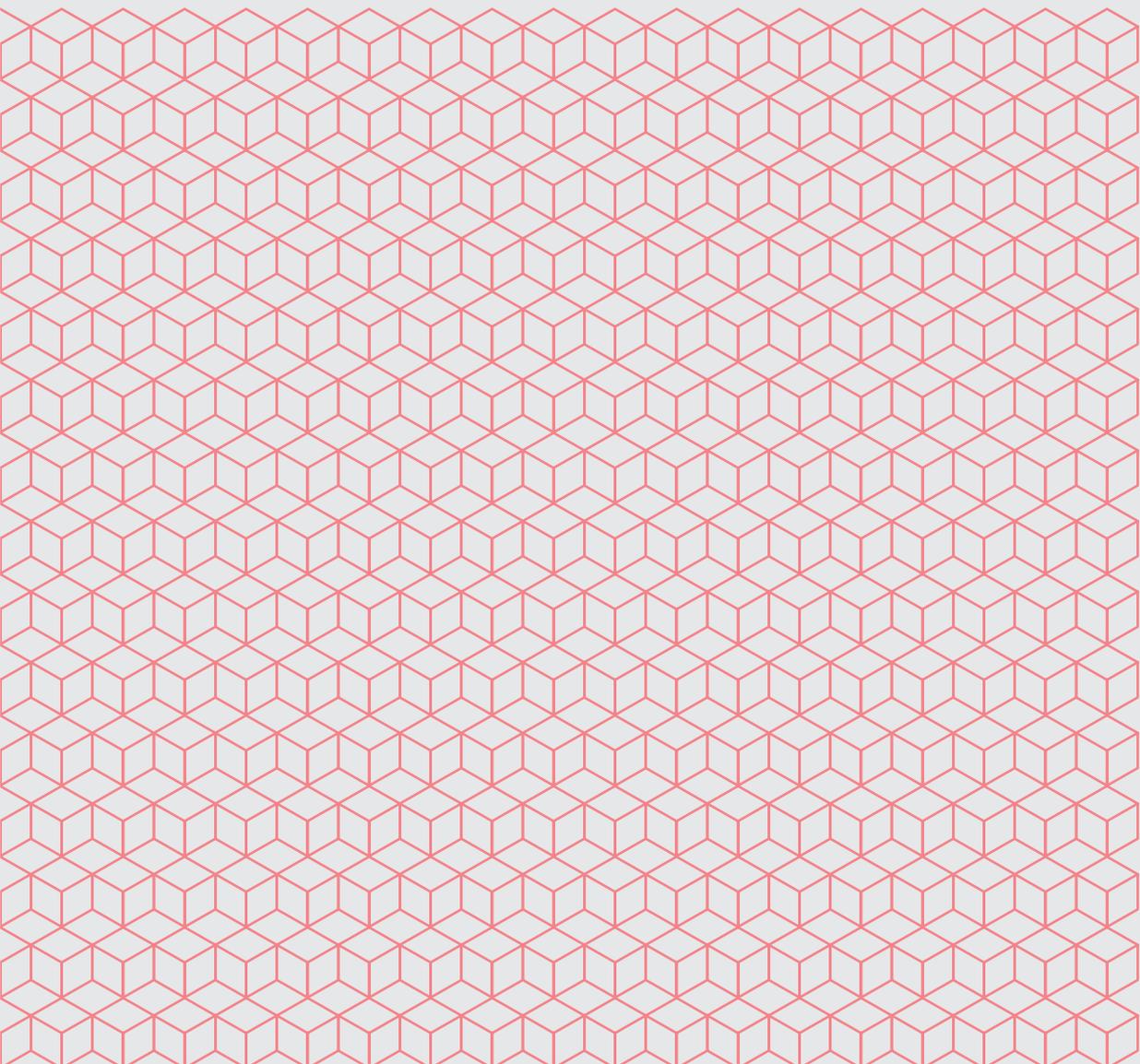




Department of Parliamentary Services
Parliament of Victoria

ANNUAL REPORT

2016 - 2017



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 2017.

Yours sincerely,



Peter Lochert
Secretary
Department of Parliamentary Services

Department of Parliamentary Services Annual Report [2016-17]

Tabled in the Legislative Council and Legislative
Assembly on 18 October 2017 ©
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All flora and fauna displayed in this report
were sourced from the Parliamentary Gardens.



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DPS Executive Team

“ The staff of Department of Parliamentary Services continue to deliver exemplary services within the constraint of the resources available. Recognitions of good service are a credit to their skill, commitment and determination to excel. For this, I thank them. ”



Secretary's Foreword

The construction of the new Members annexe, with accommodation for 102 Members of Parliament, has dominated our attention during the past year. This \$45 million project, funded predominantly from Parliament savings over the last decade, represents a once in a century opportunity to address the many shortcomings of an unfinished 160 year old building whilst meeting the needs of the legislature in the 21st Century.

This project involves staff from all areas of DPS. From buildings and grounds staff, to information technology, security, heritage and catering. The new annexe presents the opportunity to progress our digitisation agenda through the introduction of new technologies that will better support the work of Members of Parliament in a digital age characterised by greater mobility, social media and ubiquitous access to information.

Moving 102 Members of Parliament to the annexe will take a significant load off the main Parliament House building, presenting a unique opportunity to address many long overdue restoration and heritage issues in the building. It will also improve the building's ability to meet contemporary needs: better access and community engagement facilities, media, security, occupational health and safety, storage, service delivery infrastructure and improved accommodation amenity.

Whilst the whole department continued to deliver the routine suite of services that make up our core business, major efforts have gone into addressing probity and governance structures, as well as into driving our digitisation agenda.

Responding to Audit Committee requirements and reviews, DPS has worked with the House departments and Government to improve our probity, accountability and governance processes and to assist in the review and update of regulations made under the Parliamentary Salaries and Superannuation Act. Periodic reviews of our core controls by our internal auditors continue to identify opportunities to improve and tighten our governance.

During the year, we have also significantly improved our financial management and reporting capability by upgrading our financial management system Oracle to the latest version on the cloud. Moving to the cloud provides an improved level of resilience and continuity and requires us to review our internal accounting processes to meet industry best practice. The upgrade also provides a building block that will support greater mobility in Members of Parliament budget management.

Our digitisation agenda aims to leverage the potential of technology to put our customers at the centre of our service delivery. The work of Members of Parliament and that of both Houses is rapidly evolving, driven by technological change, social media and global challenges to political and institutional structures.

We aim to shift to a mobile, personalised, workflow based, integrated and cloud first approach. We have no illusions about the complexity of this undertaking but believe it is the logical approach to meet new and emerging needs from our customers. In this context, we will experiment, fail fast, learn and improve in close consultation with our clients.

The staff of DPS continue to deliver exemplary services within the constraint of the resources available. Recognitions of good service are a credit to their skill, commitment and determination to excel. For this, I thank them.



Peter Lochert
Secretary
Department of Parliamentary Services



Our Mission

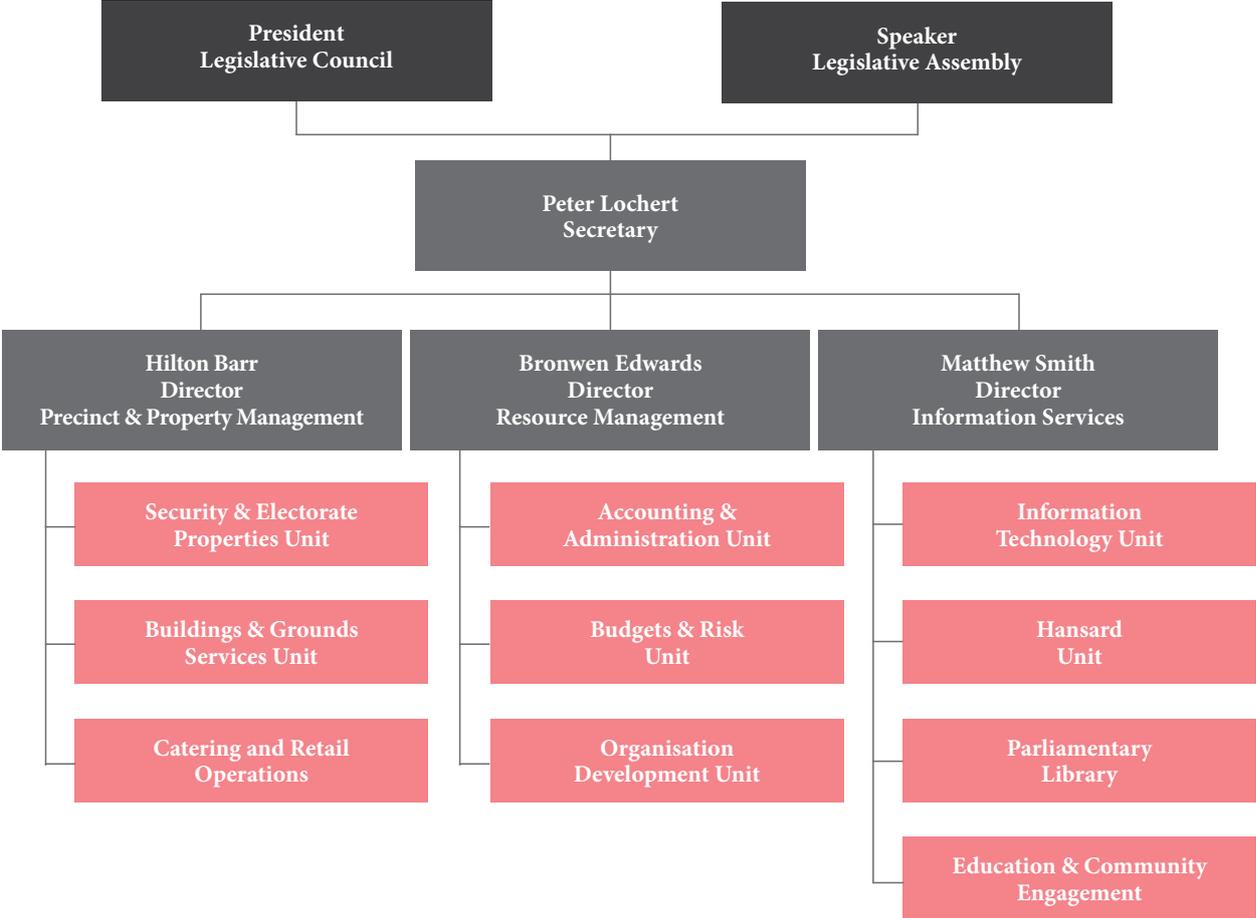
“ To deliver apolitical, professional and innovative services and advice to Members of the Victorian Parliament and to support the Parliament as an institution. ”



The Department of Parliamentary Services

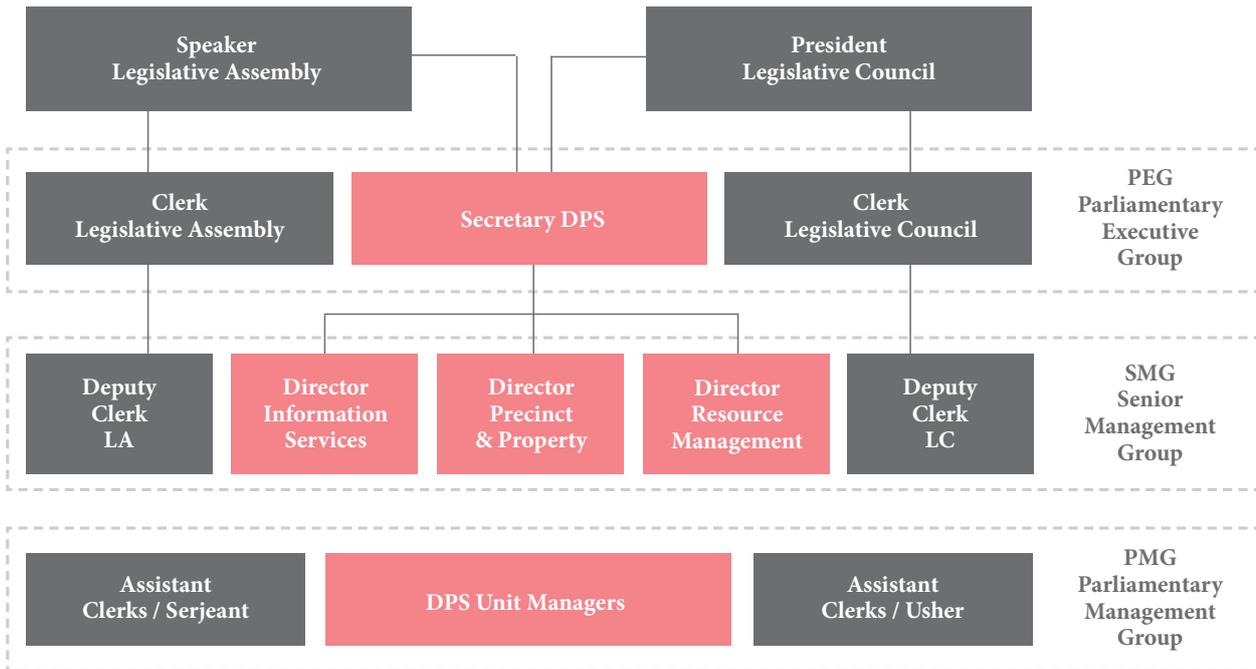
The Department of Parliamentary Services (DPS), created under the provisions of the Parliamentary Administration Act 2005, is responsible for the provision of infrastructure resources and support services to Members of Parliament and Parliamentary departments.

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 (PSMG) 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.

Audit Committee membership and roles:

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 service of which one external committee members must hold relevant qualifications 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.

