



# ANNUAL REPORT 2014-15

Department of Parliamentary Services  
Parliament of Victoria



**Department of  
Parliamentary Services**

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

The Hon. Telmo Languiller, MLA  
Speaker  
Legislative Assembly  
Parliament House  
Melbourne VIC 3002

Dear President and Speaker,  
I have pleasure in forwarding to you my report on  
the operations of the Department of Parliamentary  
Services for the year ended June 2015.

Yours sincerely,



Peter Lochert  
Secretary  
Department of Parliamentary Services

**Department of Parliamentary Services  
Annual Report [2014-15]**

Tabled in the Legislative Council and Legislative  
Assembly on 16 September 2015 © Department of  
Parliamentary Services 2015.

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

Enquires should be directed to the Department of  
Parliamentary Services.

ISSN 1836 2648

Department of Parliamentary Services  
Parliament of Victoria  
Spring Street Melbourne Victoria 3002 Australia

Telephone	+61 3 8682 2661
Facsimile	+61 3 8682 2659
Website	<a href="http://www.parliament.vic.gov.au">www.parliament.vic.gov.au</a>

# CONTENTS

---

	SECRETARY'S FOREWORD	04
	DIRECTORS' OVERVIEW	06
	OUR MISSION	08
	DEPARTMENT OF PARLIAMENTARY SERVICES	09
	CORPORATE GOVERNANCE	10
	POV GOVERNANCE STRUCTURE	10
	PARLIAMENT'S STRATEGIC PRIORITIES	12
	PARLIAMENT PRECINCT PROGRAM	13
	SECURITY PROJECTS	15
<hr/>		
<b>UNIT REPORTS</b>	ORGANISATION DEVELOPMENT	19
	ACCOUNTING & ADMINISTRATION	20
	BUDGETS & RISKS	21
	CATERING	22
	SECURITY & ELECTORATE PROPERTIES	23
	BUILDINGS & GROUNDS SERVICES	24
	PARLIAMENTARY LIBRARY & INFORMATION SERVICES	25
	HANSARD	26
	INFORMATION TECHNOLOGY	27
	EDUCATION & COMMUNITY ENGAGEMENT UNIT	28
<hr/>		
<b>ADDITIONAL INFORMATION</b>	OUR PEOPLE	30
	STAFF PROFILES	32
	ELECTION 2014	34
	EMPLOYMENT FRAMEWORK	34
	SENIOR OFFICER TRAVEL	35
	RISK MANAGEMENT IN PARLIAMENT OF VICTORIA	35
	OH&S & EMPLOYEE WELFARE	36
	LEARNING & DEVELOPMENT	37
	CONSULTANCIES	37
	ENVIRONMENTAL SUSTAINABILITY REPORT	38
	OUTPUT MEASURES	40
	RECONCILIATION OF APPROPRIATION BILL TO BUDGET PAPER NO. 3	42
<hr/>		
<b>FINANCIAL STATEMENTS</b>	FINANCIAL STATEMENTS	44

## SECRETARY'S FOREWORD

The past year brought an almost perfect storm of service demand for the Department of Parliamentary Services. There were major changes to the national security environment and November 2014 saw the State election result in; electorate boundaries redistribution; a change of Government; and 39 Members of Parliament elected to new seats.

In itself, gearing up for an election is a major undertaking involving staff from all Parliamentary departments. The 2014 election saw 23 Members of Parliament retiring and 39 Members into new electorates. This required some 85 electorate office visits across Victoria by teams of Parliamentary officers assisting outgoing Members and electorate officers to hand back offices and equipment, followed by the handover of offices to new Members.

For each new Member, office signage, furniture, IT equipment, security infrastructure, telephony, motor vehicles and staff were arranged in a short period between the declaration of each seat and the opening of the 58th Parliament on 23 December 2014. Briefings for new Members and electorate officers were held on the Parliamentary precinct, focusing on elements of Parliamentary administration with emphasis on compliance and probity. It is a tribute to the cooperation of new Members, the dedication of Parliamentary staff and collaboration between departments that all Legislative Assembly members were equipped with functioning offices over a 16 day period between the declaration of the first seats and the opening of Parliament. A number of Members had to be accommodated at 55 St Andrews Place as electorate boundary changes resulted in established offices being outside the electorate. Legislative Council Members, following their later declaration, were relocated in the first weeks of January.

The core business of DPS is service provision to Members of Parliament, to Parliamentary departments, and increasingly, to external organisational bodies associated with Parliament, such as the Victorian Ombudsman and IBAC. The success of the department depends entirely on the ability and willingness of staff to deliver that service to the highest level of client satisfaction possible.

The achievements of the department have been significant. Service reviews in the Library and Information Technology units have been implemented paving the way for digitisation and mobility. Business processes are routinely being reviewed to make them simpler, more responsive to client needs and more robust, improving probity and accountability. Most importantly, we have greater engagement with our clients and satisfaction feedback, both formal and informal, is very positive.

Changes to the Parliamentary precinct have also been significant. Stone restoration work and waterproofing of the building continues apace, whilst the break before the election provided an opportunity to address highly disruptive projects like the replacement of sewers, redevelopment of toilets and accessible facilities, drainage and electrical infrastructure. Most significant was the redevelopment of the front and south entrances, as well as the carpark entrance and boundary fencing.

None of this would be possible without the efforts of staff and the many dedicated partners and contractors who routinely go the extra mile for the privilege of working on such an iconic building. These include FPPV Architecture, O'Connor & Sons Stonemasons and Tandem Group just to name a few. At one point 214 people and contractors were inducted into the building on a single day, all interacting and collaborating to achieve an outstanding result.

Significant work was undertaken to further protect the building's heritage with the opening of the Deakin gallery. This encompassed major furniture and artwork restoration projects and digitisation of historic documents. The department also undertook a planning and urban design review of the Parliamentary precinct and the surrounding area. This resulted in a major submission supporting the Melbourne Planning Scheme Amendment c240 that protects the Bourke Hill precinct for future generations, and recognises and protects the Parliamentary precinct's visual prominence and its cemented cultural and heritage significance.



The period ahead will focus on achievement of the 58th Parliament's strategic objectives, with particular emphasis on service delivery, community engagement, security, built environment and information technology. A major priority will be the investment in developing our people to continue improvement in customer service, and the ability to operate in an increasingly digitised world against the familiar backdrop of increased complexity, increased demand and limited resources.

On the 30 June 2015, DPS has 146 staff. 51 of the total of DPS staff are focused on delivering Hansard and webcasting services in an increasingly demanding and complex House and Committees operating environment. The remaining 95 staff service a payroll of about 1,000 people; an IT infrastructure of about 1,000 screens; a network of 128 offices in addition to the Parliamentary precinct; and manage a budget of approximately \$100 million.

It is a tribute to the professionalism and dedication of all DPS staff that we are able to deliver the level of service that attracts such positive feedback from our clients. This report is about them.

**Peter Lochert**  
Secretary  
Department of Parliamentary Services

## DIRECTORS OVERVIEW

The three directorates of Precinct and Property, Information Services and Resource Management deliver all core support services for Members of Parliament and electorate officers across the state and to Parliamentary staff located across the precinct. Over the last four years the directors' focus has been on improving our service delivery and engagement with Members, staff and key stakeholders to better understand their changing needs and requirements.

The past year has been the most demanding of the four year Parliamentary cycle leading up to the 2014 election and all the post-election activities required to assist both incoming and outgoing Members and staff. As well as supporting election activities, the three directorates dealt with the administrative and service impacts of electoral boundary changes.

Service reviews have been a mechanism to test our service offerings and client satisfaction. This year the recommendations from the Parliamentary Library and Information Services and Information Technology units service review have commenced the implementation process. A service review of the Accounting and Administration and Budgets and Risks units was also undertaken with communication of outcomes and implementation of recommendations scheduled for the next financial year.

As a team, the Directors work closely across the three directorates to make sure issues, challenges and work programs are known and understood by each area as well as ensuring that we collaborate and communicate with our senior management colleagues, the Deputy Clerks, on Parliament wide initiatives and decisions.

Despite budget pressures and escalating commercial pressures, the Department has managed to deliver on a range of critical activities including refurbishment of twelve Members' offices and amenities on the ground floor of Parliament House, relocation of six electoral office properties, and induction of new Members and electorate officers following the 2014 election.

Some key projects delivered throughout the year included a redesign and relaunch of the intranet and replacing Lotus Notes with Microsoft Exchange. Improvements include the ability to streamline workflow operations, such as invoice processing and accessing forms, policies and employee self-service allowing for greater flexibility for end users. Payroll and the financial system Oracle were all upgraded during this year improving functionality and achieving greater efficiencies through automating processes.

The internal audit program continues to examine our governance framework and add value by identifying opportunities for process improvement. The program also provides assurance to the Audit Committee and the executive team that risks are being appropriately managed.

With the development of the Communication and Community Engagement unit, DPS has seen its broadcast team increase its service delivery value by providing a high level of production support to allow many news stories to be told across the Parliament.

In response to a request from IBAC, the Organisation Development unit commenced work to provide payroll services from July 2015. This is indicative of the high regard of our service provision.

The development, health and safety of Members of Parliament and staff is an important focus. The learning and development function has co-ordinated an extensive and well-rounded range of offerings to improve wellness at work, improve our capabilities and skills and provide professional development such as leadership programs. In recognition of different styles of adult learning, we offer different forms of delivery methods for training such as face to face, online programs, lunch and learn sessions and site visits to electorate offices.

DPS staff have also been engaged in programs to support the Parliament of Fiji through a partnership and capacity building program. This has included placements in Fiji by our staff to assist with human resources, library and information services. We see this as an opportunity to assist our Pacific neighbours and to understand how other jurisdictions operate so we can learn from each other.

Staff capacity and capability remains a challenge with a requirement to do more with less. 62 Parliamentary officer recruitment actions were undertaken in the past financial year with a total of 2403 applications all supported by the Organisation Development unit. Of the recruitment actions, 15 internal candidates were successful in progressing their career paths.

Joanne Truman, Director of Information Services resigned in January 2015, after making a significant contribution to Hansard, Information Technology, Library and Information Services and Communication and Education units. Carolyn Macvean, Richard Jordan and James Scott, managers within DPS, were provided an opportunity to act as part of their leadership and career development. The position will be filled as ongoing during 2015-16.

Our challenge over the next year is to ensure that we have strategies in place to guide developing areas such as information technology, asset management and resource management. Each of us will need to work with our colleagues within DPS, the House departments and key stakeholders to develop and articulate our strategies and address our challenges. These challenges include an aging workforce and greater career mobility within Generation Y and Generation X staff and developing programs to meet these changes.

A cancer cluster study was carried out in response to concerns from Members of Parliament and some staff. The study was undertaken by highly regarded academics from Monash University, The Alfred and Peter McCallum organisations and the outcome identified no contributing factors to increase risk of cancer to staff working within the Parliamentary precinct. This activity provides an opportunity to educate Members and staff on ways to improve their overall health and exhibit risk mitigation strategies.

All in all it has been a busy year. Looking towards the future presents interesting challenges but will be ultimately rewarding by working with such committed and talented people that each of us oversee.





## OUR MISSION

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

# THE DEPARTMENT OF PARLIAMENTARY SERVICES

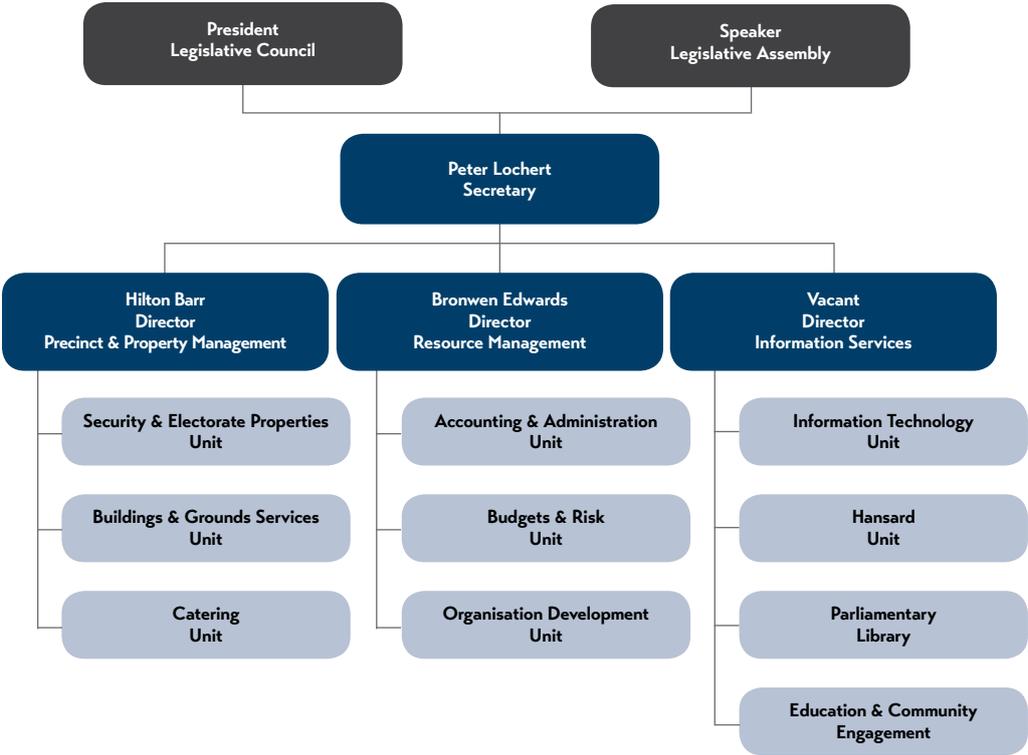
The Department of Parliamentary Services (DPS), created under the provisions of the Parliamentary Administration Act 2005, is responsible for the provision of infrastructure resources and support services to Members of Parliament and Parliamentary departments.

DPS operates as a service provider to, and in close cooperation with, the Departments of the Legislative Assembly and the Legislative Council through the

operations of the Parliamentary Executive Group (PEG), the Parliamentary Senior Management Group (PSMG) and the Parliamentary Management Group (PMG).

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.



