



# Annual Report 2015-16

Department of Parliamentary Services  
Parliament of Victoria



**Department of  
Parliamentary Services**

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

The Hon. Telmo Languiller, MLA  
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 2016.

Yours sincerely,



Peter Lochert  
Secretary  
Department of Parliamentary Services

**Department of Parliamentary Services  
Annual Report [2015-16]**

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Assembly on 12 October 2016 © Department  
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Department of Parliamentary Services  
Parliament of Victoria  
Spring Street Melbourne Victoria 3002 Australia

Telephone +61 3 8682 2661  
Website [www.parliament.vic.gov.au](http://www.parliament.vic.gov.au)

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I am certain that our staff will undertake their work with the dedication and professionalism that characterises them. For that I thank them.

# Secretary's Foreword

The four-year Parliamentary cycle has its own rhythm in terms of service demands and the work of DPS, with the task of implementing the outcomes of the 2014 State election taking up a significant proportion of the time and resources available to DPS during the 2015-16 financial year.

In addition to 39 Members moving into new electorates and establishing their electorate offices and staffing, the State electorate boundary redistribution affected some 51 offices which are gradually being addressed through relocations and refurbishments.

In this context, resources continue to be a challenge for the Parliament as the average increase of rental costs of 4.8% must be met from a funding increase of 2.5%. Similarly, increased costs in precinct rentals (averaging 7.6%), electricity and utilities, information technology and communications, cyber security and physical security, and enterprise bargaining agreement costs for both Parliamentary and electorate officers have placed significant pressure on the DPS appropriation.

In response, full implementation of the DPS service reviews undertaken over the last 5 years have delivered significant efficiencies as well as improving overall the level of customer satisfaction with service delivery. Further improvements will be pursued through a greater emphasis on digitisation, involving both increased investment in digital technologies and reviewing business processes to improve efficiency and create a customer centric approach to service delivery.

Greater reliance on digital technologies also brings an increased level of risk as cyber security becomes a more prevalent and critical issue. Parliament is routinely affected by attempted hacks and the threat of viruses, SPAM and malware. Approximately 75% of all incoming email is currently detected as SPAM or malware and automatically deleted. The threat is being addressed through increased investment and training of Members and staff.

In the current environment the physical security of the precinct and electorate offices continues to be a priority. Major physical security changes to the precinct are supplemented with updated processes and training, always attempting to balance accessibility to the open and democratic process of law making, with the need to ensure the safety and security of those who work and visit in the building. Similarly, security of electorate offices is also being addressed through physical and operational changes.

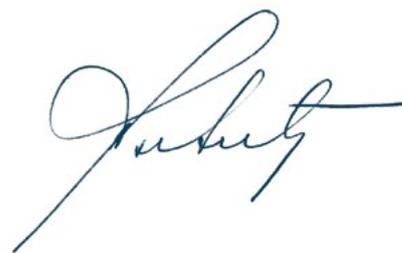
Work on restoration and improving the operation of the precinct continued with stage 9 of the stone restoration program being undertaken on the North West areas of the building; the refurbishment of amenities throughout the building and; implementation of modern LED lighting and audio systems in selected areas.

With Government support, Parliament is finally able to address the very poor working physical arrangements that have hindered the building for decades. A new office annex at the rear of Parliament House, designed by Peter Elliott Architecture, will reduce the load on the existing building and allow heritage restoration to proceed in future years.

In preparation for this work, Members were relocated from the annex to temporary accommodation within the building and the south courtyard, the annex was demolished and an extensive decontamination program was undertaken, removing some 4,180 cubic metres of soil.

As service delivery is the core business of DPS, we are completely reliant on the efforts, capability and professionalism of our staff; on a collaborative partnership with our colleagues in the House departments and; on strong positive relationships with central agencies of Government including the Department of Premier and Cabinet and the Department of Treasury and Finance.

The period ahead will focus on further development of our capability to provide excellent service and strengthen those partnerships and relationships that make this possible. I am certain that our staff will undertake their work with the dedication and professionalism that characterises them. For that I thank them.



**Peter Lochert**  
Secretary  
Department of Parliamentary Services

# Our Mission



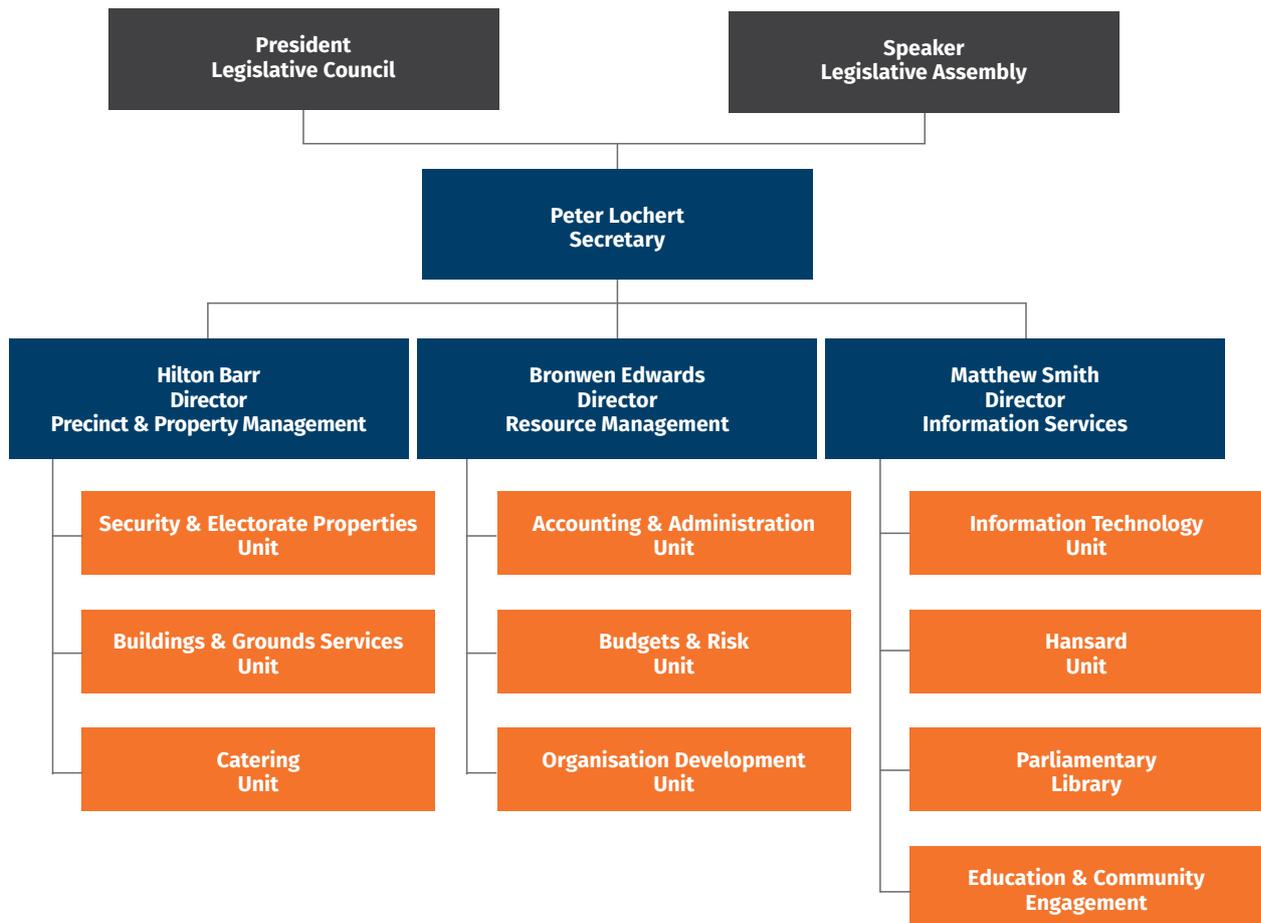
To deliver apolitical, professional and innovative services and advice to Members of the Victorian Parliament and to support the Parliament as an institution.

# 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.

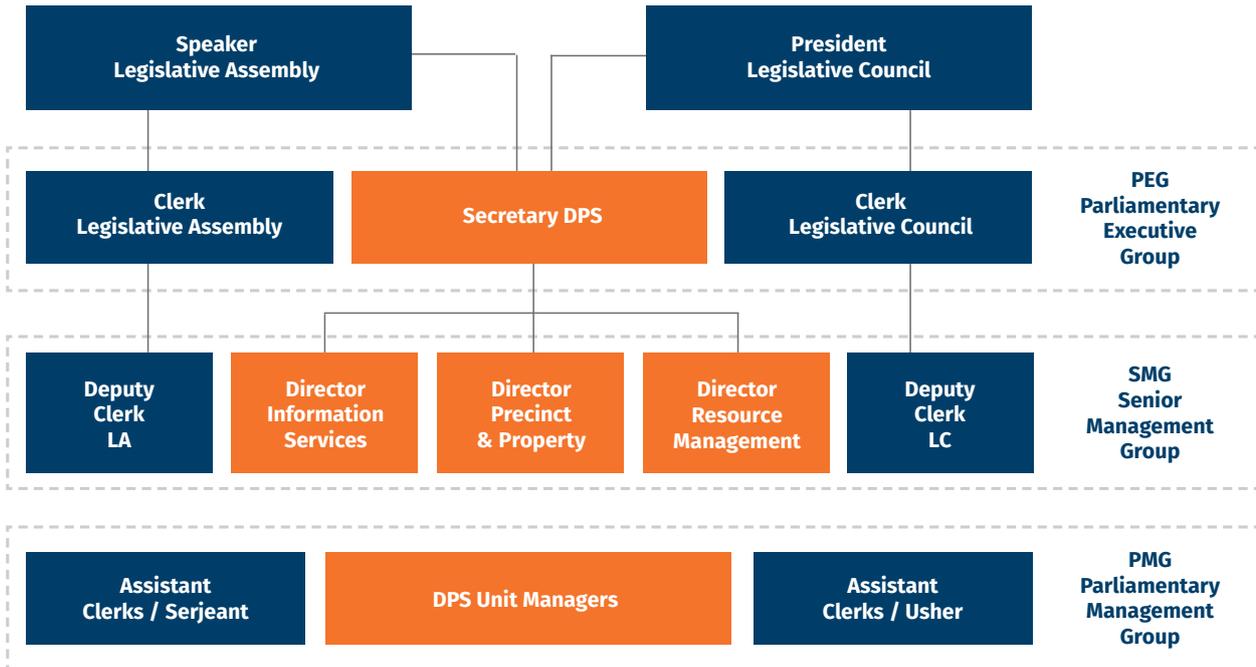
The department's mission is: To deliver apolitical, professional and innovative services and advice to Members of the Victorian Parliament and to support the Parliament as an institution.

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.

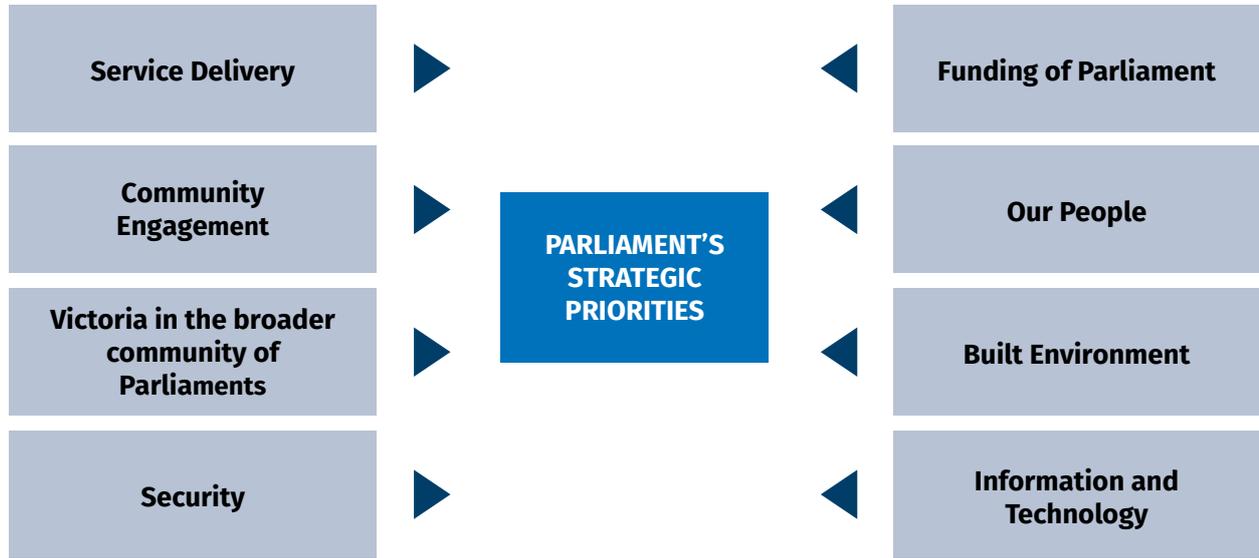
## House Committee

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



Information Services Directorate

# Delivery on Parliament's Strategic Objectives

## 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 the Independent Broad-Based Anti-Corruption Commission (IBAC).

Resource management, including employment and financial services; built environment; information management including Hansard and the Parliamentary Library, and a range of other services are provided by the 10 operating units within DPS. Service reviews conducted over the last 5 years have aimed to realign delivery to customer expectations and to achieve greater efficiency and effectiveness. Breaking down operating silos and improving collaboration between service units has been key to this endeavour.

All operating areas within DPS met their service delivery targets for 2015-16 registering client satisfaction rates of 96%. Service delivery and improvement initiatives included:

- Hansard produces and publishes electronically the Daily Hansard and Weekly Hansard which include answers to questions on notice. The Weekly Hansard and sessional volumes of Hansard are published in both electronic and paper format as enduring records and references. Hansard produces sessional indexes for distribution and inclusion in the sessional volumes. All publications met targets for accuracy and time lines.
- 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 Parliaments' operations. It must ensure Parliament complies with legislation including Goods and Services Tax, Fringe Benefits Tax, along with Australian Accounting Standards. Although Parliament is not legally required to comply with the Financial Management Act, it chooses to do so to demonstrate strong financial management and responsible governance.

Monitoring and reporting on 160 cost centre budgets on a monthly basis has also been converted entirely to electronic forms in preparation for an upgrade of the Oracle finance system, a project commenced to investigate and recommend options for the replacement of the current financial system. The completion date for the project is scheduled for early 2016-17 with a target to go live by the third quarter, 2016-17. The new system will result in more efficient, streamlined and digitised financial processes and reports.

A program of visits to electorate offices to offer support and training to improve awareness of financial standards and improve compliance was also developed and executed.

To assist Members and electorate staff with a better understanding of allowable expenses, revision of the electorate office and communications budget guidelines is underway. Extensive consultation has been held with the Presiding Officers and Members of Parliament which should see finalisation of these guidelines during the next financial year.

- The Parliamentary Library and Information Services unit continues to experience a high level of demand for information and research services, continuously producing high levels of client satisfaction. This is particularly important in a Parliament which includes a high proportion of minor party and independent Members who lack the support infrastructure available to large parties.

This financial year saw the Parliamentary Library and Information Services unit undertake a substantial number of projects. These included producing 19 research publications, commissioning portraits of former premiers the Hon. Ted Baillieu (Sally Reid) and the Hon. Dr Denis Napthine (Jude Rae), expanding the Library Fellowships program to include 2 research papers and 5 seminars held for Members of Parliament, completing an audit of the rare book collection and adding 88 statistical area level 1 and 88 electorate maps to electorate pages on the intranet along with electorate history information.



Precinct and Property Management Directorate

- The Catering unit continued its emphasis on improving the quality and diversity of the food and beverage service at Parliament House. Strangers Corridor and the Members Dining Room introduced a menu that changes on a monthly basis for breakfast, all day dining and a la carte selections, while an internationally inspired menu was introduced in Sessions Cafe. These changes represent a concerted effort to improve choice, quality and consistency of product.

During the past year, our creative team have showcased the richness and diversity of Victoria's produce to all our guests and Members. Meats and poultry are exclusively supplied by Victorian farmers, fruit and vegetables are locally harvested, and wines are sourced exclusively from Victorian vineyards. The Parliament Gift Shop has continued to develop and offer new product lines that reflect Victorian artists and artisans. The new range of product includes a selection of Victorian wines labelled 'Parliament of Victoria', available in white, red and sparkling varieties.

Sessions Cafe and the Side Dining Room have been extensively refurbished over the past year. Heritage tables have been restored and repaired and automated LED lighting has been introduced. This has added richness and diversity of the dining environment and as such complements Victoria's produce showcased on the various menus.

- Services provided by the Organisation Development unit support the full employment life-cycle from recruitment and on-boarding right through to the time Members and staff leave Parliament.

The unit met all its service delivery targets as well as undertaking a range of improvement initiatives.

This included supporting organisational change through ongoing service reviews and supporting the review and development of a range of workplace policies including the recruitment and selection policy and information sheets, home based work policy, the safe driving policy and working with the Buildings and Grounds Services unit to introduce an online chemical management register.

In addition to Parliament and Ombudsman payrolls, the Department of Parliamentary Services commenced provision of payroll services for the Independent Broad-Based Anti-Corruption Commission (IBAC) and successfully transitioned payroll data from the Department of Justice.