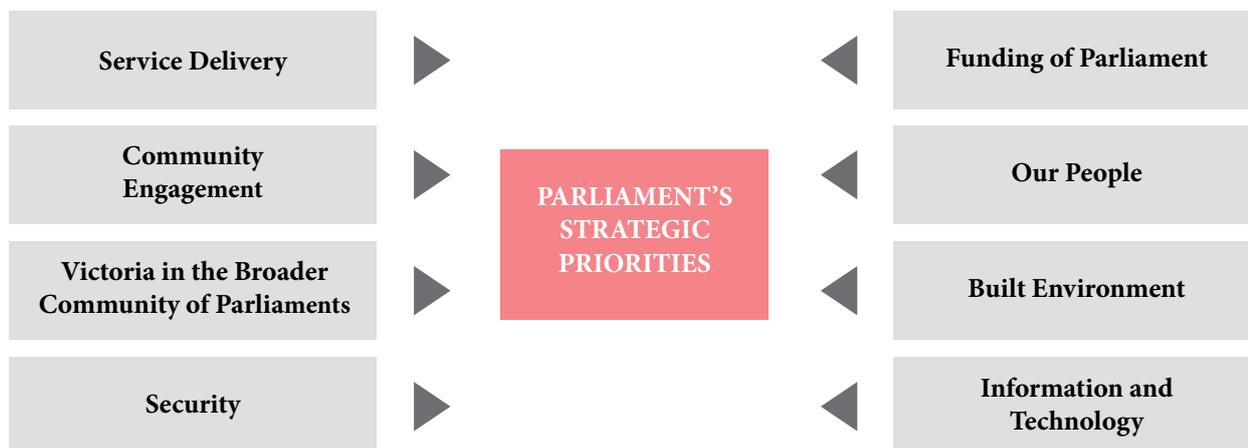
House Committee

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, 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.

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.

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.

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 next four years 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:

- Over the last 12 months, Hansard has seen significant growth in demand for services across the board. There was a 9% increase in committee hearings over the corresponding year in the 57th Parliament (132 committee hearings up from 121 committee hearings) leading to a 26% increase in total hours of committee hearings (540 hours up from 420 hours). There was also a 15.7% increase in web hits from the live broadcast of Parliamentary proceedings and a 16.5% increase in video productions for the Parliament (98 projects up from 84 projects). To assist its operations, Hansard will continue to modernise its production system adding improvements to meet the demands of users. The new system will help achieve efficiency and productivity gains within the Hansard production process with improved collaboration tools, workflow automation and publishing capabilities.

The Broadcast Automation System has been modernised to an IP-based solution that improves flexibility and assists the broadcast and audio-visual team in managing the

sophisticated infrastructure that includes over 120 automated microphones, six audio recording servers, sixteen high definition cameras and three broadcast control rooms. In conjunction with this project, a Video on Demand service for Members of Parliament began development. Similar to the Hansard online project delivered last year, where Members can access transcripts of their speeches online, a future Video on Demand service could offer the opportunity to search and watch proceedings of Parliament after the event.

- Financial services are delivered by Accounting and Administration and Budgets and Risks units with the principal objective of maintaining a robust and responsive financial management framework for all Parliament's operations. It must ensure Parliament complies with legislation including Goods and Services Tax, Fringe Benefits Tax, as well as Australian Accounting Standards. Although Parliament is not required to comply with the Financial Management Act, it chooses to do so where appropriate, to demonstrate strong financial management and responsible governance. The Budgets and Risks unit manages Parliament's internal and external budget processes, coordinates Public Accounts and Estimates Committee (PAEC) reporting, provides Members' services, and facilitates and monitors Parliament's risk management processes.



Precinct and Property Management Directorate

The Budgets and Risks unit manages the end-to-end budget cycle for the Parliament by monitoring and reporting, developing financial management strategies to mitigate cost pressures and identify savings throughout the year. Activities include maintaining the contract register, developed to improve the probity management of tenders and proposals, and allocation of funding and monthly reports to Members of Parliament for the allocated electorate office and communications and training budgets. In addition to this, the unit oversees the Parliament's risk management framework including, monitoring, training and reporting to management and the Audit Committee.

- The Parliamentary Library and Information Services added completed portraits of former Premiers the Hon. Ted Baillieu and the Hon. Dr Denis Napthine to our collection. These paintings were unveiled at ceremonies in October 2016 and March 2017 respectively. Seven Library seminars were coordinated on a range of topics for Members and staff with an average of more than 40 attendees at each. Five in-depth research papers on the topic of 'e-petitions', 'Uber and Ridesharing', 'Youth Justice in Victoria', 'Energy Markets in Victoria' and 'The Independence of Parliament' were also produced.

The Library's biggest challenge will be continuing to identify and consolidate information, document and records repositories that lie on disparate systems across the Department and to establish a single document and/or digital asset management system that will comprise records, archives, files, A/V, drawings, documents, ephemera and images that can be easily found through a search engine.

- The Catering unit has invested 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 introduction of themed menus in the Members Dining Room and Strangers Corridor, inspired by the 12 Victorian tourism regions. Sessions café and deli located on level 2 has introduced homemade breads and sausage rolls, Indonesian hawker market food items and fresh juices. Parliament House events has experienced a marked increase in external corporate function users, further increasing Parliament of Victoria's reputation as an iconic and premium venue in Melbourne's vibrant hospitality scene.

The high tea service provided by the Unit has been refreshed and has received positive press through various mediums, including a write-up from the High Tea Society, ranking the Parliament's high tea experience within the top ten in Melbourne. A special high tea package within Strangers Corridor was also designed and aimed at increasing the senior citizens market and has been extremely popular since its implementation.

The Catering units outlet baristas have been using Australia's owned and grown Dimbulah Mountain Estate coffee beans for the past three years (exclusive to the Parliament of Victoria). The fragrant coffee beans have recently been awarded the bronze medal in the International Contest of Coffees held in Paris, which was awarded by the Agency for the Valorisation of Agricultural Products (AVAP).

- The past 12 months have seen a significant number of projects being undertaken by the Organisation Development unit. This included developing a Family Violence Framework and administering training for Parliamentary and electorate officers, introducing an online on-boarding process to streamline administrative processes and an online cross boarding system to digitise processes for internal staff movements. Compulsory monthly inductions for new electorate officers were introduced and system improvements were administered to the payroll system to assist in targeted reporting for managers.

In addition to this, Organisation Development also assisted in the approval of the Parliamentary Officer Enterprise Agreement by the Fair Work Commission, which became operational in November 2016. The unit also commenced the provision of payroll services for Ministers and successfully transitioned payroll data from the Department of Education.

Over the coming months, the Unit will be working with Information Technology towards replacing the timesheet databases as well as the OH&S Incident and Hazard Reporting System.

- Design work has been conducted to combine the IT help desk, the Security and Library help ticket system, as well as digitise the Buildings and Grounds Services method of reporting maintenance issues. This system would enable a single contact point for most service and maintenance requests across the Precinct and electorate offices.

Delivery on Parliament's Strategic Priorities

Output Measures

Legislative Assembly

Outputs	Unit of Measure	Target As at 30 Jun 17	Actuals As at 30 Jun 17	Target met or exceeded (Y/N)
Quantity				
Procedural references updated biannually	Number	2	2	Y
Regional visits to schools to conduct Parliamentary Role Plays	Number	5	6	Y
Quality				
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	96	Y
Teacher satisfaction with tours of Parliament for school groups	Percent	95	98	Y
Timeliness				
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
Total output cost	\$ million	31.4	31.2	

Legislative Council

Outputs	Unit of Measure	Target As at 30 Jun 17	Actuals As at 30 Jun 17	Target met or exceeded (Y/N)
Quantity				
Procedural references updated biannually	Number	2	2	Y
Quality				
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	82	Y
Timeliness				
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
Total output cost	\$ million	16.6	15.8	

Committees

Outputs	Unit of Measure	Target As at 30 Jun 17	Actuals As at 30 Jun 17	Target met or exceeded (Y/N)
Quantity				
Reports tabled per annum	Number	28	28	Y
Quality				
Committee members satisfied that advice about procedure, research and administration is responsive, clear, objective and prompt	Percent	80	99	Y
Inquiries conducted and reports produced in compliance with procedural and legislative requirements	Percent	95	100	Y
Timeliness				
Reports tabled in compliance with procedural and legislative deadlines	Percent	95	100	Y
Total output cost	\$ million	7.8	7.1	

Department of Parliamentary Services

Outputs	Unit of Measure	Target As at 30 Jun 17	Actuals As at 30 Jun 17	Target met or exceeded (Y/N)
Quantity				
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
Quality				
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	96	Y
Maintain and secure the parliamentary precinct and have it available for legislative program	Percent	95	100	Y
Timeliness				
Indexes, records, speeches and transcripts provided within agreed timeframes	Percent	90	94	Y
Payroll processing completed accurately and within agreed time frames	Percent	99	99.95	Y
Total output cost	\$ million	97.6	93.6	

Delivery on Parliament's Strategic Priorities

Objective 2 – Community Engagement

Partnerships were continued with teacher professional associations across the education sector, including those supporting business studies, civics and citizenship, history, literacy, adult education and the EAL community. Attendance at a range of exhibitions and conferences helped to raise the Parliament's profile and publicise its resources and programs.

The Parliament's education advisory panel was established in 2016. The panel comprises eight teachers across all sectors and year levels, as well as a student. It meets quarterly to provide advice on how Parliament can best meet the needs of Victorian teachers and students. The value of having this advice is immeasurable, and means that the planning and delivery of resources and programs are more likely to meet the needs of educators.

An annual professional development day for teachers was held at Parliament House in July 2016. The day included presentations on resources and programs from members of the Civics and Citizenship Network, which includes the Victorian Electoral Commission, Social Education Victoria, the Big Issue Classroom, the Department of Education and Training, the Old Treasury Building and the Parliament of Victoria.

The Library and Education unit worked closely with the Broadcast team to produce short videos on heritage as well as video clips of the Governor of Victoria where she discusses facets of her role. The Broadcast team shot a video at the State Library of Victoria's 'Heroes and Villains' exhibition featuring the Library's William Strutt album, 'Victoria the Golden', the Library's most valuable and rare book. The Broadcast team also spent a day interviewing former Premier Dr Denis Napthine and artist Jude Rae who was commissioned to paint the former Premier's portrait.

The annual Parliament Prize Competition for students was launched during Law Week in May 2017. This year's competition was expanded to include years 7-9 as well as years 10-12 students. The format was also opened up to allow students to address the topic in any way they choose, which may include video, artwork, multimedia or written work.

A teacher survey was developed and ran for three months in early 2017. The survey asked teachers about the kinds of resources and professional development they want and in what format. There were also questions about how confident they feel teaching civics and citizenship subjects, and how much engagement they have already had with Parliament. A suite of lesson plans has subsequently been developed to assist teachers in implementing the new Victorian Curriculum F-10. These plans support the learning areas of civics and citizenship, history and critical and creative thinking, and they contain innovative ideas designed to stimulate students' learning and highlight how they can engage with the Parliament. The nine plans include teacher guides, are coded to the curriculum, and cover years 3-10.

Now in its 27th year, the Parliamentary Library Internship program now includes La Trobe and Swinburne Universities with 12 students for semester 2 (Swinburne and LaTrobe) in 2016 and 34 students in semester 1 (Melbourne, Monash and Victoria University) in 2017. The addition of Swinburne and La Trobe universities equates to a 30% increase in the number of interns from the previous year. In addition to this, four Library fellows from Australian Catholic University and Melbourne University completed their fellowships with the Parliamentary Library. Two new fellows from Deakin and RMIT Universities will be undertaking research on the Victorian prison population and mapping the evolution Victoria's environment portfolio.

Event information delivered via Facebook announcements has increased over the past 12 months and included events such as the inaugural Deakin Oration held in Queen's Hall, various exhibitions and the music event HUSH, held in Parliament House.



Objective 3 – Victoria in the Broader Community of Parliaments

As part of the Parliament’s twinning program, the Community Engagement unit supported the development of education resources for the Fiji Parliament. As well as assisting in the design and content of education modules for primary and secondary teachers, staff from the unit presented a two-day workshop to teachers in Labasa, Fiji in September 2016. This was the second of two workshops run in conjunction with the Fiji Parliament and supported by the United Nations Development Program. The unit worked with an assistant principal from Elwood Primary School to develop and deliver the program.

A number of library staff undertook work with the Fiji Parliament as part of their budget process as well as hosting Fiji Parliament staff to enable them to develop a thorough understanding of the function of the Victorian Parliamentary Library and Information Service, its service delivery, capture, storage and access to information in a range of formats.

Hansard hosted a series of attachments from overseas departments as part of a capability building program as well as undertaking training programs in Fiji. This training covered a range of technical and reporting skills topics such as practice reporting sessions and proof reading as well as non-technical areas such as team building, time management and resilience.

At the request of the Parliament of the Republic of Fiji, the United National Development Programme (UNDP) sought assistance from the Organisation Development unit to develop an objective and holistic professional development programme. Focused towards staff, this program analyses the current skills gaps in the relevant units, assess the best training options to increase capacity in that unit and develops learning plans for staff.

A number of visiting delegations from Parliaments across the Commonwealth were briefed on service delivery and operational practices in the Department. These contacts develop valuable relationships, exchange information and solutions to similar problems in other jurisdictions, and promote benchmarking of quality and efficiency of service delivery across similar environments.



Information Services Directorate

Delivery on Parliament's Strategic Priorities

Objective 4 – Security

Security threats are having an ever-increasing impact on the processes and operations at Parliament. DPS provides support and advice to Members of Parliament and staff, coordinates security providers and service level agreements and liaises with Victoria Police. The Security and Electorate Properties unit also issues and audits security passes and permits, monitors key control and provides reports on incidents.

To assist in providing a safe working environment, a contractor management system for trade contractors has been developed for Parliament House and the video monitoring platform for the Precinct has been upgraded to provide additional coverage. Works continued in the rear car park with the addition of license plate recognition technology to become operational in 2017.

The focus over the next few months will be on ensuring appropriate public private separation procedures are in place for the new office accommodation as well as building the capacity internally to address the reduction in services provided by Victoria Police.

