



# Annual Report 2019-20

Department of Parliamentary Services  
Parliament of Victoria

## Department of Parliamentary Services

The Hon. Nazih Elasmr, MLC  
President  
Legislative Council  
Parliament House  
Melbourne VIC 3002

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

Dear President and Speaker,  
I have pleasure in forwarding to you my report on  
the operations of the Department of Parliamentary  
Services for the year ended June 2020.

Yours sincerely,



Peter Lochert  
Secretary  
Department of Parliamentary Services

## Department of Parliamentary Services Annual Report 2019–20

Tabled in the Legislative Council and Legislative  
Assembly on 28 October 2020  
© Department of Parliamentary Services 2020

This document is subject to the laws of  
copyright and may not be reported in part  
or whole without written permission.

Enquires should be directed to the  
Department of Parliamentary Services.

ISSN 1836 2648

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)

# Contents

04	.....	<b>Secretary's Foreword</b>
06	.....	<b>Our Mission</b>
07	.....	<b>DPS Overview</b>
08	.....	<b>Corporate Governance</b>
08		<b>Statement of Corporate Intent</b>
08		<b>Parliamentary Values</b>
08		<b>Underpinning Legislation</b>
09		<b>Audit Committee</b>
09		<b>Security Management Board</b>
09		<b>House Committee</b>
10	.....	<b>Parliament's Strategic Priorities</b>
14	.....	<b>Delivery of Parliament's Strategic Priorities</b>
14	.....	<b>Objective 1</b>
		<b>Supporting Members to fulfil their roles as elected representatives</b>
18		<b>Output Measures</b>
18		Legislative Assembly
18		Legislative Council
19		Parliamentary Investigatory Committees
19		Parliamentary Services
20	.....	<b>Objective 2</b>
		<b>Protecting the independence and integrity of Parliament</b>
24		<i>Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 Annual Reporting</i>
26		<b>Reconciliation of Appropriation Bill 2019-20 to Budget Paper NO. 3</b>
27		<b>Environmental Sustainability Report</b>
30	.....	<b>Objective 3</b>
		<b>Engaging with Victoria's First People</b>
32	.....	<b>Objective 4</b>
		<b>Informing and engaging with the community</b>
36		Parliament of Victoria's Disability Action and Inclusion Plan
38	.....	<b>Objective 5</b>
		<b>Ensuring the organisational resilience and efficiency of Parliament</b>
42		<b>Learning and Development</b>
42		Parliamentary Officer completion rates by quarter
43		Electorate Officer completion rates by quarter
43		<b>Employment Framework</b>
44		Details of employment levels in June of 2019 and 2020
45		<b>Employee Relations</b>
46		<b>Occupational Health and Safety and Employee Welfare</b>
46		Occupational Health and Safety Key Statistics
47		Occupational Health and Safety Incidents
47		Occupational Health and Safety Training
48	.....	<b>Additional information</b>
48		<b>Department Facts</b>
50		<b>Senior Officer Travel</b>
50		<b>Attestation for financial management compliance with Standing Direction 5.1.4</b>
51		<b>Consultancies</b>
51		<b>Information and communication technology expenditure</b>
52	.....	<b>Financials</b>

## Secretary's Foreword

At this stage of the reporting cycle it is easy to feel that the whole year was taken up working remotely and dealing with the impact of COVID-19. However, 2019-2020 was again a very busy and productive year for the Department of Parliamentary Services (DPS).

All operating areas continued to evolve the Member-centric service model focusing our resources and processes through the implementation of a Member Services unit and continued roll out of the service partner model in the Property, People, Finance, IT and Security units. Relationships built with this model significantly improve our ability to target service to Members' needs and to address change trends more quickly.

This model has been particularly useful in assisting Members meet their accountability obligations with the implementation of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (VIRTIPS Act). Effective from 16 September 2019, the VIRTIPS Act radically changed the management of Member salaries, allowances and the Electorate Office and Communications Budget. This has required us to significantly change Member budget management processes and accountability mechanisms including quarterly public reporting of Member expenses.

The momentum for capital works in the Precinct continued unabated with the East Wing refurbishment addressing the decades old problems of access, OH&S and building code compliance inherent in an unfinished 164-year-old building, whilst providing more direct links from the new Members' Annexe to the Chambers.

Stage 12 of the Stonework restoration project moved to the south west corner of the building to continue repairing crumbling sandstone, leaking roof, rotting windows and failing external services. Stage 13, currently being scoped, aims to complete this restoration project which started in 2006 and finally mitigate the OH&S risk of falling masonry and rain penetrating obsolete electricals. Numerous smaller projects including refurbishment of Ministers' offices, meeting rooms, services and amenities through the building have also been completed.

COVID-19 has undoubtedly tested the organisation's resilience and ability to operate, with DPS' ability to continue delivering services being tested. Parliament's Incident Management Team (IMT) convened early in the pandemic,

continued to meet throughout and has now morphed into an ongoing Presiding Officers and Executive Management forum, enabling agile decision making and response to a rapidly evolving situation.

The digitisation strategy being pursued for the last four years enabled us to rapidly deploy the systems and infrastructure needed to support Members and staff to work remotely and to socially distance. Parliament's sittings were restructured requiring novel arrangements for Hansard and webcasting operations. Committee hearings rapidly moved to a digital format with options for fully remote meetings.

The trust, collaboration and positive attitude of Members and staff ensured that the opportunities provided by our digital approach were taken up very quickly, with little warning, and in many cases without being exposed to these systems beforehand. The experience gives us many learning opportunities and potential to improve access to our democratic process, resilience in adverse conditions and improved service delivery by adopting the right digital strategies.

Significant investment went into dealing with cyber and physical security risks, training and development and community engagement activities. The day to day, often invisible, service delivery that keeps infrastructure available, systems and networks operating, information flowing and the lights on, continued uninterrupted.

Throughout the year, all areas of DPS continued to achieve high levels of customer satisfaction which is credit to the skill, professionalism, commitment and dedication of our people. For this, I thank them.



Peter Lochert  
Secretary  
Department of Parliamentary Services

*“The experience gives us many learning opportunities and potential to improve access to our democratic process, resilience in adverse conditions and improved service delivery by adopting the right digital strategies.”*

*Peter Lochert  
Secretary  
Department of Parliamentary Services*



# Our Mission

*To enable Members of Parliament to be the best possible representatives of their constituents through quality, apolitical and professional services and support for the institution of Parliament.*

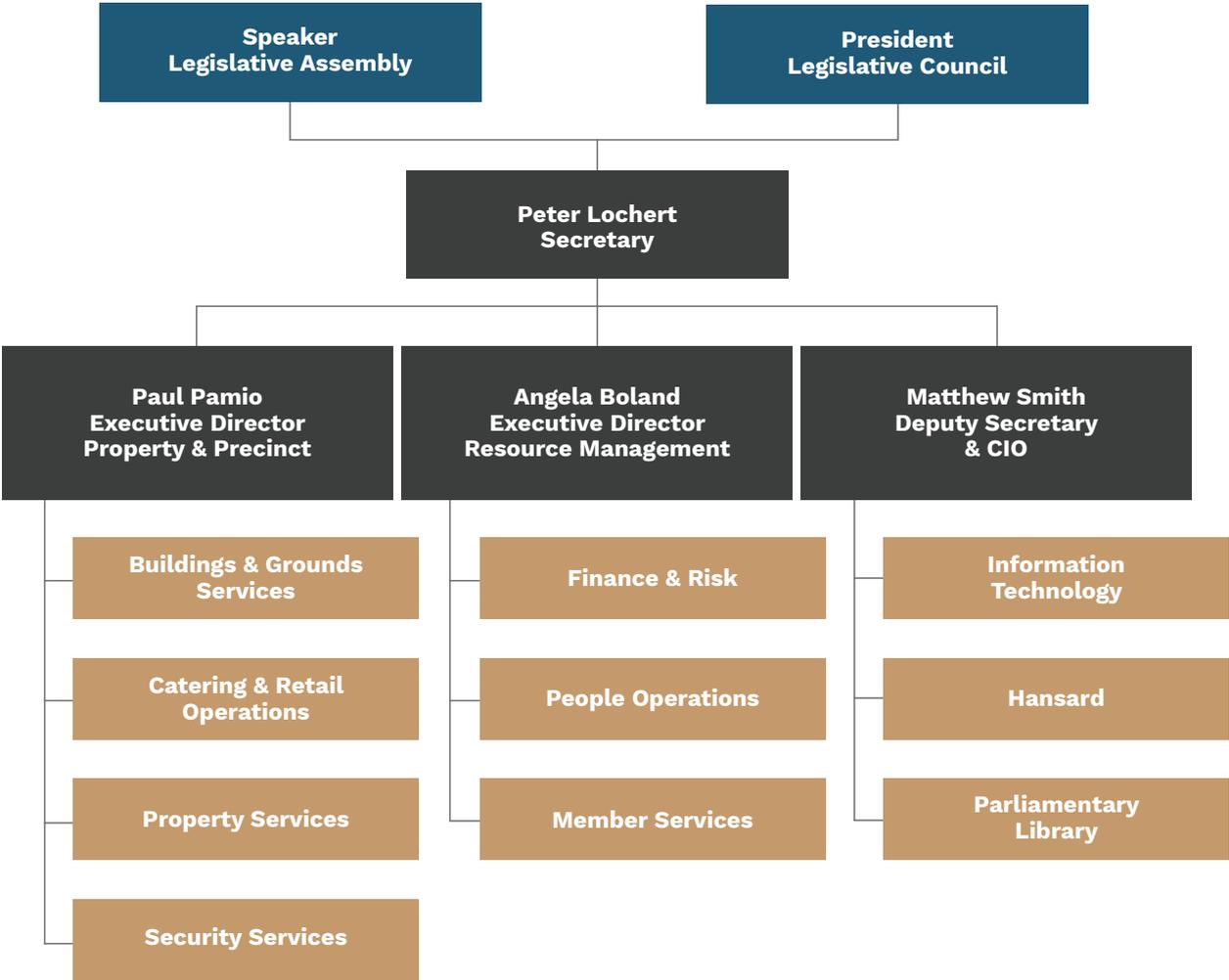


*DPS Executive Team*

# The Department of Parliamentary Services

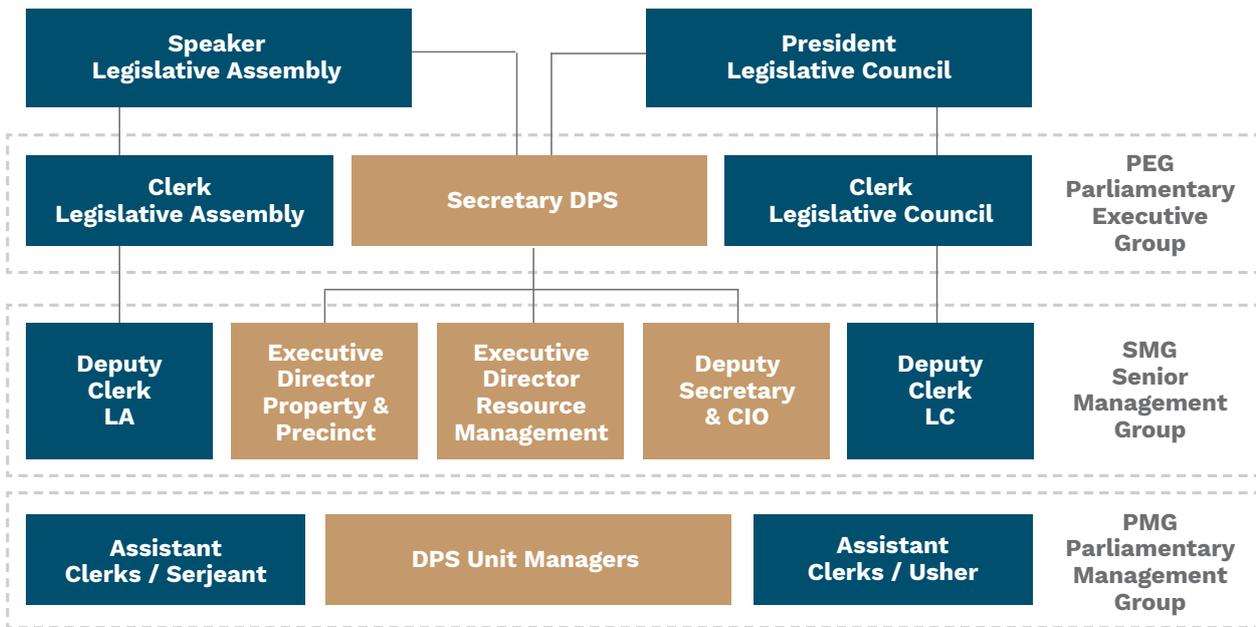
The Department of Parliamentary Services (DPS), created under the provisions of the *Parliamentary Administration Act 2005*, is responsible for the provision of infrastructure resources and support services to Members of Parliament and Parliamentary departments.

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



# Corporate Governance

## Governance structure



## Statement of Corporate Intent

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

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

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

## Parliamentary Values

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

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- 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, Allowances and Superannuation Act 1968*
- *Heritage Act 1995*
- *Constitution Act 1975*
- *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*
- *Parliamentary Committees Act 2003*
- *Parliamentary Precincts Act 2001*
- *Public Administration Act 2004*

## 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 approval of annual financial statements on behalf of the Parliament.

In May 2020, the Audit Committee adopted new Terms of Reference, including a new membership comprising of at least three independent Members, who are not Members of Parliament, in addition to the Presiding Officers. Whilst the Parliamentary Executive Group are no longer Members of the Audit Committee, the Secretary of DPS and his office continue to service the Audit Committee and provide essential information in support of its functions.

The Audit Committee provides independent and objective oversight and assists the Presiding Officers in the discharge of their duties. In doing so it:

- a) reviews and assesses the effectiveness of Parliament's systems and controls for financial management, performance and sustainability, and IT security;
- b) oversees and monitor Parliament's risk management policies, practices and reporting, including a focus on emerging risks that may impact Parliament's ability to deliver its objectives;
- c) monitors the Parliament's policies and practices for compliance with relevant laws, regulations, codes of conduct and other practice;
- d) oversees the internal audit function; and
- e) provides advice on matters related to the external audit.

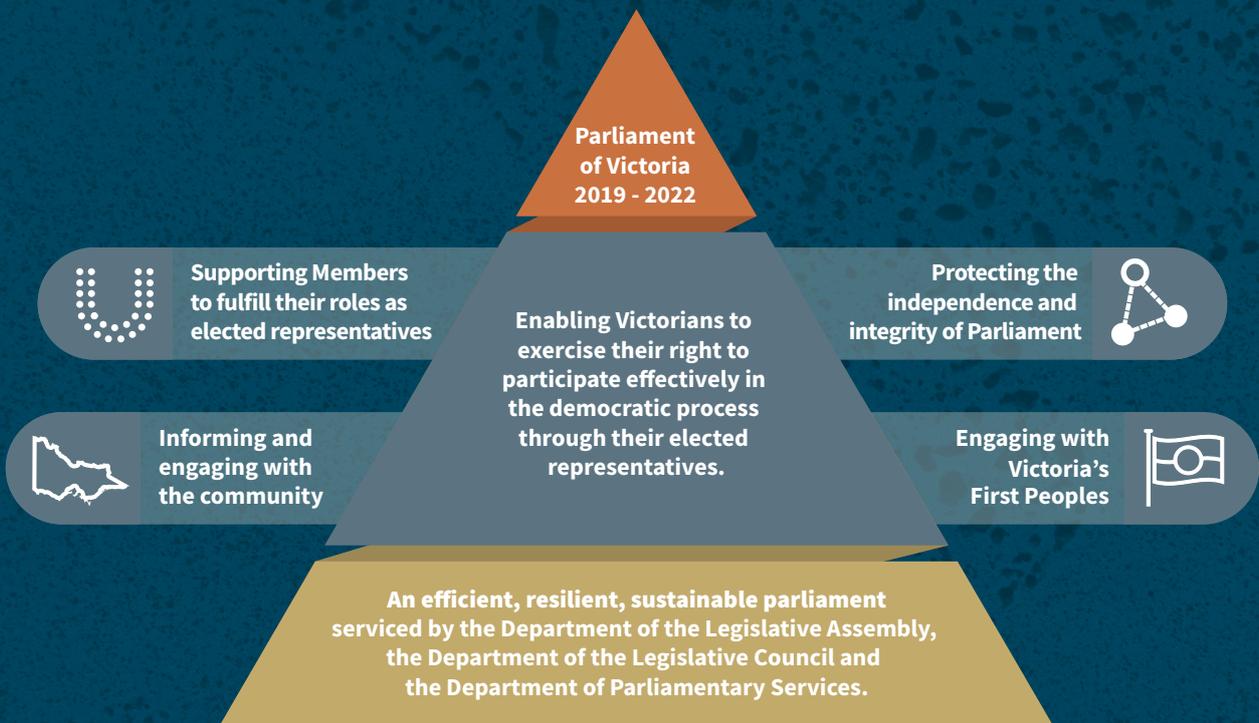
## Security Management Board

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 (OH&S) 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.

## 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 chairs the committee meetings. From May 2020 the Committee's Secretariat services are provided by the offices of the Presiding Officers. The Secretary of DPS and his office service this committee and provide any support required.

# Parliament's Strategic Priorities



# Parliament's Strategic Priorities

## Strategic Direction and Priorities of the Parliament of Victoria 2019-2022

In fulfilling its constitutional purpose, the strategic direction of Parliament for the 2019-2022 period will prioritise four roles and focus the constituent departments on improving Parliament's resilience and efficiency.

The primary functions of Parliamentary departments are to assist Members to represent the people of Victoria and to ensure the independence and integrity of Parliament as an institution.

### Priority 1

#### Supporting Members to fulfil their roles as elected representatives

To assist Members to be the best they can be in their role of legislating, scrutinising and representing their individual constituencies and the broader electorate, Parliament will:

- » Provide responsive, flexible, apolitical services and confidential, trustworthy and constructive advice to Members of all political persuasions.
- » Assist Electorate Officers to provide the best possible support for their Member.
- » Assist Member compliance with their obligations through an exceptional standard of well-communicated policies and procedures.

To ensure the relevance, clarity and accessibility of services to Members, the Parliamentary departments will:

- » Engage regularly and constructively with Members to better understand their needs and deliver consistent Member support services.
- » Apply co-creation methodologies to the design, development, delivery and evaluation of Member services.

### Priority 2

#### Protecting the independence and integrity of Parliament

Parliament will continue to support the principles of the separation of powers and, in doing so, will:

- » Persist with its efforts to achieve more independent funding arrangements that ensure Parliament can perform its function properly and sustainably, free from unwarranted financial constraints.
- » Establish appropriate structures and processes to demonstrate and report on the effective and efficient use of its resources.

To strengthen stakeholder and community confidence in the integrity of Parliament, it will:

- » Operate in a transparent manner that demonstrates its independence, openness and accountability.
- » Engage with the community on issues regarding Parliament's independence and integrity.

### Priority 3

#### Engaging with Victoria's First People

Parliament will proactively engage with Victoria's First Peoples by working collaboratively with indigenous groups and developing a reconciliation action plan that facilitates mutually beneficial engagement with Parliament.

# Parliament's Strategic Priorities

## Priority 4 Informing and engaging with the community

Parliament will stimulate positive community interest and engagement in its purpose, roles, activities and events by:

- » Using Parliament's resources and facilities to strengthen community awareness of worthy causes.
- » Strengthening community engagement in the work of committees and expanding the promotion of committees' purpose, processes and outcomes.
- » Exploring options to further improve civic education and encourage broader community capacity building in support of the democratic process.
- » Expanding the scope and scale of outreach activities, including through application of user-friendly technology solutions.
- » Continuing its support for South Pacific twinned Parliaments.