# 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 representative 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:

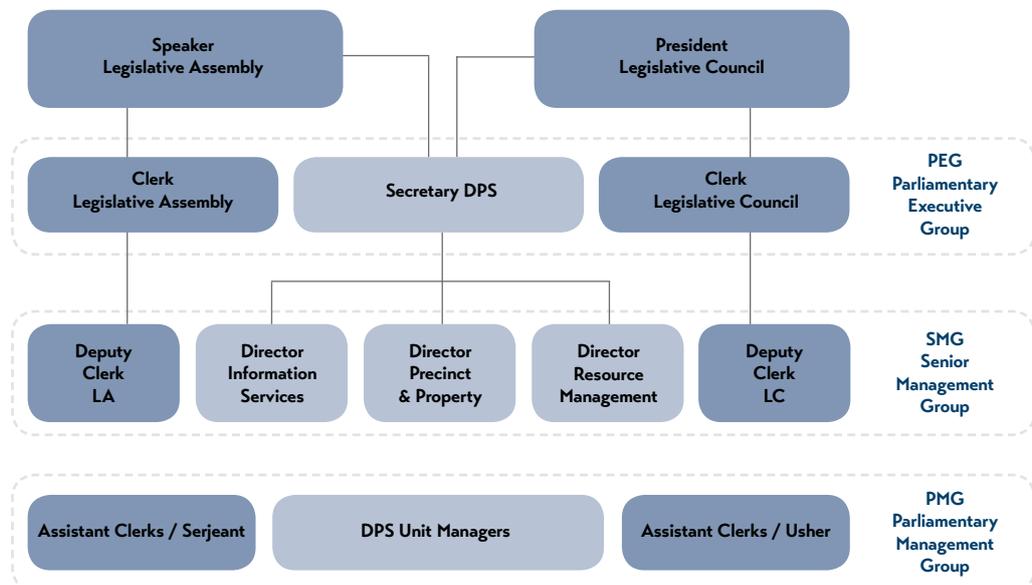
- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership

## Underpinning legislation

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

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

# PARLIAMENT OF VICTORIA GOVERNANCE STRUCTURE



## Audit Committee

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

Audit Committee membership and roles:

The Audit Committee consists of the following members:

- The Speaker of the Legislative Assembly as Chair
- The President of the Legislative Council as Deputy Chair
- Secretary, Department of Parliamentary Services
- Clerk of the Legislative Council
- Clerk of the Legislative Assembly
- Two independent members who are not members of the Parliamentary service of which one external committee members must hold relevant qualifications in the financial/audit sector.

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

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

## House Committee

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

## Security Management Board

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

# PARLIAMENT'S STRATEGIC PRIORITIES



## Service Delivery

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

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

## Community Engagement

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

## Victoria in the Broader Community of Parliaments

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

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

## Security

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

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

## Funding of Parliament

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

## Our People

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

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

## Built Environment

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

## Information and Technology

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

# PARLIAMENT PRECINCT PROGRAM

Although never completed to the extent of the original design and in some sections she approaches 160 years old, Parliament House maintains pride of place at the top of Bourke Street and is one of the most recognised heritage buildings of Melbourne's streetscape. However; maintaining not only the heritage listed structure and facade, but also Parliament House as a functioning building - including the Parliamentary Chambers, office spaces, dining facilities and function areas - requires a combined approach of ongoing maintenance and targeted projects.

The Department of Parliamentary Services manages the buildings and grounds for the Parliament of Victoria in accordance with the objectives of the Parliamentary Precinct Program. This includes the ancillary structures and the heritage listed gardens.

The objectives of the Parliamentary Precinct Program are to:

- Improve the continuity, reliability and functionality of Parliament House;
- Increase its compliance with occupational health and safety, the Disability Discrimination Act (DDA) and building code regulations; and
- Preserve the iconic building and its heritage significance whilst retaining its integral function.

The vital restoration works to the stone facade of Parliament House have continued this year: Stage 7 has focused on the north-east area of the building including the Refreshments Wing and around the Speaker's Suite,

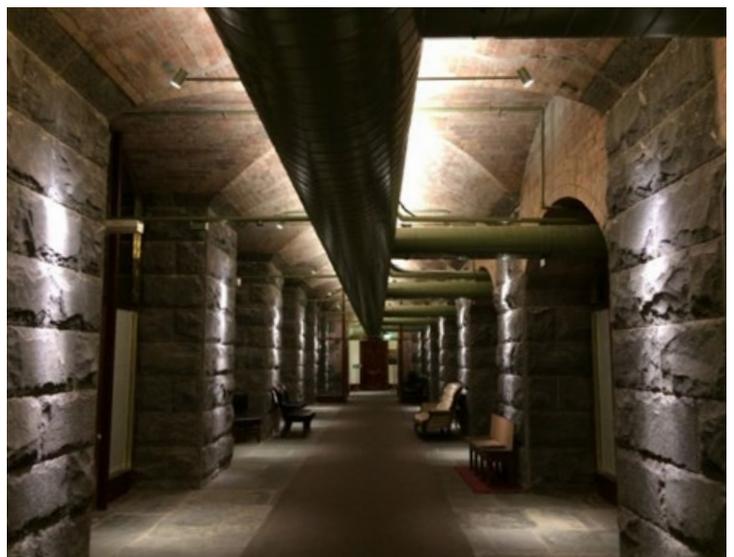
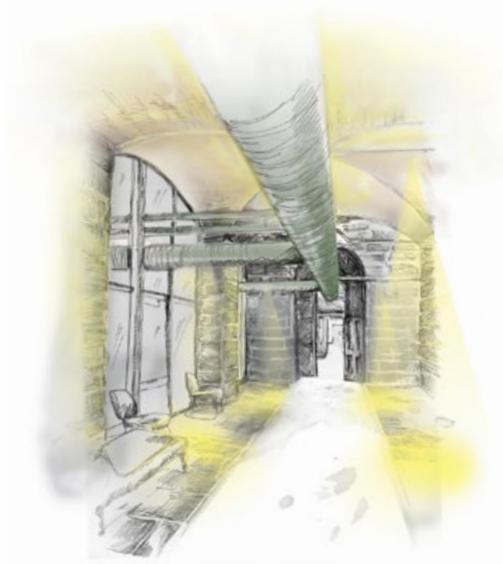
and has been adjusted to incorporate the north wall of the Legislative Assembly Chamber and media rooms. This phase is largely complete now, with preparations now well underway for the next stage, which will focus on the north-west corner of the building including the Legislative Assembly and Hansard.

Undertaking the stone restoration works has opened up opportunities to coordinate with a number of other projects to improve efficiency and make the most of available infrastructure. This included the installation of a plant platform to accommodate the new air conditioning that Sessions Café, following a mechanical review of the existing technology, as well as the restoration of windows in the area near the Legislative Assembly Chamber.

The focus of many projects over the past year has been on increasing the standards of services and amenities within Parliament House.

Twelve Members' offices on the ground floor of Parliament House were refurbished, including six that feature modern glazing and have an increased floor area. All feature a more efficient lighting scheme, where fit for purpose lighting includes timers and motion sensors. These features are a part of an ongoing target being integrated throughout numerous projects.

Refurbishment of male, female and disabled toilets on the ground floor of Parliament House has been completed so as to comply with DDA legislation, as well as the upgrade of amenities in the first aid room and relocation of the sewer line.



New lighting scheme floor corridor: Sketch concept and final product



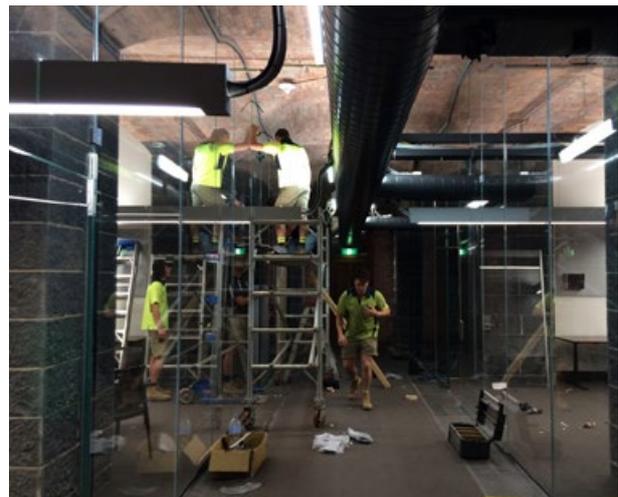
Stone Restoration Works (Stage 7): The infrastructure required to carry out the stone restoration is a significant aspect of the works including a gantry, scaffolding, lift and site sheds



New and original sandstone: The skill level and craftsmanship of the stonemasons matches the original installation



Stone restoration works include repairs and restoration to services where they interact with the facade of the building



Ground floor offices under construction

# SECURITY PROJECTS

September 2014 saw the national security alert level rise from medium to high in response to a number of national and international incidents.

This has resulted in a significant challenge for the Parliament, particularly in view of the traditional open nature of the institution which views itself as the House of the people. Parliament's response to these changes in circumstances seeks to balance this tradition of open access with recognition that the new security environment requires additional measures to ensure the safety and security of all the buildings occupants and visitors.

Significant works have been undertaken to improve perimeter fencing, security search at the front and south entry points, car park access and visitor management. Additional work has enhanced public private space separation, security awareness and training. Ongoing work with security agencies will continue to monitor risks and ensure that Members of Parliament, staff and visitors are provided with a safe and secure working environment.

Emphasis on community engagement seeks to improve the accessibility of Parliament to all Victorians, regional and rural communities, diverse cultural and linguistic communities and all age groups. We seek to enhance participation in Parliament and its processes, and recognition of it as a symbol of our open, inclusive and democratic society.







# UNIT REPORTS



# ORGANISATION DEVELOPMENT

The Organisation Development (OD) unit delivers services for Members, electorate officers, Parliamentary officers and independent officers of the Parliament across: employee relations streams (industrial advice and case management) HR services (recruitment and OH&S); payroll and remuneration services; and learning development programs. The unit advises and assists Members of Parliament and management on a range of employee relations issues and provides advice and support to managers and Members of Parliament on organisational change initiatives. The unit administers and supports recruitment for the Parliament and coordinates Parliament's orientation and induction program and probation administration. The unit provides policy guidance, advice and delivery of preventive programs and services related to OH&S, return to work and corporate wellness. Advice is also provided about conditions of employment and remuneration, including the administration and processing of all pay and allowances for staff and Members of Parliament. The unit also designs and delivers corporate training programs including online education programs and coordinates professional development opportunities for staff and Members.

## Key achievements

- The OD unit provided support to the 2014 election and administered the employment separation of Members and electorate officers (including payment of the resettlement allowance and compulsory termination payments) and commencement of new Members and new electorate officers. This included a preparatory review, contingent calculations and consolidation of relevant Australian Tax Office rulings.
- New Members and electorate officers were supported by induction and orientation, site visits and online education resources.
- The unit completed a major upgrade of the human resource information system to Empower 11 and extended shared payroll services to include other independent officers of the Parliament.
- Organisational change was supported by the unit through ongoing service reviews and changes to the Joint Investigatory Committees introduced in the 58th Parliament.
- The unit introduced an electronic recruitment approval process to complement and consolidate e-recruitment initiatives.
- The unit supported the review and development of a range of workplace policies including mental health, code of conduct and other employment guidance notes.

- The range and diversity of learning and development programs was extended to utilise technology for program delivery, offer regional-based, face-to-face programs and provide training to support new applications such as Microsoft Exchange.
- The unit also assisted the Parliament House cancer study and supported the OH&S Committee to monitor and address workplace injuries, hazards and incidents.
- The unit presented at a national forum discussing employment and OH&S in Parliamentary jurisdictions.

## Challenges for the coming year

- The OD unit will support the development, negotiation and implementation of a new Parliamentary Officer Enterprise Bargaining Agreement to replace the present agreement which expires on 31 December 2015.
- The unit will continue support for organisational change initiatives through current and planned business service reviews.
- OD will work with the Information Technology unit to improve the on-boarding process through the use of technology. The unit will extend the application of electronic forms to enable simplified pay and claims processes and performance management tools.
- The unit will continue the development and implementation of the OH&S management system.

### Quick facts

The training course with the highest attendance rate was manual handling which attracted 156 attendees over a two week period (Sep-Oct 2014).

The OD unit conducted 25 electorate office visits, incorporating electorate office audits, OH&S reviews and learning and development visits.

11 Lunch and Learns were coordinated during 2014-15.

The OD unit administered 40 service awards to Parliamentary officers, acknowledging a combined 525 years of service to Parliament.

23 staff participated in the Mother's Day Classic Fun Run, raising over \$2000 and receiving the award for the largest government team.



# ACCOUNTING & ADMINISTRATION

The Accounting and Administration team is focused on managing the following three key areas:

1. Maintaining the financial management system of Parliament.

The Accounting and Administration unit make all payments on behalf of Members, House Committees and the Department of Parliamentary Services, as well as managing the accounting for capital projects and Parliament's cash flows. We are also responsible for ensuring the integrity of financial data.

2. Ensuring compliance with laws, acts and standards.

The Accounting and Administration unit are responsible for maintaining Parliament's compliance with legislation including the Goods and Services Tax, the Fringe Benefits Tax, the Financial Management Act and the Australian Accounting Standards. The unit produces Parliament's annual financial statements and coordinates the annual audit by the Victorian Auditor-General.

3. Financial reporting for managers.

The Accounting and Administration team assist in the financial management of Parliament by providing the Audit Committee with quarterly financial reports and monthly financial reports to Parliament's managers and the Department of Treasury and Finance.

## Quick facts

The gross book value of Parliament's physical assets is over \$480M.



## Key achievements

- Supporting the November 2014 election, the Accounting and Administration unit managed the changeover transition for 39 Members. For each out-going Member of Parliament, the closure and acquittal of accounts and all outstanding financial commitments; and for each incoming Member of Parliament, the establishment of accounts, budgets,

financial delegations and training. Key tasks also included inducting, supporting and advising new Members about their financial responsibilities and Parliament's business and financial control processes, as well as setting up major suppliers as required.

- In support of election activities, staff assisted with office audits of 8 outgoing Members and office handovers and helped setup for new Members.
- The Accounting and Administration team coordinated all activities leading to the preparation of the 2014-15 financial statements including reporting across the Parliamentary Departments, and preparation of the annual accounts for external audit by the Victorian Auditor-General.
- Developing and delivering Parliament specific accounts management training was a key activity this year. This involved face-to-face, online and site visits to electorate offices.

## Projects undertaken

- The Accounting and Administration unit designed, created and introduced a new system for Members and Parliamentary Departments to submit invoices to accounts payable via Parliament's intranet. Key benefits of the new system include reduced paper handling, increased transparency and auditability of the invoicing process and improved ability to track and store invoices. A version designed specifically for Committees is due to be rolled out in early 2015-16.
- The Accounting and Administration team introduced changes to the Members Guide to allow business accommodation expenses to be paid out of the Members' travel budget. Key tasks included consulting with tax experts to ensure tax implications were addressed, providing recommendations to the executive group about best practice, and re-drafting relevant sections of the Members Guide.
- Key finance processes were improved, including:
  - Simplified year-end processes for managers regarding submission of invoices, management of capital projects and completion of necessary finance declarations.
  - A simplified FBT data collection system, resulting in significantly reduced manual processing and the associated risk of data input errors.