Objective 5 - Funding of Parliament

The Budget and Risks unit assists Parliamentary departments to identify new funding initiatives, manages inputs to State Budget Processes, and ensures all budgeting and reporting requirements of the Department of Treasury and Finance (DTF) are met. The unit collates submissions for the Expenditure Review Committee and prepares related information for the annual publication in the State Budget Papers.

Constructive conversations have continued with Government to address questions of the constitutional independence of Parliament and the impact of the doctrine of the Separation of Powers. Whilst a separate Appropriation (Parliament) Bill has been enacted since 1991, Parliament is still currently subjected to the same funding and financial reporting processes as any public service department reporting to the Executive.

Discussions with Government on the 2015-16 Parliament Appropriation Bill resulted in Parliament being able to access prior year surpluses to fund the bulk of the new Member's accommodation project in the 2016-17 year budget. Additional funding was provided to address security issues and implement geo-exchange heating and cooling in the new building, for Legislative Council Committees and additional resources to fast-track security improvements at electorate offices.



Resource Management Directorate



RECONCILIATION OF APPROPRIATION BILL 2016-17 & 2017-18 TO BUDGET PAPER NO. 3

Purpose of this briefing is to explain the differences between the output costs shown in Budget Paper 3 and the Appropriation funding shown in the Appropriations Bill.	LEGISLATIVE COUNCIL		LEGISLATIVE ASSEMBLY		PARLIAMENTARY SERVICES		JOINT INVESTIGATORY COMMITTEES		Parliamentary Budget Office		VICTORIAN AUDITOR GENERAL		TOTAL - EXCLUDING VAGO		TOTAL INCLUDING VAGO	
	2016-17 BUDGET	2017-18 ESTIMATED BUDGET	2016-17 BUDGET	2017-18 ESTIMATED BUDGET	2016-17 BUDGET	2017-18 ESTIMATED BUDGET	2016-17 BUDGET	2017-18 ESTIMATED BUDGET	2016-17 BUDGET	2017-18 ESTIMATED BUDGET	2016-17 BUDGET	2017-18 ESTIMATED BUDGET	2016-17 BUDGET	2017-18 ESTIMATED BUDGET	2016-17 BUDGET	2017-18 ESTIMATED BUDGET
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
FIGURES PUBLISHED IN APPROPRIATION BILL	3,737	3,688	4,872	4,801	91,944	104,645	7,751	7,263	4,400	3,300	16,184	16,589	112,704	123,697	128,888	140,286
ADD SPECIAL APPROPRIATIONS	12,881	15,169	26,564	33,465							573	558	39,445	48,634	40,018	49,192
LESS ATNAB INCLUDED IN BILL																
ESTIMATED OUTPUT CARRYOVER TO 2016-17					5,400	5,650			1,100				5,400	6,750	5,400	6,750
GRANT RECEIVED FROM DECD					28	14							28	14	28	14
SECTION 29 RECEIPTS RETENTION AGREEMENT					247	86					25,356	26,012	247	86	25,603	26,098
OTHER REVENUE (RECOUPMENT OF EXPENSE, SECONDEES ETC)											37	38			37	38
TOTAL APPROPRIATIONS	16,618	18,857	31,436	38,266	97,619	110,395	7,751	7,263	4,400	4,400	42,150	43,197	157,824	179,181	199,974	222,378
ROUNDED TO MILLIONS	16.6	18.9	31.4	38.3	97.6	110.4	7.8	7.3	4.4	4.4	42.2	43.2	157.8	179.2	200.0	222.4
FIGURES PUBLISHED IN BUDGET PAPER 3	16.6	18.9	31.4	38.3	97.6	110.4	7.8	7.3	4.4	4.4	42.6	43.9	157.8	179.3	200.4	223.2
Diff*	-	-	-	-	-	-	-	-	-	-	0.40	0.70	-	-	0.40	0.80

* VAGO has budgeted for a deficit of \$0.4m for one of its two output groups in 2016-17 and net deficit of \$0.7m in 2017-18.

Delivery on Parliament's Strategic Priorities

Objective 6 - Our People

Secretary - Department of Parliamentary Services

Peter	Lochert	Secretary - Parliamentary Services
Stephanie	McGraw	Executive Assistant

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	Sub Editor
Terry	Aquino	Coordinator, Information Access & Management
Marianne	Aroozoo	Research Assistant
Sandra	Beks	Serials Assistant
Gavin	Bertram	Sub Editor
John	Blyth	Broadcast Officer
Jon	Breukel	Coordinator, Research & Inquiries
Gavin	Bullen	Senior Service Technician
Christine	Butcher	Sessional Monitor/Keyboarder
Johanna	Canizales Amaya	Service Technician
Yu Ching	Chui	Service Analyst
Francesca	Clements	Reporter
David	Cousins	Project Management Business Analyst
Anja	D'Alessio	Leader Business Solutions
Rachael	Dewar	Reporter
Sarah	Eatwell	Publishing Business Support Officer
Timothy	Fewings	Broadcast Media Officer
Robin	Gallagher	Intranet Officer
Jake	Grantford	Broadcast Officer
Mark	Greatorex	Publishing & CIT Business Support Officer

Patricia	Greig	Editor
Trevor	Griscti	Broadcast Officer
Maria	Hansen	Senior Reporter
Mark	Harris	Broadcast Coordinator
Linda	Harris	Reporter
Richard	Henson	Media Assistant
Crusader	Hillis	Sessional Reporter
Eleanor	Hogan	Sessional Reporter
Emma	Hurford	Reporter
Alice	Jonas	Research & Inquiries Officer
Sue	Kebbe	Reporter
Liza	Kennedy	Sessional Reporter
Kee	Koh	Sessional Reporter
Foong Ling	Kong	Editor
Michael	Lamonato	Sessional Reporter
Stephen	Lauder	Cataloguing Assistant
Marshall	Lee	Leader Business Services
Bella	Lesman	Statistical Research Analyst
Meredith	Lewis	Sub Editor
Andrew	Lisperguer	Service Analyst
Suzie	Luddon	Community Engagement Projects Officer
Peggy	Ludt-Nash	Sessional Reporter
Rachel	Macreadie	Research & Inquiries Officer
Carolyn	Macvean	Manager, Parliamentary Library & Information Services
Archana	Maduvinkody	Project Management Business Analyst
Joel	Magarey	Sessional Reporter
Michael	Mamouny	Media Officer
Jennifer	Martyn	Reporter
Andrew	McBride	Manager, Information Technology
Timothy	McCarthy	Broadcast Media Officer
Patricia	McCudden	Sessional Reporter
Eithne	McFarlane	Sessional Reporter
Kevin	Mills	Sessional Sub Editor
Ross	Mueller	Project Management Business Analyst
Stephen	Nichols	Broadcast Officer
Jesse	Nonneman	Audiovisual Officer
Monique	Novacco	Broadcast Officer
Emma	O'Connell	Heritage Collections Officer
Claire	Pavasaris	Sessional Reporter
George	Parton	Sessional Monitor/Keyboarder
Chris	Partsenidis	ICT Security Engineer
Aamir	Peerzada	Service Analyst
Irene	Petrakis	Sessional Reporter

Nicholas	Phipps	Service Technician
Ryan	Pow	Broadcast Officer
Christopher	Prasad	Service Analyst Coordinator
Andrew	Preston	Sessional Reporter
Justin	Price	Sessional Monitor/Keyboarder
Debra	Reeves	Research & Loans Officer
Daisy	Rissotto	Administrative Assistant
Karina	Roberts	Sessional Reporter
Catriona	Ross	Research & Inquiries Officer
Patricia	Sablyak	Sessional Sub Editor
Rob	Salvatore	Broadcast Officer
James	Scott	Manager, Hansard
Clement	Scott	Sharepoint Administrator
Richard	Slade	Sessional Reporter
Joshua	Slewa	Service Analyst
Heather	Smith	Reporter
Victoria	Spicer	Coordinator, Heritage & Collections
Patrick	Spillane	Reporter
Evan	Squire	Sub Editor
Timothy	Swanson	Applications Systems Analyst
Linden	Taylor	Sub Editor
Shilpa	Thatikonda	Vendor and IT Administration Support Officer
Angus	Tonkin	Sessional Reporter
Alan	Turner	Reporter
Matt	Tynan	Broadcast Officer
Simon	Whitehead	Publishing & CIT Business Support Officer



Delivery on Parliament's Strategic Priorities

Precinct and Property Management

Stephen	Andrews	Team Leader Building Services
Tanya	Arbutovic	Electorate Properties Officer
James	Bellerby	Electorate Properties Officer
Suzie	Blom	Projects Officer
Christopher	Butler	Maintenance Officer - Electrical
Tom	Clapham	Electorate Properties Officer
Regan	Connally	Office Administration Coordinator
Michael	Craig	Executive Chef
Robert	De Graaf	Maintenance Officer - Electrical
Jacqueline	Doolan	Customer Service Supervisor
Paul	Dunstone	Security Advisor
Kristi	Eaton	Coordinator, Facilities Management
John	Fothergill	Manager, Buildings & Grounds Services
Nicole	Fotheringham	Electorate Properties Coordinator
Karen	Fox	Senior Customer Service Officer
Andrew	Gaff	Coordinator, Facilities Management
Melody	Garcia	Kitchen Steward
Rachel	Gatewood	Coordinator, Facilities Management
Lynette	Greene	Electorate Properties Officer
Linda	Haddow	Horticulturist
John	Hurle	Senior Horticulturist - Turf
Amy	Kearney	Electorate Properties Officer
Spencer	King	Electorate Properties Officer
Ian	Kleinschmidt	Maintenance Officer
Jermaine	Leong	Security Administration Officer
Samantha	Matthews	Manager, Security and Electorate Properties
Paul	McConville	Manager, Catering & Retail Operations
Mary-Dee	Morgan	Functions & Events Coordinator
Brian	O'Neill	Electorate Properties Officer
Zoltan	Pok	Kitchen Steward
Christopher	Richardson	Security Advisor
Rachel	Robertson	Team Leader Grounds & Gardens
Melanie	Thompson	Senior Chef
Paul	Vranes	Maintenance Officer - Carpentry
Grant	Williams	Security Co-Ordinator

Resource Management

Voula	Andritsos	Learning and Development Coordinator
Fran	Barresi	Senior OD Officer (HR & Policy)
Barry	Cull	Senior OD Officer (Payroll & Systems)
Marie	De Leon	Organisation Development Officer - Payroll
Richard	D'Souza	Senior Accounts Officer
Corinne	Duggan	Organisation Development Officer - Payroll
Liesel	Dumenden	Learning & Development Officer
Vince	Fukes	Senior Accounts Officer - Accounts Payable
Roberto	Geronimo	Accounts Payable Officer
Richard	Jordan	Manager, Organisation Development
Harpreet	Kandola	Budget Analyst
Beti	Kouloumendas	Organisation Development Officer - Payroll
John	Mascarenhas	Manager, Accounting & Administration
Rachelle	McCutcheon	Organisation Development Officer
Laurence	McGlade	Financial Accountant
Clare	McMullan	Organisation Development Officer
Viv	Prasad	Budgets Officer
George	Prelec	Organisation Development Officer - Payroll
Allison	Ridge	Organisation Development Officer - Payroll
Anjali	Savani	Accounts Payable Officer
Charu	Saxena	Manager, Budgets & Risks
Alexandra	Trigg	Organisation Development Officer
Cory	Woodger	Accounts Payable Officer

Staff Profiles



Melanie Thompson

Melanie Thompson joined the Parliament of Victoria's catering and retail services unit in November 2012 as the senior chef. Prior to this, Melanie worked at the acclaimed South American influenced restaurant, True South Restaurant located in Black Rock as a sous chef and for various other Melbourne restaurants.

Melanie's passion towards Victorian produce started at an early age, working across various family members' farms in regional Victoria. Over the past few years, Melanie has significantly contributed in the menu formulation at the Parliament of Victoria, introducing to Strangers Corridor and Members Dining Room dishes that showcase the finest seasonal Victorian produce available. Recently a regional Victorian walnut farmer introduced Melanie to his neighbour's blueberries, which have been a regular feature on various dessert's and high tea menu items.

Away from the hustle and bustle of the kitchen, Melanie enjoys walking and hiking in the great outdoors and following the Hawks in the AFL.

Melanie's Blueberry, Apple and Walnut Slice Recipe:

It is not absolutely necessary to cook the apples before adding them to the tart, but I prefer to. Letting them colour lightly in a little bit of hot butter first will produce a tender and caramelised result, a five-minute step that makes all the difference. | Serves 8 or more.

For the pastry:

butter 100g
caster sugar 100g
egg yolks 2
plain flour 250g
baking powder 1tsp
water 2tbsp

For the filling:

apples 300g
butter 180g
caster sugar 150g
eggs 3
self-raising flour 100g
ground walnuts 100g
blueberries 200g
broken walnuts 3tbsp
demerara sugar 1tbsp (or light brown sugar)



You will need a rectangular tart case approximately 30x20cm x 4cm deep.

Make the pastry: using a food mixer fitted with a flat paddle beater, cream the butter and caster sugar together until light and fluffy. Introduce the egg yolks one at a time. Combine the flour and baking powder, and then fold into the batter together with the water to make a firm dough.

Tip the dough on to a lightly floured work surface, knead gently for less than a minute (longer will toughen it) then roll into a ball, wrap in clingfilm and refrigerate for about 30 minutes. You can leave it in the fridge overnight if that is convenient.

Roll the pastry out on a lightly floured board and use to line the base of the tart tin. It does not need to go up the sides. Trim any overhanging pastry. Leave no holes or tears.

Chill the pastry for a further 30 minutes. Preheat the oven to 200C/gas mark 6. Place an empty baking tray in the oven. When the oven is hot and the pastry chilled, bake for 20 minutes on the baking tray until it is dry to the touch and a pale biscuit colour. Remove from the oven and lower the temperature to 180C/gas mark 4.

