
Annual Report

[2010-11]

Department of Parliamentary Services
Parliament of Victoria



Department of Parliamentary Services

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

The Hon. Ken Smith, MLA
Speaker
Legislative Assembly
Parliament House
Melbourne VIC 3002

Dear President and Speaker,

I have pleasure in forwarding to you my report on the operations of the Department of Parliamentary Services for the year ended June 2011.

Yours sincerely,



Peter Lochert
Secretary
Department of Parliamentary Services

Department of Parliamentary Services Annual Report **[2010-11]**

Tabled in the Legislative Council and Legislative Assembly on 15 September 2011

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Enquires should be directed to the Department of Parliamentary Services.

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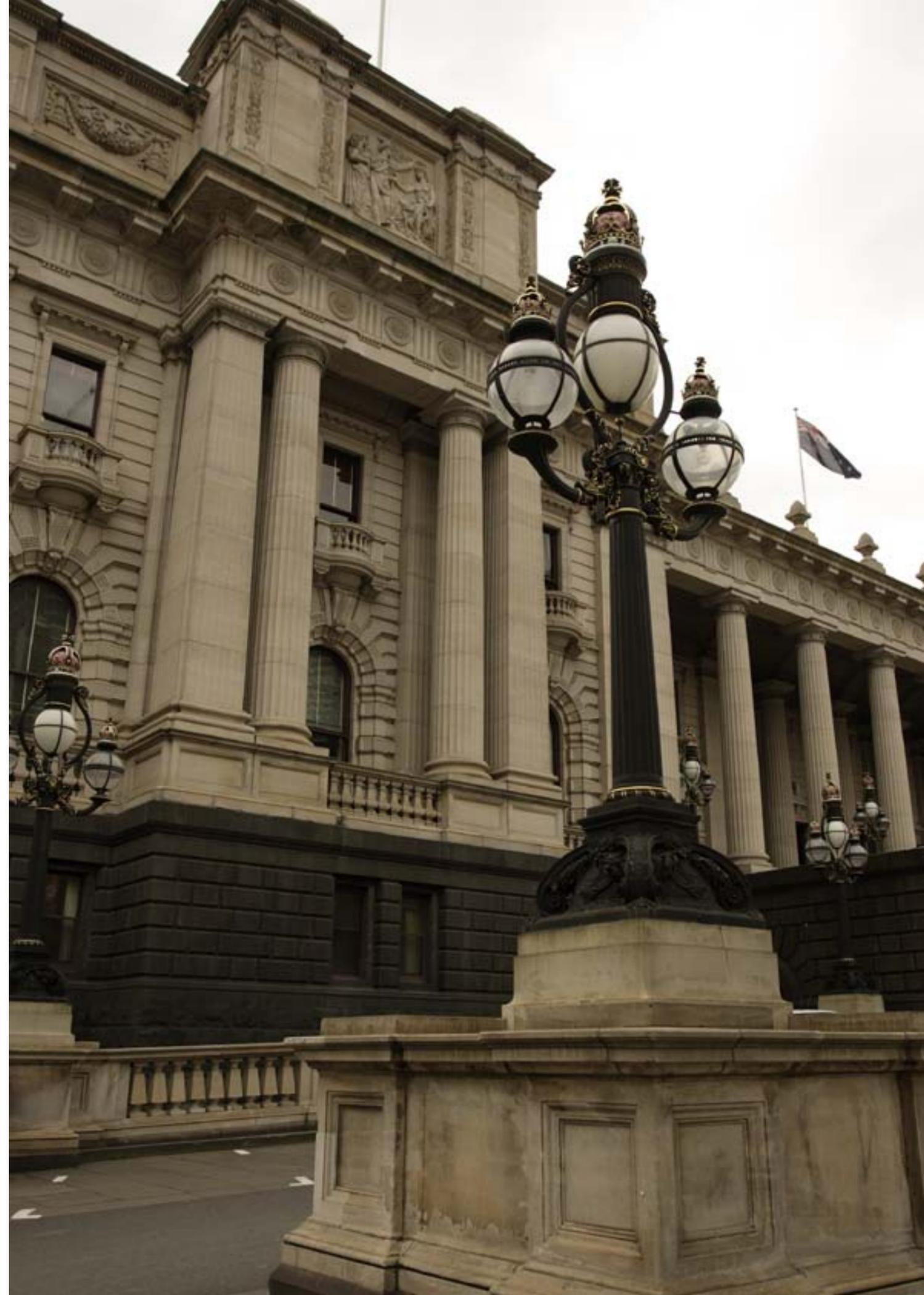
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Our Mission

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



Secretary's Foreword

Undoubtedly the principal focus for the Department's activities during the reporting period was the State Election held in November 2011. Resulting in 28 new Members being elected to Parliament and a change of Government, the election created extensive challenges for the Department's staff as they undertook the many tasks associated with the implementation of the election results:

- Assisting outgoing and incoming MP's and their staff,
- Auditing, re-commissioning and handing over electorate offices, information technology and communications infrastructure,
- Organising payments, salaries and allowances,
- Supporting the Opening of the 57th Parliament,
- Recruitment and appointment of new electorate officers,
- Providing induction programs for new MP's and their staff,
- Assisting with the relocation of the Premier and Opposition Leader's staff.

Working closely with the Victorian Electoral Commission and with the Departments of the Legislative Assembly and the Legislative Council, we were able to complete handover of all electorate offices and associated infrastructure to all newly elected Members within 20 days of the declaration of the first poll on 3 December.

Both outgoing and new Members were surveyed on their perceptions of the Department's election planning and implementation, with 87% of outgoing Members, and 93% of incoming Members responses being positive. Participating Members and staff also provided useful suggestions and recommendations for further improvement in future elections.

While we can be very satisfied that we met all the objectives of the election implementation project in record time and with a very high degree of satisfaction from affected MP's, perhaps the most satisfying aspect of the election project has been the manner in which staff from across the parliamentary departments and committees engaged in the project and generously gave of their time and effort to ensure a smooth transition from the 56th to the 57th Parliament.

Throughout this period, the Department continued to provide the wide range of services that constitute our core function and undertook a range of projects aimed at further improving the infrastructure and service provision that we are responsible for.

Improving the condition of Parliament House continued to be a key focus with Stages 3 and 4 of the Stonework Restoration project being completed some 3 months ahead of schedule and Stage 5 commenced. Design, tendering and contracts for the Legislative Council Chamber Lighting Project were completed with works scheduled for the winter recess. Preliminary engineering appraisals and options to address the condition of the Front Steps were also completed.

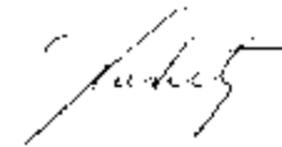
The Parliamentary Precinct Master Plan systematically documented the condition of the building and proposed a 20 year plan to address the ability of Parliament House to function as a contemporary workplace. After 156 years of continuous operation, the building infrastructure is in very poor condition, continuously fails and requires inordinate maintenance efforts to sustain operations. The very design and heritage nature of the building presents significant challenges to meet contemporary Occupational Health and Safety and Disability Access requirements.

Significant projects were also completed in webcasting of Parliamentary Proceedings; information technology and communications upgrades; roll out of Employee Self Service kiosk to electorate offices; OH&S gap analysis; and improved access to news services via a new Media Portal.

Improved service delivery has also been a major focus by continuously reviewing our business processes, practices and structures. Against a backdrop of tighter resources and increased costs and demand for services, our ability to support the business operations of Parliament and MP's will increasingly depend on our ability to develop smarter and more efficient ways of operating.

In close cooperation with the Legislative Assembly and the Legislative Council, we continued to strengthen Parliament's corporate governance and accountability frameworks including the development and implementation of Parliament's Strategic Plan and departmental business plans; Risk Management Framework; Internal Audit program; development and implementation of a policy register and continuous update of corporate policies supported by staff training.

DPS would not be able to achieve its objectives without the commitment and dedication of its capable staff; or without the close working relationships with the Presiding Officers, MP's and the House departments. Developing and maintaining those capabilities and supportive relationships will continue to be a principal objective through the next period.



Peter Lochert
Secretary
Department of Parliamentary Services

“Undoubtedly the principal focus for the Department's activities during the reporting period was the State Election held in November 2011. Resulting in 28 new Members being elected to Parliament and a change of Government”



Director's Overview

The 2010-11 year has been busy for the Department of Parliamentary Services (DPS) and its directors. Following the promotion of Peter Lochert to the role of Secretary a review of the director roles was undertaken and some adjustments made to the structure of the executive team. The appointment of Bronwen Edwards to the role of Director, Resources Management, and Joanne Truman to the Director, Information Services joining Hilton Barr as Director, Precinct & Property Management in early 2011 brought the DPS executive team back to its full complement.

The major challenges for 2010-11 included the election 2010 transition, where significant work was undertaken in planning and preparing for the election by cross-functional teams involving staff from all areas of the Parliament to ensure a smooth transition to the 57th Parliament.

During this year the Parliamentary Precinct Master Plan was approved; a 20 year road map to ensure that the Parliament is able to have appropriate accommodation standards as a workplace, whilst safeguarding the future of this priceless heritage asset for the State of Victoria. As custodians and occupants of Parliament House, it is incumbent upon us to obtain support

and undertake works required to ensure its ongoing preservation and care. This plan links to the Heritage Asset Management Strategy, developed and approved to undertake urgent works to the fabric of the building, and brings it up to the appropriate standard expected for this significant landmark.

The works program creates ongoing challenges for our dedicated and professional staff that focus on service delivery and sustainability whilst ensuring that there is minimum disruption to a working Parliament with a busy sitting pattern.

During this past year there has also been a continued focus on streamlining our management structure and planning processes through business process improvement activities, service reviews, business analysis and benchmarking. Our officers continue capturing and documenting knowledge of the unique heritage and history of the operations of the Parliament of Victoria to serve as a record of this unique history for future generations.

Along with the work undertaken to support the election and major projects, all DPS staff continued to provide a high level of service to occupants and visitors to Parliament House and the Precinct and to 128 locations throughout Victoria, supporting Members and their staff in their constituencies. The range of services include Hansard reporting and broadcasting (for the Parliament and Committees), information technology management and support, library and research, catering and events management, buildings and grounds programs and maintenance, security coordination and management, risk management, accounting and budgets management and administration, HR and payroll services, provision of occupational health and safety and corporate learning and development programs, electorate office property management and maintenance services and education and community engagement programs.

THE FUTURE:

The focus for each of the directors for 2011-12 will continue to be delivering our core services, supporting the operations of the Parliament, and providing support and advice to members and staff; to provide a healthy and safe environment for all our staff, stakeholders and visitors and to support our staff to be able to reach their potential and enjoy their work life.

Our ambitious building works program will progress with a focus around implementing the recommendations contained in the Heritage Asset Management Strategy and Parliamentary Precinct Master Plan.

The ongoing roll-out of IT equipment to electorate offices and Members, and the staff of the Parliament will take advantage of improvements in technology and assist Members to perform their roles, within budgetary constraints, and recognising changing needs and expectations including mobile IT service delivery. These activities support e-democracy and the objective to make the functions of the Parliament relevant to the wider community.

We will continue our programs of business process reviews, continuous improvement activities, benchmarking and service reviews to ensure that we are working at our optimum.

Negotiations will take place for the next round of enterprise bargaining agreements in the first quarter of 2011-12 for Parliamentary Officers and the following year for Electorate Officers.

Hilton Barr, Joanne Truman & Bronwen Edwards
DPS Executive Team

“ Along with the work undertaken to support the election and major projects, all DPS staff continued to provide a high level of service to occupants and visitors to Parliament House. ”



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 all infrastructure resources and support services to Members of Parliament and parliamentary departments.

The department's mission is:

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

The Department of Parliamentary Services provides: human resources management, payroll services, IT infrastructure, electorate offices,

security, management of Parliament's heritage building, contracts, information systems, Hansard services, library and research services, motor vehicles, catering, grounds and gardens, training, staffing and welfare support services, financial management and risk management services.

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

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



DPS Senior Leadership Group 2011

The functional groupings with the department are currently:

- Resource Management
- Precinct & Property Management
- Information Services

The Organisational structure of the Department is reflected below.



Corporate Governance

STATEMENT OF CORPORATE INTENT

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

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

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

PARLIAMENTARY VALUES

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

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect, and
- Leadership

EMPLOYMENT FRAMEWORK

Two enterprise agreements outline conditions of employment for all parliamentary employees (excluding executives). They are the *Parliamentary Officers (Non-Executive Officer Staff – Victoria) Single Enterprise Agreement 2009*, and the *Members of State Parliament Staff (Victoria) Certified Agreement 2005*.

MAJOR ACTS

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

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



Organisation Development

The Organisation Development (OD) Unit provides strategic and operational consultancy and advice in the areas of Human Resources, Payroll, Occupational Health & Safety (OH&S) and Learning and Development to a diverse customer group encompassing the three Departments of Parliament, Members of Parliament, Senior Management, Parliamentary Officers and Electorate Officers.

The functions of the Unit include delivering services and providing advice related to conditions of employment and remuneration including the administration and processing of pay and allowances for staff and Members of Parliament. The Unit's employees are the primary coordination team for developing enterprise agreements and undertaking negotiations with the authorised bargaining representatives and consulting with staff. Organisation Development staff provide advice and support on employee and industrial relations matters, as well as on OH&S issues and employee welfare. Organisation Development oversees and supports recruitment for the Parliament, whilst ensuring that human resource and OH&S policies are current and reflect both legislative requirements and industry best practice. The Unit also organises and coordinates Parliament's orientation, induction, corporate training and annual training calendar.

KEY ACHIEVEMENTS

The 2010 Election generated significant activity for the OD Unit with the commencement and separation of Members of Parliament and Electorate Officers.

The OD Unit met individually with each new Member of Parliament and conducted additional Orientation Days for new Electorate Officers to assist with a successful commencement.

The OD Unit established a Workplace Consultative Committee to assist discussion between staff and management representatives. A substantial number of key OD policies relating to employment and conditions were reviewed and approved by senior management. A new Employee Assistance Provider was contracted to support Members of Parliament and staff with a range of new education programs to be introduced. The unit's payroll team also took on, for the first time, the administration of payroll services for the office of Ombudsman Victoria.

The OD Unit continues to coordinate a wide range of learning and development activities to assist staff including on site programs at Parliament and at regional locations. Additional OH&S training has been offered to support new health and safety representatives perform their role and work together with management representatives on an expanded OH&S Committee.

The Employee Self Service System has been progressively introduced to electorate offices to enable on-line information and leave management and a simplified staff engagement process has been implemented.

CHALLENGES FOR THE YEAR AHEAD

The OD Unit will support and contribute to key Parliament and department business plans across a range of strategic people initiatives to attract, retain and develop staff as a preferred employer. A new Parliamentary Officer (Non-Executive) Single Enterprise Agreement will be negotiated with authorised bargaining representatives and consultation will be undertaken with staff.

The payroll system will be upgraded and new functionality made available to managers and staff within a secure business platform. The OD Unit will continue to review and improve business processes and work together with other teams to integrate business processes to deliver high standards of customer service.

The OD Unit will continue to strengthen OH&S compliance through implementing policy and system improvements and providing further education and training. Several new learning and development programs will be introduced for staff based on the survey and assessment of staff training needs. This will include additional on site and regional delivery and the further use of technology to extend the opportunity for staff involvement.

Case Study

Electorate Officer Employment

The Challenge

Following the 2010 Election new Members of Parliament needed to quickly establish their electorate officer staffing utilising the electorate officer structure contained in the Members of Parliament (Victoria) Staff Certified Agreement.

The Solution

The OD Unit developed a simple one page staffing authority form that guided the Member through the available electorate officer staffing structure and captured sufficient information for the OD Unit to generate an employment letter of offer.

The Results

The OD Unit were able to issue 105 letters of offer in the weeks after the election and a total of 408 letters of offer during 2010-2011 (for all casual, fixed-term and ongoing electorate officers). This has ensured that new staff received a new starter payroll pack, access to the IT system and orientation and induction material as early as possible to assist with their transition into their new roles.

“The Organisation Development Unit provides strategic and operational consultancy and advice in the areas of Human Resources, Payroll, Occupational Health & Safety and Learning and Development”



Accounting & Administration

The Accounting & Administration Unit maintains the financial management system of the Parliament to ensure compliance, integrity of data and accurate reporting. The Unit prepares monthly financial information for the Parliamentary departments and the Members of Parliament. Monthly financial information for consolidation into the State's Financial statements is provided to the Department of Treasury and Finance (via the Budget Management System (BMS)). The Accounting & Administration Unit works with the Department of Treasury and Finance in implementing budgetary decisions, monitoring actual outcomes and reporting. Each year the Unit prepares the annual financial statements for the Parliament.

All payments for supplies and services to the Parliament are made by the Accounting & Administration Unit. The Unit works to ensure that all financial transactions comply with relevant accounting standards, financial and taxation legislation and regulatory frameworks.

The Unit provides information to Members of Parliament and makes payments in regard to the usage of their budget and allowances. This includes the setting up of electorate office accounts, postage administration, consolidated invoicing and travel documentation.

The role of Accounting & Administration also includes preparing the annual Fringe Benefits Tax and monthly Goods and Services Tax returns for submission to the Australian Taxation Office (ATO). Other tasks include recording and monitoring cash flow, providing advice to stakeholders on financial and related issues, implementation of changes in accounting standards and accounting policy, maintaining records of capital assets, calculating depreciation and coordinating revaluations.

KEY ACHIEVEMENTS

- The Accounting and Administration Unit successfully completed the Annual Financial Statements within the timelines required for tabling in Parliament. The financial statements have been audited by the office of the Auditor-General, who issued a clear audit opinion.
- The unit met 100% of its reporting and compliance deadlines. This included all taxation reporting to the ATO, all external reporting requirements as well as monthly management reports to internal Departments.
- Higher volumes of transactions (approx 77,000) continue to be processed with payments being made in a timely manner well exceeding industry standards. The option to receive payment via electronic funds transfer remains popular with more suppliers taking this option. Approximately 68.4% of payments during the year were by EFT.