Parliament will support Members to engage effectively with the community by:

- » Exploring a variety of options to expand the reach of Members' work in the community.
- » Providing services to Members that helps them act as an efficient conduit between Parliament and the community.
- » Ensuring its events and activities showcase the best of Parliament to provide accurate information about the full range of Parliamentary work.

## Priority 5 Ensuring the organisational resilience and efficiency of Parliament

To ensure it properly supports Members and operates to a high standard of efficiency, Parliament will:

- » Provide exceptional and practical technology support for all Member requirements, consistent with good data management and cybersecurity standards.
- » Seek end-user consultation, especially with Members, before sourcing a technology solution.
- » Invest in technologies that keep pace with standard community experience to reinforce Parliament's standing as a contemporary institution.
- » Constantly review and upgrade technology across all Parliamentary operations.
- » Review the efficiency and effectiveness of its operations regularly and report findings transparently.
- » Use relevant metrics to assess and report on the performance of the Parliamentary departments in achieving their strategic objectives.

Parliament will strengthen its capability and culture by:

- » Ensuring it remains an employer of choice for skilled, experienced people who understand the democratic process, the importance of Parliamentary integrity and the pre-eminence of Members in their service approach.
- » Further improving the performance of the Parliamentary departments by strengthening collaboration between them without compromising their constitutional independence.
- » Assessing the need for further role specialisation and capability frameworks in the Parliamentary departments to improve service standards and deliver on stakeholder expectations.
- » Further strengthening capability of Parliamentary Officers to service Members and work within and across departments.
- » Continue culture strengthening by ensuring all staff behave according to the values of the Parliamentary departments.



*DPS provides innovative, specialised, Member-focused corporate services and infrastructure resources to ensure the smooth running of Parliament and ultimately enabling a democratic process in Victoria.*

# Delivery on Parliament's Strategic Priorities

## Objective 1

### Supporting Members to fulfil their roles as elected representatives

The core business of DPS remains the provision of high quality and professional services to Members of Parliament that support them to fulfil their ever-changing roles as elected representatives. This includes direct service provision as well as indirect servicing via House Departments, Committees and electorate office staff to facilitate better overall Member service. In addition to routine corporate services and infrastructure, DPS has a role in assisting Members to meet their compliance and accountability obligations.

During the reporting period, DPS continued to evolve a Member-centric service model, with the successful implementation of significant service-change initiatives as well as undertaking a range of major projects.

The Member Services unit was established in September to provide Members with an initial point of contact for all queries. As part of the new service, a pop-up Member Services Kiosk is available in the North Library on sitting days for Members' convenience, with an uptake of around 30 visits per sitting week. The unit also commenced a program of visiting electorate offices to help communicate new ideas and initiatives to Members and their electorate office staff. The initial focus of these visits was on explaining changes to budget administration flowing from the *Victorian Independent Remuneration Tribunal and*

*Improving Parliamentary Standards Act 2019 (VIRTIPS Act)*. Visits to regional centres during the reporting period included trips to Morwell, Traralgon and Mildura.

As the unit continues to evolve into the coming year, Member Services will seek to further improve the interaction with other DPS business units and their dealings with Members. Rather than providing an alternate method of contact for Members, the aim will be to provide a service that complements the activities of other business units. The unit will need to look for ways to communicate with Members and their staff in an environment where people are working remotely.

Through DPS' adoption of a Member-centric model, the Property Services unit was transformed by applying a 'portfolio model' approach to its business, whereby the Property Partners were allocated a portfolio of Member offices to directly provide dedicated support and advice in relation to matters pertaining to their electorate offices. The People Operations team was also remodelled to adopt this approach, with dedicated People Partners assigned to Members and Parliamentary departments. The new portfolio model has been well received and is already yielding a number of benefits while improving efficiency and effectiveness across the business.



*The Member Services kiosk is operating in the North Library on a sitting day.*



*New standards for the interior and exterior of Members' offices were adopted this year.*

During the reporting period, the Property Services unit increased the standard number of electorate office relocations and refurbishments projects delivered by 50%, delivering 18 projects, with another four projects significantly progressed in the early stages of the financial year.

Property Services also developed a new Electorate Office Framework, which provides a structure around the selection and delivery of new and refurbished offices with revised property standards, following feedback provided by Members through a targeted survey. Over the next 12 months, the focus for the team will be to source and deliver appropriately located and good quality offices that will enable Members and their staff to best service their community. The Property Services team is already well underway to deliver 25 electorate offices over the next 12 months and is looking forward to collaborating with Members and their staff to deliver on this large and important program.

The Pay Services team worked closely with Member Services to support the implementation of the Member remuneration changes, following legislative changes and determinations issued by the Victorian Independent Remuneration Tribunal. The Learning and Development team continues to support the improvement of professional development for Members and Electorate Officers through new programs, online delivery and integration with an Electorate Officer performance review. Working closely with a range of external training providers the programs offered to Members are being updated and expanded.

A collective agreement for Parliamentary Advisers was developed during this reporting period, while a focus for the People Operations unit next year will be on developing a new Enterprise Agreement for Parliamentary Officers and Electorate Officers.

This year marked the 30th anniversary of the Parliamentary Internship program, with 42 interns completing the program in the 2019-20 reporting period. The first semester of 2020 began with interns visiting Parliament for their introductory session. However, with the state of emergency in response to the COVID-19 pandemic declared soon after, the program was rapidly modified to be completely online within a week. Using Zoom and other online platforms, our University partners facilitated online sessions for all interns from the University of Melbourne and Monash University. It is likely that in the future the program will be a combination of face-to-face and online sessions. Scoping work to mark the 30th anniversary of the program is on hold given the restrictions at Parliament House during COVID-19. However, the Library has produced a video promoting the program to new Members, with testimonials from previous participants.

The Library's seminar program was also suspended due to the COVID-19 pandemic. However, six topical seminars, with over 200 attendees, were held prior to gathering restrictions taking effect. Four seminars were presented by the Australian Academy of Technology and Engineering (ATSE). The topics included waste to energy, the airport rail link, future food scarcity and democratic decay and renewal. Library Fellow Dr Marilyn McMahon presented a seminar based on her

# Delivery on Parliament's Strategic Priorities

fellowship paper 'No bail, more jail?: Breaking the nexus between community protection and escalating pre-trial detention', and Justin Leonard from the CSIRO presented 'Managing bushfire risks to life and infrastructure'. Along with a pilot series of three Library podcasts relating to research papers and events, a further podcast was produced featuring Justin Leonard as a companion piece to his Library seminar presentation. The podcasts were produced in collaboration with the Broadcast team.

In response to the COVID-19 pandemic, the Library produced 'Epidemics and pandemics in Victoria: Historical perspectives' (Apr 2020), a research paper summarising two centuries of epidemics and pandemics in Victoria's history. The paper received favourable feedback when promoted through Parliament's social media accounts. Additionally, two online intranet resources—a resource hub and a chronology page—were created to provide Members and staff with real-time information on the COVID-19 pandemic.

Two Bill Briefs and two research notes were produced, titled 'Drugs, Poisons and Controlled Substances Amendment (Pill Testing Pilot for Drug Harm Reduction) Bill 2019', '2019-20 Bushfires', 'North East Link Bill 2020' and 'Wage Theft Bill 2020'. The Library also produced the '2019 Briefing E-Book', which reviewed key issues from the 58th Parliament across broad portfolio areas, and a major statistical publication, 'Victorian economic snapshot 2020', was made available as an interactive feature on the Parliament's website. The resource provides a multi-perspective and historical overview of the Victorian economy.

The Library continued to develop the highly popular on-demand map products for Members and staff using Carto and QGIS software. With over 1600 inquiries during the year, the Library will focus on expanding the contact officer program to reintroduce all Members to the Library and its extensive services.

A key focus for the Finance and Risk unit was creating new systems and processes to assist Members with meeting the legislative requirements of the VIRTIPS Act. Part of this process included delinking Members' Australia Post accounts from Parliament's parent account and requiring Members to approve invoices prior to payment to increase VIRTIPS compliance.

To facilitate the certification requirements introduced in the VIRTIPS Act, the Oracle Enterprise Resource Planning Cloud financial system used to manage Parliament's procurement and expenses activities was expanded to all 128 electorate offices. This roll-out added over 600 new users including all Members and their electorate office staff as well as a range of new reporting requirements. Since expanding the user base in late 2019, the Finance and Risk unit has provided user training and responded individually to over 250 Oracle usage queries and maintained uninterrupted access during the COVID-19 working environment.

It is anticipated that due to continual Electorate Officer turnover the unit will continue responding to large volumes of queries relating to Oracle and the VIRTIPS framework.

The Buildings and Grounds Services unit has been focusing on a number of key projects at Parliament House to ensure the level of safety, comfort and contemporary needs of Members and staff are met. Stage 2 of the East Wing project has seen the excavation of an underground tunnel, connecting the new Members' Annexe to Parliament House. The intricate nature of excavating beneath a 160-year-old heritage listed building required countless hours of planning and design and a high dedication to detail. To date, the 140 concrete piers and supporting beams have been built successfully and will withstand the test of time.

After years of planning and design, construction commenced in March 2020 on Stage 3 of the east wing, following a detailed and comprehensive competitive tender process. The final stage of the East Wing refurbishment will enable safer and more accessible facilities that meet contemporary health and safety standards for visitors to Parliament House, Parliamentary staff and Members of Parliament. This project will refurbish, replace and build infrastructure to deliver improvements that are needed so that Parliament House can function as a modern workplace in a landmark heritage building. The project will deliver new stairways and larger improved lifts that comply with the *Disability Discrimination Act 1992* to all six levels of the east wing as well as an extension and refurbishment of levels 4 and 5 of the east wing.

This year saw the continuation of Stage 12 of the Stonework restoration project, which has now moved to the south west corner of Parliament House. Buildings and Grounds Services has also been planning the final stage of this extensive 17-year stone façade restoration of Parliament House, returning it to a standard befitting of its cultural heritage significance and addressing its functional shortcomings by addressing all safety and rectification aspects.

Following a major refurbishment of the Legislative Council Ministerial wing earlier in 2019, refurbishment of the Legislative Assembly was completed in February 2020, providing new contemporary office spaces for four Ministers and their staff, while keeping with the heritage aspects of the building. A historic brick arched vault was discovered beneath the floorboards of one of the offices, with Buildings and Grounds Services then designing and inserting glass floor panel so that this piece of Victoria's construction history can be viewed for years to come.

A dedicated family room was also created within the Precinct, which includes sleeping facilities for new babies, a play area for children and a comfortable relaxation space for supervising carers.

In response to the COVID-19 pandemic, IT accelerated the deployment of a range of technologies to support the organisation as, like many Victorians, Members of Parliament and Parliamentary staff made the rapid transition to work from home.

The rollout of Microsoft 365 (previously known as Office 365) has been completed for the whole organisation in line with DPS' Information Technology Digitisation Strategy. The biggest benefit of the migration across to Microsoft 365 is that emails, as well as the OneDrive, SharePoint Online and Teams components, can be accessed from anywhere and on any device connected to the internet.

These deployments have allowed Members and staff to collaborate effectively and to work remotely, with confidence and improved levels of security.

Hansard introduced progressive publishing to publish transcripts of the Parliamentary debates for both chambers as they are completed throughout the sitting day. A proof version of a Member's speech is available to view within approximately 3 hours of that speech being made. This is a great improvement in the service to Members as previously the wait for transcripts was several hours after the chambers had adjourned. A PDF of the daily *Hansard* is still made available about 4 hours after the house adjourns. Hansard also fulfilled 1361 video clip requests for Members, using the Video on Demand (Parliament Replay) concierge service.

The new software platform underpinning progressive publishing has also allowed Parliament to respond to COVID-19 by rapidly shifting staff to report Parliamentary proceedings and publish the weekly books remotely.

The Catering and Retail unit continues to offer a contemporary menu for Members to enjoy at their convenience at Parliament House, with a 100% adherence to Victorian-sourced produce and supply chain networks.

Security Services has continued to implement measures to better protect Members, electorate offices and the Parliamentary Precinct. Deployment of an electorate office security overlay has continued with a number of old and new electorate offices upgraded to the new standard. Dedicated Security Advisers have increased the number of visits to electorate offices, working with Members and staff to develop better security awareness and improve their ability to respond to any threats and risks. Working closely with Victoria Police and the Department of Health and Human Services, DPS continued to provide a centralised FTAC (Fixed Threat Assessment Centre) reporting and referral service for incidents across all electorate and ministerial offices.

Guidance materials have been developed to assist in emergency and evacuation procedures and general security awareness at electorate offices. Face to face training has also been provided as part of the security overlay process. Further training will continue to be developed over the next 12 months.

# Delivery on Parliament's Strategic Priorities

## Output Measures

### Legislative Assembly

Outputs	Unit of Measure	Target As at 30 Jun 20	Actuals As at 30 Jun 20*
Quantity			
Procedural References updated biannually	Number	2	2
Regional visits to schools to conduct Parliamentary role plays	Number	5	4
Quality			
Bills and amendments processed accurately through all relevant stages in compliance with constitutional requirements and standing orders	Percent	100%	100%
Member satisfaction that advice is responsive, prompt, clear and objective	Percent	80%	95%
Teacher satisfaction with tours of Parliament for school groups	Percent	95%	100%
Timeliness			
Documents tabled within time guidelines	Percent	90%	100%
House documents available one day after sitting day	Percent	100%	100%
Online information relating to bills updated within one day	Percent	95%	100%
Cost			
<b>Total output cost</b>	<b>\$ million</b>	<b>40.6</b>	<b>37.1</b>

### Legislative Council

Outputs	Unit of Measure	Target As at 30 Jun 20	Actuals As at 30 Jun 20*
Quantity			
Procedural References updated biannually	Number	2	2
Quality			
Bills and amendments processed accurately through all relevant stages and other business of the House conducted according to law, Standing and Sessional Orders	Percent	100%	95%
Member satisfaction with accuracy, clarity and timeliness of advice	Percent	80%	99%
Timeliness			
Documents tabled within time guidelines	Percent	90%	90%
House documents and other sitting-related information available one day after sitting day	Percent	95%	95%
Cost			
<b>Total output cost</b>	<b>\$ million</b>	<b>21.2</b>	<b>19.4</b>

## Parliamentary Investigatory Committees

<b>Outputs</b>	<b>Unit of Measure</b>	<b>Target As at 30 Jun 20</b>	<b>Actuals As at 30 Jun 20*</b>
<b>Quantity</b>			
Reports tabled per annum	Number	28	18
<b>Quality</b>			
Committee members satisfied that advice about procedure, research and administration is responsive, clear, objective and prompt	Percent	80%	100%
Inquiries conducted and reports produced in compliance with procedural and legislative requirements	Percent	95%	100%
<b>Timeliness</b>			
Reports tabled in compliance with procedural and legislative deadlines	Percent	95%	100%
<b>Cost</b>			
<b>Total output cost</b>	<b>\$ million</b>	<b>5.7</b>	<b>5.7</b>

## Parliamentary Services

<b>Outputs</b>	<b>Unit of Measure</b>	<b>Target As at 30 Jun 20</b>	<b>Actuals As at 30 Jun 20*</b>
<b>Quantity</b>			
Scheduled availability of IT systems (network, email, and windows file and print)	Percent	99%	99%
Monthly budget management reports to MPs and departments within five business days after closing monthly accounts	Number	12	12
Percentage of Parliamentary chamber proceedings captured on audio and video	Percent	99%	100%
Provide MPs with an approved standard electorate office	Percent	95%	98%
<b>Quality</b>			
Unqualified audit report for Parliamentary financial statements (previous year)	Number	1	1
Clients satisfied with quality of information provided by library staff	Percent	85%	97%
Maintain and secure the Parliamentary Precinct and have it available for legislative program	Percent	95%	100%
<b>Timeliness</b>			
Indexes, records and speeches and transcripts provided within published timeframes	Percent	90%	85%
Payroll processing completed accurately and within agreed timeframes	Percent	99%	99%
<b>Cost</b>			
<b>Total output cost</b>	<b>\$ million</b>	<b>127.9</b>	<b>122.9</b>

\*Some targets were impacted by COVID-19

# Delivery on Parliament's Strategic Priorities

## Objective 2

### Protecting the independence and integrity of Parliament

A key focus for DPS over the past 12 months has been implementing process changes to comply with the VIRTIPS Act. While the Act was passed by the Parliament in early 2019, many of the clauses impacting DPS and Parliament as a whole only came into effect in September of this reporting period. The VIRTIPS Act reforms the Victorian Parliamentary salary and allowances regime by establishing a monitoring, compliance, enforcement and reporting system in relation to Members' salary, allowances and the Electorate Office and Communications Budget (Budget). The new system is governed by three independent functions as established by the VIRTIPS Act.

The Victorian Independent Remuneration Tribunal (the Tribunal) is responsible for reviewing and determining the value of Members' salaries, allowances and the Budget for their electorate office and communications expenses, as well as producing guidelines for the use of the Budget and work-related allowances. Administrative and enforcement responsibilities for the Budget and work-related allowances are then placed on a relevant Officer. For the Budget, the relevant Officer is the Secretary of DPS. For work-related allowances, the relevant Officer is the Clerk of the House of Parliament to which a Member belongs. A Compliance Officer has also been established to allow Members to appeal determinations made by the relevant Officers in relation to any claim for an allowance or the Budget.

On 16 September 2019, the Tribunal made its first Determination, setting the value of the following salaries and allowances for Members:

- basic salary;
- additional salaries;
- any expense allowance;
- motor vehicle allowance;
- Parliamentary accommodation sitting allowance;
- travel allowance;
- commercial transport allowance;
- international travel allowance;
- electorate allowance; and
- Electorate Office and Communications Budget.

The Tribunal is required to make a Determination each year providing for the annual adjustment to these values. The first annual adjustment Determination (for the year 2020-2021) was released just prior to the end of the financial year.

The Tribunal also has the power to make guidelines for, or with respect to, the:

- Parliamentary accommodation sitting allowance;
- travel allowance;
- international travel allowance;
- commercial transport allowance; and
- Electorate Office and Communications Budget.

The Tribunal issued its first set of Guidelines governing the eligibility and use of allowances and the Budget in September 2019, with minor amendments made in December 2019. In relation to the Budget, these initial iterations closely replicated the guidelines that were in place prior to the new framework. The Tribunal is currently undertaking a more comprehensive review of the Guidelines.

While the new system legislates processes for setting rules and administering both Members' allowances and the Budget, this is not a new concept for the allowances component, administered by the Clerks, which historically was already regulated by legislation. The rules for Budget usage however, had only ever existed as guidelines developed by the Presiding Officers, administered by DPS and were legally unenforceable. Subsequently, this legislative and regulatory change has had a huge impact on DPS' processes and allocated resources.

As the relevant Officer in relation to the Budget, the Secretary is responsible for assessing all individual claims for the Budget to determine whether or not they comply with relevant sources of authority within the VIRTIPS legal regime. A further significant aspect of the new legislation is that the relevant Officers must publicly publish a quarterly report on the allowances and Budget expenditure for each Member and must also report on expenditure statistics annually. The relevant Officers' annual reporting requirements for 2019-20 are outlined on pages 24 and 25.

While all units in DPS have been impacted by the new framework, the Finance and Risk, Member Services and Pay Services units have been largely responsible for implementing the legislative changes from a DPS perspective. The units participated in regular internal working group meetings to plan the implementation process, and were also involved in developing resource materials, communications and presentations for Members and their staff to advise them of relevant changes. Units also assisted with collating data as requested by the Tribunal to assist with their deliberations.