Peel, core and slice the apples then cook in 30g of the butter until golden and they begin to soften. Beat together the butter and caster sugar until pale and fluffy. Add the lightly beaten eggs a little at a time, to the butter and sugar. If the mixture curdles, add a little of the flour, regularly scraping down the sides of the bowl with a rubber spatula.

Add the flour and ground walnuts to the mixture, a little at a time, beating slowly until the flour is combined. Spread the mixture into the pastry case, gently smoothing the surface. Add the cooked apples, drained of any butter, and then the blueberries, then top with scattered broken walnuts and a little demerara sugar.

Bake for 35-40 minutes until risen and lightly firm to the touch. Leave to settle for about 20 minutes before slicing.

Delivery on Parliament's Strategic Priorities



Suzie Luddon

Joining the Community Engagement and Education unit in 2010, Suzie works to meet the needs of Victorian teachers and students in their civics and citizenship teaching and learning. She is passionate about her work, believing that encouraging active citizenship is more important now than it has ever been. She has seen a few curriculum changes in her time in the role, and is happy to see that civics and citizenship has been given a strong mandate in the new Victorian curriculum.

Working with a diverse range of people in her role, Suzie enjoys engaging with teachers across all sectors at subject association conferences and exhibitions, as well as meeting annually with Parliamentary educators from across Australasia and the Pacific Islands. Suzie is always eager to hear feedback from teachers who have used Parliament's education resources to teach their students about how Parliament works, and is continually looking for ways to reach more teachers and students. Seeing students engaging with Parliament, whether it be on school tours and role-plays or participating in schools' conventions or youth Parliaments, is a particular joy.

Her role in the unit is varied and includes contributing to the communications function by writing articles for the Parliament's internal newsletter and working on news stories about various events and committee hearings. She particularly enjoys working with the Broadcasting Unit to produce videos, both for the YouTube channel of education videos and for shorter news stories and Facebook posts.

"Being in the unit means that we are involved with what's going on across the Parliament, but what's also great is that our unit puts on events as well. It was a privilege to be a part of the 'Live at the Steps' event last November that brought over 5,000 young people to the steps of Parliament House to listen to live music. Seeing the crowd enjoying themselves against the magnificent backdrop of Parliament House was a spectacle to behold. And the music was fantastic."

Prior to joining the Department Suzie worked for Members of Parliament in New Zealand, which was a challenging and enjoyable job. However, her wandering spirit brought her to Melbourne, which she has adopted as her current home while managing to avoid adopting a matching football team. A remarkable feat! Travel is a great passion, both within Australia and to distant shores. When not planning trips she enjoys creative writing, discovering new parts of Melbourne and reading, being currently intrigued with discovering the real Richard III. Suzie also loves spending time with her two Sam's, one her partner and the other her adult son who also lives in Melbourne.



Cory Woodger

Cory started working in the accounts payable team in October 2015. He enjoys the fast-paced nature of the role as well as the interaction with his team members. Cory enjoys helping Members and staff with their enquiries and assisting them wherever he can. Prior to working at DPS, Cory worked in the accounts payable department at JB Hi-Fi. He has just started his Certified Practising Accountants (CPA), which he is finding both interesting and challenging.

Earlier this year, Cory and his wife Raina were married in the Dandenong Ranges and enjoyed an incredible honeymoon across India, Sri Lanka and the Maldives. Their favourite part of the trip was visiting the Maldives where they stayed at a luxurious resort. Cory took home a beautiful gift from India, which ensured he became closely acquainted with the toilet on the night train ride. Cory is keen to continue to travel and has his sights set on Japan for his next adventure.



Cory and his wife also purchased their first home together late last year and have settled in well. He is currently spending his weekends doing odd jobs around the house. They often entertain friends and family at their new house hosting dinner parties during the weekend. Each dinner party Cory's wife Raina tests out her cooking skills by experimenting with different recipes and cuisines.

Cory plays the guitar and loves long distance running and his chosen team to barrack for is Collingwood. Cory is progressively becoming a Melbourne foodie and over the past few years has taken an interest in Asian food, such as pho, dumplings and ramen. Recently Cory has been getting into Escape Rooms and has completed a number of them across Melbourne, where he has escaped every time!



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 Officer Staff – Victoria) Single Enterprise Agreement 2012 applies to Parliamentary Officers, and the Electorate Officers (Victoria) Single Enterprise Agreement 2013 applies to Electorate Officers.

Department of Parliamentary Services

	2017			2016		
	Ongoing Employees		Fixed term and casual employees	Ongoing Employees		Fixed term and casual employees
	Headcount	FTE	FTE	Headcount	FTE	FTE
Gender:						
Male	53	50.8	20.56	50	47.8	19.88
Female	57	52.18	12.22	50	46.38	17.99
Total	110	102.98	32.78	100	94.18	37.87
Age						
Under 25	1	0.6	0.55	3	2.6	0.96
25-34	26	24.6	10.43	19	18.5	16.9
35-44	23	20.9	9.36	24	21.7	8.37
45-54	32	30.58	5.02	29	26.48	5.99
55-64	23	21.5	6.81	21	20.9	4.66
Over 64	5	4.8	0.6	4	4	0.99
Total	110	102.98	32.77	100	94.18	37.87
Classification						
VPS 1	0	0	0	0	0	1.5
VPS 2	7	7	3.44	7	7	4.56
VPS 3	34	31	6.6	30	26.7	8.1
VPS 4	19	17.08	7.66	17	15.88	8.62
VPS 5	29	27.3	11.75	26	25	12.61
VPS 6	18	17.7	2.33	17	16.7	1.48
STS	0	0	0	0	0	0
Executive	3	2.9	1	3	2.9	1
Total	110	102.98	32.78	100	94.18	37.87



Electorate Officers

	2017			2016		
	Ongoing Employees		Fixed term and casual employees	Ongoing Employees		Fixed term and casual employees
	Headcount	FTE	FTE	Headcount	FTE	FTE
Gender:						
Male	117	81.17	33.55	112	77.32	20.47
Female	226	154.61	22.54	214	153.04	30.67
Total	343	235.78	56.09	326	230.36	51.14
Age						
Under 25	32	19.27	20.38	40	24.31	11.78
25-34	91	64.9	12.55	74	55.55	13.09
35-44	55	38.19	8.53	73	49.84	8
45-54	78	51.82	6.32	61	43.81	9.66
55-64	69	50.45	6.05	63	48.3	5.84
Over 64	18	11.15	2.26	15	8.55	2.77
Total	343	235.78	56.09	326	230.36	51.14
Classification						
Other	343	235.78	56.09	326	230.36	51.14
Total	343	235.78	56.09	326	230.36	51.14

Delivery on Parliament's Strategic Priorities

Learning and Development

The Learning and Development team of two staff had a very busy and successful year. A total of 92 individual training activities were offered and undertaken across the Parliament. New courses targeted for electorate officers were offered including Census Table Builder, Media Skills and Release training and Assisting Individuals who are acutely and emotionally distressed. The Learning and Development team also supported the upgrade to Windows 10/Office 2016 which included co-ordinating information sessions for 91 Parliamentary officers. Other seminars co-ordinated by the team included; Legislative Council, fulfilling its House of Review Role; Heart Health; Assembly Question Time Demystified; End of Financial Year requirements; and Committee Procedural refreshers.

Parliament's orientation program was reviewed and had 81 staff attend in the last financial year. A compulsory monthly electorate officer induction program commenced in June 2017 so new electorate office staff understand their conditions of employment and the support and resources available to them from Parliamentary Departments.

In recognition of different learning styles, the first volumes of a suite of eLearning programs were designed and implemented. These were the Code of Conduct for Parliamentary officers and the Security Awareness online training targeted to electorate officers. A leadership program was also rolled out with cross departmental participation aimed at Grades 4 and 5 Parliamentary officers.

White Ribbon Accreditation

With the endorsement of the Presiding Officers, the Parliament joined the April 2016 cohort of workplaces seeking White Ribbon workplace accreditation noting that this is the first Parliament in Australia to undertake this program. White Ribbon is the world's largest movement of men and boys working to end violence against women and girls. The accreditation program concluded 30 June 2017 and during the past year a range of activities and were undertaken.

These activities included establishing a working group with representation from Members of Parliament, Parliamentary officers and electorate officers to champion and support this initiative. A White Ribbon breakfast was also hosted at

Parliament House with a key note address by Michael Kaufman, founding member of the White Ribbon Organisation. Awareness training has been delivered to managers in parallel with the development of a family violence support framework to assist those staff affected by family violence.

Enterprise Bargaining Agreement

The Parliamentary Officer's (Non-Executive Staff - Victoria) Single Enterprise Agreement went to ballot in September 2016. A high rate of 84.27% of Parliamentary officers lodged a vote with 96.65% voting in favor of the agreement. Key initiatives of this new agreement include family violence leave and gender-neutral parental leave.

The Electorate Officer Single Enterprise Agreement 2013 expired on 30 September 2016 and negotiations for a new Agreement commenced in December 2016. The Electorate Officer Enterprise Agreement Bargaining Committee made up of Parliament Management, CPSU and individual bargaining representatives met on 10 occasions by 30 June 2017. The Committee did not reach in-principle agreement.

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, emergency management and manual handling. 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 the use of online educational resources. This included staff involvement in external activities such as Australia's biggest morning tea fund raising and blood bank donations.

Occupational Health and Safety Key Statistics

Measure	Description	Result
Incidents and hazards	Number of incidents	19
	Number of reported hazards	13
Claims (reported during the year)	Number of minor claims*	3
	Number of standard claims**	1
	Number of lost time claims	3
	Number of claims exceeding 13 weeks	0
	Return to work compliance	100%
OH&S Committee	Committee Meetings	8
	OH&S Representative initial and refresher training participation	100%
Hazard Inspections	Workplace hazard inspections	16
Corporate Wellness Activities	Number of participants	596

* 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

4x
sprain or strain

5x
bruising or swelling

2x
soft tissue injury

3x
anxiety or stress

5x
cut or abrasion

Occupational Health and Safety Training

OHS Committee	29
Manual Handling	20
Chemical Users	1
Food Handling	4
Emergency Management	72
First Aid	14
Health & Safety Representative	9
Understanding & Responding to Family Violence	46

Delivery on Parliament's Strategic Priorities

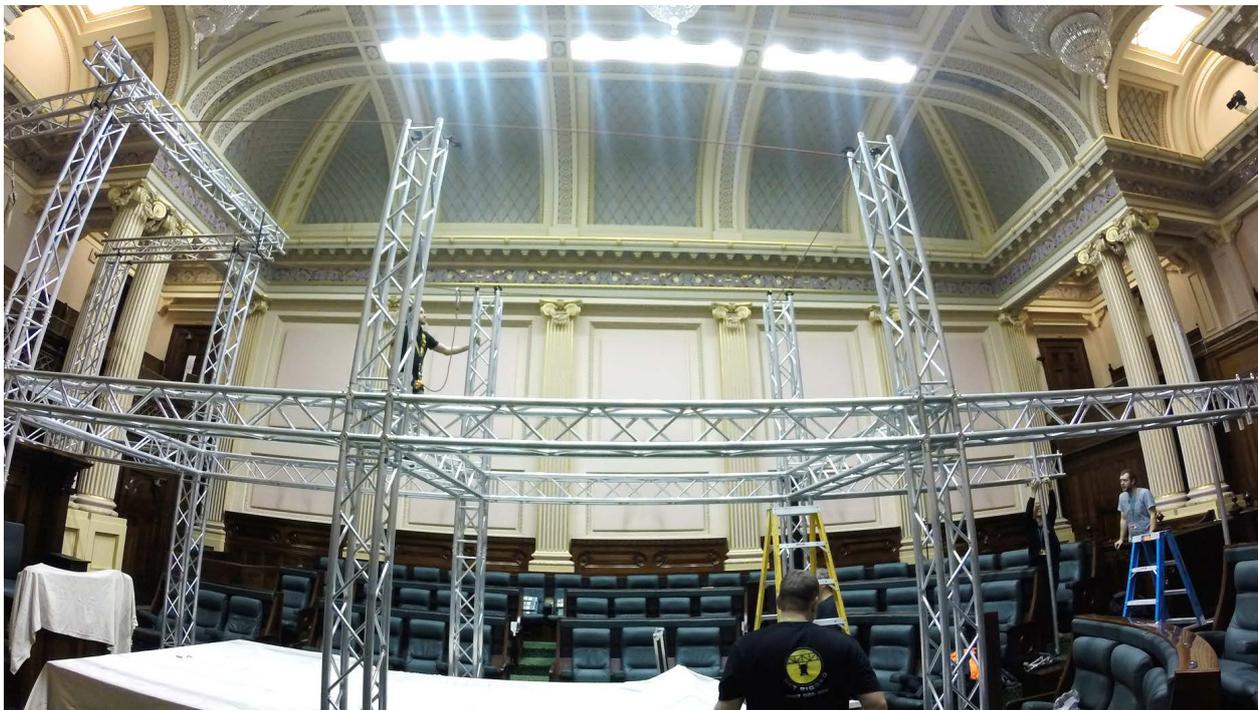
Objective 7 - Built Environment

The built environment in the Parliament precinct is managed through two main programs. One program addresses heritage and stone restoration projects and is focused on preserving the physical integrity of the building and its heritage value. The second program addresses building function and the ability of the 160 year old building to provide an effective working environment that meets current and future requirements. A separate program is focused on the provision of electorate offices to each of the 128 Members of Parliament.

Over this past year, a revaluation of Parliament's land, building and heritage assets was obtained by engaging an independent valuer. This was to confirm compliance with Australian Accounting Standards to ensure the assets reflect their current fair value.

Heritage and Stone Restoration

Stage 10 of the stone restoration works, focusing on the North West corner, is due for completion in October 2017. The works include procuring suitable sandstone and bluestone for indent repairs and replacement of blocks where condition is beyond repair. The next stage is currently under preparation and will see restoration of the Spring Street facade.