- The internal control framework of the Parliament forms the basis of ensuring accuracy of financial information and compliance with laws and regulations. Effective internal controls provide better assurance to auditors and the ATO and reduces the likelihood of their engaging in additional substantive procedures. During the year these controls were tested as part of the internal audit function and were found to be working successfully.

- The Parliament's financial management system (Oracle Financials) was previously hosted on stand-alone servers. During the current year, a project was successfully implemented moving the system and the database to the virtual servers within Parliament. This has provided improved efficiencies, better recovery capabilities (including better business continuity plans) and has led to a reduction in operational costs.

- The November 2010 elections placed a significant additional load on the unit, with large increases in transaction volumes, as well as the need to process accounts for outgoing Members and establishing new financial structures for newly elected MP's. The unit provided training to new Members and electorate officers and also provided guidance and advice to help them settle into their roles.

- In line with the Unit's objective to raise compliance with financial policies & procedures, training programs were formulated and training delivered to all staff having financial delegations and those involved with financial processes. The training was well received and future training programs are being planned for roll out to a larger audience.

- Fringe Benefits Tax policies and procedures were further refined during the year. Over the last 12 months the Accounting & Administration Unit has worked to ensure greater taxation compliance. Further improvements have been made in terms of obtaining data electronically leading to greater accuracy and ease of submission for employees.

CHALLENGES FOR THE YEAR AHEAD

The Parliament currently provides both budgetary and financial data for consolidation into the State's Financial statements via the Budget Management System (BMS) which is to be replaced by a the new State Resource Information Management System (SRIMS). The design phase of the new system was completed in June 2011 and the build phase has commenced. The Accounting & Administration Unit will keep abreast with progress, obtain necessary training and contribute towards testing and data transfer where applicable.



Case Study

The Challenge

The Oracle financial system is the financial management system used by PoV and is central to the functioning of Parliament. The system was previously located on a stand alone server which had come to the end of its serviceable life. This was causing concerns in terms of the server's ability to provide reliable on-going service.

Failure of the server would result in serious disruption in terms of processing and payment to suppliers as well as provision of financial information to all stakeholders.

Utilisation of a stand alone server requires regular replacement which is also an expensive and time-consuming exercise that previously needed to be completed every three years.

In addition, the annual audit of Parliament had highlighted the Oracle server as being a risk from a business continuity perspective.

The Solution

Initial discussions with Oracle about replacing the servers led to a second option to transfer the financial system to the virtual servers at the Parliament. Benefits of this option were:

- We would no longer be required to replace servers every few years, thus avoiding the inherent problems involved in such transfers.
- Increased system stability meaning less system outages and down-time.
- Additional memory capacity could be added seamlessly.
- The maintenance of the servers would not require separate attention by Information Technology and the Accounting & Administration Unit.

Once we decided to pursue this option, a project team was formed between Accounting & Administration, Oracle, and our Information Technology unit and a tight but achievable set of project milestones put in place.

Initially the development environment was migrated to the virtual server and thorough testing of all data was conducted. This resulted in significant issues being raised which were methodically worked through and solved.

Once successfully tested in the development environment, the system was migrated to the live production version over a weekend.

The Results

The financial system was successfully migrated to the virtual server.

All the historical data was migrated across. This will result in savings in future cost due to lesser need for ongoing server replacements. The memory capacity of the system can be increased without major cost to cater to larger volumes of stored information and historical data. This will also reduce the project management fees involved in a routine transfer of the system from old to new servers.

Finally, transfer of the financial system to the virtual server has ensured that we are more compliant in terms of our business continuity planning.

The successful migration can be attributed to the teamwork of staff in Accounting & Administration, Information Technology and the staff from Oracle. Huge amounts of additional work were undertaken but the successful outcome was well worth the efforts.

Quick Facts:

77,000 – the number of transactions processed by the unit during 2010-11.

Budgets & Risks

In order to provide a high level of service, the internal budgetary process for the Parliament is carefully managed through

- Annual allocation of budgets;
- Monitoring & reporting of variances;
- Mid year review of budgets;
- Initiation of budget management strategies and relevant financial process improvements.

The Unit conducts an annual Client Survey on behalf of the three departments of the Parliament to provide the Members of Parliament and their respective electorate office staff with an opportunity to comment on service delivery by the Parliamentary Departments, and to derive data for output measures as per Budget Paper No 3 published by the Department of Treasury and Finance.

KEY ACHIEVEMENTS

From the onset of 2010-11 fiscal year, the Budgets and Risks Unit took charge of Capital Budgeting and the process was improved by implementing a bidding structure for budget proposals by concerned project proponents and further identifying funding sources for these projects prior to budget approval.

The Unit also reported the progress of the Capital projects through quarterly reviews.

The fiscal year 2010-11 also marked the approval of *Parliamentary Risk Management Framework* by the Audit Committee. The framework was tailored to address the requirements of the Parliament and complies with the Australian Standard *AS/NZS ISO31000*.

The Unit facilitated the training of parliamentary staff on insurance which was presented by representatives of VMIA (Victorian Managed Insurance Authority) to help manage insurance related risks.

During the fiscal year 2010-11 the Budgets & Risks Unit made five Budgets and Expenditure Review Committee submissions. The Unit was also able to successfully apply for the increase of special appropriation funding for the increase in financial audit and Members' salary related cost.

As submissions for additional funding to cover the cost of the election were unsuccessful, the Unit coordinated an expenditure reduction program to ensure the DPS budget could be balanced despite the additional costs associated with the implementation of the election.

The Budgets & Risks Unit oversees, monitors, controls & manages the internal & external budgetary processes for the Parliament of Victoria. The scope of the Budgets & Risks Unit also extends through to facilitating of implementation of Risk Management Frameworks, risk analysis and its subsequent management and reporting. The Unit addresses the external budgetary process requirements and works in close coordination with the three Departments within the Parliament of Victoria ensuring that all budget related reporting processes demonstrate the highest levels of probity and effective financial management.

The Budgets and Risks Unit liaises with the Department of Treasury & Finance and the Parliamentary Departments to facilitate Budgets and Expenditure Review Committee (BERC) processes. The Unit prepares Parliament related information for annual publication of the State Budget Papers. The Unit coordinates response to the Public Accounts & Estimates Committee (PAEC) inquiries for the Parliamentary Departments and provides briefings to the Presiding Officers for PAEC enquiries.

The Unit provides budget related services to the Members of Parliament enabling them to effectively manage their budgets. Some of these services include but are not limited to providing monthly budget and expenditure reports and statements, addressing ad-hoc telephonic and electronic queries related to Members' Electorate & Communication Budget. The Budgets & Risks Unit's services also encompass management of Members of Parliament Motor Vehicle Plan which is outsourced to VicFleet.



2010-11 being an election year the Budgets & Risks Unit provided the following additional services and support –

- allocation of Electorate Office & Communication and Training Budgets to new Members
- provided training to the new Members and their staff
- management of allocation, transfer, auction of motor vehicles for the Members of Parliament in conjunction with VicFleet.
- issue of Blackberry/mobile phones to all the new Members of Parliament and their staff
- upgraded the paging system to enhance information security and improved delivery of paging services to the Members of Parliament. This was done due to the change in Government by setting up of new groups in consultation with the party Whips. With the

implementation of new paging system, the pagers can now be programmed remotely as compared to the old paging system where pagers were 'hard coded' and posed an information security risk. These pagers have also been connected to Member's mobile phones ensuring prompt delivery of information.

CHALLENGES & OPPORTUNITIES

Our key challenges for the 2011-12 year are:

- To improve processes for Member services
- Clarification of commonly raised issues in the Members' Guide regarding allowable expenses
- Better coordination of responses to queries raised by MPs with other units of DPS
- Risk Management Training
- Staged implementation of Risk Management Framework

Quick Facts:

The Budgets & Risks Unit prepared over 1,536 budget and expenditure reports during the fiscal year 2010-11 enabling the Members of Parliament to effectively manage their budgets.

Catering

The Catering Unit provides Members of Parliament, their staff and guests and the general public with high standards of service in relation to food, beverages and event co-ordination and management. Catering services are delivered through the Members Dining Room, Strangers' Corridor, Sessions Café and functions & events.

KEY ACHIEVEMENTS

Aichi Sister City 30th Anniversary - 18 July 2010
Working closely with the Department of Premier & Cabinet, Protocol Unit, the Parliament hosted His Excellency Mr Masaaki Kanda, Governor of Aichi in celebration of the 30th Anniversary of Aichi Sister State Relationship. The event was launched with a display of samurai sword fighting and the firing of traditional flint lock guns on the steps of Parliament House. Guests then joined the official party in Queens Hall where a cocktail reception was held for 250 guests.

Dwali Dinner "Festival of Light" - 22 Oct 2010
One hundred and eighty guests attended the 2nd Annual Dwali Dinner held at Parliament House, as part of the "Festival of Lights". Queens Hall was lined with several LED light machines which projected different colours up the walls and on the ceiling. An Indian banquet was served in between a night of music and dancing.

Opening of 57th Parliament - 21 Dec 2010
Working closely in conjunction with the Legislative Council, the Catering Unit provided an afternoon tea in the parliamentary gardens for 1200 guests including the Governor of Victoria, Members of Parliament, dignitaries and their families to mark the opening of the 57th Parliament.

Australian Unity, Australia Day Breakfast - January 2011

Each year the Parliament hosts this significant event in honour of Australia Day. Involving the serving of 180 guests within a strict timeline, the event was thought by all to be a success. This function has been re-booked once more for 2012.

Welcome reception for the World Dragon Boat Sailing Championships - January 2011

This was the first time this event has been held outside of Europe and the Parliament hosted a cocktail reception to welcome participants. Three hundred and fifty guests were bussed from the Royal Melbourne Yacht Club to Parliament House.

Open Day - 20 March 2011

Open Day saw Strangers' Corridor and the Members Dining Room opened to the public for tea, coffee and scones with just over 400 scones served for the day. A BBQ was also offered in the parliamentary gardens was enjoyed by 350 guests.

Kokoda Dinner - 8 April 2011

For the fifth year the Parliament held a dinner in April to assist in raising funds for the maintenance and improvement of the Kokoda Trail and the families and communities who live and work on the trail. This year's dinner was attended by 118 guests.

CHALLENGES FOR THE YEAR AHEAD

The year ahead poses some interesting challenges, not least of which is the continuation of menu development and pricing. The Catering Unit reassesses menus on a constant basis to ensure Members are being offered the best possible service within the constraints of constantly rising prices.

The first half of the 2011 – 2012 financial year contains an even balance of sitting and non-sitting periods which may allow improved opportunities for the Catering Unit to capture corporate work moving forward. There is some confidence in returning to the corporate market and we hope to continue to offer a high level of corporate function event management.

Case Study

Catering Unit – Upgrade of MICROS Point of Sale Unit

The Challenge

The current Micros server and Point of Sales units (POS) were at end of their serviceable life and needed upgrading as a matter of urgency. The upgrade involved the virtualisation of the old server, which takes the form of a virtualised environment and a virtualised application layer. If replacement had not been carried out, there was the potential for server failure with consequential issues for the Catering Unit. The Micros server had been running below expectations and



required frequent re-boots by IT. As part of the IT policy the Micros server was virtualised as part of the project.

The Solution

An upgrade of the current POS systems and new terminals was required. The upgrade also involved moving the server to the new virtualised server environment in keeping with the IT unit's strategic plan for new software. The upgrade also involved a full rebuild and re-entering all items sold through the catering unit. As the Micros unit interfaces with the Parliaments Oracle system, input and assistance was also required from the Accounting and Administration Unit.

The Results

Catering wait staff have access to a speedier and more reliable system with a simplified work flow. Once fully programmed there was also a reduction in the back office programming needed on an ongoing basis plus access to a range of sales based reports which improve current monitoring and planning for the Catering unit.

Quick Facts:

Over 11,000 cup of Tea & Coffee have been delivered as parts of meetings and working lunches through out Parliament House

Approx to 1,000 High Teas have been served outside of Sitting

Over 1,850 Rotary / Probus & community group meals served

Security & Electorate Properties Unit

The Security & Electorate Properties Unit provides support services to Members of Parliament and their staff in relation to property management & administration of electorate office properties and security at electorate offices & on the Parliamentary Precinct (excluding the Legislative Assembly & Legislative Council Chambers).

The Unit's property responsibilities include the sourcing of new offices, management of existing properties, lease administration & negotiation. The Unit coordinates structural assessments, along with office fit-outs and refurbishments. It manages the telecommunications infrastructure and equipment as well security equipment, peripherals and security monitoring. The Unit also oversees the provision and replacement of Parliament-supplied office furniture & equipment.

In its security role the Unit is responsible for the coordination of security providers, service level agreements, and the issuing of security passes and permits. Other activities include project management of security infrastructure projects and the development of security policies & procedures. The unit maintains a central repository of security incidents at the Parliamentary Precinct & at electorate offices and regularly liaises with Victoria Police on any matters requiring police attention.

The Security & Electorate Properties Unit provides authoritative advice to Members & staff regarding the interpretation of guidelines and procedures relating to their electorate offices and on security matters.

KEY ACHIEVEMENTS

Property

The key achievement over the last financial year relates to the Unit's involvement in election handover activities. 32 electorate offices were successfully transitioned in the period 27 November to 24 December. By 24 December each new Member had been provided with a functioning electorate office, with new signage, new keys, new security codes and passes.

In addition to the above, during the reporting period SEPU has delivered four relocations, three refurbishments and three minor relocations, on time and on budget.

In July 2010 SEPU undertook to increase the level of compliance in terms of air conditioning servicing at electorate offices. By June 2011 SEPU had obtained consent and financial commitment from 95% of the client base to enter into a regular servicing arrangement, therefore reducing the risk of breach of lease through non compliance.

Security

Achievements in the security arena included the development and implementation of a CCTV policy and service level agreements with all security providers. In September & October 2010 the security team implemented a security pass refresh for all Parliamentary Officers.

In terms of election activities the security team, successfully managed the transition of security passes for outgoing Members to Former Member status & issued all new passes for all new Members ready for the initial induction sessions held in December and before the official Opening of Parliament and assisted the House Departments in the security event planning for the official Opening of Parliament.

In March 2010 the team updated all Member passes for the 57th Parliament.

In May to June 2011 the security team has organised the renewal, installation and re-licensing of new security screening equipment, as well as conducting operator training.

The CCTV platform has also been upgraded to a new version and all analogue CCTV cameras have been replaced with digital technology (IP cameras) yielding superior image quality and a significant improvement in the reliability and the stability of the CCTV platform.

CHALLENGES FOR THE YEAR AHEAD

The challenges for the year ahead in property are:

- Ability to source compliant offices, within budget and in a tight market.
- Compliance at existing offices

The challenges for security are:

- Achieving a consensus on the future direction of security initiatives and a strategy
- Striking a balance between the public and private space at Parliament House
- Continued development of procedures around physical security issue

Case Study

The Challenge

The Windsor Hotel obtained permission to redevelop their modern hotel wing adjacent to Bourke & Spring Street. A critical CCTV camera belonging to the Parliament is sited on the roof of the modern hotel wing and would be removed during redevelopment. The camera is used to monitor the Spring Street frontage to ensure the safety of both staff and the general public. The challenge for our unit was to put forward a successful business case for an alternative CCTV camera location so that the surveillance of this area was not compromised by the planned redevelopment.

The Solution

Several options were considered and sites were examined along the length of Spring Street that would enable the surveillance to continue. The main factors in assessing the available options included maintaining the quality of coverage and ensuring that the camera would have longevity and would not be subject to undue third party proprietary interest to minimise the risk of having to move sites again.

The Results

The use of street furniture for CCTV cameras was successfully pioneered by the City of Melbourne. Parliament has utilised their experience to install a new CCTV camera using secure wireless technology to produce high quality images of the Spring Street frontage of Parliament House. The project has been completed within budget constraints and means that the Windsor Hotel camera can be phased out without affecting the safety & security of the Precincts.

Quick Facts:

PROPERTY FACTS

957 help tickets logged between July 10 and June 11

15323 number of actions taken on those 957 help tickets

SECURITY FACTS

156 Security Briefings distributed

244 Security Incidents reported and assessed

1744 Security Passes managed on the Precinct

Buildings & Grounds

As the name suggests, the Buildings and Grounds Services Unit is responsible for the entirety of Parliament's historic setting, with particular emphasis on:

- **Building Maintenance** - Maintenance and repair of Parliament House offices and provision of electrical, carpentry and general maintenance services in Parliament House and the ancillary buildings.
- **Project Management** - Delivery of capital projects addressing key concerns regarding the fabric, conservation and maintenance of Parliament House as a landmark of heritage significance.
- **Furniture Requirements** - Provision and maintenance of furniture for Members' Parliament House offices in accordance with relevant guidelines and policies.
- **Grounds and Gardens** - Maintenance and management of the historic gardens of Parliament House and bookings of the gardens, including bowling green and tennis court.

As the Buildings and Grounds Services Unit manages the operations of contractors who carry out a range of building services on a daily basis, the unit also provides support to other business units in delivery of their projects and operations.

Since June 2010, the Buildings and Grounds Services team has continued in its provision of building projects and delivery of preventative, urgent and minor maintenance throughout the Parliamentary Precinct, including its significant heritage buildings, grounds and gardens. The team takes particular pride in 2010-11 for having continued executing its responsibilities to a high standard and maintained a strong customer focus during what has been an especially challenging year on a personal front.

KEY ACHIEVEMENTS

The horticultural team has coaxed the wonderful gardens of Parliament House through another twelve months of drought conditions relatively unscathed, with minimal plant loss. Our reduced reliance on irrigation to cope with varying climatic conditions has been made possible through the use of excellent horticultural practices, including changes to plant selection practices within heritage parameters, changing soil conditions to suit and maintaining the excellent health of plants.

Also within the gardens, in recognition of the fact that at some stage the current Federal Oak (Picture 1) in the gardens at Parliament of Victoria will see out its natural life and need to be replaced, the team is working to ensure that it can be enjoyed for many generations to come and the historical importance of the first planting by Sir Henry Parkes is continued. In order to achieve this, the team is distributing seedlings to appropriate horticultural locations throughout the country, including the town of Parkes itself. By ensuring specimens are grown, it is possible that a direct descendant of the current Federal Oak will be growing at the turn of the next millennium.