Public expenditure reporting was a completely new initiative for DPS, which involved extensive collaboration between IT, Finance and Risk, Member Services, People Operations and the two House Departments. A reporting template, timeline and workflow were developed to facilitate the distribution, certification and publishing requirements as outlined in legislation. The quarterly reporting framework has operated for the final three quarters of 2019-20.

DPS' focus will now shift to refining and maintaining the process changes implemented to comply with the new legislation as administration of the framework becomes routine. A key goal will be to continue to assist Members and their staff understand and comply with the new legislation governing the administration of salaries, allowances and the Budget, especially in the face of possible future amendments to guidelines and regulations. An online training module is currently being developed to assist in this space.

In addition to implementing the new VIRTIPS regime, DPS' work continued to support Parliament's principles of the separation of powers and strengthening all stakeholders' confidence in the integrity of Parliament.

Further improvements to Parliament's governance regime continued to evolve in 2019-20. Ernst & Young were appointed as Parliament's new internal auditors in early 2020, resulting in a new internal audit plan. The Finance and Risk unit developed a new Fraud, Corruption and Other Losses policy, including associated control plans and procedures for Fraud and Corruption Officers. An organisation-wide policy review project, which involves condensing, simplifying and updating Parliament's policies and procedures was commenced. All units are participating in the project to better align processes to best practice and meet evolving compliance requirements.

Securing additional funding in the 2020-21 Budget Process will be a focus for the Finance and Risk unit in the coming months, with the Parliament's Capital and Output funding impacted by the delay in the State Budget Process.

DPS' Information Technology Digitisation Strategy is well underway. However, with the changing technology and security landscape, the strategy is constantly evolving. IT continues to implement cyber security enhancements for Parliament in line with the Australian Cyber Security Centre's (ACSC) recommended Essential Eight mitigation

measures, restricting the impact of an incident or improving Parliament's ability to recover from an incident. Mitigation strategies adopted include Multifactor Authentication (MFA) for Microsoft 365, Virtual Private Network (VPN) remote access and other services. Nightly backups, progressive disabling of macros, regular patching of non-standard applications and whitelisting of approved and trusted programs are already in place, or phased in. A new Identity and Access Management (IdAM) solution was delivered to safeguard identity information as well as managing the relationship between users and the resources to which they need access.

With cyber security such an ongoing concern due to more sophisticated tools being used by adversaries and state actors targeting governments and parliaments, staff resources are critical. A Cyber Security Coordinator was appointed to ensure Parliament effectively mitigates the cyber security risk within the risk profile of the organisation. Parliament will continue to make a range of changes in response to the continuously evolving cyber threat environment.

Over the past year, IT has collaborated with other units and external vendors for new solutions:

- to replace People Operations' Case Management database and automate the creation of accounts on commencement and suspension of a user's account when an employee leaves Parliament;
- to determine the feasibility of a range of solutions to replace Risk and Finance's current contracts database;
- to test and evaluate the Risk module in the Noggin system as a replacement for the current risk database (used by Security Services);
- to replace the Catering unit's function sheets with a cloud-based solution;
- to create a specially configured network for Internet of Things (IoT) devices such as sprinklers and other smart building devices;
- to upgrade Domain Name Service protection to reduce the likelihood of website visitors being unknowingly directed to malicious websites;
- to test new security appliances to examine internal network and application traffic and identify potential malicious behaviour; and
- to report on oversight and data quality.

# Delivery on Parliament's Strategic Priorities

There were several necessary infrastructure upgrades undertaken by the IT unit in the reporting period too. The core network switches were at the end of life and no longer supported so the primary switch was replaced after an extensive planned network outage. A pair of higher capacity security appliances were purchased to protect externally accessible services.

The legacy VPN Concentrator was replaced with a higher capacity solution at a time when Parliament had to rapidly transition to remote working arrangements because of COVID-19. The new VPN provided the ability for remote work to occur and increased the number of connections from a few hundred to a few thousand, whilst supported by MFA for added security.

Parliament's growing data requirements were met, with additional network storage capacity for users' file servers and network data.

The decommissioning of Lotus Notes databases is continuing, and it is anticipated the Parliamentary Information Management System (PIMS) modules will soon replace the existing Questions on Notice database for the Legislative Assembly and Legislative Council. IT is working with House Department staff to investigate whether PIMS might also be suitable for other knowledge management systems.

The Library, in conjunction with Buildings and Grounds Services, engaged the services of heritage architectural firm Lovell Chen to undertake an in-depth audit of furniture held at Parliament House and various storage areas. The opportunity to conduct the audit emerged from the need to vacate areas within the Precinct to allow for ongoing building works. Since the last audit, undertaken over 35 years ago, the Precinct and the items held within it have changed extensively. The significant assessment of heritage furniture held at Parliament has clarified the extent, content and location of the furniture, and will identify what items are important to the Parliament's social, cultural, economic and political history. Once all cultural and heritage assets have been identified, the next challenge will be developing strategies for the management, presentation and interpretation of the collection. One suggested concept is to create a public museum space at Parliament House.

An online site induction program has been developed and implemented by Buildings and Grounds Services for all maintenance contractors. The system ensures that all contractors are appropriately inducted and that records are suitably updated and stored. The induction program provides contractors with an overview of the OH&S risks associated with working onsite as well as the emergency procedures. Contractors are required to provide copies of any work licences, safe work method statements associated with the work and any other relevant information to ensure the safety of themselves, other contractors, Members, staff and the public. The unit also coordinated a security upgrade to the Premier's Suite located within the Precinct.

Access control has been introduced throughout the Parliamentary Precinct over many years to minimise the risk of unauthorised access and circulation. This continues to be rolled out as areas are refurbished, and was most recently implemented in the newly completed Legislative Assembly Ministerial wing. The East Wing refurbishment work will include upgrading the sewer and plumbing (some of which is original) along the back corridor of Parliament House, presenting a challenge for the security and screening function that currently operates at the Macarthur Street entrance to the building. In the lead-up to these works, Buildings and Grounds Services will work closely with Security Services to relocate the Macarthur Street entrance and maintain appropriate security and screening functions.

Ensuring the physical security of people in the Parliamentary Precinct and in electorate offices is of paramount importance to Parliament's integrity and ability to perform its function properly. The Security Services unit continues to manage all elements of security, including assessing security risks and applying physical, electronic, administrative and procedural security mitigation measures.

Challenges for the coming year include amendments to the *Parliamentary Precincts Act 2001*, ongoing physical security upgrades on the Parliamentary Precinct, Fixed Threat assessments, counter terrorism and visitor management.



*A Security Adviser and Wilson Security guard standing near the Parliament House scanning area.*

# Delivery on Parliament's Strategic Priorities

## *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*

### Annual Reporting

In accordance with section 7E(22) of the *Parliamentary Salaries, Allowances and Superannuation Act 1968* the Clerk of the relevant House of the Parliament must include in the annual report of the Parliament the prescribed details in respect of separation payments.

	Clerk of the Legislative Assembly	Clerk of the Legislative Council
The number of members who received a separation payment	0	1
The number of determinations made under section 7E (8) of the <i>PSAS Act</i>	0	0
The number of former Members who have not complied with a request under 7E (9) of the <i>PSAS Act</i>	0	0

In accordance with section 9J of the *Parliamentary Salaries, Allowances and Superannuation Act 1968* the relevant Officer must include in the annual report of the Parliament the prescribed details in respect of –

- (a) Claims and determinations in respect of work-related parliamentary allowances or under the Budget and expense allowances (if any) and electorate allowances and the motor vehicle allowance (if claimed) lodged with the relevant Officer by Members during the year.

Category	Total amount paid during the financial year
Electorate Allowance	\$3,981,138.35
Expense Allowance	\$528,289.11
Motor Vehicle Allowance	\$535,747.96
Parliamentary Accommodation Sitting Allowance	\$624,173.75
Travel Allowance	\$147,592.88
Commercial Transport Allowance	\$13,598.87
International Travel Allowance	\$6,339.94
The Budget	\$9,737,847.00
<b>Total</b>	<b>\$15,574,727.86</b>

	Clerk of the Legislative Assembly	Clerk of the Legislative Council	Secretary, Department Parliamentary Services
Total number of determinations made during the financial year	196	104	11,751

(b) Members who have submitted claims for a travel allowance exceeding 68 nights for the year and documentation provided in support.

---

<b>Member name</b>
Nil to report

---

(c) The number of instances in which Members have not complied with a request made by the relevant Officer under section 9F of the PSAS Act during the financial year.

---

<b>Number of instances</b>	0
----------------------------	---

---

\*\* For the purposes of the data published as required under the new VIRTIPS framework, data for the 2019-20 financial year is dated from 1 October 2019 to 30 June 2020 which represents when the VIRTIPS reporting framework came into effect.

### RECONCILIATION OF APPROPRIATION BILL 2019-20 TO BUDGET PAPER NO. 3

	LEGISLATIVE COUNCIL	LEGISLATIVE ASSEMBLY	PARLIAMENTARY SERVICES	JOINT INVESTIGATORY COMMITTEES	TOTAL - EXCLUDING VAGO & PBO
	2019-20 BUDGET	2019-20 BUDGET	2019-20 BUDGET	2019-20 BUDGET	2019-20 BUDGET
	000's	000's	000's	000's	000's
<b>FIGURES PUBLISHED IN APPROPRIATION BILL</b>	<b>5,868</b>	<b>6,826</b>	<b>121,281</b>	<b>5,746</b>	<b>139,721</b>
ADD SPECIAL APPROPRIATIONS	15,301	33,754			49,055
LESS ATNAB INCLUDED IN BILL					-
ESTIMATED OUTPUT CARRYOVER FROM PREVIOUS FINANCIAL YEAR			6,281		6,281
GRANTS RECEIVED			28		28
SECTION 29 RECEIPTS RETENTION AGREEMENT			313		313
OTHER REVENUE (RECOUPMENT OF EXPENSE, SECONDEES ETC)					-
<b>TOTAL APPROPRIATION (\$'000)</b>	<b>21,169</b>	<b>40,580</b>	<b>127,903</b>	<b>5,746</b>	<b>195,398</b>
<b>TOTAL APPROPRIATION (\$M)</b>	<b>21.2</b>	<b>40.6</b>	<b>127.9</b>	<b>5.7</b>	<b>195.4</b>
<b>FIGURES PUBLISHED IN BUDGET PAPER 3 (\$M)</b>	<b>21.2</b>	<b>40.6</b>	<b>127.9</b>	<b>5.7</b>	<b>195.4</b>

## Environmental Sustainability Report

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

In March of this financial year, DPS made the decision to implement a remote working policy for all staff (where appropriate) to help stop the spread of COVID-19 and to make it easier for people who could not work from home to maintain physical distancing on Precinct. Consequently, the occupancy rate of Parliament House was significantly reduced. This unprecedented event caused a significant shift in the use of our amenities, and over the duration of the 2019-20 financial year gas usage saw a significant increase of 102%. This can be attributed to the tireless work of Parliament's catering staff, who have at times been working around the clock and some weekends to prepare meals for people most in need during the COVID-19 emergency.

Electricity usage dropped a further 2% from the previous year, giving a total reduction of 17% over the last two financial years. Given the reduction of staff working within Parliament House and the occupancy of the new Members' Annexe remaining for the most part unchanged, this figure is consistent with the ongoing efficiencies forecast in 2018-19.

The Members' Annexe was designed to a 5 Star Green Star Build, and uses a unique geo-exchange system comprising of a network of 100-metre-deep boreholes for heating and cooling. Occupancy and window sensors turn lighting and air-conditioning on and off in Members' offices. In Parliament House itself, there are electricity saving initiatives such as solar hot water collection, a centralised management for the air conditioning systems and lighting controls. Other improvements include progressive replacement of existing lighting to LED and using low VOC (volatile organic compound) paint products wherever possible.

Collection of main water and rainwater usage has been impacted by the installation of a new meter system. Consequently, the accuracy of these figures could not be confirmed for the reporting period.

The entire Parliamentary Precinct, including 55 St Andrews Place, has waste-sorting capabilities to different streams, such as co-mingled recycling, paper and cardboard, organic waste, scrap metal, e-waste and paint, aiming at minimising the general waste contribution. The Gardens team mulch some of the green waste to re-use.

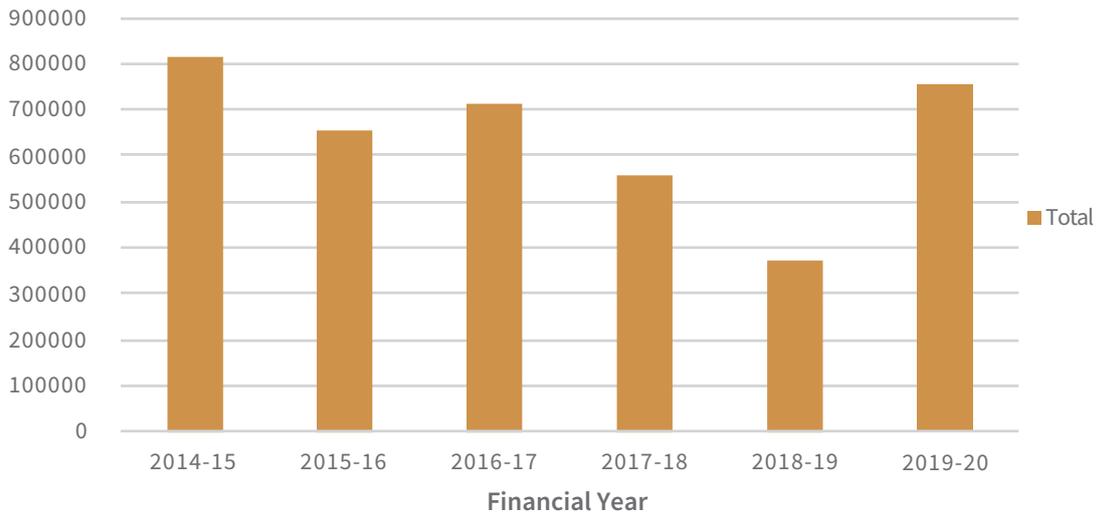
The Parliamentary kitchen has introduced their own recycling initiatives with external parties for spent coffee grind, which is collected by Reground and provided to Melbourne Zoo, a food waste compost service, and site removal and recycling of used fried oils. These practices, including discontinued use of disposable items such as plastic straws, single-use plastic containers and cutlery and requesting that suppliers provide biodegradable packaging for their produce, have led to a reduction in general waste by 60%.

Frank Green reusable keep cups are available for purchase at all outlets and are encouraged, with a discount for hot beverages when used, however single-use takeaway coffee cups are biodegradable. Delivery drivers are asked to switch off their vehicle engines whilst on the Precinct. Finally, the use of an e-water facility in the kitchen cleaning operations has removed all chemicals.

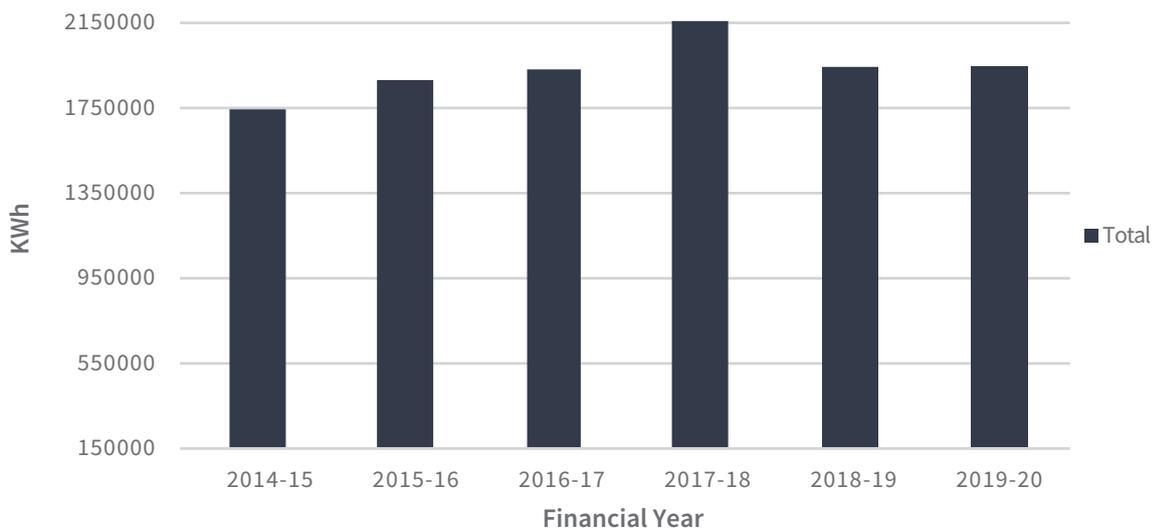
Greener procurement initiatives undertaken by DPS include sourcing paper for DPS use that is Australian-made and carbon neutral. The Property Services unit is also working on converting all electorate offices to 100% green power.

# Delivery on Parliament's Strategic Priorities

### Annual Parliament Precinct Gas Use (Mj)



### Annual Parliament Precinct Electricity Use (kWh)





*The Gardens team is planning, maintaining and caring for the grounds and gardens.*

# Delivery on Parliament's Strategic Priorities

## Objective 3 Engaging with Victoria's First People

The inaugural meeting of the First Peoples' Assembly of Victoria was held at Parliament House in December 2019. Comprising Traditional Owners elected by Aboriginal communities and traditional owner groups in Victoria, the First Peoples' Assembly will work with the State of Victoria to prepare for treaty negotiations. A number of DPS units provided support for the inaugural meeting. The First Peoples' Assembly was broadcast and transcribed by Hansard, and the IT unit provided network connectivity and wi-fi access for external staff who were coordinating and running the event. Catering, Library and Security units also provided assistance.

Hansard reporting staff worked in consultation with First Peoples' organisations to develop an Aboriginal languages lexicon so that Hansard could accurately transcribe First Peoples' languages when they were spoken during the proceedings of the First Peoples' Assembly.

The Library maintains the display of the Aboriginal Honour Roll on behalf of Aboriginal Victoria, and assisted with displaying the First Nations Aboriginal All Stars Basketball Team's painted basketball, sneakers and medal, which were donated to Parliament as a thankyou to the Speaker, the Hon. Colin Books, and then President, the Hon. Shaun Leane, for hosting the team's annual awards night.

In honour of Aboriginal soldiers who fought in the World Wars, the Aunty Dot Peters Wreath was installed in the Vestibule. From 2006 to 2019, the respected Aboriginal Elder, Aunty Dot Peters, created a wreath made of gum leaves to commemorate, honour and remember the Aboriginal servicemen and women who served and continue to serve in the Australian Defence Force. The launch of the Wreath was held in conjunction with an awards ceremony, where 10 young Aboriginal students were nominated by their communities to receive an award to encourage their ongoing studies. Wayne McGinness, an Aboriginal and Torres Strait Islander man, created this unique steel sculpture to honour Aunty Dot's memory, whilst respecting the original design of the Victorian Aboriginal Remembrance Committee logo and adding his own creativity to the design elements. Aunty Dot Peters passed away in late 2019.

Parliament's Emerging Leaders 2019-20 cohort, which is comprised of staff from across all Parliamentary departments, have been coordinating the development of a Reconciliation Action Plan (RAP). The Heritage team has supported the group by guiding the commission of a Victorian Aboriginal

artist to create artwork for the plan. The Library is also investigating ways to acknowledge First Peoples in Library publications. This was raised with the group developing the RAP to see if there was an approach that could be adopted across all of Parliament's publications.

First Peoples Priority (cultural awareness) training was coordinated through Learning and Development and offered to Parliamentary Officers, including the Emerging Leaders group. The People Services team will work on a First Nations Employment Strategy over the next 12 months.