Building function

There have been extensive repairs and improvements to the Parliament House building over the past 12 months. Lighting throughout areas such as Premiers' Corridor; Legislative Assembly Chamber; Queen's Hall and the Parliamentary Library has been upgraded to LED systems, which has so far proven to be a success. Upgrading the lighting in the chandeliers in the Assembly Chamber and Library required the Buildings and Grounds Services team to install winches to lower the chandeliers so that the fittings could be accessed.

• Pavilion

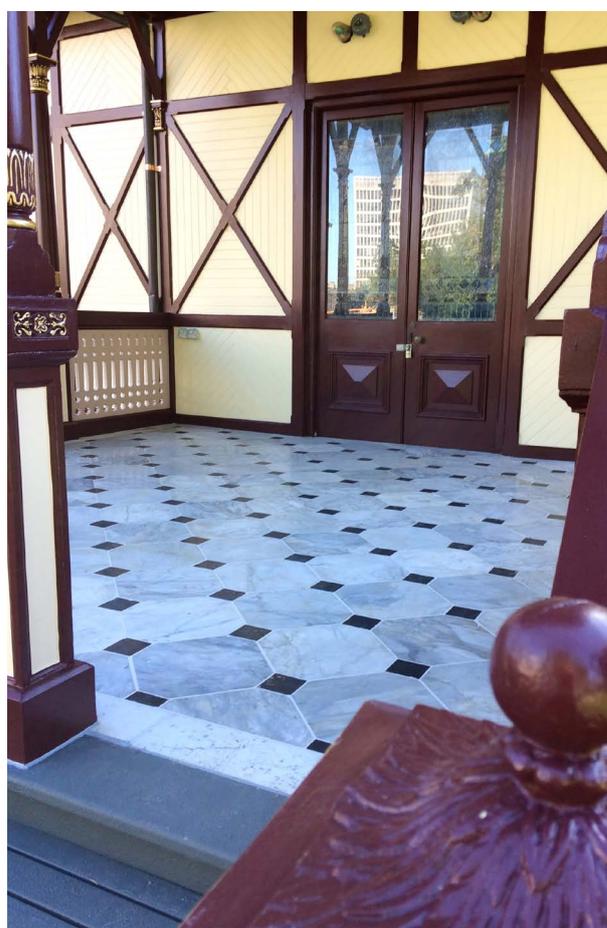
The Pavilion is an important heritage feature of the Parliamentary Precinct. Originally built as a change room, the Pavilion has served number purposes over the years. However, weather has taken its toll on the building. The initial scope of works only included painting the outside of the building, however during the preparation, it was realised that there was significant 'rot' to the lower timbers. After re-scoping, the rotted timbers were replaced with recycled timber, maintaining the heritage integrity of the building. In addition to reduce future rising damp on the Pavilion, a concrete plinth was installed.

In addition to the maintenance, the marble floors were polished and sealed to increase longevity and restore their natural beauty. Internally the old timber lockers have been polished and restored to their former condition.

• Parliamentary Gardens

2016-17 has been a significant year in the gardens of Parliament House. The new office accommodation project required dismantling of some planted landscape, and, where possible, some of these plants were retained. The team worked with landscape architects engaged for the new build, to fine tune plant choices for the proposed courtyard and roof top gardens.

Construction of new fences along St Peter's Church required removal of most of the existing planting but has allowed the team an opportunity to redesign this area, working alongside the fencing contractors whilst protecting the integrity of the Parliamentary gardens.

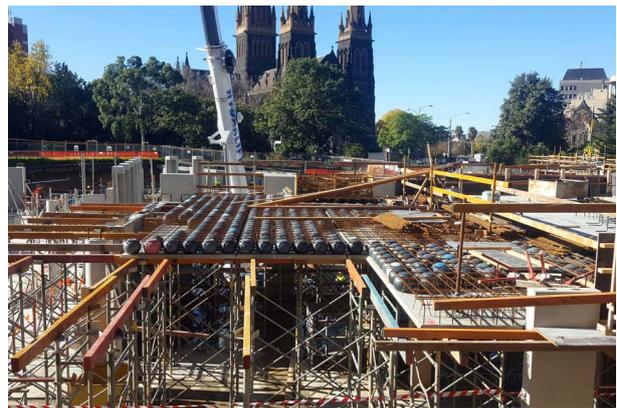


Delivery on Parliament's Strategic Priorities

Remediation of Office Accommodation Project

The key project undertaken in 2016-17 has been the continued works on the Remediation of Office Accommodation, which will serve as Member's accommodation. Archaeological investigations of the site yielded a number of artefacts from the late 1800s. These artefacts are being conserved at the Grimwade Centre for Cultural Materials Conservation. Construction commenced in September 2016, with works completed to date including; site retention; geo-exchange boring works; trenching for services and foundations; and the ground slabs. Completion of works is expected in December 2017, with Members to move into their new offices in early 2018.

The challenge for the coming year will be coordinating a smooth transition for Members to the new office accommodation.



Electorate Offices

A much needed security risk assessment was conducted at every Victorian electorate office. The data collected has now been consolidated and will be used to develop the security strategy at electorate offices. Upgrades that will be rolled out across the offices include upgrading and improving the alarm systems, lockdown features, improving natural surveillance, strengthening rear doors and upgrading external lighting. It is envisioned that an electorate office duress monitoring capability is created to support security staff located at Parliament House to better assist electorate officers during incidents.

Environmental Sustainability Report

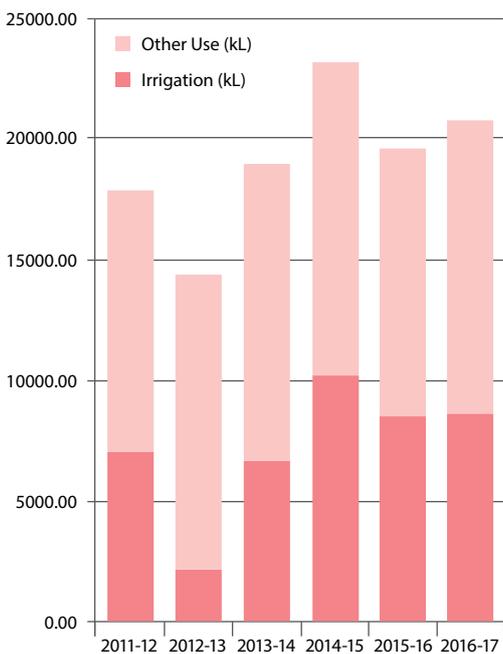
The Buildings and Grounds unit monitor the electricity, gas and water usage throughout the Parliamentary Precinct, including the collection and use of rainwater in the gardens.

Over the duration of the 2016-17 financial year gas usage has been consistent with previous years and electricity usage also remained consistent with the previous year. The new Member's office building will have installed a Building Management System (BMS). The BMS is a computer based control system that will monitor the use of power in the new office, helping to control the lighting and ventilation systems. The BMS along with the geothermal heating and cooling systems will result in energy usage significantly lower than in more traditional office buildings. It will be unlikely that we will see a reduction in total energy use. What we will see is less usage than we would have without these systems.

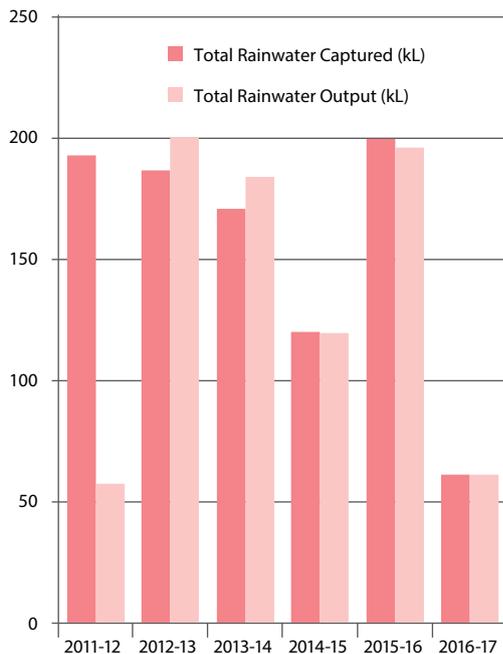
Mains water use has remained consistent with previous years. Rainwater capture was down compared to previous years. This is due to the one tank being decommissioned as part of the new Office Accommodation project. This project will include a new rain water tank, which will be used for toilets and irrigation purposes. There has been no requirement to purchase recycled water for the last 6 years.

Delivery on Parliament's Strategic Priorities

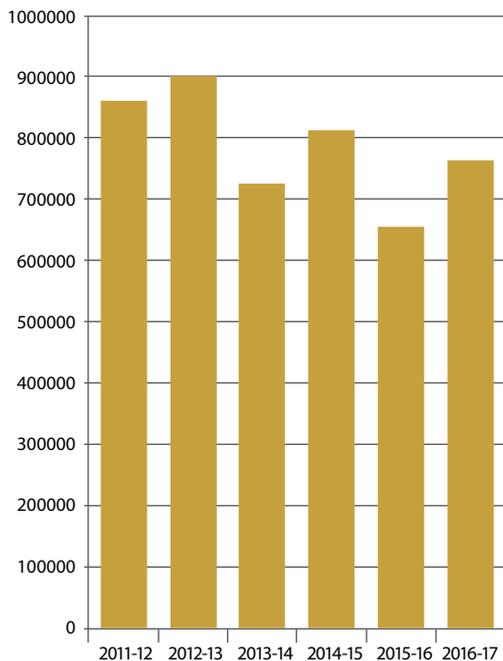
Annual Mains Water Use



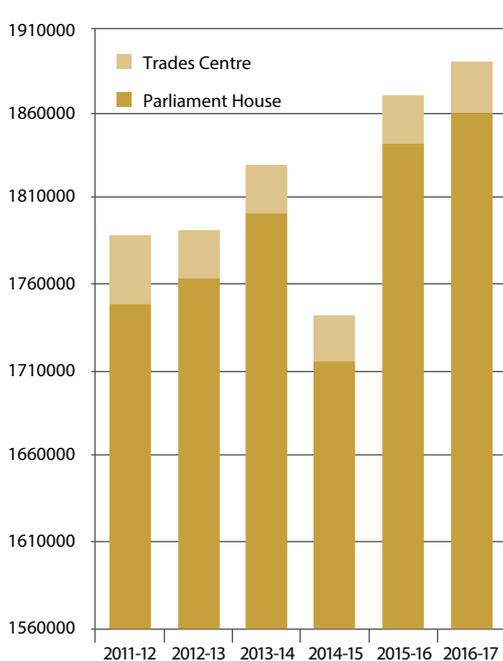
Total Rainwater Capture v. Total Rainwater Output



Annual Parliament House Electricity Use (kWh)



Annual Parliament Precinct Electricity Use (kWh)



Objective 8 – Information and Technology

The past few years have seen considerable system and infrastructure improvements to support the ever-increasing reliance on technology in today's operational space. Significant improvements to the reliability and security of the network have been achieved over the last 12 months. Improvements included additional firewall and network monitoring capabilities as well as upgraded load balancing services that will underpin future mobile availability of services. Additional backup data links have been installed to provide redundancy for the data connection across the Parliamentary Precinct.

Working within the heritage constraints and physical challenges of the Parliament House building, further upgrades and expansions to the Parliament's WiFi network were undertaken resulting in complete coverage of the Parliament House building. Physical upgrades to the datacentre included the installation of an auxiliary cooling system and enhanced access control. The new cooling system provides a backup for the existing system that has failed on a number of occasions. It operates independently and is activated when a temperature sensor detects that the room temperature is becoming too high.

A new Identity Management solution is being piloted to provide more automated creation and maintenance of user accounts. This project is the first part of a phased approach that will focus initially on staff leaving the organisation. New staff and staff movements within the organisation will be addressed in subsequent phases.

Two major pieces of work to upgrade Parliament's intranet, Billy, have also commenced. The first of these is an upgrade of the current SharePoint 2013 system to SharePoint 2016 to bring an improved mobile capability, enhanced integration with the Office 2016 suite of products and better tools for online content collaboration. The second piece of work is an upgrade to the Billy design itself to ensure that the site works better on mobile devices and will provide the capacity to better serve business needs through a more flexible and dynamic design. The migration of the Library's old intranet site to Billy in November saw a 10% increase in the number of visits to the Library's site, and a 32% increase in the number of page views.

A new Point of Sale system has been selected for Parliament's Catering unit. The new solution will be deployed in Sessions, Strangers Corridor and the Parliament gift shop providing a fresh and reliable solution which offers many opportunities to improve service. The solution is expected to be deployed in the second half of 2017.

DPS has also replaced its outdated finance system with a modern cloud based solution. This new cloud based platform provides a foundation for enhanced functionalities, accessibility features and support offerings. After a 6 month implementation process the system went live for core financial processing and reporting in April this year. This new system is now up to date, easy to use and efficient, providing a finance and procurement system where process functionality has been significantly improved. Further enhancements to allow for greater mobility access for users to process finance information, such as approvals via multiple devices, locations and timezones, and point in time reporting capabilities will be rolled out in the coming year as part of a rolling upgrades program.

Continuing the digitisation agenda through improved remote accessibility of systems, modernisation of Hansard and Library public websites while at the same time maintaining and further enhancing the multiple layers of security, will continue to challenge us in the coming year and beyond.