# Delivery on Parliament's Strategic Objectives

## Objective 1 – Service Delivery

### Output Measures - Legislative Assembly

Outputs	Unit of Measure	Target 2015 - 16	Actuals 2015 - 16	Target met or exceeded (Y/N)
<b>Quantity</b>				
Procedural references updated biannually	Number	2	2	Y
Regional visits to schools to conduct Parliamentary Role Plays	Number	5	6	Y
<b>Quality</b>				
Bills and amendments processed accurately through all relevant stages in compliance with constitutional requirements and standing orders	Percent	100	100	Y
Member satisfaction that advice is responsive, prompt, clear and objective	Percent	80	95	Y
Teacher satisfaction with tours of Parliament for school groups	Percent	95	99	Y
<b>Timeliness</b>				
Documents tabled within time guidelines	Percent	90	100	Y
House documents available one day after sitting day	Percent	100	100	Y
Online information relating to bills updated within one day	Percent	98	100	Y
<b>Total output cost</b>	<b>\$ million</b>	<b>30.7</b>	<b>23.7</b>	

### Output Measures - Legislative Council

Outputs	Unit of Measure	Target 2015 - 16	Actuals 2015 - 16	Target met or exceeded (Y/N)
<b>Quantity</b>				
Procedural references updated biannually	Number	2	2	Y
<b>Quality</b>				
Bills and amendments processed accurately through all relevant stages and other business of the House conducted according to law, standing and sessional orders	Percent	100	100	Y
Member satisfaction with accuracy, clarity and timeliness of advice	Percent	80	100	Y
<b>Timeliness</b>				
Documents tabled within time guidelines	Percent	90	100	Y
House documents and other sitting related information available one day after sitting day	Percent	100	100	Y
<b>Total output cost</b>	<b>\$ million</b>	<b>15.8</b>	<b>13.7</b>	

## Output Measures - Committees

Outputs	Unit of Measure	Target 2015 - 16	Actuals 2015 - 16	Target met or exceeded (Y/N)
<b>Quantity</b>				
Reports tabled per annum	Number	28	37	Y
<b>Quality</b>				
Committee members satisfied that advice about procedure, research and administration is responsive, clear, objective and prompt	Percent	80	98	Y
Inquiries conducted and reports produced in compliance with procedural and legislative requirements	Percent	95	100	Y
<b>Timeliness</b>				
Reports tabled in compliance with procedural and legislative deadlines	Percent	95	100	Y
<b>Total output cost</b>	<b>\$ million</b>	<b>7.0</b>	<b>7.0</b>	

## Output Measures - DPS

Outputs	Unit of Measure	Target 2015 - 16	Actuals 2015 - 16	Target met or exceeded (Y/N)
<b>Quantity</b>				
IT systems availability – (Parliament and Electorate Offices)	Percent	99	99	Y
Monthly management reports to MPs and departments within 5 business days after the end of the month to include variance information against budgets	Number	12	12	Y
Parliamentary audio system transmission availability	Percent	99	100	Y
Provide MPs with a functional electorate office	Percent	95	99	Y
<b>Quality</b>				
Clear audit opinion on Parliamentary Financial Statements (previous year)	Percent	100	100	Y
Clients satisfied with quality of information provided by Library staff	Percent	85	96	Y
Maintain and secure the parliamentary precinct and have it available for legislative program	Percent	95	100	Y
<b>Timeliness</b>				
Indexes, records, speeches and transcripts provided within agreed timeframes	Percent	90	95	Y
Payroll processing completed accurately and within agreed time frames	Percent	99	100	Y
<b>Total output cost</b>	<b>\$ million</b>	<b>92.4</b>	<b>88.3</b>	

# Delivery on Parliament's Strategic Objectives

## Objective 2 – Community Engagement

Community engagement is a priority of all three Parliamentary departments with a wide range of initiatives and activities.

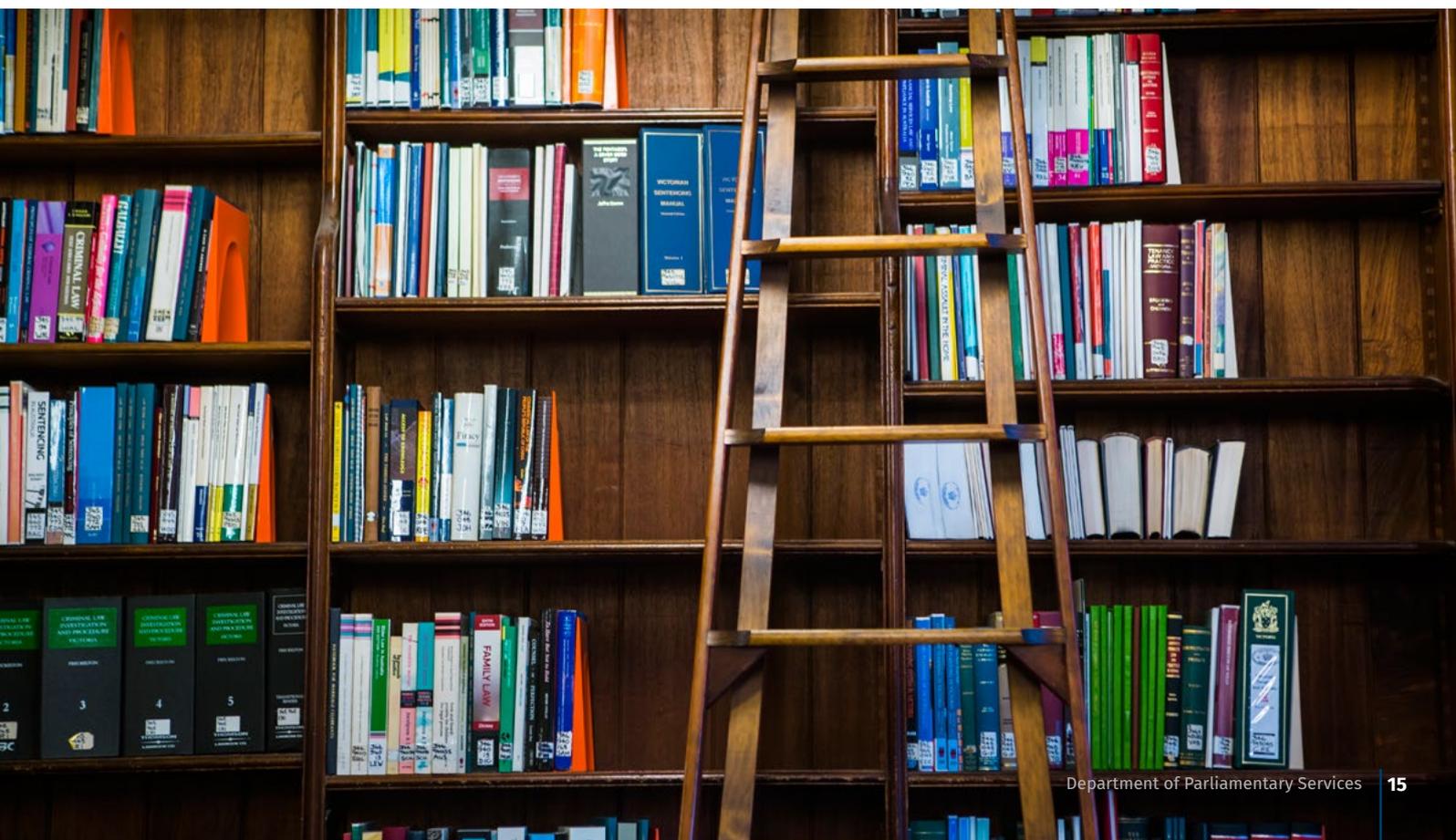
A newly established Community Engagement and Education unit is resourced by staff and funding from DPS, the Legislative Council and the Legislative Assembly, and is focused on driving programs and resources that link Parliament with the community and help to establish its place in school curricula and adult education. DPS Education and Community Engagement staff have designed programs to provide professional development for teachers and student teachers in all education sectors, as well as print and audio-visual resources produced for specific audiences and the community as a whole. DPS resources community engagement initiatives and activities by providing security, maintenance and technical support as required.

The Hansard broadcast unit, in conjunction with the Communications unit, has produced 53 news stories and video documentary productions for the Parliament this year and collaborated with the Parliamentary Library to produce a series

of videos about Parliament's historic collections. Similarly, DPS staff and resources enable events such as Open Day, Melbourne Open House, Youth Parliament and the lighting up of Parliament House for specific occasions and concerts at the precinct.

Professional engagement is also advanced by hosting and facilitating events with professional bodies. In 2015-16, Victoria hosted the Australian Parliamentary Librarians Association (APLA) Annual General Meeting and Conference with the seminar titled Parliament in practice in the public sector.

2016 marks the 25th year of the Parliament's Internship Program. The first half of the year facilitated 35 interns assigned to Members with each producing a research report. The second half of the year will prove to be challenging for the Parliamentary Library with an additional 12 interns from two new Universities (La Trobe and Swinburne), being placed with Members.



# Delivery on Parliament's Strategic Objectives

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

The Department has continued its support for the twinning arrangements with Parliaments in the Pacific, principally Fiji, Nauru and Tuvalu.

Staff from these Pacific Parliaments have undertaken placements in Melbourne and DPS staff have completed development initiatives under the auspices of the United Nations development program (UNDP) in Fiji, Nauru, Tuvalu and Myanmar. The range of development activities have included human resource management strategies and programs; Hansard system processes and training; Library best practices, budgeting and; management and development of resources for teaching civics and citizenship.

A workshop was presented by the Community Engagement and Education unit over two days to teachers in Suva, Fiji in November 2015 on developing resources for teaching civics and citizenship. The workshop was 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.

DPS maintains a continuous engagement with Parliaments in Australia and New Zealand, exchanging information, expertise and programs in a wide range of support areas. Annual meetings of DPS department heads were held and participation in professional forums like ANZACATT, ANZPIT and ANZPSN are important sources of information and learning. Regular staff exchanges ensure that developments and advances in systems, processes and procedures are shared across jurisdictions promoting best practice and reducing development and implementation costs.



Resource Management Directorate

## Objective 4 – Security

### CERTAIN

The security environment within which Parliament operates has changed significantly in the last two years.

### EXPECTED

The current National Terrorism Threat Level is 'probable', indicating that

### PROBABLE

Parliament must respond to credible intelligence, assessed by Australian Government security agencies

### POSSIBLE

indicating that individuals or groups have developed both the intent and

### NOT EXPECTED

capability to conduct a terrorist attack in Australia.

Parliament's security policies and response is determined by the Presiding Officers with advice from the Security Management Board (SMB) which includes Members representing all parties; Victoria Police and Parliamentary administration.

Physical security in the Parliamentary precinct has been improved by re-development of both the main entrance on the front steps and the south entrance; access to the car park; upgrade of boundary fences; installation of a number plate recognition system and; upgrade of communications and electronic surveillance infrastructure.



The newly built guardhouse located at the rear of Parliament House.

Whilst attempting to maintain open access to the precinct, new processes for security screening of visitors, vehicles and deliveries have been implemented to ensure safety and security for Members, staff and visitors.

During 2015-16, Parliament responded to 352 security incidents including demonstrations and protests; some 114,492 visitors were screened with 7,908 items seized. These ranged from low risk items to prohibited weapons including knives and replica handguns.



Following on from recommendations by the Security Management Board and Victoria Police, research and subsequent trials were conducted to identify the most effective methods to manage public/private separation within the building. Currently in stage four of the project, changes have included the addition of swipe card access doors throughout the building. Visitor management procedures have also been adjusted to assist with public/private separation thereby increasing the safety of the building and its occupants. Visitor management is an ongoing issue due to an imbedded culture of Members and staff. Increasing security awareness across the organisation should assist with this cultural change.

A review of electorate office security has been completed and a number of recommendations have been presented to the Security Management Board for consideration.

# Delivery on Parliament's Strategic Objectives

## Objective 5 - Funding of Parliament

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.

This has engendered an ongoing conversation with Government to address questions of the constitutional independence of Parliament and the impact of the doctrine of the Separation of Powers. In practical terms, the question revolves around the funding of Parliament, and the appropriateness of funding cuts applied to the service delivery departments of the Parliament of Victoria.

During this financial year, five submissions on behalf of Parliament were submitted for additional funding in 2016-17 and future years. Three submissions were fully approved, including additional output funding to improve staff leave arrangements at electorate offices, conduct a performance audit of Victorian Auditor-General's Office and an increase Members electorate office and communication budgets due to increase in state voter count. The submission for additional output funding to manage the Legislative Council Standing Committee system was only partially funded.

Government fully supported Parliament's asset submission to construct a new purpose built accommodation facility at the rear of Parliament House for Parliamentary Members. As a result, Parliament is finally able to address the very poor working physical arrangements that have for decades been a critical issue of the precinct.





## RECONCILIATION OF APPROPRIATION BILL 2015-16 & 2016-17 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	
	2015-16 BUDGET	2016-17 ESTIMATED BUDGET	2015-16 BUDGET	2016-17 ESTIMATED BUDGET	2015-16 BUDGET	2016-17 ESTIMATED BUDGET	2015-16 BUDGET	2016-17 ESTIMATED BUDGET	2015-16 BUDGET	2016-17 ESTIMATED BUDGET	2015-16 BUDGET	2016-17 ESTIMATED BUDGET	2015-16 BUDGET	2016-17 ESTIMATED BUDGET	2015-16 BUDGET	2016-17 ESTIMATED BUDGET
<b>FIGURES PUBLISHED IN APPROPRIATION BILL</b>	3,155	3,737	4,599	4,872	86,924	91,944	6,965	7,751	4,400	15,789	16,184	101,643	112,704	117,432	128,888	
ADD SPECIAL APPROPRIATIONS	12,647	12,881	26,090	26,564						611	573	38,737	39,445	39,348	40,018	
LESS ATNAB INCLUDED IN BILL																
ESTIMATED OUTPUT CARRYOVER TO 2016-17					5,407	5,400						5,407	5,400	5,407	5,400	
GRANT RECEIVED FROM DECD					28	28						28	28	28	28	
SECTION 29 RECEIPTS RETENTION AGREEMENT					82	247				23,822	25,356	82	247	23,904	25,603	
OTHER REVENUE (RECOUPMENT OF EXPENSE, SECONDEES ETC)										26	37			26	37	
<b>TOTAL APPROPRIATIONS</b>	<b>15,802</b>	<b>16,618</b>	<b>30,689</b>	<b>31,436</b>	<b>92,441</b>	<b>97,619</b>	<b>6,965</b>	<b>7,751</b>	<b>4,400</b>	<b>40,248</b>	<b>42,150</b>	<b>145,897</b>	<b>157,824</b>	<b>186,145</b>	<b>199,974</b>	
ROUNDED TO MILLIONS	15.8	16.6	30.7	31.4	92.4	97.6	7.0	7.8	4.4	40.2	42.2	145.9	157.8	186.1	200.0	
<b>FIGURES PUBLISHED IN BUDGET PAPER 3</b>	<b>15.8</b>	<b>16.6</b>	<b>30.7</b>	<b>31.4</b>	<b>92.4</b>	<b>97.6</b>	<b>7.0</b>	<b>7.8</b>	<b>4.4</b>	<b>40.8</b>	<b>42.6</b>	<b>145.9</b>	<b>157.8</b>	<b>186.7</b>	<b>200.4</b>	
Diff *	-	-	-	-	-	-	-	-	-	-0.60	-0.40	-	-	-1.00	-0.40	

\* VAGO has budgeted for a deficit of \$0.6M for one of its two output groups in 2015-16 and \$0.4m in 2016-17.

# Delivery on Parliament's Strategic Objectives

## Objective 6 - Our People

### Secretary - Department of Parliamentary Services

Peter Lochert	Secretary - Parliamentary Services
Stephanie McGraw	Executive Assistant
Matthew Pattison	Casual Researcher - DPS

### Directors - DPS

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	Reporter
John Blyth	Broadcast Officer
Jon Breukel	Coordinator, Research & Inquiries
Gavin Bullen	Service Technician
Christine Butcher	Sessional Monitor/Keyboarder
Johanna Canizales Amaya	Service Technician
Yu Ching Chui	IT Assistant
Francesca Clements	Sessional Reporter
David Cousins	Project Management Business Analyst
Anja D'Alessio	Leader Business Solutions
Paige Darby	Research & Inquiries Officer
Rachael Dewar	Reporter
Justine Donohue	Sessional Reporter
Igor Dosen	Research & Inquiries Officer
Sarah Eatwell	Publishing Business Support Officer
Timothy Fewings	Broadcast Media Officer
Robin Gallagher	Intranet Officer
Kathryn Goldie	Sessional Reporter
Jake Grantford	Broadcast Officer
Mark Greatorex	Publishing & CIT Business Support Officer

Patricia Greig	Editor
Trevor Griscti	Broadcast Officer
Caitlin Grover	Research & Inquiries Officer
Maria Hansen	Senior Reporter
Margaret Harnath	Sessional Sub Editor
Mark Harris	Broadcast Coordinator
Linda Harris	Reporter
Richard Henson	Media Assistant
Crusader Hillis	Sessional Reporter
Emma Hurford	Reporter
Peter Johnston	Heritage Collections Officer
Alice Jonas	Research & Inquiries Officer
Sue Kebbe	Reporter
Rod Kennedy	Sessional Monitor/Keyboarder
Liza Kennedy	Sessional Reporter
Andrea Kenny	Reporter
Lee Kim	Sessional Reporter
Kee Koh	Sessional Reporter
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	Program Management Business Analyst
Joel Magarey	Sessional Reporter
Michael Mamouney	Media Officer
Jennifer Martyn	Reporter
Andrew McBride	Manager Information Technology
Timothy McCarthy	Broadcast Media Officer
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
John Nugent	Editor
Emma O'Connell	Heritage Collections Officer
Aamir Peerzada	IT Assistant

Stuart	Penrose	Service Technician
Ryan	Pow	Broadcast Officer
Christopher	Prasad	Senior Service Analyst
Andrew	Preston	Sessional Reporter
Justin	Price	Sessional Monitor/Keyboarder
Debra	Reeves	Research & Loans Officer
Daisy	Rissotto	Administrative Assistant
Karina	Roberts	Sessional Reporter
Helen	Rosolen	Research & Inquiries Officer
Rob	Salvatore	Broadcast Officer
James	Scott	Manager, Hansard
Heather	Smith	Reporter
Lucinda	Spencer	Heritage Collections Officer
Victoria	Spicer	Coordinator, Heritage & Collections
Patrick	Spillane	Reporter
Evan	Squire	Sub Editor
Linden	Taylor	Sub Editor
Angus	Tonkin	Sessional Reporter
Alan	Turner	Sessional Reporter
Matt	Tynan	Broadcast Officer
Simon	Whitehead	Publishing & CIT Business Support Officer

## Precinct and Property Management

Stephen	Andrews	Team Leader Building Services
Tanya	Arbutovic	Electorate Properties Officer
Christopher	Butler	Maintenance Officer - Electrical
Michael	Craig	Executive Chef
Richard	Dabrowski	Security Adviser
Robert	De Graaf	Maintenance Officer - Electrical
Jacqueline	Doolan	Customer Service Supervisor
Kristi	Eaton	Senior Projects Coordinator
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	Senior Projects Coordinator
Lynette	Greene	Electorate Properties Officer
Dean	Greeno	Trade Assistant
Linda	Haddow	Horticulturist
Scott	Howard	Security Adviser
John	Hurle	Senior Horticulturist - Turf
Stefanie	Hyde	Electorate Properties Officer
Clare	Kearney	Business Systems Officer
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
Katie	Newcombe	Security Administration Officer
Brian	O'Neill	Electorate Properties Officer
Zoltan	Pok	Kitchen Steward
Christopher	Richardson	Security Adviser
Rachel	Robertson	Team Leader Grounds & Gardens
Georgie	Sleurink	Projects Officer
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)
Julie	Cooper	Organisation Development Officer (OH&S & HR)
Barry	Cull	Leader, Remuneration & Systems
Richard	D'Souza	Senior Accounts Officer
Corinne	Duggan	Organisation Development Officer - Payroll
Liesel	Dumenden	Learning & Development Officer
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
Clare	McMullan	Organisation Development Officer
Viv	Prasad	Budgets Officer
George	Prelec	Organisation Development Officer - Payroll
Allison	Ridge	Payroll Coordinator
Anjali	Savani	Accounts Payable Officer
Charu	Saxena	Manager, Budgets & Risks
Natalie	Simpson	Organisation Development Officer - Payroll
Emily	Stanton	Organisation Development Officer - Payroll
Chris	Summerill	Financial Accountant
Alexandra	Trigg	Organisation Development Officer (OH&S & HR)
Cory	Woodger	Accounts Payable Officer

# Delivery on Parliament's Strategic Objectives

## Objective 6 - Our People

### Staff Profiles

#### Mark Harris

Mark was appointed as the broadcasting co-ordinator in November 2011. Since then he has been able to develop and improve the services offered for broadcasting.

