was improved with the implementation of a new system that not only caters for IT requests, but now also takes requests relevant to Buildings and Grounds Service, the Parliamentary Library, Committees and Hansard. The use of a single system in place of multiple and in some cases manual processes ensures all service requests are better captured and addressed, especially those that require cross-functional support.

A review of Parliament’s website technologies and Billy Intranet is being conducted to improve user experience and make information easier to access across a wider range of devices. This project currently includes Hansard and the Parliamentary Library’s public content, and based on the results other areas may be moved in. DPS intends to apply and expand this approach to a consistent service request system across DPS Units.

2017-18 saw the retirement of many of the legacy Lotus Notes databases used at Parliament. Systems such as the OH&S, Security and room booking systems have been or are in the process of being replaced. Wherever possible, replacement system are being specified with a ‘mobile first’ requirement ensuring they are compatible with phones and tablets.

Unsurprisingly, cybersecurity continues to be a significant challenge for Parliament and saw significant investment and effort during the year. Enhancements have included the implementation of upgraded web content filters and firewalls and network segmentation to provide isolation between networks further improved security. Further improvements to cybersecurity are already in progress or planning.

## Additional information

### Department Facts

**72,181**  
financial transactions processed

**11,848**  
budget and expenditure reports  
were prepared

**579** contractor site inductions completed during 2017-18,  
30% of which were completed over May and June in 2018

**98** contractors, ranging from removalists, electricians, builders  
and more, were on site on Friday 22 June – the highest number  
of contractors on site at one time

Hansard broadcasting increased total web-streaming  
views by **90,000** hits, mobile and tablet viewing  
by **42,000** hits, and return viewership grew to **166,593**

Hansard produced **4,171,242** words in the last year while producing the  
Parliamentary reports



An approval rating  
of 98% was reached  
for the staff ballot for  
the new Electorate  
Officer EBA

**236** Parliamentary officers attended  
code of conduct training

Almost **2000** people currently receive the Springboard  
quarterly newsletter on Parliamentary education

Parliament fresh milk, butter and yoghurt  
is purchased direct from the farm and bottled in  
Fitzroy at inner-Melbourne's only micro-dairy

**688**

property management cases were received

**10**

relocation projects were delivered

**13,573**

confiscated or seized items

**388**

security incidents were recorded

A **24 hour** turnaround dry cleaning service is now available via the Parliament gift shop

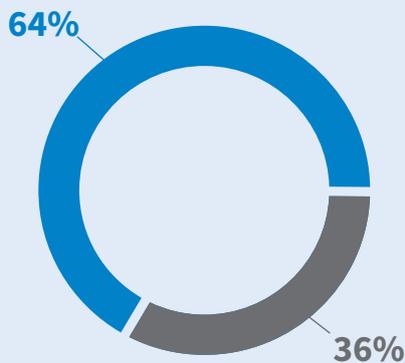
The library responded to over **3,500** requests for information

There were **117,063** visitors to the Parliament Precinct

**20** research publications were produced

**14 million**

inbound emails per year



8.9 million blocked due to malicious content such as phishing & ransomware (64%)  
5.8 million delivered (36%)

**2,200**

computer viruses detected and blocked

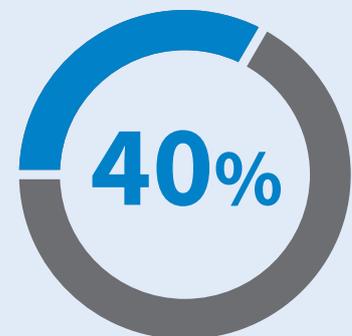
IT SERVICE DESK

**100**

Approx. 100 calls, walk-ups and emails for assistance every day

**11Tb**

Download traffic per month



Download traffic increased from 8Tb to 11Tb per month over the past year (40% increase from last year)

## Additional information

There were over  
**600,000**  
visits to the site



of which almost 80%  
are first-time visitors

Almost

**1/2**  
**million**

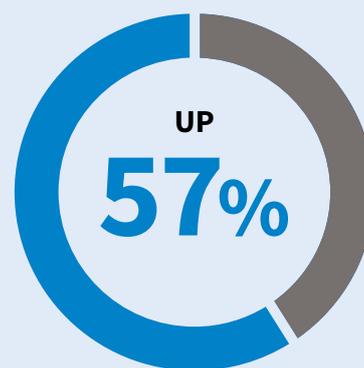
documents were  
downloaded  
(mainly PDF and Word)  
from the site

Our site users continue to  
move away from desktop  
(down 9.47% when compared  
to the previous year) and  
toward mobile (up 6.10%)  
and tablets (up 2.16%)

DOWN

**9.47%**

Social media traffic



Users referred to the site via social  
media traffic increased by 57% from  
last year (from 6.5% to 10.6%)

## Senior Officer Travel

|  | 2015-16  | 2016-17  | 2017-18  |
|--|----------|----------|----------|
| DPS Senior Parliamentary Officer Travel* | \$26,095 | \$11,904 | \$59,799 |

\* A senior Parliamentary officer is defined as EO3 and above.

## Risk Management

The Parliament of Victoria has adopted a risk management framework and risk management processes consistent with the Australian and New Zealand standards since February 2012. Key strategic and operational risks were identified and were endorsed by the Audit Committee in August 2012. A risk owner was assigned to each strategic and operational risk. It is the responsibility of the risk owner to review the strategic and operational risks each quarter. A review of the risk management framework and risk management processes is conducted annually and risks are aligned to Parliament's strategic objectives.

The Parliament's internal audit function is used to provide assurance about internal controls to the Audit Committee. The internal audit program takes into account the key strategic and operational risks identified by management.

### *Attestation for compliance with the Australian/New Zealand Risk Management Standard*

I, Peter Lochert, certify that the Department of Parliamentary Services has risk management processes in place consistent with AS/NZS ISO 31000:2009 and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. Senior management verifies this assurance, and the risk profile of the Department of Parliamentary Services has been critically reviewed within the past 12 months.



Peter Lochert  
Secretary  
Department of Parliamentary Services

## Additional information

### Consultancies

#### Details of Consultancies \$10,000 and over

| Consultant name | Brief summary of project                       | Start date | End date | Total approved project fee (excluding GST) | Expenditure 2017-18 (excluding GST) | Future Expenditure (excluding GST) |
|-----------------|--|------------|----------|--|-------------------------------------|------------------------------------|
| IEDEX PTY LTD   | Review of Parliament's governance arrangements | Jul-17     | Dec-17   | 37,125                                     | 21,225                              | 0                                  |

#### Consultancies less than \$10,000

| No. of consultancies | Total value (exc GST) |
|----------------------|-----------------------|
| 1                    | 8,450                 |

# PARLIAMENT OF VICTORIA

## Financial statements for the financial year ended 30 June 2018

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These financial statements cover the Parliament of Victoria as an individual entity.

The Parliament is the law-making body of the State and provides the base from which the government is formed. Its principal address is:

Parliament of Victoria  
Parliament House  
Spring Street  
Melbourne  
Victoria 3002



**Accountable Officers' and Chief Finance and Accounting Officer's declaration**

The attached financial statements for the Parliament of Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister of Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2018 and financial position of the Parliament of Victoria at 30 June 2018.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 21 August 2018.



**HON COLIN BROOKS MP**  
Speaker of the Legislative Assembly  
Parliament of Victoria



**HON BRUCE ATKINSON MLC**  
President of the Legislative Council  
Parliament of Victoria



Charu Saxena  
Chief Finance and Accounting Officer  
Parliament of Victoria

Melbourne

21 August 2018

# Independent Auditor's Report

## To the Presiding Officers of the Parliament of Victoria

|  |  |
|--|--|
| <b>Opinion</b>   | <p>I have audited the financial report of the Parliament of Victoria (Parliament) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2018</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• Accountable Officers' and Chief Finance and Accounting Officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of Parliament as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p> |
| <b>Basis for opinion</b>   | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's responsibilities for the audit of the financial report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of Parliament in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>                           |
| <b>Presiding Officers' responsibilities for the financial report</b> | <p>The Presiding Officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Presiding Officers determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Presiding Officers are responsible for assessing Parliament's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>   |

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**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of Parliament's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Presiding Officers.
- conclude on the appropriateness of the Presiding Officers' 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 Parliament'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. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Parliament 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 Presiding Officers 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.

---

MELBOURNE  
23 August 2018



Andrew Greaves  
Auditor-General

**PARLIAMENT OF VICTORIA**  
**Comprehensive operating statement**  
**for the financial year ended 30 June 2018**

|   |         | (\$ thousand)    |                  |
|---|---------|------------------|------------------|
|   | Notes   | 2018             | 2017             |
| <b>Income from transactions</b>   |         |                  |                  |
| Output appropriations   | 2.2/2.3 | 120,150          | 109,909          |
| Special appropriations  | 2.3     | 38,846           | 37,760           |
| Grants  | 2.4     | 30               | 26               |
| Fair value of assets and services received free of charge for nominal consideration | 2.4     | -                | 3                |
| Parliament refreshment rooms & gift shop  | 2.4     | 1,807            | 1,858            |
| <b>Total income from transactions</b>   |         | <b>160,833</b>   | <b>149,556</b>   |
| <b>Expenses from transactions</b>   |         |                  |                  |
| Employee expenses   | 3.1     | (97,329)         | (88,435)         |
| Depreciation  | 5.1     | (14,120)         | (15,496)         |
| Computer, communications, rental and other costs                                    | 3.4     | (21,784)         | (20,681)         |
| Capital asset charge  | 3.2     | (6,490)          | (2,898)          |
| Interest expense  | 7.1     | (52)             | (58)             |
| Parliament refreshment rooms & gift shop  | 3.3     | (2,291)          | (2,267)          |
| Supplies and services   | 3.4     | (16,076)         | (14,986)         |
| <b>Total expenses from transactions</b>   |         | <b>(158,142)</b> | <b>(144,821)</b> |
| <b>Net result from transactions (net operating balance)</b>                         |         | <b>2,691</b>     | <b>4,735</b>     |
| <b>Other economic flows included in net result</b>                                  |         |                  |                  |
| Net gain / (loss) on non-financial physical assets                                  |         | 251              | 182              |
| Other gains / (losses) from other economic flows                                    |         | (11)             | 394              |
| <b>Total other economic flows included in net result</b>                            |         | <b>240</b>       | <b>576</b>       |
| <b>Net result</b>   |         | <b>2,931</b>     | <b>5,311</b>     |
| <b>Other economic flows - other comprehensive income</b>                            |         |                  |                  |
| <b>Items that will not be reclassified to net result</b>                            |         |                  |                  |
| Changes in physical asset revaluation surplus                                       |         | -                | 189,364          |
| <b>Total other economic flows - other comprehensive income</b>                      |         | <b>-</b>         | <b>189,364</b>   |
| <b>Comprehensive result</b>   |         | <b>2,931</b>     | <b>194,675</b>   |

The Comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 50 to 102.