Additional information

Department Facts

There were

124,618

visitors to the Parliament during 2016-17

14,536 items seized or confiscated during security screening

7 relocation and **2** Electorate Office refurbishment projects completed this Financial Year

809 property help ticket requests received for this financial year

We engaged with over **2000** educators at conferences and seminars to promote and distribute our resources, and to seek feedback about their use within schools and our learning institutions

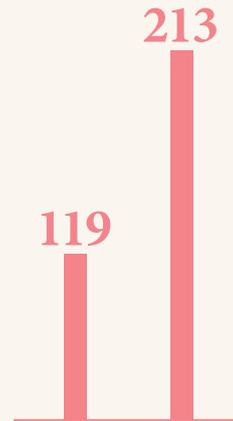
23,500 guests have attended various events at Parliament House during the 2016-17 year

Budgets and Risks Prepare and distribute **1,632** reports annually

8 Million

Hansard sessional volumes for the financial year 2016-17 contain over 8 million words (8,097,941 words)

Hansard transcribed **5,859** pages of committee hearings in 2016-17 financial year



332 reported security incidents between July 2016 and May 2017 - 119 at electorate offices and 213 on the Precinct



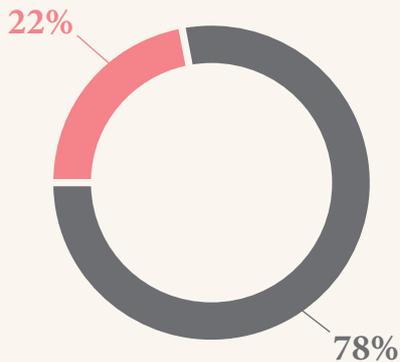
90% of all fresh foods purchased at Parliament House are from Victorian farmers or producers

The live broadcasting of Parliament received **106,497** web hits in 2016-17

EMAIL

20 million

inbound emails per year



15.6 million blocked due to malicious content such as phishing and ransomware (78%), 4.4 million delivered (22%)

COMPUTER VIRUSES

3,300

detected and blocked

IT SERVICE DESK

100

calls for assistance per day

INTERNET

10Tb

Download traffic increased from 6Tb to 10Tb per month over the past year (66% increase).

WEBSITE

35,000

new visitors per month

33,749

payroll transactions processed

Parliament's gross payroll in excess of

\$65 million

Payroll accuracy rate of

99.95%

81 new starters attended four Orientation Day programs – This included **52** electorate officers and **29** parliamentary officers

1124

staff attended 92 individual learning activities coordinated and facilitated internally by OD

Additional information

80,000

The Library's 'Horizon' management system now holds over 80,000 records



Installation of LED globes on the 3 Assembly Chamber chandeliers have resulted in over 43% reduction in energy usage.

1 Million

The Library's nine internal knowledge and information databases contain almost 1 million records with over half a million electronic attachments



There has been a 15% rise in heritage related enquiries

87

Info Links were prepared on Bills, and 18 research reports written

Over 9,000

Broadcast News records and 168,000 News Archives records were added to the collection



DDA compliance increased to 89% of the property portfolio, up 22% since 2014

Senior Officer Travel

	2014-15	2015-16	2016-17
DPS Senior Parliamentary Officer Travel*	\$580	\$26,095	\$11,904

* 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 2016 - 17 (excluding GST)	Future Expenditure (excluding GST)
Iedex	Governance review of Parliamentary administration	Mar-17	Aug-17	37,125	20,000	17,125
Empower	Timesheet database replacement project	Jun-17	Jun-17	11,750	11,750	-

Consultancies less than \$10,000

No. of consultancies	Total value (exc GST)
-	-



PARLIAMENT OF VICTORIA

Financial statements for the financial year ended 30 June 2017

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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

PARLIAMENT OF VICTORIA
Accountable Officer's declaration
30 June 2017

Accountable Officers' and Acting 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 2017 and financial position of the Parliament of Victoria at 30 June 2017.

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 **23** August 2017.



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



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



Laurence McGlade
Acting Chief Finance and Accounting Officer
Parliament of Victoria

Melbourne

23 August 2017

Independent Auditor's Report

To the Presiding Officers of the Parliament of Victoria

Opinion	<p>I have audited the financial report of the Parliament of Victoria (Parliament) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • Accountable Officers' and Acting Chief Finance and Accounting Officer's declaration.
	<p>In my opinion the financial report presents fairly, in all material respects, the financial position of Parliament as at 30 June 2017 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>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described 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 Australia. 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>
Presiding Officers' responsibilities for the financial report	<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, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

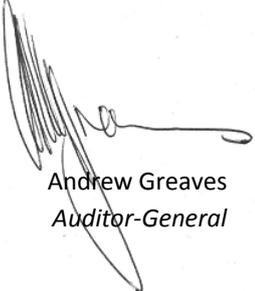
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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
28 August 2017



Andrew Greaves
Auditor-General

PARLIAMENT OF VICTORIA
Comprehensive operating statement
for the financial year ended 30 June 2017

	Notes	2017 \$	2016 \$
Income from transactions			
Output appropriations		109,908,771	104,091,201
Special appropriations		37,760,371	28,565,415
Grants	2.4	25,713	118,404
Fair value of assets and services received free of charge or for nominal consideration	2.4	2,664	-
Parliament refreshment rooms & gift shop	2.4	1,858,073	1,572,796
Total income from transactions		149,555,592	134,347,816
Expenses from transactions			
Employee expenses	3.1	(88,434,673)	(77,754,286)
Depreciation	5.1	(15,495,672)	(14,110,763)
Computer software, support & equipment rental	3.4	(3,055,549)	(3,836,896)
Capital asset charge	3.2	(2,898,100)	(2,898,106)
Interest expense	7.1	(58,583)	(73,702)
Parliament refreshment rooms & gift shop	3.3	(2,266,792)	(2,002,803)
Communications, postage and printing	3.4	(7,577,976)	(7,451,931)
Contractors & temporary staff	3.4	(1,553,417)	(2,658,538)
Property rental cost	3.4	(8,494,191)	(8,187,784)
Supplies and services	3.4	(14,986,013)	(14,133,342)
Total expenses from transactions		(144,820,966)	(133,108,151)
Net result from transactions (net operating balance)		4,734,626	1,239,665
Other economic flows included in net result			
Net gain / (loss) on non-financial physical assets		181,869	155,328
Other gains / (losses) from other economic flows		394,339	(236,341)
Total other economic flows included in net result		576,208	(81,013)
Net result		5,310,834	1,158,652
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus		189,363,584	15,556,800
Total other economic flows - other comprehensive income		189,363,584	15,556,800
Comprehensive result		194,674,418	16,715,452

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 2017

	Notes	2017 \$	2016 \$
Assets			
Financial assets			
Cash and deposits	7.2	120,331	96,765
Receivables	6.1	50,454,920	52,241,147
Total financial assets		50,575,251	52,337,912
Non-financial assets			
Inventories - Parliament refreshment room & gift shop	6.3	88,795	67,703
Non-financial physical assets classified as held for sale		89,756	45,987
Property, plant and equipment	5.1	674,150,416	472,216,715
Prepayments	6.3	1,470,157	1,981,085
Total non-financial assets		675,799,124	474,311,490
Total assets		726,374,375	526,649,402
Liabilities			
Bank overdraft	7.1	489,083	75,915
Payables	6.2	8,913,666	3,998,716
Unearned income		39,007	25,447
Borrowings - Finance leases payable	7.1	2,846,371	2,954,490
Provisions	3.1	11,882,704	12,065,708
Total liabilities		24,170,831	19,120,276
Net assets		702,203,544	507,529,126
Equity			
Accumulated surplus / (deficit)		45,928,775	40,617,941
Physical asset revaluation surplus		483,202,341	293,838,757
Contributed capital		173,072,428	173,072,428
Net worth		702,203,544	507,529,126

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 2017

	Physical asset revaluation surplus ^(a)	Accumulated surplus	Contributions by owner	Total
	\$	\$	\$	\$
Balance at 1 July 2015	278,281,957	39,459,289	173,072,428	490,813,674
Net result for the year	-	1,158,652	-	1,158,652
Other comprehensive income for the year	15,556,800	-	-	15,556,800
Balance at 30 June 2016	293,838,757	40,617,941	173,072,428	507,529,126
Net result for the year	-	5,310,834	-	5,310,834
Other comprehensive income for the year	189,363,584	-	-	189,363,584
Balance at 30 June 2017	483,202,341	45,928,775	173,072,428	702,203,544

^(a) 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 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Receipts			
Receipts from Government appropriations		149,818,844	132,972,163
Receipts from Parliament refreshment rooms & gift shop		2,178,190	1,719,569
Receipts from other Government departments		271,782	360,381
Goods and services tax recovered from the ATO		5,162,148	5,150,335
Total receipts		157,430,964	140,202,448
Payments			
Payments to suppliers and employees		(124,546,397)	(116,797,814)
Payments to suppliers & employees by Parliament refreshment rooms & gift shop		(2,281,677)	(1,993,356)
Capital asset charge payments		(2,898,100)	(2,898,106)
Interest and other finance costs		(58,583)	(73,702)
Total payments		(129,784,757)	(121,762,978)
Net cash flows from / (used in) operating activities	7.2.1	27,646,207	18,439,470
Cash flows from investing activities			
Purchases of non-financial physical assets		(27,128,831)	(17,413,354)
Sales of non-financial physical assets		964,364	929,773
Net cash flows from / (used in) investing activities		(26,164,467)	(16,483,581)
Cash flows from financing activities			
Repayment of finance leases		(1,871,342)	(1,853,408)
Net cash flows from / (used in) financing activities		(1,871,342)	(1,853,408)
Net increase / (decrease) in cash and cash equivalents		(389,602)	102,481
Cash and cash equivalents at beginning of financial year		20,850	(81,631)
Cash and cash equivalents at end of financial year	7.2	(368,752)	20,850

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

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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 the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 dollar 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

	<i>Notes</i>	2017	2016
		\$	\$
Output appropriations	2.2	109,908,771	104,091,201
Special appropriations	2.3	37,760,371	28,565,415
Grants	2.4	25,713	118,404
Fair value of assets and services received free of charge or for nominal consideration	2.4	2,664	-
Parliament refreshment rooms & gift shop	2.4	1,858,073	1,572,796
Total income from transactions		149,555,592	134,347,816

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 is 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 and the Minister for Finance and the Treasurer have certified delivery of those outputs in accordance with specified performance criteria.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2017

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.

2017	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 32	Section 35	Section 35				\$	\$
Controlled															
Provision for outputs	112,701,562	386,743	-	246,069	-	-	3,527,000	-	-	-	-	116,861,374	109,908,771	6,952,603	
Additions to net assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	112,701,562	386,743	-	246,069	-	-	3,527,000	-	-	-	-	116,861,374	109,908,771	6,952,603	
2016															
Controlled															
Provision for outputs	101,642,562	3,251,000	-	241,977	-	-	2,870,000	-	-	-	-	108,005,539	104,091,201	3,914,338	
Additions to net assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	101,642,562	3,251,000	-	241,977	-	-	2,870,000	-	-	-	-	108,005,539	104,091,201	3,914,338	

(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. 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	
		2017	2016
Audit Act No. 2 of 1994	Audit of the Auditor-General's Office	33,000	25,000
Constitution Act No. 8750 - Clerk of the Parliaments	Salaries	1,993	1,993
Constitution Act No. 8750 - Legislative Assembly	Salaries and expenses of the Assembly	550,000	550,000
Constitution Act No. 8750 - Legislative Council	Salaries and expenses of the Council	200,000	200,000
Parliamentary Salaries and Superannuation Act No. 7723	Salaries and allowances	36,975,378	27,788,422
		37,760,371	28,565,415

Note 2 - FUNDING DELIVERY OF OUR SERVICES (Cont)

2.4 Income from transactions

	2017	2016
	\$	\$
Grants		
Department of Education & Training	25,713	28,404
Department of Health & Human Services	-	90,000
Fair value of assets and services received free of charge or for nominal consideration	2,664	-
Parliament refreshment rooms & gift shop	1,858,073	1,572,796
Total	1,886,450	1,691,200

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

Structure

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3.4 Other operating expenses.....59

Note 3 - THE COST OF DELIVERING SERVICES (cont)

3.1 Employee benefit expenses

	2017	2016
	\$	\$
Superannuation contribution	6,625,531	5,838,184
Salaries and wages, annual leave and long service leave	81,809,142	71,916,102
Total employee benefit expenses	88,434,673	77,754,286

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.

	2017	2016
	\$	\$
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	2,687,755	2,549,402
Unconditional and expected to settle after 12 months	1,411,608	1,427,064
On-costs	655,898	636,235
	4,755,261	4,612,701
Long service leave		
Unconditional and expected to settle within 12 months	923,824	876,991
Unconditional and expected to settle after 12 months	4,485,394	4,365,017
On-costs	820,691	838,722
	6,229,909	6,080,730
Termination benefits	-	208,197
Backpay for Parliamentary Officer salary increases	-	149,646
	-	357,843
Total current provisions for employee benefits	10,985,170	11,051,274
Non-current provisions:		
Employee benefits	779,295	874,512
On-costs	118,239	139,922
Total non-current provisions for employee benefits	897,534	1,014,434
Total provisions for employee benefits	11,882,704	12,065,708

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

	2017 \$
Opening balance	1,614,879
Additional provisions recognised	555,021
Reduction arising from payments / other sacrifices of future economic benefits	(575,072)
Closing balance	1,594,828
Current	1,476,589
Non current	118,239

Wages and salaries and annual leave

Liabilities for wages and salaries (including non-monetary benefits and annual leave 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 liability 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.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave 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.

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)

3.1.3 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.

As noted before, the defined benefit liability is recognised in DTF as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Parliament.

	Paid contribution for the year		Contribution outstanding at year end	
	2017	2016	2017	2016
	\$	\$	\$	\$
Defined benefit plans ^(a)				
Emergency Services & State Super Scheme				
- Emp New & Revised	195,561	183,032	-	-
Defined contribution plans:				
VicSuper	3,899,436	3,449,359	-	-
Other	2,354,723	2,180,068	-	-
Total	6,449,720	5,812,459	-	-

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

	2017	2016
	\$	\$
Cost of goods sold	674,222	537,179
Salaries and wages	1,480,395	1,320,800
Other expenditure	112,175	144,824
Total Parliament refreshment rooms expenses	2,266,792	2,002,803

3.4 Other operating expenses

	2017	2016
	\$	\$
Computer software, support & equipment rental	3,055,549	3,836,896
Communications, postage and printing	7,577,976	7,451,931
Contractors and temporary staff	1,553,417	2,658,538
Property rental costs	8,494,191	8,187,784
Supplies and services		
Acts, bills and statutory rules	117,889	154,450
Advertising	1,395,836	1,133,263
Cleaning expenses	940,216	968,761
Electorate office expenses	1,388,711	1,160,946
Insurance	302,772	334,973
Legal costs	304,243	1,026,691
Maintenance contractors & consumables	831,911	685,571
Minor equipment purchase and repair	467,632	422,984
Motor vehicle running costs	517,399	571,642
Office expenses	277,818	497,830
Office requisites and stationery	426,644	462,332
Other operating expenses	2,284,042	817,393
Professional services	1,098,119	994,369
Relocations and maintenance	1,737,772	1,732,857
Security	967,478	1,129,944
Fair value of assets and services provided free of charge	33,000	34,500
Travel and subsistence	949,307	1,101,878
Utilities	945,224	902,958
Total supplies and services	14,986,013	14,133,342

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 2017 along with the objectives of those outputs.