Mark brings to the Parliament of Victoria over 30 years of engineering, TV broadcasting and video production experience. Working for organisations such as GTV channel 9 and the ABC, La Trobe University, University of Melbourne and Qantas, has given Mark a broad range of experiences not only in developing and managing successful teams, but also a wealth of experience in producing effective and engaging video communication, promotional and training content.

Mark believes some of the key elements in creating and maintaining an effective team is to have well documented and agreed work procedures and standards, plus also formalised staff training. Given his experiences in the aviation and University sectors Mark understands the value of keeping his staff up-to-date with technology and current industry work practises.

Given the investment the Department of Parliamentary Services has made in establishing and resourcing the broadcasting team, Mark has been keen for the unit to expand its services to not only broadcasting the sitting weeks of Parliament, but to also support the media production and video communication needs of the various areas within the Department.

Mark enjoys that he has the opportunity to work alongside some great people not only within his team, but also within the Parliament of Victoria in general. He enjoys working with his team and creating innovative solutions to meet the needs of their clients. Mark also loves the challenges involved in his work and that no two days are ever the same in his role.

In his spare time Mark is a recreational pilot and enjoys maintaining and flying his own aircraft and also doing the occasional scuba diving adventure exploring the many shipwrecks and reefs within Bass Strait. He also enjoys spending time with his extended family (both his two daughters Marleena and Victoria are now married) and spending time with his lovely wife of 33 years, Fotini.

Mark's philosophy is when given an opportunity, lead, deliver excellence and never quit!



## Robert DeGraaf

Robert DeGraaf joined the Buildings and Grounds Services unit in 2011 as an electrician and recently celebrated his 5 year service award. Prior to this, Rob worked at Parliament for 15 years as a contracting electrician, so his knowledge of the building is second to none.

Rob is especially passionate about the lighting at Parliament, both internal and external. He has worked extensively on each of Parliament's famous chandeliers, re-lamping them from incandescent globes to compact fluorescents and now to new energy efficient LED's.

In addition to working with the lighting in Parliament House, Rob has been instrumental in the replacement of over 70 Switchboards throughout the building over the last 3 years, resulting in a safer and more reliable work environment for all.

The apple does not fall far from the tree in the DeGraaf household as Rob's son is now following in his dad's footsteps, working as an apprentice electrician.

Rob is known as the Buildings and Grounds Services quiz master with his expertise in geography unparalleled, no doubt in part due to his passion for overseas travel.

Rob is also a sports fan, following Collingwood in the AFL and leading his local cricket team as the coach and captain. We're unsure about his batting average but understand it is a very social team.



## Allison Ridge

Allison joined the Organisation Development team in August 2011 and is the payroll coordinator, working with her team to ensure that all staff and Members of Parliament receive their correct pay each fortnight. Allison shares her payroll expertise and comprehensive knowledge of the Empower payroll system with her team in processing thousands of payroll transactions each financial year.

Allison is a key contact for staff when planning parental leave, resolving complex leave and pay concerns. Allison also coordinates the wide range of payroll reporting to assist with leave management, financial reporting and external compliance.

"After 15 years working in Payroll within the Organisation Development unit, things have changed and improved quite significantly. The unit has grown and with it so has the service we've been able to provide to managers and staff. I've enjoyed being part of a team that aims to do our job as accurately as possible in order to keep everyone as happy as possible, every second Thursday."

Prior to joining the Department Allison worked with St Vincent's Hospital in Melbourne and the Department of Education in Tasmania.

Outside of work Allison has a lively household with two sons, Jed and Rory in primary school, and her partner running a local business.



# Delivery on Parliament's Strategic Objectives

## Objective 6 - Our People

### 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.

### Staffing

	Parliamentary Officers	Electorate Officers	Total
Full-time	109	146	255
Part-time	16	205	221
Sessional	31	330	361
<b>Total</b>	<b>156</b>	<b>681</b>	<b>837</b>



**156**  
Parliamentary Officers

### Full-time Equivalents (FTE)

	Parliamentary Officers	Electorate Officers	Total
Permanent	96.18	230.16	326.34
Fixed Term	36.4	52.37	88.77
<b>Total</b>	<b>132.58</b>	<b>282.53</b>	<b>415.11</b>



**132.58**  
Full-time Equivalent (FTE) Parliamentary Officers

### Learning and Development

During 2015-16 a total of 89 individual training activities were undertaken across the Parliament with a number of new courses being added to the Learning and Development suite. Social media training in communicating with the electorate was coordinated by the Learning and Development team and took place for the first time this year in Ballarat, Shepparton, Traralgon and Melbourne. A total of 42 staff attended these workshops. Other new courses on offer during the year included; ethics training for Members; mental health first aid training; and professional photography skills and adobe illustrator.

The course with the highest attendance rate was manual handling training where a total of 166 staff attended over the nine sessions that were held. Orientation for new staff (including electorate officers and Parliamentary officers) was well received with a total of 92 staff attending one of the four sessions during the reporting year. Lunch and Learn programs continued to be popular with Parliamentary officers with topics including defensive cycling in traffic, managing mental health in the workplace, mindfulness and an Employee Assistance Program (EAP) information session.

In 2015-16 there was an emphasis on providing greater support to our electorate officers particularly for those in regional areas. The Learning and Development team participated and coordinated 35 electorate office visits which included representation and training from Accounting and Administration, the Parliamentary Library and Budgets and Risks units. Of these visits, 16 were to provide support to Members who were elected at the last election, 8 being from regional areas.



## White Ribbon Accreditation

White Ribbon is the world's largest movement of men and boys working to end violence against women and girls, promote gender equality, healthy relationships and a new vision of masculinity. Violence against women is a significant human rights issue and requires all sectors of the Australian community, including workplaces to take action.

The Department of Parliamentary Services has initiated participation in the White Ribbon Australia Workplace Accreditation Program. In 2015 the Parliamentary Executive Group and the Presiding Officers approved the Parliament's participation in this Program. The Parliament was represented at the April 2016 Cohort Orientation Seminar by members of our Organisational Development team. The forthcoming Parliamentary officers enterprise bargaining agreement will include a domestic violence leave provision which is a new leave category adopted by the Victorian public sector.

The workplace accreditation program recognises workplaces that are taking active steps to prevent and respond to violence against women. We are the first Parliamentary jurisdiction in Australia to commit to this program.

## Enterprise Bargaining Agreement

The Parliamentary Officer (Non-Executive Officer – Staff) Enterprise Bargaining Agreement 2012 expired on 31 December 2015. A new Agreement was negotiated by the Enterprise Agreement Bargaining Committee (EABC), made up of Parliament management, CPSU and individual bargaining representatives who meet on 14 occasions during the reporting year. The EABC reached in-principal agreement within the agreed nexus timelines.

Starting on 1 January 2016, pay increases of 3.25% per annum will be available to staff, comprising of 2.5% State Government Wages Policy, 0.5% Service Delivery Partnership Plan and 0.25% Parliament Reform Program. The new Parliamentary Officer EBA will expire on 31 December 2019.

Key issues focused on during these negotiations were hours of work, employment categories, performance management and change management.

Negotiations will commence in the second half of 2016 to develop and implement a new Electorate Officer Enterprise Agreement to replace the current agreement expiring on 30 September 2016.

## Employee Assistance Program

Parliamentary and electorate officers are provided with access to confidential counselling support through the employee assistance program. During 2015 this program was reviewed and a new external provider, Carfi and Associates, was selected. An expanded range of support and education services delivered by Carfi is offered to employees, committees and Members of Parliament.

## Occupational Health and Safety (OH&S) and Employee Welfare

During the reporting period, the Organisation Development unit coordinated a wide range of OH&S and employee wellness activities with a focus on personal safety, fatigue management awareness, appropriate behaviours, mental health and emergency management.

The corporate wellness program continued to focus on prevention, with programs such as flu vaccinations, skin checks, heart health checks, yoga and healthy meal programs. These programs and other activities were made available to Members and staff, and included external activities such as the Mother's Day Classic, Australia's Biggest Morning Tea fundraising and blood bank donations.

# Delivery on Parliament's Strategic Objectives

## Objective 6 - Our People

### Occupational Health and Safety Key Statistics

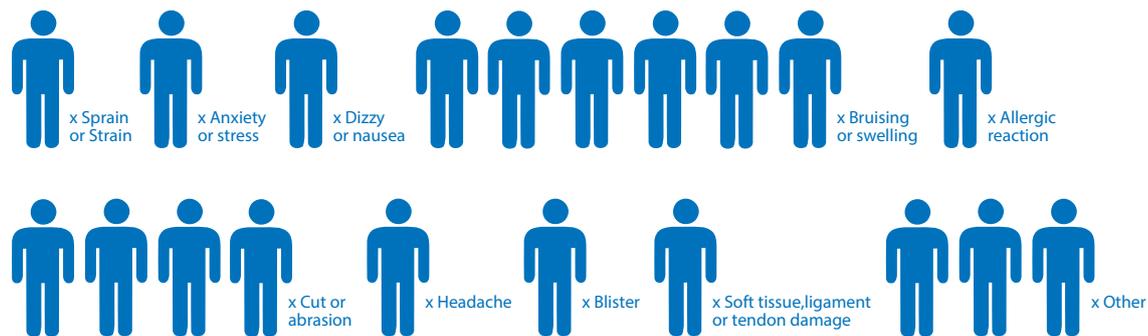
Measure	Description	Result
Incidents and hazards	Number of incidents	20
	Number of reported hazards	12
Claims (reported during the year)	Number of minor claims**	4
	Number of standard claims**	0
	Number of lost time claims**	0
	Number of claims exceeding 13 weeks**	0
	Return to work compliance	100%
OH&S Committee	Committee Meetings	9
	OH&S Representative initial and refresher training participation	100%
Hazard Inspections	Workplace hazard inspections	13
Corporate Wellness Activities	Number of participants	650

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

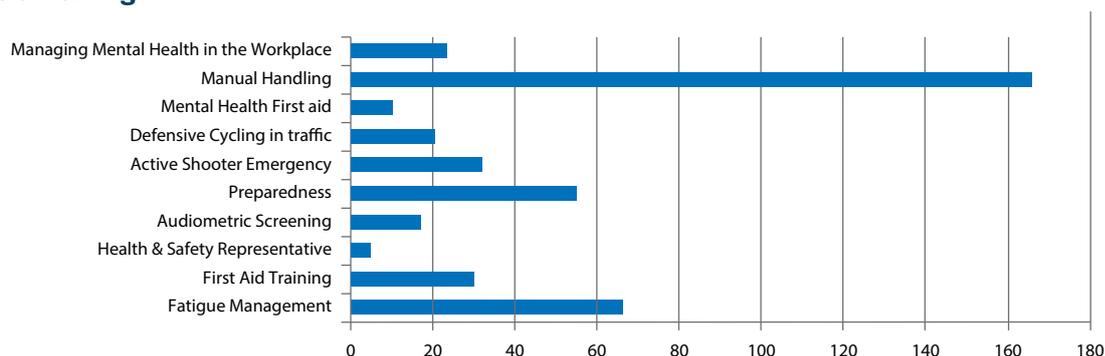
\*\* Standard claim – a claim that exceeds the threshold limits

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

### Breakdown of OH&S Incidents and Hazards



### OH&S Training





# Delivery on Parliament's Strategic Objectives

## Objective 7 - Built Environment

The built environment in the Parliament precinct is managed through two main programs. The first 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 for both current and future requirements.

A separate program is focused on the provision of electorate offices to each of the 128 Members of Parliament.

### Heritage and Stone Restoration

The beginning of the financial year was spent completing stage 7 on the north-east area of the building and preparing for the commencement of stage 9 (stage 8 was distributed throughout stages 7 and 9 to take advantage of site conditions and the program running ahead of schedule).

This year saw the restoration of stonework at Parliament House enter its second decade with the commencement of stage 9, focusing on the North-West side of the building and including Premier's suite and internal courtyards. Setting up stage 9 was a project in itself, with the large site gantry supporting the works moving toward the front of the building, along with relocation of the crane to a position that will service stages 9 and 10.



The entire chimney on the east facade was dismantled and re-laid as it was found to be leaning outward and structurally unstable.

Every stage of the stone restoration works uncovers valuable information about the design and construction of the Parliament House building. It is often discovered that sections of the building are incomplete. Following removal of the render from the east facade details in the brick work were identified to suggest just this. Such details include a large brick filled archway, a bricked-in fireplace and a wall that would have formed the basis for an internal cornice.



Local Hoffman bricks were used in the early stages of construction of the building and stamped bricks were found following the removal of the render.



Built in the 1920's, the Billy Hughes Bridge is the timber walkway that connects the Premier's Suite with the Assembly Chamber via the existing window opening. The north facing window was removed and the facade modified to provide access and the original bluestone keystones and window header was discovered following removal of the rusting zinc flashing. A new flashing that expresses the original building fabric has been detailed and installed.

## Stonemason Apprenticeships

The stone restoration at Parliament House enters its second decade this year, making it a truly unique restoration project for Melbourne. The scale of this work means a large crew is always present on site and opportunities exist for upskilling, as well as training of new staff. Two stonemasons have completed their apprenticeships to date, with a third commencing at the beginning of 2016.

Previous graduates Corey Skinner and Michael White both fast tracked their training through demonstrating high levels of skill and studiousness, and they continue to work here today as fully qualified stonemasons. Corey has also travelled to Europe, where he worked on restorations in Norway, France and England. Ashley Rozec began working on site in January this year and will complete his trade studies at Holmesglen in Chadstone, which is the only school in Victoria offering stonemasonry.

O'Connor & Sons director Neil Skinner says having apprentices allows them to maintain a high standard of tradesmen in their relatively small industry, while equipping them with the skills required for complex projects like the one here at Parliament. The training they offer extends beyond just restoration works though and by the conclusion of their four-year study, apprentices have a full range of stonemasonry skills.



# Delivery on Parliament's Strategic Objectives

## Objective 7 - Built Environment

### Parliamentary Gardens

As they do every year, the gardens team have maintained the Parliamentary Gardens to the high standard we have all come to expect and enjoy. The demolition of the Members accommodation posed a particularly challenging period for them, with significant excavation works occurring and the unfortunate but unavoidable loss of the historic tennis court. The gardens team have contributed to the office remediation project, lending their significant expertise to the planning of the rooftop and surrounding gardens, which they will ultimately manage the upkeep of.

### Building Function

A number of projects occurred throughout 2015-16, making it one of the busiest years to date for the Buildings and Grounds Services unit. These included the new vestibule desk, refurbishment of the Parliamentary Library amenities on level two and Legislative Council amenities on level three, new vestibule amenities, the Legislative Council office fitout, refurbishment of seating in the Legislative Assembly chamber, co-ordination with security improvement projects and the relocation of Members resulting from the demolition of the annex.

- **Flagpoles**

In the scale of the program, the replacement of the existing flagpoles on the roof of Parliament House was a relatively minor work, however, this important project means that with five permanent flagpoles (instead of the previous three) the Indigenous Australian flag can be flown at all times.



- **Legislative Assembly Chamber**

Reupholstering of the leather seating in the Legislative Assembly chamber required purchasing 450 square meters of colour matched, custom dyed green leather. Ten additional seats were manufactured during this process as each seat was completely reupholstered in batches of ten. This ensured that the chamber was fully functional at all times.

- **Vestibule Desk**

Following a consultative design process, the existing vestibule desk was replaced and additional storage created. The new desk provides an increase from two to three workstations, which better facilitates assisting visitors with queries relating to tours, booking of lockers and general enquiries. The desk design also accommodates all abilities access. Lockers for tour guests were upgraded and a heating and cooling system was installed.



## Remediation of Office Accommodation Project

The most significant project that commenced in 2015-16 has been the remediation of Member office accommodation. Working with Peter Elliot Architecture, the project seeks to address historic shortcomings in the ability of Parliament House to meet the working conditions required of a modern workplace.

The original design concept of Parliament House was never completed and did not include Member office accommodation. Over the years many temporary offices were constructed wherever a space could be found resulting in very poor facilities that are non-compliant with modern OH&S and disability access standards. A temporary annex was constructed in the gardens at the rear of Parliament House to accommodate about 34 Members and staff. Despite having an original intended useful life of 5 years, the temporary building remained for more than 40 years and was riddled with asbestos.