The unit's achievements within Parliament House over the past year have included the replacement of a further ten non-compliant switchboards and the replacement of the main fire indicator panel, which had been experiencing recurrent failures.

Forming part of a larger program of projects under the Heritage Asset Management Strategy, stages three and four of the Stone Restoration Works project have been completed three months ahead of schedule, thanks largely to the installation of a crane on site in mid 2010.

The continuation of Heritage Asset Management Strategy works over the year ahead will be influenced by the Parliament's Precinct Master Plan, the development of which was completed in November 2010. As previously reported, this Plan will inform decisions about the standard and location of Members' offices, parliamentary functions and building services over the next twenty or more years.

CHALLENGES FOR THE YEAR AHEAD

Early in the new financial year, the Buildings and Grounds Services team is expected to have delivered the construction phase of an upgrade to the lighting in the Legislative Council Chamber. This time critical phase, planned to coincide with a six week break between sitting weeks will be the earliest and most pressing delivery early in the new financial year.

Development of a Building Management System for the precinct and review of the unit's organisational structure early in the financial year will go some way to ensuring that the unit is equipped to tackle an increasing load of project demands arising from the initial implementation phase of the Precinct Master Plan and urgently required Heritage Asset Management Strategy works, including water proofing of parts of the building's fabric.

Whilst the Buildings and Grounds Services team is increasingly proficient in managing the Stone Restoration Works, other Heritage Asset Management Strategy projects require attention. During 2011-12, additional focus will be required in establishing and proving a remedial works methodology for heritage tile conservation, window refurbishment and replacement and restoration of finishes to the carriage way lamps and palisade fence that are iconic to Parliament House.

From a compliance perspective, the team aims to replace another ten switchboards in 2011-12, but also carry on with upgrade works to the fire detection system by replacing all smoke detectors throughout Parliament House.

Whilst it is great news that the drought has broken, it brings with it a different form of challenge for our horticultural team, as drought conditions equate to low incidences of pest and disease infestations in the gardens. Since rainfall has increased, we have already seen infestations of pests that have not been seen in the gardens of Parliament House over the last decade. Managing this and the ongoing regeneration of the Windsor garden will prove to be just some of the challenges for the unit in the year ahead.

“The Buildings and Grounds Services Unit is responsible for the entirety of Parliament's historic setting”



Buildings & Grounds



Stone and bitumen flashing



New stone and replacement copper flashing



Damage to Cornice block



Repairs to Cornice block



Damage to Balusters



Newly Crafted Balusters



Before & After: Lower Cornice

Case Study

Heritage Asset Management Strategy - Stone Restoration Works Stages 3 & 4

Those Members, staff and visitors who have been around Parliament since 2006 will have noticed the gradual progression of scaffolding around the south-eastern façades of Parliament House. The stone restoration works taking place behind this scaffold form one component of the Heritage Asset Management Strategy, a prioritised program of restoration works aimed at ensuring Parliament House remains one of Victoria's most significant heritage assets.

Without these works, the following issues will continue to affect the fabric and occupants of the building:

- General deterioration and decay of the stone compounded by continued water ingress;
- Susceptibility of stone protrusions to water ingress in the building;
- Failure of previous mortar and stone indent repairs;
- Instability of blocks and leaning segments of walls;
- Missing pointing in some areas of stonework;
- Significant cracking in sandstone blocks;
- Crumbling and sugary sandstone blocks; and
- Holes and intrusions in stonework for now redundant services.

Each stage of the stone restoration works involves a different area of the external façade of Parliament House. Stage 1 of the works was to parts of the southern façade in 2006-07, whilst Stage 2 entailed works to the south-eastern corner of the building and were completed in 2008-09. Thanks largely to the installation of a crane on site in mid-2010, the current works have been completed thirteen weeks ahead of schedule, in June 2011.

From the Parliamentary Gardens, one can look back and up at the sandstone façade and see recently revealed sections of the completed works above and to the south of the Members' balcony. Considering the duration of these works, one can be forgiven for wondering what works have been undertaken. However, upon comparison of 'before' and 'after' photographs of this section, you will note varying degrees of block replacements, indent and mortar repairs, render replacement, refurbishment of timber details and removal of redundant services from the facade. In recent stages, the difference in condition of the upper cornice and dentils is of particular note.

Quick Facts:

STONE RESTORATION WORKS STAGES 3 & 4

567 – The number of block replacements and indent repairs undertaken

0.0017m³ – The smallest indent repair

1.3375 m³ – The largest block replacement

Library

“The Parliamentary Library provides timely, accurate, and confidential information to clients through its reference service and confidential briefings through the research service.”

The Parliamentary Library provides timely, accurate, and confidential information to clients through its reference service and contemporary briefings through the research service. Major publications containing original research are developed by the research service to support the activities of the legislature, including papers on upcoming bills, statistical surveys and briefing papers.

The Library meets the critical needs of Members to stay up-to-date with the current information by tailoring a range of media monitoring services and providing an expanding collection of digital and print resources.

The Library also provides assistance to Members and staff to develop the knowledge and skills required to access, evaluate and use information effectively through its Client Support programs. Individual and group orientation and training sessions are conducted at Parliament House and in electorate offices throughout the State.

The Library assists with the organisation of Parliament's publications and data through the management of the intranet, which is a source of corporate and general information for staff and clients. The intranet is accessible from electorate offices around Victoria and within the parliamentary precinct.

The Library also plays a pivotal role in the development and maintenance of the Parliament's public website, engaging with the broader community through the provision of access to key information on all aspects of the parliamentary system.

KEY ACHIEVEMENTS

Members' Guide

The Library arranged for an updated online Members' Guide. This publication contains information for Members about their entitlements and responsibilities, as well as general administrative information about the facilities of Parliament. The Guide now has an automated workflow and audit processes built into the online system.

Parliament's Heritage Collection

The Library in conjunction with the Buildings & Grounds Unit developed a Heritage Collection Management Policy for Parliament. The aim of the policy is to assist and guide future storage, maintenance and preservation of furniture and artworks at Parliament House. The report was produced in consultation with staff of Parliament House, external organisations and individuals.



Library

LIBRARY UNITS

Research Unit

The Research Service produced a large number of research papers in 2010-11, with substantial papers on the 2010 Victorian State Election, and An Introduction to Parliamentary Privilege.

Reference and Current Information Services

The Media Broadcasting Unit enhanced its service offering through the acquisition of a new digital radio logging system, which has enabled more efficient archiving of radio segments from 24 Melbourne metropolitan digital radio stations. This has resulted in faster turnaround of free to air broadcast radio clips 24/7, with a retention period of 4 weeks. TV news and current affairs are now available for viewing by Members on sitting nights, via a new digital recorder located in the Library.

Client Support

The change of government brought a change of roles for many MPs, a larger than usual turnover of electorate office staff and increased demand for Library orientation and training sessions. The Client Support team coordinated a series of familiarisation sessions for more than 250 new and returning Members and staff in Parliament House and in electorate offices between January and June.

The Client Support team developed a range of innovative online learning tools to expand Library users' access to information training. A comprehensive guide to Library services and demonstrations of key resources is now available on the intranet and workshops can be undertaken online from PC workstations in electorate offices as well as live at Parliament House.

Quick Facts:

Parliament's new Internet site went live 17 June 2010. In the first year there have been:

2.77 million page views

Over 550,000 visits/sessions

252,000 individuals visiting our site

CHALLENGES FOR THE YEAR AHEAD

Intranet Redesign

A project to redesign Parliament's Intranet will commence in 2011-12. The aim of the project is to improve the existing information architecture of the site to make it easier for members and staff to find the information they need, and for the site to be easy and appealing to use.

News Archive automation

Plans are currently underway to replace the Library's manual processes of archiving newspaper articles with a faster automated electronic delivery system.

Premier's Portrait

An artist will be commissioned to paint a portrait of the Hon. John Mansfield Brumby (Victorian Premier, 30 July 2007-2 December 2010). This will then be on display for permanent public viewing in Queens Hall, Parliament House.



Case Study

Electronic Print Media Provision

The Challenge

To meet the needs of clients, who were asking the Library to provide electronic access to not only Melbourne newspapers but especially to the local, regional and rural press. This was a consistent request from clients, both by word of mouth and in Department of Parliamentary Services survey comments.

The Solution

As a result, a comprehensive review of the electronic provision of newspapers was undertaken by the Library in 2010, where staff received and evaluated providers' responses to this and other key selection criteria. The Library also benchmarked against other Australian parliamentary libraries, the majority of which were using and were very happy with a provider which the Victorian Parliamentary Library had shortlisted.

This provider was selected as the one which best met client needs and was then trialled for two months after this point, in order to ensure that it would offer a suitable service. Staff were able to implement some enhancements to the service including PDF, so that users would have access to images and graphs included in the hard copy version.

The Result

- Mediportal was launched on 15 June.
- 188 accounts were set-up for Members, Committees and Parliamentary staff.
- By 30 June:
 - 10 workshops had been held
 - 95 Members and staff trained
 - 128 of the 188 accounts had been accessed
 - Members and staff had logged in 1096 times!
- Feedback on the new service has been very positive.

6,766,667
– Total words for the year

KEY ACHIEVEMENTS

Live video webcasting of the proceedings of the Legislative Council commenced for the Opening of the 57th Parliament in December 2010. The first live audio webcast of a parliamentary committee commenced with the Public Accounts and Estimates Committee hearings in May 2011. The infrastructure for video webcasting of the proceedings of Parliamentary committees was finalised in June 2011.

Requests from parliamentary committees for Hansard services have resumed, following the election in 2010, with the establishment of additional select committees of the Legislative Council.

During the year, Hansard staff supported Parliament's education role by producing transcripts for Youth Parliament and the Victorian State Schools Constitutional Convention.

CHALLENGES FOR THE YEAR AHEAD

The webcasting project will be concluded with the final configuration and completion in August 2011. Further development and funding submissions will be made to implement an appropriate data storage and retrieval infrastructure.

The increased demand for Hansard services with additional parliamentary committees for the Legislative Council will require further review of services and resources to ensure continued service delivery to the Parliament.

Work continues on the redevelopment of the Hansard audio, rostering and publication production system to ensure it is compatible with the new IT operating environment of Windows 7 and Office 2010 which are being rolled-out during 2011/12.

Hansard's primary role is to accurately and promptly report the proceedings of the Parliament, the parliamentary committees and other forums in accordance with Victorian Hansard's editorial policy. Hansard produces and publishes *Daily Hansard*, *Weekly Hansard*, including answers to questions on notice, and also publishes sessional volumes of *Hansard* in both paper and electronic formats as enduring records and references.

Hansard produces sessional indexes for distribution and inclusion in the sessional volumes. Hansard is also responsible for providing sound amplification for the two parliamentary chambers.

Hansard is responsible for the broadcast of parliamentary proceedings via the internet. Live audio webcasting commenced in August 2008, and the live video webcasting commenced on 4 May 2010.



Quick Facts:

Average words per Weekly Hansard - 225,555

Average words in each Daily Hansard – 80,556

Most frequently used words:

'government' - 37,011

'opposition' - 6,405

733 hrs of video webcast, audio recorded & transcribed.

139 hrs of committee hearings serviced, producing

1643 pages of committee transcripts.

Information Technology

“With a state-wide client base, the IT Unit manages a geographically dispersed infrastructure covering multiple network paths and delivery methods.”

The Information Technology (IT) Unit provides professional, quality and timely advice within an approved framework to constantly improve the delivery of communication and computer services to Members, Electorate Officers and Parliamentary Staff. Its goals include providing innovative solutions using the best available technologies.

The IT Unit is responsible for the procurement and installation of hardware and software as well as the provision of a Wide Area Network (WAN) linking 128 electorate offices, Parliament House and 55 St. Andrews Place.

With a state-wide client base, the IT Unit manages a geographically dispersed infrastructure covering multiple network paths and delivery methods.

KEY ACHIEVEMENTS

- Continued Virtualisation of Parliament server fleet
- Enhancements to Parliament IT business continuity planning capabilities
- Procurement of new Members Notebooks
- Increased available throughput to the Parliamentary Precinct LAN
- Election 2010 transition tasks and activities.

CHALLENGES FOR THE YEAR AHEAD

Continued upgrades to Parliament's core IT infrastructure will occur during the 2011 plan year. A significant project will be the replacement of the central core infrastructure with new technology to position Parliament's network for the next 5-6 years.

IT will also be upgrading services to Members by deploying new PCs with a new Windows 7 standard operating environment and Microsoft Office 2010 to all electorate offices, new notebook computers for Members and a new electorate office communication technology (PovNet Hub).

The increasing need for mobile access to IT infrastructure and services, eg. the use of tablet devices, whilst maintaining high levels of security, will place greater demands on both the technical resources and infrastructure of Parliament.

Though in many instances these devices are meeting the needs of the end user, this must be balanced with data security requirements.



Quick Facts:

Parliament processes over

700,000
incoming e-mails per month.

Education & Community Engagement

The Education and Community Engagement Unit provides programs and resources designed to engage the community with Parliament. Many of these programs and resources inform the general public and a large proportion of them are for specific educational purposes. They include resources for primary, secondary, tertiary education, adult education in English as a Second Language and Literacy and Numeracy classes and professional development for teachers. Members of Parliament receive copies of all the resources and the Unit provides advice and materials for school visits.

The resources produced include hard copy print and audio-visuals material, in the form of DVDs and on-line interactive modules, customised for specific audiences. The study of Parliament is specified in various school curricula. It is also used by teachers as an optional area of study when appropriate classroom material is provided. Three DVDs are specific to primary, secondary and adult education. Another, *Making the Law*, outlines the legislative process and meets the specific requirements of VCE and tertiary students. The DVD *From Westminster to Spring St* covers the history of the Parliament of Victoria and the development of our current system of government. There is an interactive module outlining the legislative process and an interactive history timeline on the Parliament of Victoria website.

Twice a year the Victoria Law Foundation provides its *Law Talks* program for Legal Studies students in regional Victoria. Parliament is a regular contributor to the program; in Warrnambool in 2010 and Wodonga in 2011. There will be a second program for 2011 in the Grampians region.

KEY ACHIEVEMENTS

In 2010 extensive sets of resources were developed for the adult, English as a Second Language and Literacy and Numeracy sectors and these were extensively used by many providers as authentic classroom activities in the lead up to the election in November 2010.

At a number of professional development programs for the adult education sector in 2010 and 2011 it became clear that a significant number of the teachers attending also provide Victorian Certificate for Applied Learning (VCAL) courses. VCAL is an option for students in year 11 and 12 not intending to undertake tertiary study. A number of VCAL teachers have adapted Parliament's adult literacy and numeracy resources for their classes and now a Parliament based program mapped to VCAL requirements is being designed in conjunction with the Victorian Curriculum and Assessment Authority.

The Schools Constitutional Convention program has been running for over a decade. A series of regional conventions for years 10 to 12 students culminates in a State Convention in the Legislative Assembly chamber every October. Delegates at the State Convention apply to attend the National Convention in Canberra the following year. In November a shorter version of the State Convention will be trialled for years 5/6 students.

Parliament provides regular professional development programs for teachers through the year at various subject association conferences for adult education, VCE Legal Studies teachers at the Victorian Commerce Teachers Association's *Comview* conference and expo and a workshop on civics and citizenship in History teaching at the History Teachers Association of Victoria's annual conference. There is also a professional development day at Parliament House with the Civics and Citizenship Network.

CHALLENGES FOR THE YEAR AHEAD

The challenge for the Education and Community Engagement Unit in the year ahead is to update its range of print and audio-visual resources, as soon as possible, to reflect the change of government at the 2010 election.

The DVD *Making the Law* covers the legislative process and the current version requires amendment to show the current Premier, Cabinet, Presiding Officers, Parliament and Governor. There is also an interactive online version. New versions also need to reflect changes to the VCE Legal Studies Study Guide. Completion of the DVD will provide the film clips required to update the website version.

The three versions of the more general *Inside Parliament* DVD also have references to the previous Parliament and Presiding Officers as does the written reference text *Inside the Parliament of Victoria*. All of these resources need updating as soon as possible so that the new Government and Parliament are presented in new versions that have a shelf life of at least three years.

Case Study

Electronic Print Media Provision

The Challenge

A set of posters introducing the members of the 56th Parliament was designed and distributed after the 2006 election. The challenge in 2011 was to design a new set; two new posters, showing each member, differentiating the two houses, with clear links to a third poster outlining their electorates. The aim was to graphically illustrate representation with reference to individual Members, their Houses and the localities they represent.

The Solution

The Mace and the Black Rod were used as symbols to differentiate the Legislative Assembly and Legislative Council. Each member's electorate is named with their photograph. The green and red used in each poster was matched to actual colours in the décor of each House and on the Electorates poster this shade of red and green is used to separately outline the Districts and Provinces. The same colours are included in the key, naming the two separate electorates, on the Electorate poster.

The Result

A set of wall mounted posters that presents the Members of each House and links them to their electorates, in a graphic form using minimal written text. There have been numerous requests for extra copies from schools, community centres, local government offices and electorate offices.

Quick Facts:

*In April 2011 Parliament distributed approximately **3900** sets of four posters, introducing Members of the Legislative Assembly and Legislative Council, their electorates and those Members born overseas, to all schools, adult education providers, libraries and local government offices in Victoria.*

Staff Profiles



“In 23 years working at the Parliament of Victoria he has seen numerous changes over 9 Premiers, 8 Governors, and a number of renovation and restoration programs.”

VOULA ANDRITSOS

For Voula Andritsos the development of skills and knowledge is an important factor for any organisation that seeks to grow and adapt to the rapidly changing needs of the workplace. Coordinating and planning for these needs and ensuring the growth of staff capabilities is the primary focus for her in the role as Learning and Development Coordinator. These processes assist with staff attraction and retention strategies.

Previously involved in the delivery of Learning and Development programs in the private sector, Voula became interested in the management of training programs as part of her own personal development. She was attracted to working at Parliament because the organisation's values closely matched her personal ethos and she was interested in continuing to leverage her expertise as a Learning and Development Consultant.