This section disaggregates revenue and income that enables the delivery of services (described in Note 2) by output and records the allocation of expenses incurred (described in Note 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

4.1 Parliament outputs – Descriptions and objectives.....	61
4.2 Administered items.....	67

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 2017 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 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.

Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)
Schedule A - Controlled income and expenses for the year ended 30 June 2017

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
Income from transactions					
Output appropriations	4,335,366	4,868,804	93,556,123	7,148,478	109,908,771
Special appropriations	11,476,523	26,283,848	-	-	37,760,371
Grants	-	-	25,713	-	25,713
Fair value of assets and services received free of charge	-	2,664	2,664	-	2,664
Parliament refreshment rooms & gift shop	-	-	1,858,073	-	1,858,073
Total income from transactions	15,811,889	31,152,652	95,442,573	7,148,478	149,555,592
Expenses from transactions					
Employee expenses	(14,098,425)	(29,057,592)	(41,348,895)	(3,929,761)	(88,434,673)
Depreciation	-	-	(15,495,672)	-	(15,495,672)
Computer software, support & equipment rental	(5,879)	(7,111)	(3,019,609)	(22,950)	(3,055,549)
Capital asset charge	-	-	(2,898,100)	-	(2,898,100)
Interest expense	(16,727)	(36,800)	(5,056)	-	(58,583)
Parliament refreshment rooms & gift shop	-	-	(2,266,792)	-	(2,266,792)
Communications, postage and printing	(40,767)	(81,922)	(7,389,832)	(65,455)	(7,577,976)
Contractors & temporary staff	(30,363)	(49,923)	(1,391,171)	(81,960)	(1,553,417)
Property rental cost	(48,317)	-	(7,965,663)	(480,211)	(8,494,191)
Supplies & services	(619,411)	(1,135,304)	(12,314,157)	(917,141)	(14,986,013)
Total expenses from transactions	(14,859,889)	(30,368,652)	(94,094,947)	(5,497,478)	(144,820,966)
Net result from transactions (net operating balance)	952,000	784,000	1,347,626	1,651,000	4,734,626
Other economic flows included in net result					
Net gain / (loss) on non-financial physical assets	-	-	181,869	-	181,869
Other gains / (losses) from other economic flows	17,715	209,285	127,664	39,675	394,339
Total other economic flows included in net result	17,715	209,285	309,533	39,675	576,208
Net result	969,715	993,285	1,657,159	1,690,675	5,310,834
Other economic flows - other comprehensive income					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	-	-	189,363,584	-	189,363,584
Total other economic flows - other comprehensive income	-	-	189,363,584	-	189,363,584
Comprehensive result	969,715	993,285	191,020,743	1,690,675	194,674,418

The comparative Parliament outputs schedule for the year ended 30 June 2016 appears on the following page.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2017

Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)
Schedule B - Controlled income and expenses for the year ended 30 June 2016

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
Income from transactions					
Output appropriations	4,273,539	4,595,093	88,260,803	6,961,766	104,091,201
Special appropriations	9,469,264	19,096,151	-	-	28,565,415
Grants	90,000	-	28,404	-	118,404
Fair value of assets and services received free of charge	-	-	-	-	-
Parliament refreshment rooms & gift shop	-	-	1,572,796	-	1,572,796
Total income from transactions	13,832,803	23,691,244	89,862,003	6,961,766	134,347,816
Expenses from transactions					
Employee expenses	(12,727,259)	(21,783,893)	(39,049,194)	(4,193,940)	(77,754,286)
Depreciation	-	-	(14,110,763)	-	(14,110,763)
Computer software, support & equipment rental	(4,269)	(22,148)	(3,795,730)	(14,749)	(3,836,896)
Capital asset charge	-	-	(2,898,106)	-	(2,898,106)
Interest expense	(22,095)	(48,609)	(2,998)	-	(73,702)
Parliament refreshment rooms & gift shop	-	-	(2,002,803)	-	(2,002,803)
Communications, postage and printing	(45,497)	(68,302)	(7,249,153)	(88,979)	(7,451,931)
Contractors & temporary staff	(67,579)	(12,668)	(2,441,635)	(136,656)	(2,658,538)
Property rental cost	(50,916)	-	(7,615,422)	(521,446)	(8,187,784)
Supplies & services	(879,188)	(1,440,624)	(10,568,534)	(1,244,996)	(14,133,342)
Total expenses from transactions	(13,796,803)	(23,376,244)	(89,734,338)	(6,200,766)	(133,108,151)
Net result from transactions (net operating balance)	36,000	315,000	127,665	761,000	1,239,665
Other economic flows included in net result					
Net gain / (loss) on non-financial physical assets	-	-	155,328	-	155,328
Other gains / (losses) from other economic flows	(29,188)	(96,476)	(83,640)	(27,037)	(236,341)
Total other economic flows included in net result	(29,188)	(96,476)	71,688	(27,037)	(81,013)
Net result	6,812	218,524	199,353	733,963	1,158,652
Other economic flows - other comprehensive income					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	-	-	15,556,800	-	15,556,800
Total other economic flows - other comprehensive income	-	-	15,556,800	-	15,556,800
Comprehensive result	6,812	218,524	15,756,153	733,963	16,715,452

Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Schedule C - Controlled assets and liabilities as at 30 June 2017

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
Assets	\$	\$	\$	\$	\$
Financial assets	1,548,171	1,882,062	44,525,826	2,619,192	50,575,251
Non-financial assets	11,083	19,566	675,725,242	43,233	675,799,124
Total assets	1,559,254	1,901,628	720,251,068	2,662,425	726,374,375
Liabilities	(1,739,127)	(2,424,820)	(18,869,078)	(1,137,806)	(24,170,831)
Total liabilities	(1,739,127)	(2,424,820)	(18,869,078)	(1,137,806)	(24,170,831)
Net assets / (liabilities)	(179,873)	(523,192)	701,381,990	1,524,619	702,203,544

The comparative Parliament outputs schedule for the year ended 30 June 2016 appears on the following page.

Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Schedule D - Controlled assets and liabilities as at 30 June 2016

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
Assets					
Financial assets	858,388	1,152,250	48,567,501	1,759,773	52,337,912
Non-financial assets	15,238	16,099	474,234,216	45,937	474,311,490
Total assets	873,626	1,168,349	522,801,717	1,805,710	526,649,402
Liabilities					
	(1,531,687)	(2,265,967)	(13,938,451)	(1,384,171)	(19,120,276)
Total liabilities	(1,531,687)	(2,265,967)	(13,938,451)	(1,384,171)	(19,120,276)
Net assets / (liabilities)	(658,061)	(1,097,618)	508,863,266	421,539	507,529,126

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.

	Department of Parliamentary Services		Parliament Total	
	2017	2016	2017	2016
	\$	\$	\$	\$
Administered income from transactions				
Sale of goods and services	31,840	169,516	31,840	169,516
Receipts towards Public Service Commuter Club	73,754	64,775	73,754	64,775
Total administered income from transactions	105,594	234,291	105,594	234,291
Administered expenses from transactions				
Payments towards Public Service Commuter Club	(86,010)	(63,962)	(86,010)	(63,962)
Payments into the Consolidated Fund	(31,840)	(169,516)	(31,840)	(169,516)
Total administered expenses from transactions	(117,850)	(233,478)	(117,850)	(233,478)
Total administered net result from transactions (net operating balance)	(12,256)	813	(12,256)	813
Administered other economic flows included in the administered net result	-	-	-	-
Administered net result	(12,256)	813	(12,256)	813
Administered other economic flows - other non- owner changes in equity	-	-	-	-
Total administered comprehensive result	(12,256)	813	(12,256)	813
Administered financial assets				
Receivables	43,957	31,701	43,957	31,701
Total administered assets	43,957	31,701	43,957	31,701
Administered liabilities				
Payables	(43,957)	(31,701)	(43,957)	(31,701)
Total administered liabilities	(43,957)	(31,701)	(43,957)	(31,701)
Total administered net assets	-	-	-	-

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.....68

5.1 Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Land at fair value	150,500,000	75,556,800	-	-	150,500,000	75,556,800
Buildings at fair value	482,608,000	410,072,569	-	(39,563,608)	482,608,000	370,508,961
Plant, equipment & vehicles at fair value	27,159,080	23,732,543	(15,471,696)	(13,275,856)	11,687,384	10,456,687
Cultural assets at fair value	11,797,558	11,969,865	-	-	11,797,558	11,969,865
Leasehold improvements	4,778,520	4,778,520	(3,952,649)	(3,474,797)	825,871	1,303,723
Assets under construction at cost	16,731,603	2,420,679	-	-	16,731,603	2,420,679
Total	693,574,761	528,530,976	(19,424,345)	(56,314,261)	674,150,416	472,216,715

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.

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.

Plant, equipment and vehicles: The fair value of plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost.

5.1.1 Depreciation and impairment

	2017	2016
	\$	\$
Buildings at fair value	11,816,266	10,352,569
Plant, equipment & vehicles at fair value	3,201,554	3,304,152
Leasehold improvements	477,852	454,042
Total	15,495,672	14,110,763

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:

	Depreciation rate (%)	
	2017	2016
Buildings at fair value	1.72 to 10	1.72 to 10
Plant, equipment & vehicles at fair value	5 to 50	5 to 50
Leasehold improvements	10	10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting

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.

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
	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2017							
Opening balance	75,556,800	370,508,961	10,456,687	11,969,865	1,303,723	2,420,679	472,216,715
Additions	-	-	1,763,223	-	-	27,128,830	28,892,053
Disposals / retirements	-	-	(736,507)	-	-	-	(736,507)
Revaluations	74,943,200	114,663,085	-	(242,701)	-	-	189,363,584
Transfer in / (out) of assets under construction	-	9,252,221	3,495,292	70,395	-	(12,817,908)	-
Transfer to disposal group held for sale	-	-	(89,757)	-	-	-	(89,757)
Depreciation expense	-	(11,816,266)	(3,201,554)	-	(477,852)	-	(15,495,672)
Closing balance	150,500,000	482,608,001	11,687,384	11,797,559	825,871	16,731,601	674,150,416
Year ended 30 June 2016							
Opening balance	60,000,000	367,380,840	10,008,909	11,969,865	1,595,050	1,383,429	452,338,093
Additions	-	-	1,754,903	-	-	17,413,355	19,168,258
Disposals / retirements	-	-	(689,686)	-	-	-	(689,686)
Revaluations	15,556,800	-	-	-	-	-	15,556,800
Transfer in / (out) of assets under construction	-	13,480,690	2,732,700	-	162,715	(16,376,105)	-
Transfer to disposal group held for sale	-	-	(45,987)	-	-	-	(45,987)
Depreciation expense	-	(10,352,569)	(3,304,152)	-	(454,042)	-	(14,110,763)
Closing balance	75,556,800	370,508,961	10,456,687	11,969,865	1,303,723	2,420,679	472,216,715

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

	2017	2016
	\$	\$
Current		
Contractual		
Debtors - Parliament refreshment rooms	105,458	134,965
Other receivables	4,408	100,781
Statutory		
Amounts owing from Victorian Government	13,667,358	8,149,441
GST input tax credit recoverable	1,568,765	833,342
Total current receivables	15,345,989	9,218,529
Non Current		
Statutory		
Amounts owing from Victorian Government	35,108,931	43,022,618
Total non current receivables	35,108,931	43,022,618
Total receivables	50,454,920	52,241,147

Represented by:

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 2016/17.

Aging analysis of contractual receivables

	Carrying amount \$	Not past due and not impaired \$	Past due but not impaired			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years \$
2017						
Debtors - Parliament refreshment rooms & gift shop	105,458	75,159	17,562	10,265	2,472	-
Other receivables	4,408	4,408	-	-	-	-
Total	109,866	79,567	17,562	10,265	2,472	0
2016						
Debtors - Parliament refreshment rooms & gift shop	134,965	97,577	29,857	7,071	456	4
Other receivables	100,781	100,781	-	-	-	-
Total	235,746	198,358	29,857	7,071	456	4

Note 6 - OTHER ASSETS AND LIABILITIES (cont)

6.2 Payables

	2017	2016
	\$	\$
Contractual		
Supplies and services	6,610,557	2,742,448
Accrued salaries & wages	1,536,382	711,755
Statutory		
Fringe Benefits Tax	210,927	202,993
Payroll tax	555,800	341,520
Total payables	8,913,666	3,998,716

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)

Aging analysis of contractual payables

	Carrying amount \$	Nominal amount \$	Maturity dates			
			Less than 1 month \$	1-3 months \$	3 months - 1 year \$	1 - 5 years \$
2017						
Payables						
Contractual payables	8,146,939	8,146,939	8,146,939	-	-	-
Total	8,146,939	8,146,939	8,146,939	-	-	-
2016						
Payables						
Contractual payables	3,454,203	3,454,203	3,454,203	-	-	-
Total	3,454,203	3,454,203	3,454,203	-	-	-

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

	2017	2016
	\$	\$
Current borrowings		
Bank overdraft	489,083	75,915
Finance lease liabilities	1,665,284	1,731,510
Total current borrowings	2,154,367	1,807,425
Non current borrowings		
Finance lease liabilities	1,181,087	1,222,980
Total non current borrowings	1,181,087	1,222,980
Total borrowings	3,335,454	3,030,405

'Borrowings' refer to bank overdraft and finance leases.