Government support has enabled the construction of a new building at the rear of Parliament House that will serve as Member's offices. The building will consist of 102 offices and will aesthetically integrate with the existing landscape and Parliamentary gardens to preserve views and reduce the overall impact of adding a new building to the historical site. The approved design sees the building house 40 offices below ground level and 62 above, with connections to all key levels of Parliament House through dedicated walkways.

The construction of new Members' accommodation will significantly ease the burden on Parliament House and will allow for the restoration of areas of the building to their original purpose, as well as the addition of contemporary functions, such as education facilities. This will enable greater access by the general public, Members and staff to enjoy the historic building.



East facing design concept for the proposed building.



Proposed layout of the Members office accommodation.

# Delivery on Parliament's Strategic Objectives

## Objective 7 - Built Environment

An early works package was implemented and involved relocating Members from the annex to temporary accommodation in the car park, gym and Parliament House. The annex was then demolished and decontamination works on the site removed approximately 4,180 cubic metres of soil containing class A and B contaminants.

The Department of Parliamentary Services worked closely with Heritage Victoria to undertake both European and Indigenous heritage studies that included extensive archaeological excavations at the site. These revealed several interesting artefacts, including footings from a school that was operational on the site circa 1840s as well as a cellar and a cess pit from the same era, all of which have been documented for heritage purposes.

At the time of writing the project is still in the procurement stage, with tenders being evaluated by a procurement panel including representation from the Department of Treasury and Finance, Government Architect, Parliament's internal auditors, quantity surveyors, Peter Elliott Architecture and the Department of Parliamentary Services project team.

The main challenge for the upcoming year will be the coordination of the office remediation project, the scope of which is unprecedented for Parliament House and the Department of Parliamentary Services. As a result, the number of additional projects will be reduced to only core works incorporating the new building, stoneworks and an upgrade to the lighting system in Queens Hall. However, this will not see a reduction in workload as the day-to-day maintenance requirements of the building and grounds will remain and will continue to be executed to the highest standard.



## Electorate Offices

Each Member of Parliament is provided with an office inside their electorate. Each office is a leased premises and conforms to a set of standards. The premises are fully fitted out including furniture, equipment, security provisions, information technology and communication services.

There has been a significant amount of work conducted within the electorate office space over the past year. The Security and Electorate Properties unit delivered 12 electorate office relocation and refurbishment projects within this period as well as establishing a new lease precedent with a multinational shopping centre, creating opportunities to lease commercial space in shopping centre locations that were previously unachievable.

Electorate office signage standards have been redesigned to provide a more contemporary corporate appearance and enhancing compliance requirements. A further 16 relocations and refurbishments have been approved for 2016-17. The Security and Electorate Properties unit also attended 54 electorate offices during the course of the financial year to provide either security or property advice.

The Information Technology unit also completed the roll out of new desktops at all electorate offices as well as replacement of all multi-function devices. This will ensure Members and their staff are able to better serve their constituents.

A comprehensive review was undertaken of the security at electorate offices in conjunction with Victoria Police and the Parliament's architect panel. All the recommendations provided have been accepted and the implementation process has commenced across the offices.



# Delivery on Parliament's Strategic Objectives

## Objective 7 - Built Environment

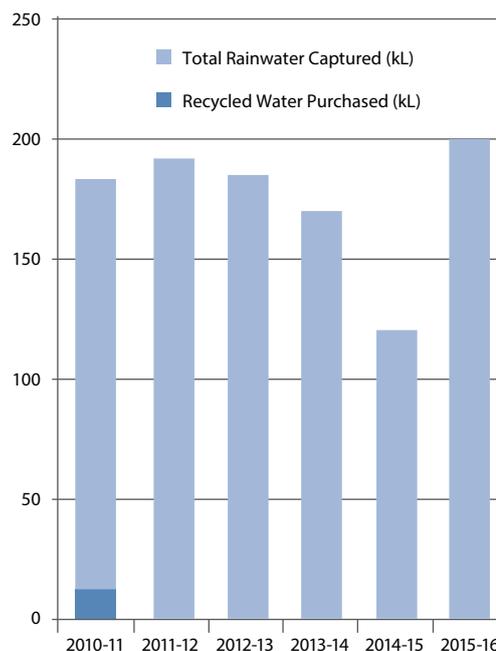
### Environmental Sustainability Report

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

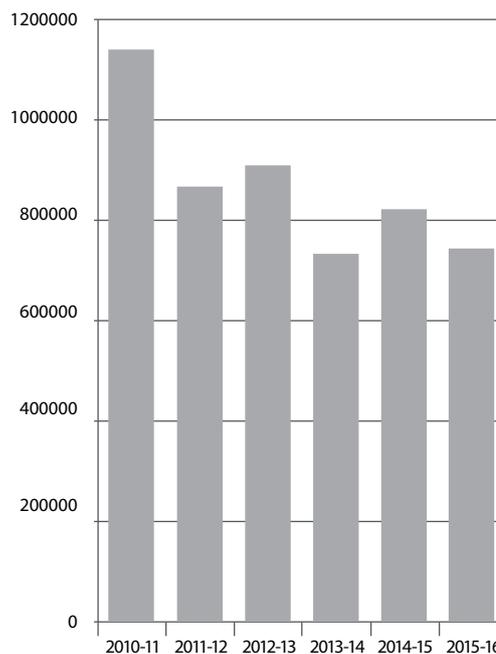
Over the duration of the 2015-16 financial year gas usage remained consistent with previous years. Electricity usage was slightly higher than last year, in part due to 2014-15 being an election year, meaning there were less sitting weeks where consumption is at its highest. In the coming years the Department would like to see an overall decline in usage levels. This target will be assisted through the construction of the new Members' accommodation as it will be built with a geothermal heating and cooling system. In conjunction with the new building, a building management system is also expected to be introduced to the precinct to allow for more accurate monitoring, which should lead to more efficient energy practices.

Water usage levels were positive, with a slight decrease in mains usage. Rainwater capture was up slightly despite the retirement of two water tanks in the temporary annexe compound toward the end of the financial year. Once again, no rainwater was needed to be purchased.

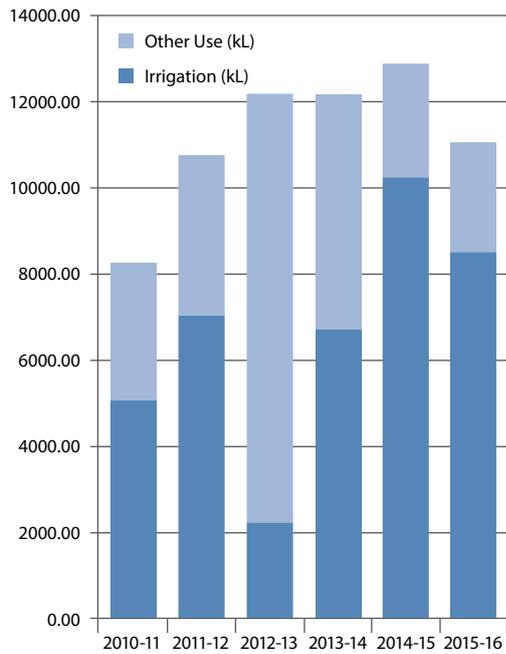
Annual Tank Input (Rainwater)



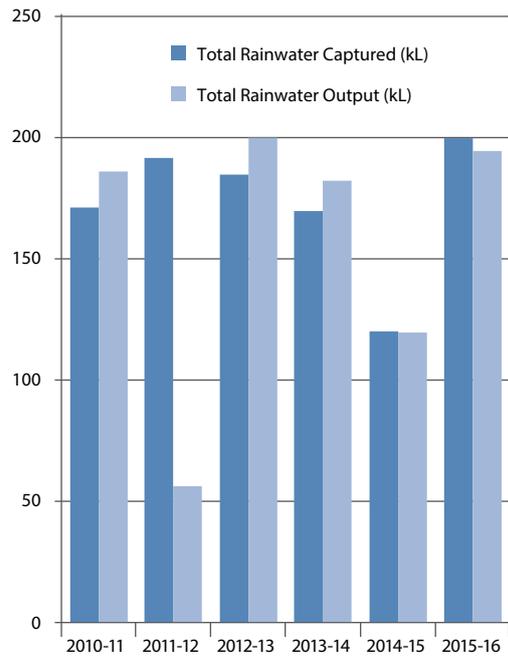
Annual Parliament Precinct Gas Use (Mj)



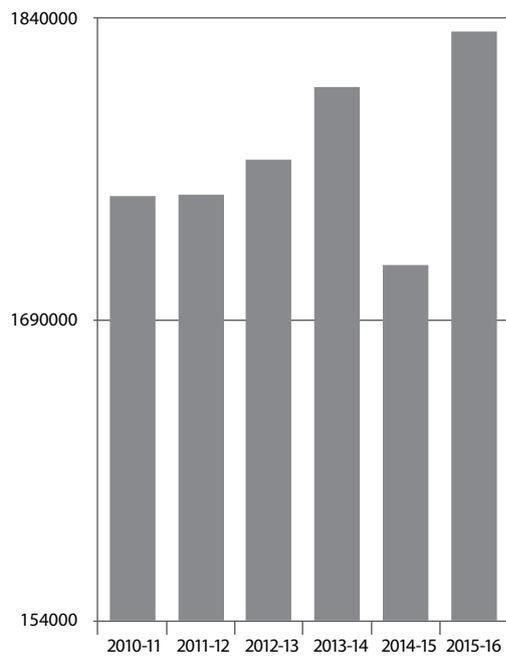
**Annual Mains Water Use**



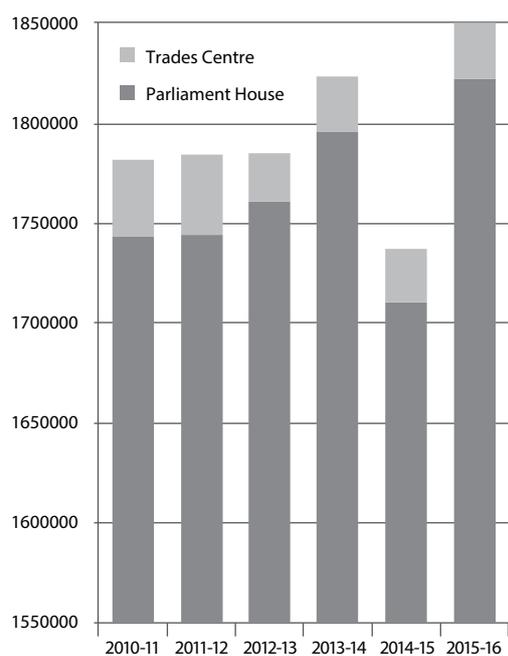
**Total Rainwater Capture v. Total Rainwater Output**



**Annual Parliament House Electricity Use (kWh)**



**Annual Parliament Precinct Electricity Use (kWh)**



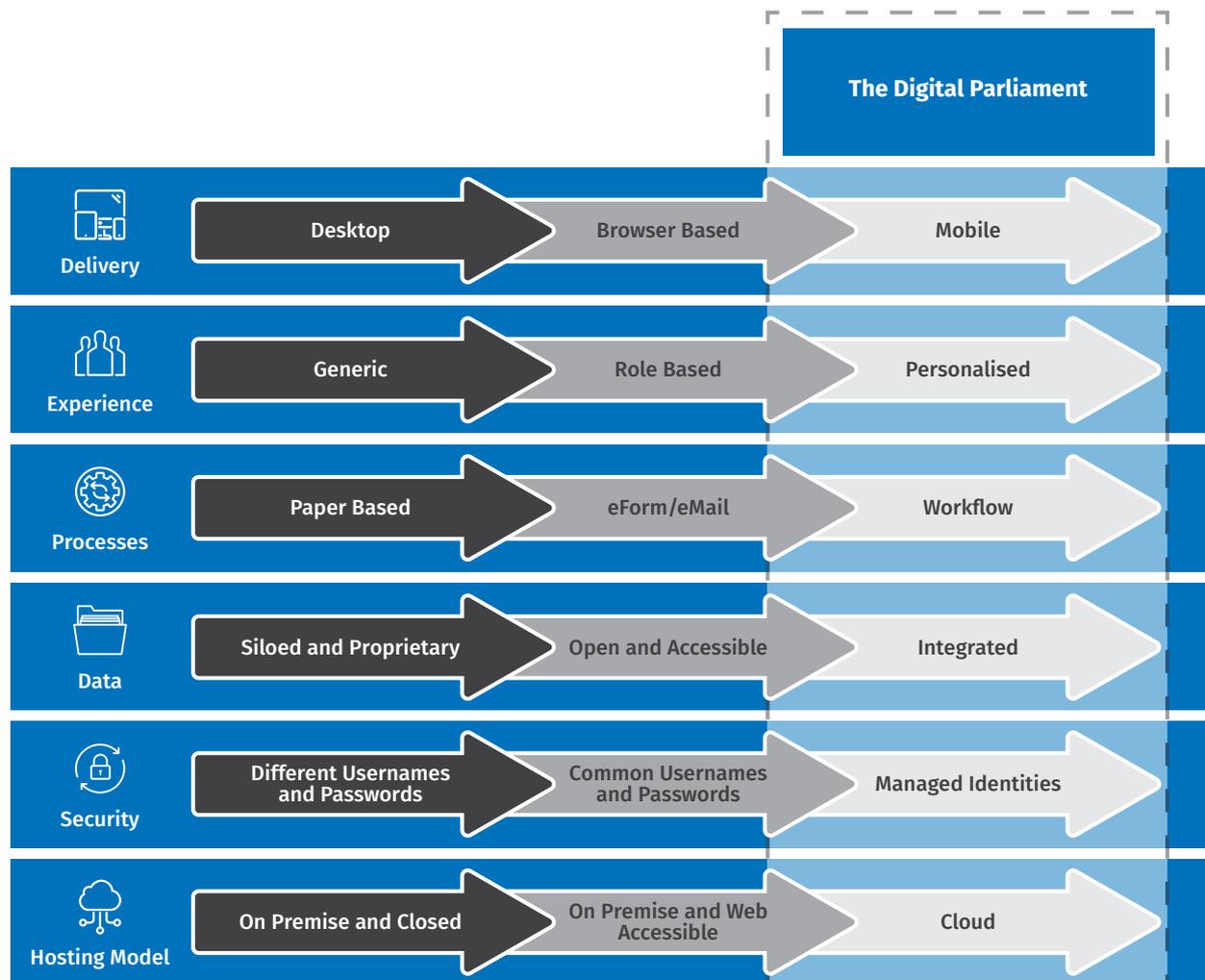
# Delivery on Parliament's Strategic Objectives

## Objective 8 – Information and Technology

### Digitisation

The trend towards digitisation has had an immense influence over the operations of the Department in recent years. The Information Services directorate have worked on multiple projects that improve the efficiency of systems in place across the Parliamentary network. Demand continues to grow for web and mobile accessible services with cloud services playing an increasing role for heavy mobile users throughout Parliament.

A new Information Technology strategy with a focus on enabling more personalised and mobile capable services has been developed. The projects planned all have the aim of creating a more digital Parliament that responds to the contemporary experiences and expectations of staff, Members and the general public. The ICT strategy is outlined below and has been developed over the past few years to ensure due diligence has been conducted.



As part of the ICT strategy, the Information Technology unit and the Parliamentary Library worked together on the Intranet refresh project. The purpose of the project was to move Library resources from an out-dated server to the online server of SharePoint, in keeping with the rest of Parliament's intranet (Billy). Working with Information Technology, the Accounting and Administration unit also contributed to this shift by transitioning from paper and email based submissions of invoices to an electronic invoicing and approval system located on the intranet, therefore reducing paper wastage and improving processing timelines.

The Parliamentary Library completed three major projects to digitise historic collections during the last financial year. This included all pamphlets, 1956 Olympics documents and photographs as well as scanning and digitising historic ephemera files, Victorian yearbooks, Parliamentary papers, Bills and explanatory memoranda.

The Organisation Development unit, together with the Information Technology unit, initiated an online on-boarding system to deliver a digital service to commencing Parliamentary officers, electorate officers and Members of Parliament. This system will streamline the process of offer and acceptance for new employees by conducting the whole process electronically. The system also ensures that new starter information is passed to other units such as Information Technology and Security and Electorate Properties to allow formalities such as computer accounts and security passes to be ready on day one.

In parallel to the physical security upgrades, Information Technology has been progressively improving the reliability, capability and security of Parliament's network. For example, the Parliamentary precinct WiFi network has been expanded to provide complete coverage within Parliament House and a 4G backup network have been put in place in all electorate offices to mitigate against wide area network failures. As part of a continuing program to address cyber security threats, other systems such as firewalls and malware protection were also introduced or upgraded.

In conjunction with upgrading the broadcast automation system, Hansard has implemented technologies as a foundation for a Video on Demand service for Members of Parliament. Similar to the Hansard project delivered last year where Members can access transcripts of their speeches online, the Video on Demand service would offer the opportunity to search and watch proceedings of Parliament after the event.

Digitisation will continue to be a prominent theme across all units in the Department of Parliamentary Services. The next 12 months will see further software and system enhancements and integrating information sources to reduce duplication as well as improving information access and reporting.



# Highlights

## Events at Parliament House

In the evenings, Parliament House is often transformed to a premium event centre to accommodate specific vendor requirements. Demand for food and beverage services at Parliament House increased yet again over the past financial year, with the total number of covers served reaching over 24,000 guests. Events range from university graduation ceremonies right through to state dinners, with Parliament House hosting over 650 separate events during 2015-16.

Queens Hall is Parliament's premium venue for hosting events. This past financial year has seen a complete upgrade of the audio facilities within this function room. Queens Hall is a marvellous historic venue that is extensively utilised for many important events. The audio upgrade aimed to provide a system that would enhance the experience for all visitors at any event by optimising clarity of sound through the introduction of state of the art NEXO speakers, professionally tuned and balanced by sound engineers. The system can now be more easily accessed and is much more user friendly.



Another sought after location for hosting events is the Parliament House gardens. Accommodating for up to 500 guests; weddings, cocktail functions and marquee events are all catered for.