Voula is also motivated by the variety of the role. She enjoys keeping busy through delivering a range of projects simultaneously and has a vibrant enthusiasm for training.

Voula works closely with people across Parliament to determine staff and organisational needs and coordinates delivery of training in both metropolitan and regional areas. For her, training with new technologies and internet communications give access to fresh approaches. This not only improves access to training for staff particularly in regional areas, but adds an additional complexity that must be effectively managed for the training benefits to achieve full potential. Through careful planning, scheduling, coordination and collaboration, Voula ensures that parliamentary and electorate staff have access to a range of training opportunities to meet their career needs.

RICHARD D'SOUZA

Originally from India, Richard arrived in Australia in 2003 from a background in the banking and finance sector. His first position in Australia was with the Parliament as an Accounts Payable Officer whilst he worked to have his university accounting qualifications transferred to the Australian equivalents.

While he appreciates the prestige of working for Parliament, part of the appeal was flexibility in the working environment. "Being able to work, meet family commitments, and earn my CPA would have been much harder without the organisations excellent approach to work life balance." Richard saw his original role as a stepping stone into the organisation which has been invaluable. He believes that taking a proactive approach to his work has enabled him to demonstrate his ability and move into a more traditional accounting role suited to his education.

Over time Richard has had the opportunity to see significant organisational change within the Department. The challenges associated with larger budgets and responsibilities have had significant impact on his role. Combined with upgrades to systems, software, and processes he has seen constant change in the job since he arrived.

The diversity of the role keeps him stimulated. Balancing the needs of Members, Electorate Officers, and the organisation in an environment that is dynamic keeps Richard busy. He likes the evolutionary nature of his work as he feels it has the benefit of keeping his skills current and his focus sharp for new challenges.

While the transition between India and Australia has been a big change for him, Richard says for he and his family it has been a healthier one that has provided him with additional satisfaction that extends beyond the workplace.

BRIAN BOURKE

Having started in government in the Department of Public Works in 1963 he has had a long association with a number of the Heritage buildings maintained by the Victorian Government. In 23 years working at the Parliament of Victoria he has seen numerous changes over 9 Premiers, 8 Governors, and a number of renovation and restoration programs. The wealth of history and knowledge Brian displays regarding the Parliament building has progressed to the point where he is referred to as a living treasure.

One of the biggest changes he has seen was the introduction of offices for the Members. "Previously the Members took their papers to the two Party rooms and worked and discussed there" he reminisces. Developments in technology required the offices to be made available to Members, where only a desk and a fax machine were used previously. Through working regularly with the Presiding Officers, the Usher of the Black Rod, and the Serjeant-at-Arms he ensures the requirements of the Parliament's Members are being accommodated effectively.

Brian is clearly passionate about his work and sees the job as being a 24/7 role that can throw challenges at you at any time. Challenges he clearly thrives on. Over time Brian has seen changes to OH&S legislation improving the standards and safety associated with maintaining the building but making some tasks more difficult to execute. He recalls one incident in the past when he came in on a Tuesday morning during a Sitting Week and left on a Saturday, something that would not occur under current workplace practices.

Brian feels blessed by the position he has occupied at Parliament and is reassured by the fact that people are happy to contact him with issues when they arise. He rises to any request made of him supported by a team he respects and enjoys working with.

"Working with the people and the building is the best part of this job." He describes himself as a caretaker for a part of Victoria's Heritage ensuring future generations can enjoy the unique building that is Parliament House.

In his words, "To keep the building as it should be kept" is his goal, and he is recognised by all for how he masterfully achieves this.

Staff Profiles



JOHN NUGENT

Playing a part in the delivery of a valuable public resource gives John a great deal of satisfaction in his job as a Hansard Editor. He values his role in the democratic process and believes having an accurate record of parliamentary proceedings available for review and scrutiny by all is an important part of that process.

Before coming to Hansard, John worked as a shorthand writer, initially in the Premier's department reporting deputations to then Premier Sir Henry Bolte and later as a court reporter in the federal jurisdiction. In those days working at Hansard was a common aspiration of court reporters, who understood the importance of producing an accurate and timely record of parliamentary proceedings and considered Hansard reporting to be the pinnacle of their profession. In all of the positions he has held at Hansard — reporter, subeditor and now editor — John has relished the challenges he has faced and the sense of achievement he has gained in his role. He has also enjoyed and still enjoys the opportunity of working with the staff of other parliamentary departments and units and appreciates the assistance and procedural advice provided by the Assembly and Council staff in particular.

During his 20-plus years at Parliament John has observed or been involved in many significant changes and events, including the celebrations for the centenary of the first sitting of federal Parliament at the Royal Exhibition Building and for the Parliament of Victoria's 150th anniversary. However, the biggest change John has seen during his time at Hansard has been through the 2006 reforms to the Legislative Council, when Victoria was brought into alignment with the parliamentary structures used in the federal and other state jurisdictions with the introduction of a proportional representation voting system.

John believes that not least among the privileges of working at Parliament is the ready access to the parliamentary gardens "They are a great place to revitalise and clear the mind" providing him with the opportunity to maintain his focus throughout the day in the execution of a role that requires a considered and consistent approach.

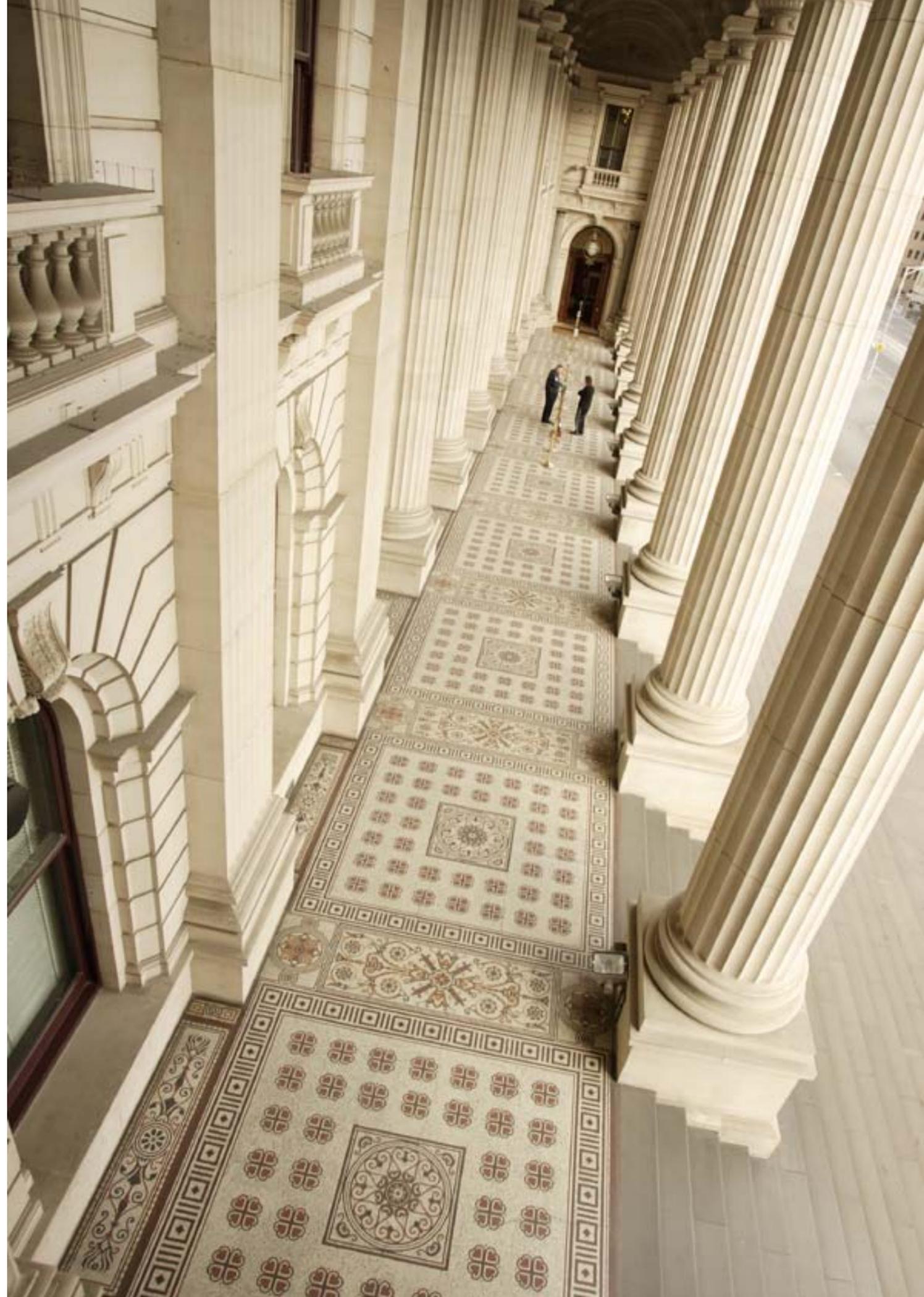
ROSEMARY ROSSI

For Rosemary, working at Parliament as part of the IT Service Desk is a big change from her prior role as an IT Support Officer for a global manufacturer of construction and mining equipment. While the role has many similarities there is a different focus and set of priorities for servicing the staff and Members of Parliament.

"Things can be quite hectic in the IT department, and it helps to have cooperative and helpful team members" she states. "We work well together, and it's teamwork that helps the department as a whole achieve its goals."

Rosemary sees her position in the Information Technology Branch as being about customer service. Making connections with people, understanding their needs, and providing a responsive service form the foundation of her approach which relies on her knowledge of a wide array of devices and software. Her collaborative approach allows her to be able to effectively support the IT needs of people in the organisation. Working with others effectively is her key to being able to find solutions to difficult issues and so she particularly enjoys meeting her clientele in person and working with new staff.

The rollout of the VoIP phone system to the parliamentary buildings has been a large project for Rosemary over the past year, and in the future the rollout of the system will be extended to the Electorate Offices. The system will also feature greater integration with Lotus Notes in order to provide better communication services for all staff. While this provides the IT team some challenges, Rosemary is confident of their ability tackle any issues that arise in order to maintain access to reliable and secure IT systems with friendly and helpful service.



Election Coordinator Report

DPS preparations for the election were supported by the appointment of an Election Coordinator in June 2010. Whilst significant demands were placed on business units within DPS in preparing for the election, this allowed units to ensure that their daily operations and high level of service delivery were sustained throughout the lead up to and immediately following the election.

When as a result of the election Members of Parliament changed in 28 seats¹, the organisation benefited from several months of preparation and implementation of business processes appropriate to election needs. This included consideration and planning for different scenarios under the following constraints:

- Not knowing when the Opening of Parliament would take place until after the election result was known;
- The additional demands placed on the organisation in the event of a change of Government; and
- Declarations of polls not starting until Friday, 3 December and, in the case of the upper house, not finishing until 15 December 2010.

The collaborative effort between business units and the three departments within these constraints was evident in the generosity and support of staff in participating in working group meetings in the months leading up to the election, review and preparation of documentation for Members and their staff and the house departments working closely with DPS to coordinate shared and overlapping requirements.

Within DPS, this ensured the seamless:

- Separation and recommencement of electorate office staff by the Organisation Development unit;
- Closure of accounts for outgoing Members and implementation of new financial systems by Accounting and Administration;
- Collection of assets, closure of budgets for outgoing Members and establishment of budgets for new Members by the Budgets and Risks unit;
- Management of information technology equipment for outgoing and incoming Members by IT; and
- Implementation of property and security changes by Security and Electorate Properties.

The state election on 27 November 2010 affected all facets of the Parliament of Victoria and required collaboration between the Legislative Assembly, the Legislative Council and the Department of Parliamentary Services (DPS).

Overarching DPS intent for Election 2010 was to:

- Ensure that all units of DPS worked collaboratively and with a coordinated approach to election planning;
- Effectively communicate the department's election guidelines and procedures to all Members and staff of the 56th and 57th Parliaments; and
- Implement appropriate business processes and resources in order to provide for the smooth closure of the 56th Parliament and transition to the 57th Parliament of Victoria.

Possibly the most visible of the tasks undertaken prior to the Opening of Parliament, was the process of vacating and handing over the 28 affected electorate offices to new Members in the short period between declaration of the poll for each seat (between 3 and 15 December 2010) and the opening ceremony on 21 December 2010. To achieve this, four teams of Parliamentary Officers (from a pool of 39 volunteer staff from the three departments) conducted up to seven audits/hand-overs per day during this period. With over 5,700 kilometres travelled these teams completed fifty-four electorate office audits and hand-overs within twenty days of declaration of the first poll, on 3 December 2010.

Some of the other initiatives that lead to the success in planning and implementing the transition between the 56th and 57th Parliaments included:

- Individual appointments with new Members, to establish their services and entitlements; and
- Early consultation with the Victorian Electoral Commission resulting in its:
 - Provision of all candidates' contact details to the Parliament. This allowed Parliament to make immediate and direct contact with successful candidates upon declaration of the polls.
 - Incorporation of Parliament of Victoria protocols in the VEC Candidates Handbooks 2010. This provided means for Parliament to communicate to all candidates, that the trigger for the cessation and establishment of services was the relevant Clerks' receipt of VEC advice of declaration of the polls.

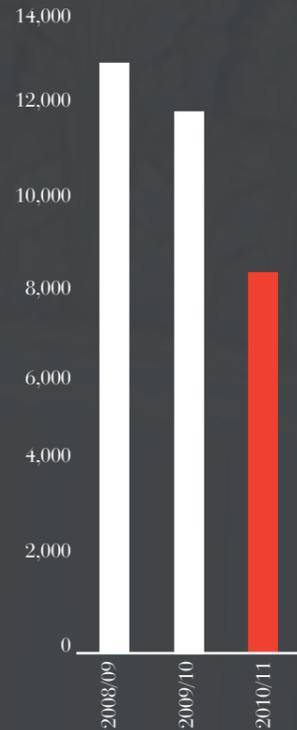
Feedback from both former Members who vacated their seat as a result of the 2010 election and those who were newly elected to the 57th Parliament has been positive. Of particular note, is the overwhelmingly positive response to the DPS kiosks set in Sessions Café on the day prior to the Opening Ceremony. Comments received on this subject have included that these were 'very helpful'; gave 'the ability to move around and discuss a few things'; and 'was a very useful one-stop-shop to complete several tasks quickly'. Suggestions for improvements to DPS processes have also been received and will assist the organisation in preparing for the next general election on 22 November 2014.

Rachel Gatewood
Parliamentary Election Coordinator

“The collaborative effort between business units and the three departments... was evident in the generosity and support of staff.”

¹ 9 did not renominate; 16 were defeated; 1 contested and won a different seat to the one they held in the 56th Parliament; 1 contested and lost a different seat to the one they held in the 56th Parliament; and 1 resigned prior to the election but no by-election took place.

Sustainability Report



Annual metered water for Parliament House & Gardens

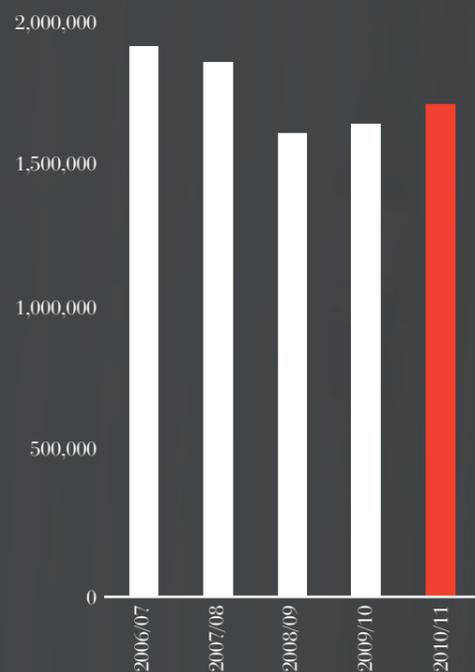
Achievements in the Parliament's environmental sustainability in 2010-11 include:

- Decreasing reliance on mains water supply;
- Generation and use of mulches and composts from garden waste instead of purchased products;
- Continued use of best practice to ensure the survival of the heritage environs, including drought proofing of the gardens; and
- Rollout of recycling bins throughout Parliament House.

Early in 2011-12, these recycling bins will be added to by an increased capacity for recycling office and restaurant waste in external waste management areas.

Quick Facts:

135.4 cubic metres –
the amount of masonry, concrete and render recycled during repairs to Parliament House.



Annual electricity consumption for Parliament House

Whilst the range of measures implemented throughout the Precinct to reduce resource use over recent years have included installation of motion activated lights and the replacement of light fittings with long life fluorescent lamps, early in 2011-12, it is aimed to decrease the demand lighting places on electricity supply by finishing the Legislative Council Chamber Lighting Upgrade.

The upgrade will see a new control system installed, allowing for settings to be programmed to provide the most efficient lighting for a given requirement (i.e. broadcast requirements, workplace lighting or general lighting).

The existing lighting will be replaced with more energy efficient fittings that also last significantly longer than the existing fittings. For example, LED lights which consume less energy will replace current fluorescent lamps under the side galleries. It is expected that this scheme will also substantially reduce maintenance costs.

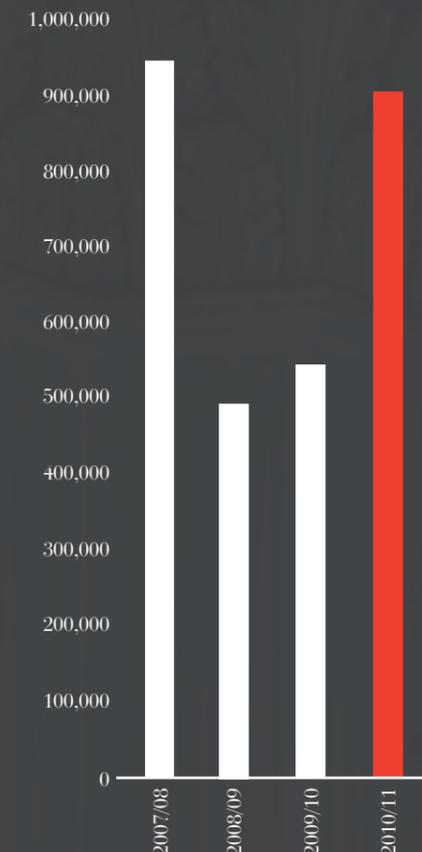
Annual gas consumption for Parliament House

Gas consumption has increased for Parliament House over the past two financial years. However 2010-11 usage is still down 4 per cent on the 2007-08 baseline. Electricity consumption for both Parliament House and the trades area, including the parliamentary gardens has increased on 2009-10 figures. However, the increases may be attributed to activities associated with the opening of Parliament and an increase in the number of construction projects being undertaken in the Precinct.