## Challenges for the coming year

- Managing high turnover of staff within the Accounting and Administration team while maintaining existing quality of service.

# BUDGETS & RISKS

The Budgets and Risks unit plays a critical role in the effective and efficient management of internal and external budgetary processes for the Parliament of Victoria. The unit coordinates responses to the Public Accounts and Estimates Committee and oversees Parliament's risk management framework.

The unit identifies funding gaps, collates submissions and advocates for funding for Parliament via the Expenditure Review Sub Committee process. The unit works with the Parliamentary departments to ensure that all budgeting and reporting requirements of the Department of Treasury and Finance (DTF) are met. The unit also prepares Parliament-related information for annual publication in the State Budget Papers and manages all insurance matters in conjunction with the Victorian Managed Insurance Authority.

The Budgets and Risks unit facilitates an informed decision-making process within the Parliament of Victoria through annual allocation and periodic review of Parliamentary budgets, financial forecasting, initiation of budget management strategies and financial process improvements. The unit delivers services to the Members of Parliament through the annual allocation of budgets, monthly reporting and monitoring of Members' budgets. The unit also conducts an annual client survey on behalf of the Parliamentary departments. The survey provides Members and their electorate office staff an opportunity to provide feedback on the service delivery of Parliamentary departments, and derives data for output measures as required by State Budget Paper No. 3, published by DTF.

## Key achievements

- The Victorian State election 2014 required the unit to manage the transition of Members' budgets into the new Parliament and recover funds from Members who had overspent their allocated amounts in the 57th Parliament. The unit also processed the transfer of mobile telephone numbers for all new, retired and defeated Members and their electorate staff.
- The Budgets and Risks unit made three submissions on behalf of Parliament to the Expenditure Review Sub Committee for additional funding in 2015-16 and future years. Two submissions to fund the increase in Members' electorate office and communication budgets and additional security measures at Parliament were fully approved. The third submission for additional funding to manage the Legislative Council Standing Committee system was partially approved.

## Projects undertaken

- The Budgets and Risks unit along with Deloitte conducted a comprehensive review of Parliament's operational risks. The Parliament's operational risks are now aligned with the organisation's strategic objectives and any gaps in our risk management processes were addressed.
- The Budgets and Risks unit rolled out a training program for new Members and their electorate staff, focusing on the use of electorate office and communication budget and compliance with the Members guide. The program was provided through a range of mediums including interactive training sessions, electorate office visits and online remote training sessions.

## Challenges for the coming year

- Agreement and finalisation of the general efficiency dividend and subsequent recalculation of Parliament's ongoing funding.
- A review of Parliament's strategic risks to align with the strategic directions of the 58th Parliament.
- Clarification of guidelines for Members' electorate office and communications budget.

## Quick facts

The unit reports on and monitors 169 cost centre budgets on a monthly basis. These cost centre budgets include 128 Members, 14 units of the Department of Parliamentary Services, 10 Joint Investigatory Committees, 5 Legislative Council and 3 Legislative Assembly to ensure Parliament delivers services within the allocated budget.



# CATERING

The Catering unit provides in-house food and beverage dining, function facilities and a gift shop for Members and their guests, Parliamentary staff and, increasingly, corporate bodies and community groups. The Catering unit brings together a group of expert administrators and event planners, combining them with a team of chefs, qualified baristas, kitchen staff, customer service officers and retail assistants.

## Quick facts

The Parliament of Victoria's Catering unit only purchases free-range eggs, poultry, lamb, beef and pork and free-range small goods wherever possible. We will only ever use Australian-farmed or seafood sourced from the wild.

The Catering unit holds numerous functions and events, and over the course of the year the unit has catered for over 25,000 guests. Queens Hall has a capacity for up to 300 people and the Federation Room can hold 120 people. Cocktail events held at the Parliament made up 30% of function revenue over the 2014-15 period.

## Challenges for the coming year

The Catering unit will continue to implement and develop the recommendations from the 2012 service review, focusing on developing a committed, capable and engaged workforce. The unit will continue to develop and implement good governance to assist in achieving a sustainable financial position. A focus on quality will continue to be adopted across the unit, complemented by good policies and procedures and operational manuals.

## Key achievements

The Catering unit has consistently received positive customer feedback on the high standard of food, beverage and retail service offerings to all Parliamentary Members, staff and guests of the Parliament of Victoria.

The unit has continued to develop its corporate and commercial event management services and has implemented a Parliament Catering website showcasing the various venues and offerings available at Parliament House.

The Catering unit has committed significant resources to team building and leadership activities to maintain an engaged and effective professional workforce which is focussed on excellent service delivery. Seasonal menus have been introduced to showcase regional Victorian produce.



# SECURITY & ELECTORATE PROPERTIES

The Security and Electorate Properties unit provides support services to Members of Parliament, electorate officers and Parliamentary officers. The unit's key area of responsibility is the management of the electorate office property portfolio as well as security of the Parliament (excluding the Chambers) and electorate offices.

Property responsibilities of the Security and Electorate Properties unit include the sourcing of new offices, management of existing properties, lease administration, structural assessments, new fit-outs and refurbishment works and furniture and equipment purchasing.

The unit's security responsibilities include the coordination of security providers and service level agreements, issuing and auditing of security passes and permits, incident reporting, project management of security projects and policy development.

## Key achievements

- Redistribution planning and updating of processes and procedures in preparation for the impact of electorate boundary changes,
- 36 electorate office transitions and induction of new Members of Parliament as a result of the election,
- 6 electorate office property relocations, incorporating a full fit-out completed by June 2015,
- Established new colour schemes and fit-out design standards with the newly formed architects panel,
- Development of a risk-assessment process for after-hours functions and events,
- Delivery of an 'Active Shooter' workshop in conjunction with Victoria Police.

## Projects undertaken

As part of the risk-assessment and risk-management process, the security team prioritised two major projects for 2014-15, being a complete overhaul of the key system at Parliament House and a security risk assessment on managing visitors to Parliament House.

Commencing in July 2014, a project team comprising representatives from each Parliamentary department developed a project plan and successfully delivered a full re-key of the restricted key system at Parliament House. The project included a full audit of keying requirements, development of a key matrix and implementation of control systems.

In December 2014 a security risk assessment was conducted to consolidate the risks associated with the visitor management arrangements at Parliament House. The purpose of this risk review was to provide recommendations on risk-mitigation strategies. Risk-management measures associated with visitor management will continue to be a focus in the coming financial year.

In October 2014 projects relating to physical security improvements commenced. This included a new Protective Services Officer control room and area and, new security search and screening facilities at the front and south entrances of Parliament House. These projects were completed in tight time frames to ensure they were operational for the Opening of the 58th Parliament in December 2014.

## Challenges for the coming year

- Delivery of the 15 approved relocations for 2015-16 and management of the number of relocation and refurbishment requests already flagged for future years.
- Implementation of further physical security improvements, including public-private separation and deployment of a new radio communications network for Parliament House.
- Working with the organisation to establish practical protocols to better manage visitors.
- Delivery of effective and targeted security awareness programs to Parliamentary staff and electorate offices.
- Review of existing emergency management arrangements and the interface with security incident management.
- Development of new staff and retaining key staff and knowledge.

## Quick facts

26% increase in property maintenance help tickets raised in 2014-15 from the previous year. In total 771 help tickets were logged with SEPU in 2014-15.

3171 items were seized or confiscated at the front and south security screening points at Parliament House.

375 security incidents were logged for the 2014-15 financial year, including demonstrations and protests.



# BUILDINGS & GROUNDS SERVICES

The Buildings and Grounds Services unit manages the physical infrastructure of the Parliamentary precinct through provision of building maintenance, project management and horticultural services.

## Key achievements

- Following the service review conducted in 2013, the unit has completed a restructure and the recruitment of a new facilities coordinator and a business systems officer. Both of these roles assist the unit to meet the ever-increasing building requirements, while supporting the project management team in overseeing a wider range of capital works in the precinct.
- The restructure and additional resources have enabled the unit to deliver a number of new projects, and to address significant long-term problems including obsolete sewer and drainage infrastructure; redundant and non-compliant electrical and communications cabling; and to start addressing some of the significant OH&S and disability access failings of the building.

## Projects undertaken

### Stone restoration

The current stage (stage 7) of this long-term project has focused on the north-east area of the building, including the refreshments wing and around the Speaker's suite and has been extended to incorporate the north wall of the Legislative Assembly Chamber and media rooms, due for completion by 31 July.

### Ground floor accommodation refurbishment and amenities upgrade

The refurbishment of twelve Members' offices on the ground floor of Parliament House was a major achievement for the unit. This successful refurbishment project demonstrates the possibilities when it comes to incorporating contemporary architectural design while preserving the heritage style.

The amenities upgrade saw the redesign of female, male and accessible amenities on the ground floor of Parliament House, bringing these facilities to compliance.

### Lighting upgrade

The lighting and electrical design in three areas of Parliament House was upgraded. These areas include the undercroft passageways on the ground floor and two meeting room spaces (Meeting Room 93 and Legislative Council Table Office). The objective of the project was to design and implement a lighting upgrade that is energy efficient and fit for purpose, in keeping with the theme of Parliament House and compliant with heritage guidelines.

### Gardens

In the gardens, the Grounds team continued to maintain their high standards of upkeep, which included replacing the verges in the garden beds. This has been a notable achievement as it has required coordinating many tasks with the ongoing security upgrade works, which are in close proximity to much of the gardens.

## Challenges for the coming year

- Development of new systems and improvements to existing processes to improve efficiency of building management practices and information management.
- Scoping and business planning for the implementation of a Building Management Automation System.
- Management and delivery of an ever-increasing capital works program.
- Development of new staff and retaining key staff and knowledge.

### Quick facts

The weight of the Assembly Chamber chandelier is 342kg.

The oldest tree in the Parliamentary gardens is the European Yew (*Taxus baccata*), planted in 1847.



# PARLIAMENTARY LIBRARY & INFORMATION SERVICE

The Parliamentary Library and Information Service unit provides research, information services and publications to Members, electorate officers, Committees and Parliamentary staff in areas of contemporary concern to the Victorian legislature. The Parliamentary Library and Information Service also produce displays and historical information about Parliament's heritage.

## Key achievements

The Library's Deakin Gallery opened in August 2014 after a six month project time line. The gallery showcases the Parliament's significant and valuable heritage collections, hosts thousands of visitors and dignitaries and was named after Alfred Deakin, one of the Parliamentary Library's most ardent users.

The Library completed a number of major digitisation projects that included over 1000 reports from the Parliament's Intern Program, the Legislative Council's Minutes of Proceedings and Bills from the Legislative Council and Legislative Assembly dating from 1851 to 1992.

The Library organised the conservation and restoration of some of its own heritage items, including 19th century electoral maps and flags and added new databases, regional radio and online news content from the four major daily papers to its suite of online services.

## Projects undertaken

The Hansard, Information Technology and Library units upgraded Hansard's search engine, enhancing the user interface and search functions. This search engine will be used for future projects.

The Parliamentary Library offered two research fellowships for 2015. A team of researchers from the Australian Catholic University is undertaking a study into the demise of the automotive industry in Australia and a researcher from Melbourne University is looking into child healthcare in Victoria.

A number of key research and information papers were produced, including the 2015 Briefing Book: key issues from the 57th Parliament, information links and papers on all Bills introduced in Parliament, 15 specialised research publications, a research paper on the 2014 Victorian State election and a statistical analysis research paper.

Now in its 25th year, the 2015 Intern program saw 33 Interns assigned to Members of Parliament, with the production of excellent research reports by their interns, some of which have contributed to Victoria's public policy.



## Challenges for the coming year

The Library and IT units will complete the project to deliver a fully functional search facility for digitised historical Parliamentary documents (1851 - to present) and the 900,000 newspaper articles dating back over 50 years.

The Library has a number of knowledge systems that hold specialised and unique information that is not available in the public realm. In consultation with the Information Technology unit, the Library is exploring new systems that will consolidate the range of specialised databases developed almost 20 years ago. The cataloguing standard Resource Description and Access (RDA), will be introduced as part of the implementation process. RDA is a standard for descriptive cataloguing for use by libraries, museums and archives.

The Library will be celebrating 25 years of the Intern program, producing a book for the event entitled *Students of Spring Street*, showcasing the history of the Intern program.

## Quick facts

The Library added over 214,000 items to its collection, of which over 95% were digitally native items. They include A/V news records, media releases, grey literature, and news archives.

The Library received and processed over 5,000 enquiries in the past financial year.

There were over 30,000 visits to the Library's intranet pages, and almost 130,000 pages viewed.

The Library produced more than 250 online publications and new Bills information links.

# HANSARD

The Hansard unit publishes the record of Parliamentary debates, known as *Hansard* after Thomas Curson Hansard, who was the first parliamentary printer at Westminster. *Hansard* is published online each day that Parliament sits and is amalgamated into weekly and sessional volumes, which are published online and in hard copy. The unit also provides a transcription service for Parliamentary committees.

Hansard's broadcasting and audiovisual functions include a live webcast of Parliamentary proceedings, sound amplification in the two Chambers and audiovisual support throughout the Parliamentary precinct as well as video production for other business units of the Parliament of Victoria.

## Key achievements

The broadcast coverage of the opening of the 58th Parliament was a successful joint production with WIN TV. The professional presentation and delivery of the live event included the production of 22 short videos highlighting key parts of the ceremony and various features of Parliament House.

The audiovisual team upgraded the chamber digital recording system, replacing seven-year-old hardware, and this year achieved 100 per cent audio up-time. They will also replace the precinct and off-site recording systems with state-of-the-art equipment, which will be commissioned in August 2015. The precinct system incorporates central recording architecture, while the off-site system includes improved redundancy features.

At Parliament House and 55 St Andrews Place large-screen TVs with in-table connectivity were installed in a number of meeting and training rooms, and trolley-based TVs with wireless connectivity are now available for use in other areas of the precinct. New videoconferencing facilities have also been commissioned at 55 St Andrews Place.

## Projects undertaken

Hansard's online search engine was overhauled in a capital works project undertaken by the Hansard publishing team and the Library and Information Technology units. Notable enhancements include a modern 'Google-style' user interface, direct links to the Hansard PDFs, the ability to refine searches using filters and improved natural language support for keyword searches. The search enables Hansard metadata to be more accurately stored and interrogated, while also allowing for future enhancements. The new data upload process means the search engine is updated and immediately searchable when the PDFs are published online.