DPS is committed to continuing to support and engage with Victoria's First Peoples.



*Wayne McGinness' steel sculpture in honour of Aunty Dot Peters' memory.*



*The inaugural meeting of the First Peoples' Assembly of Victoria.*

# Delivery on Parliament's Strategic Priorities

## Objective 4 Informing and engaging with the community

DPS' work continues to support and promote positive community interest and engagement in Parliament's purpose, roles, activities and events.

This year, Stage 12 of the Stonework restoration project commenced on the southern colonnade and steps of the Spring Street façade. As a joint initiative between the former President and Buildings and Grounds Services, the Heritage team and the Community Engagement and Education unit, a large display of historical Parliament House and information panels was erected across the project hoarding on the front steps. One panel represents the master stonemason's restoration works that have been progressing over the last 13 years. Another four panels depict the building of Parliament House from 1862 to 1888.

With the stonework restoration works taking place on the south west end of the building, two standard meeting rooms at 55 St Andrews Place were combined into a dedicated space to conduct committee hearings. During the COVID-19 pandemic, the room has been used to facilitate hearings via

video conferencing, connecting Members, witnesses and the public throughout the hearing process. The space has proven to be successful, with a separate access door for the Members to enter, a modern technology fit-out and acoustic panelling to ensure background noise is reduced.

Buildings and Grounds Services, supported by the People Operations unit, have progressed discussions with Government House to coordinate offering an apprenticeship with the unit at Parliament House, a program facilitated through the Brotherhood of St Laurence. As part of the heritage furniture audit and the deaccessioning of items, the unit will also look at possible options for donating furniture to organisations in need.

The Deakin Oration continues to be a joint project between the Community Engagement and Education unit and the Library. The 2019 oration was held in Queen's Hall in September and presented by Professor the Hon. Marilyn Warren AC QC. This oration was slightly different as senior secondary school students from across Melbourne and regional areas were invited to attend the event.



*Broadcast team producing live content for Parliament of Victoria's website from a Parliamentary committee hearing conducted online.*

The event was broadcast live on Facebook for those unable to attend in person. The Library also provided research support for the State of the Future workshops, which are a joint initiative between the Community Engagement and Education unit and YLab Global. Due to COVID-19, the Deakin Oration and Foundations Lecture Series have been postponed until 2021.

A dedicated search portal was developed to provide the public with better access to Parliamentary Papers. The project involved input from the Library, IT, the Chamber Support Office (Legislative Council) and the Procedure Office (Legislative Assembly). The new portal replaces an older manual database, reduces duplication and has the same search functionality as the Library catalogue, making it easier for people to find their desired materials. This pilot project paves the way to opening more of the Library's catalogue records and historic documents to the public.

The Library worked closely with the Presiding Officers to commission two posthumous portraits of former Members to recognise the significance of their contributions to Parliament. Lady Millie Peacock became the first female Member in Victoria, winning a by-election in November 1933, replacing her husband, Sir Alexander Peacock, who was a three-time Premier. Lady Millie served for one term, fulfilling her husband's commitments after he passed away prior to her election, before retiring in 1935. Pauline Toner became Victoria's first female Cabinet Minister in 1982 as part of the Cain Government. Pauline Toner also won her seat at a by-election, when she stood for the seat of Greensborough in 1977 following the death of Monte Vale. Pauline Toner resigned in 1989 due to illness.

For its second year, the Library hosted an event in the South Library during Melbourne's Rare Book Week. Entitled 'Rakish Plundering or Scientific Enquiry', the Library's Sarah Edwards and guests voyaged through the books held in the Library's cartography collections and descriptions from early explorations, notably William Dampier, Matthew Flinders and James Cook.

In collaboration with other cultural institutions, the Heritage team coordinated the loan of National Gallery of Victoria artworks to Parliament House, hosted a workshop with vision impaired participants and rolled out the Library's Heritage Collection Management System to develop, maintain and promote Parliament's Art and Heritage Collections.

Installation of two interpretive spaces in Parliament's Deakin Gallery are planned for late 2020. Two former office spaces will be transformed into two community education spaces. One office will be a depiction of Alfred Deakin's office and the other will include a display of 'new' technologies introduced at Parliament over time.

As Parliament continues to improve accessibility across the Precinct and at all electorate offices, the Property Services unit is implementing a number of measures in new and refurbished offices including hearing-loop compatible speech amplification devices and signage with better visibility. Signs now incorporate the Parliamentary Crest, the electorate name and colour imagery of the Member. The new Electorate Office Framework and Standards has provided Members with a multi-purpose meeting room as part of their new office to accommodate community groups and industry meetings, with these offices to be better located in primary retail population hubs, providing enhanced access for the community.

Both the Property Services unit and the Library continue to enhance the interactive electorate mapping tool, which is available on Parliament's website. Additional data layers have been added onto electorate districts and regions.

Parliament's website is one of the primary tools for engaging with the community, and work is well underway on the website redevelopment, with an initial focus on stakeholder and user research. The community and other external audiences have been surveyed and consulted to determine their usage and requirements for Parliament's website. Using a new Content Management System (CMS), the new website will provide a modern look and feel, have a user-friendly layout and an advanced search capability, which will make it easier for the public and staff to navigate to content that is important to them. This large project by the IT unit has to date focused on the development of detailed designs for the identified Minimal Viable Product (MVP) components of the new website. The next phase includes finalising the detailed designs and requirements for the website, which will allow future development to re-commence.

# Delivery on Parliament's Strategic Priorities

Brand Guidelines have been developed which will provide a consistent message, look and feel across the website and other Parliament communications. The guidelines include principles such as tone of voice, fonts and photography style that will ensure clarity and cohesion, helping the community to understand Parliament's purpose, respect its heritage and enable clear communication in all modern applications.

In addition, the development and migration of the existing content and functionality is a significant undertaking and will be progressed in the coming year. The intent of this redesign is to ensure that pages meet the needs of all of the different community audiences—from people who are well educated about Parliament and know what information they need to access to those that infrequently engage with Parliament or who are only after specific information.

As a result of the COVID-19 pandemic which increased the hardship faced by Melbourne's homeless and vulnerable community, the Parliament House kitchens were repurposed in March 2020 to prepare, package and distribute meals for these people. As of 30 June 2020, the charitable meals program had prepared 300,000 meal items, through dedicated staff of DPS' Catering team. On average, the kitchens produced 4,700 meal items per day from a daily team of approximately eight to nine staff. The production team is made up of the Catering team, regular agency staff as well as newcomers to Parliament House. Even during sitting weeks, the kitchen continues this work.

The atmosphere in the kitchens has been described as positive and energetic, and everyone has been genuinely keen to participate in this inspiring program. Salvation Army Major Brendan Nottle believes the meals program has ensured that no homeless lives will be lost during the difficult Victorian winter period, thanks to Parliament's meals. The Catering unit was quick to pivot its operations and use the kitchens for these services in the absence of regular functions and events. The Federal Parliament, the Parliaments of South Australia, Western Australia, New South Wales and a number of Victorian local councils have followed suit, using the same model that was drawn up by the Victorian Catering unit.

The Catering unit has expanded its function activity for community organisations and corporate events to include the popular rooftop garden, in addition to the other venues already showcasing the best in Victorian food and wine.

As such, there were above-budget catering and beverage sales during the period from July to December 2019. Strangers Corridor's High Tea offering is regarded as one of Melbourne's finest High Tea experiences. Victorian bowling clubs are regularly engaged with for catered events in the gardens. Challenges for the future centre around the restrictions to functions because of the COVID-19 pandemic. More exploration is needed to identify further market opportunities and different segments of the community to engage with.

To support Parliament's community engagement initiative of Community Achiever Awards, recognising significant contributions made by supported employees working in social enterprises across Victoria, the Hansard Broadcasting and Audiovisual team produced 16 short films introducing each of the award recipients. The team also streamed the awards ceremony in Queen's Hall live on Facebook, so that people across the state could watch the award winners accept their trophies.

Parliament House was transformed into a community science lab in August 2019 for Extrasensory to celebrate National Science Week. A large crowd was entertained by a range of scientific experiments, workshops, presentations and performances throughout the building, facilitated by staff from across the organisation.

The Parliament House gardens featured in a November 2019 episode of ABC's popular television program *Gardening Australia*. Rachel Robertson, Grounds and Gardens Team Leader, appeared in the broadcast, together with representatives from TCL, who designed the rooftop gardens on Parliament's new Members' Annexe. Following the broadcast there was a significant increase in community queries about the free public tours of the gardens.

The rooftop garden was also the focus of Melbourne City's Canopy Green Roofs Forum, who visited in early March 2020 and held a panel discussion including representatives from the Buildings and Grounds Services unit. Canopy is a quarterly discussion forum that brings people together to share information and ideas for greening our cities. The 120 tickets available for the event booked out immediately on release.

In response to the COVID-19 pandemic the Security Services unit will continue to develop strategies to reintroduce the public to Parliament House during sitting weeks.



09:57

Food Safety Rules

ONE PERSON ONLY IN COOL ROOM AT A TIME

COOL ROOM

*The Catering team is preparing meals to distribute to the homeless and most vulnerable in the community.*

# Delivery on Parliament's Strategic Priorities

## Parliament of Victoria's Disability Action and Inclusion Plan

The Disability Action and Inclusion Plan (DAIP) began as a project for the Parliament of Victoria's 2018-19 Emerging Leaders cohort. Eight Parliamentary Officers from across all areas of Parliament undertook this project as part of their leadership training. The stated aims of the proposed plan they developed were "to meet obligations under existing legislation, be practical and achievable and promote Parliament of Victoria as a disability-friendly and inclusive organisation." The plan also listed several actions that need to be achieved to assist the Parliament in becoming more accessible to people with a disability.

A Disability Action and Inclusion Plan Working Group, made up of two managers from the Parliament Management Group and nine staff representing most departments and work units, was established in early 2019. The role of the working group is to assist in the further development of the plan and implement the actions within it. The first action of the working group was to meet with peak disability resource organisations across the state to identify volunteers to form part of an external reference panel. The role of the external reference panel is to assist in the refinement of the plan, share their professional experience, provide feedback and act as an information resource for the working group. Representatives from the following organisations have agreed to be part of the reference panel:

- Australian Network on Disability
- Disability Advocacy Resource Unit
- Office for Disability
- Scope
- Victorian Public Sector Commission (Disability Workforce and Engagement Branch)
- Voice at the Table

The working group has participated in disability awareness training conducted by Voice at the Table, a project of the Self-Advocacy Resource Unit, which aims to increase the number of people with cognitive disabilities sitting on boards, committees and advisory groups within government, service providers, community and mainstream organisations at a local, state and national level.

The external reference panel and working group have met regularly over the last 12 months and developed a revised DAIP, which has been supported by SMG. With SMG's encouragement, the working group has started implementing proposed actions.

Two members of Parliament's SMG team have agreed to be the Parliament of Victoria's Disability Champions and will work closely with the Chief Executive Officer of the Australian Network on Disability to fulfil this role and its responsibilities, while the Learning and Development team are working with the Australian Network on Disability to develop disability awareness training for all Parliament staff.

The Parliament has become a Gold Member of the Australian Network on Disability, and the working group continues to drive change while completing the initial targets outlined in the plan.



*Inspired by a visit to the German Reichstag by DPS, the Heritage team was engaged to investigate the design of a model of Parliament House to engage vision impaired visitors. The Heritage team partnered with Monash University and Vision Australia to better understand the needs of visitors with vision challenges. The user session included a tour of the chambers of Parliament House and a workshop in the Parliamentary Library to test the model prototypes that had been developed by Monash University's research team and the results of this workshop feeds into Parliament's Disability Action and Inclusion Plan.*



*As is tradition, the Hansard staff are wearing bow ties for the last sitting day of the year.*

# Delivery on Parliament's Strategic Priorities

## Objective 5

### Ensuring the organisational resilience and efficiency of Parliament

From 1851 to 1856, Victoria had only one legislative body, the Legislative Council, which held its proceedings at St Patrick's Hall in Bourke Street, Melbourne. Before the commencement of the daily *Hansard*, the proceedings of the Council were reported in the *Argus* newspaper. The index to the *Argus*, covering the years of the first Legislative Council, was digitised in this reporting period and made available to users via Parliament's website. The Library also now provides digital and online access to the major newspapers via corporate subscriptions, allowing all Members and Parliamentary staff to access exclusive subscriber content as well as digitised versions of the print papers. Most of the Library's print serials are now digital only, or digital plus print, and journal subscriptions have been consolidated.

Other resilience and efficiency-related initiatives achieved by the Library over the previous year include the creation of a Parliamentary statistics dashboard to provide data visualisation options for statistical pages on Parliament's website, upgrading the Library's catalogue to the latest version of SaaS (Software as a Service) and installation of three digital display screens at the entrance to the central Library. Two are touch screens with information about the history and features of the Library and individual Members, and the third will be used as a promotional tool. Ongoing maintenance of the Library's collections include the review of the Library's print collection for relevance, accuracy and currency. Items now considered as important, hard to find, rare or unique to Parliament are being transferred to the Library's Heritage collections. A project to move the Library's old, in-house databases to a new Microsoft SharePoint-compatible platform is underway and is expected to be completed in the coming months. This will mean that the users will have a better search experience and the Library can decommission its old system.

Over the next 12 months, the semantic AI-enabled ontology classification software used for classifying externally generated online media content will be upgraded to improve automatic extraction and classification. The quest to improve metrics for the Library's research publications will continue, with new opportunities and some challenges presented by the move to the new intranet and Parliament's new website.

Parliament, with assistance from the Library, is currently working with the Victorian Parliamentary Former Members Association on the 'Transitioning to life after Parliament' research project, which aims to identify the issues faced by former Members and provide recommendations on how

to offer practical support to this cohort. Other research is being undertaken by the Parliamentary Library Fellow, Maria Mupanemunda, from the Research and Policy Centre at the Brotherhood of St Laurence, on the issue of social procurement. A joint project between Parliamentary Committees, IT and the Library is also underway to prepare a history of Committees and Committee Members. This information will be added to the Parliament Information Management System (PIMS) to complement historic records.

Despite the difficulties experienced with the COVID-19 working environment, the Finance and Risk unit continued to meet key processing timeframes, including invoice processing and payment and provision of monthly cost centre management reports. A review of compliance with the new leasing Accounting Standard was performed, with the new standard having a significant impact on the recording and reporting of financial information relating to all the electorate office leases currently in place.

Finance and Risk has also automated several financial-related activities within Oracle, reducing manual paperwork, improving financial controls and streamlining activities for affected users. Other process improvements within Oracle include the creation of a cash advance module used for the application and acquittal of cash advances; the rollout of credit card transaction processing and monthly reconciliations used for managing Parliament issued credit cards; the establishment of BPay functionality, reducing cheque payments from 800 in the preceding 24 months to eight from 1 January 2020; and improved payment management of Catering's invoices, leading to improved cash management. The next focus will be on implementing the Oracle Project Management module to allow for improved management and cost-tracking of capital projects, as well as designing and implementing a new Risk Management System, with assigned workflows.

The People Operations unit provided support for the COVID-19 response, the Incident Management Team and remote work arrangements for staff. The unit also continued to provide change management support for several different projects across the organisation, including department restructures and service reviews. Recent unit reviews include Property Services, Hansard Broadcasting, People Operations and Buildings and Grounds Services. Over the next 12 months, People Operations will work on new Enterprise Agreements for Parliamentary Officers and Electorate Officers.



*There were almost 29,000 visits to the Library's intranet page, with almost 53,000 page views and over 30,000 views of the library catalogue.*

## Delivery on Parliament's Strategic Priorities

The rollout of the TimeFiler time and attendance system to Parliamentary Officers commenced and is well under way. This replaces a redundant Lotus notes system as well as several manual paper-based systems. The system manages the recording of time and attendance, the accrual of flex time and time in lieu provided under the Parliamentary Officers Agreement, and automates much of the process for the calculation and processing of staff overtime and allowances. As TimeFiler uniformly applies the conditions relating to hours of work and payments of overtime and allowances in line with the Parliamentary Officers' (Non-Executive Staff – Victoria) Single Enterprise Agreement, this will replace several local practices throughout different business units and will require some adjustment from managers and staff. The rollout of the TimeFiler system to Electorate Officers is planned for 2020-21. This represents a bigger logistical challenge to implement across 128 electorate offices, and train Members and staff on how to use the system.

The new Member Services unit took on responsibility for coordinating the handover process for Members' electorate offices and resources from departing to new Members, and also coordinated the conclusion of payroll services provided to the Victorian Ombudsman, which included transitioning data to their new system. A similar exercise was undertaken for payroll and finance services previously provided to the Parliamentary Budget Office.

A resilient and efficient Parliament relies on truly integrated practice areas, and following the successful rollout of the Hansard Publishing System (HPS) and the Members' Module of PIMS for the start of the 59th Parliament, in this reporting period IT engaged with other areas of Parliament to determine which PIMS modules would be suitable to provide integration across modules to increase data accuracy and reduce duplication. The Committees Module and the House Papers Module were assessed as the most suitable to prioritise as they meet organisational needs and require replacement of legacy systems. Work on the Committees Modules involves both the IT unit and Hansard and includes finalising the major customisations to the committee and inquiry process and testing the Hansard booking and reports components. A team of Hansard Sessional Reporters will be engaged to convert the historical data into a usable format, a very arduous process. IT has also started end-to-end User Acceptance Testing (UAT) and webpage integration. For the House Papers Module, development work is progressing for Questions on Notice,

Questions without Notice, Constituency Questions and Adjournment Matters for the Legislative Assembly and the Legislative Council, and the project is nearing completion. Both the Committees Module and the House Papers Module are scheduled to be operational in the fourth quarter of 2020.

Following the establishment of a whole-of-Victorian-Government Telecommunications State Purchase Contract, new contracts to cover data, voice, mobile, internet and unified communications were entered into. Telstra was selected as the preferred carrier for Parliament, and mobile and existing data links have already been moved over to the new, improved contracts. Internet, voice solution and greater data network redundancy implementation is in progress. In addition, the data network bandwidth to all the electorate offices is being increased from the current 10Mbps to 30Mbps. 30% of sites have been cut over, and the majority will be moved over in the fourth quarter of 2020. This is a more robust, resilient network in the case of network failure.

Hansard's service review was completed this year, addressing the Audiovisual, Broadcast and Technical teams. The review and subsequent improvements have created greater capability, efficiency and support for Parliament, Committee broadcasts and Community Engagement. Hansard and the Buildings and Grounds unit worked together to develop a dedicated committee hearing room for broadcast hearings at 55 St Andrews Place, which is now in use. The COVID-19 pandemic led to Parliament's first ever virtual committee hearing via Zoom, broadcast by Hansard. Hansard also did its first ever remote publishing of the daily *Hansard* this year, as Reporters, Subeditors and Editors moved to remote working arrangements during the pandemic.

A building management system, operated by the Maintenance team has been installed across the Precinct, which allows automatic and centralised control of the building's heating, ventilation, air conditioning and lighting. The team automate controls based on Parliament's sitting dates to allow low power modes in non-sitting weeks. The system also monitors energy usage, solar hot water production and other equipment such as Catering's fridges and freezers, alerting the team to any temperature issues. In the Members' Annexe, the system uses eco heating and cooling systems and automates the lighting and air-conditioning based on occupancy and window sensors.

The Catering and Retail unit has continued to anticipate and adapt to change and sudden environmental and/or business disruptions, exemplified by the launch of Parliament’s charitable meals program as well as the introduction of revised service and menu offerings since the COVID-19 pandemic. Over the next 12 months, taking advantage of and maintaining the preparedness to identify opportunities for further growth and improvements to the catering options will be explored.