**PARLIAMENT OF VICTORIA**  
**Balance sheet**  
**as at 30 June 2018**

|   |       | (\$ thousand)  |         |
|---|-------|----------------|---------|
|   | Notes | 2018           | 2017    |
| <b>Assets</b>   |       |                |         |
| <b>Financial assets</b>                                   |       |                |         |
| Cash and deposits   | 7.2   | 95             | 120     |
| Receivables   | 6.1   | 33,739         | 50,455  |
| <b>Total financial assets</b>                             |       | <b>33,834</b>  | 50,575  |
| <b>Non-financial assets</b>                               |       |                |         |
| Inventories - Parliament refreshment room & gift shop     | 6.3   | 88             | 89      |
| Non-financial physical assets classified as held for sale |       | 45             | 90      |
| Property, plant and equipment                             | 5.1   | 701,315        | 674,150 |
| Prepayments   | 6.3   | 1,747          | 1,470   |
| <b>Total non-financial assets</b>                         |       | <b>703,195</b> | 675,799 |
| <b>Total assets</b>                                       |       | <b>737,029</b> | 726,374 |
| <b>Liabilities</b>  |       |                |         |
| Bank overdraft  | 7.1   | 854            | 489     |
| Payables  | 6.2   | 8,384          | 8,914   |
| Unearned income   |       | 50             | 39      |
| Borrowings - Finance leases payable                       | 7.1   | 3,026          | 2,846   |
| Provisions  | 3.1   | 13,362         | 11,883  |
| <b>Total liabilities</b>                                  |       | <b>25,676</b>  | 24,171  |
| <b>Net assets</b>   |       | <b>711,353</b> | 702,203 |
| <b>Equity</b>   |       |                |         |
| Accumulated surplus / (deficit)                           |       | 48,860         | 45,929  |
| Physical asset revaluation surplus                        |       | 483,202        | 483,202 |
| Contributed capital                                       |       | 179,291        | 173,072 |
| <b>Net worth</b>  |       | <b>711,353</b> | 702,203 |

The Balance sheet should be read in conjunction with the accompanying notes included on pages 50 to 102.

**PARLIAMENT OF VICTORIA**  
**Statement of changes in equity**  
**for the financial year ended 30 June 2018**

|   | (\$ thousand)  |                        |                           |                |
|---|--|------------------------|---------------------------|----------------|
|   | Physical<br>asset<br>revaluation<br>surplus <sup>(a)</sup> | Accumulated<br>surplus | Contributions<br>by owner | Total          |
| <b>Balance at 1 July 2016</b>           | <b>293,839</b>   | <b>40,618</b>          | <b>173,072</b>            | <b>507,529</b> |
| Net result for the year                 | -  | 5,311                  | -                         | 5,311          |
| Other comprehensive income for the year | 189,363  | -                      | -                         | 189,363        |
| Additions to Net Asset Base             |  |                        |                           | -              |
| <b>Balance at 30 June 2017</b>          | <b>483,202</b>   | <b>45,929</b>          | <b>173,072</b>            | <b>702,203</b> |
| Net result for the year                 | -  | 2,931                  | -                         | 2,931          |
| Other comprehensive income for the year | -  | -                      | -                         | -              |
| Additions to Net Asset Base             |  |                        | 6,219                     | 6,219          |
| <b>Balance at 30 June 2018</b>          | <b>483,202</b>   | <b>48,860</b>          | <b>179,291</b>            | <b>711,353</b> |

<sup>(a)</sup> The physical asset revaluation surplus arises on the revaluation of land, buildings and cultural assets.

The above Statement of changes in equity should be read in conjunction with the accompanying notes included on pages 50 to 102.

**PARLIAMENT OF VICTORIA**  
**Cash flow statement**  
**for the financial year ended 30 June 2018**

|   |       | (\$ thousand)    |                  |
|---|-------|------------------|------------------|
|   | Notes | 2018             | 2017             |
| <b>Cash flows from operating activities</b>                                   |       |                  |                  |
| <b>Receipts</b>   |       |                  |                  |
| Receipts from Government appropriations                                       |       | 175,121          | 149,819          |
| Receipts from Parliament refreshment rooms & gift shop                        |       | 2,049            | 2,178            |
| Receipts from other Government departments                                    |       | 302              | 272              |
| Goods and services tax recovered from the ATO                                 |       | 7,634            | 5,162            |
| <b>Total receipts</b>   |       | <b>185,106</b>   | <b>157,431</b>   |
| <b>Payments</b>   |       |                  |                  |
| Payments to suppliers and employees   |       | (142,033)        | (124,546)        |
| Payments to suppliers & employees by Parliament refreshment rooms & gift shop |       | (2,331)          | (2,282)          |
| Capital asset charge payments   |       | (6,490)          | (2,898)          |
| Interest and other finance costs  |       | (52)             | (59)             |
| <b>Total payments</b>   |       | <b>(150,906)</b> | <b>(129,785)</b> |
| <b>Net cash flows from / (used in) operating activities</b>                   | 7.2.1 | <b>34,200</b>    | <b>27,646</b>    |
| <b>Cash flows from investing activities</b>                                   |       |                  |                  |
| Purchases of non-financial physical assets                                    |       | (39,960)         | (27,129)         |
| Sales of non-financial physical assets  |       | 1,151            | 964              |
| <b>Net cash flows from / (used in) investing activities</b>                   |       | <b>(38,809)</b>  | <b>(26,165)</b>  |
| <b>Cash flows from financing activities</b>                                   |       |                  |                  |
| Owner contributions by state government                                       |       | 6,219            | -                |
| Repayment of finance leases   |       | (2,000)          | (1,871)          |
| <b>Net cash flows from / (used in) financing activities</b>                   |       | <b>4,219</b>     | <b>(1,871)</b>   |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                 |       | <b>(390)</b>     | <b>(390)</b>     |
| Cash and cash equivalents at beginning of financial year                      |       | (369)            | 21               |
| <b>Cash and cash equivalents at end of financial year</b>                     | 7.2   | <b>(759)</b>     | <b>(369)</b>     |

The cash flow statement should be read in conjunction with the accompanying notes included on pages 50 to 102.

## **Contents**

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## Note 1 - ABOUT THIS REPORT

The financial statements include all the activities of the Parliament of Victoria (Parliament). The Parliament has no controlled entities that warrant disclosure in these financial statements. Its principal address is:

Parliament of Victoria  
Parliament House  
Spring Street  
Melbourne 3002  
Victoria

A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

### Basis of preparation

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of Australian Accounting Standards (AAS) that have significant effects on the financial statements are disclosed in the notes under the heading 'Significant judgement or estimates'.

All amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

### Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and AAS which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

## Note 2 - FUNDING DELIVERY OF OUR SERVICES

### Introduction

The Parliament's functions may be broadly described as legislative, financial and representational. It authorises expenditure, debates Government policy and scrutinises Government administration.

The Parliament of Victoria is predominantly funded by accrual based Parliamentary appropriations for the provision of outputs that are further described in note 4.

### Structure

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### 2.1 Summary of income that funds the delivery of our services

|   |              | (\$ thousand)  |         |
|---|--------------|----------------|---------|
|   | <i>Notes</i> | 2018           | 2017    |
| Output appropriations   | 2.2/2.3      | <b>120,150</b> | 109,909 |
| Special appropriations  | 2.3          | <b>38,846</b>  | 37,760  |
| Grants  | 2.4          | <b>30</b>      | 26      |
| Fair value of assets and services received<br>free of charge or for nominal consideration | 2.4          | -              | 3       |
| Parliament refreshment rooms & gift shop  | 2.4          | <b>1,807</b>   | 1,858   |
| <b>Total income from transactions</b>   |              | <b>160,833</b> | 149,556 |

### Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the Parliament and the income can be reliably measured at fair value.

### 2.2 Appropriations

Once annual Parliamentary appropriations are applied by the Treasurer, they become controlled by the Parliament and are recognised as income when applied to the purposes defined under the relevant Appropriations Act.

### Output appropriations

Income from the outputs Parliament provides is recognised when those outputs have been delivered, the Minister for Finance has certified and the Treasurer has applied appropriation for delivery of those outputs in accordance with specified performance criteria.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2018**

**Note 2 - FUNDING DELIVERY OF OUR SERVICES (Cont)**

**2.3 Summary of compliance with annual Parliamentary and special appropriations**

The following table discloses the details of the various annual Parliamentary appropriations received by the Parliament for the year.

In accordance with accrual output-based management procedures 'provision for outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the Parliament.

|                         | Appropriation Act    |                        |              |            |            | Financial Management Act 1994 |            |            |            |            | Total Parliamentary Authority | Appropriations Applied | Variance (a)   |               |  |
|-------------------------|----------------------|------------------------|--------------|------------|------------|-------------------------------|------------|------------|------------|------------|-------------------------------|------------------------|----------------|---------------|--|
|                         | Annual Appropriation | Advance from Treasurer | Section 3(2) | Section 29 | Section 31 | Section 32                    | Section 35 | Section 29 | Section 31 | Section 32 |                               |                        |                | Section 35    |  |
| <b>Controlled</b>       |                      |                        |              |            |            |                               |            |            |            |            |                               |                        |                |               |  |
| Provision for outputs   | 123,695              | 3,839                  | -            | 279        | -          | 5,257                         | -          | -          | -          | -          | -                             | 133,070                | 120,150        | 12,920        |  |
| Additions to net assets | 6,000                | -                      | -            | 500        | -          | -                             | 330        | -          | -          | -          | -                             | 6,830                  | 6,219          | 611           |  |
| <b>Total</b>            | <b>129,695</b>       | <b>3,839</b>           | <b>-</b>     | <b>779</b> | <b>-</b>   | <b>5,257</b>                  | <b>330</b> | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>                      | <b>139,900</b>         | <b>126,369</b> | <b>13,531</b> |  |
| <b>2017</b>             |                      |                        |              |            |            |                               |            |            |            |            |                               |                        |                |               |  |
| <b>Controlled</b>       |                      |                        |              |            |            |                               |            |            |            |            |                               |                        |                |               |  |
| Provision for outputs   | 112,702              | 387                    | -            | 246        | -          | 3,527                         | -          | -          | -          | -          | -                             | 116,862                | 109,909        | 6,953         |  |
| Additions to net assets | -                    | -                      | -            | -          | -          | -                             | -          | -          | -          | -          | -                             | -                      | -              | -             |  |
| <b>Total</b>            | <b>112,702</b>       | <b>387</b>             | <b>-</b>     | <b>246</b> | <b>-</b>   | <b>3,527</b>                  | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>                      | <b>116,862</b>         | <b>109,909</b> | <b>6,953</b>  |  |

(a) The variance represents the carryover of unapplied current year appropriation to the next financial year, as approved by the Treasurer under Section 32 (1) of the Financial Management Act 1994, an underspend of the Parliamentary Budget Office, and unspent Treasurers Advance Funding.

**Special Appropriations**

The following special appropriations are recognised when the amount appropriated for that particular purpose is due and payable by the Parliament:

| Authority  | Purpose                               | Appropriations applied (\$ thousand) |               |
|--|---------------------------------------|--------------------------------------|---------------|
|  |                                       | 2018                                 | 2017          |
| Audit Act No. 2 of 1994                                | Audit of the Auditor-General's Office | 33                                   | 33            |
| Constitution Act No. 8750 - Clerk of the Parliaments   | Salaries                              | 2                                    | 2             |
| Constitution Act No. 8750 - Legislative Assembly       | Salaries and expenses of the Assembly | 550                                  | 550           |
| Constitution Act No. 8750 - Legislative Council        | Salaries and expenses of the Council  | 200                                  | 200           |
| Parliamentary Salaries and Superannuation Act No. 7723 | Salaries and allowances               | 38,061                               | 36,975        |
|  |                                       | <b>38,846</b>                        | <b>37,760</b> |

**Note 2 - FUNDING DELIVERY OF OUR SERVICES (Cont)**

**2.4 Income from transactions**

|   | (\$ thousand) |       |
|---|---------------|-------|
|   | 2018          | 2017  |
| <b>Grants</b>   |               |       |
| Department of Education & Training  | 30            | 26    |
| <b>Fair value of assets and services received free of charge or for nominal consideration</b> | -             | 3     |
| <b>Parliament refreshment rooms &amp; gift shop</b>   | <b>1,807</b>  | 1,858 |
| <b>Total</b>  | <b>1,837</b>  | 1,887 |

**Grants**

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Parliament without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

For non-reciprocal grants, the Parliament recognises revenue when the grant is receivable or received.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). The Parliament recognises income when it has satisfied its performance obligations under the terms of the grant.