The broadcasting and audiovisual teams undertook a major upgrade and capital works project, which included the replacement of audio and camera control systems, now able to generate metadata for the Video on Demand project, installing a new system for generating live broadcast graphics, upgrading production and camera infrastructure and installing new video editing suites and a central editing storage system.

## Challenges for the coming year

Staff from all areas of Hansard are working on the Video on Demand project, and work will increase as the project gets closer to delivery.

Hansard will conduct a service review, in keeping with the business plan of DPS, to review operational practices and resource allocation to ensure that continued high-level, quality service delivery is provided to the Parliament.

### Quick facts

In the first half of 2015 broadcasting staff spent over 1,400 staff hours on 41 video projects for various units within DPS and the House departments.

Hansard staff published 4,452 pages of Parliamentary debates and produced 1,437 pages of committee transcripts.

Each sitting week Hansard delivers approximately 60 hours of live broadcast, which is viewed by between 3,000 and 7,000 people.

In 2016 Hansard will celebrate 150 years since its first report of the 5th Parliament on 12 February 1866.



# INFORMATION TECHNOLOGY

The Information Technology unit is responsible for providing a wide range of technology and communication services to all Members of Parliament, Parliamentary departments and Committees. The Information Technology team manages and supports software and systems for the effective and efficient operation of the Parliament. The Parliamentary network delivers secure communications and desktop and core business systems to 131 sites across Victoria, including 128 electorate offices and the Parliamentary Precinct. The unit currently services approximately 1,000 screens.

## Key achievements

This year has seen a consolidation of permanent staff and the embedding of well-established systems, including efficient business processes. Services provided to Members of Parliament and Parliamentary departments include management of technology projects and the re-engineering of business processes. There are currently 44 projects underway, with IT taking the lead to provide structure, strategy and advice.

Significant projects undertaken in the past 12 months include the redesign and development of the business-wide intranet (Billy), the migration away from Lotus Notes to Microsoft Exchange as the email platform, the implementation of wifi in the Parliamentary precinct, the development of automated workflows for the authorisation of invoices and the trial of 'follow me printing' across the Parliament.

## Challenges for the coming year

The major challenge for 2015-16 is the development of an IT Strategy to guide the infrastructure investment to meet the future needs of the Parliament. The achievement of Parliament's strategic objectives requires the whole organisation to place a significant reliance on digitisation and mobility.

## Quick facts

The following statistics were uncovered during the email migration:

- The largest email account is 52 GB
- The largest email archive is 71GB
- 444,951 – The number of email items in a single account
- 35,776 – The number of calendar events in a single account
- 17,040 – The number of contacts in a single account.

The Parliamentary website has almost 500,000 individual web page hits each month. Between 31 March 2014 and 31 March 2015, website page views have increased by 18%, mobile and tablet users are up by 71% and streamed video content has increased by 92%.



# EDUCATION & COMMUNITY ENGAGEMENT

## Quick facts

Over 900 people currently receive the *Springboard* newsletter, including educators from all sectors and all Members of Parliament.

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

In October 2014 the Parliament hosted the annual Schools State Constitutional Convention, at which over 100 senior secondary students from schools across Victoria debated the topic 'Australia is in a budget crisis and all Australians must share the burden, directly or indirectly'.

The Education and Community Engagement unit develops and implements programs and resources that link Parliament with the community and helps to establish its place in school curricula and adult education. These programs comprise professional development for teachers and student teachers in all education sectors, specific programs for students, and print and audiovisual resources produced for specific audiences and the community as a whole.

## Key achievements

An update of all educational material was undertaken following the 2014 state election to reflect the 58th Parliament and curriculum changes since the previous iterations.

A new quarterly email newsletter for educators, *Springboard*, was launched in early 2015. The newsletter informs subscribers about Parliament's new and existing resources and programs, as well as highlighting relevant legislation and events of interest at Parliament House.

An interactive resource for primary school students was produced and is now available at the Education Zone on the Parliament's website. Amazing Adventures Interactive Stories gets students working together to figure out what decisions the characters should make. Aimed at curriculum level 5-8 in the Civics and Citizenship domain, this resource is a great way to get students thinking and learning about the three levels of government.

The Civics and Citizenship Network is an alliance of providers of resources for schools and the community. It includes the Law Institute of Victoria, the Victorian Electoral Commission, Social Education Victoria, the *Big Issue*, the Department of Education and Early Childhood Learning, the Old Treasury Building and the Parliament of Victoria. In July 2014 the network provided its annual professional development day for teachers at Parliament House, presenting the resources that the network provides.

The unit presented on ways of reaching a wider audience in Parliamentary education at the annual Australasian Parliamentary Educators' Conference which was held in Adelaide in October 2014.

The unit continued its partnerships with teacher professional associations across the education sector, including those supporting business studies, civics and citizenship, history, literacy, adult education and the English as an additional language community. Attendance at a range of exhibitions and conferences helped to raise the Parliament's profile and publicise its resources and programs.

## Projects undertaken

The November 2014 election necessitated the updating of Parliament's education resources to reflect the new Parliament. Some of the print resources just required replacing some photos, but there were also major projects undertaken to replace the outdated set of posters, and the suite of DVD and online video material.

The poster project was contingent on getting current photos of all Members of Parliament, a project which was undertaken by the heritage and collections team from the Parliamentary Library. An early by-election led to a slight delay in production, but the posters were mailed out to all schools and libraries in Victoria in May 2015. The set of four posters includes Members of the Legislative Assembly, Members of the Legislative Council, Members born overseas, and one depicting Victorian electoral regions and districts.

The video update project involved filming and interviewing some Members of Parliament, including the Premier, the Leader of the Opposition, the Attorney-General and the Presiding Officers. This project was undertaken in conjunction with the Parliament's broadcasting team, which provided the film and editing crew and expertise to complete the project. Challenges with this project included scheduling interview times with busy Members that also suited the video crews, as well as ensuring that the questions and responses adequately addressed the subject areas that students and teachers require.

## Challenges for the coming year

After the launch of our new resource package we will focus on an enhanced marketing strategy to extend the reach of these resources and programs.

The unit will focus on supporting the implementation of Parliament's Community Engagement Strategy through developing units of work and lesson plans, and expanding the coverage of our resources to those sections of the community that need further support, as highlighted in the strategy.

## ADDITIONAL INFORMATION



# OUR PEOPLE

## Secretary - Department of Parliamentary Services

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

## Directors - DPS

Barr, Hilton	Director - Precinct & Property Management
Edwards, Bronwen	Director - Resource Management

## Information Services

Altair, Angelo	Audiovisual Supervisor	Lewis, Meredith	Subeditor
Altair, Patricia	Subeditor	Lisperguer, Andrew	Service Analyst
Aquino, Terry	Coordinator, Information Access & Management	Luddon, Suzie	Community Engagement Projects Officer
Aroozoo, Marianne	Research Assistant	Macreadie, Rachel	Research & Inquiries Officer
Beks, Sandra	Serials Assistant	Macvean, Carolyn	Manager, Parliamentary Library & Information Services
Bertram, Gavin	Reporter	Magarey, Joel	Sessional Reporter
Blyth, John	Broadcast Officer	Mamouney, Michael	Media Officer
Breukel, Jon	Coordinator, Research & Inquiries	Martyn, Jennifer	Reporter
Bullen, Gavin	Service Technician	McCarthy, Timothy	Broadcast Media Officer
Canizales Amaya, Johanna	Service Technician	McFarlane, Eithne	Sessional Reporter
Clements, Francesca	Sessional Reporter	Milburn, Lesley	Manager Information Technology
Cousins, David	Project Management Business Analyst	Milk, Anneliese	Heritage Collections Officer
Craig, Amber	Sessional Monitor/Keyboarder	Mills, Kevin	Sessional Subeditor
D'Alessio, Anja	Leader Business Solutions	Nichols, Stephen	Broadcast Officer
Darby, Paige	Research & Inquiries Officer	Nonneman, Jesse	Audiovisual Officer
Dewar, Rachael	Sessional Reporter	Nonneman, Lilli	Sessional Monitor/Keyboarder
Donohue, Justine	Sessional Reporter	Novacco, Monique	Broadcast Officer
Fewings, Timothy	Broadcast Media Officer	Nugent, John	Editor
Gallagher, Robin	Intranet Officer	O'Connell, Emma	Heritage Collections Officer
Garg, Khushi	Service Analyst	Penrose, Stuart	Service Technician
Goldie, Kathryn	Sessional Reporter	Pow, Ryan	Broadcast Officer
Greatorex, Mark	Publishing & CIT Business Support Officer	Power, Freda	Sessional Reporter
Greig, Patricia	Subeditor	Prasad, Christopher	Service Analyst
Griscti, Trevor	Broadcast Officer	Preston, Andrew	Sessional Reporter
Hansen, Maria	Senior Reporter	Price, Justin	Sessional Monitor/Keyboarder
Harnath, Margaret	Editor	Reeves, Debra	Research & Loans Officer
Harris, Linda	Reporter	Rissotto, Daisy	Administrative Assistant
Harris, Mark	Broadcast Coordinator	Roberts, Karina	Sessional Reporter
Henson, Richard	Media Assistant	Ross, Catriona	Research & Inquiries Officer
Hillis, Crusader	Sessional Reporter	Sablyak, Patricia	Sessional Subeditor
Hurford, Emma	Reporter	Salvatore, Rob	Broadcast Officer
Jonas, Alice	Research & Inquiries Officer	Scott, James	Manager, Hansard
Kebbe, Sue	Reporter	Smith, Heather	Reporter
Kennedy, Liza	Sessional Reporter	Spencer, Lucinda	Heritage Collections Officer
Kenny, Andrea	Reporter	Spicer, Victoria	Coordinator, Heritage & Collections
Kim, Lee	Sessional Reporter	Spillane, Patrick	Reporter
Koh, Kee	Sessional Reporter	Squire, Evan	Reporter
Kurrle, Michelle	Publishing Business Support Officer	Taylor, Linden	Subeditor
Lamonato, Michael	Sessional Reporter	Thomas, Mat	Broadcast Officer
Lauder, Stephen	Cataloguing Assistant	Turner, Alan	Sessional Reporter
Lee, Marshall	Leader Business Services	Tynan, Matt	Broadcast Officer
Lesman, Bella	Statistical Research Analyst	Whitehead, Simon	Publishing & CIT Business Support Officer



### Precinct and Property Management

Andrews, Stephen	Team Leader Building Services
Clarke, Joanna	Electorate Properties Officer
Craig, Michael	Executive Chef
De Graaf, Robert	Maintenance Officer - Electrical
Doolan, Jacqueline	Customer Service Supervisor
Fothergill, John	Manager, Buildings & Grounds Services
Fotheringham, Nicole	Electorate Properties Coordinator
Fox, Karen	Senior Customer Service Officer
Gaff, Andrew	Coordinator, Facilities Management
Garcia, Melody	Kitchen Steward
Gatewood, Rachel	Senior Projects Coordinator
Greene, Lynette	Electorate Properties Officer
Haddow, Linda	Horticulturist
Harris, Lisa	Electorate Properties Officer
Howard, Scott	Security Adviser
Hurle, John	Senior Horticulturist - Turf
Imber, Alison	Administrative Officer
Kearney, Amy	Electorate Properties Officer
Kearney, Clare	Business Systems Officer
Kelly, Glenn	Maintenance Officer - Electrical
King, Spencer	Electorate Properties Officer
Leong, Jermaine	Security Administration Officer
Marks, Dean	Security Adviser
Matthews, Samantha	Manager, Security and Electorate Properties
McConville, Paul	Manager, Catering & Retail Operations
Morgan, Mary-Dee	Functions & Events Coordinator
O'Neill, Brian	Electorate Properties Officer
Pok, Zoltan	Kitchen Steward
Richards, Tim	Maintenance Officer
Robertson, Rachel	Team Leader Grounds & Gardens
Sleurink, Georgie	Projects Officer
Thompson, Melanie	Senior Chef
Tremoulas, John	Electrician
Vranes, Paul	Maintenance Officer - Carpentry
Williams, Grant	Security Coordinator

### Resource Management

Andritsos, Voula	Learning and Development Coordinator
Barresi, Fran	Senior Organisation Development Officer (HR & Policy)
Cull, Barry	Senior Organisation Development Officer (Payroll & Systems)
D'Souza, Richard	Senior Accounts Officer
Duggan, Corinne	Organisation Development Officer - Payroll
Dumenden, Liesel	Learning & Development Officer
Geronimo, Roberto	Accounts Payable Officer
Jordan, Richard	Manager, Organisation Development
Kandola, Harpreet	Budget Analyst
Kouloumendas, Beti	Organisation Development Officer - Payroll
Mascarenhas, John	Manager, Accounting & Administration
Mather, Phyllis	Senior Accounts Officer - Accounts Payable
McCutcheon, Rachelle	Organisation Development Officer
McMullan, Clare	Organisation Development Officer
Prasad, Viv	Budgets Officer
Prelec, George	Organisation Development Officer - Payroll
Ridge, Allison	Organisation Development Officer - Payroll
Saxena, Charu	Manager, Budgets & Risks
Simpson, Natalie	Organisation Development Officer - Payroll
Summerill, Chris	Financial Accountant
Trigg, Alexandra	Organisation Development Officer

# STAFF PROFILES

## Daisy Rissotto



Change brings fear and uncertainty; it also brings new opportunities. Daisy Rissotto, who has witnessed a technological revolution since she joined the Parliament of Victoria's Library unit in 1989, exemplifies the benefits of embracing change.

Daisy's first job involved typing bibliographic entries for the card catalogue using a then state-of-the-art IBM golf ball typewriter. For 21 years, from 1992 to 2013, she clipped and filed newspaper articles. At first these were placed in vertical files located in the south Library and from 2002 she scanned the articles and added them to the news archive database.

Daisy has worked with the Library's Heritage and Collections team since 2014. She speaks animatedly about her new role: "What I enjoy most is the variety: learning new skills, learning to process serials, annual reports and accounts. And working with heritage to maintain our 100 year old newspapers and creating displays."

Selecting and arranging the books in the newly refurbished Deakin Gallery was a highlight of last year.

Daisy has worked at every Parliament House Open Day since they began in the 1990s. "I enjoy meeting people and sharing our beautiful library with them," she enthuses. While Open Days have not changed much in format over the years, Daisy notes that more of the building is now on show with three times as much library space compared to 20 years ago. The addition of balloons, baristas and brass bands have made the event more festive in recent years.