It is clear that one of the primary challenges for the Parliament's environmental sustainability in 2011-12 will be to decrease and maintain a lower level of electricity and gas consumption within the Parliamentary Precinct.

To this end and in support of the Parliament's organisational commitment to improving its environmental sustainability, in 2011-12 the trades centre will be used as a testing ground for energy reduction initiatives that are not currently feasible within Parliament House.

The trades centre houses the Buildings and Grounds Services unit including workshops, equipment stores, chemical storage, amenities and offices. This initiative will involve works to install plant and equipment to make the trade centre more self-sufficient in terms of energy and water use. Its discrete and remote location behind garden plantings at the northern, Albert Street boundary of the Precinct, lends it to being a test site for such initiatives.



Occupational Health & Safety (OH&S)

37

Number of incidents

11

Total number of claims

The Parliament of Victoria continued to place a high priority on providing a safe, supportive and productive work environment during this period through delivery of a number of initiatives. In promoting preventative health and wellbeing activities, the Organisation Development unit coordinated the delivery of a range of services to Members of Parliament, parliamentary officers and electorate officers including:

- Employee Assistance Program
- Flu vaccinations
- Workstation assessments
- Corporate Wellness Program
- Vision Screening
- Appropriate Workplace Behaviour training
- WorkHealth checks through WorkSafe (offered in metropolitan and regional areas)

The Corporate Wellness program continues to be an innovative and empowering means to promote employee health and wellbeing and was launched during the reporting year with a Healthy Cooking demonstration. The program offered a diverse range of activities including a 10 week fitness challenge, bone density screenings, body composition analysis, pilates and stretch and relaxation workshops. In addition, wellness packs were offered to Members and electorate officers across a range of themes such as healthy eating on the run, relaxation pack, winter wellness and heart health pack.

A focus on preventative education for all employees was a high priority and a variety of OH&S training was delivered during the year including first aid refresher training, emergency response team training, manual handling, working at heights, food handling and workplace behaviour.

The Employee Assistance program (EAP) continued to be a valuable resource available to employees with a usage rate of 3.5%. In partnership with our EAP provider a Men's Health information session launched a Lunch and Learn initiative aimed at raising health and wellbeing awareness.

OCCUPATIONAL HEALTH AND SAFETY KEY STATISTICS

Measure	Description	Result
Incidents & hazards	Number of incidents	37
Claims	Number of minor claims**	6
		4
	Number of standard claims**	1
	Number of lost time claims**	0
	Number of claims exceeding 13 weeks**	100%
	Return to work compliance	
OHS Committee	Committee Meetings	8
	OH&S Representative initial and refresher training participation	100%

Minor claim – a claim that exceeds the threshold of \$582 in medical and like expenses and/or 10 lost days. Standard claim – a claim that exceeds the threshold stated

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

Mechanism of Incident

Being hit by objects	4
Body stress or strain	11
Heat, radiation, electricity	3
Hazard	3
Mental stress	3
Other	2
Slips, trips or falls	11



Source: PoV Injury Register

Corporate Wellness Program

Attendance rate	97%
Inspired to make change	45%
Feedback response rate	83%



Source: Peak Health Activity Reports

OHS Training

	Employees to be trained	Attendance Rate
Food Safety	15	15
Appropriate Workplace Behaviour	80	56
Working at Heights	67	56
Manual Handling	5	5



AR – Attendance Rate ET – Employees to be trained

Source: PoV Training Register

Professional Development

Some of the internal courses that staff participated in included:

- OH & S Committee Training (July 2010)
- Dealing with Difficult Customers and Situations (August and November 2010)
- Successfully Managing Equal Opportunity, Bullying and Diversity within the Workplace (October 2010)
- Manual Handling (October 2010)
- Lotus Notes Introduction (February 2011)
- Basic Food Hygiene (March 2011)
- Working at Heights (March 2011)
- Workplace Behaviour Your Accountability as a Leader (May & June 2011)
- Recruitment and Selection (June 2011)

Organisation Development launched the concept of “Lunch and Learn” in May 2011. The sessions provide participants with a one-hour opportunity during their lunch break to learn about different areas that may be of interest to them. The first Lunch and Learn was centred on Accounting and Administration Policies and attracted forty-seven participants across the different Business Units. Ninety Seven percent of the participants who completed an evaluation found the first Lunch and Learn useful to them. Ninety four percent of those who completed the evaluation felt that the duration was about right. Lunch and Learns will continue to be provided by the Organisation Development Team over the coming months with topics such as Men’s Health, Sleep and Work Life Balance likely.

On line compliance programs focusing on OH&S Awareness and Working Together are available to all staff to complete in their own time. Members and Electorate Officers also had the opportunity to participate in Webinars, access on line training resources and receive help desk support to assist them with the upgrade to MS Office 2010 and Windows 7. Parliamentary Officers were also given the opportunity to participate in Webinars, instructor led training and on line resources in support of the introduction of Lotus Notes 8.5.1 and the new voice over IP telecommunication upgrade.

The Parliament of Victoria is committed to providing suitable high quality learning opportunities for all Parliamentary and Electorate Officers. Staff are encouraged to identify learning and development needs through the performance development and progression plans. The role of the Learning and Development Coordinator is to update and market the bi-monthly calendar, and assist in identifying areas of training that will provide staff with the opportunity to learn, develop and up skill. The Learning and Development coordinator also provides assistance in coordinating both internal and external programs. Staff receive regular emails on forthcoming learning opportunities that are also advertised on a bi-monthly Calendar on the intranet.

Throughout 2010 – 2011, staff undertook a wide range of learning and development activities. Organisation Development offered many courses including Computer/Professional Development and OH & S training. Orientation for new staff was well received with seventy-six staff attending during the reporting year. An additional program was facilitated in early 2011 to allow for the increase in new Electorate Office staff to attend following to the November 2010 election.

Our People

DPS EXECUTIVE

Lochert, Peter	<i>Secretary</i>
Fowler, Rebecca D	<i>Executive Assistant</i>

DIRECTORS - DPS

Barr, Hilton	<i>Director - Precinct & Property Management</i>
Edwards, Bronwen H	<i>Director - Resource Management</i>
Truman, Joanne N	<i>Director - Information Services</i>

INFORMATION SERVICES

Altair, Angelo A	<i>Publishing & CIT Business Support Officer</i>
Altair, Patricia M	<i>Subeditor</i>
Anastasopoulos, Con	<i>IT Services Officer</i>
Aroozoo, Marianne G	<i>Indexing Librarian</i>
Averte, Gabriella	<i>Business Support Officer</i>
Bainbridge, Joel A	<i>Technical Officer - IT</i>
Beks, Sandra M	<i>Library Technician</i>
Bertram, Gavin	<i>Reporter</i>
Bilic, Giuliana	<i>Sessional Monitor/Keyboarder</i>
Breukel, Jon P	<i>Senior Reference Librarian</i>
Brown, Timothy J	<i>Government Information Librarian</i>
Clements, Francesca	<i>Sessional Reporter</i>
Clifford, Philip R	<i>Technical Services Librarian</i>
Cousins, David J	<i>Technical Officer - IT</i>
Delacorn, Adam J	<i>Research Assistant</i>
Denton, Jenny M	<i>Sessional Reporter</i>
Dewar, Rachael A	<i>Sessional Reporter</i>
Espie, Roderick H	<i>Senior Education Project Officer</i>
Federico, Anne E	<i>IT Planning & Development Officer</i>
Ferry, Vicki M	<i>Reporter</i>
Fewings, Timothy A	<i>Broadcast Media Officer</i>
Galbally, Margaret E	<i>Print Media Technician</i>
Gallagher, Robin A	<i>Intranet Librarian</i>
Gardiner, Gregory	<i>Senior Research Officer</i>
Gardner, Julie KE	<i>Services Senior Officer</i>
Gilbert, Kate L	<i>Lending Services Librarian</i>
Greatorex, Mark A	<i>Publishing & CIT Business Support Officer</i>
Gregor, Alice M	<i>Client Support Librarian</i>
Greig, Patricia L	<i>Subeditor</i>
Hansen, Maria	<i>Senior Reporter</i>
Harnath, Margaret	<i>Editor</i>
Harris, Linda	<i>Reporter</i>
Henson, Richard	<i>Library Technician</i>
Hurford, Emma J	<i>Sessional Reporter</i>
Kebbe, Sue M	<i>Reporter</i>
Kenny, Andrea K	<i>Reporter</i>
Kim, Louise M	<i>Sessional Reporter</i>
King, Marion C	<i>Parliamentary Librarian</i>

Our People

Koh, Chong K	<i>Sessional Reporter</i>	Squire, Evan C	<i>Reporter</i>
Lauder, Stephen J	<i>Cataloguing Officer</i>	Sutherland, Maggie A	<i>Sessional Subeditor</i>
Lawson, Lucy S	<i>Sessional Reporter</i>	Taucer, Carl P	<i>Senior Technical Officer - IT</i>
Lee, Kok S R	<i>IT Planning & Development Officer</i>	Taylor, Linden F	<i>Sub Editor</i>
Lesman, Bella	<i>Statistical Research Analyst</i>	Torly, Leah T	<i>Serials Officer</i>
Lewis, Meredith A	<i>Subeditor</i>	Turner, Alan A	<i>Sessional Reporter</i>
Louey, Adam	<i>Technical Officer - IT</i>	Williams, Gregory J	<i>IT Services Officer</i>
Lovell, John T	<i>Manager Information Technology</i>	Zhang, Chong	<i>Sessional Monitor/Keyboarder</i>
Luddon, Suzanne M	<i>Community Engagement Projects Officer</i>		

RESOURCE MANAGEMENT

Macreadie, Rachel S J	<i>Research Officer</i>	Andritsos, Voula	<i>Learning and Development Coordinator</i>
Magarey, Jeremy J	<i>Sessional Reporter</i>	Barresi, Francesca	<i>Senior OD Officer (HR & Policy)</i>
Mamouney, Michael J	<i>Print Media Librarian</i>	Cull, Barry R	<i>Senior OD Officer (Payroll & Systems)</i>
Martyn, Jennifer A	<i>Reporter</i>	D'Souza, Richard	<i>Senior Accounts Officer - Accounts Payable</i>
McCarthy, Catherine J	<i>Sessional Reporter</i>	Duggan, Corinne	<i>Organisation Development Officer - Payroll</i>
McCarthy, Timothy P	<i>Broadcast Media Officer</i>	Geronimo, Roberto	<i>Accounts Payable Officer</i>
McFarlane, Eithne M	<i>Sessional Reporter</i>	Jordan, Richard P	<i>Manager, Organisation Development</i>
McGlinchey, Stephanie M	<i>Intranet Librarian</i>	Kandola, Harpreet	<i>Budget Analyst</i>
Menadue, Carolyn M	<i>Sessional Reporter</i>	Lee, Holly Y Y	<i>Senior Accounts Officer</i>
Merner, Bronwen A	<i>Research Officer</i>	Mascarenhas, John J	<i>Manager, Accounting & Administration</i>
Mills, Kevin R	<i>Casual Subeditor</i>	McCutcheon, Rachelle B	<i>Organisation Development Officer</i>
Neish, Peter G	<i>Systems Officer</i>	Pontil-Scala, Angela J	<i>Organisation Development Officer</i>
Nonneman, Jesse W	<i>Sessional Monitor/Keyboarder</i>	Prasad, Abhishek V	<i>Budgets Officer</i>
Nugent, John A	<i>Editor</i>	Prelec, George	<i>Accounts Officer</i>
O'Connell, Emma J	<i>Heritage Databases Officer</i>	Ridge, Allison J	<i>Organisation Development Officer - Payroll</i>
Piesse, Jessica S	<i>Heritage Databases Officer</i>	Saxena, Charu	<i>Manager, Budgets & Risks</i>
Raciti, Joe	<i>Team Leader Planning & Development</i>	Simpson, Natalie R	<i>Organisation Development Officer - Payroll</i>
Reeves, Debra A	<i>Technical Services Librarian</i>	Summerill, Christopher J	<i>Financial Accountant</i>
Rissotto, Daysi S	<i>Print Media Assistant</i>	Tjan, Evelyn	<i>Accounts Payable Officer</i>
Roberts, Karina	<i>Sessional Reporter</i>	Whitmore, David H	<i>Organisation Development Officer - HR Systems Analyst</i>
Robertson, Stephen A	<i>IT Planning & Development Officer</i>		
Rosman, Stephen G	<i>Web Development Officer</i>		
Ross, Catriona I	<i>Research Officer</i>		
Rossi, Rosemary	<i>IT Services Officer</i>		
Sablyak, Patricia L	<i>Sessional Subeditor</i>		
Sandford, Emma	<i>Sessional Reporter</i>		
Scott, James L	<i>Manager, Hansard</i>		
Sholl, Stephen J	<i>Sessional Monitor/Keyboarder</i>		
Smith, Heather K	<i>Reporter</i>		
Spicer, Victoria L	<i>Senior Client Support Librarian</i>		
Spillane, Patrick F	<i>Reporter</i>		

PRECINCT AND PROPERTY MANAGEMENT

Appleton, Robert J	<i>Electorate Properties Officer</i>
Attard, Emmanuel	<i>Assistant Maintenance Manager</i>
Bourke, Brian	<i>Manager, Buildings & Grounds Services</i>
Chan, Leslie	<i>Sous Chef</i>
Clarke, Joanna E	<i>Electorate Properties Officer</i>
De Graaf, Robert J	<i>Electrician - A Grade</i>
Fothergill, John F	<i>Manager, Buildings & Grounds Services</i>
Fotheringham, Nicole	<i>Team Leader, Security & Electorate Properties</i>
Gatewood, Rachel K	<i>Senior Project & Administration Officer</i>
Greene, Lynette A	<i>Electorate Properties Officer</i>
Haddow, Linda A	<i>Horticulturist</i>
Herbert, Neil A	<i>Security Co-Ordinator</i>
Hughes, Ruth E	<i>Casual Horticulturist</i>
Hurle, John A	<i>Senior Horticulturist - Turf</i>
Jordan, Luke R	<i>Manager, Catering</i>
Kelly, Glenn R	<i>Electrician - A Grade</i>
King, Susan R	<i>Security Co-Ordinator</i>
Lightfoot, Russell J	<i>Security Liaison Officer</i>
Matthews, Samantha V	<i>Manager, Security and Electorate Properties</i>
Molnar, Jennifer	<i>Electorate Properties Officer</i>
O'Neill, Brian E	<i>Team Leader, Security & Electorate Properties</i>
Pettenon, Michael D	<i>Carpenter & Maintenance Officer</i>
Ponting, Alan D	<i>Team Leader Grounds & Gardens</i>
Quirk, Toni L	<i>Security Administration Officer</i>
Robertson, Rachel A	<i>Horticulturist</i>
Rogers, Robyn M	<i>Catering Office Manager</i>
Sellar, Malcolm	<i>Executive Chef</i>
Shields, Marion E	<i>Electorate Properties Officer</i>
Tremoulas, John	<i>Electrician</i>

Output Measures

Outputs	Unit of Measure	Target As at 30 Jun 11	Actuals As at 30 Jun 11	% Variance*	Comments required for +/- 5% variance	Responsible Unit
Quantity						
IT systems availability – (Parliament and Electorate Offices)	Percent	99%	99%	0.00%		IT IT
Monthly management reports to MPs and departments	Number	12	12	0.00%		B & R B&R
Parliamentary audio system transmission availability	Percent	99%	98%	-1.01%		Hansard Hansard
Provide MPs with a functional electorate office	Percent	95%	100%	5%		EPU SEPU
Quality						
Clients satisfied with quality of information provided by Library reference desk staff	Percent	85%	97.9%	15.18%		Library Library
Maintain and secure the parliamentary precinct and have it available for legislative program	Percent	95%	100%	5%		Security and Grounds SEPU
Clear Audit opinion on Parliamentary Financial Statements (previous year)	Percent	100%	100%	0.00%		Accounting Accounting
Timeliness						
Indexes, records and speeches and transcripts provided within agreed timeframes	Percent	90%	86%	-4.44%		Hansard Hansard
Payroll processing completed accurately and within agreed timeframes	Percent	99%	99.96%	0.97%		OD OD
Total output cost	\$ million	77.800				

* Note that commentary must be provided for performance measures that vary by +/- 5 per cent from the published target



Workforce Data

Staffing

	Parliamentary Officers	Electorate Officers	Total
Full-time	108	140	248
Part-time	21	196	217
Sessional	15	0	15
Total	144	336	480

Full-time Equivalents (FTE)

	Permanent	Fixed Term	Total
Parliamentary Officers	114.5	11.7	126.2
Electorate Officers	235.6	11.8	247.4
Total	350.1	23.5	373.6

Financial statements for the financial year ended 30 June 2011

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

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

Parliament of Victoria
Parliament House
Spring Street
Melbourne
Victoria 3002



PARLIAMENT OF VICTORIA

Comprehensive operating statement for the financial year ended 30 June 2011

	Notes	2011 \$	2010 \$
Income from transactions			
Output appropriations		86,594,374	84,318,763
Special appropriations		40,003,220	39,151,903
Grants and other income transfers	4(a)	131,015	145,584
Fair value of services received free of charge	4(b)	67,377	100,341
Parliament refreshment rooms		1,324,185	1,338,546
Total income from transactions		128,120,171	125,055,137
Expenses from transactions			
Employee expenses	5(a)	(81,854,154)	(79,940,205)
Depreciation	5(b)	(5,412,824)	(4,629,763)
Interest expense		(174,200)	(229,262)
Capital asset charge		(1,669,106)	(1,487,106)
Parliament refreshment rooms	5(c)	(1,593,134)	(1,596,529)
Communications, postage and printing		(11,265,785)	(12,083,069)
Property rental cost		(6,680,154)	(7,068,742)
Other operating expenses	5(d)	(15,863,960)	(15,731,694)
Total expenses from transactions		(124,513,317)	(122,766,370)
Net result from transactions (net operating balance)		3,606,854	2,288,767
Other economic flows included in net result			
Net gain / (loss) on non-financial assets	6(a)	162,697	108,448
Other gains / (losses) from other economic flows	6(b)	18,644	(21,016)
Total other economic flows included in net result		181,341	87,432
Net result		3,788,195	2,376,199
Other economic flows - other non-owner changes in equity			
Changes in physical asset revaluation surplus	20	14,966,931	-
Total other economic flows - other non-owner changes in equity		14,966,931	-
Comprehensive result		18,755,126	2,376,199

The above Comprehensive Operating Statement should be read in conjunction with the accompanying Notes included on pages 6 to 57.