**Fair value of assets and services received free of charge or for nominal consideration**

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

**Parliament refreshment rooms & gift shop**

Income includes food, beverage, function and souvenir income. Income is recognised when the goods or services have been provided.

## Note 3 - THE COST OF DELIVERING SERVICES

### Introduction

This section provides an account of the expenses incurred by the Parliament in delivering services and outputs. In section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded. Section 4 discloses aggregated information in relation to the income and expenses by output.

### Structure

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**Note 3 - THE COST OF DELIVERING SERVICES (cont)**

**3.1 Employee benefit expenses**

|   | (\$ thousand) |               |
|---|---------------|---------------|
|   | 2018          | 2017          |
| Superannuation contribution                             |               |               |
| Defined benefit plans                                   | 161           | 196           |
| Defined contribution plans                              | 6,863         | 6,430         |
| Termination payments                                    | 429           | 297           |
| Salaries and wages, annual leave and long service leave | 89,876        | 81,512        |
| <b>Total employee benefit expenses</b>                  | <b>97,329</b> | <b>88,435</b> |

Employee expenses include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. Parliament does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

**Note 3 - THE COST OF DELIVERING SERVICES (cont)**

**3.1.1 Employee benefits in the balance sheet**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

|   | (\$ thousand) |        |
|---|---------------|--------|
|   | 2018          | 2017   |
| <b>Current provisions:</b>                                |               |        |
| <b>Annual leave</b>                                       |               |        |
| Unconditional and expected to settle within 12 months     | 3,175         | 2,688  |
| Unconditional and expected to settle after 12 months      | 1,637         | 1,411  |
| On-costs  | 770           | 656    |
|   | 5,582         | 4,755  |
| <b>Long service leave</b>                                 |               |        |
| Unconditional and expected to settle within 12 months     | 1,045         | 924    |
| Unconditional and expected to settle after 12 months      | 4,656         | 4,485  |
| On-costs  | 865           | 821    |
|   | 6,566         | 6,230  |
| Termination benefits                                      | 210           | -      |
|   | 210           | -      |
| <b>Total current provisions for employee benefits</b>     | 12,358        | 10,985 |
| <b>Non-current provisions:</b>                            |               |        |
| Employee benefits   | 872           | 780    |
| On-costs  | 132           | 118    |
| <b>Total non-current provisions for employee benefits</b> | 1,004         | 898    |
| <b>Total provisions for employee benefits</b>             | 13,362        | 11,883 |

### Note 3 - THE COST OF DELIVERING SERVICES (cont)

#### 3.1.1 Employee benefits in the balance sheet (cont) Reconciliation of movement in on cost provisions

|  | (\$ thousand) |       |
|--|---------------|-------|
|  | 2018          | 2017  |
| <b>Opening balance</b>   | <b>1,595</b>  | 1,615 |
| Additional provisions recognised   | 781           | 555   |
| Reduction arising from payments / other sacrifices of future economic benefits | (609)         | (575) |
| <b>Closing balance</b>   | <b>1,767</b>  | 1,595 |
| <b>Current</b>   | <b>1,635</b>  | 1,477 |
| <b>Non current</b>   | <b>132</b>    | 118   |

#### Wages and salaries and annual leave

Liabilities for wages and salaries (including non-monetary benefits and annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Parliament does not have an unconditional right to defer settlements of these liabilities.

The liabilities for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Parliament expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability, as Parliament does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

**Unconditional LSL** is disclosed as a current liability; even where the Parliament does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if Parliament expects to wholly settle within 12 months; or
- present value – if Parliament does not expect to wholly settle within 12 months.

**Conditional LSL** is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

**Note 3 - THE COST OF DELIVERING SERVICES (cont)**

**3.1.2 Superannuation contributions**

Employees of the Parliament are entitled to receive superannuation benefits and the Parliament contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

|  | (\$ thousand)                     |       |   |      |
|--|-----------------------------------|-------|---|------|
|  | Paid contribution<br>for the year |       | Contribution outstanding<br>at year end |      |
|  | 2018                              | 2017  | 2018                                    | 2017 |
| <b>Defined Benefit Schemes<sup>(a)</sup></b> |                                   |       |   |      |
| New, Revised & SERBS Schemes                 | 161                               | 196   | -                                       | -    |
| <b>Accumulation Schemes</b>                  |                                   |       |   |      |
| VicSuper Other Schemes                       | 4,142                             | 3,899 | -                                       | -    |
|  | 2,721                             | 2,355 | -                                       | -    |
| <b>Total</b>                                 | 7,024                             | 6,450 | -                                       | -    |

a) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

**3.2 Capital asset charge**

A capital asset charge is a charge levied on the written down value of controlled non-current physical assets in the Parliament's balance sheet. It aims to attribute to the Parliament's outputs, a cost of capital used in service delivery. Imposing this charge provides incentives for the Parliament to identify and dispose of underutilised or surplus non-current physical assets.

**Note 3 - THE COST OF DELIVERING SERVICES (cont)**

**3.3 Parliament refreshment rooms**

|  | (\$ thousand) |              |
|--|---------------|--------------|
|  | 2018          | 2017         |
| Cost of goods sold                                 | 683           | 674          |
| Salaries and wages                                 | 1,490         | 1,481        |
| Other expenditure                                  | 118           | 112          |
| <b>Total Parliament refreshment rooms expenses</b> | <b>2,291</b>  | <b>2,267</b> |

**3.4 Other operating expenses**

|   | (\$ thousand) |               |
|---|---------------|---------------|
|   | 2018          | 2017          |
| <b>Computer, communications, rental and other costs</b>   |               |               |
| Computer software, support & equipment rental             | 2,872         | 3,056         |
| Communications, postage and printing                      | 7,314         | 7,578         |
| Contractors and temporary staff                           | 2,912         | 1,553         |
| Property rental costs                                     | 8,686         | 8,494         |
|   | <b>21,784</b> | <b>20,681</b> |
| <b>Supplies and services</b>                              |               |               |
| Acts, bills and statutory rules                           | 112           | 118           |
| Advertising   | 2,123         | 1,396         |
| Cleaning expenses   | 1,100         | 940           |
| Electorate office expenses                                | 753           | 1,389         |
| Insurance   | 318           | 303           |
| Legal costs   | 243           | 304           |
| Maintenance contractors & consumables                     | 1,062         | 832           |
| Minor equipment purchase and repair                       | 2,138         | 468           |
| Motor vehicle running costs                               | 473           | 517           |
| Office expenses   | 541           | 278           |
| Office requisites and stationery                          | 382           | 427           |
| Other operating expenses                                  | 708           | 2,284         |
| Professional services                                     | 586           | 1,098         |
| Relocations and maintenance                               | 2,537         | 1,738         |
| Security  | 1,001         | 967           |
| Fair value of assets and services provided free of charge | 33            | 33            |
| Travel and subsistence                                    | 824           | 949           |
| Utilities   | 1,142         | 945           |
| <b>Total supplies and services</b>                        | <b>16,076</b> | <b>14,986</b> |

### Note 3 - THE COST OF DELIVERING SERVICES (cont)

#### 3.4 Other operating expenses (cont)

**Communications, postage and printing:** These expenses include all costs related to phones, printing, postage and copying. Communications, postage and printing expenses are recognised as an expense in the reporting period in which they are incurred.

**Contractors and temporary staff:** These expenses include all costs related to contract and temporary staff. Contractors and temporary staff expenses are recognised as an expense in the reporting period in which they are incurred.

**Property rental costs:** Property rental costs include rent of Electorate Offices, our central administrative office and outgoings. Property rental costs are recognised as an expense in the reporting period in which they are incurred.

**Supplies and services:** Supplies and services expenses generally represent the day-to-day running costs incurred in normal operations. Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred.

## **Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT**

### **Introduction**

The Parliament is predominantly funded by accrual based parliamentary appropriations for the provision of outputs. This section provides a description of the outputs delivered during the year ended 30 June 2018 along with the objectives of those outputs.

This section disaggregates revenue and income that enables the delivery of services (described in Section 2) by output and records the allocation of expenses incurred (described in Section 3) also by output, which form part of controlled balances of Parliament.

It also provides information on items administered in connection with these outputs.

### *Distinction between controlled and administered items*

The distinction between controlled and administered items is drawn based on whether the Parliament has the ability to deploy the resources in question for its own benefit (controlled items) or whether it does so on behalf of the State (administered). The Parliament remains accountable for transactions involving administered items, but it does not recognise these items in its financial statements.

### **Structure**

|   |    |
|---|----|
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| 4.2 Administered items.....                               | 68 |

### **4.1 Parliament outputs – Descriptions and objectives**

#### **Objectives**

The Parliament's functions may be broadly described as legislative, financial and representational. It authorises expenditure, debates Government policy and scrutinises Government administration.

#### **Outputs**

Information about the Parliament's output activities, and the expenses, income, assets and liabilities which are reliably attributable to those output activities, is set out in the output activities schedule.

Information about expenses, incomes, assets and liabilities administered by the Parliament on behalf of the State is given in the schedule of administered expenses and revenues and the schedule of administered assets and liabilities.

**Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)**

A description of the Parliament of Victoria outputs performed during the year ended 30 June 2018 and the objectives of these outputs are summarised below.

**Legislative Council outputs**

**Description of outputs**

Provision of procedural advice to Members of the Legislative Council, processing of legislation, preparation of the records of the proceedings and documentation required for the sittings of the Council, provision of assistance to parliamentary committees, provision of information relating to the proceedings of the Council and enhancement of public awareness of the Parliament.

**Objectives**

To ensure that the business of the Upper House and committees is conducted in accordance with the law, standing orders, and / or resolutions of the Parliament.

**Legislative Assembly outputs**

**Description of outputs**

Provision of procedural advice to Members of the Legislative Assembly, processing of legislation, preparation of the records of the proceedings and documentation required for the sittings of the Assembly, provision of assistance to parliamentary committees, provision of information relating to the proceedings of the Assembly and the promotion of public awareness of the Parliament.

**Objectives**

To ensure that the business of the Lower House and committees is conducted in accordance with the law, standing orders, and / or resolutions of the Parliament.

**Department of Parliamentary Services**

**Description of outputs**

Providing consultancy, advisory and support services in the areas of library, Hansard, education, human resources, finance, information technology (IT), maintenance, grounds and facilities along with planning, implementation and management of capital projects for the Parliament of Victoria.

**Objectives**

To provide high quality support services which enable the Parliament and State electorate offices to operate at optimum efficiency and effectiveness.

**Parliamentary Investigatory Committees**

**Description of outputs**

Inquire into matters either referred by either House or the Governor-in-Council or which may be self-generated by a Committee.

**Objectives**

To provide quality advice, support and information services to Members and other clients.

**Parliamentary Budget Office**

**Description of outputs**

Providing policy costing and advisory services to all members of Parliament. During an election year, preparing election policy costings and pre-election reports prior to the general election at the request of Parliamentary leaders. After the general election, preparing post-election reports for the Victorian community. The first Parliamentary Budget Officer commenced on 23 April 2018 and by 28 June 2018, the office was operational and had accepted election policy costing requests.

**Objectives**

To provide trusted fiscal, economic and financial advice.