Each year the Australian Unity health insurance organisation holds an al la carte breakfast within Queens Hall, serving around 200 guests.



The Side Dining Room located on the second floor of Parliament House seats up to 24 guests and often hosts international delegations, Member functions and internal meetings.

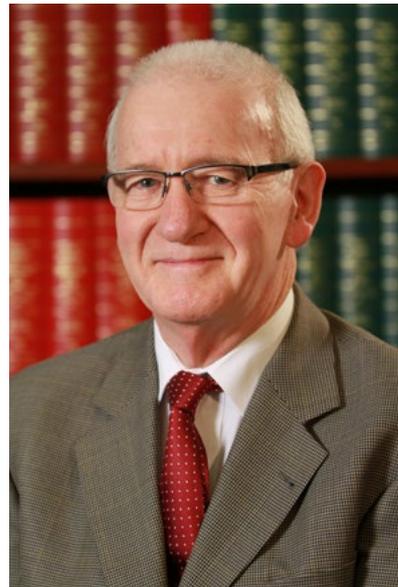


With a capacity of 350 standing or 200 seated, Queens Hall regularly hosts events and functions. Pictured is a gala evening for an AFL team. Significant planning was required to achieve the lighting and audio-visual staging requirements requested from the client.

## Hansard's 150th Anniversary

In 2016 Hansard is celebrating its 150th anniversary of continuous operation. Between 1856 and 1865 the newspapers of the day produced the only record of debates, but in 1865 the Legislative Assembly passed a motion that led to the establishment of an independent service.

Hansard's 150th anniversary was also the theme of Parliament's open day on 6 March 2016 to celebrate this important milestone in the history of the Parliament.



## John Nugent

John Nugent has retired after more than a quarter of a century of service to the Parliament. He first started his career as a shorthand writer, initially in the Premier's department reporting deputations to then Premier Sir Henry Bolte and following that spent 18 years working in the Commonwealth Reporting service. John joined Hansard as a reporter in April 1990.

John has spent the last 10 years of his 26 years at Hansard in the role of editor of debates, initially as the Legislative Council editor and since 2008 as the Legislative Assembly editor.

John has been instrumental in introducing technology advances to Hansard operations. He coordinated the initial design and implementation of Hansard's system of monitoring committee proceedings and played a key part in the introduction of computer assisted transcription.

However, he regards his most significant achievement to be his involvement in introducing operational efficiencies and in empowering staff through the delegation of important production and coordination tasks. His dedication and leadership are well respected, as is his uncompromising approach to ensuring the accuracy and integrity of our Parliamentary record.

# Additional Information

## Department Facts

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**35** 

electorate office visits were attended by DPS staff to provide assistance with budgets, organisation development, library resources and security.

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**48** electorate officers and **44** Parliamentary officers attended **4** orientation programs.



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Hansard reported on 211 committee hearings, 181 in the Parliament precinct and 30 hearings at locations away from Parliament. These committee hearings generated 6092 pages of transcription.





Hansard broadcasting services web streamed over 900 hours of Parliamentary proceedings this financial year over the 17 sitting weeks.



9,488 broadcast news records and 168,963 news archive records were added to the Library collection; an 8% and 23% increase respectively on last year.



## \$65 million

The payroll team processed 33,749 payroll transactions during 2015-16 with a gross payroll in excess of \$65 million achieving a payroll accuracy rate of 99.95%.

## 235

The month with most Library research queries in 2015-16 was September 2015 with 235 queries.

## 800kg

As part of the ongoing maintenance works an estimated 800kg of redundant cabling was removed and recycled from Parliament House.





**7,908**

items were seized or confiscated during security searches.

**114,492**

visitors/persons were screened when entering the building.

**In September 2015** the Parliament hosted the annual Primary Schools Parliamentary Convention, at which over 100 primary students from schools across Victoria debated the topic 'Young people's voices are not heard in Australian politics'.



Of the 1 million external emails received per month, up to 75% of email traffic is identified as originating from known untrusted sources, sites hosting malware, or having a payload which is identified as unsafe. These emails are all rejected leaving approximately 250 thousand safe inbound emails per month.



Internet traffic has increased 20% during the last quarter reflecting a significant increase in demand for external information by the organisation.

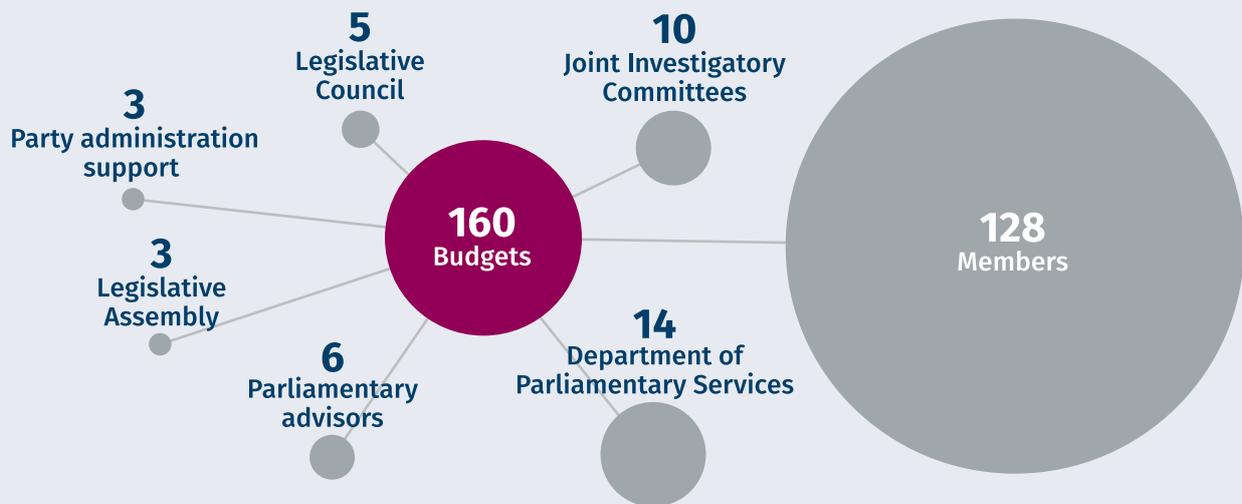
**Over 1000**

people receive the Springboard electronic newsletter, including all Members of Parliament as well as educators from across all sectors.



**32**

There are 32 different genera (families) of trees in the garden.



The Budgets and Risks unit monitors and reports on 160 cost centre budgets on a monthly basis. These include 128 Members, 3 party administration support and 6 Parliamentary advisors, 14 Department of Parliamentary Services, 10 Joint Investigatory Committees, 5 Legislative Council and 3 Legislative Assembly cost centre budgets to ensure Parliament delivers services within the allocated budget.



Parliament of Victoria coffee beans are sourced exclusively from Australian located and owned coffee bean farms and are roasted by a Melbourne owned and operated coffee roasting house.



of all Members and departments have moved away from paper and email based submission of invoices to our electronic invoicing system in Billy.

# Additional Information

## Senior Officer Travel

	2013 - 14	2014 - 15	2015 - 16
DPS Senior Parliamentary Officer Travel*	\$5,545	\$580	\$26,095

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

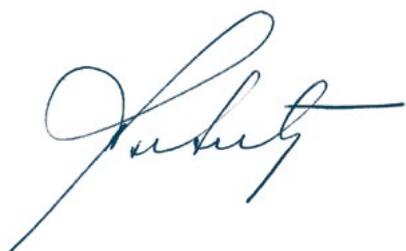
## Risk Management

The Parliament of Victoria has implemented a risk management framework and risk management processes that are consistent with the Australian and New Zealand standards in 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

## 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 2015 - 16 (excluding GST)	Future Expenditure (excluding GST)
Iedex	Finance service review*	Oct - 14	Dec - 15	87,000	11,250	-

\* Expenditure in 2014-15 was \$69,000 (ex. GST)

### Consultancies less than \$10,000

No. of consultancies	Total value (exc GST)
1	9,360



# PARLIAMENT OF VICTORIA

## Financial statements for the financial year ended 30 June 2016

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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**  
**Comprehensive operating statement**  
**for the financial year ended 30 June 2016**

	Notes	2016 \$	2015 \$
<b>Income from transactions</b>			
Output appropriations	17(a)	104,091,201	101,444,471
Special appropriations	17(b)	28,565,415	28,205,145
Grants	4(a)	118,404	30,903
Fair value of assets and services received free of charge	4(b)	-	3,406
Parliament refreshment rooms & gift shop		1,572,796	1,448,990
<b>Total income from transactions</b>		<b>134,347,816</b>	<b>131,132,915</b>
<b>Expenses from transactions</b>			
Employee expenses	5(a)	(77,754,286)	(74,331,809)
Depreciation	5(b)	(14,110,763)	(13,838,568)
Computer software, support & equipment rental		(3,836,896)	(3,590,255)
Capital asset charge		(2,898,106)	(2,218,106)
Interest expense		(73,702)	(50,458)
Parliament refreshment rooms & gift shop	5(c)	(2,002,803)	(1,865,530)
Communications, postage and printing		(7,451,931)	(8,339,741)
Contractors & temporary staff		(2,658,538)	(4,118,541)
Property rental cost		(8,187,784)	(8,123,023)
Supplies & services	5(d)	(14,133,342)	(11,136,184)
<b>Total expenses from transactions</b>		<b>(133,108,151)</b>	<b>(127,612,215)</b>
<b>Net result from transactions (net operating balance)</b>		<b>1,239,665</b>	<b>3,520,700</b>
<b>Other economic flows included in net result</b>			
Net gain / (loss) on non-financial physical assets	6(a)	155,328	255,760
Other gains / (losses) from other economic flows	6(b)	(236,341)	(77,758)
<b>Total other economic flows included in net result</b>		<b>(81,013)</b>	<b>178,002</b>
<b>Net result</b>		<b>1,158,652</b>	<b>3,698,702</b>
<b>Other economic flows - other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus		15,556,800	-
<b>Total other economic flows - other comprehensive income</b>		<b>15,556,800</b>	<b>-</b>
<b>Comprehensive result</b>		<b>16,715,452</b>	<b>3,698,702</b>

The comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 51 to 102.

# PARLIAMENT OF VICTORIA

## Balance sheet as at 30 June 2016

	Notes	2016 \$	2015 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	16(a)	96,765	45,783
Receivables	7	52,241,147	52,829,390
<b>Total financial assets</b>		<b>52,337,912</b>	<b>52,875,173</b>
<b>Non-financial assets</b>			
Inventories - Parliament refreshment room & gift shop		67,703	56,573
Non-financial physical assets classified as held for sale		45,987	84,758
Property, plant and equipment	8	472,216,715	452,338,093
Prepayments		1,981,085	2,415,059
<b>Total non-financial assets</b>		<b>474,311,490</b>	<b>454,894,483</b>
<b>Total assets</b>		<b>526,649,402</b>	<b>507,769,656</b>
<b>Liabilities</b>			
Bank overdraft	16(a)	75,915	127,414
Payables	9	3,998,716	3,629,244
Unearned income		25,447	21,704
Borrowings - Finance leases payable	12	2,954,490	3,052,991
Provisions	10	12,065,708	10,124,629
<b>Total liabilities</b>		<b>19,120,276</b>	<b>16,955,982</b>
<b>Net assets</b>		<b>507,529,126</b>	<b>490,813,674</b>
<b>Equity</b>			
Accumulated surplus / (deficit)		40,617,941	39,459,289
Physical asset revaluation surplus		293,838,757	278,281,957
Contributed capital		173,072,428	173,072,428
<b>Net worth</b>		<b>507,529,126</b>	<b>490,813,674</b>
Commitments for expenditure	13		
Contingent assets and contingent liabilities	14		

The balance sheet should be read in conjunction with the accompanying notes included on pages 51 to 102.

**PARLIAMENT OF VICTORIA**  
**Statement of changes in equity**  
**for the financial year ended 30 June 2016**

	Physical asset revaluation surplus	Accumulated surplus	Contributions by owner	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>	<b>278,281,957</b>	<b>35,760,587</b>	<b>171,178,259</b>	<b>485,220,803</b>
Net result for the year	-	3,698,702	-	<b>3,698,702</b>
Other economic flows	-	-	-	-
Capital appropriations	-	-	1,894,169	<b>1,894,169</b>
<b>Balance at 30 June 2015</b>	<b>278,281,957</b>	<b>39,459,289</b>	<b>173,072,428</b>	<b>490,813,674</b>
Net result for the year	-	1,158,652	-	<b>1,158,652</b>
Other economic flows	15,556,800	-	-	<b>15,556,800</b>
Capital appropriations	-	-	-	-
<b>Balance at 30 June 2016</b>	<b>293,838,757</b>	<b>40,617,941</b>	<b>173,072,428</b>	<b>507,529,126</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes included on pages 51 to 102.

**PARLIAMENT OF VICTORIA**  
**Cash flow statement**  
**for the financial year ended 30 June 2016**

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Government appropriations		132,972,163	132,311,100
Receipts from Parliament refreshment rooms & gift shop		1,719,569	1,672,331
Receipts from other Government departments		360,381	110,493
Goods and services tax recovered from the ATO		5,150,335	5,521,730
<b>Total receipts</b>		<b>140,202,448</b>	139,615,654
<b>Payments</b>			
Payments to suppliers and employees		(116,797,814)	(116,497,103)
Payments to suppliers & employees by Parliament refreshment rooms & gift shop		(1,993,356)	(1,965,493)
Capital asset charge payments		(2,898,106)	(2,218,106)
Interest and other finance costs		(73,702)	(50,458)
<b>Total payments</b>		<b>(121,762,978)</b>	(120,731,160)
<b>Net cash flows from / (used in) operating activities</b>	16(b)	<b>18,439,470</b>	18,884,494
<b>Cash flows from investing activities</b>			
Purchases of non-financial physical assets		(17,413,354)	(19,339,325)
Sales of non-financial physical assets		929,773	1,648,975
<b>Net cash flows from / (used in) investing activities</b>		<b>(16,483,581)</b>	(17,690,350)
<b>Cash flows from financing activities</b>			
Owner contributions by state government		-	1,894,169
Repayment of finance leases		(1,853,408)	(2,642,533)
<b>Net cash flows from / (used in) financing activities</b>		<b>(1,853,408)</b>	(748,364)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>102,481</b>	445,780
Cash and cash equivalents at beginning of financial year		(81,631)	(527,411)
<b>Cash and cash equivalents at end of financial year</b>	16(a)	<b>20,850</b>	(81,631)

The above cash flow statement should be read in conjunction with the accompanying notes included on pages 51 to 102.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Contents**

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**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 1 - Summary of significant accounting policies**

These annual financial statements represent the audited general purpose financial statements for the Parliament of Victoria for the year ended 30 June 2016.

The purpose of the report is to provide users with information about the Parliament's stewardship of resources entrusted to it.

**(a) Statement of compliance**

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (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.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 24.

The annual financial statements were authorised for issue by the President of the Legislative Council and the Speaker of the Legislative Assembly on 18 August 2016.

**(b) Basis of accounting preparation and measurement**

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 AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of property, plant and equipment, (refer to Note 1(k));
- superannuation expense (refer to Note 1(g)); and
- employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(l)).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- the fair value of an asset other than land is generally based on its depreciated replacement value.

Consistent with AASB 13 *Fair Value Measurement*, the Parliament determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 1 - Summary of significant accounting policies (continued)**

- 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.

For the purpose of fair value disclosures, the Parliament has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Parliament determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 Parliament uses the following independent valuers:

- Valuer-General Victoria (VGV) (Land & buildings)
- Sainsbury Books (Cultural assets - Library)
- Armstrong Court (Cultural assets - Other).

The Parliament, in conjunction with the above valuers, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

**(c) Reporting entity**

The financial statements include all the activities of the Parliament of Victoria. 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 the Parliament's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

***Objectives and funding***

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 2 *Parliament (controlled) outputs*.

***Outputs of the Parliament of Victoria***

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 (Note 2).

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 (see Note 3).

**(d) Basis of consolidation**

***Administered items***

Certain resources are administered by the Parliament on behalf of the State. While the Parliament is accountable for the transactions involving administered items, it does not have the discretion to deploy the resources for its own benefit or the achievement of its objectives. Accordingly, transactions and balances relating to administered items are not recognised as Parliament income, expenses, assets or liabilities within the body of the financial statements.

**Note 1 - Summary of significant accounting policies (continued)**

Administered income includes sale of goods and services, and receipts toward the Public Service Commuter Club. Administered assets are amounts receivable toward the Public Service Commuter Club. Administered liabilities are advances received toward the Public Service Commuter Club.

Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for recognition of the controlled Parliament items in the financial statements. Both controlled and administered items of Parliament are consolidated into the financial statements of the State.

Disclosures related to administered items can be found in Note 3.

**(e) Scope and presentation of financial statements**

***Comprehensive operating statement***

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

'Other economic flows' are changes arising from market remeasurements. They include:

- gains and losses from disposals of non-financial assets; and
- remeasurement arising from revaluation of long service leave liability.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

***Balance sheet***

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provisions of employee benefits, which are classified as current liabilities if Parliament does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

***Statement of changes in equity***

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts recognised in 'Other economic flows' related to 'Transactions with owner in its capacity as owner'.

***Cash flow statement***

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

***Rounding***

Amounts in the financial statements have been rounded to the nearest whole dollar, unless otherwise stated.

**(f) Income from transactions**

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

**Note 1 - Summary of significant accounting policies (continued)**

***Appropriation income***

Appropriated income becomes controlled and is recognised by the Parliament when it is appropriated from the Consolidated Fund by the Victorian Parliament and applied to the purposes defined under the relevant appropriations Act. Additionally, the Parliament is permitted under Section 29 of the FMA to have certain income annotated to the annual appropriation. The income which forms part of a Section 29 agreement is recognised by the Parliament and the receipts paid into the Consolidated Fund as an administered item. At the point of income recognition, Section 29 provides for an equivalent amount to be added to the annual appropriation. Examples of receipts which can form part of a Section 29 agreement are the proceeds from the sale of assets and income from the sale of products and services.

Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. All amounts of income over which the Parliament does not have control are disclosed as administered income in the schedule of administered income and expenses (see Note 3). Income is recognised for each of the Parliament's major activities as follows:

***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.

***Special appropriations***

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

- audit of the Auditor-General's Office (under the *Audit Act No. 2 of 1994*)
- salary for the Clerk of the Parliaments (under the *Constitution Act No. 8750*)
- salaries for the Legislative Assembly (under the *Constitution Act No. 8750*)
- salaries for the Legislative Council (under the *Constitution Act No. 8750*)
- Parliamentary benefits and superannuation (under the *Parliamentary Contributory Superannuation Act No. 89*)
- Parliamentary salaries and superannuation (under the *Parliamentary Salaries & Superannuation Act No. 7723*).

***Grants***

Income from grants (other than contribution by owners) is recognised when the Parliament obtains control over the contribution.

For reciprocal grants (i.e. equal value is given back by the Parliament to the provider), the Parliament is deemed to have assumed control when the Parliament has satisfied its performance obligations under the terms of the grant agreement.

***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 1 - Summary of significant accounting policies (continued)**

**(g) Expenses from transactions**

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

***Employee expenses***

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

Refer to the section in Note 1(l) regarding employee benefits.

***Superannuation***

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) in their Annual Financial Statements, recognise on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's annual financial statements for more detailed disclosures in relation to these plans.

***Depreciation***

All buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases and assets held-for-sale) that have a limited useful life are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

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

The estimated useful lives for the different asset classes for both current and prior year can be found in Note 8.

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

***Computer software, support & equipment rental***

Computer software, support & equipment rental include payments for software, equipment rental, and the support of the IT infrastructure.

Computer software, support & equipment rental expenses are recognised as an expense in the reporting period in which they are incurred.

***Capital asset charge***

The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets.

***Interest expense***

Interest expense is recognised in the period in which it is incurred. Refer to glossary of terms in Note 24 for an explanation of interest expense items.

***Parliament refreshment rooms & gift shop***

Parliament refreshment room & gift shop expenses include cost of goods sold and other operating expenses.

**Note 1 - Summary of significant accounting policies (continued)**

***Communications, postage & printing***

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

***Contractors & temporary staff***

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

***Property rental cost***

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 & services***

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

***Bad and doubtful debts***

Refer to Note 1(j) Impairment of financial assets.

***Fair value of assets and services provided free of charge***

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

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 donated.

**(h) Other economic flows**

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. These include:

***Net gain / (loss) on non-financial assets***

Net gain / (loss) on non-financial assets includes realised and unrealised gains and losses as follows:

***Net gain/(loss) on disposal of non-financial physical assets***

Any gain or loss on the disposal of non-financial physical assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

***Impairment of non-financial assets***

All assets are assessed annually for indications of impairment, except for:

- inventories (refer to Note 1(k));
- non-financial physical assets classified as held-for-sale (refer to Note 1(k)).

If there is an indication of impairment, 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 the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell.

Refer to Note 1(k) in relation to the recognition and measurement of non-financial assets.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 1 - Summary of significant accounting policies (continued)**

***Net gain / (loss) on financial instruments***

Net gain / (loss) on financial instruments includes impairment and reversal of impairment for financial instruments at amortised cost.

***Other gains / (losses) from other economic flows***

Other gains / (losses) from other economic flows include the gains or losses from:

- transfer of amounts from the reserves to accumulated surplus or net result due to disposal of non-financial physical assets; and
- the revaluation of the present value of long service leave liability due to changes in the bond interest rates.

**(i) Financial instruments**

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. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

***Categories of non-derivative financial instruments***

**Loans and receivables**

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets 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, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(j)), trade receivables and other receivables, but not statutory receivables.

**Financial liabilities at amortised cost**

Financial instrument liabilities 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.

Financial instrument liabilities measured at amortised cost include all of Parliament's contractual payables and interest bearing arrangements.

**(j) Financial assets**

***Cash and deposits***

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 a liability on the balance sheet.

**Note 1 - Summary of significant accounting policies (continued)**

***Receivables***

Receivables consist of:

- statutory receivables, which include predominantly amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable; and
- contractual receivables, which include mainly debtors in relation to goods and services.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(i) for recognition and measurement). Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

***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. All financial instrument assets are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent, and the allowance for doubtful receivables, are classified as other economic flows in the net result.

The amount of 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.

**(k) Non-financial assets**

***Inventories***

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.

***Non-financial physical assets classified as held-for-sale***

Non-financial physical assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition; and
- the sale is highly probable and the asset's sale is expected to be completed within twelve months from the date of classification.

These non-financial physical assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

***Property, plant and equipment***

All non-financial physical assets excluding held-for-sale 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 initial cost for non-financial physical assets under a finance lease (refer to Note 1(m)) 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.

Non-financial physical assets such as Crown land and heritage assets are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

**Note 1 - Summary of significant accounting policies (continued)**

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.

The fair value of plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Leasehold improvements

The cost of a leasehold improvement is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

Restrictive nature of cultural and heritage assets and Crown land

The Parliament holds cultural assets, heritage assets and Crown land, which are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. Consequently, there are certain limitations and restrictions imposed on their use and/or disposal. Refer to the commentary following table 8.3 for information relating to the valuation of cultural & heritage assets and crown land.

Non-financial physical assets constructed by the Parliament

The cost of non-financial physical assets constructed by the Parliament includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the Financial Reporting Direction (FRD) issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations. Any interim revaluations are determined in accordance with the requirements of the FRD.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value. Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows – other comprehensive income' and accumulated in equity under the physical asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised in 'Other economic flows – other comprehensive income' to the extent that a credit balance exists in the physical asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'Other economic flows – other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes.

The physical asset revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

**Note 1 - Summary of significant accounting policies (continued)**

***Prepayments***

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.

**(l) Liabilities**

***Payables***

Payables consist of:

- contractual payables, such as accounts payable. Accounts payable represent liabilities for goods and services provided to the Parliament prior to the end of the financial year that are unpaid, and arise when the Parliament becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(i)). Statutory payables 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 a contract.

***Borrowings - Finance leases payable***

Borrowings are initially measured at fair value, being the cost of the borrowings, net of transaction costs (refer also to Note 1(m) Leases).

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the borrowing using the effective interest method.

***Provisions***

Provisions are recognised when the Parliament has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that the amount will be received and the amount of the receivable can be measured reliably.

***Employee benefits***

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

***(i) Wages and salaries and annual leave***

Liabilities for wages and salaries, including non monetary benefits and annual leave, are all recognised in the provision for employee benefits as 'current liabilities', because the Parliament does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

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

**Note 1 - Summary of significant accounting policies (continued)**

**(ii) Long service leave**

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements 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:

- nominal value - if the Parliament expects to wholly settle within 12 months; and
- present value - component that the 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 liability 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' (refer to Note 1(h)).

**(iii) Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Parliament recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**Employee benefit on-costs**

Employee benefits on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

**(m) Leases**

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

**Finance leases**

**Parliament of Victoria as lessee**

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 lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset. If there is certainty that the Parliament will obtain the ownership of the lease asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability, and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

**Note 1 - Summary of significant accounting policies (continued)**

***Operating leases***

***Parliament of Victoria as lessee***

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**(n) Equity**

***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 the Parliament.

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

**(o) Commitments**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 13) at their nominal value and inclusive of the goods and services tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

**(p) Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 14) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

**(q) Accounting for goods and services tax (GST)**

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which were recovered from, or paid to the taxation authority, are presented as operating cash flow.

Commitments and contingent assets and liabilities are also stated inclusive of GST (refer to Note 1(o) and Note 1(p)).

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
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**Note 1 - Summary of significant accounting policies (continued)**

**(r) Events after the reporting period**

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Parliament and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period.

Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

**(s) AASs issued that are not yet effective**

Certain new AASs have been published that are not mandatory for the 30 June 2016 reporting period. The Parliament assesses the impact of these new standards and early adopts where applicable. Parliament of Victoria has not adopted these standards early.

**Note 2 - Parliament (controlled) outputs**

A description of the Parliament of Victoria outputs performed during the year ended 30 June 2016, 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 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.

**PARLIAMENT OF VICTORIA**  
Notes to the financial statements  
30 June 2016

**Note 2 - Parliament (controlled) outputs (continued)**  
**Schedule A - Controlled income and expenses for the year ended 30 June 2016**

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
<b>Income from transactions</b>					
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
<b>Total income from transactions</b>	<b>13,832,803</b>	<b>23,691,244</b>	<b>89,862,003</b>	<b>6,961,766</b>	<b>134,347,816</b>
<b>Expenses from transactions</b>					
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)
<b>Total expenses from transactions</b>	<b>(13,796,803)</b>	<b>(23,376,244)</b>	<b>(89,734,338)</b>	<b>(6,200,766)</b>	<b>(133,108,151)</b>
<b>Net result from transactions (net operating balance)</b>	<b>36,000</b>	<b>315,000</b>	<b>127,665</b>	<b>761,000</b>	<b>1,239,665</b>
<b>Other economic flows included in net result</b>					
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)
<b>Total other economic flows included in net result</b>	<b>(29,188)</b>	<b>(96,476)</b>	<b>71,688</b>	<b>(27,037)</b>	<b>(81,013)</b>
<b>Net result</b>	<b>6,812</b>	<b>218,524</b>	<b>199,353</b>	<b>733,963</b>	<b>1,158,652</b>
<b>Other economic flows - other comprehensive income items that will not be reclassified to net result</b>					
Changes in physical asset revaluation surplus	-	-	15,556,800	-	15,556,800
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>15,556,800</b>	<b>-</b>	<b>15,556,800</b>
<b>Comprehensive result</b>	<b>6,812</b>	<b>218,524</b>	<b>15,756,153</b>	<b>733,963</b>	<b>16,715,452</b>

The comparative Parliament outputs schedule for the year ended 30 June 2015 appears on the following page.

**PARLIAMENT OF VICTORIA**  
Notes to the financial statements  
30 June 2016

**Note 2 - Parliament (controlled) outputs (continued)**  
**Schedule B - Controlled income and expenses for the year ended 30 June 2015**

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
<b>Income from transactions</b>					
Output appropriations	3,251,549	4,633,761	86,546,404	7,012,757	101,444,471
Special appropriations	9,292,416	18,912,729	-	-	28,205,145
Grants	-	-	30,903	-	30,903
Fair value of assets and services received free of charge	-	-	3,406	-	3,406
Parliament refreshment rooms & gift shop	-	-	1,448,990	-	1,448,990
<b>Total income from transactions</b>	<b>12,543,965</b>	<b>23,546,490</b>	<b>88,029,703</b>	<b>7,012,757</b>	<b>131,132,915</b>
<b>Expenses from transactions</b>					
Employee expenses	(11,718,153)	(20,928,475)	(37,975,798)	(3,709,383)	(74,331,809)
Depreciation	-	-	(13,838,568)	-	(13,838,568)
Computer software, support & equipment rental	(7,708)	(18,421)	(3,398,980)	(165,146)	(3,590,255)
Capital asset charge	-	-	(2,218,106)	-	(2,218,106)
Interest expense	(15,009)	(33,021)	(2,428)	-	(50,458)
Parliament refreshment rooms & gift shop	-	-	(1,865,530)	-	(1,865,530)
Communications, postage and printing	(42,524)	(80,581)	(8,121,955)	(94,681)	(8,339,741)
Contractors & temporary staff	(9,774)	(9,386)	(4,099,381)	-	(4,118,541)
Property rental cost	(56,743)	-	(7,485,244)	(581,036)	(8,123,023)
Supplies & services	(542,054)	(1,116,606)	(9,159,013)	(318,511)	(11,136,184)
<b>Total expenses from transactions</b>	<b>(12,391,955)</b>	<b>(22,186,490)</b>	<b>(88,165,003)</b>	<b>(4,868,757)</b>	<b>(127,612,215)</b>
<b>Net result from transactions (net operating balance)</b>	<b>152,000</b>	<b>1,360,000</b>	<b>(135,300)</b>	<b>2,144,000</b>	<b>3,520,700</b>
<b>Other economic flows included in net result</b>					
Net gain / (loss) on non-financial physical assets	-	-	255,760	-	255,760
Other gains / (losses) from other economic flows	(3,765)	(2,353)	(63,827)	(7,813)	(77,758)
<b>Total other economic flows included in net result</b>	<b>(3,765)</b>	<b>(2,353)</b>	<b>191,933</b>	<b>(7,813)</b>	<b>178,002</b>
<b>Net result</b>	<b>148,235</b>	<b>1,357,647</b>	<b>56,633</b>	<b>2,136,187</b>	<b>3,698,702</b>
<b>Other economic flows - other comprehensive income</b>					
<b>Items that will not be reclassified to net result</b>					
Changes in physical asset revaluation surplus	-	-	-	-	-
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive result</b>	<b>148,235</b>	<b>1,357,647</b>	<b>56,633</b>	<b>2,136,187</b>	<b>3,698,702</b>

**PARLIAMENT OF VICTORIA**  
Notes to the financial statements  
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**Note 2 - Parliament (controlled) outputs (continued)**

**Schedule C - Controlled assets and liabilities as at 30 June 2016**

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
<b>Assets</b>					
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
<b>Total assets</b>	<b>873,626</b>	<b>1,168,349</b>	<b>522,801,717</b>	<b>1,805,710</b>	<b>526,649,402</b>
<b>Liabilities</b>					
	(1,531,687)	(2,265,967)	(13,938,451)	(1,384,171)	(19,120,276)
<b>Total liabilities</b>	<b>(1,531,687)</b>	<b>(2,265,967)</b>	<b>(13,938,451)</b>	<b>(1,384,171)</b>	<b>(19,120,276)</b>
<b>Net assets / (liabilities)</b>	<b>(658,061)</b>	<b>(1,097,618)</b>	<b>508,863,266</b>	<b>421,539</b>	<b>507,529,126</b>

The comparative Parliament outputs schedule for the year ended 30 June 2015 appears on the following page.

**PARLIAMENT OF VICTORIA**  
Notes to the financial statements  
30 June 2016

**Note 2 - Parliament (controlled) outputs (continued)**

**Schedule D - Controlled assets and liabilities as at 30 June 2015**

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
<b>Assets</b>					
Financial assets	804,289	1,525,658	47,440,852	3,104,374	52,875,173
Non-financial assets	5,478	14,890	454,809,729	64,386	454,894,483
<b>Total assets</b>	<b>809,767</b>	<b>1,540,548</b>	<b>502,250,581</b>	<b>3,168,760</b>	<b>507,769,656</b>
<b>Liabilities</b>					
	(1,472,829)	(1,587,276)	(12,747,378)	(1,148,499)	(16,955,982)
<b>Total liabilities</b>	<b>(1,472,829)</b>	<b>(1,587,276)</b>	<b>(12,747,378)</b>	<b>(1,148,499)</b>	<b>(16,955,982)</b>
<b>Net assets / (liabilities)</b>	<b>(663,062)</b>	<b>(46,728)</b>	<b>489,503,203</b>	<b>2,020,261</b>	<b>490,813,674</b>

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 3 - Administered (non-controlled) 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	
	2016 \$	2015 \$	2016 \$	2015 \$
<b>Administered income from transactions</b>				
Sale of goods and services	169,516	135,908	169,516	135,908
Receipts towards Public Service Commuter Club	64,775	76,674	64,775	76,674
<b>Total administered income from transactions</b>	<b>234,291</b>	<b>212,582</b>	<b>234,291</b>	<b>212,582</b>
<b>Administered expenses from transactions</b>				
Payments towards Public Service Commuter Club	(63,962)	(63,049)	(63,962)	(63,049)
Payments into the Consolidated Fund	(169,516)	(135,908)	(169,516)	(135,908)
<b>Total administered expenses from transactions</b>	<b>(233,478)</b>	<b>(198,957)</b>	<b>(233,478)</b>	<b>(198,957)</b>
<b>Total administered net result from transactions (net operating balance)</b>	<b>813</b>	<b>13,625</b>	<b>813</b>	<b>13,625</b>
<b>Administered other economic flows included in the administered net result</b>	-	-	-	-
<b>Administered net result</b>	<b>813</b>	<b>13,625</b>	<b>813</b>	<b>13,625</b>
<b>Administered other economic flows - other non- owner changes in equity</b>	-	-	-	-
<b>Total administered comprehensive result</b>	<b>813</b>	<b>13,625</b>	<b>813</b>	<b>13,625</b>
<b>Administered financial assets</b>				
Receivables	31,701	32,514	31,701	32,514
<b>Total administered assets</b>	<b>31,701</b>	<b>32,514</b>	<b>31,701</b>	<b>32,514</b>
<b>Administered liabilities</b>				
Payables	(31,701)	(32,514)	(31,701)	(32,514)
<b>Total administered liabilities</b>	<b>(31,701)</b>	<b>(32,514)</b>	<b>(31,701)</b>	<b>(32,514)</b>
<b>Total administered net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
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	2016 \$	2015 \$
<b>Note 4 - Income from transactions</b>		
<b>(a) Grants</b>		
Department of Education & Training	28,404	30,903
Department of Health & Human Services	90,000	-
	<b>118,404</b>	<b>30,903</b>
<b>(b) Fair value of assets and services received free of charge</b>		
Services received free of charge	-	3,406
	-	<b>3,406</b>

**Note 5 - Expenses from transactions**

<b>(a) Employee expenses</b>		
Salaries and wages <sup>(a)</sup>	62,208,200	60,476,299
Annual leave and long service leave expense	5,177,936	3,923,281
Superannuation contribution	5,812,459	5,452,228
State Employees Retirement Benefits Scheme - contribution	25,725	25,009
Work cover premiums	202,347	230,930
Payroll tax	3,515,084	3,441,898
Fringe benefits tax	812,535	782,164
<b>Total employee expenses</b>	<b>77,754,286</b>	<b>74,331,809</b>

*(a) Salaries and wages includes all salaries and allowances paid to Members of Parliament, however, excludes Ministers' and Ministers' staff salaries and allowances which are paid by the Department of Premier and Cabinet.*