Daisy is a native of Uruguay where she worked at the Uruguayan Parliament before she emigrated with her family to Australia in 1982. She is passionately devoted to her family, especially her recently married daughter, and has spent much of her recent holidays travelling in Europe and the Middle East.

## Phyllis Mather



Phyllis joined the Accounting and Administration unit in April 2012 as the leader of the accounts payable team.

Phyllis guides and assists her team and others within the Parliament through the accounts payable process and assists in the training of the new intranet invoicing system on Billy and reimbursement systems.

Colleagues describe Phyllis as a friendly and approachable person who is always willing to resolve their queries and problems. They especially emphasise Phyllis's love of a chat and a joke!

Asked what she most enjoys about working for Parliament, Phyllis said, "I have the opportunity to work alongside great people not only within my team but at Parliament in general".

Prior to working at Parliament, Phyllis worked in the private sector, mostly in the area of manufacturing and distribution.

She enjoys spending her spare time with her three children, two dogs and of course her husband of 32 years, Colin.

Phyllis is a mad Carlton supporter who hopes to one day see them win a game of football.

## Grant Williams



As security coordinator for the Parliament, Grant's job involves ensuring that the Parliament precinct is safe for Members, staff and visitors. This is not an easy task given the balance that needs to be maintained between security of the building and maintaining a Parliament that is accessible to the community.

Starting his working life in the Victorian police force, Grant gained invaluable experience in many different policing areas including general uniform duties and detective work. During this time he was involved in many major criminal investigations and through this has a realistic perspective on the law, crime and society's responses to law and order issues.

After 12 years policing, Grant relocated to the Gold Coast to work in security on an island resort and for a total change of environment, went from there to working in Iraq and Afghanistan in a variety of security positions over a number of years.

Grant also develops, implements and oversees strategic initiatives to ensure the physical security of Parliament's assets. He loves the challenges involved in his work, and enjoys the fact that no two days are the same in his role.

## ELECTION 2014

The 2014 election was unique for the Parliament of Victoria because of two major factors which influenced both the planning for and the transition to the 58th Parliament. The significantly high number of retiring Members of Parliament and the flow-on effects of the Electoral Boundaries Commission's Report on the 2012-13 re-distribution of electoral boundaries meant that planning for the 2014 election took on new dimensions not dealt with in previous years. This report redrew the boundaries for Legislative Assembly districts and Legislative Council regions and resulted in the abolition and replacement of 15 Legislative Assembly seats. As a direct consequence of the new electoral boundaries, 10 electoral districts/regions in the 57th Parliament did not have an electorate office within their boundary for the beginning of the 58th Parliament.

The election saw a change of government, with the Australian Labor Party elected to power, as well as The Greens having their first ever representatives elected to the Legislative Assembly and a range of minor parties elected into the Legislative Council. By way of context, 29 Members (22% of the 57th Parliament)

across both Houses were affected by one or both of these factors prior to election day, requiring the project to be managed on a larger scale than in previous cycles.

In total, 36 Members of Parliament retired or were defeated at the election, with another three moving Houses for the 58th Parliament. As a result of this, plus the effects of the changes to the electoral boundaries, Parliamentary staff made 85 visits to electorate offices in the period between 21 November 2014 and 15 January 2015, auditing and closing outgoing Members' offices and handing over to newly elected Members of the 58th Parliament of Victoria. Staff from every Parliamentary department volunteered to participate in the electorate office audit process and over 60 staff made at least one visit during the project.

New Member inductions were held prior to the Opening of the 58th Parliament. While the long-term effectiveness of the induction program may not be known for months to come, feedback from Members was positive and encouraging.

## EMPLOYMENT FRAMEWORK

Two enterprise agreements outline conditions of employment for Parliamentary employees (excluding executives). The Parliamentary Officers' (Non-Executive Officer Staff – Victoria) Single Enterprise Agreement

2012 applies to Parliamentary Officers, and the Members of State Parliament Staff (Victoria) Certified Agreement 2005 (varied and extended) applies to Electorate Officers.

### Staffing

	Parliamentary Officers	Electorate Officers	Total
Full-time	98	149	247
Part-time	18	185	203
Sessional	30	354	384
Total	146	688	834

### Full-time Equivalents (FTE)

	Parliamentary Officers	Electorate Officers	Total
Permanent	86.68	229.75	316.43
Fixed Term	36.11	49.67	85.78
Total	122.79	279.42	402.21

# SENIOR OFFICER TRAVEL

	2012 - 13	2013 - 14	2014 - 15
DPS Senior Parliamentary Officer Travel*	\$2,663	\$5,545	\$580

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

## RISK MANAGEMENT IN PARLIAMENT OF VICTORIA

Parliament of Victoria implemented a Risk Management Framework and risk management processes consistent with AS/NZS ISO 31000:2009 in February 2012. We identified key strategic and operational risks that were endorsed by the Audit Committee in August 2012. A risk owner was assigned to each Strategic and operational risk. Each quarter the strategic and operational risks are reviewed by the risk owner. The Audit Committee reviews Parliament's Strategic risk each quarter. An annual review of the Risk Management Framework and risk management processes is conducted and risks are aligned to Parliament's strategic objectives.

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

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

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



**Peter Lochert**  
Secretary  
Department of Parliamentary Services

# OCCUPATIONAL HEALTH & SAFETY (OH&S) & EMPLOYEE WELFARE

During the reporting period, the Organisation Development unit coordinated a wide range of OH&S and employee wellness activities with a focus on personal safety, fatigue management awareness, appropriate behaviours, mental health and emergency management. The corporate wellness program continued the focus on prevention with programs such as flu vaccinations, skin checks, mindful meditation, a learn to run program and nutrition consultations.

These programs and other activities were made available to large numbers of employees and Members. This included employee involvement in external activities such as the Mother's Day and Australia's Biggest Morning Tea fundraising and blood bank donations. Achievements during the reporting period included development and implementation of an OH&S management system.

## Occupational Health and Safety Key Statistics

Measure	Description	Result
Incidents and hazards	Number of incidents	30
	Number of reported hazards	17
Claims (registered between 1/7/13 to 30/6/14)	Number of minor claims**	1
	Number of standard claims**	0
	Number of lost time claims**	0
	Number of claims exceeding 13 weeks**	0
	Return to work compliance	100%
OH&S Committee	Committee Meetings	9
	OH&S Representative initial and refresher training participation	100%
Hazard Inspections	Workplace hazard inspections	16
Corporate Wellness Activities	Number of participants	632

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

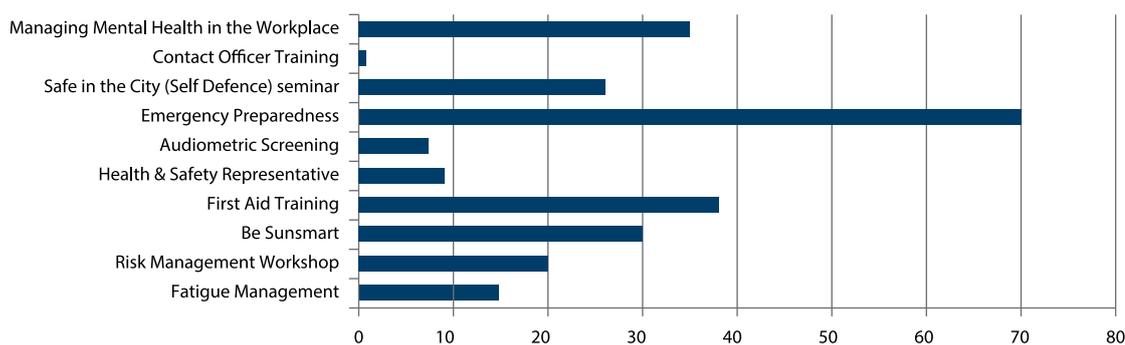
\*\* Standard claim – a claim that exceeds the threshold limits

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

## OH&S Incidents



## OH&S Training



# LEARNING AND DEVELOPMENT

During 2014-15 a vast range of internally run learning and development activities were undertaken across the Parliament of Victoria. A total of 82 individual training sessions were coordinated by the Learning and Development team which were made up of 44 programs. A total of 1043 staff attended these internally run courses. In addition to these programs staff also undertook a selection of courses advertised through the bimonthly calendar, or training specific to their individual roles.

One of the objectives of the Learning and Development team was to reach out to staff in regional areas, and as a result two programs were conducted in Bendigo and Shepparton. Electorate officers who would normally face obstacles in accessing training due to their location were provided with the opportunity to attend training locally. The Learning and Development team participated and coordinated nine electorate office visits, which included representation from other Department of Parliamentary Services staff.

The transition from Lotus Notes to MS Outlook 2010 resulted in a number of training activities coordinated by the Organisation Development team. Ten webinars were conducted via the Go-To-Webinar platform, ensuring that all staff from various locations had access to training. A total of 96 staff participated in webinars from the convenience of their workstations. A further 14 fact-to-face seminars were conducted at the Parliamentary precinct with a total number of 133 staff attending.



# CONSULTANCIES

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

Consultant name	Brief summary of project	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2012 - 13 (excluding GST)	Future Expenditure (excluding GST)
Iedex	Finance service review	Oct - 14	Jan - 15	87,000	69,000	18,000
Amcosh	Review exposure to carcinogenic agents	May - 15	May - 15	11,880	11,880	-
Jackson Advisory	Executive remuneration review	Oct - 14	Feb - 15	19,500	19,500	-

## Consultancies less than \$10,000

No. of consultancies	Total value (exc GST)
3	8,685

# ENVIRONMENTAL SUSTAINABILITY REPORT

The Buildings and Grounds Services unit continues to monitor electricity, gas and water usage throughout Parliament House and the heritage gardens.

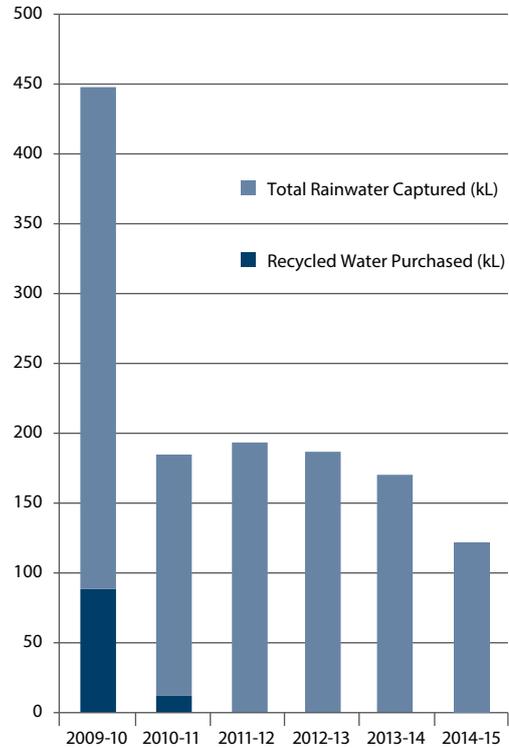
The past year has seen a reduction in the usage of electricity and also comparable usage of gas when compared with usage in the previous year, which was at its lowest since 2009-10.

With measures being introduced to various areas of Parliament House such as the integration of lighting systems incorporating motion sensors and time-programmed heating/cooling to reduce unnecessary usage of electricity, maintaining lower energy usage is a pattern we aim to maintain.

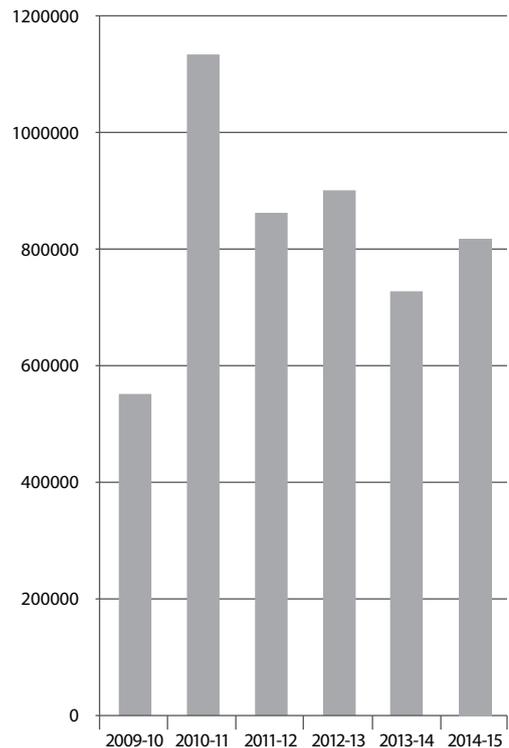
The water data collected for 2014-15 shows that the water collected was efficiently managed with no recycled water required to be purchased for the fourth consecutive year.

Further research is taking place into the implementation of a Building Management System, where one of the key desirable outcomes is an increased monitoring capacity of resource usage, which will help to formulate a strategy for more efficient use.