**PARLIAMENT OF VICTORIA**  
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**30 June 2018**

**Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)**  
**Schedule A - Controlled income and expenses for the year ended 30 June 2018**

|  | Legislative Council | Legislative Assembly | Department of Parliamentary Services | Parliamentary Investigatory Committees | Parliamentary Office | Parliamentary Budget Office | Parliament Total |
|--|---------------------|----------------------|--------------------------------------|--|----------------------|-----------------------------|------------------|
|  |                     |                      |                                      |  |                      |                             | (\$ thousand)    |
| <b>Income from transactions</b>                                |                     |                      |                                      |  |                      |                             |                  |
| Output appropriations  | 4,343               | 4,855                | 103,943                              | 6,662                                  |                      | 347                         | 120,150          |
| Special appropriations   | 11,872              | 26,974               | -                                    | -                                      |                      | -                           | 38,846           |
| Grants   |                     |                      | 30                                   |  |                      |                             | 30               |
| Fair value of assets and services received free of charge      | -                   | -                    | -                                    | -                                      |                      | -                           | -                |
| Parliament refreshment rooms & gift shop                       | -                   | -                    | 1,807                                | -                                      |                      | -                           | 1,807            |
| <b>Total income from transactions</b>                          | <b>16,215</b>       | <b>31,829</b>        | <b>105,780</b>                       | <b>6,662</b>                           |                      | <b>347</b>                  | <b>160,833</b>   |
| <b>Expenses from transactions</b>                              |                     |                      |                                      |  |                      |                             |                  |
| Employee expenses  | (14,837)            | (29,619)             | (48,382)                             | (4,380)                                |                      | (111)                       | (97,329)         |
| Depreciation   |                     |                      | (14,120)                             |  |                      |                             | (14,120)         |
| Computer, communications, rental and other costs               | (115)               | (185)                | (20,737)                             | (721)                                  |                      | (26)                        | (21,784)         |
| Capital asset charge   | (15)                | (34)                 | (6,490)                              |  |                      |                             | (6,490)          |
| Interest expense   |                     |                      | (3)                                  |  |                      |                             | (52)             |
| Parliament refreshment rooms & gift shop                       | (766)               | (1,171)              | (2,291)                              |  |                      |                             | (2,291)          |
| Supplies & services  |                     |                      | (13,367)                             | (562)                                  |                      | (210)                       | (16,076)         |
| <b>Total expenses from transactions</b>                        | <b>(15,733)</b>     | <b>(31,009)</b>      | <b>(105,390)</b>                     | <b>(5,663)</b>                         |                      | <b>(347)</b>                | <b>(158,142)</b> |
| <b>Net result from transactions (net operating balance)</b>    | <b>482</b>          | <b>820</b>           | <b>390</b>                           | <b>999</b>                             |                      | <b>-</b>                    | <b>2,691</b>     |
| <b>Other economic flows included in net result</b>             |                     |                      |                                      |  |                      |                             |                  |
| Net gain / (loss) on non-financial physical assets             | (1)                 | (4)                  | 251                                  | (1)                                    |                      |                             | 251              |
| Other gains / (losses) from other economic flows               | (1)                 | (4)                  | (5)                                  | (1)                                    |                      |                             | (11)             |
| <b>Total other economic flows included in net result</b>       | <b>(1)</b>          | <b>(4)</b>           | <b>246</b>                           | <b>(1)</b>                             |                      | <b>-</b>                    | <b>240</b>       |
| <b>Net result</b>  | <b>481</b>          | <b>816</b>           | <b>636</b>                           | <b>998</b>                             |                      | <b>-</b>                    | <b>2,931</b>     |
| <b>Other economic flows - other comprehensive income</b>       |                     |                      |                                      |  |                      |                             |                  |
| <b>Items that will not be reclassified to net result</b>       |                     |                      |                                      |  |                      |                             |                  |
| Changes in physical asset revaluation surplus                  | -                   | -                    | -                                    | -                                      |                      |                             | -                |
| <b>Total other economic flows - other comprehensive income</b> | <b>-</b>            | <b>-</b>             | <b>-</b>                             | <b>-</b>                               |                      | <b>-</b>                    | <b>-</b>         |
| <b>Comprehensive result</b>                                    | <b>481</b>          | <b>816</b>           | <b>636</b>                           | <b>998</b>                             |                      | <b>-</b>                    | <b>2,931</b>     |

The comparative Parliament outputs schedule for the year ended 30 June 2017 appears on the following page.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
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**Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)**  
**Schedule B - Controlled income and expenses for the year ended 30 June 2017**

|  | Legislative Council | Legislative Assembly | Department of Parliamentary Services | Parliamentary Investigative Committees | Parliamentary Office | Parliament Total |
|--|---------------------|----------------------|--------------------------------------|--|----------------------|------------------|
|  |                     |                      |                                      |  |                      | (\$ thousand)    |
| <b>Income from transactions</b>                                |                     |                      |                                      |  |                      |                  |
| Output appropriations  | 4,335               | 4,869                | 93,556                               | 7,149                                  | -                    | 109,909          |
| Special appropriations   | 11,477              | 26,283               | -                                    | -                                      | -                    | 37,760           |
| Grants   | -                   | -                    | 26                                   | -                                      | -                    | 26               |
| Fair value of assets and services received free of charge      | -                   | -                    | 3                                    | -                                      | -                    | 3                |
| Parliament refreshment rooms & gift shop                       | -                   | -                    | 1,858                                | -                                      | -                    | 1,858            |
| <b>Total income from transactions</b>                          | <b>15,812</b>       | <b>31,152</b>        | <b>95,443</b>                        | <b>7,149</b>                           | <b>-</b>             | <b>149,556</b>   |
| <b>Expenses from transactions</b>                              |                     |                      |                                      |  |                      |                  |
| Employee expenses  | (14,098)            | (29,058)             | (41,349)                             | (3,930)                                | -                    | (88,435)         |
| Depreciation   | -                   | -                    | (15,496)                             | -                                      | -                    | (15,496)         |
| Computer, communications, rental and other costs               | (125)               | (139)                | (19,767)                             | (650)                                  | -                    | (20,681)         |
| Capital asset charge   | -                   | -                    | (2,898)                              | -                                      | -                    | (2,898)          |
| Interest expense   | (17)                | (37)                 | (4)                                  | -                                      | -                    | (58)             |
| Parliament refreshment rooms & gift shop                       | -                   | -                    | (2,267)                              | -                                      | -                    | (2,267)          |
| Supplies & services  | (619)               | (1,135)              | (12,315)                             | (917)                                  | -                    | (14,986)         |
| <b>Total expenses from transactions</b>                        | <b>(14,859)</b>     | <b>(30,369)</b>      | <b>(94,096)</b>                      | <b>(5,497)</b>                         | <b>-</b>             | <b>(144,821)</b> |
| <b>Net result from transactions (net operating balance)</b>    | <b>953</b>          | <b>783</b>           | <b>1,347</b>                         | <b>1,652</b>                           | <b>-</b>             | <b>4,735</b>     |
| <b>Other economic flows included in net result</b>             |                     |                      |                                      |  |                      |                  |
| Net gain / (loss) on non-financial physical assets             | -                   | -                    | 182                                  | -                                      | -                    | 182              |
| Other gains / (losses) from other economic flows               | 18                  | 209                  | 127                                  | 40                                     | -                    | 394              |
| <b>Total other economic flows included in net result</b>       | <b>18</b>           | <b>209</b>           | <b>309</b>                           | <b>40</b>                              | <b>-</b>             | <b>576</b>       |
| <b>Net result</b>  | <b>971</b>          | <b>992</b>           | <b>1,656</b>                         | <b>1,692</b>                           | <b>-</b>             | <b>5,311</b>     |
| <b>Other economic flows - other comprehensive income</b>       |                     |                      |                                      |  |                      |                  |
| <b>Items that will not be reclassified to net result</b>       |                     |                      |                                      |  |                      |                  |
| Changes in physical asset revaluation surplus                  | -                   | -                    | 189,364                              | -                                      | -                    | 189,364          |
| <b>Total other economic flows - other comprehensive income</b> | <b>-</b>            | <b>-</b>             | <b>189,364</b>                       | <b>-</b>                               | <b>-</b>             | <b>189,364</b>   |
| <b>Comprehensive result</b>                                    | <b>971</b>          | <b>992</b>           | <b>191,020</b>                       | <b>1,692</b>                           | <b>-</b>             | <b>194,675</b>   |

**Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)**

**Schedule C - Controlled assets and liabilities as at 30 June 2018**

|                                   | Legislative Council | Legislative Assembly | Department of Parliamentary Services | Parliamentary Investigative Committees | Parliamentary Budget Office | Parliament Total |
|-----------------------------------|---------------------|----------------------|--------------------------------------|--|-----------------------------|------------------|
| <b>Assets</b>                     |                     |                      |                                      |  |                             |                  |
| Financial assets                  | 1,127               | 1,913                | 28,664                               | 2,122                                  | 8                           | 33,834           |
| Non-financial assets              | 888                 | 1,953                | 700,354                              |  |                             | 703,195          |
| <b>Total assets</b>               | <b>2,015</b>        | <b>3,866</b>         | <b>729,018</b>                       | <b>2,122</b>                           | <b>8</b>                    | <b>737,029</b>   |
| <b>Liabilities</b>                |                     |                      |                                      |  |                             |                  |
|                                   | (2,436)             | (4,533)              | (17,145)                             | (1,473)                                | (89)                        | (25,676)         |
| <b>Total liabilities</b>          | <b>(2,436)</b>      | <b>(4,533)</b>       | <b>(17,145)</b>                      | <b>(1,473)</b>                         | <b>(89)</b>                 | <b>(25,676)</b>  |
| <b>Net assets / (liabilities)</b> | <b>(421)</b>        | <b>(667)</b>         | <b>711,873</b>                       | <b>649</b>                             | <b>(81)</b>                 | <b>711,353</b>   |

The comparative Parliament outputs schedule for the year ended 30 June 2017 appears on the following page.