<b>(b) Depreciation</b>		
Depreciation of non-current assets:		
Buildings at fair value	10,352,569	9,941,460
Plant, equipment & vehicles at fair value	3,304,152	3,434,900
Leasehold improvements	454,042	462,208
<b>Total depreciation</b>	<b>14,110,763</b>	<b>13,838,568</b>

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**2016**                      **2015**  
**\$**                              **\$**

**Note 5 - Expenses from transactions (continued)**

**(c) Parliament refreshment rooms & gift shop**

The Parliament refreshment rooms & gift shop operate within the Parliamentary complex:

Cost of goods sold	<b>537,179</b>	504,785
Salaries and wages	<b>1,320,800</b>	1,248,346
Other expenditure	<b>144,824</b>	112,399
	<b>2,002,803</b>	<b>1,865,530</b>

**(d) Supplies & services**

Acts, bills and statutory rules	<b>154,450</b>	158,968
Advertising	<b>1,133,263</b>	1,716,290
Cleaning expenses	<b>968,761</b>	941,002
Electorate office expenses	<b>1,160,946</b>	819,747
Insurance	<b>334,973</b>	346,153
Legal costs	<b>1,026,691</b>	253,372
Maintenance contractors & consumables	<b>685,571</b>	559,726
Minor equipment purchase and repair	<b>422,984</b>	477,460
Motor vehicle running costs	<b>571,642</b>	575,167
Office expenses	<b>497,830</b>	477,883
Office requisites and stationery	<b>462,332</b>	494,019
Other operating expenses	<b>817,393</b>	688,370
Professional services	<b>994,369</b>	598,445
Relocations and maintenance	<b>1,732,857</b>	1,212,147
Security	<b>1,129,944</b>	605,346
Fair value of assets and services provided free of charge	<b>34,500</b>	35,000
Travel and subsistence	<b>1,101,878</b>	309,811
Utilities	<b>902,958</b>	867,278
	<b>14,133,342</b>	<b>11,136,184</b>

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
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	2016 \$	2015 \$
<b>Note 6 - Other economic flows included in net result</b>		
<b>(a) Net gain / (loss) on non-financial physical assets</b>		
Proceeds from sale	929,773	1,648,975
Written down value of assets sold	(774,445)	(1,393,215)
<b>Total net gain / (loss) on non-financial physical assets</b>	<b>155,328</b>	<b>255,760</b>
<b>(b) Other gains / (losses) from other economic flows</b>		
Net gain / (loss) arising from revaluation of long service leave liability <sup>(a)</sup>	(236,341)	(77,758)
<b>Total other gains / (losses) from other economic flows</b>	<b>(236,341)</b>	<b>(77,758)</b>

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

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

	2016 \$	2015 \$
<b>Note 7 - Receivables</b>		
<b>Current receivables</b>		
<b>Contractual</b>		
Debtors - Parliament refreshment rooms	134,965	76,683
Other receivables	100,781	498
	<u>235,746</u>	<u>77,181</u>
<b>Statutory</b>		
Amount owing from Victorian Government <sup>(a)</sup>	8,149,441	6,899,543
GST input tax credit recoverable	833,342	1,022,627
	<u>8,982,783</u>	<u>7,922,170</u>
<b>Total current receivables</b>	<u><b>9,218,529</b></u>	<u><b>7,999,351</b></u>
<b>Non current receivables</b>		
<b>Statutory</b>		
Amount owing from Victorian Government <sup>(a)</sup>	43,022,618	44,830,039
<b>Total non current receivables</b>	<u><b>43,022,618</b></u>	<u><b>44,830,039</b></u>
<b>Total receivables</b>	<u><b>52,241,147</b></u>	<u><b>52,829,390</b></u>

*(a) The amounts recognised from Victorian Government represent funding for all commitments incurred through the appropriations and are drawn from the Consolidated Fund as the commitments fall due.*

**(a) Ageing analysis of contractual receivables**

Please refer to Table 15.2 in Note 15 for the ageing analysis of contractual receivables.

**(b) Nature and extent of risk arising from contractual receivables**

Please refer to Note 15 for the nature and extent of risks arising from contractual receivables.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 8 - Property, plant and equipment**

**Table 8.1: Public Administration purpose group - carrying amounts**

<b>As at 30 June 2016</b>	<b>Gross carrying amount</b>	<b>Accumulated depreciation</b>	<b>Net carrying amount</b>
<b>Description</b>			
Land at fair value	75,556,800	-	75,556,800
Buildings at fair value	410,072,569	(39,563,608)	370,508,961
Plant, equipment & vehicles at fair value	23,732,543	(13,275,856)	10,456,687
Cultural assets at fair value	11,969,865	-	11,969,865
Leasehold improvements	4,778,520	(3,474,797)	1,303,723
Assets under construction at cost	2,420,679	-	2,420,679
<b>Total</b>	<b>528,530,976</b>	<b>(56,314,261)</b>	<b>472,216,715</b>

<b>As at 30 June 2015</b>	<b>Gross carrying amount</b>	<b>Accumulated depreciation</b>	<b>Net carrying amount</b>
<b>Description</b>			
Land at fair value	60,000,000	-	60,000,000
Buildings at fair value	396,591,879	(29,211,039)	367,380,840
Plant, equipment & vehicles at fair value	21,593,985	(11,585,076)	10,008,909
Cultural assets at fair value	11,969,865	-	11,969,865
Leasehold improvements	4,615,806	(3,020,756)	1,595,050
Assets under construction at cost	1,383,429	-	1,383,429
<b>Total</b>	<b>496,154,964</b>	<b>(43,816,871)</b>	<b>452,338,093</b>

**Valuation of assets**

Independent valuations of the Parliament's land & buildings, library collection, and other cultural assets were performed by the following valuers to determine the fair value of the assets:

Land and buildings	- Valuer-General Victoria
Cultural assets - Library	- Sainsbury Books
Cultural assets - Other	- Armstrong Court

The valuations, which conform to Australian Valuation Standards, were determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction, except in the case of buildings which are based on depreciated replacement cost.

The effective date of the valuations is June 2012.

**PARLIAMENT OF VICTORIA**  
Notes to the financial statements  
30 June 2016

Note 8 - Property, plant and equipment (continued)  
Table 8.2: Public Administration Purpose group - movements in carrying amounts

	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
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2016</b>							
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
Assets received free of charge	-	-	-	-	-	-	-
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 (Note 5(b))	-	(10,352,569)	(3,304,152)	-	(454,042)	-	(14,110,763)
<b>Closing balance</b>	<b>75,556,800</b>	<b>370,508,961</b>	<b>10,456,687</b>	<b>11,969,865</b>	<b>1,303,723</b>	<b>2,420,679</b>	<b>472,216,715</b>
<b>Year ended 30 June 2015</b>							
Opening balance	60,000,000	361,763,343	9,364,926	11,969,865	1,921,186	760,177	445,779,497
Additions	-	-	2,445,089	-	-	19,247,537	21,692,626
Assets received free of charge	-	-	-	-	-	-	-
Disposals / retirements	-	-	(1,210,704)	-	-	-	(1,210,704)
Revaluations	-	-	-	-	-	-	-
Transfer in / (out) of assets under construction	-	15,558,957	2,929,255	-	136,073	(18,624,285)	-
Transfer to disposal group held for sale	-	-	(84,758)	-	-	-	(84,758)
Depreciation expense (Note 5(b))	-	(9,941,460)	(3,434,899)	-	(462,209)	-	(13,838,568)
<b>Closing balance</b>	<b>60,000,000</b>	<b>367,380,840</b>	<b>10,008,909</b>	<b>11,969,865</b>	<b>1,595,050</b>	<b>1,383,429</b>	<b>452,338,093</b>

The following useful lives of assets are used in the calculation of depreciation:

	Depreciation Rate %
2015-16	2014-15
1.72 to 10	1.72 to 10
5 to 50	5 to 50
10	10

**Restricted assets**

The Parliament of Victoria holds \$382 million worth of properties being listed as heritage assets.

**Depreciation by class of asset**

Aggregate depreciation allocated during the year is recognised as an expense and disclosed in Note 5(b) to the financial statements.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 8 - Property, plant and equipment (continued)**

**Table 8.3: Fair value measurement hierarchy for assets**

As at 30 June 2016 Description	Carrying amount as at 30 June 2016	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(a)</sup>	Level 2 <sup>(a)</sup>	Level 3 <sup>(a)</sup>
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
<b>Cultural assets at fair value</b>				
Library collection	8,033,006	-	8,033,006	-
Other	3,936,859	-	3,936,859	-
<b>Total cultural assets at fair value</b>	<b>11,969,865</b>	<b>-</b>	<b>11,969,865</b>	<b>-</b>
<b>Total</b>	<b>465,600,205</b>	<b>-</b>	<b>11,969,865</b>	<b>453,630,340</b>
<hr/>				
As at 30 June 2015 Description	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(a)</sup>	Level 2 <sup>(a)</sup>	Level 3 <sup>(a)</sup>
Land at fair value - specialised land	60,000,000	-	-	60,000,000
Buildings at fair value - heritage buildings	367,380,840	-	-	367,380,840
Plant & equipment at fair value	7,058,859	-	-	7,058,859
<b>Cultural assets at fair value</b>				
Library collection	8,033,006	-	8,033,006	-
Other	3,936,859	-	3,936,859	-
<b>Total cultural assets at fair value</b>	<b>11,969,865</b>	<b>-</b>	<b>11,969,865</b>	<b>-</b>
<b>Total</b>	<b>446,409,564</b>	<b>-</b>	<b>11,969,865</b>	<b>434,439,699</b>

(a) Classified in accordance with the fair value hierarchy, see Note 1(b).

There have been no transfers between levels during the period.

**Note 8 - Property, plant and equipment (continued)**

***Specialised land & heritage buildings***

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.

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 2012.

A managerial revaluation was performed on Parliament's specialised land at 30 June 2016 in accordance with FRD 103F *Non-Financial Physical Assets*.

***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.

***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 2012.

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 2012.

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 2016.

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 2016**

**Note 8 - Property, plant and equipment (continued)**

**Table 8.4: Reconciliation of Level 3 fair value**

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

<b>Year ended 30 June 2015</b>	<b><i>Specialised land</i></b>	<b><i>Heritage buildings</i></b>	<b><i>Plant &amp; equipment</i></b>
<b>Opening balance</b>	<b>60,000,000</b>	<b>361,763,343</b>	<b>6,231,101</b>
Purchases (sales)	-	-	91,788
Transfer in / (out) of assets under construction	-	15,558,957	2,929,255
Transfers in (out) of Level 3	-	-	-
<b>Gains or losses recognised in net result</b>			
Depreciation	-	(9,941,460)	(2,193,285)
Impairment loss	-	-	-
<b>Subtotal</b>	<b>60,000,000</b>	<b>367,380,840</b>	<b>7,058,859</b>
<b>Gains or losses recognised in other economic flows - other comprehensive income</b>			
Revaluation	-	-	-
<b>Closing balance</b>	<b>60,000,000</b>	<b>367,380,840</b>	<b>7,058,859</b>

**Note 8 - Property, plant and equipment (continued)**

**Table 8.5: Description of significant unobservable inputs to Level 3 valuations**

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

The significant unobservable inputs have remain unchanged from 2015.

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	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Note 9 - Payables</b>		
<b>Current Payables</b>		
<b><i>Contractual</i></b>		
Supplies and services	<b>2,742,448</b>	2,710,344
Accrued salaries & wages	<b>711,755</b>	389,992
	<b>3,454,203</b>	3,100,336
<b><i>Statutory</i></b>		
Fringe Benefits Tax	<b>202,993</b>	202,424
Payroll tax	<b>341,520</b>	326,484
	<b>544,513</b>	528,908
<b>Total current payables</b>	<b>3,998,716</b>	3,629,244
<b>Total payables</b>	<b>3,998,716</b>	3,629,244

**(a) Maturity analysis of contractual payables**

Please refer to Table 15.3 in Note 15 for the maturity analysis of contractual payables.

**(b) Nature and extent of risk arising from contractual payables**

Please refer to Note 15 for the nature and extent of risks arising from contractual payables.

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	2016	2015
	\$	\$
<b>Note 10 - Provisions</b>		
<b>(a) Employee benefits and related on-costs</b>		
<b>Current provisions</b>		
Employee benefits - annual leave:		
Unconditional and expected to be settled within 12 months	2,549,402	2,268,347
Unconditional and expected to be settled after 12 months <sup>(a)</sup>	1,427,064	1,262,824
On-costs	636,235	564,988
	<u>4,612,701</u>	<u>4,096,159</u>
Employee benefits - long service leave:		
Unconditional and expected to be settled within 12 months	876,991	2,558,420
Unconditional and expected to be settled after 12 months <sup>(a)</sup>	4,365,017	1,823,117
On-costs	838,722	701,046
	<u>6,080,730</u>	<u>5,082,583</u>
Termination benefits	208,197	-
Back pay of Parliamentary Officer salary increases	149,646	-
<b>Total current provisions</b>	<u>11,051,274</u>	<u>9,178,742</u>
<b>Non-current provisions</b>		
Employee benefits - long service leave <sup>(a)</sup>	874,512	815,420
On-costs	139,922	130,467
<b>Total non-current provisions</b>	<u>1,014,434</u>	<u>945,887</u>
<b>Total provisions</b>	<u>12,065,708</u>	<u>10,124,629</u>

(a) The amounts disclosed are discounted to present values.

**(b) Movement in provisions**

	2016					Total
	Annual leave	Long service leave	On-costs	Termination benefits	Backdated salary increases	
<b>Opening balance</b>	3,531,170	5,196,958	1,396,501	-	-	<b>10,124,629</b>
Additional provisions recognised	3,279,259	1,439,827	755,054	208,197	149,646	<b>5,831,983</b>
Reduction arising from payments / other sacrifices of future economic benefits	(2,833,963)	(756,606)	(536,676)	-	-	<b>(4,127,245)</b>
Unwind of discount and effect of changes in the discount rate	-	236,341	-	-	-	<b>236,341</b>
<b>Closing balance</b>	<u>3,976,466</u>	<u>6,116,520</u>	<u>1,614,879</u>	<u>208,197</u>	<u>149,646</u>	<b>12,065,708</b>
Current	3,976,466	5,242,008	1,474,957	208,197	149,646	<b>11,051,274</b>
Non-current	-	874,512	139,922	-	-	<b>1,014,434</b>
	<u>3,976,466</u>	<u>6,116,520</u>	<u>1,614,879</u>	<u>208,197</u>	<u>149,646</u>	<b>12,065,708</b>

**(c) Employee numbers**

	2016	2015
Average number of employees during the financial year	<u>780</u>	<u>767</u>

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**Note 11 - Superannuation**

Employees of the Parliament of Victoria 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.

Parliament does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefit liabilities in its disclosure of administered items.

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.

The name and details of the major employee superannuation funds and contributions made by the Parliament are as follows:

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>Defined benefit plans:</b>				
Parliamentary Contributory Super Scheme	-	-	-	-
Emergency Services and State Super Scheme:				
~ Emp New & Revised	<b>183,032</b>	212,328	-	-
<b>Defined contribution plans:</b>				
VicSuper	<b>3,449,359</b>	3,428,896	-	-
Other	<b>2,180,068</b>	1,811,004	-	-
<b>Total</b>	<b>5,812,459</b>	<b>5,452,228</b>	-	-

The bases for determining the level of contributions is determined by the various actuaries of the superannuation plans.

The above amounts were measured as at 30 June of each year, or in the case of employer contribution plans they relate to the years ended 30 June.

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**Note 12 - Borrowings - Finance leases payable**

Finance leases relate to motor vehicles with lease terms of three years.

	Minimum future lease payments <sup>(a)</sup>		Present value of minimum future lease payments	
	2016	2015	2016	2015
Not longer than one year	<b>1,806,391</b>	1,735,133	<b>1,731,510</b>	1,636,510
Longer than one year and not longer than five years	<b>1,252,777</b>	1,457,889	<b>1,222,980</b>	1,416,481
<b>Minimum future lease payments<sup>(a)</sup></b>	<b>3,059,168</b>	3,193,022	<b>2,954,490</b>	3,052,991
Less future finance charges	<b>(104,678)</b>	(140,031)	-	-
<b>Present value of minimum lease payments</b>	<b>2,954,490</b>	3,052,991	<b>2,954,490</b>	3,052,991
<b>Included in the financial statements as:</b>				
Borrowings - Finance leases payable			<b>2,954,490</b>	3,052,991

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

**(a) Maturity analysis of finance lease liabilities**

Please refer to Table 15.3 in Note 15 for the ageing analysis of finance lease liabilities.

**(b) Nature and extent of risk arising from finance liabilities**

Please refer to Note 15 for the nature and extent of risks arising from finance lease liabilities.

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	2016 \$	2015 \$
<b>Note 13 - Commitments for expenditure</b>		
The following commitments have not been recognised as liabilities in the financial statements: <sup>(a)</sup>		
<b>Capital expenditure commitments</b>		
Not longer than one year	6,512,442	2,566,118
Longer than one year and not longer than five years	-	-
<b>Total capital expenditure commitments</b>	<b>6,512,442</b>	<b>2,566,118</b>
<b>Operating lease commitments <sup>(b)</sup></b>		
Not longer than one year	5,874,443	5,795,233
Longer than one year and not longer than five years	9,239,206	7,502,448
Longer than five years	472,769	529,128
<b>Total operating lease commitments</b>	<b>15,586,418</b>	<b>13,826,809</b>
<b>Other commitments payable</b>		
Not longer than one year	575,985	622,200
Longer than one year and not longer than five years	200,383	74,553
<b>Total other commitments payable</b>	<b>776,368</b>	<b>696,753</b>
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>22,875,228</b>	<b>17,089,680</b>
<b>Less GST recoverable from the Australian Taxation Office</b>	<b>(2,048,661)</b>	<b>(1,489,635)</b>
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>20,826,567</b>	<b>15,600,045</b>

(a) For future finance lease payments that are recognised on the balance sheet, refer to Note 12 Borrowings - Finance leases payable.

(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.

**Note 14 - Contingent assets and liabilities**

**Contingent assets**

The Parliament has no contingent assets at the reporting date (2015- Nil).

**Contingent liabilities**

Bank guarantee for protection of identified trees during construction works.