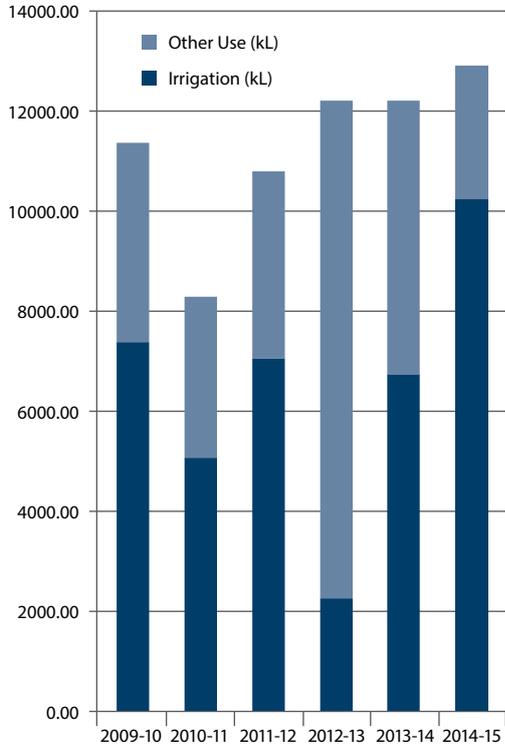
**Annual Tank Input (Rainwater)**



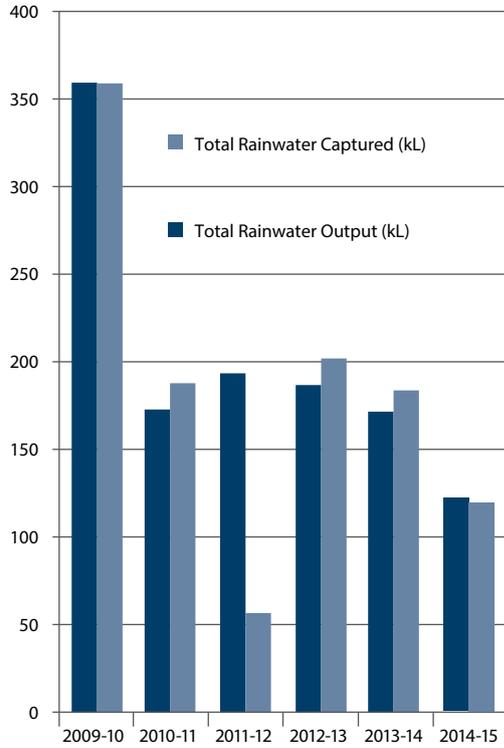
**Annual Parliament Precinct Gas Use (Mj)**



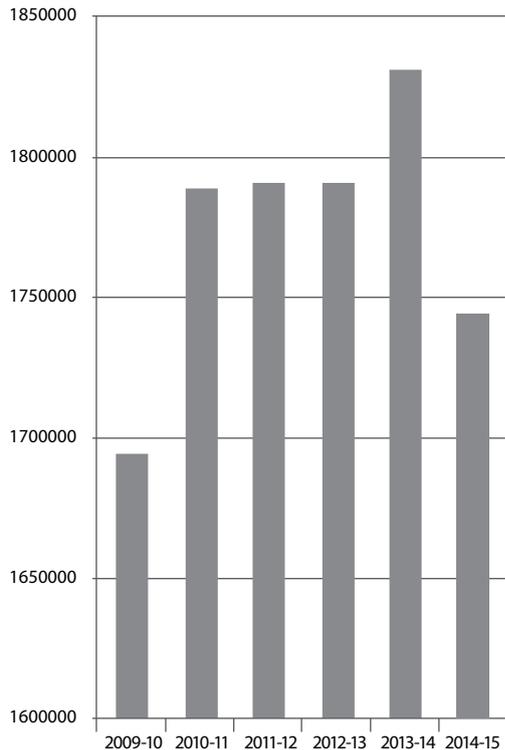
**Annual Mains Water Use**



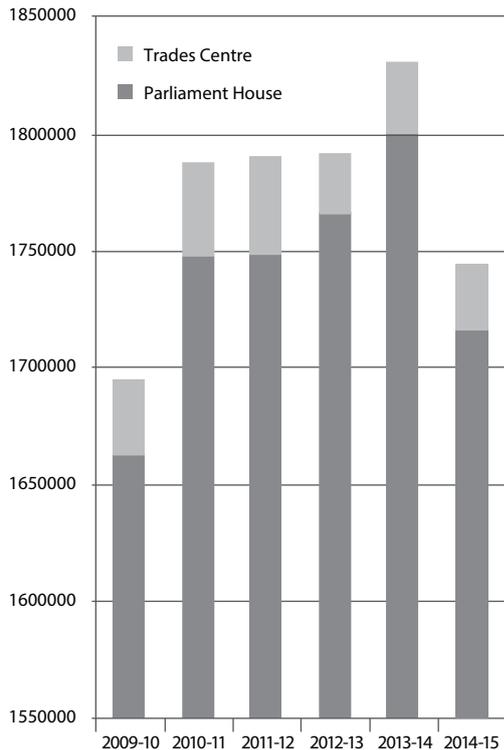
**Total Rainwater Capture v. Total Rainwater Output**



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



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



## OUTPUT MEASURES - LEGISLATIVE ASSEMBLY

Outputs	Unit of Measure	Target 2014 - 15	Actuals 2014 - 15	Target met or exceeded (Y/N)
<b>Quantity</b>				
Procedural references updated biannually	Number	2	2	Y
Regional visits to schools to conduct Parliamentary Information Talks and Parliamentary Role Plays	Number	5	6	Y
<b>Quality</b>				
Bills and amendments processed accurately through all relevant stages in compliance with constitutional requirements and standing orders	Percent	100	100	Y
Member satisfaction that advice is responsive, prompt, clear and objective	Percent	80	95	Y
Teacher satisfaction with tours of Parliament for school groups	Percent	95	98	Y
<b>Timeliness</b>				
Documents tabled within time guidelines	Percent	90	100	Y
House documents available one day after sitting day	Percent	100	100	Y
Online information relating to bills updated within one day	Percent	98	100	Y
<b>Total output cost</b>	<b>\$ million</b>	<b>30.3</b>	<b>23.5</b>	

## OUTPUT MEASURES - LEGISLATIVE COUNCIL

Outputs	Unit of Measure	Target 2014 - 15	Actuals 2014 - 15	Target met or exceeded (Y/N)
<b>Quantity</b>				
Procedural references updated biannually	Number	2	2	Y
<b>Quality</b>				
Bills and amendments processed accurately through all relevant stages and other business of the House conducted according to law, standing and sessional orders	Percent	100	100	Y
Member satisfaction with accuracy, clarity and timeliness of advice	Percent	90	98	Y
<b>Timeliness</b>				
Documents tabled within time guidelines	Percent	95	95	Y
House documents and other sitting related information available online one day after sitting day	Percent	100	100	Y
<b>Total output cost</b>	<b>\$ million</b>	<b>15.7</b>	<b>12.5</b>	

## OUTPUT MEASURES - COMMITTEES

Outputs	Unit of Measure	Target 2014 - 15	Actuals 2014 - 15	Target met or exceeded (Y/N)
<b>Quantity</b>				
Reports tabled per annum	Number	22	28	Y
<b>Quality</b>				
Committee members satisfied that advice about procedure, research and administration is responsive, clear, objective and prompt	Percent	80	98	Y
Inquiries conducted and reports produced in compliance with procedural and legislative requirements	Percent	95	100	Y
<b>Timeliness</b>				
Reports tabled in compliance with procedural and legislative deadlines	Percent	95	100	Y
<b>Total output cost</b>	<b>\$ million</b>	<b>7.0</b>	<b>7.0</b>	

## OUTPUT MEASURES - DPS

Outputs	Unit of Measure	Target 2014 - 15	Actuals 2014 - 15	Target met or exceeded (Y/N)
<b>Quantity</b>				
IT systems availability – (Parliament and Electorate Offices)	Percent	99	100	Y
Monthly management reports to MPs and departments	Number	12	12	Y
Parliamentary audio system transmission availability	Percent	99	100	Y
Provide MPs with a functional electorate office	Percent	95	99	Y
<b>Quality</b>				
Clear audit opinion on Parliamentary Financial Statements (previous year)	Percent	100	100	Y
Clients satisfied with quality of information provided by Library staff	Percent	85	97	Y
Maintain and secure the parliamentary precinct and have it available for legislative program	Percent	95	100	Y
<b>Timeliness</b>				
Indexes, records, speeches and transcripts provided within agreed timeframes	Percent	90	94	Y
Payroll processing completed accurately and within agreed time frames	Percent	99	100	Y
<b>Total output cost</b>	<b>\$ million</b>	<b>90.7</b>	<b>86.5</b>	

# RECONCILIATION OF APPROPRIATION BILL 2014-15 & 2015-16 TO BUDGET PAPER NO. 3

	LEGISLATIVE COUNCIL		LEGISLATIVE ASSEMBLY		PARLIAMENTARY SERVICES		JOINT INVESTIGATORY COMMITTEES		TOTAL - EXCLUDING VAGO	
	2014-15 BUDGET	2015-16 ESTIMATED BUDGET	2014-15 BUDGET	2015-16 ESTIMATED BUDGET	2014-15 BUDGET	2015-16 ESTIMATED BUDGET	2014-15 BUDGET	2015-16 ESTIMATED BUDGET	2014-15 BUDGET	2015-16 ESTIMATED BUDGET
FIGURES PUBLISHED IN APPROPRIATION BILL	000's 3,254	000's 3,155	000's 4,636	000's 4,599	000's 85,446	000's 86,924	000's 7,016	000's 6,965	000's 100,352	000's 101,643
ADD SPECIAL APPROPRIATIONS	12,421	12,647	25,628	26,090					38,048	38,737
LESS ATNAB INCLUDED IN BILL									-	-
ESTIMATED OUTPUT CARRYOVER TO 2015-16					5,135	5,407			5,135	5,407
GRANT RECEIVED FROM DEECD					28	28			28	28
SECTION 29 RECEIPTS RETENTION AGREEMENT					80	82			80	82
OTHER REVENUE (RECOUPMENT OF EXPENSE, SECONDEES ETC)									-	-
<b>TOTAL APPROPRIATIONS</b>	<b>15,674</b>	<b>15,802</b>	<b>30,263</b>	<b>30,689</b>	<b>90,689</b>	<b>92,441</b>	<b>7,016</b>	<b>6,965</b>	<b>143,642</b>	<b>145,897</b>
ROUNDED TO MILLIONS	15.7	15.8	30.3	30.7	90.7	92.4	7.0	7.0	143.7	145.9
<b>FIGURES PUBLISHED IN BUDGET PAPER 3</b>	<b>15.7</b>	<b>15.8</b>	<b>30.3</b>	<b>30.7</b>	<b>90.7</b>	<b>92.4</b>	<b>7.0</b>	<b>7.0</b>	<b>143.7</b>	<b>145.9</b>
Diff*	-	-	-	-	-	-	-	-	-	-

# FINANCIAL STATEMENTS



# PARLIAMENT OF VICTORIA

## Financial statements for the financial year ended 30 June 2015

<b>Contents</b>	<b>Page</b>
Comprehensive operating statement	45
Balance sheet	46
Statement of changes in equity	47
Cash flow statement	48
Notes to the financial statements	49 to 99
Accountable Officers' & Chief Finance and Accounting Officer's declaration	100
Auditor-General's report	101

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 2015**

	Notes	2015 \$	2014 \$
<b>Income from transactions</b>			
Output appropriations	17(a)	101,444,471	96,917,945
Special appropriations	17(b)	28,205,145	33,943,591
Grants	4(a)	30,903	205,525
Fair value of assets and services received free of charge	4(b)	3,406	98,211
Parliament refreshment rooms & gift shop		1,448,990	1,704,364
<b>Total income from transactions</b>		<b>131,132,915</b>	<b>132,869,636</b>
<b>Expenses from transactions</b>			
Employee expenses	5(a)	(74,331,809)	(78,509,885)
Depreciation	5(b)	(13,838,568)	(13,369,889)
Computer software, support & equipment rental		(3,590,255)	(3,808,408)
Capital asset charge		(2,218,106)	(2,218,106)
Interest expense		(50,458)	(121,967)
Parliament refreshment rooms & gift shop	5(c)	(1,865,530)	(1,996,725)
Communications, postage and printing		(8,339,741)	(8,404,944)
Contractors & temporary staff		(4,118,541)	(3,113,093)
Property rental cost		(8,123,023)	(7,885,932)
Supplies & services	5(d)	(11,136,184)	(11,129,109)
<b>Total expenses from transactions</b>		<b>(127,612,215)</b>	<b>(130,558,058)</b>
<b>Net result from transactions (net operating balance)</b>		<b>3,520,700</b>	<b>2,311,578</b>
<b>Other economic flows included in net result</b>			
Net gain / (loss) on non-financial physical assets	6(a)	255,760	218,736
Other gains / (losses) from other economic flows	6(b)	(77,758)	(5,503)
<b>Total other economic flows included in net result</b>		<b>178,002</b>	<b>213,233</b>
<b>Net result</b>		<b>3,698,702</b>	<b>2,524,811</b>
<b>Comprehensive result</b>		<b>3,698,702</b>	<b>2,524,811</b>

The comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 49 to 99.

# PARLIAMENT OF VICTORIA

Balance sheet  
as at 30 June 2015

	Notes	2015 \$	2014 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	16(a)	45,783	103,135
Receivables	7	52,829,390	55,427,001
<b>Total financial assets</b>		<b>52,875,173</b>	<b>55,530,136</b>
<b>Non-financial assets</b>			
Inventories - Parliament refreshment room & gift shop		56,573	57,199
Non-financial physical assets classified as held for sale		84,758	182,511
Prepayments		2,415,059	1,849,602
Property, plant and equipment	8	452,338,093	445,779,497
<b>Total non-financial assets</b>		<b>454,894,483</b>	<b>447,868,809</b>
<b>Total assets</b>		<b>507,769,656</b>	<b>503,398,945</b>
<b>Liabilities</b>			
Bank overdraft	16(a)	127,414	630,546
Payables	9	3,629,244	3,469,334
Unearned income		21,704	15,905
Borrowings - Finance leases payable	12	3,052,991	3,342,223
Provisions	10	10,124,629	10,720,134
<b>Total liabilities</b>		<b>16,955,982</b>	<b>18,178,142</b>
<b>Net assets</b>		<b>490,813,674</b>	<b>485,220,803</b>
<b>Equity</b>			
Accumulated surplus / (deficit)		39,459,289	35,760,587
Physical asset revaluation surplus		278,281,957	278,281,957
Contributed capital		173,072,428	171,178,259
<b>Net worth</b>		<b>490,813,674</b>	<b>485,220,803</b>
Commitments for expenditure	13		
Contingent assets and contingent liabilities	14		

The balance sheet should be read in conjunction with the accompanying notes included on pages 49 to 99.

# PARLIAMENT OF VICTORIA

## Statement of changes in equity

for the financial year ended 30 June 2015

	Notes	Physical asset revaluation surplus	Accumulated surplus	Contributions by owner	Total
		\$	\$	\$	\$
<b>Balance at 1 July 2013</b>		<b>278,281,957</b>	<b>33,235,776</b>	<b>171,178,259</b>	<b>482,695,992</b>
Net result for the year		-	2,524,811	-	2,524,811
Capital appropriations		-	-	-	-
<b>Balance at 30 June 2014</b>		<b>278,281,957</b>	<b>35,760,587</b>	<b>171,178,259</b>	<b>485,220,803</b>
Net result for the year		-	3,698,702	-	3,698,702
Capital appropriations		-	-	1,894,169	1,894,169
<b>Balance at 30 June 2015</b>		<b>278,281,957</b>	<b>39,459,289</b>	<b>173,072,428</b>	<b>490,813,674</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes included on pages 49 to 99.