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**Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)**

**Schedule D - Controlled assets and liabilities as at 30 June 2017**

|                                   | Legislative Council | Legislative Assembly | Department of Parliamentary Services | Parliamentary Investigative Committees | Parliamentary Budget Office | Parliament Total |
|-----------------------------------|---------------------|----------------------|--------------------------------------|--|-----------------------------|------------------|
| <b>Assets</b>                     |                     |                      |                                      |  |                             |                  |
| Financial assets                  | 1,548               | 1,882                | 44,526                               | 2,619                                  | -                           | 50,575           |
| Non-financial assets              | 11                  | 20                   | 675,725                              | 43                                     | -                           | 675,799          |
| <b>Total assets</b>               | <b>1,559</b>        | <b>1,902</b>         | <b>720,251</b>                       | <b>2,662</b>                           | <b>-</b>                    | <b>726,374</b>   |
| <b>Liabilities</b>                |                     |                      |                                      |  |                             |                  |
| Total liabilities                 | (1,739)             | (2,425)              | (18,869)                             | (1,138)                                | -                           | (24,171)         |
| <b>Net assets / (liabilities)</b> | <b>(180)</b>        | <b>(523)</b>         | <b>701,382</b>                       | <b>1,524</b>                           | <b>-</b>                    | <b>702,203</b>   |

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
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**Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)**

**4.2 Administered items**

In addition to the specific Parliamentary operations which are included in the financial statements (comprehensive operating statement, balance sheet, statement of changes in equity and cash flow statement), the Parliament administers or manages other activities on behalf of the State. Administered income includes minor sale of goods and services, and receipts toward the Public Service Commuter Club. Both the controlled Parliamentary financial statements and these administered items are consolidated into the financial statements of the State.

|  | (\$ thousand)                           |       |                  |       |
|--|---|-------|------------------|-------|
|  | Department of<br>Parliamentary Services |       | Parliament Total |       |
|  | 2018                                    | 2017  | 2018             | 2017  |
| <b>Administered income from transactions</b>   |   |       |                  |       |
| Sale of goods and services   | 606                                     | 32    | 606              | 32    |
| Receipts towards Public Service Commuter Club  | 96                                      | 74    | 96               | 74    |
| <b>Total administered income from transactions</b>                                   | <b>702</b>                              | 106   | <b>702</b>       | 106   |
| <b>Administered expenses from transactions</b>                                       |   |       |                  |       |
| Payments towards Public Service Commuter Club  | (105)                                   | (86)  | (105)            | (86)  |
| Payments into the Consolidated Fund  | (606)                                   | (32)  | (606)            | (32)  |
| <b>Total administered expenses from transactions</b>                                 | <b>(711)</b>                            | (118) | <b>(711)</b>     | (118) |
| <b>Total administered net result from transactions<br/>(net operating balance)</b>   | <b>(9)</b>                              | (12)  | <b>(9)</b>       | (12)  |
| <b>Administered other economic flows included in<br/>the administered net result</b> | -                                       | -     | -                | -     |
| <b>Administered net result</b>   | <b>(9)</b>                              | (12)  | <b>(9)</b>       | (12)  |
| <b>Administered other economic flows - other non-<br/>owner changes in equity</b>    | -                                       | -     | -                | -     |
| <b>Total administered comprehensive result</b>                                       | <b>(9)</b>                              | (12)  | <b>(9)</b>       | (12)  |
| <b>Administered financial assets</b>   |   |       |                  |       |
| Receivables  | 53                                      | 44    | 53               | 44    |
| <b>Total administered assets</b>   | <b>53</b>                               | 44    | <b>53</b>        | 44    |
| <b>Administered liabilities</b>  |   |       |                  |       |
| Payables   | (53)                                    | (44)  | (53)             | (44)  |
| <b>Total administered liabilities</b>  | <b>(53)</b>                             | (44)  | <b>(53)</b>      | (44)  |
| <b>Total administered net assets</b>   | <b>-</b>                                | -     | <b>-</b>         | -     |

**Note 5 - KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY**

Parliament controls property, plant and equipment that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to Parliament to be utilised for delivery of those outputs.

**Fair value measurement**

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 in connection with how those fair values were determined.

**Structure**

5.1 Total property, plant and equipment.....69

**5.1 Total property, plant and equipment**

|   | Gross carrying amount |                | Accumulated depreciation |                 | Net carrying amount |                | (\$ thousand) |
|---|-----------------------|----------------|--------------------------|-----------------|---------------------|----------------|---------------|
|   | 2018                  | 2017           | 2018                     | 2017            | 2018                | 2017           |               |
| Land at fair value                        | 150,500               | 150,500        | -                        | -               | 150,500             | 150,500        |               |
| Buildings at fair value                   | 522,798               | 482,608        | (10,692)                 | -               | 512,106             | 482,608        |               |
| Plant, equipment & vehicles at fair value | 34,411                | 27,159         | (11,601)                 | (15,472)        | 22,810              | 11,687         |               |
| Cultural assets at fair value             | 11,822                | 11,798         | -                        | -               | 11,822              | 11,798         |               |
| Leasehold improvements                    | 2,106                 | 4,778          | (1,093)                  | (3,953)         | 1,013               | 825            |               |
| Assets under construction at cost         | 3,064                 | 16,732         | -                        | -               | 3,064               | 16,732         |               |
| <b>Total</b>                              | <b>724,701</b>        | <b>693,575</b> | <b>(23,386)</b>          | <b>(19,425)</b> | <b>701,315</b>      | <b>674,150</b> |               |

**Initial recognition:** Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction and direct labour on the project.

The cost of a leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

## Note 5 - KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (cont)

### 5.1 Total property, plant and equipment (cont)

**Subsequent measurement:** Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

**Non-specialised land, non-specialised buildings and artworks** are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

**Specialised land and specialised buildings:** The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants

**Cultural assets and collections, and heritage buildings:** The fair value of cultural assets and collections, and heritage buildings that the Parliament intends to preserve because of their unique historical, cultural or environmental attributes, is measured at the replacement cost of the asset less, where applicable, accumulated depreciation (calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset). These policies and any legislative limitations and restrictions imposed on their use and/or disposal may impact their fair value.

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated. The exceptions to this rule include items under operating leases.

**Note 5 - KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (cont)**

**5.1 Total property, plant and equipment (cont)**

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

|   | <b>Depreciation rate (%)</b> |             |
|---|------------------------------|-------------|
|   | <b>2018</b>                  | <b>2017</b> |
| Buildings at fair value                   | <b>1.11 to 10</b>            | 1.72 to 10  |
| Plant, equipment & vehicles at fair value | <b>3.33 to 50</b>            | 5 to 50     |
| Leasehold improvements                    | <b>10 to 20</b>              | 10          |

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

The revaluation of the Parliament House Building in 2016/17 resulted in a new useful life of 90 years being estimated by the Valuer General, resulting in a lower depreciation rate of 1.11%.

**Indefinite life assets:** Land and cultural assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

**Impairment:** Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

**Assets by purpose group:** Property, plant and equipment are classified by the 'purpose' for which the assets are used, according to one of the six purpose groups based upon government purpose classifications. The Parliament's assets fall under the Public Administration purpose group. All assets in a purpose group are further sub categorised according to the asset's 'nature' (i.e. buildings, plant etc.), with each sub-category being classified as a separate class of asset for financial reporting purposes.

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**Note 5 - KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (cont)**  
**5.1.2 Reconciliation of movements in carrying amount of property, plant and equipment**

|  | Land at fair value | Buildings at fair value | Plant, equipment & vehicles at fair value | Cultural assets at fair value | Leasehold improvements | Assets under construction at cost | Total          |
|--|--------------------|-------------------------|---|-------------------------------|------------------------|-----------------------------------|----------------|
| (\$ thousand)                                    |                    |                         |   |                               |                        |                                   |                |
| <b>Year ended 30 June 2018</b>                   |                    |                         |   |                               |                        |                                   |                |
| <b>Opening balance</b>                           | 150,500            | 482,608                 | 11,686                                    | 11,798                        | 826                    | 16,732                            | 674,150        |
| Additions  | -                  | -                       | 2,068                                     | -                             | -                      | 40,075                            | 42,143         |
| Disposals / retirements                          | -                  | -                       | (811)                                     | -                             | (2)                    | -                                 | (813)          |
| Revaluations                                     | -                  | -                       | -   | -                             | -                      | -                                 | -              |
| Transfer in / (out) of assets under construction | -                  | 40,190                  | 13,166                                    | 24                            | 363                    | (53,743)                          | -              |
| Transfer to disposal group held for sale         | -                  | -                       | (45)                                      | -                             | -                      | -                                 | (45)           |
| Depreciation expense                             | -                  | (10,692)                | (3,254)                                   | -                             | (174)                  | -                                 | (14,120)       |
| <b>Closing balance</b>                           | <b>150,500</b>     | <b>512,106</b>          | <b>22,810</b>                             | <b>11,822</b>                 | <b>1,013</b>           | <b>3,064</b>                      | <b>701,315</b> |
| <b>Year ended 30 June 2017</b>                   |                    |                         |   |                               |                        |                                   |                |
| <b>Opening balance</b>                           | 75,557             | 370,509                 | 10,457                                    | 11,970                        | 1,304                  | 2,421                             | 472,218        |
| Additions  | -                  | -                       | 1,763                                     | -                             | -                      | 27,129                            | 28,892         |
| Disposals / retirements                          | -                  | -                       | (737)                                     | -                             | -                      | -                                 | (737)          |
| Revaluations                                     | 74,943             | 114,663                 | -   | (242)                         | -                      | -                                 | 189,364        |
| Transfer in / (out) of assets under construction | -                  | 9,252                   | 3,495                                     | 70                            | -                      | (12,818)                          | (1)            |
| Transfer to disposal group held for sale         | -                  | -                       | (90)                                      | -                             | -                      | -                                 | (90)           |
| Depreciation expense                             | -                  | (11,816)                | (3,202)                                   | -                             | (478)                  | -                                 | (15,496)       |
| <b>Closing balance</b>                           | <b>150,500</b>     | <b>482,608</b>          | <b>11,686</b>                             | <b>11,798</b>                 | <b>826</b>             | <b>16,732</b>                     | <b>674,150</b> |

## Note 6 - OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from Parliament's controlled operations.

### Structure

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### 6.1 Receivables

|   | (\$ thousand) |        |
|---|---------------|--------|
|   | 2018          | 2017   |
| <b>Current</b>                          |               |        |
| <b>Contractual</b>                      |               |        |
| Debtors - Parliament refreshment rooms  | 123           | 106    |
| Other receivables                       | 1             | 4      |
| <b>Statutory</b>                        |               |        |
| Amounts owing from Victorian Government | 14,302        | 13,667 |
| GST input tax credit recoverable        | 1,236         | 1,569  |
| <b>Total current receivables</b>        | <b>15,662</b> | 15,346 |
| <b>Non Current</b>                      |               |        |
| <b>Statutory</b>                        |               |        |
| Amounts owing from Victorian Government | 18,077        | 35,109 |
| <b>Total non current receivables</b>    | <b>18,077</b> | 35,109 |
| <b>Total receivables</b>                | <b>33,739</b> | 50,455 |

**Contractual receivables** are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

**Note 6 - OTHER ASSETS AND LIABILITIES (cont)**

**6.1 Receivables (cont)**

**Doubtful debts:** Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with *AASB 136 Impairment of Assets*.

A provision is made for estimated irrecoverable amounts from the sale of goods or services when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

No provision was raised for doubtful debts, or bad debts written off during 2017/18.

**Aging analysis of contractual receivables**

|  | Carrying amount | Not past due and not impaired | Past due but not impaired (\$ thousand) |              |                   |             |
|--|-----------------|-------------------------------|---|--------------|-------------------|-------------|
|  |                 |                               | Less than 1 month                       | 1 - 3 months | 3 months - 1 year | 1 - 5 years |
| <b>2018</b>  |                 |                               |   |              |                   |             |
| Debtors - Parliament refreshment rooms & gift shop | 123             | 95                            | 24                                      | 4            | 1                 | -           |
| Other receivables                                  | 1               | 1                             | -                                       | -            | -                 | -           |
| <b>Total</b>                                       | <b>124</b>      | <b>96</b>                     | <b>24</b>                               | <b>4</b>     | <b>1</b>          | <b>0</b>    |
| <b>2017</b>  |                 |                               |   |              |                   |             |
| Debtors - Parliament refreshment rooms & gift shop | 106             | 76                            | 18                                      | 10           | 2                 | 0           |
| Other receivables                                  | 4               | 4                             | -                                       | -            | -                 | -           |
| <b>Total</b>                                       | <b>110</b>      | <b>80</b>                     | <b>18</b>                               | <b>10</b>    | <b>2</b>          | <b>0</b>    |

**Note 6 - OTHER ASSETS AND LIABILITIES (cont)**

**6.2 Payables**

|                          | (\$ thousand) |       |
|--------------------------|---------------|-------|
|                          | 2018          | 2017  |
| <b>Contractual</b>       |               |       |
| Supplies and services    | 5,912         | 6,611 |
| Accrued salaries & wages | 1,787         | 1,536 |
| <b>Statutory</b>         |               |       |
| Fringe Benefits Tax      | 143           | 211   |
| Payroll tax              | 542           | 556   |
| <b>Total payables</b>    | <b>8,384</b>  | 8,914 |

Payables are all current and consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Parliament prior to the end of the financial year that are unpaid; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

**Note 6 - OTHER ASSETS AND LIABILITIES (cont)**

**6.2 Payables (cont)**

|                       | Carrying amount | Nominal amount | Maturity dates    |            |                   |             | (\$ thousand) |
|-----------------------|-----------------|----------------|-------------------|------------|-------------------|-------------|---------------|
|                       |                 |                | Less than 1 month | 1-3 months | 3 months - 1 year | 1 - 5 years |               |
| <b>2018</b>           |                 |                |                   |            |                   |             |               |
| <b>Payables</b>       |                 |                |                   |            |                   |             |               |
| Supplies and services | 7,699           | 7,699          | 7,699             | -          | -                 | -           | -             |
| <b>Total</b>          | <b>7,699</b>    | <b>7,699</b>   | <b>7,699</b>      | <b>-</b>   | <b>-</b>          | <b>-</b>    | <b>-</b>      |
| <b>2017</b>           |                 |                |                   |            |                   |             |               |
| <b>Payables</b>       |                 |                |                   |            |                   |             |               |
| Supplies and services | 8,147           | 8,147          | 8,147             | -          | -                 | -           | -             |
| <b>Total</b>          | <b>8,147</b>    | <b>8,147</b>   | <b>8,147</b>      | <b>-</b>   | <b>-</b>          | <b>-</b>    | <b>-</b>      |

**6.3 Other non-financial assets**

Inventories include goods held either for sale, or for consumption in the ordinary course of business operations. All inventories are measured at the lower of cost and net realisable value.