On International Women’s Day 2020, Assembly Clerk Bridget Noonan, DPS Executive Director Resource Management Angela Boland and Chief Financial Officer Charu Saxena gave their perspectives on leadership and gender equality during an intimate forum held in the Members’ Dining Room.

As DPS quickly transitioned to a remote working environment in March 2020, a dedicated channel was established in Microsoft Teams to help connect staff during unprecedented circumstances. The channel, titled ‘Staying Connected’, has been used to provide staff with daily posts on professional development, wellness, information sessions, online (BYO) lunch-and-learns as well as less formal activities, such as quizzes, catch-ups and other virtual events. Some of the noteworthy events hosted on the channel included a virtual Easter morning tea and a virtual ‘Bring your dog to work day’.



This year saw the establishment of the Security Services as its own independent unit within DPS. The transition process enabled reviews of current practices and has provided the opportunity to improve the level of resources available and operational practices. Engagement of external resources will continue to assist in a continuous improvement of protective security. A review of the standard operating procedures and work instructions for Protective Service Officers and engaged security guards on the Precinct is also underway.

A number of security training initiatives have been developed for staff including active armed offender training, emergency management training and videos produced by Hansard Broadcasting demonstrating the use of radios. Further training on general security awareness and hostile reconnaissance will be developed over the next 12 months.



*Charu Saxena, CFO, presenting at Parliament’s International Women’s Day celebrations.*

# Delivery on Parliament's Strategic Priorities

## Learning and Development

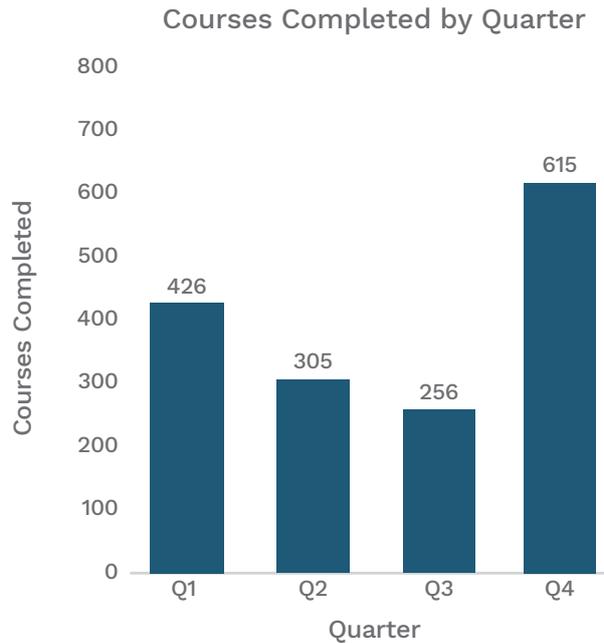
Parliamentary Officers participated in a wide range of learning and development programs to ensure a safe work environment including OH&S manual handling, cybersecurity, first aid and workplace behaviour. Staff received training in the use of applications including the Oracle Finance system, TimeFiler, SharePoint, Microsoft (MS) Word, Excel and Adobe programs. Staff also participated in professional development and capability programs including system administration, project management, parliamentary procedure, performance management, plain English and managing mental health.

The Grade 4/5 Leadership Program for emerging leaders continued with a new cohort commencing work towards developing a Reconciliation Action Plan. Specific programs were developed to support staff to respond to COVID-19 and remote work arrangements.



*DPS staff are sharing their cultural heritage with colleagues at work.*

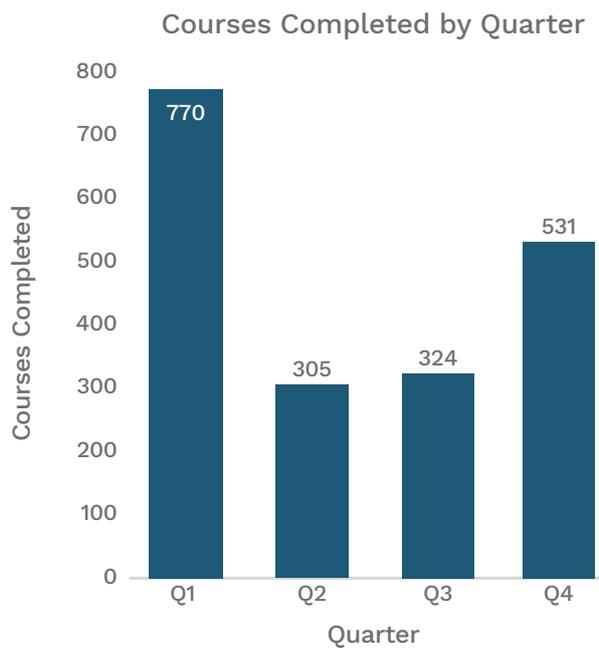
## Parliamentary Officer completion rates by quarter



Parliamentary Officers significantly increased online learning during the final quarter of 2019-20 and completed 1602 programs over the year.

Electorate Officers participated in induction programs or the two orientation programs that have been adapted to an online interactive environment.

## Electorate Officer completion rates by quarter



Electorate Officers increased online learning during the year and completed 1930 programs with a significant training program for the Oracle Financial system (procurement) being undertaken in the first quarter.

Electorate Officers participated in the Outlook, MS Word and MS Excel sessions facilitated as virtual classrooms as well as sessions on InDesign and MS Teams. Additional programs were also provided to support staff respond to COVID-19 and remote work arrangements including resilience and psychology-based programs.

The Learning and Development team implemented the second phase of the Learning Management System (LMS). This system included new learning content created by the team which is now accessible to all staff on mobile devices. The second phase also enabled staff and Members to access and complete online programs as well as identify other available training programs.

Members participated in professional development programs including the McKinnon Institute, Australian Institute of Company Directors and other relevant programs.



*The Buildings and Grounds Services unit are responsible for maintaining all of the heritage fixtures and fittings inside Parliament House, including the Queen's Hall chandelier.*

## Employment Framework

Two enterprise agreements outline conditions of employment for Parliamentary employees (excluding Executives). The Parliamentary Officers' (Non-Executive Staff – Victoria) Single Enterprise Agreement 2016 applies to Parliamentary Officers, and the Electorate Officers' (Victoria) Single Enterprise Agreement 2017 applies to Electorate Officers. A Collective Agreement was developed for Parliamentary Advisers. The Secretary has been delegated employment arrangements for 11 Members of Parliament under section 100 of the *Public Administration Act 2004*.

Determinations from the Victorian Independent Remuneration Tribunal outline salary and allowances for Members of Parliament and remuneration bands for Executives.

# Delivery on Parliament's Strategic Priorities

## Details of employment levels in June of 2019 and 2020

### Department of Parliamentary Services

	2020			2019		
	Ongoing		Fixed term and casual employees	Ongoing		Fixed term and casual employees
	Employees (Headcount)	FTE	FTE	Employees (Headcount)	FTE	FTE
<b>Gender:</b>						
Male	67	65.80	22.21	72	70.59	15.47
Female	69	63.88	19.55	65	60.38	19.91
<b>Total</b>	<b>136</b>	<b>129.68</b>	<b>41.76</b>	<b>137</b>	<b>130.97</b>	<b>35.38</b>
<b>Age</b>						
Under 25	1	1.00	3.89	1	1.00	0.40
25-34	28	27.80	14.71	31	29.80	12.91
35-44	36	32.90	7.21	32	29.90	8.30
45-54	34	32.98	7.23	37	35.98	5.60
55-64	31	29.80	6.69	29	27.59	5.31
Over 65	6	5.20	2.03	7	6.70	2.86
<b>Total</b>	<b>136</b>	<b>129.68</b>	<b>41.76</b>	<b>137</b>	<b>130.97</b>	<b>35.38</b>
<b>Classification</b>						
VPS 1	0	-	0.00	0	-	0.00
VPS 2	4	4.00	2.37	7	7.00	3.07
VPS 3	34	32.20	5.66	43	40.39	4.00
VPS 4	36	34.40	10.24	26	24.68	10.15
VPS 5	41	38.58	16.18	37	35.30	14.67
VPS 6	16	15.50	6.31	18	17.70	2.49
VPS 7	1	1.00		1	1.00	0.00
Other				0	-	0.00
Executive	4	4.00	1.00	5	4.90	1.00
<b>Total</b>	<b>136</b>	<b>129.68</b>	<b>41.76</b>	<b>137</b>	<b>130.97</b>	<b>35.38</b>

## Electorate Officers

	2020			2019		
	Ongoing		Fixed term and casual employees	Ongoing		Fixed term and casual employees
	Employees (Headcount)	FTE	FTE	Employees (Headcount)	FTE	FTE
<b>Gender:</b>						
Male	153	104.22	25.17	146	102.42	30.85
Female	258	176.70	30.88	244	172.80	35.47
Other	1	0.80	0.00	1	0.80	0.00
<b>Total</b>	<b>412</b>	<b>281.72</b>	<b>56.05</b>	<b>391</b>	<b>276.02</b>	<b>66.32</b>
<b>Age</b>						
Under 25	67	34.21	18.46	62	32.70	18.13
25-34	93	69.39	10.98	91	71.89	11.62
35-44	73	50.38	11.45	71	52.05	14.25
45-54	77	60.09	5.80	83	60.44	13.09
55-64	84	55.04	6.47	69	48.14	7.08
Over 65	18	12.60	2.89	15	10.80	2.15
<b>Total</b>	<b>412</b>	<b>281.72</b>	<b>56.05</b>	<b>391</b>	<b>276.02</b>	<b>66.32</b>
<b>Classification</b>						
Other	412	281.72	56.05	391	276.02	66.32
<b>Total</b>	<b>412</b>	<b>281.72</b>	<b>56.05</b>	<b>391</b>	<b>276.02</b>	<b>66.32</b>

## Employee Relations

The Parliamentary Officers' (Non-Executive Staff Victoria) Single Enterprise Agreement 2016 reached nominal expiry on 31 December 2019 however remained in operation during 2019-20 together with the Electorate Officers' (Victoria) Single Enterprise Agreement 2017.

# Delivery on Parliament's Strategic Priorities

## Occupational Health and Safety and Employee Welfare

During the reporting period, the People Operations unit coordinated a wide range of OH&S and employee wellness activities with a focus on the COVID-19 response, working from home, keeping engaged with a remote workforce, mental health, emergency management and additional online resources for employees. Prevention programs included the delivery of 260 Flu vaccinations at Parliament House for Members and employees as well as reimbursement of 53 Flu vaccinations for employees unable to attend.

The COVID-19 response included the establishment of the Incident Management Team by the Speaker and President, EAP (Employee Assistance Program) reach out programs to each workplace, implementation of COVID-19 Safe Work practices and health and safety representative responsibilities through the OH&S Committee and Precinct Project teams and the delivery of resource kits to each workplace. The COVID-19 response was assisted by the Epidemic Response module aligned to the incident management system.

Other employee welfare support included seminars on stress management and resilience.

### Occupational Health and Safety Key Statistics

Measure	Description	Result
Incidents and Hazards	Number of incidents	165
	Number of reported hazards	66
Claims (reported during the year)	Number of minor claims*	1
	Number of standard claims**	3
	Number of lost time claims	2
	Number of claims exceeding 13 weeks	1
	Return to work compliance	1
OH&S Committee	Committee Meetings	6
	OH&S Representative initial and refresher training participation	3 Members
Hazard Inspections	Workplace hazard inspections	66
Corporate Wellness Activities	Number of participants	1064

\* 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: EML (insurance provider) relates to claims submitted during the reporting period.

## Occupational Health and Safety Incidents

<b>Breakdown of OH&amp;S Injuries</b>	
Bruising or swelling	5
Cut or abrasion	2
Headache / dizzy / nausea	0
Infection	0
Soft tissue, ligament or tendon damage	1
Sprain or strain	5
Respiratory condition	2
Burn / electrocution / shock	0
Scratch or graze	1
Splinter	1
Anxiety or stress	1
Other	5

## Occupational Health and Safety Training

<b>Type of training</b>	<b>Number of employees attending</b>
Occupational Health and Safety eLearning	324
Equal Opportunity Contact Officer	1
Manual Handling	20
Health & Safety Representative	1
HSR refresher	2
Mental Health	35
First Aid	10
First Aid CPR refresher	2
Emergency Management	76
Working from home	59
Dealing with Challenging Calls and Self-Care Strategies eLearning	81

## Additional information

### Department Facts

Parliament of Victoria Members' Annexe won **16** State and National awards for design and construction in **2019**. The awards include the Australian Institute of Architecture's David Oppenheim Award for Sustainable Architecture, the National Award for Public Architecture and the National Award for Urban Design

Over **300,000** meals were prepared, packaged and distributed to Melbourne's homeless and most vulnerable as part of the Catering team's charitable meals program in its first 3 months of operation

A recently installed ballistic door weighed in at approximately **700kg**

The Library produced **67** Information Links (Infolinks) on Bills before the Parliament

Library staff dealt with over **1600** inquiries

Almost **2300** media releases were indexed

The Library's classification intelligence software indexed almost **157,500** news articles and almost **10,000** TV and radio clips

Over **540** Heritage inquiries and requests were satisfied

Budget and expenditure reports were sent every month for **141** Members' cost centres and **33** departmental cost centres

**1236** interns have completed the Parliamentary Internship since the program began in 1990

Over **25,000** invoices were processed by Accounts Payable

Over **2500** expense claims were processed by Accounts Payable

Accounts Payable managed and administered **35** credit card users through Oracle

Calls to the IT service desk also increased as the IT department supported users to transition to work from home as a result of COVID-19 and the rapid roll-out of new technologies to enable this. **20,757** calls were handled representing an increase of **25%** on the previous year

IT deployed **200** laptops, created **300** IT accounts, and purchased **250** mobile devices and **270** Adobe licences

The Catering unit maintained its **100%** commitment to source only Victorian produce and Victorian supply chain networks

More than **1740 kilos** of ground coffee beans (the equivalent of 48,333 lattes) from the Parliamentary kitchens has been diverted from landfill to be used as compost material at Melbourne Zoo

**600** square metres of worn carpet was replaced in the Library

In the charitable meals production, kitchen food waste has been reduced by practices such as making tomato soup from tomato cutoffs

Hansard delivered **1361** video clip requests for Members using the Video on Demand (Parliament Replay) concierge service

The Member Services kiosk received approximately **250** visits from Members and staff on sitting days during its first 9 months of operation

On **23 March 2020**, Hansard issued its first ever remotely published daily Hansard transcript

**37,008** pay services transactions were processed

**559** security incidents were investigated

There were **81,368** visitors to Parliament House and 55 St Andrews Place

**9584** items were seized or confiscated

## Additional information

### Senior Officer Travel

	2016-17	2017-18	2018-19	2019-20
DPS Senior Parliamentary Officer Travel*	\$11,904	\$59,799	\$30,471	\$9,546

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

### Attestation for financial management compliance with Standing Direction 5.1.4

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

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

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

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



**Peter Lochert**  
Secretary  
Department of Parliamentary Services

## 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 2019-20 (excluding GST)	Future Expenditure (excluding GST)
BLUEGRASS BROADCAST TECHNOLOGY PTY LTD	Audio Visual design services	Jun 2020	Jun 2020	11,250	11,250	0
KU CHILDREN'S SERVICES	Feasibility study for onsite childcare service	Aug 2019	Nov 2019	13,870	13,870	0

### Consultancies less than \$10,000

No. of consultancies	Total value (exc GST)
2	\$8,810.00

## Information and communication technology expenditure

All operational ICT expenditure Business As Usual (BAU) ICT	ICT expenditure related to projects to create or enhance ICT capabilities		
	Total non-BAU ICT Expenditure	Operational expenditure	Capital expenditure
\$11,876,789.93	\$2,789,339.33	\$1,471,945.33	\$1,317,394.00

## DECLARATION IN THE FINANCIAL STATEMENTS

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and financial position of the Parliament of Victoria at 30 June 2020.

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 8 September 2020.



**Peter Lochert**  
Secretary, Department of Parliamentary Services  
Parliament of Victoria

  
08/09/2020

**Charu Saxena**  
Chief Financial Officer  
Parliament of Victoria

Melbourne

08 September 2020

# PARLIAMENT OF VICTORIA

## Financial statements for the financial year ended 30 June 2020

<b>Contents</b>	<b>Page</b>
Declaration in the financial statements	52
Auditor-General's report	54
Comprehensive operating statement	56
Balance sheet	57
Statement of changes in equity	58
Cash flow statement	59
Notes to the financial statements	61 to 114

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

# Independent Auditor's Report

## To the Presiding Officers of the Parliament of Victoria

<b>Opinion</b>	<p>I have audited the financial report of the Parliament of Victoria (the Parliament) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2020</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• Accountable Officers' and Chief Finance and Accounting Officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Parliament as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Parliament in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Presiding Officers's responsibilities for the financial report</b>	<p>The Presiding Officers of the Parliament are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Presiding Officers determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Presiding Officers are responsible for assessing the Parliament's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

---

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

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

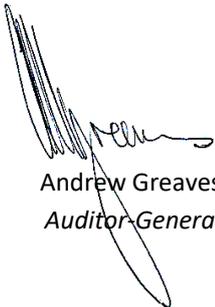
As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parliament's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Presiding Officers
- conclude on the appropriateness of the Presiding Officers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parliament's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Parliament to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Presiding Officers regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

---

MELBOURNE  
9 September 2020



Andrew Greaves  
Auditor-General

PARLIAMENT OF VICTORIA  
 Comprehensive operating statement  
 for the financial year ended 30 June 2020

		(\$ thousand)	
	Notes	2020	2019
<b>Income from transactions</b>			
Output appropriations	2.2, 2.3	144,674	131,460
Special appropriations	2.2, 2.3	43,575	41,666
Parliament refreshment rooms & gift shop sales	2.4	1,334	1,527
Other income		28	47
<b>Total income from transactions</b>		<b>189,611</b>	<b>174,700</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1	(114,247)	(107,061)
Depreciation	5.1, 5.2	(26,760)	(16,919)
Computer, communications, rental and other costs	3.3	(16,160)	(22,853)
Capital asset charge	9.8	(6,235)	(6,732)
Interest expense	7.1	(554)	(79)
Parliament refreshment rooms & gift shop	3.2	(3,008)	(2,042)
Supplies and services	3.3	(15,114)	(15,328)
<b>Total expenses from transactions</b>		<b>(182,078)</b>	<b>(171,014)</b>
<b>Net result from transactions (net operating balance)</b>		<b>7,533</b>	<b>3,686</b>
<b>Other economic flows included in net result</b>			
Net gain / (loss) on non-financial physical assets		174	47
Other gains / (losses) from other economic flows		(152)	(967)
<b>Total other economic flows included in net result</b>		<b>22</b>	<b>(920)</b>
<b>Net result</b>		<b>7,555</b>	<b>2,766</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		-	23,328
<b>Total other economic flows - other comprehensive income</b>		<b>-</b>	<b>23,328</b>
<b>Comprehensive result</b>		<b>7,555</b>	<b>26,094</b>

The Comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 61 to 114.