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			
			Less than 1 month	1-3 months	3 months - 1 year	1 - 5 years
	\$	\$	\$	\$	\$	\$
2017						
Bank overdraft	489,083	489,083	489,083	-	-	-
Finance lease liabilities	2,846,371	2,932,341	411,174	198,606	1,115,434	1,207,127
Total	3,335,454	3,421,424	900,257	198,606	1,115,434	1,207,127
2016						
Bank overdraft	75,915	75,915	75,915	-	-	-
Finance lease liabilities	2,954,490	3,059,168	302,016	306,962	1,197,413	1,252,777
Total	3,030,405	3,135,083	377,931	306,962	1,197,413	1,252,777

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

7.1.1 Finance lease liabilities

	Minimum future lease payments ^(a)		Present value of minimum future lease payments	
	2017	2016	2017	2016
Not longer than one year	\$ 1,725,214	\$ 1,806,391	\$ 1,665,285	\$ 1,731,510
Longer than one year and not longer than five years	1,207,127	1,252,777	1,181,087	1,222,980
Minimum future lease payments	2,932,341	3,059,168	2,846,371	2,954,490
Less future finance charges	(85,970)	(104,678)	-	-
Present value of minimum lease payments	2,846,371	2,954,490	2,846,371	2,954,490
Included in the financial statements as:				
Borrowings - Finance lease payable				
Total	2,846,371	2,954,490	2,846,371	2,954,490

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.

	2017	2016
	\$	\$
Cash on hand ^(a)		
Parliament of Victoria	1,800	1,800
Parliament refreshment rooms	1,500	1,500
Bank balance ^(a)		
Parliament refreshment rooms	117,031	93,465
	120,331	96,765
Bank overdraft - unrepresented cheques	(489,083)	(75,915)
Balance as per cash flow statement	(368,752)	20,850

(a) 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 results 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 2017, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$489,083 (2016 - \$75,915). 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

	2017	2016
	\$	\$
Net result for the period	5,310,834	1,158,652
Non cash movements		
(Gain) / loss on sale or disposal of non-current assets	(181,869)	(155,328)
Depreciation of non-current assets	15,495,672	14,110,763
Movements in assets and liabilities:		
(Increase) / decrease in receivables	1,786,227	588,244
(Increase) / decrease in inventories	(21,092)	(11,129)
(Increase) / decrease in prepayments	510,928	433,974
Increase / (decrease) in current payables	4,914,951	369,472
Increase / (decrease) in unearned income	13,560	3,743
Increase / (decrease) in current provisions	(66,104)	1,872,532
Increase / (decrease) in non current provisions	(116,900)	68,547
Net cash flows from / (used in) operating activities	27,646,207	18,439,470

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 payments 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.

	2017			
	Opening balance as at 1 July 2016	Total receipts	Total payments	Closing balance as at 30 June 2017
	\$	\$	\$	\$
Administered Trusts				
Public Service Commuter Club	(31,701)	(86,010)	73,754	(43,957)
Total Administered Trusts	(31,701)	(86,010)	73,754	(43,957)

	2016			
	Opening balance as at 1 July 2015	Total receipts	Total payments	Closing balance as at 30 June 2016
	\$	\$	\$	\$
Administered Trusts				
Public Service Commuter Club	(32,514)	(63,962)	64,775	(31,701)
Total Administered Trusts	(32,514)	(63,962)	64,775	(31,701)

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: ^(a)

	2017	2016
	\$	\$
Capital expenditure commitments		
Not longer than one year	24,232,190	6,512,442
Longer than one year and not longer than five years	-	-
Total capital expenditure commitments	24,232,190	6,512,442
Operating lease commitments ^(b)		
Not longer than one year	5,602,144	5,874,443
Longer than one year and not longer than five years	9,806,760	9,239,206
Longer than five years	675,549	472,769
Total operating lease commitments	16,084,453	15,586,418
Other commitments payable		
Not longer than one year	225,028	575,985
Longer than one year and not longer than five years	148,692	200,383
Total other commitments payable	373,720	776,368
Total commitments for expenditure (inclusive of GST)	40,690,363	22,875,228
Less GST recoverable from the Australian Taxation Office	(2,144,904)	(2,048,661)
Total commitments for expenditure (exclusive of GST)	38,545,459	20,826,567

(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	2017 \$	2016 \$
Contractual financial assets			
Cash and deposits	Loans, receivables and cash	120,331	96,765
Receivables ^(a)	Loans, receivables and cash	109,866	235,746
Total financial assets		230,197	332,511
Contractual financial liabilities			
Payables ^(b)	Financial liabilities at amortised cost	8,146,939	3,454,203
Bank overdraft	Financial liabilities at amortised cost	489,083	75,915
Finance lease payables	Financial liabilities at amortised cost	2,846,371	2,954,490
Total financial liabilities		11,482,393	6,484,608

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

^(b) 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.

Credit Risk

Credit risk arises from the contractual financial assets of the Parliament, which comprise cash and cash deposits, non-statutory receivables and other receivables.

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 2016-17.

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 and when 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.

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

8.1.1 Financial risk management objectives and policies (cont)

Interest rate exposure of financial instruments

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non interest bearing
		\$	\$	\$	\$
2017					
Cash and deposits:	1.50	120,331	117,031	-	3,300
Receivables:					
Debtors - Parliament refreshment rooms	-	105,458	-	-	105,458
Other receivables	-	4,407	-	-	4,407
Total financial assets		230,196	117,031	-	113,165
Payables:					
Contractual payables at amortised cost	-	8,146,939		-	8,146,939
Borrowings:					
Bank overdraft	-	489,083	-	-	489,083
Finance lease liabilities	3.52	2,846,371	2,846,371	-	-
Total financial liabilities		11,482,393	2,846,371	-	8,636,022
2016					
Cash and deposits:	1.75	96,765	93,465	-	3,300
Receivables:					
Debtors - Parliament refreshment rooms	-	134,965	-	-	134,965
Other receivables	-	100,781	-	-	100,781
Total financial assets		332,511	93,465	-	239,046
Payables:					
Contractual payables at amortised cost	-	3,454,203	-	-	3,454,203
Borrowings:					
Bank overdraft	-	75,915	-	-	75,915
Finance lease liabilities	3.99	2,954,490	2,954,490	-	-
Total financial liabilities		6,484,608	2,954,490	-	3,530,118

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 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.

Contingent assets

The Parliament has no contingent assets at the reporting date (2016- Nil).

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.

Contingent liabilities

	2017	2016
	\$	\$
Bank guarantee for protection of identified trees during construction works.	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

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.

The Valuer-General Victoria (VGV) is Parliament's independent valuation agency, in conjunction with VGV, and other external valuers, 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 of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

These financial instruments include:

<i>Financial assets</i>	<i>Financial liabilities</i>
<p>Cash and deposits</p> <p>Receivables:</p> <ul style="list-style-type: none"> • Sale of goods and services • Accrued investment income • Other receivables 	<p>Payables:</p> <ul style="list-style-type: none"> • For supplies and services • Amounts payable to government and agencies • Other payables <p>Borrowings:</p> <ul style="list-style-type: none"> • Bank overdraft

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

8.3 - Fair value determination (cont)

8.3.2 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

As at 30 June 2017 Description	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Land at fair value - specialised land	150,500,000	-	-	150,500,000
Buildings at fair value - heritage buildings	482,608,000	-	-	482,608,000
Plant & equipment at fair value	11,687,384	-	-	11,687,384
Cultural assets at fair value				
Library collection	7,590,664	-	7,590,664	-
Other	4,206,894	-	4,206,894	-
Total cultural assets at fair value	11,797,558	-	11,797,558	-
Total	656,592,942	-	11,797,558	644,795,384

As at 30 June 2016 Description	Carrying amount as at 30 June 2016	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Land at fair value - specialised land	75,556,800	-	-	75,556,800
Buildings at fair value - heritage buildings	370,508,961	-	-	370,508,961
Plant & equipment at fair value	7,564,579	-	-	7,564,579
Cultural assets at fair value				
Library collection	8,033,006	-	8,033,006	-
Other	3,936,859	-	3,936,859	-
Total cultural assets at fair value	11,969,865	-	11,969,865	-
Total	465,600,205	-	11,969,865	453,630,340

There have been no transfers between levels during the period.

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

8.3 - Fair value determination (cont)

8.3.2 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.

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)

8.3.2 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 2017.

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 2017

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

8.3 - Fair value determination (cont)

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

Reconciliation of Level 3 fair value

Year ended 30 June 2017	Specialised land	Heritage buildings	Plant & equipment
	\$	\$	\$
Opening balance	75,556,800	370,508,961	7,564,579
Purchases (sales)	-	-	-
Transfer in / (out) of assets under construction	-	9,252,221	3,495,292
Transfers in / (out) of Level 3	-	-	-
Gains or losses recognised in net result	-	-	-
Depreciation	-	(11,816,266)	(2,119,107)
Impairment loss	-	-	-
Subtotal	75,556,800	367,944,916	8,940,764
Gains or losses recognised in other economic flows - other comprehensive income			
Revaluation	74,943,200	114,663,085	-
Closing balance	150,500,000	482,608,001	8,940,764

Year ended 30 June 2016	Specialised land	Heritage buildings	Plant & equipment
	\$	\$	\$
Opening balance	60,000,000	367,380,840	7,058,859
Purchases (sales)	-	-	-
Transfer in / (out) of assets under construction	-	13,480,690	2,732,700
Transfers in / (out) of Level 3	-	-	-
Gains or losses recognised in net result	-	-	-
Depreciation	-	(10,352,569)	(2,226,980)
Impairment loss	-	-	-
Subtotal	60,000,000	370,508,961	7,564,579
Gains or losses recognised in other economic flows - other comprehensive income			
Revaluation	15,556,800	-	-
Closing balance	75,556,800	370,508,961	7,564,579

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

8.3 - Fair value determination (cont)

8.3.2 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>
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Heritage buildings	Depreciated replacement cost	Direct cost per square metre Useful life of heritage buildings
Plant & equipment	Depreciated replacement cost	Cost per unit Useful life of plant & equipment

The significant unobservable inputs have remain unchanged from 2016.

PARLIAMENT OF VICTORIA
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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 Other economic flows included in net result

	2017	2016
	\$	\$
Net gain / (loss) on non-financial physical assets		
Proceeds from sale	964,363	929,773
Written down value of assets sold	(782,494)	(774,445)
Total net gain / (loss) on non-financial physical assets	181,869	155,328
Other gains / (losses) from other economic flows		
Net gain / (loss) arising from revaluation of long service leave liability ^(a)	394,339	(236,341)
Total other gains / (losses) from other economic flows	394,339	(236,341)

Notes

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

Note 9 - OTHER DISCLOSURES (cont)

9.2 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 2016 to 30th June 2017**
President of the Legislative Council

The Hon Telmo Languiller 1st July 2016 to 6th March 2017
Speaker of the Legislative Assembly

The Hon Colin Brooks 7th March 2017 to 30th June 2017
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	
	2017	2016
100,000 - 109,999	1	-
230,000 - 239,999	1	-
300,000 - 309,999	-	1
310,000 - 319,999	1	-
350,000 - 359,999	-	1
Total number^(a)	3	2
Total amount	\$657,356	\$658,662

(a) During 2016-17 the position of Speaker of the Legislative Assembly was held by The Hon Telmo Languiller from 1 July 2016 to 6th March 2017, and The Hon Colin Brooks from 7 March 2017 to 30 June 2017.

Note 9 - OTHER DISCLOSURES (cont)
9.2 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:

Remuneration of Ministers	Total remuneration	
	2017	2016^(b)
	\$	
Short-term employee benefits	7,691,060	
Post-employment benefits	368,896	
Total remuneration^(b)	8,059,956	
Total number of Ministers	23	24

Notes:

(b) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction.

During 2016/17 there was a transfer of ministerial remuneration services from the Department of Premier and Cabinet to the Parliament. Refer to the Department of Premier and Cabinet's 2015/16 financial statements for remuneration of Ministers for the 2015-16 reporting period.

Note 9 - OTHER DISCLOSURES (cont)

9.3 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.

Remuneration of executive officers	Total Remuneration	
	2017	2016 ^(a)
	\$	
Short-term employee benefits	1,968,815	
Post-employment benefits	149,101	
Other long-term benefits	49,237	
Total remuneration ^(b)	2,167,153	
Total number of executives	8	10
Total annualised employee equivalents ^(c)	7.90	7.78

Notes:

(a) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015-16 reporting period.

(b) 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 9.4).

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

Note 9 - OTHER DISCLOSURES (cont)

9.4 Related parties

Related parties of the Parliament include:

- 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 \$147.7 million (2016: \$132.7 million).

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

Presiding Officers

- Hon B. Atkinson MLC - (1st July 2016 to 30th June 2017)
- Hon T. Languiller - Speaker, Legislative Assembly (1st July 2016 to 6th March 2017)
- Hon C. Brooks - Speaker, Legislative Assembly (7th March 2017 to 30 June 2017)

Parliamentary Executive Group

- Peter Lochert, Secretary – Parliamentary Services - (1st July 2016 to 30th June 2017)
- Andrew Young, Clerk – Legislative Council - (1st July 2016 to 30th June 2017)
- Ray Purdey, Clerk – Legislative Assembly - (1st July 2016 to 30th June 2017)

Compensation of KMPs	Total Remuneration 2017	\$
Short-term employee benefits	1,610,723	
Post-employment benefits	74,309	
Other long-term benefits	33,119	
Total	1,718,152	

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)

9.5 Remuneration of auditors

Victorian Auditor-General's Office

	2017	2016
	\$	\$
Audit of the financial statements	60,800	59,300
	60,800	59,300

9.6 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.

9.7 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)

9.8 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 2016-17 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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