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

## Note 7 - HOW WE FINANCED OUR OPERATIONS

This section provides information on the sources of finance utilised by the Parliament during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Parliament.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 8.1 and 8.3 provide additional, specific financial instrument disclosures.

### Structure

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### 7.1 Borrowings

|                                     | (\$ thousand) |              |
|-------------------------------------|---------------|--------------|
|                                     | 2018          | 2017         |
| <b>Current borrowings</b>           |               |              |
| Bank overdraft                      | 854           | 489          |
| Finance lease liabilities           | 1,776         | 1,665        |
| <b>Total current borrowings</b>     | <b>2,630</b>  | <b>2,154</b> |
| <b>Non current borrowings</b>       |               |              |
| Finance lease liabilities           | 1,250         | 1,181        |
| <b>Total non current borrowings</b> | <b>1,250</b>  | <b>1,181</b> |
| <b>Total borrowings</b>             | <b>3,880</b>  | <b>3,335</b> |

Borrowings are classified as financial instruments. All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Parliament has categorised its interest-bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest-bearing liabilities. The Parliament determines the classification of its interest-bearing liabilities at initial recognition.

### Interest expense

Interest expense relates to finance leases and is recognised in the period in which it is incurred.

**Note 7 - HOW WE FINANCED OUR OPERATIONS (cont)**  
**7.1 Borrowings (cont)**

**Maturity analysis of borrowings**

|                           | Carrying amount | Nominal amount | Maturity dates    |            |                   |              |   | (\$ thousand) |
|---------------------------|-----------------|----------------|-------------------|------------|-------------------|--------------|---|---------------|
|                           |                 |                | Less than 1 month | 1-3 months | 3 months - 1 year | 1 - 5 years  |   |               |
| <b>2018</b>               |                 |                |                   |            |                   |              |   |               |
| Bank overdraft            | 854             | 854            | 854               | -          | -                 | -            | - |               |
| Finance lease liabilities | 3,026           | 3,121          | 296               | 269        | 1,276             | 1,281        |   |               |
| <b>Total</b>              | <b>3,880</b>    | <b>3,975</b>   | <b>1,150</b>      | <b>269</b> | <b>1,276</b>      | <b>1,281</b> |   |               |
| <b>2017</b>               |                 |                |                   |            |                   |              |   |               |
| Bank overdraft            | 489             | 489            | 489               | -          | -                 | -            | - |               |
| Finance lease liabilities | 2,846           | 2,932          | 411               | 199        | 1,115             | 1,207        |   |               |
| <b>Total</b>              | <b>3,335</b>    | <b>3,421</b>   | <b>900</b>        | <b>199</b> | <b>1,115</b>      | <b>1,207</b> |   |               |

**Note 7 - HOW WE FINANCED OUR OPERATIONS (cont)**  
**7.1 Borrowings (cont)**

**7.1.1 Finance lease liabilities**

|   | Minimum future lease payments <sup>(a)</sup> |              | Present value of minimum future lease payments |              | (\$ thousand) |
|---|--|--------------|--|--------------|---------------|
|   | 2018   | 2017         | 2018   | 2017         |               |
| Not longer than one year  | 1,841  | 1,725        | 1,776  | 1,665        |               |
| Longer than one year and not longer than five years                                     | 1,281  | 1,207        | 1,250  | 1,181        |               |
| <b>Minimum future lease payments</b>  | <b>3,122</b>                                 | <b>2,932</b> | <b>3,026</b>                                   | <b>2,846</b> |               |
| Less future finance charges   | (96)   | (86)         | -  | -            |               |
| <b>Present value of minimum lease payments included in the financial statements as:</b> | <b>3,026</b>                                 | <b>2,846</b> | <b>3,026</b>                                   | <b>2,846</b> |               |
| Borrowings - Finance lease payable  |  |              |  |              |               |
| <b>Total</b>  | <b>3,026</b>                                 | <b>2,846</b> | <b>3,026</b>                                   | <b>2,846</b> |               |

Notes:

(a) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments are apportioned between the reduction of the outstanding lease liability and the periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

**Note 7 - HOW WE FINANCED OUR OPERATIONS (cont)**

**7.2 Cash flow information and balances**

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation below.

|   | <b>(\$ thousand)</b> |       |
|---|----------------------|-------|
|   | <b>2018</b>          | 2017  |
| <b>Cash on hand</b>                       |                      |       |
| Parliament of Victoria                    | <b>2</b>             | 2     |
| Parliament refreshment rooms              | <b>2</b>             | 1     |
| <b>Bank balance</b>                       |                      |       |
| Parliament refreshment rooms              | <b>91</b>            | 117   |
|   | <b>95</b>            | 120   |
| Bank overdraft - unrepresented cheques    | <b>(854)</b>         | (490) |
| <b>Balance as per cash flow statement</b> | <b>(759)</b>         | (370) |

Due to the State of Victoria's investment policy and government funding arrangements, the Parliament does not hold a large cash reserve in its bank accounts. Parliamentary expenditure, including those in the form of cheques drawn by the Parliament for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that, the Public Account would remit to the Parliament the cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the Parliament's suppliers or creditors.

The above funding arrangements often result in the Parliament having a notional shortfall in the cash at bank required for payment of unrepresented cheques at the end of the reporting period.

At 30 June 2018, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$854,083 (2017 - \$489,083). Unrepresented cheques are represented as 'Bank overdraft' in the Parliament's balance sheet.

**Note 7 - HOW WE FINANCED OUR OPERATIONS (cont)**

**7.2.1 Reconciliation of net result for the period to cash flow from operating activities**

|   | (\$ thousand) |        |
|---|---------------|--------|
|   | 2018          | 2017   |
| <b>Net result for the period</b>                            | <b>2,931</b>  | 5,311  |
| <b>Non-cash movements</b>                                   |               |        |
| (Gain) / loss on sale or disposal of non-current assets     | (251)         | (182)  |
| Depreciation of non-current assets                          | 14,120        | 15,496 |
| <b>Movements in assets and liabilities:</b>                 |               |        |
| (Increase) / decrease in receivables                        | 16,715        | 1,786  |
| (Increase) / decrease in inventories                        | -             | (21)   |
| (Increase) / decrease in prepayments                        | (277)         | 511    |
| Increase / (decrease) in current payables                   | (528)         | 4,915  |
| Increase / (decrease) in unearned income                    | 11            | 14     |
| Increase / (decrease) in current provisions                 | 728           | (66)   |
| Increase / (decrease) in non current provisions             | 751           | (118)  |
| <b>Net cash flows from / (used in) operating activities</b> | <b>34,200</b> | 27,646 |

**Note 7 - HOW WE FINANCED OUR OPERATIONS (cont)**

**7.3 Trust account balances**

The Parliament has responsibility for transactions and balances relating to trust funds held on behalf of third parties external to the Parliament. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by Parliament. Parliament maintains the Public Service Commuter Club trust.

*Legislation: Financial Management Act 1994*

Purpose: To record the receipt and payment of amounts relating to the purchase of rail tickets and associated reimbursements from Club members.

The Parliament of Victoria's portion of the Public Service Commuter Trust is temporarily in deficit due to the timing difference between the purchase of travel tickets and reimbursements from employees. The trust's working capital is funded by the Department of Treasury and Finance.

|                                  | Opening<br>balance as at<br>1 July 2017 | 2018<br>Total<br>receipts | Total<br>payments | (\$ thousand)<br>Closing<br>balance as at<br>30 June 2018 |
|----------------------------------|---|---------------------------|-------------------|---|
| <b>Administered Trusts</b>       |   |                           |                   |   |
| Public Service Commuter Club     | (44)                                    | 96                        | (105)             | (53)  |
| <b>Total Administered Trusts</b> | <b>(44)</b>                             | <b>96</b>                 | <b>(105)</b>      | <b>(53)</b>   |

|                                  | Opening<br>balance as at<br>1 July 2016 | 2017<br>Total<br>receipts | Total<br>payments | (\$ thousand)<br>Closing<br>balance as at<br>30 June 2017 |
|----------------------------------|---|---------------------------|-------------------|---|
| <b>Administered Trusts</b>       |   |                           |                   |   |
| Public Service Commuter Club     | (32)                                    | (86)                      | 74                | (44)  |
| <b>Total Administered Trusts</b> | <b>(32)</b>                             | <b>(86)</b>               | <b>74</b>         | <b>(44)</b>   |

**Note 7 - HOW WE FINANCED OUR OPERATIONS (cont)**

**7.4 Commitments for expenditure**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

The following commitments have not been recognised as liabilities in the financial statements: <sup>(a)</sup>

|   | (\$ thousand) |         |
|---|---------------|---------|
|   | 2018          | 2017    |
| <b>Capital expenditure commitments</b>                          |               |         |
| Not longer than one year  | 6,158         | 24,232  |
| Longer than one year and not longer than five years             | 2,094         | -       |
| <b>Total capital expenditure commitments</b>                    | 8,252         | 24,232  |
| <b>Operating lease commitments<sup>(b)</sup></b>                |               |         |
| Not longer than one year  | 6,568         | 5,602   |
| Longer than one year and not longer than five years             | 8,593         | 9,807   |
| Longer than five years  | 1,029         | 675     |
| <b>Total operating lease commitments</b>                        | 16,190        | 16,084  |
| <b>Other commitments payable<sup>(c)</sup></b>                  |               |         |
| Not longer than one year  | 705           | 225     |
| Longer than one year and not longer than five years             | 175           | 149     |
| <b>Total other commitments payable</b>                          | 880           | 374     |
| <b>Total commitments for expenditure (inclusive of GST)</b>     | 25,322        | 40,690  |
| <b>Less GST recoverable from the Australian Taxation Office</b> | (2,302)       | (2,145) |
| <b>Total commitments for expenditure (exclusive of GST)</b>     | 23,020        | 38,545  |

(a) For future finance lease payments that are recognised on the balance sheet, refer to Note 7.1.1.