Balance sheet
as at 30 June 2011

	Notes	2011 \$	2010 \$
Assets			
Financial assets			
Cash and deposits	19(a)	48,440	22,306
Receivables	7	43,621,169	45,302,353
Total financial assets		43,669,609	45,324,659
Non-financial assets			
Inventories	8	55,611	56,850
Prepayments		1,458,136	967,493
Non-financial assets classified as held for sale, including disposal group assets	10	46,810	138,920
Property, plant and equipment	9	235,970,042	217,958,572
Total non-financial assets		237,530,599	219,121,835
Total assets		281,200,208	264,446,494
Liabilities			
Bank overdraft	19(a)	1,047,572	909,021
Payables	11	1,947,644	5,254,573
Borrowings	12	3,120,033	3,488,381
Provisions	13	8,497,237	8,961,923
Total liabilities		14,612,486	18,613,898
Net assets		266,587,722	245,832,596
Equity			
Accumulated surplus / (deficit)		29,087,132	25,298,937
Physical asset revaluation surplus	20	70,322,331	55,355,400
Contributed capital		167,178,259	165,178,259
Net worth		266,587,722	245,832,596
Commitments for expenditure	16		
Contingent assets and contingent liabilities	17		

The above Balance Sheet should be read in conjunction with the accompanying Notes included on pages 6 to 57.

Statement of changes in equity
for the financial year ended 30 June 2011

	Notes	Equity at 1 July 2010	Changes due to			Equity at 30 June 2011
			Net result	Physical asset revaluation	Transactions with owners in their capacity as owners	
Accumulated surplus / (deficit)		25,298,937	3,788,195	-	-	29,087,132
Contributions by owners		165,178,259	-	-	2,000,000	167,178,259
Physical asset revaluation surplus	20	55,355,400	-	14,966,931	-	70,322,331
Total equity at end of financial year		245,832,596	3,788,195	14,966,931	2,000,000	266,587,722
<hr/>						
	Notes	Equity at 1 July 2009	Changes due to			Equity at 30 June 2010
			Net result	Physical asset revaluation	Transactions with owners in their capacity as owners	
Accumulated surplus / (deficit)		22,922,738	2,376,199	-	-	25,298,937
Contributions by owners		165,178,259	-	-	-	165,178,259
Physical asset revaluation surplus	20	55,355,400	-	-	-	55,355,400
Total equity at end of financial year		243,456,397	2,376,199	-	-	245,832,596

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes included on pages 6 to 57.

Cash flow statement
for the financial year ended 30 June 2011

	Notes	2011 \$	2010 \$
Cash flows from operating activities			
Receipts			
Receipts from Government appropriations		128,108,565	124,842,171
Receipts from Parliament refreshment rooms		1,478,757	1,541,625
Receipts from other Government departments		131,015	145,584
Goods and services tax recovered from the ATO		4,253,230	4,599,081
Total receipts		133,971,567	131,128,461
Payments			
Payments to suppliers and employees		(124,008,488)	(117,453,627)
Payments by Parliament refreshment rooms		(1,553,137)	(1,626,721)
Goods and services tax paid to the ATO		(108,152)	(117,548)
Capital asset charge payments		(1,669,106)	(1,487,106)
Interest and other costs of finance paid		(174,200)	(229,262)
Total payments		(127,513,083)	(120,914,264)
Net cash flows from / (used in) operating activities	19(b)	6,458,484	10,214,197
Cash flows from investing activities			
Payments for non-financial assets		(7,342,930)	(9,053,822)
Proceeds from sale of non-financial assets		1,111,186	1,081,136
Net cash flows from / (used in) investing activities		(6,231,744)	(7,972,686)
Cash flows from financing activities			
Owner contributions by State Government		2,000,000	-
Repayment of finance lease liability on disposals		(856,380)	(889,146)
Repayment of borrowings		(1,482,777)	(1,271,309)
Net cash flows from / (used in) financing activities		(339,157)	(2,160,455)
Net increase / (decrease) in cash and cash equivalents		(112,417)	81,056
Cash and cash equivalents at the beginning of the financial year		(886,715)	(967,771)
Cash and cash equivalents at the end of the financial year	19(a)	(999,132)	(886,715)

The above Cash Flow Statement should be read in conjunction with the accompanying Notes included on pages 6 to 57.

Notes to the financial statements

30 June 2011

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Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for the Parliament of Victoria.

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

To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 28.

(a) Statement of compliance

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

The annual financial statements were authorised for issue by the President of the Legislative Council and the Speaker of the Legislative Assembly on the 15th August 2011.

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.

(b) Basis of accounting preparation and measurement

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

These financial statements are presented in Australian dollars, the functional and presentation currency of the Parliament of Victoria.

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. 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 made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the next year, are disclosed throughout the notes to the financial statements.

These financial statements have been prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets.

Exceptions to the historical cost convention include:

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented for the year ended 30 June 2010.

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

(c) Reporting entity

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

Parliament of Victoria
Parliament House
Spring Street
Melbourne 3002
Victoria

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

Objectives and funding

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

The Parliament is predominantly funded by accrual based Parliamentary appropriations for the provision of outputs.

Outputs of the Parliament of Victoria

Information about the Parliament's output activities, and the expenses, income, assets and liabilities which are reliably attributable to those output activities, is set out in the output activities schedule (Note 2).

Information about expenses, incomes, assets and liabilities administered by the Parliament are given in the schedule of administered expenses and revenues and the schedule of administered assets and liabilities (see Note 3).

(d) Basis of consolidation

Administered items

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

Administered income includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid.

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

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

(e) Scope and presentation of financial statements

Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under *AASB 101 Presentation of financial statements*.

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods 2005* Cat. No. 5514.0 published by the Australian Bureau of Statistics (see Note 28).

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

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals, and revaluations and impairments of non-financial physical assets.

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

Balance sheet

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

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

Cash flow statement

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

(f) Income from transactions

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

Appropriation income

Appropriated income becomes controlled and is recognised by the Parliament when it is appropriated from the consolidated fund by the Victorian Parliament and applied to the purposes defined under the relevant appropriations act. Additionally, the Parliament is permitted under Section 29 of the *Financial Management Act 1994* to have certain income annotated to the annual appropriation. The income which forms part of a Section 29 agreement is recognised by the Parliament and the receipts paid into the Consolidated Fund as an administered item. At the point of income recognition, Section 29 provides for an equivalent amount to be added to the annual appropriation. Examples of receipts which can form part of a Section 29 agreement are the proceeds from the sale of assets and income from the sale of products and services.

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

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

Output appropriations

Income from the outputs the Parliament provides to Government is recognised when those outputs have been delivered and the relevant minister has certified delivery of those outputs in accordance with specified performance criteria.

Special appropriations

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

- salary for the Clerk of the Parliaments (under the *Constitution Act No. 8750*)
- salaries for the Legislative Assembly (under the *Constitution Act No. 8750*)
- salaries for the Legislative Council (under the *Constitution Act No. 8750*)
- Parliamentary benefits and superannuation (under the *Parliamentary Contributory Superannuation Act No. 89*)
- Parliamentary salaries and superannuation (under the *Parliamentary Salaries & Superannuation Act No. 7723*)

Grants and other income transfers

Grants from third parties (other than contributions by owners) are recognised as income in the reporting period in which the Parliament gains control over the underlying assets.

Fair value of assets and services received free of charge

Contributions of resources received free of charge are recognised at their fair value when the Parliament obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(g) Expenses from transactions

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

Employee expenses

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

Superannuation - State superannuation defined benefit plans

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice.

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

Depreciation

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

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The typical estimated useful lives for the different asset classes for both current and prior years can be found in Note 9.

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

Interest expense

Interest expenses are recognised as expenses in the period in which they are incurred. Refer to glossary of terms in Note 28 for an explanation of interest expense items.

Capital asset charge

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

Other operating expenses

Other operating expenses generally represent the day to day running costs incurred in normal operations.

Supplies and services

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred.

Bad and doubtful debts

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

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

(h) Other economic flows

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

Net gain / (loss) on non-financial assets

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

Revaluation gains / (losses) on non-financial physical assets

Refer to accounting policy on property, plant and equipment, provided in Note 1(k) *Revaluations of non-financial physical assets*.

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of non-financial assets

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

- inventories;
- non-financial physical assets held-for-sale.

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

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Net gain / (loss) on financial instruments

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

Other gains / (losses) from other economic flows

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

- transfer of amounts from the reserves and / or accumulated surplus to net result due to disposal or derecognition or reclassification; and
- the revaluation of the present value of long service leave liability due to changes in the bond interest rate.

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

(i) Financial instruments

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

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

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(j)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

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

Financial instrument liabilities measured at amortised cost include all payables, deposits held and advances received, and interest bearing arrangements other than those designated at fair value through profit or loss.

(j) Financial assets

Cash and deposits

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

For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as borrowings on the balance sheet.

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

Receivables

Receivables consist of:

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

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Impairment of financial assets

At the end of each reporting period, the Parliament assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

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

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

(k) Non-financial assets

Inventories

Inventories include goods and other property held either for sale, or for consumption in the ordinary course of business operations.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential.

Cost for all other inventory is measured on the basis of weighted average cost.

Inventories acquired for no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

Non-financial assets classified as held-for-sale, including disposal group assets

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

This condition is regarded as met only when:

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

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

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(m)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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

The fair value of cultural depreciated assets and collections, heritage assets and other non-financial physical assets that the State intends to preserve because of their unique historical, cultural or environmental attributes, are measured at the replacement cost of the asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset and any accumulated impairment. These policies and any legislative limitations and restrictions imposed on their use and/or disposal may impact their fair value.

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

Leasehold improvements

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

Restrictive nature of cultural and heritage assets, Crown land and infrastructures

The Parliament holds cultural assets, heritage assets, Crown land and infrastructure, which are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. Consequently, there are certain limitations and restrictions imposed on their use and/or disposal.

Non-financial physical assets constructed by the Parliament

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

Revaluations of non-financial physical assets

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

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows – other non-owner changes in equity' and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as other economic flows in the net result, except that the net revaluation decrease is recognised in 'other economic flows – other non-owner changes in equity' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in 'other economic flows – other non-owner changes in equity' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset.

Prepayments

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

(l) Liabilities

Payables

Payables consist of:

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

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(i)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Borrowings

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

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

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

Provisions

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

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

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

Employee benefits

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

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, annual leave and accumulating sick leave are recognised in the provision for employee benefits, classified as current liabilities. Those liabilities which are expected to be settled within 12 months of the reporting period are measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

(ii) Long service leave

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

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

The components of this current LSL liability are measured at:

- nominal value - component that the Parliament expects to settle within 12 months; and
- present value - component that the Parliament does not expect to settle within 12 months.

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

This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' (refer to Note 1(h)).

(iii) Termination benefits

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

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

Employee benefits on-costs

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

(m) Leases

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

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

Finance leases

Parliament of Victoria as lessee

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability, and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Operating leases

Parliament of Victoria as lessee

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

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

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

(n) Equity

Contributions by owners

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

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

(o) Commitments

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

Notes to the financial statements
30 June 2011

Note 1 - Summary of significant accounting policies (continued)

(p) Contingent assets and contingent liabilities

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

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

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

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

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

(r) Events after the reporting period

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

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

Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent reporting periods.

Notes to the financial statements
30 June 2011

Note 1 - Summary of significant accounting policies (continued)

(s) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

(t) AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2011 reporting period. DTF assesses the impact of these new standards and advises the Parliament of their applicability and early adoption where applicable.

As at 30 June 2011, the following standards and interpretations that are applicable to the Parliament had been issued but are not mandatory for the financial year ending 30 June 2011. Standards and Interpretations that are not applicable to the Parliament have been omitted. The Parliament has not early adopted these standards.

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning</i>	<i>Impact on Parliament's financial statements</i>
AASB 9 Financial instruments.	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial instruments: recognition and measurement (AASB 139 Financial Instruments: recognition and measurement).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 124 Related party disclosures (Dec 2009).	Government related entities have been granted partial exemption with certain disclosure requirements.	Beginning 1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, the Parliament is still assessing the detailed impact and whether to early adopt.
AASB 1053 Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning</i>	<i>Impact on Parliament's financial statements</i>
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12].	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052].	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASBs.	Beginning 1 Jan 2011	The amendments only apply to those entities to whom AASB 8 applies, which are for profit entities except for-profit government departments. Detail of impact is still being assessed.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement [AASB Interpretation 14].	Amendment to Interpretation 14 arising from the issuance of prepayments of a minimum funding requirement.	Beginning 1 Jan 2011	Expected to have no significant impact.
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	Beginning 1 July 2013	Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]	This Standard makes numerous improvements designed to enhance the clarity of standards.	Beginning 1 Jan 2011	No significant impact on the financial statements.

Notes to the financial statements

30 June 2011

Note 1 - Summary of significant accounting policies (continued)

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning</i>	<i>Impact on Parliament's financial statements</i>
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	This amendment contains editorial corrections to a range of Australian Accounting Standards and Interpretations, which includes amendments to reflect changes made to the text of IFRSs by the IASB.	Beginning 1 Jan 2011	No significant impact on the financial statements.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	These amendments are in relation to the introduction of AASB 9.	Beginning 1 Jan 2013	This amendment may have an impact on Parliament as AASB 9 is a new standard and it changes the requirements of numerous standards. Detail of impact is still being assessed.
AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]	This amendment affects multiple Australian Accounting Standards and AASB Interpretations for the objective of increased alignment with IFRSs and achieving harmonisation between both Australian and New Zealand Standards. It achieves this by removing guidance and definitions from some Australian Accounting Standards, without changing their requirements.	Beginning 1 July 2011	This amendment will have no significant impact on Parliament.
AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & AASB 1054]	The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented to Victorian Public Sector.

Notes to the financial statements
30 June 2011

Note 2 - Parliament (controlled) outputs

A description of the Parliament of Victoria outputs performed during the year ended 30 June 2011, and the objectives of these outputs, are summarised below.

Legislative Council outputs

Description of outputs

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

Objectives

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

Legislative Assembly outputs

Description of outputs

Provision of procedural advice to Members of the Legislative Assembly, 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

Provision of information and resources to Members of Parliament, parliamentary officers and parliamentary committees as well as members of the public, including the production of Hansard and library research services. It also includes the provision of ancillary services such as human resources, training, education, information technology, accounting & administration, budgets, property and facilities management.

Objectives

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

Parliamentary Investigatory Committees

Description of outputs

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

Objectives

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

Notes to the financial statements
30 June 2011

Note 2 - Parliament (controlled) outputs (continued)

Schedule A - Controlled income and expenses for the year ended 30 June 2011

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
Income from transactions					
Output appropriations	2,854,800	4,435,592	72,439,145	6,864,837	86,594,374
Special appropriations	13,525,296	26,477,924	-	-	40,003,220
Grants and other income transfers	-	-	131,015	-	131,015
Fair value of services received free of charge	-	-	67,377	-	67,377
Parliament refreshment rooms	-	-	1,324,185	-	1,324,185
Total income from transactions	16,380,096	30,913,516	73,961,722	6,864,837	128,120,171
Expenses from transactions					
Employee expenses	(15,570,596)	(28,666,697)	(34,323,067)	(3,293,794)	(81,854,154)
Depreciation	-	-	(5,412,824)	-	(5,412,824)
Interest expense	-	-	(174,200)	-	(174,200)
Capital asset charge	-	-	(1,669,106)	-	(1,669,106)
Parliament refreshment rooms	-	-	(1,593,134)	-	(1,593,134)
Communications, postage and printing	(62,265)	(101,142)	(10,951,713)	(150,665)	(11,265,785)
Property rental cost	-	-	(6,248,154)	(432,000)	(6,680,154)
Other operating expenses	(328,235)	(1,051,677)	(13,630,670)	(853,378)	(15,863,960)
Total expenses from transactions	(15,961,096)	(29,819,516)	(74,002,868)	(4,729,837)	(124,513,317)
Net result from transactions (net operating balance)	419,000	1,094,000	(41,146)	2,135,000	3,606,854
Other economic flows included in net result					
Net gain / (loss) on non-financial assets	-	-	162,697	-	162,697
Other gains / (losses) from other economic flows	365	562	16,598	1,119	18,644
Total economic flows included in net result	365	562	179,295	1,119	181,341
Net result	419,365	1,094,562	138,149	2,136,119	3,788,195
Other economic flows - other non-owner changes in equity					
Changes in physical asset revaluation surplus	-	-	14,966,931	-	14,966,931
Total other economic flows - other non-owner changes in equity	-	-	14,966,931	-	14,966,931
Comprehensive result	419,365	1,094,562	15,105,080	2,136,119	18,755,126

The comparative Parliament outputs schedule for the year ended 30 June 2010 appears on the following page.