PARLIAMENT OF VICTORIA  
Balance sheet  
as at 30 June 2020

		(\$ thousand)	
	Notes	2020	2019
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	7.2	22	198
Receivables	6.1	40,375	33,417
<b>Total financial assets</b>		<b>40,397</b>	33,615
<b>Non-financial assets</b>			
Inventories - Parliament refreshment room & gift shop		71	66
Non-financial physical assets classified as held for sale		95	33
Property, plant and equipment	5.1	732,850	729,860
Right-of-use assets	1.1, 5.2	24,437	-
Prepayments		441	1,331
<b>Total non-financial assets</b>		<b>757,894</b>	731,290
<b>Total assets</b>		<b>798,291</b>	764,905
<b>Liabilities</b>			
Bank overdraft	7.2	17	28
Payables	6.2	8,659	7,822
Unearned income		19	85
Lease liabilities	7.1	24,395	3,297
Provisions	3.1	15,455	13,882
<b>Total liabilities</b>		<b>48,545</b>	25,114
<b>Net assets</b>		<b>749,746</b>	739,791
<b>Equity</b>			
Accumulated surplus / (deficit)		59,181	51,626
Physical asset revaluation surplus	5.1	506,530	506,530
Contributed capital		184,035	181,635
<b>Net worth</b>		<b>749,746</b>	739,791

The Balance sheet should be read in conjunction with the accompanying notes included on pages 61 to 114.

PARLIAMENT OF VICTORIA  
Statement of changes in equity  
for the financial year ended 30 June 2020

(\$ thousand)					
	Notes	Physical asset revaluation surplus <sup>(a)</sup>	Accumulated surplus	Contributions by owner	Total
<b>Balance at 30 June 2018</b>		<b>483,202</b>	<b>48,860</b>	<b>179,291</b>	<b>711,353</b>
Net result for the year		-	2,766	-	2,766
Other comprehensive income for the year	5.1	23,328	-	-	23,328
Additions to Net Asset Base	9.6			2,344	2,344
<b>Balance at 30 June 2019</b>		<b>506,530</b>	<b>51,626</b>	<b>181,635</b>	<b>739,791</b>
Net result for the year		-	7,555	-	7,555
Other comprehensive income for the year			-	-	-
Additions to Net Asset Base	9.6	-	-	2,400	2,400
<b>Balance at 30 June 2020</b>		<b>506,530</b>	<b>59,181</b>	<b>184,035</b>	<b>749,746</b>

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

The above Statement of changes in equity should be read in conjunction with the accompanying notes included on pages 61 to 114.

PARLIAMENT OF VICTORIA  
Cash flow statement  
for the financial year ended 30 June 2020

		(\$ thousand)	
	Notes	2020	2019
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Government appropriations		181,002	172,901
Receipts from Parliament refreshment rooms & gift shop		1,476	1,829
Receipts from other income		28	306
Goods and services tax recovered from the ATO		6,188	6,013
<b>Total receipts</b>		<b>188,694</b>	181,049
<b>Payments</b>			
Payments to suppliers and employees		(151,133)	(152,483)
Payments to suppliers & employees by Parliament refreshment rooms & gift shop		(2,970)	(2,135)
Capital asset charge payments		(6,235)	(6,732)
Interest and other finance costs		(554)	(79)
<b>Total payments</b>		<b>(160,892)</b>	(161,429)
<b>Net cash flows from / (used in) operating activities</b>	7.2.1	<b>27,802</b>	19,620
<b>Cash flows from investing activities</b>			
Purchases of non-financial physical assets		(20,700)	(20,143)
Sales of non-financial physical assets		844	1,018
<b>Net cash flows from / (used in) investing activities</b>		<b>(19,856)</b>	(19,125)
<b>Cash flows from financing activities</b>			
Owner contributions by state government		2,400	2,344
Repayment of principal portion of lease liabilities		(10,511)	(1,910)
<b>Net cash flows from / (used in) financing activities</b>		<b>(8,110)</b>	434
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(165)</b>	929
Cash and cash equivalents at beginning of financial year		170	(759)
<b>Cash and cash equivalents at end of financial year</b>	7.2	<b>5</b>	170

The above cash flow statement should be read in conjunction with the accompanying notes included on pages 61 to 114.

## Contents

<b>Note</b>	<b>Description</b>	<b>Page</b>
1	About this report	61
2	Funding delivery of our services	64
3	The cost of delivering services	67
4	Disaggregated financial information by output	74
5	Key assets available to support output delivery	83
6	Other assets and liabilities	88
7	How we financed our operations	90
8	Risks, contingencies and valuation judgements	96
9	Other disclosures	107

## Note 1 - ABOUT THIS REPORT

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

Parliament of Victoria  
Parliament House  
Spring Street  
Melbourne 3002  
Victoria

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

### Basis of preparation

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

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

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 to or distributions by owners have also been designated as contributions by owners.

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

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

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

### Compliance information

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

PARLIAMENT OF VICTORIA  
Notes to the financial statements  
30 June 2020

**Note 1.1 - Change in accounting policies**

**1.1.1 Leases**

This note explains the impact of the adoption of AASB 16 *Leases* on the Parliament's financial statements. The Parliament has applied AASB 16 with a date of initial application of 1 July 2019.

The Parliament has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, the Parliament determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 – 'Determining whether an arrangement contains a Lease'. Under AASB 16, the Parliament assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 7.1.

Leases classified as operating leases under AASB 117

As a lessee, the Parliament previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Parliament. Under AASB 16, the Parliament recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, the Parliament recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Parliament's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

The Parliament has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

*Impacts on financial statements*

On transition to AASB 16, the Parliament recognised \$25.1 million of right-of-use assets and \$25.1 million of lease liabilities.

When measuring lease liabilities, the Parliament discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 2 per cent.

The following table presents a reconciliation between the operating lease commitments disclosed at 30 June 2019 and the lease liabilities recognised on the balance sheet at 1 July 2019.

	<i>Note</i>	<b>(\$ thousand)</b>
<b>Closing balance 30 June 2019</b>	<b>7.1.2</b>	<b>14,551</b>
Short-term leases (expire within 12 months of 1 July 2019)		(54)
Less 10% GST		(1,318)
Extensions due to options reasonably certain to be exercised		3,630
New leases recognised upon initial application		6,963
Correction of errors identified in 30 June 2019 closing balance		1,300
Net impact of fixed rent increases and discount rates		30
<b>Lease liability recognised at 1 July 2019</b>	<b>7.1</b>	<b>25,102</b>

**Note 1.1 - Change in accounting policies (cont)**

**1.1.2 Revenue from Contracts with Customers**

In accordance with FRD 121 requirements, the Parliament has applied the transitional provision of AASB 15, retrospectively with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019.

The application of AASB 15, from 1 July 2019 has limited impact for the Parliament. The key impact is on sales generated by the Parliament refreshment rooms & gift shop, however the application of AASB 15 does not change the amount or

**1.1.3 Transition impact on financial statements**

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers*; and
- AASB 16 *Leases*.

The impact is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards at 1 July 2019:

	Before new accounting standards Opening 1 July 2019	Impact of new accounting standards - AASB 16 <sup>(a)</sup>	After new accounting standards Opening 1 July 2019
	<b>(\$ thousand)</b>		
<b>Balance sheet</b>			
Total financial assets	33,615	-	33,615
Total non-financial assets	731,290	25,102	756,392
<b>Total assets</b>	<b>764,905</b>	<b>25,102</b>	<b>790,007</b>
Total lease liabilities	3,297	25,102	28,399
Total other liabilities	21,817	-	21,817
<b>Total liabilities</b>	<b>25,114</b>	<b>25,102</b>	<b>50,216</b>
<b>Total equity</b>	<b>739,791</b>	<b>-</b>	<b>739,791</b>

(a) Refer Note 1.1.1

## Note 2 - FUNDING DELIVERY OF OUR SERVICES

### Introduction

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

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

### Structure

2.1 Summary of key income that funds the delivery of our services.....	64
2.2 Appropriations.....	64
2.3 Summary of compliance with annual Parliamentary and special appropriations....	65
2.4 Parliament refreshment rooms & gift shop.....	66

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

		(\$ thousand)	
	<i>Notes</i>	<b>2020</b>	2019
Output appropriations	2.2/2.3	<b>144,674</b>	131,460
Special appropriations	2.2/2.3	<b>43,575</b>	41,666
Parliament refreshment rooms & gift shop	2.4	<b>1,334</b>	1,527

Revenue and income that fund delivery of the Parliament's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

### 2.2 Appropriations

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

#### Output appropriations

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

#### Special appropriations

In accordance with the relevant Act, income related to special appropriations is recognised when the amount appropriated for that purpose is due and payable by the Parliament.

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

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

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

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

	Appropriation Act			Financial Management Act 1994			Total Parliamentary Authority	Appropriations Applied	Variance (a)
	Annual Appropriation	Advance from Treasurer	Section 29	Section 32	Section 32	Total Parliamentary Authority			
<b>Controlled</b>									
Provision for outputs	142,471	2,863	313	6,716		152,363	144,674	7,689	
Additions to net assets	-	2,400	-	-		2,400	2,400	-	
<b>Total</b>	<b>142,471</b>	<b>5,263</b>	<b>313</b>	<b>6,716</b>		<b>154,763</b>	<b>147,074</b>	<b>7,689</b>	
<b>2019</b>									
<b>Controlled</b>									
Provision for outputs	130,699	2,998	280	5,027		139,004	131,460	7,544	
Additions to net assets	1,920	-	-	500		2,420	2,344	76	
<b>Total</b>	<b>132,619</b>	<b>2,998</b>	<b>280</b>	<b>5,527</b>		<b>141,424</b>	<b>133,804</b>	<b>7,620</b>	

(a) Variance represents the carryover of unapplied appropriation to the next financial year, as approved by the Treasurer under Section 32 (1) of the *Financial Management Act 1994*, and unspent Treasurers Advance Funding.

**Special Appropriations**

The following table discloses the details of compliance with special appropriations:

Authority	Purpose	Appropriations applied (\$ thousand)	
		2020	2019
Audit Act No. 2 of 1994	Audit of the Auditor-Generals Office	25	19
Constitution Act No. 8750 - Clerk of the Parliaments	Salaries	2	2
Constitution Act No. 8750 - Legislative Assembly	Salaries and expenses of the Assembly	550	550
Constitution Act No. 8750 - Legislative Council	Salaries and expenses of the Council	200	200
Parliamentary Salaries and Superannuation Act No. 7723	Salaries and allowances	42,798	40,895
		<b>43,575</b>	<b>41,666</b>

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

**2.4 Parliament refreshment rooms & gift shop**

	(\$ thousand)	
	2020	2019
Food sales	832	972
Beverage sales	181	210
Gift Shop	27	31
Function income	294	314
	<b>1,334</b>	<b>1,527</b>

**Parliament refreshment rooms & gift shop**

The sale of goods and services included in the table above are transaction that the Parliament has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

AASB 15 was applied by the Parliament from 1 July 2019. This had no impact on the amount or timing of revenue recognition compared to the accounting policy applied in the prior year. Further details in Note 1.1.

Revenue is measured based on the consideration specified in the contract with the customer. The Parliament recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

**Previous accounting policy for 30 June 2019**

Revenue relating to the Parliament refreshment rooms & gift shop was recognised in accordance with AASB 18.

The change in applicable Australian Accounting Standard did not impact the amount or timing of revenue being recognised by the Parliament refreshment rooms & gift shop.

## Note 3 - THE COST OF DELIVERING SERVICES

### Introduction

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

### Structure

3.1 Employee benefit expenses.....	68
3.2 Parliament refreshment rooms & gift shop.....	72
3.3 Other operating expenses.....	72

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

#### 3.1 Employee benefit expenses

	(\$ thousand)	
	2020	2019
Defined benefit superannuation expense	154	158
Defined contribution superannuation expense	8,946	8,071
Termination payments	325	1,580
Salaries and wages, annual leave and long service leave	104,822	97,252
<b>Total employee benefit expenses</b>	<b>114,247</b>	<b>107,061</b>

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

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

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Parliament is demonstrably committed to 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.

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

#### 3.1.1 Employee benefits in the balance sheet

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

	(\$ thousand)	
	2020	2019
<b>Current provisions:</b>		
<b>Annual leave</b>		
Unconditional and expected to settle within 12 months	3,903	3,027
Unconditional and expected to settle after 12 months	1,925	1,419
On-costs	903	711
	6,731	5,157
<b>Long service leave</b>		
Unconditional and expected to settle within 12 months	1,118	1,061
Unconditional and expected to settle after 12 months	5,145	5,338
On-costs	950	902
	7,213	7,301
Termination benefits	174	306
	174	306
<b>Total current provisions for employee benefits</b>	14,118	12,764
<b>Non-current provisions:</b>		
Long service leave	1,161	971
On-costs	176	147
<b>Total non-current provisions for employee benefits</b>	1,337	1,118
<b>Total provisions for employee benefits</b>	15,455	13,882

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

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

	(\$ thousand)	
	2020	2019
<b>Opening balance</b>	<b>1,760</b>	1,767
Additional provisions recognised	<b>883</b>	861
Reduction arising from payments / other sacrifices of future economic benefits	<b>(614)</b>	(868)
<b>Closing balance</b>	<b>2,029</b>	1,760
<b>Current</b>	<b>1,853</b>	1,613
<b>Non current</b>	<b>176</b>	147

**Termination benefits and annual leave**

Liabilities for termination benefits, annual leave and its associated on-costs are recognised as part of the employee benefit provision as current liabilities, because the Parliament does not have an unconditional right to defer settlements of these liabilities.

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

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

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

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

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

The components of this current LSL liability are measured at:

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

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

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

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

#### 3.1.2 Superannuation contributions

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

	(\$ thousand)			
	Paid contribution for the		Contribution outstanding	
	year		at year end	
	2020	2019	2020	2019
<b>Defined benefit plans <sup>(a)</sup></b>				
Emergency Services & State Super Scheme				
- Emp New & Revised	151	158	4	-
<b>Defined contribution plans:</b>				
VicSuper	4,597	4,616	131	-
Other	4,104	3,455	113	-
<b>Total</b>	<b>8,852</b>	<b>8,229</b>	<b>248</b>	<b>-</b>

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

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

#### 3.2 Parliament refreshment rooms

	(\$ thousand)	
	2020	2019
Cost of goods sold	977	542
Salaries and wages, annual leave and long service leave	1,844	1,393
Other expenditure	187	107
<b>Total Parliament refreshment rooms expenses</b>	<b>3,008</b>	<b>2,042</b>

**Cost of sales:** When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related income is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs.

Parliament refreshment rooms has experienced an increase in costs for 2019-20 due to the delivery of the charity meals program from April 2020. This program provided free meals for vulnerable community members during the COVID-19 emergency. The amount of meals provided was significantly higher than compared to normal operations in the prior year.

#### 3.3 Other operating expenses

	(\$ thousand)	
	2020	2019
<b>Computer, communications, rental and other costs</b>		
Computer software, support & equipment rental	4,641	3,449
Communications, postage and printing	6,897	7,683
Contractors and temporary staff	4,072	2,771
Property rental costs	551	8,950
	<b>16,160</b>	<b>22,853</b>

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

#### 3.3 Other operating expenses (cont)

	(\$ thousand)	
	2020	2019
<b>Supplies and services</b>		
Advertising	2,596	2,450
Cleaning expenses	1,334	1,183
Electorate office expenses	1,179	3,237
Maintenance contractors and consumables	1,221	1,094
Minor equipment purchase and repair	2,308	1,014
Motor vehicle running costs	675	511
Office expenses	1,042	1,116
Other operating expenses	819	970
Professional services	1,299	1,017
Security	1,213	1,047
Travel and subsistence	364	544
Utilities	1,064	1,145
<b>Total supplies and services</b>	<b>15,114</b>	<b>15,328</b>

**Computer software, support & equipment rental:** These expense include all IT related costs to support the ongoing operations of the Parliament. They are recognised as an expense in the reporting period in which they are incurred.

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

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

**Property rental costs up until 30 June 2019** are recognised on a straight line basis over the lease term.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate) such as those based on performance or usage of the underlying asset are recognised in the Comprehensive Operating Statement in the period in which the event or condition that triggers those payments occur.

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

## Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT

### Introduction

The Parliament is predominantly funded by accrual based parliamentary appropriations for the provision of outputs. This section provides a description of the outputs delivered during the year ended 30 June 2020 along with the objectives of those outputs.

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

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

### *Distinction between controlled and administered items*

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

### Structure

4.1 Parliament outputs – Descriptions and objectives.....	74
4.2 Administered items.....	81

## 4.1 Parliament outputs – Descriptions and objectives

### Objectives

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

### Outputs

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

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

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

A description of the Parliament of Victoria outputs performed during the year ended 30 June 2020 and the objectives of these outputs, are summarised below.

##### **Legislative Council outputs**

###### **Description of outputs**

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

###### **Objectives**

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

##### **Legislative Assembly outputs**

###### **Description of outputs**

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

###### **Objectives**

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

##### **Department of Parliamentary Services**

###### **Description of outputs**

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

###### **Objectives**

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

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

### **Parliamentary Investigative Committees**

#### **Description of outputs**

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

#### **Objectives**

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

### **Parliamentary Budget Office**

#### **Context**

The Parliamentary Budget Officer is an independent officer of the Parliament of Victoria. The Officer has complete discretion in the performance or exercise of the duties, functions and powers of office, and is not subject to direction or control.

For 2019-20, the Department of Parliamentary Services provided corporate services to the office, including financial statement preparation, but it, or those charged with its governance, did not direct or control the office.

#### **Description of outputs**

Preparing policy costings and advice on fiscal, economic or financial matters, for members of parliament. During an election year, also preparing election policy costings and pre-election reports prior to the general election, for Parliamentary Leaders. After the general election, preparing post-election reports for the Victorian community.

#### **Objectives**

To inform policy choices by providing trusted fiscal, economic and financial advice.