(b) Operating leases consist of property rental agreements with options to extend and include market review clauses, in the event the Parliament exercises its option to renew. The Parliament does not have the option to purchase the leased asset at the expiry of the leased period. The Parliament leases certain plant and equipment under operating leases. Leases of plant and equipment generally provide the Parliament with a right of renewal at which time all terms are renegotiated.

(c) Other commitments payable consist of agreements for the provision services, such as IT that support the operation of the Parliament.

## Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Parliament is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Parliament related mainly to fair value determination.

### Structure

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### 8.1 Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Parliament's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*.

#### Categories of financial instruments

**Loans and receivables and cash** are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Parliament recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables);

**Financial liabilities at amortised cost** are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Parliament recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

## Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)

### 8.1 Financial instruments specific disclosures (cont)

**Derecognition of financial assets:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- Parliament retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Parliament has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Parliament has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Parliament's continuing involvement in the asset.

**Impairment of financial assets:** At the end of each reporting period, the Parliament assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Receivables are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with *AASB 136 Impairment of Assets*.

**Derecognition of financial liabilities:** A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

#### Categorisation of financial instruments

|  | Category                                | (\$ thousand) |               |
|--|---|---------------|---------------|
|  |   | 2018          | 2017          |
| <b>Contractual financial assets</b>      |   |               |               |
| Cash and deposits                        | Loans, receivables and cash             | 95            | 120           |
| Receivables <sup>(a)</sup>               | Loans, receivables and cash             | 124           | 110           |
| <b>Total financial assets</b>            |   | <b>219</b>    | <b>230</b>    |
| <b>Contractual financial liabilities</b> |   |               |               |
| Payables <sup>(b)</sup>                  | Financial liabilities at amortised cost | 7,699         | 8,147         |
| Bank overdraft                           | Financial liabilities at amortised cost | 854           | 489           |
| Finance lease payables                   | Financial liabilities at amortised cost | 3,026         | 2,846         |
| <b>Total financial liabilities</b>       |   | <b>11,579</b> | <b>11,482</b> |

<sup>(a)</sup> The amount of financial assets disclosed here excludes statutory receivables (i.e. amounts owing from Victorian Government and GST input tax credit recoverable).

<sup>(b)</sup> The amount of financial liabilities disclosed here excludes statutory payables (i.e. taxes payable).

## **Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)**

### **8.1.1 Financial risk management objectives and policies**

As a whole, the Parliament's financial risk management program seeks to manage financial risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 8.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Parliament's financial risks within the government policy parameters. Financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Parliament manages these financial risks in accordance with its financial risk management policy. Parliament uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer of the Parliament.

#### **Credit Risk**

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Department's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Parliament's contractual financial assets is minimal.

Provision of impairment for contractual financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

There has been no material change to the Parliament's credit risk profile in 2017-18.

## **Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)**

### **8.1.1 Financial risk management objectives and policies (cont)**

#### **Liquidity Risk**

Liquidity risk is the risk that the Parliament would be unable to meet its financial obligations as they fall due. The Parliament operates under the Government fair payments policy of settling financial obligations within 30 days. It also continuously manages risk through monitoring future cash flows. The Parliament's exposure to liquidity risk is insignificant.

#### **Market Risk**

The Parliament's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency risks. Objectives, policies and processes used to manage each of these risks are disclosed below.

#### **Foreign currency risk**

The Parliament is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a relatively short timeframe between commitment and settlement.

#### **Interest rate risk**

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Parliament has minimal exposure to interest rate risk as they hold minimal cash deposits and only have fixed rate financial liabilities.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the table on the next page.

PARLIAMENT OF VICTORIA  
Notes to the financial statements  
30 June 2018

**Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)**

**8.1.1 Financial risk management objectives and policies (cont)**

**Interest rate exposure of financial instruments**

(\$ thousand)

|  | Weighted<br>average<br>effective<br>interest<br>rate % | Carrying<br>amount | Interest rate exposure    |                              |                            |
|--|--|--------------------|---------------------------|------------------------------|----------------------------|
|  |  |                    | Fixed<br>interest<br>rate | Variable<br>interest<br>rate | Non<br>interest<br>bearing |
| <b>2018</b>                            |  |                    |                           |                              |                            |
| <b>Cash and deposits:</b>              | 1.50   | <b>95</b>          | <b>91</b>                 | -                            | <b>4</b>                   |
| <b>Receivables:</b>                    |  |                    |                           |                              |                            |
| Debtors - Parliament refreshment rooms | -  | <b>123</b>         | -                         | -                            | <b>123</b>                 |
| Other receivables                      | -  | <b>1</b>           | -                         | -                            | <b>1</b>                   |
| <b>Total financial assets</b>          |  | <b>219</b>         | <b>91</b>                 | -                            | <b>128</b>                 |
| <b>Payables:</b>                       |  |                    |                           |                              |                            |
| Contractual payables at amortised cost | -  | <b>7,699</b>       | -                         | -                            | <b>7,699</b>               |
| <b>Borrowings:</b>                     |  |                    |                           |                              |                            |
| Bank overdraft                         | -  | <b>854</b>         | -                         | -                            | <b>854</b>                 |
| Finance lease liabilities              | <b>3.21</b>  | <b>3,026</b>       | <b>3,026</b>              | -                            | -                          |
| <b>Total financial liabilities</b>     |  | <b>11,579</b>      | <b>3,026</b>              | -                            | <b>8,553</b>               |
| <b>2017</b>                            |  |                    |                           |                              |                            |
| <b>Cash and deposits:</b>              | 1.50   | 120                | 117                       | -                            | 3                          |
| <b>Receivables:</b>                    |  |                    |                           |                              |                            |
| Debtors - Parliament refreshment rooms | -  | 106                | -                         | -                            | 106                        |
| Other receivables                      | -  | 4                  | -                         | -                            | 4                          |
| <b>Total financial assets</b>          |  | 230                | 117                       | -                            | 113                        |
| <b>Payables:</b>                       |  |                    |                           |                              |                            |
| Contractual payables at amortised cost | -  | 8,147              | -                         | -                            | 8,147                      |
| <b>Borrowings:</b>                     |  |                    |                           |                              |                            |
| Bank overdraft                         | -  | 489                | -                         | -                            | 489                        |
| Finance lease liabilities              | 3.52   | 2,846              | 2,846                     | -                            | -                          |
| <b>Total financial liabilities</b>     |  | 11,482             | 2,846                     | -                            | 8,636                      |

**Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)**

**8.1.1 Financial risk management objectives and policies (cont)**

**Interest rate sensitivity disclosure analysis**

The Parliament believes that its exposure and any impacts of future government expectations, economic forecasts and the legislative environment it operates in will not render itself to any significant exposures to changing market interest rates or exchange rates in the next 12 months.

**8.2 Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

**Contingent assets**

Contingent assets are:

- possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

|   | <b>(\$ thousand)</b> |      |
|---|----------------------|------|
|   | <b>2018</b>          | 2017 |
| Bank guarantee from a supplier to the value of a pre-paid contract for the supply of security bollards. | <b>751</b>           | -    |
|   | <b>751</b>           | -    |

**Contingent liabilities**

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

- present obligations that arise from past events but are not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
- the amount of the obligations cannot be measured with sufficient reliability.

|  | <b>(\$ thousand)</b> |      |
|--|----------------------|------|
|  | <b>2018</b>          | 2017 |
| Bank guarantee for protection of identified trees during construction works. | <b>100</b>           | 100  |
|  | <b>100</b>           | 100  |

## **Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)**

### **8.3 - Fair value determination**

#### **Significant judgement and estimates**

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of Parliament.

This section sets out information on how Parliament determined fair value for financial reporting purposes. 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.

Land, buildings, cultural assets, heritage assets and plant and equipment are carried at fair value.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

Parliament determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

#### **Fair value hierarchy**

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Parliament determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Parliament, in conjunction with Valuer-General Victoria, Armstrong Court, Sainsbury Books and Slattery, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

#### **How this section is structured**

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
  - a reconciliation of the movements in fair values from the beginning of the year to the end; and
  - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 8.3.1) and non-financial physical assets (refer to Note 8.3.2).

**Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)**

**8.3 - Fair value determination (cont)**

**8.3.1 Fair value determination: Non-financial physical assets**

**Fair value measurement hierarchy**

| As at 30 June 2018<br>Description               | Carrying<br>amount as at<br>30 June 2018 | Fair value measurement at end of reporting<br>period using: |               |                |
|---|--|---|---------------|----------------|
|   |  | Level 1   | Level 2       | Level 3        |
| Land at fair value - specialised land           | 150,500                                  | -   | -             | 150,500        |
| Buildings at fair value - heritage buildings    | 480,436                                  | -   | -             | 480,436        |
| Buildings at fair value - specialised buildings | 31,670                                   | -   | -             | 31,670         |
| Plant & equipment at fair value                 | 22,810                                   | -   | -             | 22,810         |
| <b>Cultural assets at fair value</b>            |  |   |               |                |
| Library collection                              | 7,591                                    | -   | 7,591         | -              |
| Other   | 4,232                                    | -   | 4,232         | -              |
| <b>Total cultural assets at fair value</b>      | <b>11,823</b>                            | <b>-</b>  | <b>11,823</b> | <b>-</b>       |
| <b>Total</b>                                    | <b>697,239</b>                           | <b>-</b>  | <b>11,823</b> | <b>685,416</b> |

| As at 30 June 2017<br>Description               | Carrying<br>amount as at<br>30 June 2017 | Fair value measurement at end of reporting<br>period using: |               |                |
|---|--|---|---------------|----------------|
|   |  | Level 1   | Level 2       | Level 3        |
| Land at fair value - specialised land           | 150,500                                  | -   | -             | 150,500        |
| Buildings at fair value - heritage buildings    | 482,608                                  | -   | -             | 482,608        |
| Buildings at fair value - specialised buildings | -  | -   | -             | -              |
| Plant & equipment at fair value                 | 11,687                                   | -   | -             | 11,687         |
| <b>Cultural assets at fair value</b>            | <b>-</b>                                 | <b>-</b>  | <b>-</b>      | <b>-</b>       |
| Library collection                              | 7,591                                    | -   | 7,591         | -              |
| Other   | 4,207                                    | -   | 4,207         | -              |
| <b>Total cultural assets at fair value</b>      | <b>11,798</b>                            | <b>-</b>  | <b>11,798</b> | <b>-</b>       |
| <b>Total</b>                                    | <b>656,593</b>                           | <b>-</b>  | <b>11,798</b> | <b>644,795</b> |

## **Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)**

### **8.3 - Fair value determination (cont)**

#### **8.3.1 Fair value determination: Non-financial physical assets**

##### ***Specialised land***

The market approach is used for specialised land, although is adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as a Level 3 asset.

##### ***Heritage buildings***

For Parliament's heritage buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. The estimate of fair value has been completed based on replacement with a like structure. As depreciation adjustments and direct cost per square metre are considered as significant, unobservable inputs in nature, heritage buildings are classified as Level 3 fair value measurements.

An independent valuation of the Parliament's heritage buildings was performed by the Valuer-General Victoria for the financial period ending at 30 June 2017.

##### ***Specialised buildings***

Parliament's specialised buildings have recently been completed and will be valued using the depreciated replacement cost method.

##### ***Plant & equipment at fair value***

Plant & equipment is held at fair value and valued using the depreciated replacement cost method, adjusting for associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, plant & equipment are classified as Level 3 fair value measurements.

**Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)**

**8.3 - Fair value determination (cont)**

**8.3.1 Fair value determination: Non-financial physical assets**

***Cultural assets at fair value***

Cultural assets are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets.