Notes to the financial statements
30 June 2011

Note 2 - Parliament (controlled) outputs (continued)
Schedule B - Controlled income and expenses for the year ended 30 June 2010

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
Income from transactions					
Output appropriations	2,783,635	4,321,558	70,716,780	6,496,790	84,318,763
Special appropriations	13,327,839	25,824,064	-	-	39,151,903
Grants and other income transfers	-	-	145,584	-	145,584
Fair value of services received free of charge	-	-	100,341	-	100,341
Parliament refreshment rooms	-	-	1,338,546	-	1,338,546
Total income from transactions	16,111,474	30,145,622	72,301,251	6,496,790	125,055,137
Expenses from transactions					
Employee expenses	(15,364,554)	(27,816,218)	(32,367,017)	(4,392,416)	(79,940,205)
Depreciation	-	-	(4,629,763)	-	(4,629,763)
Interest expense	-	-	(229,262)	-	(229,262)
Capital asset charge	-	-	(1,487,106)	-	(1,487,106)
Parliament refreshment rooms	-	-	(1,596,529)	-	(1,596,529)
Communications, postage and printing	(33,955)	(60,639)	(11,879,899)	(108,576)	(12,083,069)
Property rental cost	-	-	(7,068,742)	-	(7,068,742)
Other operating expenses	(391,966)	(902,764)	(12,868,166)	(1,568,798)	(15,731,694)
Total expenses from transactions	(15,790,475)	(28,779,621)	(72,126,484)	(6,069,790)	(122,766,370)
Net result from transactions (net operating balance)	320,999	1,366,001	174,767	427,000	2,288,767
Other economic flows included in net result					
Net gain / (loss) on non-financial assets	-	-	108,448	-	108,448
Other gains / (losses) from other economic flows	(1,016)	929	(19,591)	(1,338)	(21,016)
Total economic flows included in net result	(1,016)	929	88,857	(1,338)	87,432
Net result	319,983	1,366,930	263,624	425,662	2,376,199
Other economic flows - other non-owner changes in equity					
Changes in physical asset revaluation surplus	-	-	-	-	-
Total other economic flows - other non-owner changes in equity	-	-	-	-	-
Comprehensive result	319,983	1,366,930	263,624	425,662	2,376,199

Notes to the financial statements
30 June 2011

Note 2 - Parliament (controlled) outputs (continued)
Schedule C - Controlled assets and liabilities as at 30 June 2011

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
Assets					
Financial assets	419,300	1,094,450	40,018,234	2,137,625	43,669,609
Non-financial assets	95,501	94,510	237,314,395	26,193	237,530,599
Total assets	514,801	1,188,960	277,332,629	2,163,818	281,200,208
Liabilities					
	(1,121,549)	(1,000,246)	(11,698,658)	(792,033)	(14,612,486)
Total liabilities	(1,121,549)	(1,000,246)	(11,698,658)	(792,033)	(14,612,486)
Net assets / (liabilities)	(606,748)	188,714	265,633,971	1,371,785	266,587,722

The comparative Parliament outputs schedule for the year ended 30 June 2010 appears on the following page.

Notes to the financial statements
30 June 2011

Notes to the financial statements
30 June 2011

Note 2 - Parliament (controlled) outputs (continued)
Schedule D - Controlled assets and liabilities as at 30 June 2010

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigative Committees	Parliament Total
Assets					
Financial assets	321,300	1,366,834	43,206,900	429,625	45,324,659
Non-financial assets	430	9,430	219,111,071	904	219,121,835
Total assets	321,730	1,376,264	262,317,971	430,529	264,446,494
Liabilities					
	(1,228,863)	(1,363,689)	(14,937,006)	(1,084,340)	(18,613,898)
Total liabilities	(1,228,863)	(1,363,689)	(14,937,006)	(1,084,340)	(18,613,898)
Net assets / (liabilities)	(907,133)	12,575	247,380,965	(653,811)	245,832,596

Note 3 - Administered (non controlled) items

In addition to the specific Parliamentary operations which are included in the financial statements (balance sheet, comprehensive operating statement, statement of changes in equity and cash flow statement), the Parliament administers or manages other activities on behalf of the State. The transactions relating to these State activities are reported as administered items in this note. Administered transactions give rise to income, expenses, assets and liabilities and are determined on an accrual basis. Administered revenues include the proceeds from the sale of non-current assets and other miscellaneous income. Both the controlled Parliamentary financial statements and these administered items are consolidated into the financial statements of the State.

	Department of Parliamentary Services		Parliament Total	
	2011	2010	2011	2010
	\$	\$	\$	\$
Administered income from transactions				
Sale of goods and services	393,257	20,976	393,257	20,976
Receipts towards Public Service Commuter Club	89,333	101,944	89,333	101,944
Sale of non-current assets	-	-	-	-
Total administered income from transactions	482,590	122,920	482,590	122,920
Administered expenses from transactions				
Payments towards Public Service Commuter Club	(79,346)	(92,701)	(79,346)	(92,701)
Payments into the Consolidated Fund	(393,257)	(20,976)	(393,257)	(20,976)
Total administered expenses from transactions	(472,603)	(113,677)	(472,603)	(113,677)
Total administered net result from transactions (net operating balance)	9,987	9,243	9,987	9,243
Administered other economic flows included in the administered net result	-	-	-	-
Total administered comprehensive result	9,987	9,243	9,987	9,243
Administered financial assets				
Receivables	29,724	39,712	29,724	39,712
Total administered assets	29,724	39,712	29,724	39,712
Administered liabilities				
Funds held in trust	(29,724)	(39,712)	(29,724)	(39,712)
Total administered liabilities	(29,724)	(39,712)	(29,724)	(39,712)
Total administered net assets	-	-	-	-

Notes to the financial statements
30 June 2011

	2011 \$	2010 \$
Note 4 - Income from transactions		
(a) Grants and other income transfers		
Department of Education & Early Childhood Development	53,570	52,520
Department of Sustainability & Environment	-	93,064
Ombudsman Victoria	77,445	-
	<u>131,015</u>	<u>145,584</u>
(b) Fair value of services received free of charge		
Services received free of charge - Victorian Auditor-General's Office	67,377	100,341
Note 5 - Expenses from transactions		
(a) Employee benefit expense		
Salaries and wages ^(a)	52,188,373	50,455,237
Annual leave and long service leave expense	3,736,093	3,882,937
Superannuation contribution	21,873,309	21,432,011
State Employees Retirement Benefits Scheme - contribution	22,964	19,244
Work cover premiums	283,214	395,821
Payroll tax	2,987,619	2,902,651
Fringe benefits tax	762,582	852,304
Total employee benefits	<u>81,854,154</u>	<u>79,940,205</u>
<i>(a) Salaries and wages includes all salaries and allowances paid to Members of Parliament, however, excludes Ministers' salaries and allowances which are paid by the Department of Premier and Cabinet.</i>		
(b) Depreciation expense		
(i) Depreciation of non-current assets:		
- Buildings	1,435,154	1,230,632
- Plant & equipment	2,052,644	1,681,859
- Cultural assets	162,413	162,413
- Leasehold improvements	368,254	367,190
- Plant & equipment under finance lease	1,394,359	1,187,669
Total depreciation expense	<u>5,412,824</u>	<u>4,629,763</u>

Notes to the financial statements
30 June 2011

	2011 \$	2010 \$
Note 5 - Expenses from transactions (continued)		
(c) Parliament refreshment rooms		
The Parliament refreshment rooms operate within the Parliamentary complex:		
Cost of goods sold	464,730	436,568
Other expenditure	1,128,404	1,159,961
	<u>1,593,134</u>	<u>1,596,529</u>
(d) Other operating expenses		
Acts, bills and statutory rules	363,253	442,546
Advertising	1,331,010	1,040,420
Cleaning expenses	817,016	669,365
Computer consulting and contractors	633,832	485,843
Computer software purchases	1,228,774	799,740
Computer support services	236,741	399,260
Consulting services	581,757	725,711
Electorate office expenses	1,306,909	1,790,089
Equipment rental	1,374,108	1,474,233
Garden expenses	122,419	105,385
Insurance	410,912	403,654
Maintenance consulting and contractors	265,442	246,178
Maintenance department consumables	724,710	652,827
Minor equipment purchase and repair	499,191	369,473
Motor vehicle running costs	790,952	823,224
Office expenses	441,042	475,182
Office requisites and stationery	578,520	605,444
Online data base expenses	241,247	232,333
Other expenses	1,825,745	1,179,393
Relocations and maintenance	949,786	1,230,339
Travel and subsistence	332,290	871,536
Utilities	808,304	709,519
	<u>15,863,960</u>	<u>15,731,694</u>

Notes to the financial statements
30 June 2011

	2011 \$	2010 \$
Note 6 - Other economic flows included in net result		
(a) Net gain / (loss) on non-financial assets		
Net gain / (loss) from sale of property, plant and equipment	162,697	108,448
Total net gain / (loss) on non-financial assets and liabilities	162,697	108,448
(b) Other gains / (losses) from other economic flows		
Net gain / (loss) arising from revaluation of long service leave liability ^(a)	18,644	(21,016)
Total other gains / (losses) from other economic flows	18,644	(21,016)

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

Notes to the financial statements
30 June 2011

	2011 \$	2010 \$
Note 7 - Receivables		
Current receivables		
Contractual		
Debtors - Parliament refreshment rooms	62,704	59,864
Other receivables	-	1,490
	62,704	61,354
Statutory		
Amounts owing from Victorian Government ^(a)	5,343,775	9,228,526
GST input tax credit recoverable	615,515	787,074
	5,959,290	10,015,600
Total current receivables	6,021,994	10,076,954
Non current receivables		
Statutory		
Amounts owing from Victorian Government ^(a)	37,599,175	35,225,399
Total non current receivables	37,599,175	35,225,399
Total receivables	43,621,169	45,302,353

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

(a) Ageing analysis of contractual receivables

Please refer to Table 18.2 in Note 18 for the ageing analysis of contractual receivables.

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

Please refer to Note 18 for the nature and extent of risks arising from contractual receivables.

Note 8 - Inventories

Current inventories

Stock on hand - Parliament refreshment rooms (at cost)	55,611	56,850
	55,611	56,850

Notes to the financial statements
30 June 2011

Note 9 - Property, plant and equipment

Table 9.1: Public Administration purpose group - carrying amounts

As at 30 June 2011 Description	Gross carrying amount	Accumulated depreciation	Net carrying amount
At cost			
Buildings	988,175	348	987,827
Leasehold improvements	6,395,357	4,131,454	2,263,903
Buildings in the course of construction	278,309	-	278,309
Plant & equipment in the course of construction	67,445	-	67,445
Plant, equipment & vehicles under finance lease	4,696,712	1,654,765	3,041,947
At fair value			
Land	50,000,000	-	50,000,000
Buildings	159,435,377	116,980	159,318,397
Plant & equipment	18,762,346	9,662,765	9,099,581
Cultural assets - Library	7,674,162	525,895	7,148,267
Cultural assets - other	3,890,401	126,035	3,764,366
Total	252,188,284	16,218,242	235,970,042

As at 30 June 2010 Description	Gross carrying amount	Accumulated depreciation	Net carrying amount
At cost			
Buildings	12,195,015	78,916	12,116,099
Leasehold improvements	6,388,877	3,763,200	2,625,677
Buildings in the course of construction	-	-	-
Plant & equipment in the course of construction	-	-	-
Plant, equipment & vehicles under finance lease	4,610,192	1,288,316	3,321,876
At fair value			
Land	50,000,000	-	50,000,000
Buildings	133,453,000	3,524,986	129,928,014
Plant & equipment	17,703,218	8,811,357	8,891,861
Cultural assets - Library	7,674,162	394,421	7,279,741
Cultural assets - other	3,890,401	95,097	3,795,304
Total	235,914,865	17,956,293	217,958,572

Valuation of assets

An independent valuation of the Parliament's land, buildings and Cultural assets was performed by The Australian Valuation Office and Kenneth Hince respectively. The revaluations were based on fair value basis as reflected by market evidence, except in the case of buildings which are based on depreciated replacement cost.

The effective date of the valuation is June 2007.

During the 2011 financial year buildings were revalued based on indices provided by the Victorian Valuer-General.

Notes to the financial statements
30 June 2011

	Land	Buildings	Leasehold improvements	Plant & equipment	Cultural assets - Library	Cultural assets - other	Plant, equipment & vehicles under finance lease	In course of construction	Total
Year ended 30 June 2011									
Opening balance	\$ 50,000,000	\$ 142,044,113	\$ 2,625,677	\$ 8,891,861	\$ 7,279,741	\$ 3,795,304	\$ 3,321,876	\$ -	\$ 217,958,572
Additions	-	22,981	6,480	316,753	-	-	1,970,810	6,996,719	9,313,743
Disposals	-	-	-	-	-	-	(809,570)	-	(809,570)
Revaluation of PPE (Note 20)	-	14,966,931	-	-	-	-	-	-	14,966,931
Transfer in / (out) of assets under construction	-	4,707,353	-	1,943,611	-	-	-	(6,650,964)	-
Transfer to disposal group held for sale	-	-	-	-	-	-	(46,810)	-	(46,810)
Depreciation expense (Note 5(b))	-	(1,435,154)	(368,254)	(2,052,644)	(131,474)	(30,939)	(1,394,359)	-	(5,412,824)
Closing balance	\$ 50,000,000	\$ 160,306,224	\$ 2,263,903	\$ 9,099,581	\$ 7,148,267	\$ 3,764,365	\$ 3,041,947	\$ 345,755	\$ 235,970,042
Year ended 30 June 2010									
Opening balance	\$ 50,000,000	\$ 133,832,271	\$ 2,965,878	\$ 6,139,023	\$ 7,411,215	\$ 3,826,243	\$ 3,186,059	\$ 4,850,338	\$ 212,211,027
Additions	-	59,492	26,989	218,619	-	-	2,351,553	8,748,722	11,405,375
Disposals	-	-	-	-	-	-	(889,147)	-	(889,147)
Revaluation of PPE (Note 20)	-	-	-	-	-	-	-	-	-
Transfer in / (out) of assets under construction	-	-	-	4,216,078	-	-	-	(13,599,060)	-
Transfer to disposal group held for sale	-	-	-	-	-	-	(138,920)	-	(138,920)
Depreciation expense (Note 5(b))	-	(1,230,632)	(367,190)	(1,681,859)	(131,474)	(30,939)	(1,187,669)	-	(4,629,763)
Closing balance	\$ 50,000,000	\$ 142,044,113	\$ 2,625,677	\$ 8,891,861	\$ 7,279,741	\$ 3,795,304	\$ 3,321,876	\$ -	\$ 217,958,572

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

Restrictive assets	Depreciation Rate %	
	2010-11	2009-10
Buildings	0.55 to 10	0.55 to 10
Leasehold improvements	10	10
Plant, Equipment and Vehicles	6.7 to 33.3	6.7 to 33.3
Cultural Assets	0 to 5	0 to 5

Restrictive assets
The Parliament of Victoria holds \$171 million worth of properties being listed as heritage assets.

Depreciation by class of asset
Aggregate depreciation allocated during the year is recognised as an expense and disclosed in Note 5 to the financial statements.

Notes to the financial statements
30 June 2011

	2011 \$	2010 \$
Note 10 - Non-current assets classified as held for sale		
Motor vehicles held for sale	46,810	138,920
	<u>46,810</u>	<u>138,920</u>
Note 11 - Payables		
Current Payables		
Contractual		
Supplies and services	1,426,383	3,031,359
Other payables	979	1,644,449
	<u>1,427,362</u>	4,675,808
Statutory		
Taxes payable	520,282	578,765
	<u>520,282</u>	578,765
Total current payables	<u>1,947,644</u>	5,254,573
Total payables	<u>1,947,644</u>	5,254,573

(a) Maturity analysis of contractual payables

Please refer to Table 18.3 in Note 18 for the maturity analysis of contractual payables.

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

Please refer to Note 18 for the nature and extent of risks arising from contractual payables.

Notes to the financial statements
30 June 2011

	2011 \$	2010 \$
Note 12 - Borrowings		
Current borrowings		
Finance lease liabilities ^(a) (Note 15)	2,057,363	1,944,854
	<u>2,057,363</u>	1,944,854
Non-current borrowings		
Finance lease liabilities ^(a) (Note 15)	1,062,670	1,543,527
	<u>1,062,670</u>	1,543,527
Total borrowings	<u>3,120,033</u>	3,488,381

(a) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(a) Maturity analysis of borrowings

Please refer to Table 18.3 in Note 18 for the maturity analysis of borrowings

(b) Nature and extent of risk arising from borrowings

Please refer to Note 18 for the nature and extent of risks arising from borrowings

Notes to the financial statements
30 June 2011

	2011 \$	2010 \$
Note 13 - Provisions		
Current provisions		
Employee benefits ^(a) (Note 13(a)) - annual leave:		
Unconditional and expected to be settled within 12 months ^(b)	2,041,303	2,151,311
Unconditional and expected to be settled after 12 months ^(c)	1,137,099	1,103,169
Employee benefits ^(a) (Note 13(a)) - long service leave:		
Unconditional and expected to be settled within 12 months ^(b)	2,043,760	2,241,045
Unconditional and expected to be settled after 12 months ^(c)	1,592,985	1,639,225
	6,815,147	7,134,750
Provisions related to employee benefit on-costs (Note 13(a)):		
Unconditional and expected to be settled within 12 months ^(b)	653,610	702,777
Unconditional and expected to be settled after 12 months ^(c)	436,813	438,783
	1,090,423	1,141,560
Total current provisions	7,905,570	8,276,310
Non-current provisions		
Employee benefits ^(a) (Note 13(a))	510,058	591,046
Employee benefits on-costs (Note 13(a))	81,609	94,567
Total non-current provisions	591,667	685,613
Total provisions	8,497,237	8,961,923

(a) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including oncosts.

(b) The amounts disclosed are nominal amounts.

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

Notes to the financial statements
30 June 2011

	2011 \$	2010 \$
Note 13 - Provisions (continued)		
(a) Employee benefits and related on-costs ^(a)		
Current employee benefits		
Annual leave entitlements	3,178,402	3,254,480
Long service leave entitlements	3,636,745	3,880,270
Non-current employee benefits		
Long service leave entitlements	510,058	591,046
Total employee benefits	7,325,205	7,725,796
Current on-costs	1,090,423	1,141,560
Non-current on-costs	81,609	94,567
Total on-costs	1,172,032	1,236,127
Total employee benefits and related on-costs	8,497,237	8,961,923

(a) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including oncosts.