# PARLIAMENT OF VICTORIA

## Cash flow statement

for the financial year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Government appropriations		132,311,100	127,901,375
Receipts from Parliament refreshment rooms & gift shop		1,672,331	1,887,007
Receipts from other Government departments		110,493	282,797
Goods and services tax recovered from the ATO		5,521,730	3,982,128
<b>Total receipts</b>		<b>139,615,654</b>	<b>134,053,307</b>
<b>Payments</b>			
Payments to suppliers and employees		(116,497,103)	(116,715,574)
Payments to suppliers & employees by Parliament refreshment rooms & gift shop		(1,965,493)	(2,031,675)
Capital asset charge payments		(2,218,106)	(2,218,106)
Interest and other finance costs		(50,458)	(121,967)
<b>Total payments</b>		<b>(120,731,160)</b>	<b>(121,087,322)</b>
<b>Net cash flows from / (used in) operating activities</b>	16(b)	<b>18,884,494</b>	<b>12,965,985</b>
<b>Cash flows from investing activities</b>			
Purchases of non-financial physical assets		(19,339,325)	(10,716,185)
Sales of non-financial physical assets		1,648,975	884,591
<b>Net cash flows from / (used in) investing activities</b>		<b>(17,690,350)</b>	<b>(9,831,594)</b>
<b>Cash flows from financing activities</b>			
Owner contributions by state government		1,894,169	-
Repayment of finance leases		(2,642,533)	(1,906,661)
<b>Net cash flows from / (used in) financing activities</b>		<b>(748,364)</b>	<b>(1,906,661)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>445,780</b>	<b>1,227,730</b>
Cash and cash equivalents at beginning of financial year		(527,411)	(1,755,141)
<b>Cash and cash equivalents at end of financial year</b>	16(a)	<b>(81,631)</b>	<b>(527,411)</b>

The above cash flow statement should be read in conjunction with the accompanying notes included on pages 49 to 99.

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Contents

<b>Note</b>	<b>Description</b>	<b>Page</b>
1	Summary of significant accounting policies	50
2	Parliamentary (controlled) outputs	63
3	Administered (non-controlled) items	68
4	Income from transactions	69
5	Expenses from transactions	69
6	Other economic flows included in net result	71
7	Receivables	72
8	Property, plant and equipment	73
9	Payables	79
10	Provisions	80
11	Superannuation	81
12	Leases	82
13	Commitments for expenditure	83
14	Contingent assets and contingent liabilities	83
15	Financial instruments	84
16	Cash flow information	90
17	Summary of compliance with annual Parliamentary and special appropriations	92
18	Ex-gratia payments	93
19	Trust account balances	94
20	Responsible persons	95
21	Remuneration of executives	96
22	Remuneration of auditors	96
23	Subsequent events	96
24	Glossary of terms	97

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Note 1 - Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for the Parliament of Victoria for the year ended 30 June 2015.

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

#### (a) Statement of compliance

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

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

The annual financial statements were authorised for issue by the President of the Legislative Council and the Speaker of the Legislative Assembly on 25 August 2015.

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

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

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

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

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

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

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

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

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

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

The Parliament uses the following independent valuers:

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

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

#### (c) Reporting entity

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

Parliament of Victoria  
Parliament House  
Spring Street  
Melbourne 3002  
Victoria

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

#### **Objectives and funding**

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

The Parliament of Victoria is predominantly funded by accrual based Parliamentary appropriations for the provision of outputs that are further described in Note 2 *Parliament (controlled) outputs*.

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

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

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

#### (d) Basis of consolidation

##### **Administered items**

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

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

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

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

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

##### **Comprehensive operating statement**

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

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

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

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

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

##### **Balance sheet**

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

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

##### **Statement of changes in equity**

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

##### **Cash flow statement**

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

##### **Rounding**

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

#### (f) Income from transactions

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

#### ***Appropriation income***

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

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

#### ***Output appropriations***

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

#### ***Special appropriations***

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

- 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***

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

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

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

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

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

#### (g) Expenses from transactions

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

##### **Employee expenses**

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

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

##### **Superannuation**

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

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

##### **Depreciation**

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

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

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

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

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

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

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

##### **Capital asset charge**

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

##### **Interest expense**

Interest expense represents costs incurred in connection with borrowings. It includes interest on interest components of finance lease repayments.

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

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

#### ***Communications, postage & printing***

These expenses include all costs related to phones, printing, postage and copying.

#### ***Contractors & temporary staff***

These expenses include all costs related to contract and temporary staff.

#### ***Property rental cost***

Property rental costs include rent of Electorate Offices, our central administrative office and outgoings.

#### ***Supplies & services***

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

#### ***Bad and doubtful debts***

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

#### ***Reclassification of expense categories***

Effective 1 July 2014, the Parliament has chosen to reclassify certain expense categories in its comprehensive operating statement. 'Supplies & services' was formerly called 'Other operating expenses'. 'Computer software, support & equipment rental' and 'Contractors & temporary staff' were previously classified under 'Other operating expenses' and are now disclosed separately in the comprehensive operating statement.

Prior period information has been reclassified to conform to the current year presentation.

### **(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:

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

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

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

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

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

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

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

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

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

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

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

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

#### **(i) Financial instruments**

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

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

The following refers to financial instruments unless otherwise stated.

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

##### Receivables

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.

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

##### Financial liabilities at amortised cost

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

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

#### **(j) Financial assets**

##### **Cash and deposits**

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

#### **Receivables**

Receivables consist of:

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

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

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

#### **Impairment of financial assets**

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

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

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

#### **(k) Non-financial assets**

##### **Inventories**

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

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

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

This condition is regarded as met only when:

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

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

##### **Property, plant and equipment**

All non-financial physical assets excluding held-for-sale are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

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

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

#### Leasehold improvements

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

#### Restrictive nature of cultural and heritage assets and Crown land

The Parliament holds cultural assets, heritage assets, 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. Refer to the commentary following table 8.3 for information relating to the valuation of cultural & heritage assets and crown land.

#### Non-financial physical assets constructed by the Parliament

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

#### Revaluations of non-financial physical assets

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

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

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

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

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

#### **Prepayments**

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

#### **(l) Liabilities**

##### **Payables**

Payables consist of:

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

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

##### **Borrowings - finance leases payable**

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

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

##### **Provisions**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting 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 a discount rate that reflects the time value of money and risks specific to the provision.

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

##### **Employee benefits**

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

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

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

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

#### **(ii) Long service leave**

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

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

The components of this current LSL liability are measured at:

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

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

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

#### **(iii) Termination benefits**

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

#### **Employee benefit on-costs**

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

#### **(m) Leases**

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

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

#### **Finance leases**

##### Parliament of Victoria as lessee

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

#### **Operating leases**

##### Parliament of Victoria as lessee

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

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

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

#### **(n) Equity**

##### **Contributions by owners**

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

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

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

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

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

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

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

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

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

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

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

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

Certain new AASs have been published that are not mandatory for the 30 June 2015 reporting period. The Parliament assesses the impact of these new standards and early adopts where applicable. Parliament of Victoria has not adopted these standards early.

# PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2015

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

A description of the Parliament of Victoria outputs performed during the year ended 30 June 2015, and the objectives of these outputs, are summarised below.

### **Legislative Council outputs**

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

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

#### ***Objectives***

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

### **Legislative Assembly outputs**

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

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

#### ***Objectives***

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

### **Department of Parliamentary Services**

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

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

#### ***Objectives***

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

### **Parliamentary Investigatory Committees**

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

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

#### ***Objectives***

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

# PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2015

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

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
<b>Income from transactions</b>					
Output appropriations	3,251,549	4,633,761	86,546,404	7,012,757	101,444,471
Special appropriations	9,292,416	18,912,729	-	-	28,205,145
Grants	-	-	30,903	-	30,903
Fair value of assets and services received free of charge	-	-	3,406	-	3,406
Parliament refreshment rooms & gift shop	-	-	1,448,990	-	1,448,990
<b>Total income from transactions</b>	<b>12,543,965</b>	<b>23,546,490</b>	<b>88,029,703</b>	<b>7,012,757</b>	<b>131,132,915</b>
<b>Expenses from transactions</b>					
Employee expenses	(11,718,153)	(20,928,475)	(37,975,798)	(3,709,383)	(74,331,809)
Depreciation	-	-	(13,838,568)	-	(13,838,568)
Computer software, support & equipment rental	(7,708)	(18,421)	(3,398,980)	(165,146)	(3,590,255)
Capital asset charge	-	-	(2,218,106)	-	(2,218,106)
Interest expense	(15,009)	(33,021)	(2,428)	-	(50,458)
Parliament refreshment rooms & gift shop	-	-	(1,865,530)	-	(1,865,530)
Communications, postage and printing	(42,524)	(80,581)	(8,121,955)	(94,681)	(8,339,741)
Contractors & temporary staff	(9,774)	(9,386)	(4,099,381)	-	(4,118,541)
Property rental cost	(56,743)	-	(7,485,244)	(581,036)	(8,123,023)
Supplies & services	(542,054)	(1,116,606)	(9,159,013)	(318,511)	(11,136,184)
<b>Total expenses from transactions</b>	<b>(12,391,965)</b>	<b>(22,186,490)</b>	<b>(88,165,003)</b>	<b>(4,868,757)</b>	<b>(127,612,215)</b>
<b>Net result from transactions (net operating balance)</b>	<b>152,000</b>	<b>1,360,000</b>	<b>(135,300)</b>	<b>2,144,000</b>	<b>3,520,700</b>
<b>Other economic flows included in net result</b>					
Net gain / (loss) on non-financial physical assets	-	-	255,760	-	255,760
Other gains / (losses) from other economic flows	(3,765)	(2,353)	(63,827)	(7,813)	(77,758)
<b>Total other economic flows included in net result</b>	<b>(3,765)</b>	<b>(2,353)</b>	<b>191,933</b>	<b>(7,813)</b>	<b>178,002</b>
<b>Net result</b>	<b>148,235</b>	<b>1,357,647</b>	<b>56,633</b>	<b>2,136,187</b>	<b>3,698,702</b>
<b>Comprehensive result</b>	<b>148,235</b>	<b>1,357,647</b>	<b>56,633</b>	<b>2,136,187</b>	<b>3,698,702</b>

The comparative Parliament outputs schedule for the year ended 30 June 2014 appears on the following page.

# PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2015

## Note 2 - Parliament (controlled) outputs (continued) Schedule B - Controlled income and expenses for the year ended 30 June 2014

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
<b>Income from transactions</b>					
Output appropriations	3,075,534	4,519,121	82,283,742	7,039,548	96,917,945
Special appropriations	10,922,370	23,021,221	-	-	33,943,591
Grants	-	-	205,525	-	205,525
Fair value of assets and services received free of charge	-	-	98,211	-	98,211
Parliament refreshment rooms & gift shop	-	-	1,704,364	-	1,704,364
<b>Total income from transactions</b>	<b>13,997,904</b>	<b>27,540,342</b>	<b>84,291,842</b>	<b>7,039,548</b>	<b>132,869,636</b>
<b>Expenses from transactions</b>					
Employee expenses	(12,810,456)	(24,837,196)	(36,587,708)	(4,274,525)	(78,509,885)
Depreciation	-	-	(13,369,889)	-	(13,369,889)
Computer software, support & equipment rental	(10,484)	(22,616)	(3,626,337)	(148,971)	(3,808,408)
Capital asset charge	-	-	(2,218,106)	-	(2,218,106)
Interest expense	(36,085)	(79,387)	(6,495)	-	(121,967)
Parliament refreshment rooms & gift shop	-	-	(1,996,725)	-	(1,996,725)
Communications, postage and printing	(36,622)	(71,193)	(8,137,437)	(159,692)	(8,404,944)
Contractors & temporary staff	(18,943)	(76,887)	(2,914,375)	(102,888)	(3,113,093)
Property rental cost	(44,863)	-	(7,280,857)	(560,212)	(7,885,932)
Supplies & services	(560,746)	(1,358,425)	(8,229,379)	(980,559)	(11,129,109)
<b>Total expenses from transactions</b>	<b>(13,518,199)</b>	<b>(26,445,704)</b>	<b>(84,367,308)</b>	<b>(6,226,847)</b>	<b>(130,558,058)</b>
<b>Net result from transactions (net operating balance)</b>	<b>479,705</b>	<b>1,094,638</b>	<b>(75,466)</b>	<b>812,701</b>	<b>2,311,578</b>
<b>Other economic flows included in net result</b>					
Net gain / (loss) on non-financial physical assets	-	-	218,736	-	218,736
Other gains / (losses) from other economic flows	(168)	(72)	(4,311)	(952)	(5,503)
<b>Total other economic flows included in net result</b>	<b>(168)</b>	<b>(72)</b>	<b>214,425</b>	<b>(952)</b>	<b>213,233</b>
<b>Net result</b>	<b>479,537</b>	<b>1,094,566</b>	<b>138,959</b>	<b>811,749</b>	<b>2,524,811</b>
<b>Comprehensive result</b>	<b>479,537</b>	<b>1,094,566</b>	<b>138,959</b>	<b>811,749</b>	<b>2,524,811</b>

# PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2015

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

### Schedule C - Controlled assets and liabilities as at 30 June 2015

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

The comparative Parliament outputs schedule for the year ended 30 June 2014 appears on the following page.