For the library collection, valuation of the assets is performed by Sainsbury Books and was determined by researching and checking the prices paid for similar books sold both in Australia and overseas. The last revaluation was performed for the library collection for the financial period ended at 30 June 2017.

For other cultural assets (including heritage furniture, heritage items & artworks), valuation of the assets is performed by Armstrong Court and was determined by a comparison to similar examples of the artists or makers work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years. The last revaluation was performed for heritage items and artwork for the financial period ending at 30 June 2017.

To the extent that cultural assets do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

There were no changes in valuation techniques throughout the period to 30 June 2018.

For all assets measured at fair value, the current use is considered the highest and best use.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2018**

**Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)**

**8.3 - Fair value determination (cont)**

**8.3.1 Fair value determination: Non-financial physical assets (cont)**

**Reconciliation of Level 3 fair value**

|  | (\$ thousand)           |                           |                              |                              |
|--|-------------------------|---------------------------|------------------------------|------------------------------|
| Year ended 30 June 2018  | <i>Specialised land</i> | <i>Heritage buildings</i> | <i>Specialised buildings</i> | <i>Plant &amp; equipment</i> |
| <b>Opening balance</b>   | <b>150,500</b>          | <b>482,608</b>            | -                            | <b>8,941</b>                 |
| Purchases (sales)  | -                       | -                         | -                            | 1,210                        |
| Transfer in / (out) of assets under construction                                       | -                       | <b>8,520</b>              | <b>31,670</b>                | <b>13,166</b>                |
| Transfers in / (out) of Level 3  | -                       | -                         | -                            | 2,747                        |
| <b>Gains or losses recognised in net result</b>  | -                       | -                         | -                            | -                            |
| Depreciation   | -                       | <b>(10,692)</b>           | -                            | <b>(3,254)</b>               |
| Impairment loss  | -                       | -                         | -                            | -                            |
| <b>Subtotal</b>  | <b>150,500</b>          | <b>480,436</b>            | <b>31,670</b>                | <b>22,810</b>                |
| <b>Gains or losses recognised in other economic flows - other comprehensive income</b> |                         |                           |                              |                              |
| Revaluation  | -                       | -                         | -                            | -                            |
| <b>Closing balance</b>   | <b>150,500</b>          | <b>480,436</b>            | <b>31,670</b>                | <b>22,810</b>                |

|  | (\$ thousand)           |                           |                              |                              |
|--|-------------------------|---------------------------|------------------------------|------------------------------|
| Year ended 30 June 2017  | <i>Specialised land</i> | <i>Heritage buildings</i> | <i>Specialised buildings</i> | <i>Plant &amp; equipment</i> |
| Opening balance  | 75,557                  | 370,509                   | -                            | 7,565                        |
| Purchases (sales)  | -                       | -                         | -                            | -                            |
| Transfer in / (out) of assets under construction                                       | -                       | 9,252                     | -                            | 3,495                        |
| Transfers in / (out) of Level 3  | -                       | -                         | -                            | -                            |
| <b>Gains or losses recognised in net result</b>  | -                       | -                         | -                            | -                            |
| Depreciation   | -                       | <b>(11,816)</b>           | -                            | <b>(2,119)</b>               |
| Impairment loss  | -                       | -                         | -                            | -                            |
| <b>Subtotal</b>  | <b>75,557</b>           | <b>367,945</b>            | -                            | <b>8,941</b>                 |
| <b>Gains or losses recognised in other economic flows - other comprehensive income</b> |                         |                           |                              |                              |
| Revaluation  | 74,943                  | 114,663                   | -                            | -                            |
| <b>Closing balance</b>   | <b>150,500</b>          | <b>482,608</b>            | -                            | <b>8,941</b>                 |

**Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)**

**8.3 - Fair value determination (cont)**

**8.3.1 Fair value determination: Non-financial physical assets (cont)**

**Description of significant unobservable inputs to Level 3 valuations**

|   | <i>Valuation technique</i>   | <i>Significant unobservable inputs</i>  |
|---|------------------------------|---|
| <b>Specialised land</b>                   | Market approach              | Community Service Obligation (CSO) adjustment   |
| <b>Heritage and specialised buildings</b> | Depreciated replacement cost | Direct cost per square metre<br><br>Useful life of heritage buildings<br>Useful life of specialised buildings |
| <b>Plant &amp; equipment</b>              | Depreciated replacement cost | Cost per unit<br><br>Useful life of plant & equipment   |

The significant unobservable inputs have remain unchanged from 2017.

## Note 9 - OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

### Structure

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### 9.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

|   | (\$ thousand) |      |
|---|---------------|------|
|   | 2018          | 2017 |
| Payment made to Estate of Deceased Member of Parliament equivalent to value of Resettlement Allowance | 78            | -    |

### 9.2 Other economic flows included in net result

|   | (\$ thousand) |            |
|---|---------------|------------|
|   | 2018          | 2017       |
| <b>Net gain / (loss) on non-financial physical assets</b>                                 |               |            |
| Proceeds from sale  | 1,156         | 964        |
| Written down value of assets sold   | (905)         | (782)      |
| <b>Total net gain / (loss) on non-financial physical assets</b>                           | <b>251</b>    | <b>182</b> |
| <b>Other gains / (losses) from other economic flows</b>                                   |               |            |
| Net gain / (loss) arising from revaluation of long service leave liability <sup>(a)</sup> | (11)          | 394        |
| <b>Total other gains / (losses) from other economic flows</b>                             | <b>(11)</b>   | <b>394</b> |

### Notes

(a) Revaluation gain / (loss) due to changes in bond rates.

**Note 9 - OTHER DISCLOSURES (cont)**

**9.3 Responsible persons**

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

**Names**

The persons who held the positions of Accountable Officers in the Parliament for the reporting period are as follows:

Presiding Officers:            **The Hon. Bruce Atkinson MLC 1st July 2017 to 30th June 2018**  
President of the Legislative Council

**The Hon. Colin Brooks 1st July 2017 to 30th June 2018**  
Speaker of the Legislative Assembly

**Remuneration**

Remuneration received or receivable by the accountable officers in connection with the management of the Parliament during the reporting period was in the range:

| Salary Band \$                    | Number of Officers |              |
|-----------------------------------|--------------------|--------------|
|                                   | 2018               | 2017         |
| 100,000 - 109,999                 | -                  | 1            |
| 230,000 - 239,999                 | -                  | 1            |
| 310,000 - 319,999                 | -                  | 1            |
| 320,000 - 329,999                 | 1                  | -            |
| 340,000 - 349,000                 | 1                  | -            |
| <b>Total number</b>               | <b>2</b>           | <b>3</b>     |
| <b>Total amount (\$ thousand)</b> | <b>\$666</b>       | <b>\$657</b> |

**Note 9 - OTHER DISCLOSURES (cont)**  
**9.3 Responsible persons (cont)**

**Remuneration of Ministers**

Remuneration in the form of salaries and allowances received or receivable under the *Parliamentary Salaries and Superannuation Act 1968* by all Ministers during the year, and paid by the Parliament, is as follows:

|   | <b>(\$ thousand)</b>             |             |
|---|----------------------------------|-------------|
|   | <b><i>Total remuneration</i></b> |             |
| <b><i>Remuneration of Ministers</i></b> | <b>2018</b>                      | <b>2017</b> |
| Short-term employee benefits            | <b>7,717</b>                     | 7,691       |
| Post-employment benefits                | <b>281</b>                       | 369         |
| <b>Total remuneration</b>               | <b>7,998</b>                     | 8,060       |
| <b>Total number of Ministers</b>        | <b>23</b>                        | 23          |

**Note 9 - OTHER DISCLOSURES (cont)**

**9.4 Remuneration of executives**

The number of executive officers, other than Accountable Officers, and their total remuneration during the reporting period are shown in the table below. The total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by Parliament or on behalf of the Parliament, in exchange for services rendered, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long service benefits or deferred compensation.

**Termination benefits** include termination of employment payments, such as severance packages.

|   | (\$ thousand)      |              |
|---|--------------------|--------------|
|   | Total Remuneration |              |
| Remuneration of executive officers                          | 2018               | 2017         |
| Short-term employee benefits                                | 2,108              | 1,969        |
| Post-employment benefits                                    | 163                | 149          |
| Other long-term benefits                                    | 139                | 49           |
| <b>Total remuneration <sup>(a)</sup></b>                    | <b>2,410</b>       | <b>2,167</b> |
| <b>Total number of executives</b>                           | <b>8</b>           | <b>8</b>     |
| <b>Total annualised employee equivalents <sup>(b)</sup></b> | <b>7.65</b>        | <b>7.90</b>  |

*Notes:*

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 9.5).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

**Note 9 - OTHER DISCLOSURES (cont)**

**9.5 Related parties**

Related parties of the Parliament

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

**Significant transactions with government-related entities**

Parliament received funding from and made payments to the Department of Treasury and Finance through the Consolidated Fund of \$159.3 million (2017: \$147.7 million).

**Key management personnel** of Parliament includes the Presiding Officers, and members of the Parliamentary Executive Group.

**Presiding Officers**

- Hon. B. Atkinson MLC, President, Legislative Council (1st July 2017 to 30th June 2018)
- Hon. C. Brooks - Speaker, Legislative Assembly (1st July 2017 to 30 June 2018)

**Parliamentary Executive Group**

- Peter Lochert, Secretary – Parliamentary Services - (1st July 2017 to 30th June 2018)
- Andrew Young, Clerk – Legislative Council - (1st July 2017 to 30th June 2018)
- Ray Purdey, Clerk – Legislative Assembly - (1st July 2017 to 25th September 2017)
- Bridget Noonan, Acting Clerk – Legislative Assembly - (26th September 2017 to 30th June 2018)

|                              | (\$ thousand)             |              |
|------------------------------|---------------------------|--------------|
|                              | <b>Total Remuneration</b> |              |
| <b>Compensation of KMPs</b>  | <b>2018</b>               | 2017         |
| Short-term employee benefits | <b>1,658</b>              | 1611         |
| Post-employment benefits     | <b>107</b>                | 74           |
| Other long-term benefits     | <b>88</b>                 | 33           |
| <b>Total</b>                 | <b>1,853</b>              | <b>1,718</b> |

**Transactions and balances with key management personnel and other related parties**

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with Parliament, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

**Note 9 - OTHER DISCLOSURES (cont)**

**9.6 Remuneration of auditors**

| Victorian Auditor-General's Office | (\$ thousand) |      |
|------------------------------------|---------------|------|
|                                    | 2018          | 2017 |
| Audit of the financial statements  | 62            | 61   |
|                                    | 62            | 61   |

**9.7 Subsequent events**

The Parliament's policy for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue is as follows:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date; and/or
- disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

There have been no events after the reporting date that have a material impact on these financial statements.

**9.8 Other accounting policies**

**Contributions by owners**

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Parliament.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

**Note 9 - OTHER DISCLOSURES (cont)**

**9.9 Issued but not yet effective Australian accounting and reporting pronouncements**

Certain new and revised accounting standards have been published but are not effective for the 2017-18 reporting period that includes:

AASB 9 *Financial Instruments*, operative from 1 January 2018. While there is no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.

AASB 16 *Leases*, operative for reporting periods beginning from 1 January 2019. The key changes introduced by AASB 16 include the recognition of most operating leases on the balance sheet. Parliament is reviewing its existing policy to assess the potential implications arising from AASB 16.

Several other amending standards and AASB interpretations have been issued that apply for future reporting periods, but are considered to have limited impact on the Parliament's reporting.

There is no intention to early adopt the above accounting standards.





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