100,000	-
<b>100,000</b>	<b>-</b>

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**Note 15 - Financial instruments**

**(a) Financial risk management objectives and policies**

The Parliament of Victoria's principal financial instruments comprise of:

- cash and deposits;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables);
- finance lease payables.

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 1 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.

The carrying amounts of the Parliament's financial assets and financial liabilities by category are in Table 15.1 below:

**Table 15.1: Categorisation of financial instruments**

Category		2016 \$	2015 \$
<b>Contractual financial assets</b>			
Cash and deposits	Loans and receivables	<b>96,765</b>	45,783
Receivables <sup>(a)</sup>	Loans and receivables	<b>235,746</b>	77,181
<b>Total financial assets</b>		<b>332,511</b>	122,964
<b>Contractual financial liabilities</b>			
Payables <sup>(b)</sup>	Liabilities at amortised cost	<b>3,454,203</b>	3,100,336
Bank overdraft	Liabilities at amortised cost	<b>75,915</b>	127,414
Finance lease payables	Liabilities at amortised cost	<b>2,954,490</b>	3,052,991
<b>Total financial liabilities</b>		<b>6,484,608</b>	6,280,741

*(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 15 - Financial instruments (continued)**

**(b) 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. The Parliament's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Parliament. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Parliament's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Parliament's policy to only deal with entities with high credit ratings.

In addition, the Parliament does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Parliament's policy is to only deal with banks with high credit ratings.

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

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Parliament's maximum exposure to credit risk without taking account of the value of any collateral obtained.

***Financial assets that are either past due or impaired***

Currently the Parliament does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no event to indicate that any of the financial assets were impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. Table 15.2 discloses the ageing of contractual financial assets.

**Note 15 - Financial instruments (continued)**

**Table 15.2: Ageing analysis of contractual financial assets<sup>(a)</sup>**

	Carrying amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Less than 1 Month	1 - 3 months	3 months - 1 year	1-5 years	
<b>2016</b>							
<b>Receivables:</b>							
Debtors - Parliament refreshment rooms & gift shop	134,965	97,577	29,857	7,071	456	4	-
Other receivables	100,781	100,781	-	-	-	-	-
<b>Total</b>	<b>235,746</b>	<b>198,358</b>	<b>29,857</b>	<b>7,071</b>	<b>456</b>	<b>4</b>	<b>-</b>
<b>2015</b>							
<b>Receivables:</b>							
Debtors - Parliament refreshment rooms & gift shop	76,683	60,935	11,411	3,355	982	-	-
Other receivables	498	498	-	-	-	-	-
<b>Total</b>	<b>77,181</b>	<b>61,433</b>	<b>11,411</b>	<b>3,355</b>	<b>982</b>	<b>-</b>	<b>-</b>

(a) Ageing analysis of financial assets excludes statutory financial assets (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

**(c) 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 and in the event of a dispute, making payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The Parliament's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Balance Sheet.

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**Note 15 - Financial instruments (continued)**

The following table discloses the contractual maturity analysis for the Parliament's contractual financial liabilities:

**Table 15.3: Maturity analysis of contractual financial liabilities**

	Carrying amount	Nominal amount	Maturity dates <sup>(a)</sup>			
			Less than 1 Month	1 - 3 months	3 months - 1 year	1-5 years
<b>2016</b>						
<b>Payables:</b>						
Contractual payables	3,454,203	3,454,203	3,454,203	-	-	-
<b>Bank overdraft:</b>						
Unpresented cheques	75,915	75,915	75,915	-	-	-
<b>Borrowings:</b>						
Finance lease liabilities	2,954,490	3,059,168	302,016	306,962	1,197,413	1,252,777
<b>Total</b>	<b>6,484,608</b>	<b>6,589,286</b>	<b>3,832,134</b>	<b>306,962</b>	<b>1,197,413</b>	<b>1,252,777</b>
<b>2015</b>						
<b>Payables:</b>						
Contractual payables	3,100,336	3,100,336	3,100,336	-	-	-
<b>Bank overdraft:</b>						
Unpresented cheques	127,414	127,414	127,414	-	-	-
<b>Borrowings:</b>						
Finance lease liabilities	3,052,991	3,193,022	325,555	231,895	1,177,683	1,457,889
<b>Total</b>	<b>6,280,741</b>	<b>6,420,772</b>	<b>3,553,305</b>	<b>231,895</b>	<b>1,177,683</b>	<b>1,457,889</b>

(a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

**Note 15 - Financial instruments (continued)**

**(d) 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.

Based on past and current activities of the Parliament, it is deemed unnecessary for the Parliament to enter into any hedging arrangements to manage the risk.

***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 does not hold any interest bearing financial instruments that are measured at fair value, therefore has nil exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Parliament has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

Exposure to interest rate risk is insignificant and might arise primarily through the Parliament's interest bearing liabilities. Minimisation of risk is achieved by undertaking fixed rate or non-interest bearing financial instruments.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in Table 15.4.

***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.

**(e) Fair value**

The Parliament considers that the carrying amount of financial instrument assets and financial liabilities recorded in the financial statements approximates their fair values because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

None of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

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**Note 15 - Financial instruments (continued)**

**Table 15.4: 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
<b>2016</b>					
<b>Cash and deposits:</b>	1.75	96,765	93,465	-	3,300
<b>Receivables:</b>					
Debtors - Parliament refreshment rooms	-	134,965	-	-	134,965
Other receivables	-	100,781	-	-	100,781
<b>Total financial assets</b>		<b>332,511</b>	<b>93,465</b>	<b>-</b>	<b>239,046</b>
<b>Payables:</b>					
Contractual payables at amortised cost	-	3,454,203	-	-	3,454,203
<b>Borrowings:</b>					
Bank overdraft	-	75,915	-	-	75,915
Finance lease liabilities	3.99	2,954,490	2,954,490	-	-
<b>Total financial liabilities</b>		<b>6,484,608</b>	<b>2,954,490</b>	<b>-</b>	<b>3,530,118</b>
<b>2015</b>					
<b>Cash and deposits:</b>	2.00	45,783	42,333	-	3,450
<b>Receivables:</b>					
Debtors - Parliament refreshment rooms	-	76,683	-	-	76,683
Other receivables	-	498	-	-	498
<b>Total financial assets</b>		<b>122,964</b>	<b>42,333</b>	<b>-</b>	<b>80,631</b>
<b>Payables:</b>					
Contractual payables at amortised cost	-	3,100,336	-	-	3,100,336
<b>Borrowings:</b>					
Bank overdraft	-	127,414	-	-	127,414
Finance lease liabilities	4.81	3,052,991	3,052,991	-	-
<b>Total financial liabilities</b>		<b>6,280,741</b>	<b>3,052,991</b>	<b>-</b>	<b>3,227,750</b>

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**2016**                      **2015**  
**\$**                                      **\$**

**Note 16 - Cash flow information**

**(a) Reconciliation of cash and cash equivalents**

For Cash Flow Statement purposes, cash includes cash on hand and deposits in banks net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

Cash on hand <sup>(a)</sup>	- Parliament of Victoria	<b>1,800</b>	1,950
	- Parliament refreshment rooms	<b>1,500</b>	1,500
Bank balance	- Parliament refreshment rooms	<b>93,465</b>	42,333
		<b>96,765</b>	45,783
Bank overdraft - Unpresented cheques		<b>(75,915)</b>	(127,414)
<b>Balance as per cash flow statement</b>		<b>20,850</b>	<b>(81,631)</b>

*(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 unpresented cheques at the end of the reporting period.

At 30 June 2016, cash at bank included the amount of a notional shortfall for the payment of unpresented cheques of \$75,915 (2015 - \$127,414). Unpresented cheques are represented as 'Bank overdraft' in the Parliament's balance sheet.

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	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Note 16 - Cash flow information (continued)</b>		
<b>(b) Reconciliation of net result for the period</b>		
<b>Net result for the period</b>	<b>1,158,652</b>	3,698,702
<b>Non-cash movements:</b>		
(Gain) / loss on sale or disposal of non-current assets	<b>(155,328)</b>	(255,760)
Depreciation of non-current assets	<b>14,110,763</b>	13,838,568
<b>Movements in assets and liabilities:</b>		
(Increase) / decrease in receivables	<b>588,244</b>	2,597,611
(Increase) / decrease in inventories	<b>(11,129)</b>	626
(Increase) / decrease in prepayments	<b>433,974</b>	(565,457)
Increase / (decrease) in current payables	<b>369,472</b>	159,910
Increase / (decrease) in unearned income	<b>3,743</b>	5,799
Increase / (decrease) in current provisions	<b>1,872,532</b>	(615,768)
Increase / (decrease) in non current provisions	<b>68,547</b>	20,263
<b>Net cash flows from / (used in) operating activities</b>	<b>18,439,470</b>	18,884,494

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**Note 17 - Summary of compliance with annual Parliamentary and special appropriations**  
**(a) Summary of compliance with annual Parliamentary appropriations**

The following table discloses the details of the various annual Parliamentary appropriations received by the Parliament of Victoria 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. Administered transactions are those that are undertaken on behalf of the State over which the Parliament has no control or discretion.

	Appropriation Act				Financial Management Act 1994					Total Parliamentary Authority	Appropriations Applied	Variance
	Annual Appropriation	Advance from Treasurer	Section 3(2)		Section 29	Section 31	Section 32	Section 35 Advances				
	\$	\$	\$		\$	\$	\$	\$	\$	\$	\$	\$
<b>Controlled</b>												
Provision for outputs	101,642,562	3,251,000	-		241,977	-	2,870,000	-		108,005,539	104,091,201	3,914,338 (a)
Additions to net assets	-	-	-		-	-	-	-		-	-	-
<b>Total</b>	<b>101,642,562</b>	<b>3,251,000</b>	<b>-</b>		<b>241,977</b>	<b>-</b>	<b>2,870,000</b>	<b>-</b>		<b>108,005,539</b>	<b>104,091,201</b>	<b>3,914,338</b>
<b>2015</b>												
<b>Controlled</b>												
Provision for outputs	100,351,562	1,790,000	-		79,950	-	3,163,000	-		105,384,512	101,444,471	3,940,041 (a)
Additions to net assets	-	1,900,000	-		-	-	-	-		1,900,000	1,894,169	5,831
<b>Total</b>	<b>100,351,562</b>	<b>3,690,000</b>	<b>-</b>		<b>79,950</b>	<b>-</b>	<b>3,163,000</b>	<b>-</b>		<b>107,284,512</b>	<b>103,338,640</b>	<b>3,945,872</b>

(a) The variance represents the carryover of unapplied current year appropriation to the next financial year, as approved by the Treasurer under Section 32 (1) of the Financial Management Act 1994.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 17 - Summary of compliance with annual Parliamentary and special appropriations (continued)**

**(b) Summary of compliance with special appropriations**

Authority	Purpose	Appropriations applied	
		2016 \$	2015 \$
Audit Act No. 2 of 1994	Audit of the Auditor-General's Office	<b>25,000</b>	25,000
Constitution Act No. 8750 - Clerk of the Parliaments	Salaries	<b>1,993</b>	1,993
Constitution Act No. 8750 - Legislative Assembly	Salaries	<b>550,000</b>	550,000
Constitution Act No. 8750 - Legislative Council	Salaries	<b>200,000</b>	200,000
Parliamentary Salaries and Superannuation Act No. 7723	Salaries and allowances	<b>27,788,422</b>	27,428,152
		<b>28,565,415</b>	28,205,145

**Note 18 - Ex-gratia expenses**

Parliament made the following ex-gratia payments:

Relocation payments	-	5,072
<b>Total ex-gratia expenses</b>	<b>-</b>	<b>5,072</b>

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 19 - Trust account balances**

Trust account balances relating to Trust Accounts controlled and / or administered by the Parliament:

	<b>2016</b>			
	Opening balance as at 1 July 2015	Total receipts	Total payments	Closing balance as at 30 June 2016 <sup>(b)</sup>
<b>Administered Trusts</b>				
Public Service Commuter Club <sup>(a)</sup>	(32,514)	(63,962)	64,775	(31,701)
<b>Total Administered Trusts</b>	<b>(32,514)</b>	<b>(63,962)</b>	<b>64,775</b>	<b>(31,701)</b>
	<b>2015</b>			
	Opening balance as at 1 July 2014	Total receipts	Total payments	Closing balance as at 30 June 2015 <sup>(b)</sup>
<b>Administered Trusts</b>				
Public Service Commuter Club <sup>(a)</sup>	(46,139)	(63,049)	76,674	(32,514)
<b>Total Administered Trusts</b>	<b>(46,139)</b>	<b>(63,049)</b>	<b>76,674</b>	<b>(32,514)</b>

*(a) Public Service Commuter Club*

*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.*

*(b) 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.*

No Trust Accounts were opened or closed by the Parliament during 2015-16.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 20 - 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:

<u>Presiding Officers:</u>	<b>The Hon Bruce Atkinson MLC 1st July 2015 to 30th June 2016</b> President of the Legislative Council
	<b>The Hon Telmo Languiller 1 July 2015 to 30th June 2016</b> 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	
	2016	2015
150,000 - 159,999	-	2
300,000 - 309,999	1	1
350,000 - 359,999	1	-
<b>Total number<sup>(a)</sup></b>	<b>2</b>	<b>3</b>
<b>Total amount</b>	<b>\$ 658,662</b>	<b>\$ 609,758</b>

(a) During 2014-15 the position of Speaker of the Legislative Assembly was held by The Hon Christine Fyffe from 1 July 2014 to 23 December 2014, and The Hon Telmo Languiller from 23 December 2014 to 30 June 2015.

**Other transactions**

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 21 - Remuneration of executives**

The number of executive officers, other than Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Income Band \$	Total Remuneration		Base Remuneration	
	2016 No.	2015 No.	2016 No.	2015 No.
0 - 9,999	-	-	1	-
20,000 - 29,999	-	-	-	1
80,000 - 89,999	-	-	1	-
90,000 - 99,999	1	-	1	-
110,000 - 119,999	-	-	-	1
140,000 - 149,999	1	-	-	-
160,000 - 169,999	-	2	-	3
180,000 - 189,999	-	4	-	2
200,000 - 209,999	1	1	1	1
210,000 - 219,999	2	-	2	-
220,000 - 229,999	1	2	1	1
230,000 - 239,999	-	1	-	1
290,000 - 299,999	1	-	-	-
330,000 - 339,999	2	-	2	-
340,000 - 349,999	1	-	1	-
<b>Total numbers</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Total annualised employee equivalent (AEE)<sup>(a)</sup></b>	<b>7.78</b>	<b>9.25</b>	<b>7.78</b>	<b>9.25</b>
<b>Total amount</b>	<b>\$ 2,415,583</b>	<b>\$ 1,968,325</b>	<b>\$ 2,059,426</b>	<b>\$ 1,664,553</b>

(a) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

**Note 22 - Remuneration of auditors**

Victorian Auditor-General's Office

	2016	2015
Audit of the financial statements	<b>59,300</b>	57,900
	<b>59,300</b>	<b>57,900</b>

**Note 23 - Subsequent events**

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

**Note 24 - Glossary of terms**

**Borrowings**

Borrowings refers to interest-bearing liabilities raised from public borrowings to fund finance leases.

**Capital asset charge**

A charge levied on the written-down value of controlled non-current physical assets in a department's balance sheet which aims to: attribute to agency outputs the opportunity cost of capital used in service delivery; and provide incentives to departments to identify and dispose of underutilised or surplus assets in a timely manner.

**Comprehensive result**

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

**Commitments**

Commitments include those operating and capital commitments arising from non-cancellable contractual or statutory sources.

**Depreciation**

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

**Employee benefits expenses**

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

**Ex-gratia expenses**

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

**Financial asset**

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 24 - Glossary of terms (continued)**

- (d) a contract that will or may be settled in the entity's own equity instruments and is:
- a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

**Financial instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

**Financial liability**

A financial liability is any liability that is:

- (a) a contractual obligation:
- to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
- a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt of delivery of the entity's own equity instruments.

**Financial statements**

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (September 2007), which means it may include the main financial statements and the notes.

**Grants**

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to Parliament may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

**Note 24 - Glossary of terms (continued)**

**Interest expense**

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short term and long term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non employee provisions due to the unwinding of discounts to reflect the passage of time.

**Interest income**

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

**Net result**

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

**Net result from transactions (net operating balance)**

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

**Non-financial assets**

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, plant and equipment and cultural and heritage assets.

**Other economic flows**

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

- gains and losses from disposals, revaluations and impairments of non-financial physical assets
- gains and losses arising from revaluation of long service leave liability.

**Payables**

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

**Receivables**

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

**Supplies and services**

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Parliament.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2016**

**Note 24 - Glossary of terms (continued)**

**Transactions**

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

**PARLIAMENT OF VICTORIA**  
**Accountable Officer's declaration**  
**30 June 2016**

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

The attached financial statements for the Parliament of Victoria have been prepared in accordance with Standing Direction 4.2 of 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 2016 and financial position of the Parliament of Victoria at 30 June 2016.

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 **18** August 2016.



**HON TELMO LANGUILLER MP**  
Speaker of the Legislative Assembly  
Parliament of Victoria



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



**John Mascarenhas**  
Chief Finance and Accounting Officer  
Parliament of Victoria

Melbourne

**18** August 2016

## INDEPENDENT AUDITOR'S REPORT

### To the Presiding Officers, Parliament of Victoria

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2016 of the Parliament of Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officers' and chief finance and accounting officer's declaration has been audited.

#### *The Presiding Officers' Responsibility for the Financial Report*

The Presiding Officers of the Parliament of Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Presiding Officers' determine are necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Presiding Officers, as well as evaluating the overall presentation of the financial report.

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

## Independent Auditor's Report (continued)

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, my staff and I have complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Parliament of Victoria as at 30 June 2016 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE  
23 August 2016



Dr Peter Frost  
*Acting Auditor-General*







**Department of Parliamentary Services  
Parliament of Victoria**

Spring Street Melbourne Victoria 3002 Australia

Telephone +61 3 8682 2661

Website [www.parliament.vic.gov.au](http://www.parliament.vic.gov.au)

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