**PARLIAMENT OF VICTORIA**  
Notes to the financial statements  
30 June 2020

**Note 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)**  
Schedule A - Controlled income and expenses for the year ended 30 June 2020

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigative Committees	Parliamentary Office	Parliamentary Budget Office	Parliament Total
							(\$ thousand)
<b>Income from transactions</b>							
Output appropriations	5,958	6,917	122,754	5,745		3,300	144,674
Special appropriations	13,425	30,150	-	-		-	43,575
Other income	-	-	28	-		-	28
Parliament refreshment rooms & gift shop	-	-	1,334	-		-	1,334
<b>Total income from transactions</b>	<b>19,383</b>	<b>37,067</b>	<b>124,116</b>	<b>5,745</b>		<b>3,300</b>	<b>189,611</b>
<b>Expenses from transactions</b>							
Employee expenses	(17,616)	(34,165)	(57,307)	(2,380)		(2,779)	(114,247)
Depreciation	-	-	(26,706)	-		(55)	(26,761)
Computer, communications, rental and other costs	(311)	(242)	(14,091)	(1,124)		(377)	(16,145)
Capital asset charge	-	-	(6,235)	-		-	(6,235)
Interest expense	(27)	(60)	(467)	-		-	(554)
Parliament refreshment rooms & gift shop	-	-	(3,008)	-		-	(3,008)
Supplies & services	(789)	(1,383)	(12,612)	(278)		(66)	(15,128)
<b>Total expenses from transactions</b>	<b>(18,743)</b>	<b>(35,850)</b>	<b>(120,426)</b>	<b>(3,782)</b>		<b>(3,277)</b>	<b>(182,078)</b>
<b>Net result from transactions (net operating balance)</b>	<b>640</b>	<b>1,217</b>	<b>3,690</b>	<b>1,963</b>		<b>23</b>	<b>7,533</b>
<b>Other economic flows included in net result</b>							
Net gain / (loss) on non-financial physical assets	-	-	174	-		-	174
Other gains / (losses) from other economic flows	(14)	(19)	(114)	(5)		-	(152)
<b>Total other economic flows included in net result</b>	<b>(14)</b>	<b>(19)</b>	<b>60</b>	<b>(5)</b>		<b>-</b>	<b>22</b>
<b>Net result</b>	<b>626</b>	<b>1,198</b>	<b>3,750</b>	<b>1,958</b>		<b>23</b>	<b>7,555</b>
<b>Other economic flows - other comprehensive income</b>							
Items that will not be reclassified to net result	-	-	-	-		-	-
Changes in physical asset revaluation surplus	-	-	-	-		-	-
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>
<b>Comprehensive result</b>	<b>626</b>	<b>1,198</b>	<b>3,750</b>	<b>1,958</b>		<b>23</b>	<b>7,555</b>

The comparative Parliament outputs schedule for the year ended 30 June 2019 appears on the following page.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2020**

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

Schedule B - Controlled income and expenses for the year ended 30 June 2019

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliamentary Office	Parliamentary Budget Office	Parliament Total
							(\$ thousand)
<b>Income from transactions</b>							
Output appropriations	4,613	4,980	110,375	7,451		4,041	131,460
Special appropriations	13,023	28,643	-	-		-	41,666
Other income	-	-	47	-		-	47
Parliament refreshment rooms & gift shop	-	-	1,527	-		-	1,527
<b>Total income from transactions</b>	<b>17,636</b>	<b>33,623</b>	<b>111,949</b>	<b>7,451</b>		<b>4,041</b>	<b>174,700</b>
<b>Expenses from transactions</b>							
Employee expenses	(16,298)	(31,246)	(52,841)	(3,812)		(2,864)	(107,061)
Depreciation	-	-	(16,887)	-		(32)	(16,919)
Computer, communications, rental and other costs	(118)	(135)	(21,224)	(838)		(538)	(22,853)
Capital asset charge	-	-	(6,732)	-		-	(6,732)
Interest expense	(23)	(50)	(6)	-		-	(79)
Parliament refreshment rooms & gift shop	-	-	(2,042)	-		-	(2,042)
Supplies & services	(753)	(1,275)	(12,312)	(381)		(607)	(15,328)
<b>Total expenses from transactions</b>	<b>(17,192)</b>	<b>(32,706)</b>	<b>(112,044)</b>	<b>(5,031)</b>		<b>(4,041)</b>	<b>(171,014)</b>
<b>Net result from transactions (net operating balance)</b>	<b>444</b>	<b>917</b>	<b>(95)</b>	<b>2,420</b>		<b>-</b>	<b>3,686</b>
<b>Other economic flows included in net result</b>							
Net gain / (loss) on non-financial physical assets	-	-	47	-		-	47
Other gains / (losses) from other economic flows	(35)	(77)	(806)	(49)		-	(967)
<b>Total other economic flows included in net result</b>	<b>(35)</b>	<b>(77)</b>	<b>(759)</b>	<b>(49)</b>		<b>-</b>	<b>(920)</b>
<b>Net result</b>	<b>409</b>	<b>840</b>	<b>(854)</b>	<b>2,371</b>		<b>-</b>	<b>2,766</b>
<b>Other economic flows - other comprehensive income items that will not be reclassified to net result</b>							
Changes in physical asset revaluation surplus	-	-	23,328	-		-	23,328
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>23,328</b>	<b>-</b>		<b>-</b>	<b>23,328</b>
<b>Comprehensive result</b>	<b>409</b>	<b>840</b>	<b>22,474</b>	<b>2,371</b>		<b>-</b>	<b>26,094</b>

PARLIAMENT OF VICTORIA  
Notes to the financial statements  
30 June 2020

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

**Schedule C - Controlled assets and liabilities as at 30 June 2020**

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigative Committees	Parliamentary Budget Office	Parliament Total
						(\$ thousand)
<b>Assets</b>						
Financial assets	2,402	1,803	33,206	2,457	535	40,403
Non-financial assets	2,110	963	754,631	42	142	757,888
<b>Total assets</b>	<b>4,512</b>	<b>2,766</b>	<b>787,837</b>	<b>2,499</b>	<b>677</b>	<b>798,291</b>
<b>Liabilities</b>						
	(5,317)	(3,311)	(38,459)	(1,024)	(434)	(48,545)
<b>Total liabilities</b>	<b>(5,317)</b>	<b>(3,311)</b>	<b>(38,459)</b>	<b>(1,024)</b>	<b>(434)</b>	<b>(48,545)</b>
<b>Net assets / (liabilities)</b>	<b>(805)</b>	<b>(545)</b>	<b>749,378</b>	<b>1,475</b>	<b>243</b>	<b>749,746</b>

The comparative Parliament outputs schedule for the year ended 30 June 2019 appears on the following page.

PARLIAMENT OF VICTORIA  
Notes to the financial statements  
30 June 2020

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

**Schedule D - Controlled assets and liabilities as at 30 June 2019**

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigative Committees	Parliamentary Budget Office	Parliament Total
						(\$ thousand)
<b>Assets</b>						
Financial assets	1,261	1,827	27,061	3,247	219	33,615
Non-financial assets	968	2,108	728,027	-	187	731,290
<b>Total assets</b>	<b>2,229</b>	<b>3,935</b>	<b>755,088</b>	<b>3,247</b>	<b>406</b>	<b>764,905</b>
<b>Liabilities</b>						
Total liabilities	(2,747)	(4,616)	(15,690)	(1,380)	(681)	(25,114)
<b>Net assets / (liabilities)</b>	<b>(518)</b>	<b>(681)</b>	<b>739,398</b>	<b>1,867</b>	<b>(275)</b>	<b>739,791</b>

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

**4.2 Administered items**

In addition to the controlled 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.

The Parliament does not gain control over assets arising from administered transactions, consequently no income is recognised in the Parliament's financial statements. The Parliament collects these amounts on behalf of the State. Accordingly, the amounts are disclosed as income in the schedule of Administered Items. Administered transactions are accounted for on an accrual basis using same accounting policies adopted for recognition of the Parliament's controlled items in the financial statements.

	(\$ thousand)			
	Department of Parliamentary Services		Parliament Total	
	2020	2019	2020	2019
<b>Administered income from transactions</b>				
Sale of goods and services	22	19	22	19
Receipts towards Public Service Commuter Club	141	121	141	121
<b>Total administered income from transactions</b>	<b>163</b>	140	<b>163</b>	140
<b>Administered expenses from transactions</b>				
Payments towards Public Service Commuter Club	(133)	(137)	(133)	(137)
Payments into the Consolidated Fund	(22)	(19)	(22)	(19)
<b>Total administered expenses from transactions</b>	<b>(155)</b>	(156)	<b>(155)</b>	(156)
<b>Total administered net result from transactions (net operating balance)</b>	<b>8</b>	(16)	<b>8</b>	(16)
<b>Administered net result</b>	<b>8</b>	(16)	<b>8</b>	(16)
<b>Total administered comprehensive result</b>	<b>8</b>	(16)	<b>8</b>	(16)
<b>Administered financial assets</b>				
Receivables	61	69	61	69
<b>Total administered assets</b>	<b>61</b>	69	<b>61</b>	69
<b>Administered liabilities</b>				
Payables	(61)	(69)	(61)	(69)
<b>Total administered liabilities</b>	<b>(61)</b>	(69)	<b>(61)</b>	(69)
<b>Total administered net assets</b>	<b>-</b>	-	<b>-</b>	-

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

**4.2 Administered items (cont)**

**4.2.1 Administered trust account balances**

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

Parliament maintains the Public Service Commuter Club trust account under this arrangement.

*Legislation: Financial Management Act 1994*

Purpose: To record the receipt and payments of amounts relating to the purchase of public transport travel tickets for employees and associated reimbursements from employee salaries.

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.

	2020			(\$ thousand)
	Opening balance as at 1 July 2019	Total receipts	Total payments	Closing balance as at 30 June 2020
<b>Administered Trusts</b>				
Public Service Commuter Club	(69)	141	(133)	(61)
<b>Total Administered Trusts</b>	<b>(69)</b>	<b>141</b>	<b>(133)</b>	<b>(61)</b>

	2019			(\$ thousand)
	Opening balance as at 1 July 2018	Total receipts	Total payments	Closing balance as at 30 June 2019
<b>Administered Trusts</b>				
Public Service Commuter Club	(53)	121	(137)	(69)
<b>Total Administered Trusts</b>	<b>(53)</b>	<b>121</b>	<b>(137)</b>	<b>(69)</b>

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

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

*Significant judgement: Fair value measurement*

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 in connection with how those fair values were determined. This includes a higher degree of estimation uncertainty surrounding fair value assessments due to the impact of COVID-19 on the current reporting period.

**Structure**

5.1 Property, plant and equipment.....	83
5.2 Right-of-use assets.....	86
5.3 Depreciation and impairment.....	87

**5.1 Property, plant and equipment**

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
Land at fair value	173,828	173,828	-	-	173,828	173,828
Buildings at fair value	548,651	523,055	(33,900)	(22,186)	514,751	500,869
Plant, equipment & vehicles at fair value <sup>(a)</sup>	35,133	38,732	(18,299)	(15,515)	16,834	23,217
Cultural assets at fair value	11,958	11,958	-	-	11,958	11,958
Leasehold improvements at cost	5,495	2,776	(1,698)	(1,300)	3,797	1,476
Assets under construction at cost	11,682	18,512	-	-	11,682	18,512
<b>Total</b>	<b>786,747</b>	<b>768,861</b>	<b>(53,897)</b>	<b>(39,001)</b>	<b>732,850</b>	<b>729,860</b>

(a) Comparative amount includes finance leased motor vehicles. Application of AASB 16 from 1 July 2019 has changed their classification to a right-of-use asset, disclosed in Note 5.2

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

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

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

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

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

The initial cost for non-financial physical assets under a finance lease (under AASB 117 until 30 June 2019) 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.

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

Leasehold improvements continue to be measured at cost less any accumulated depreciation and impairment.

**Specialised land:** The market approach is used for specialised land, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value. To reflect the specialised nature of the land being valued, an adjusted for the community service obligation (CSO) is made. The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

**Specialised buildings:** Relates to Parliament House and its adjacent structures, with the current replacement cost method being used to determine fair value, adjusting for associated depreciation.

**Plant, equipment & vehicles:** Fair value is determined using the current replacement cost method.

**Cultural assets:** Relates to artworks, books, heritage furniture and other items that the Parliament intends to preserve because of their unique historical, cultural or environmental attributes, whose fair value is determined using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets.

There were no changes in valuation techniques throughout the period to 30 June 2020.

**PARLIAMENT OF VICTORIA**  
**Notes to the financial statements**  
**30 June 2020**

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

**5.1.1 Reconciliation of movements in carrying amount of property, plant and equipment**

	Land at fair value	Buildings at fair value	Plant, equipment & vehicles at fair value	Cultural assets at fair value	Leasehold improvements	Assets under construction at cost	Total
(\$ thousand)							
<b>Year ended 30 June 2020</b>							
Opening balance	173,828	500,869	23,217	11,958	1,476	18,512	729,860
Additions	-	-	-	-	-	23,363	23,363
Disposals / retirements	-	-	-	-	-	(115)	(115)
Revaluations	-	-	-	-	-	-	-
Transfer in / (out) from assets under construction	-	25,596	1,762	-	2,720	(30,078)	-
Other transfers <sup>(a)</sup>	-	-	(3,255)	-	-	-	(3,255)
Depreciation expense	-	(11,714)	(4,890)	-	(399)	-	(17,003)
<b>Closing balance</b>	<b>173,828</b>	<b>514,751</b>	<b>16,834</b>	<b>11,958</b>	<b>3,797</b>	<b>11,682</b>	<b>732,850</b>
<b>Year ended 30 June 2019</b>							
Opening balance	150,500	512,106	22,810	11,822	1,013	3,064	701,315
Additions	-	-	2,933	20	-	20,279	23,232
Disposals / retirements	-	-	(1,062)	-	(1)	-	(1,063)
Revaluations	23,328	-	-	-	-	-	23,328
Transfer in / (out) from assets under construction	-	257	3,786	116	672	(4,831)	-
Other transfers	-	-	(33)	-	-	-	(33)
Depreciation expense	-	(11,494)	(5,217)	-	(208)	-	(16,919)
<b>Closing balance</b>	<b>173,828</b>	<b>500,869</b>	<b>23,217</b>	<b>11,958</b>	<b>1,476</b>	<b>18,512</b>	<b>729,860</b>

(a) Transfer of leased motor vehicles to right-of-use asset class. Refer Note 5.2.

PARLIAMENT OF VICTORIA  
Notes to the financial statements  
30 June 2020

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

**Note 5.2 - Right-of-use assets**

The Parliament has separated its right-of-use assets disclosures by class of underlying asset:

	(\$ thousand)	
	2020	2019
<b>Right-of-use: Motor vehicles</b> <sup>(a)</sup>		
Gross carrying amount	4,391	4,327
Accumulated depreciation	(1,171)	(1,072)
<b>Net carrying amount</b>	<b>3,220</b>	<b>3,255</b>
<b>Right-of-use: Properties</b> <sup>(b)</sup>		
Gross carrying amount	29,848	-
Accumulated depreciation	(8,630)	-
<b>Net carrying amount</b>	<b>21,218</b>	<b>-</b>
<b>Total net carrying amount</b>	<b>24,437</b>	<b>3,255</b>

(a) Prior to 1 July 2019, this related to finance leased motor vehicles and was disclosed as part of the plant, equipment & vehicles asset class in Note 5.1.

(b) No requirement to record a right-of-use asset for operating leases prior to 1 July 2019. Refer Note 1.1.

Prior to 1 July 2019, only assets leased as part of a finance lease in accordance with AASB 117 *Leases*, were recognised on the balance sheet. The application of AASB 16 *Leases* from 1 July 2019, results in the Parliament having to recognise a right-of-use asset associated with operating leases. Note 1.1 details the overall transition impact from AASB 117 to AASB 16.

**Initial recognition:** a right-of-use asset and corresponding lease liability are recognised at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

**Subsequent measurement:** the Parliament depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

**5.2.1 Reconciliation of movements in carrying amount of right-of-use assets**

	(\$ thousand)		
	Right-of-use: Motor vehicles	Right-of-use: Properties	Total
<b>Year ended 30 June 2020</b>			
<b>Opening balance</b> <sup>(a)</sup>	<b>3,255</b>	<b>25,102</b>	<b>28,357</b>
Additions	1,566	5,542	7,108
Disposals / retirements	(731)	(540)	(1,271)
Depreciation expense	(870)	(8,887)	(9,757)
<b>Closing balance</b>	<b>3,220</b>	<b>21,217</b>	<b>24,437</b>

Note: no comparative information disclosed due to first time application recognition of right-of-use assets under AASB 16 *Leases*. Refer Note 1.1 for further details.

(a) Opening balance for 1 July 2019 of right-of-use properties was calculated for the initial application of AASB 16 *Leases* (refer Note 1.1) This is equal to the corresponding lease liability recognised at 1 July 2019 on the balance sheet.

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

### 5.3 Depreciation and impairment

All items of property, plant and equipment that have finite useful lives, including right-of-use assets are depreciated. The exceptions to this rule include items under assets held for sale, land and cultural assets. 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. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

	Useful life (years)	
	2020	2019
Buildings at fair value	10 to 90	10 to 90
Plant, equipment & vehicles at fair value	2 to 10	2 to 10
Leasehold improvements at cost	2 to 10	2 to 10
Right-of-use assets	2 to 10	-

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

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

Right-of use assets are depreciated over the shorter of the asset's useful life and the lease term. Where the Parliament obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the Parliament will exercise a purchase option, depreciation occurs over the asset's useful life.

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

#### Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity (as is the case for the Parliament), is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

## Note 6 - OTHER ASSETS AND LIABILITIES

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

### Structure

6.1 Receivables.....	88
6.2 Payables.....	89

### 6.1 Receivables

	(\$ thousand)	
	2020	2019
<b>Current</b>		
<b>Contractual</b>		
Debtors - Parliament refreshment rooms	23	103
Other receivables	-	1
<b>Statutory</b>		
Amounts owing from Victorian Government	17,461	12,718
GST input tax credit recoverable	764	986
<b>Total current receivables</b>	<b>18,249</b>	13,808
<b>Non Current</b>		
<b>Statutory</b>		
Amounts owing from Victorian Government	22,127	19,609
<b>Total non current receivables</b>	<b>22,127</b>	19,609
<b>Total receivables</b>	<b>40,375</b>	33,417

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The Parliament holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measures these at amortised cost using the effective interest method, less any impairment.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Parliament applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

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

**6.2 Payables**

	(\$ thousand)	
	2020	2019
<b>Contractual</b>		
Supplies and services	5,320	5,309
Accrued salaries & wages	2,651	1,825
<b>Statutory</b>		
Fringe Benefits Tax	199	126
Payroll tax	488	562
<b>Total payables</b>	<b>8,659</b>	<b>7,822</b>

Payables are classified as a current liability and consist of:

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

## Note 7 - HOW WE FINANCED OUR OPERATIONS

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

This section includes disclosures of balances that are financial instruments (such as lease liabilities and cash balances). Notes 8.1 provides additional, specific financial instrument disclosures.

### Structure

7.1 Lease liabilities.....	90
7.2 Cash flow information and balances.....	93
7.3 Commitments for expenditure.....	95

### 7.1 Lease liabilities

	(\$ thousand)	
	2020	2019
<b>Current lease liabilities</b>		
Motor vehicle lease liabilities	1,492	1,545
Property lease liabilities	7,292	-
<b>Total current lease liabilities</b>	<b>8,784</b>	<b>1,545</b>
<b>Non current lease liabilities</b>		
Motor vehicle lease liabilities	1,832	1,752
Property lease liabilities	13,779	-
<b>Total non current lease liabilities</b>	<b>15,612</b>	<b>1,752</b>
<b>Total lease liabilities</b>	<b>24,395</b>	<b>3,297</b>

This note presents information about leases for which the Parliament is a lessee.

The Parliament leases various electoral office properties and motor vehicles.

The Parliament also leases minor IT equipment for operational use. These leases are either short-term (due to expire within 12 months of 30 June 2020) or of insignificant value. As such, these leases are not recognised as right-of-use assets or lease liabilities, with associated payments recognised as an expense in the period they occur.

The following information presents other significant balances and transactions relating to lease liabilities.

#### 7.1(a) Right-of-use assets

Information on right-of-use assets is presented in Note 5.

#### 7.1(b) Amounts recognised in the Statement of Comprehensive Statement

The following amounts are recognised in the Statement of Comprehensive Operating Statement:

	(\$ thousand)
	2020
Interest expense on lease liabilities	554
Expenses relating to short-term leases	551
<b>Total</b>	<b>1,104</b>

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

**7.1 Lease liabilities (cont)**

**7.1(c) Amounts recognised in the Statement of Cashflows**

The following amounts are recognised in the Statement of Cashflows relating to leases:

	<b>(\$ thousand)</b>
	<b>2020</b>
Total cash outflow for leases	10,511

Prior to 1 July 2019, lease liabilities were accounted in accordance with AASB 117 Leases, the transition impact from AASB 117 to AASB 16 Leases is detailed in Note 1.1.

For the Parliament, adoption of AASB 16 has a significant impact of recognising property leases (previously classified as operating leases) as a liability on the balance sheet.

The impact on leased motor vehicles is insignificant.

For any new contracts entered into on or after 1 July 2019, the Parliament considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Parliament assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Parliament and for which the supplier does not have substantive substitution rights;
- the Parliament has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Parliament has the right to direct the use of the identified asset throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

**Interest expense**

Interest expense disclosed on the Comprehensive Operating Statement relates to lease liabilities and is recognised in the period in which it is incurred.

**Recognition and measurement of leases (under AASB 16 from 1 July 2019)**

**Initial recognition:** Lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the Parliament's incremental borrowing rate.