(b) Movement in provisions

	2011			
	Annual Leave	Long Service Leave	On-costs	Total
Opening balance	3,254,480	4,471,316	1,236,127	8,961,923
Additional provisions recognised	2,634,722	588,620	512,752	3,736,094
Reduction arising from payments / other sacrifices of future economic benefits	(2,710,800)	(894,489)	(576,846)	(4,182,135)
Unwind of discount and effect of changes in the discount rate	-	(18,644)	-	(18,644)
Closing balance	3,178,402	4,146,803	1,172,033	8,497,238
Current	3,178,402	3,636,745	1,090,423	7,905,570
Non-current	-	510,058	81,609	591,667
	3,178,402	4,146,803	1,172,032	8,497,237

(c) Employee numbers

	2011	2010
Average number of employees during the financial year	772	775

Notes to the financial statements

30 June 2011

Note 14 - Superannuation

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

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Parliament.

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

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2011	2010	2011	2010
	\$	\$	\$	\$
Defined benefit plans:				
- Parliamentary Contributory Super Scheme	18,000,000	18,000,000	-	-
- Emergency Services and State Super Scheme:				
~ Emp New & Revised	339,701	358,026	-	-
~ Emp Serbs	22,742	19,244	-	-
Defined contribution plans:				
- Vic Super - Emp SG Contributions	2,796,581	2,548,781	-	-
- Other	714,285	505,960	-	-
Total	21,873,309	21,432,011	-	-

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

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

Notes to the financial statements

30 June 2011

Note 15 - Leases

Disclosures for lessees - finance leases

Leasing arrangements

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

	Minimum future lease payments ^(a)		Present value of minimum future lease payments	
	2011	2010	2011	2010
Not longer than 1 year	2,183,569	2,102,972	2,057,363	1,944,854
Longer than 1 year and not longer than 5 years	1,110,466	1,619,244	1,062,670	1,543,527
Minimum future lease payments^(a)	3,294,035	3,722,216	3,120,033	3,488,381
Less future finance charges	(174,002)	(233,835)	-	-
Present value of minimum lease payments	3,120,033	3,488,381	3,120,033	3,488,381
Included in the financial statements as:				
Current borrowings (Note 12)			2,057,363	1,944,854
Non-current borrowings (Note 12)			1,062,670	1,543,527
			3,120,033	3,488,381

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

(a) Maturity analysis of finance lease liabilities

Please refer to Table 18.3 in Note 18 for the ageing analysis of finance lease liabilities.

(b) Nature and extent of risk arising finance liabilities

Please refer to Note 18 for the nature and extent of risks arising from finance lease liabilities.

Disclosures for lessees - operating leases

Leasing arrangements

Operating leases consist of property rental agreements with options to extend and include market review clauses, in the event the Parliament exercises its option to renew. The Parliament does not have the option to purchase the leased asset at the expiry of the leased period.

The Parliament leases certain plant and equipment under operating leases. Leases of plant and equipment generally provide the Parliament with a right of renewal at which time all terms are renegotiated.

	2011	2010
Not longer than 1 year	5,238,551	7,256,405
Longer than 1 year and not longer than 5 years	7,350,914	11,620,036
Longer than 5 years	126,661	318,546
	12,716,126	19,194,987

Notes to the financial statements
30 June 2011

Notes to the financial statements
30 June 2011

	2011 \$	2010 \$
Note 16 - Commitments for expenditure		
The following commitments have not been recognised as liabilities in the financial statements:		
(a) Capital expenditure commitments		
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:		
- Not longer than one year	527,043	6,425,479
- Longer than one year and not longer than five years	-	613,156
Total capital expenditure commitments	527,043	7,038,635
Total commitments for expenditure (inclusive of GST)	527,043	7,038,635
Less GST recoverable from the Australian Taxation Office	(47,913)	(639,876)
Total commitments for expenditure (exclusive of GST)	479,130	6,398,759

Finance lease and non-cancellable operating lease commitments are disclosed in Note 15 of the financial statements.

Note 17 - Contingent assets and liabilities

Contingent liabilities

Legal proceedings and disputes - the Plaintiff alleges breaches of a Tender process Agreement and the Fair Trading Act by the Parliament of Victoria.	1,307,928	2,437,928
Employment related litigation	83,609	85,000
	1,391,537	2,522,928

Note 18 - Financial instruments

(a) Financial risk management objectives and policies

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

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

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Parliament's financial risks within the Government policy parameters.

The carrying amounts of the Parliament's financial assets and financial liabilities by category are in Table 18.1 below:

Table 18.1: Categorisation of financial instruments

Category		2011	2010
Contractual financial assets			
Cash and deposits	Loans and receivables	48,440	22,306
Receivables ^(a)	Loans and receivables	62,704	61,354
Total financial assets		111,144	83,660
Contractual financial liabilities			
Payables ^(b)	Liabilities at amortised cost	1,426,383	3,031,359
Bank overdraft	Liabilities at amortised cost	1,047,572	909,021
Borrowings	Liabilities at amortised cost	3,120,033	3,488,381
Total financial liabilities		5,593,988	7,428,761

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

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

Notes to the financial statements
30 June 2011

Note 18 - Financial instruments (continued)

(b) Credit risk

Credit risk arises from the contractual financial assets of the Parliament, which comprise cash and cash deposits, non-statutory receivables and other receivables. The Parliament's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Parliament. Credit risk is measured at fair value and is monitored on a regular basis.

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

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

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

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

Financial assets that are either past due or impaired

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

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

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. Table 18.2 discloses the ageing of contractual financial assets.

Notes to the financial statements
30 June 2011

Note 18 - Financial instruments (continued)

Table 18.2: Ageing analysis of contractual financial assets ^(a)

	Carrying amount	Not past due and not impaired			Impaired financial assets
		Less than 1 Month	1 - 3 months	3 months - 1 year	
2011					
Receivables:					
Debtors - Parliament refreshment rooms	62,704	3,921	785	79	-
Other receivables	-	-	-	-	-
Total	62,704	3,921	785	79	-
2010					
Receivables:					
Debtors - Parliament refreshment rooms	59,864	2,407	1,585	154	-
Other receivables	1,490	-	-	-	-
Total	61,354	2,407	1,585	154	-

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

(c) Liquidity risk

Liquidity risk is the risk that the Parliament would be unable to meet its financial obligations as and when they fall due. The Parliament operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

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

Notes to the financial statements
30 June 2011

Note 18 - Financial instruments (continued)

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

Table 18.3: Maturity analysis of contractual financial liabilities

	Carrying amount	Nominal amount	Maturity dates ^(a)			
			Less than 1 Month	1 - 3 months	3 months - 1 year	1-5 years
2011						
Payables:						
Contractual payables	1,426,383	1,426,383	1,426,383	-	-	-
Bank overdraft:						
Unpresented cheques	1,047,572	1,047,572	1,047,572	-	-	-
Borrowings:						
Finance lease liabilities	3,120,033	3,294,035	430,895	340,395	1,412,279	1,110,466
Total	5,593,988	5,767,990	2,904,850	340,395	1,412,279	1,110,466
2010						
Payables:						
Contractual payables	3,031,359	3,031,359	3,031,359	-	-	-
Bank overdraft:						
Unpresented cheques	909,021	909,021	909,021	-	-	-
Borrowings:						
Finance lease liabilities	3,488,381	3,722,216	481,534	359,821	1,246,593	1,634,268
Total	7,428,761	7,662,596	4,421,914	359,821	1,246,593	1,634,268

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

Notes to the financial statements
30 June 2011

Note 18 - Financial instruments (continued)

(d) Market risk

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

Foreign currency risk

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

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

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Parliament does not hold any interest bearing financial instruments that are measured at fair value, therefore has nil exposure to fair value interest rate risk.

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

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

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

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in Table 18.4.

Sensitivity disclosure analysis

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

(e) Fair value

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

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

Notes to the financial statements
30 June 2011

Note 18 - Financial instruments (continued)

Table 18.4: Interest rate exposure of financial statements

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non interest bearing
2011					
Cash and deposits:					
Bank deposits	-	48,440	-	-	48,440
Receivables:					
Debtors - Parliament refreshment rooms	-	62,704	-	-	62,704
Other receivables	-	-	-	-	-
Total financial assets		111,144	-	-	111,144
Payables:					
Contractual payables at amortised cost	-	1,426,383	-	-	1,426,383
Borrowings:					
Bank overdraft	-	1,047,572	-	-	1,047,572
Finance lease liabilities	6.66	3,120,033	3,120,033	-	-
Total financial liabilities		5,593,988	3,120,033	-	2,473,955
2010					
Cash and deposits:					
Bank deposits	-	22,306	-	-	22,306
Receivables:					
Debtors - Parliament refreshment rooms	-	59,864	-	-	59,864
Other receivables	-	1,490	-	-	1,490
Total financial assets		83,660	-	-	83,660
Payables:					
Contractual payables at amortised cost	-	3,031,359	-	-	3,031,359
Borrowings:					
Bank overdraft	-	909,021	-	-	909,021
Finance lease liabilities	6.89	3,488,381	3,488,381	-	-
Total financial liabilities		7,428,761	3,488,381	-	3,940,380

Notes to the financial statements
30 June 2011

Note 19 - Cash flow information

(a) Reconciliation of cash and cash equivalents

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

		2011 \$	2010 \$
Cash on hand ^(a)	- Parliament of Victoria	4,475	4,475
	- Parliament refreshment rooms	2,500	2,500
Bank balance	- Parliament refreshment rooms	41,465	15,331
		48,440	22,306
Unpresented cheques		(1,047,572)	(909,021)
		(999,132)	(886,715)

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

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

At 30 June 2011, cash at bank included the amount of a notional shortfall for the payment of unpresented cheques of \$1,047,572 (2010 - \$909,021).

Notes to the financial statements
30 June 2011

Note 19 - Cash flow information (continued)

(b) Reconciliation of net result for the period to net cash flows from operating activities

Net result for the period	3,788,195	2,376,199
Non-cash movements:		
(Gain) / loss on sale or disposal of non-current assets	(162,697)	(108,448)
Depreciation of non-current assets	5,412,824	4,629,763
Movements in assets and liabilities:		
(Increase) / decrease in current receivables	1,679,693	1,566,411
Decrease / (increase) in current inventories	1,239	1,870
(Increase) / decrease in prepayments	(490,644)	22,150
Increase / (decrease) in current payables	(3,305,440)	892,078
Increase / (decrease) in current provisions	(370,740)	847,298
Increase / (decrease) in non current provisions	(93,946)	(13,124)
Net cash flows from / (used in) operating activities	6,458,484	10,214,197

Note 20 - Reserves

Physical asset revaluation surplus ^(a):

Balance at beginning of financial year	55,355,400	55,355,400
Revaluation increments / (decrements)	14,966,931	-
Balance at end of financial year	70,322,331	55,355,400

(a) The physical assets revaluation surplus arises on the revaluation of land, buildings, library and cultural assets.

Notes to the financial statements
30 June 2011

Note 21 - Summary of compliance with annual Parliamentary and special appropriations
(a) Summary of compliance with annual Parliamentary appropriations

The following table discloses the details of the various parliamentary appropriations received by the Parliament of Victoria for the year. In accordance with accrual output-based management procedures 'provision for outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the Parliament. Administered transactions are those that are undertaken on behalf of the State over which the Parliament has no control or discretion.

	Appropriation Act					Financial Management Act 1994					Total Parliamentary Authority	Appropriations Applied	Variance			
	Annual Appropriation	Advance from Treasurer	Section 3(2)	Section 29	Section 31	Section 32	Section 35 Advances	Total Parliamentary Authority	Appropriations Applied	Variance						
Controlled																
Provision for outputs	85,818,562	124,000	-	-	-	4,038,100	-	-	-	89,980,662	86,594,374	3,386,288	(a)			
Additions to net assets	2,000,000	-	-	-	-	-	-	-	-	2,000,000	2,000,000	-				
Total	87,818,562	124,000	-	-	-	4,038,100	-	-	-	91,980,662	88,594,374	3,386,288				
2010																
Controlled																
Provision for outputs	82,382,000	322,010	-	-	-	5,889,000	-	-	-	88,593,010	84,318,763	4,274,247	(a)			
Additions to net assets	-	-	-	-	-	-	-	-	-	-	-	-				
Total	82,382,000	322,010	-	-	-	5,889,000	-	-	-	88,593,010	84,318,763	4,274,247				

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

Notes to the financial statements
30 June 2011

Note 21 - Summary of compliance with annual Parliamentary and special appropriations**(b) Summary of compliance with special appropriations**

Authority	Purpose	Appropriations applied	
		2011 \$	2010 \$
Audit Act No. 2 of 1994	Audit of the Auditor General's Office	29,750	33,318
Constitution Act No. 8750 - Clerk of the Parliaments	Salaries	2,000	1,993
Constitution Act No. 8750 - Legislative Assembly	Salaries	550,000	550,000
Constitution Act No. 8750 - Legislative Council	Salaries	200,000	200,000
Parliamentary Contributory Superannuation Act No. 89	Benefits and allowances	18,000,000	18,000,000
Parliamentary Salaries and Superannuation Act No. 7723	Salaries and allowances	21,221,470	20,366,592
		40,003,220	39,151,903

Note 22 - Ex-gratia payments

Parliament made the following ex-gratia payments:

Ex-gratia payments ^(a)	10,551	356
Total ex-gratia payments	10,551	356

(a) Payments were made to employees primarily for termination of employment and payment of work related education costs.

Note 23 - Trust account balances

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

Cash and cash equivalents and investments**Administered Trusts**

Public Service Commuter Club ^(a)	(29,724)	(39,712)
Total Administered Trusts	(29,724)	(39,712)

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

No Trust Accounts were opened or closed by the Parliament during 2010-11.

Notes to the financial statements
30 June 2011

Note 24 - Responsible persons

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

Names

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

<u>Presiding Officers:</u>	The Hon Bruce Atkinson MLC 21st December 2010 to 30th June 2011 President of the Legislative Council
	The Hon Robert Smith MLC 1st July 2010 to 20th December 2010 President of the Legislative Council
	The Hon Ken Smith 21st December 2010 to 30th June 2011 Speaker of the Legislative Assembly
	The Hon Jenny Lindell 1st July 2010 to 20th December 2010 Speaker of the Legislative Assembly

Remuneration

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

Salary Band \$	Number of Officers	
	2011	2010
120,000 - 129,999	1	-
130,000 - 139,999	-	-
140,000 - 149,999	2	-
150,000 - 159,999	-	-
160,000 - 169,999	1	-
260,000 - 269,999	-	-
270,000 - 279,999	-	-
280,000 - 289,999	-	-
290,000 - 299,999	-	1
300,000 - 309,999	-	-
310,000 - 319,999	-	-
320,000 - 329,999	-	1

Other transactions

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

Notes to the financial statements

30 June 2011

Note 25 - Remuneration of executives

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

Total remuneration of executives has increased primarily due to payments relating to termination of employment in 2010-11.

Income Band \$	Total Remuneration		Base Remuneration	
	2011 No.	2010 No.	2011 No.	2010 No.
110,000 - 119,999	1	-	2	-
120,000 - 129,999	-	-	-	1
130,000 - 139,999	-	-	-	-
140,000 - 149,999	-	-	-	-
150,000 - 159,999	-	-	-	1
160,000 - 169,999	-	5	-	4
170,000 - 179,999	2	-	2	-
180,000 - 189,999	1	1	1	1
190,000 - 199,999	1	1	1	1
200,000 - 209,999	-	1	-	-
210,000 - 219,999	1	-	1	-
220,000 - 229,999	1	-	1	-
270,000 - 279,999	1	-	-	-
Total numbers	8	8	8	8
Total amount	\$ 1,611,297	\$ 1,420,556	\$ 1,445,204	\$ 1,323,354

Note 26 - Remuneration of auditors

Victorian Auditor-General's Office

Audit of the financial statements	52,000	53,900
	52,000	53,900

Note 27 - Subsequent events

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

Notes to the financial statements

30 June 2011

Note 28 - Glossary of terms

Borrowings

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that is acquired for policy purposes.

Capital asset charge

The capital asset charge represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other non-owner movements in equity.

Commitments

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

Depreciation

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

Employee benefits expenses

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

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Notes to the financial statements

30 June 2011

Note 28 - Glossary of terms

Financial instrument

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

Financial liability

A financial liability is any liability that is:

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

Financial statements

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

Grants and other transfers

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

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

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

Notes to the financial statements

30 June 2011

Note 28 - Glossary of terms

Interest expense

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

Interest income

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

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write offs, impairment write downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non owner changes in equity'.

Net result from transactions / net operating balance

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

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Other economic flows

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

- gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets;
- actuarial gains and losses arising from defined benefit superannuation plans;
- fair value changes of financial instruments and agricultural assets; and
- depletion of natural assets (non-produced) from their use or removal.

Notes to the financial statements
30 June 2011

Note 28 - Glossary of terms

Payables

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

Receivables

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

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services

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

Transactions

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

Accountable Officer's declaration
30 June 2011

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

The attached financial statements for the Parliament of Victoria have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2011 and financial position of the Parliament of Victoria at 30 June 2011.

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 **15** August 2011.



HON KEN SMITH MP
Speaker of the Legislative Assembly
Parliament of Victoria



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



John Mascarenhas
Chief Finance and Accounting Officer
Parliament of Victoria

Melbourne

15 August 2011

INDEPENDENT AUDITOR'S REPORT

To the Presiding Officers, Parliament of Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2011 of the Parliament of Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Accountable Officers' and Chief Finance and Accounting Officer's declaration has been audited.

The Presiding Officers' responsibility for the Financial Report

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Presiding Officers, as well as evaluating the overall presentation of the financial report.

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

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Independent Auditor's Report (continued)

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Parliament of Victoria as at 30 June 2011 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters relating to the electronic publication of the audited Financial Report

This auditor's report relates to the financial report of the Parliament of Victoria for the year ended 30 June 2011 included both in the Parliament of Victoria's annual report and on the website. The Presiding Officers of the Parliament of Victoria are responsible for the integrity of the Parliament of Victoria's website. I have not been engaged to report on the integrity of the Parliament of Victoria's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
16 August 2011



D D R Pearson
Auditor-General



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