**Subsequent measurement:** the carrying amount of the lease liability will:

- increase to reflect interest on the lease liability;
- decrease by any lease repayments made; and
- increase/decrease by any reassessments or lease modifications (such as market reviews, exercise of term extensions).

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

**Short-term leases and leases of low value assets** are accounted for using the practical expedients allowed under AASB 16. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term.

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

**7.1 Lease liabilities (cont)**

**Recognition and measurement of leases (under AASB 117 until 30 June 2019)**

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Leases of property, plant and equipment where the Parliament as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases.

Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease.

The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the Comprehensive Operating Statement.

Assets held under other leases were classified as operating leases and were not recognised in the Parliament's balance sheet. Operating lease payments were recognised as an operating expense in the Comprehensive Operating Statement on a straight-line basis over the lease term.

Prior to **1 July 2019**, the Parliament classified motor vehicle leases as finance leases and property leases as operating leases under AASB 117 Leases. Under AASB 117, there was no requirement to record a liability or asset associated with operating leases.

Property lease liabilities were previously disclosed as operating lease commitments together with all commitments for expenditure, Note 7.3.

The following table presents the future lease payments and maturity analysis for leases.

	(\$ thousand)			
	Minimum future lease payments <sup>(a)</sup>		Present value of minimum future lease payments	
	2020	2019	2020	2019
<i>Motor vehicle leases</i>				
Not longer than one year	1,902	1,617	1,832	1,545
Longer than one year and not longer than five years	1,525	1,797	1,492	1,752
<i>Property leases</i>				
Not longer than one year	7,438	-	7,292	-
Longer than one year and not longer than five years	13,641	-	13,374	-
Longer than five years	414	-	406	-
<b>Minimum future lease payments</b>	<b>24,919</b>	<b>3,414</b>	<b>24,395</b>	<b>3,297</b>
Less future finance charges <sup>(b)</sup>	(524)	(118)		
<b>Present value of minimum lease payments</b>	<b>24,395</b>	<b>3,296</b>	<b>24,395</b>	<b>3,297</b>
<b>Included on the balance sheet in:</b>				
Current borrowings lease liabilities (Note 7.1)			8,784	
Non-current borrowings lease liabilities (Note 7.1)			15,612	
<b>Total</b>			<b>24,395</b>	

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

(b) Weighted average discount rate for motor vehicle leases is 3.2% and property leases is 2.0%

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

### 7.2 Cash flow information and balances

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

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

	(\$ thousand)	
	2020	2019
<b>Cash on hand</b>		
Parliament of Victoria	2	2
Parliament refreshment rooms	1	2
<b>Bank balance</b>		
Parliament refreshment rooms	19	194
	<b>22</b>	<b>198</b>
Bank overdraft - unrepresented cheques	(17)	(28)
	<b>5</b>	<b>170</b>

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 public account remits to the Parliament the cash required upon presentation of cheques by the Parliament's suppliers or creditors.

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

At 30 June 2020, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$16,922 (2019 - \$28,398). Unrepresented cheques are represented as 'Bank overdraft' in the Parliament's balance sheet.

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

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

	(\$ thousand)	
	2020	2019
<b>Net result for the period</b>	<b>7,555</b>	2,766
<b>Non cash movements</b>		
Assets received free of charge	-	(20)
(Gain) / loss on sale or disposal of non-current assets	(174)	(47)
Depreciation of non-current assets	26,760	16,919
Other non-cash movements	-	(751)
<b>Movements in assets and liabilities:</b>		
(Increase) / decrease in receivables	(6,958)	322
(Increase) / decrease in inventories	(5)	22
(Increase) / decrease in prepayments	890	415
Increase / (decrease) in payables on operating activities	(1,773)	(560)
Increase / (decrease) in unearned income	(66)	35
Increase / (decrease) in provisions	1,573	519
<b>Net cash flows from / (used in) operating activities</b>	<b>27,802</b>	19,620

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

### 7.3 Commitments for expenditure

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

The following commitments have not been recognised as liabilities in the financial statements:

	(\$ thousand)	
	2020	2019
<b>Capital expenditure commitments</b>		
Not longer than one year	9,381	7,049
Longer than one year and not longer than five years	-	6,519
<b>Total capital expenditure commitments</b>	<b>9,381</b>	<b>13,568</b>
<b>Operating lease commitments<sup>(a)</sup></b>		
Not longer than one year	-	5,389
Longer than one year and not longer than five years	-	8,537
Longer than five years	-	625
<b>Total other commitments payable</b>	<b>-</b>	<b>14,551</b>
<b>Other commitments payable</b>		
Not longer than one year	1,510	894
Longer than one year and not longer than five years	1,098	586
<b>Total other commitments payable</b>	<b>2,608</b>	<b>1,480</b>
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>11,989</b>	29,599
<b>Less GST recoverable from the Australian Taxation Office</b>	<b>(1,090)</b>	(2,691)
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>10,899</b>	<b>26,908</b>

(a) From 1 July 2019, all lease commitments are now accounted for under AASB 16 *Leases* and are recognised as a liability on the balance sheet, refer note 7.1.

**Capital expenditure commitments** primarily consist of committed works to upgrade or modify Parliament House, and refurbishments of electoral offices.

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

## Note 8 - RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

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

### Structure

8.1 Financial instruments specific disclosures.....	96
8.2 Contingent assets and contingent liabilities.....	100
8.3 Fair value determination.....	101

### 8.1 Financial instruments specific disclosures

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

#### Categories of financial assets

**Financial assets at amortised cost:** financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Parliament to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Parliament recognises the following assets in this category:

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

#### Categories of financial liabilities

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

The Parliament recognises the following liabilities in this category:

- payables (excluding statutory payables);
- bank overdrafts; and
- lease liabilities.

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

### 8.1 Financial instruments specific disclosures (cont)

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

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

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

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

#### Categorisation of financial instruments

	Category	Note	(\$ thousand)	
			2020	2019
<b>Contractual financial assets</b>				
Cash and deposits	Financial assets at amortised cost	7.2	22	198
Receivables <sup>(a)</sup>	Financial assets at amortised cost	6.1	23	103
<b>Total financial assets</b>			<b>45</b>	<b>301</b>
<b>Contractual financial liabilities</b>				
Payables <sup>(b)</sup>	Financial liabilities at amortised cost	6.2	7,972	7,134
Bank overdraft	Financial liabilities at amortised cost	7.2	17	28
Lease liabilities	Financial liabilities at amortised cost	7.1	24,395	3,297
<b>Total financial liabilities</b>			<b>32,384</b>	<b>10,459</b>

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

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

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

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

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

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

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

#### **Credit Risk**

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The 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.

The carrying amount of contractual financial assets recorded in the financial statements (Note 8.1) represents the Parliament's maximum exposure to credit risk.

There has been no material change to the Parliament's credit risk profile in 2019-20.

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

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

#### **Liquidity Risk**

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

The Parliament's maximum exposure to liquidity risk is the total balance of financial liabilities recorded in the financial statements (Note 8.1).

In conjunction with prior periods' data and current risk assessments, this exposure to liquidity risk is deemed insignificant.

#### **Market Risk**

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

#### **Foreign currency risk**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction.

The Parliament is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This exposure is minimised because of a limited amount of purchases denominated in foreign currencies, a relatively short timeframe between commitment and settlement and holding no foreign monetary items at the end of the reporting period.

#### **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, and therefore has no 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 cash and deposits that are at a floating rate.

Overall, the Parliament has minimal exposure to interest rate risk as it holds minimal cash deposits and only have fixed rate financial lease liabilities relating to motor vehicle leases.

As a result, any changes to market interest rates in the next 12 months will have an insignificant impact on the Parliament's financial assets and liabilities.

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

### 8.2 Contingent assets and contingent liabilities

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

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

#### Contingent assets

Contingent assets are:

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

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

<i>Quantifiable contingent assets</i>	(\$ thousand)	
	2020	2019
Bank guarantees from suppliers	1,741	1,845
	<u>1,741</u>	<u>1,845</u>

There are no non-quantifiable contingent assets for the current or prior period.

#### Contingent liabilities

Contingent liabilities are:

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

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

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or

- the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

#### *Quantifiable contingent liabilities*

	(\$ thousand)	
	2020	2019
Legal proceedings and disputes <sup>(a)</sup>	-	17
	<u>-</u>	<u>17</u>

a) an unfair dismissal application has been made to the Fair Work Commission.

There are no non-quantifiable contingent liabilities for the current or prior period.

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

### 8.3 - Fair value determination

#### Significant judgement and estimates

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

This section sets out information on how Parliament determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

#### Fair value hierarchy

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

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

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

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

#### How this section is structured

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

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

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

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

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

**8.3.1 Fair value determination: Financial Instruments**

The Parliament currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their nature or with the expectation that they will be paid in full by the end of the 2020-21 reporting period.

These financial instruments include:

*Financial assets*

- cash and deposits; and
- receivables.

*Financial liabilities*

- payables; and
- bank overdraft.

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

**Fair value measurement hierarchy**

As at 30 June 2020 Description	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Land at fair value - specialised land	173,828	-	-	173,828
Buildings at fair value - specialised buildings	514,751	-	-	514,751
Plant, equipment & vehicles at fair value	16,834	-	-	16,834
Cultural assets at fair value	11,958	-	11,958	-
Right-of-use assets at fair value <sup>(a)</sup>	24,437	-	21,218	3,220
<b>Total</b>	<b>741,808</b>	<b>-</b>	<b>33,176</b>	<b>708,632</b>

(a) New asset class from 1 July 2019. Refer Note 5.2

As at 30 June 2019 Description	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Land at fair value - specialised land	173,828	-	-	173,828
Buildings at fair value - specialised buildings	500,869	-	-	500,869
Plant, equipment & vehicles at fair value	23,217	-	-	23,217
Cultural assets at fair value	11,958	-	11,958	-
<b>Total</b>	<b>709,872</b>	<b>-</b>	<b>11,958</b>	<b>697,914</b>

There have been no transfers between levels during the period.

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

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

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

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

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

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

At the end of June 2019, the Valuer General's indices indicated that a fair value assessment and a managerial revaluation in accordance with the requirements of FRD 103H was required due to a material movement in the value of Parliament's land since the last valuation in June 2017.

Using the Valuer General's latest quarterly indices, the Parliament performed a fair value assessment which concluded the carrying value of specialised land was not materially different to its fair value. However, these indices do not capture the impacts of COVID-19 on land values, thereby increasing the degree of estimation uncertainty in this assessment.

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

For Parliament's specialised buildings, the current 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 are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

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

Using the Valuer General's latest quarterly indices, the Parliament performed a fair value assessment which concluded the carrying value of specialised buildings was not materially different to its fair value. However, these indices do not capture the impacts of COVID-19 on building values, thereby increasing the degree of estimation uncertainty in this assessment.

##### ***Plant, equipment and vehicles***

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

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

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

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

##### ***Cultural assets***

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 was determined by researching and checking the prices paid for similar books sold both in Australia and overseas. The last revaluation was performed for the library collection for the financial period ended at 30 June 2017. An interim valuation was performed at 30th June 2020 by reference to CPI and auction prices, no material change in market values was observed.

For other cultural assets (including heritage furniture, heritage items & artworks), valuation of the assets 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 30th June 2017. An interim valuation was performed at the 30th June 2020 by observing a sample of the asset register. No material change in market values was observed.

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 2020. For all assets measured at fair value, the current use is considered the highest and best use.

##### ***Right-of-use assets***

Leased properties are valued using the market approach. Under this valuation method, the assets are compared to recent comparable leases or leases of comparable assets.

Fair value assessment was performed for 30 June 2020 with reference to market reviews and CPI movements of existing leases. No material changes in market values was observed. To the extent leased properties do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Leased vehicles are valued using the current replacement cost method, adjusting for associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, leased vehicles are classified as Level 3 assets

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

### 8.3 - Fair value determination (cont)

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

##### Reconciliation of Level 3 fair value movements

	(\$ thousand)			
Year ended 30 June 2020	<i>Specialised land</i>	<i>Specialised buildings</i>	<i>Plant, equipment and vehicles</i>	<i>Right-of-use assets: motor vehicles</i>
<b>Opening balance</b>	173,828	500,869	23,217	3,255
Purchases (sales)	-	-	-	1,566
Transfer in / (out) of assets under construction	-	25,596	1,762	-
Other transfers	-	-	(3,255)	-
<b>Gains or losses recognised in net result</b>				
Depreciation	-	(11,714)	(4,890)	(870)
Disposal of assets	-	-	-	(731)
<b>Subtotal</b>	173,828	514,751	16,834	3,220
<b>Gains or losses recognised in other economic flows - other comprehensive income</b>				
Revaluation	-	-	-	-
<b>Closing balance</b>	173,828	514,751	16,834	3,220

	(\$ thousand)		
Year ended 30 June 2019	<i>Specialised land</i>	<i>Specialised buildings</i>	<i>Plant, equipment and vehicles</i>
<b>Opening balance</b>	150,500	512,106	22,810
Purchases (sales)	-	-	2,933
Transfer in / (out) of assets under construction	-	257	3,786
<b>Gains or losses recognised in net result</b>			
Depreciation	-	(11,494)	(5,217)
Disposal of assets	-	-	(1,095)
<b>Subtotal</b>	150,500	500,869	23,217
<b>Gains or losses recognised in other economic flows - other comprehensive income</b>			
Revaluation	23,328	-	-
<b>Closing balance</b>	173,828	500,869	23,217

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

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

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

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

	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>
<b>Specialised land</b>	Market approach	Community Service Obligation (CSO) adjustment
<b>Specialised buildings</b>	Current replacement cost	Direct cost per square metre  Useful life of specialised buildings
<b>Plant, equipment and vehicles</b>	Current replacement cost	Cost per unit  Useful life of plant & equipment
<b>Right-of-use assets: motor vehicles</b>	Current replacement cost	Useful life of motor vehicles

The significant unobservable inputs have remain unchanged from the prior period.

## Note 9 - OTHER DISCLOSURES

This section includes additional material disclosures

### Structure

9.1 Responsible persons.....	107
9.2 Remuneration of executives.....	110
9.3 Related parties.....	112
9.4 Remuneration of auditors.....	113
9.5 Subsequent events.....	113
9.6 Other accounting policies.....	113
9.7 Australian Accounting Standards issued that are not yet effective.....	114

### 9.1 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer 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 the Presiding Officers and Accountable Officers in the Parliament for the reporting period are as follows:

<u>Presiding Officers:</u>	<b>The Hon Shaun Leane MLC 1st July 2019 to 18th June 2020</b> President of the Legislative Council
	<b>The Hon Nazih Elasmr MLC 18th June 2020 to 30th June 2020</b> President of the Legislative Council
	<b>The Hon Colin Brooks 1st July 2019 to 30th June 2020</b> Speaker of the Legislative Assembly
<u>Accountable Officers:</u>	<b>Peter Lochert - 1st July 2019 to 30th June 2020</b> Secretary, Department of Parliamentary Services
	<b>Andrew Young - 1st July 2019 to 30th June 2020</b> Clerk - Legislative Council
	<b>Bridget Noonan - 1st July 2019 to 30th June 2020</b> Clerk - Legislative Assembly

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

**Remuneration**

Remuneration received or receivable by the responsible persons in connection with the management of the Parliament during the reporting period was in the following ranges:

Salary Band \$	Number of Officers	
	2020	2019
10,000 - 19,999	1	-
150,000 - 159,999	-	1
190,000 - 199,999	-	1
360,000 - 369,999	1	1
370,000 - 379,999	2	-
390,000 - 399,999	1	-
400,000 - 409,999	1	-
<b>Total number</b>	<b>6</b>	<b>3</b>
<b>Total amount (\$ thousand)</b>	<b>1,932</b>	<b>713</b>

The Parliament has reassessed the roles and responsibilities of the Accountable Officer with reference to the *Financial Management Act 1994* and the Standing Directions issued by the Assistant Treasurer, and concluded the Department Heads of the Parliament (namely the Secretary, Department of Parliamentary Services, Clerk - Legislative Council and Clerk - Legislative Assembly) meet the definition of the Accountable Officer role. Consequently, from 1 July 2019, the three Department Heads of the Parliament have replaced the Presiding Officers as the Accountable Officers.

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

**9.1 Responsible persons (cont)**

**Remuneration of Ministers**

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

	<b>(\$ thousand)</b>	
	<b><i>Total remuneration</i></b>	
<b><i>Remuneration of Ministers</i></b>	<b>2020</b>	<b>2019</b>
Short-term employee benefits	<b>8,752</b>	7,924
Post-employment benefits	<b>570</b>	460
<b>Total remuneration</b>	<b>9,322</b>	<b>8,384</b>
<b>Total number of Ministers</b>	<b>26</b>	<b>25</b>

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

**9.2 Remuneration of executives**

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

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

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

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

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

	(\$ thousand)	
	Total Remuneration	
Remuneration of executive officers	2020 <sup>(c)</sup>	2019
Short-term employee benefits	1,248	2,049
Post-employment benefits	123	156
Other long-term benefits	37	58
<b>Total remuneration</b> <sup>(a)</sup>	<b>1,408</b>	<b>2,263</b>
<b>Total number of executives</b>	<b>7</b>	<b>9</b>
<b>Total annualised employee equivalents</b> <sup>(b)</sup>	<b>6.90</b>	<b>7.90</b>

*Notes:*

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

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

(c) The remuneration of the three Department Heads of the Parliament has been previously included in this note. After reassessing the roles and responsibilities of the Accountable Officer (refer Note 9.1), the Parliament concluded that the three Department Heads held the position of Accountable Officers from 1 July 2019, as such their remuneration is no longer disclosed here.

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

**9.2 Remuneration of executives (cont)**

Parliamentary Budget Office	(\$ thousand)	
	Total Remuneration	
Remuneration of executive officers	2020	2019
Short-term employee benefits	639	616
Post-employment benefits	59	57
Other long-term benefits	20	14
<b>Total remuneration <sup>(a)</sup></b>	<b>718</b>	<b>687</b>
<b>Total number of executives</b>	<b>3</b>	<b>3</b>
<b>Total annualised employee equivalents <sup>(b)</sup></b>	<b>3</b>	<b>3</b>

*Notes:*

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the Parliamentary Budget Office (PBO) under AASB 124 Related Party Disclosures, but are not reported within the related parties note disclosure (Note 9.5), as they are not KMP of the Parliament of Victoria.

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

The Parliamentary Budget Officer is a statutory appointment and excluded from this table.

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

**9.3 Related parties**

Related parties of the Parliament

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over); and
- all cabinet ministers and their close family members.

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

**Key management personnel** of the Parliament include the Accountable Officers and Presiding Officers, as listed in Note 9.1.

	(\$ thousand)	
	Total Remuneration	
Compensation of KMPs	2020	2019
Short-term employee benefits	1,745	1,656
Post-employment benefits	155	122
Other long-term benefits	32	31
<b>Total</b>	<b>1,932</b>	<b>1,809</b>

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

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

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

## Note 9 - OTHER DISCLOSURES (cont)

### 9.4 Remuneration of auditors

Victorian Auditor-General's Office

	(\$ thousand)	
	2020	2019
Audit of the financial statements	66	64
	66	64

### 9.5 Subsequent events

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

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

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

### 9.6 Other accounting policies

#### Contributions by owners

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

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

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

#### Capital asset charge

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

## Note 9 - OTHER DISCLOSURES (cont)

### 9.7 Issued but not yet effective Australian accounting and reporting pronouncements

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. These accounting standards have not been applied to these financial statements or accompanying notes. The Parliament is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The Parliament has not earlier adopted the Standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material. The Parliament is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by one year to periods beginning on or after 1 January 2023. The Parliament will not early adopt the Standard.

The Parliament is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.





**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)