**PARLIAMENT OF VICTORIA**

Notes to the financial statements

30 June 2015

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

**Schedule D - Controlled assets and liabilities as at 30 June 2014**

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
<b>Assets</b>					
Financial assets	1,125,627	1,290,341	51,251,860	1,862,308	55,530,136
Non-financial assets	-	-	447,863,022	5,787	447,868,809
<b>Total assets</b>	<b>1,125,627</b>	<b>1,290,341</b>	<b>499,114,882</b>	<b>1,868,095</b>	<b>503,398,945</b>
<b>Liabilities</b>					
	(1,348,408)	(1,427,846)	(14,218,490)	(1,183,398)	(18,178,142)
<b>Total liabilities</b>	<b>(1,348,408)</b>	<b>(1,427,846)</b>	<b>(14,218,490)</b>	<b>(1,183,398)</b>	<b>(18,178,142)</b>
<b>Net assets / (liabilities)</b>	<b>(222,781)</b>	<b>(137,505)</b>	<b>484,896,392</b>	<b>684,697</b>	<b>485,220,803</b>

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Note 3 - Administered (non-controlled) items

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

	Department of Parliamentary Services		Parliament Total	
	2015 \$	2014 \$	2015 \$	2014 \$
<b>Administered income from transactions</b>				
Sale of goods and services	135,908	24,241	135,908	24,241
Receipts towards Public Service Commuter Club	76,674	90,539	76,674	90,539
<b>Total administered income from transactions</b>	<b>212,582</b>	<b>114,780</b>	<b>212,582</b>	<b>114,780</b>
<b>Administered expenses from transactions</b>				
Payments towards Public Service Commuter Club	(63,049)	(90,931)	(63,049)	(90,931)
Payments into the Consolidated Fund	(135,908)	(24,241)	(135,908)	(24,241)
<b>Total administered expenses from transactions</b>	<b>(198,957)</b>	<b>(115,172)</b>	<b>(198,957)</b>	<b>(115,172)</b>
<b>Total administered net result from transactions (net operating balance)</b>	<b>13,625</b>	<b>(392)</b>	<b>13,625</b>	<b>(392)</b>
<b>Administered other economic flows included in the administered net result</b>	-	-	-	-
<b>Administered net result</b>	<b>13,625</b>	<b>(392)</b>	<b>13,625</b>	<b>(392)</b>
<b>Administered other economic flows - other non- owner changes in equity</b>		-	-	-
<b>Total administered comprehensive result</b>	<b>13,625</b>	<b>(392)</b>	<b>13,625</b>	<b>(392)</b>
<b>Administered financial assets</b>				
Receivables	32,514	46,139	32,514	46,139
<b>Total administered assets</b>	<b>32,514</b>	<b>46,139</b>	<b>32,514</b>	<b>46,139</b>
<b>Administered liabilities</b>				
Payables	(32,514)	(46,139)	(32,514)	(46,139)
<b>Total administered liabilities</b>	<b>(32,514)</b>	<b>(46,139)</b>	<b>(32,514)</b>	<b>(46,139)</b>
<b>Total administered net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

	2015	2014
	\$	\$
<b>Note 4 - Income from transactions</b>		
<b>(a) Grants</b>		
Department of Education & Early Childhood Development	30,903	27,816
Department of Premier & Cabinet	-	177,709
	<b>30,903</b>	<b>205,525</b>
<b>(b) Fair value of assets and services received free of charge</b>		
Services received free of charge	3,406	98,211
	<b>3,406</b>	<b>98,211</b>

## Note 5 - Expenses from transactions

<b>(a) Employee expenses</b>		
Salaries and wages <sup>(a)</sup>	60,476,299	57,915,819
Annual leave and long service leave expense	3,923,281	4,133,544
Superannuation contribution	5,452,228	11,824,397
State Employees Retirement Benefits Scheme - contribution	25,009	24,172
Work cover premiums	230,930	380,284
Payroll tax	3,441,898	3,292,013
Fringe benefits tax	782,164	939,656
<b>Total employee expenses</b>	<b>74,331,809</b>	<b>78,509,885</b>

*(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.*

## (b) Depreciation

### (i) Depreciation of non-current assets:

- Buildings at fair value	9,941,460	9,696,174
- Plant, equipment & vehicles at fair value	3,434,900	3,244,976
- Leasehold improvements at fair value	462,208	428,739
<b>Total depreciation</b>	<b>13,838,568</b>	<b>13,369,889</b>

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

2015  
\$

2014  
\$

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

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

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

Cost of goods sold	504,785	604,145
Salaries and wages	1,248,346	1,307,387
Other expenditure	112,399	85,193
	<b>1,865,530</b>	<b>1,996,725</b>

#### (d) Supplies & services

Acts, bills and statutory rules	158,968	246,984
Advertising	1,716,290	1,293,149
Cleaning expenses	941,002	911,764
Consulting services	488,831	512,897
Electorate office expenses	819,747	1,216,099
Garden expenses	130,318	110,354
Insurance	346,153	366,402
Maintenance contractors & consumables	559,726	559,167
Security	605,346	643,677
Minor equipment purchase and repair	477,460	319,972
Motor vehicle running costs	575,167	644,492
Office expenses	477,883	539,201
Office requisites and stationery	494,019	482,732
Other expenses	956,038	1,064,232
Relocations and maintenance	1,212,147	352,449
Travel and subsistence	309,811	891,247
Utilities	867,278	974,291
	<b>11,136,184</b>	<b>11,129,109</b>

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

	2015 \$	2014 \$
<b>Note 6 - Other economic flows included in net result</b>		
<b>(a) Net gain / (loss) on non-financial physical assets</b>		
Proceeds from sale	1,648,975	884,591
Written down value of assets sold	(1,393,215)	(665,855)
<b>Total net gain / (loss) on non-financial physical assets</b>	<b>255,760</b>	<b>218,736</b>
<b>(b) Other gains / (losses) from other economic flows</b>		
Net gain / (loss) arising from revaluation of long service leave liability <sup>(a)</sup>	(77,758)	(5,503)
<b>Total other gains / (losses) from other economic flows</b>	<b>(77,758)</b>	<b>(5,503)</b>

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

	2015 \$	2014 \$
<b>Note 7 - Receivables</b>		
<b>Current receivables</b>		
<b>Contractual</b>		
Debtors - Parliament refreshment rooms	76,683	109,330
Other receivables	498	1,145
	<u>77,181</u>	<u>110,475</u>
<b>Statutory</b>		
Amount owing from Victorian Government <sup>(a)</sup>	6,899,543	7,519,683
GST input tax credit recoverable	1,022,627	803,579
	<u>7,922,170</u>	<u>8,323,262</u>
<b>Total current receivables</b>	<u><b>7,999,351</b></u>	<u><b>8,433,737</b></u>
<b>Non current receivables</b>		
<b>Statutory</b>		
Amount owing from Victorian Government <sup>(a)</sup>	44,830,039	46,993,264
<b>Total non current receivables</b>	<u><b>44,830,039</b></u>	<u><b>46,993,264</b></u>
<b>Total receivables</b>	<u><b>52,829,390</b></u>	<u><b>55,427,001</b></u>

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

### (a) Ageing analysis of contractual receivables

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

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Note 8 - Property, plant and equipment

Table 8.1: Public Administration purpose group - carrying amounts

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

As at 30 June 2014	Gross carrying amount	Accumulated depreciation	Net carrying amount
<b>Description</b>			
Land at fair value	60,000,000	-	60,000,000
Buildings at fair value	381,032,923	19,269,580	361,763,343
Plant, equipment & vehicles at fair value	19,507,717	10,142,791	9,364,926
Cultural assets at fair value	11,969,865	-	11,969,865
Leasehold improvements	4,479,733	2,558,547	1,921,186
Assets under construction at cost	760,177	-	760,177
<b>Total</b>	<b>477,750,415</b>	<b>31,970,918</b>	<b>445,779,497</b>

#### Valuation of assets

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

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

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

The effective date of the valuations is June 2012.

**PARLIAMENT OF VICTORIA**  
Notes to the financial statements  
30 June 2015

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

	Land at fair value	Buildings at fair value	Plant, equipment & vehicles at fair value	Cultural assets at fair value	Leasehold improvements	Assets under construction at cost	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2015</b>							
<b>Opening balance</b>	60,000,000	361,763,343	9,364,926	11,969,865	1,921,186	760,177	445,779,497
Additions	-	-	2,445,089	-	-	19,247,537	21,692,626
Assets received free of charge	-	-	-	-	-	-	-
Disposals / retirements	-	-	(1,210,704)	-	-	-	(1,210,704)
Transfer in / (out) of assets under construction	-	15,558,957	2,929,255	-	136,073	(18,624,285)	-
Transfer to disposal group held for sale	-	-	(84,758)	-	-	-	(84,758)
Depreciation expense (Note 5(b))	-	(9,941,460)	(3,434,899)	-	(462,209)	-	(13,838,568)
<b>Closing balance</b>	<b>60,000,000</b>	<b>367,380,840</b>	<b>10,008,909</b>	<b>11,969,865</b>	<b>1,595,050</b>	<b>1,383,429</b>	<b>452,338,093</b>
<b>Year ended 30 June 2014</b>							
<b>Opening balance</b>	60,000,000	363,546,565	9,618,193	11,969,865	2,053,196	63,854	447,251,673
Additions	-	-	1,988,480	-	-	10,716,187	12,704,667
Assets received free of charge	-	-	-	-	-	-	-
Disposals / retirements	-	-	(624,443)	-	-	-	(624,443)
Transfer in / (out) of assets under construction	-	7,912,952	1,810,183	-	296,729	(10,019,864)	-
Transfer to disposal group held for sale	-	-	(182,511)	-	-	-	(182,511)
Depreciation expense (Note 5(b))	-	(9,696,174)	(3,244,976)	-	(428,739)	-	(13,369,889)
<b>Closing balance</b>	<b>60,000,000</b>	<b>361,763,343</b>	<b>9,364,926</b>	<b>11,969,865</b>	<b>1,921,186</b>	<b>760,177</b>	<b>445,779,497</b>

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

	Depreciation Rate %	Restricted assets
Buildings at fair value	2013-14	The Parliament of Victoria holds \$379 million worth of properties being listed as heritage assets.
Plant, equipment & vehicles at fair value	1.72 to 10	
Leasehold improvements	5 to 50	
	10	

**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.

# PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2015

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

Table 8.3: Fair value measurement hierarchy for assets

As at 30 June 2015 Description	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(a)</sup>	Level 2 <sup>(a)</sup>	Level 3 <sup>(a)</sup>
Land at fair value - specialised land	60,000,000	-	-	60,000,000
Buildings at fair value - heritage buildings	367,380,840	-	-	367,380,840
Plant & equipment at fair value	7,058,859	-	-	7,058,859
<b>Cultural assets at fair value</b>				
Library collection	8,033,006	-	8,033,006	-
Other	3,936,859	-	3,936,859	-
<b>Total cultural assets at fair value</b>	<b>11,969,865</b>	<b>-</b>	<b>11,969,865</b>	<b>-</b>
<b>Total</b>	<b>446,409,564</b>	<b>-</b>	<b>11,969,865</b>	<b>434,439,699</b>
<hr/>				
As at 30 June 2014 Description	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(a)</sup>	Level 2 <sup>(a)</sup>	Level 3 <sup>(a)</sup>
Land at fair value - specialised land	60,000,000	-	-	60,000,000
Buildings at fair value - heritage buildings	361,763,343	-	-	361,763,343
Plant & equipment at fair value	6,231,101	-	-	6,231,101
<b>Cultural assets at fair value</b>				
Library collection	8,033,006	-	8,033,006	-
Other	3,936,859	-	3,936,859	-
<b>Total cultural assets at fair value</b>	<b>11,969,865</b>	<b>-</b>	<b>11,969,865</b>	<b>-</b>
<b>Total</b>	<b>439,964,309</b>	<b>-</b>	<b>11,969,865</b>	<b>427,994,444</b>

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

There have been no transfers between levels during the period.

## PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2015

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

#### ***Specialised land & heritage buildings***

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

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

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

An independent valuation of the Parliament's specialised land and heritage buildings was performed by the Valuer-General Victoria for the financial period ending at 30 June 2012.

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

Plant & equipment is held at fair value and valued using the depreciated replacement cost method.

#### ***Cultural assets at fair value***

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

For the library collection, valuation of the assets is performed by Sainsbury Books and was determined by researching and checking the prices paid for similar books sold both in Australia and overseas. The last revaluation was performed for the library collection for the financial period ended at 30 June 2012.

For other cultural assets (including heritage furniture, heritage items & artworks), valuation of the assets is performed by Armstrong Court and was determined by a comparison to similar examples of the artists or makers work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years. The last revaluation was performed for heritage items and artwork for the financial period ending at 30 June 2012.

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

There were no changes in valuation techniques throughout the period to 30 June 2015

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

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

<b>Year ended 30 June 2015</b>	<b><i>Specialised land</i></b>	<b><i>Heritage buildings</i></b>	<b><i>Plant &amp; equipment</i></b>
<b>Opening balance</b>	<b>60,000,000</b>	<b>361,763,343</b>	<b>6,231,101</b>
Purchases (sales)	-	-	91,788
Transfer in / (out) of assets under construction	-	15,558,957	2,929,255
Transfers in (out) of Level 3	-	-	-
<b>Gains or losses recognised in net result</b>			
Depreciation	-	(9,941,460)	(2,193,285)
Impairment loss	-	-	-
<b>Subtotal</b>	<b>60,000,000</b>	<b>367,380,840</b>	<b>7,058,859</b>
<b>Gains or losses recognised in other economic flows - other comprehensive income</b>			
Revaluation	-	-	-
<b>Closing balance</b>	<b>60,000,000</b>	<b>367,380,840</b>	<b>7,058,859</b>
Unrealised gains/ (losses) on non-financial assets	-	-	-
<b>Year ended 30 June 2014</b>	<b><i>Specialised land</i></b>	<b><i>Heritage buildings</i></b>	<b><i>Plant &amp; equipment</i></b>
<b>Opening balance</b>	<b>60,000,000</b>	<b>363,546,565</b>	<b>6,430,968</b>
Purchases (sales)	-	-	-
Transfer in / (out) of assets under construction	-	7,912,952	1,810,184
Transfers in (out) of Level 3	-	-	-
<b>Gains or losses recognised in net result</b>			
Depreciation	-	(9,696,174)	(2,010,051)
Impairment loss	-	-	-
<b>Subtotal</b>	<b>60,000,000</b>	<b>361,763,343</b>	<b>6,231,101</b>
<b>Gains or losses recognised in other economic flows - other comprehensive income</b>			
Revaluation	-	-	-
<b>Closing balance</b>	<b>60,000,000</b>	<b>361,763,343</b>	<b>6,231,101</b>
Unrealised gains/ (losses) on non-financial assets	-	-	-

**PARLIAMENT OF VICTORIA**

Notes to the financial statements

30 June 2015

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

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

	<i>Valuation technique</i>	<i>Significant unobservable</i>	<i>Range (weighted average) 2015</i>	<i>2014</i>	<i>Sensitivity of fair value measurement to changes in significant unobservable inputs</i>
<b>Specialised land</b>	Market approach	Community Service Obligation (CSO) adjustment	30% (30%)	30% (30%)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
<b>Heritage buildings</b>	Depreciated replacement cost	Direct cost per square metre	\$26,000/m <sup>2</sup>	\$26,000/m <sup>2</sup>	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of heritage buildings	28 to 58 years (43 years)	28 to 58 years (43 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
<b>Plant &amp; equipment</b>	Depreciated replacement cost	Useful life of plant & equipment	2 to 15 years (9 years)	2 to 15 years (9 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

	2015	2014
	\$	\$
<b>Note 9 - Payables</b>		
<b>Current Payables</b>		
<b><i>Contractual</i></b>		
Supplies and services	2,710,344	2,621,462
Other payables	389,992	268,218
	<u>3,100,336</u>	<u>2,889,680</u>
<b><i>Statutory</i></b>		
Fringe Benefits Tax	202,424	229,955
Payroll tax	326,484	349,699
	<u>528,908</u>	<u>579,654</u>
<b>Total current payables</b>	<u><u>3,629,244</u></u>	<u><u>3,469,334</u></u>
<b>Total payables</b>	<u><u>3,629,244</u></u>	<u><u>3,469,334</u></u>

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

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

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

	2015 \$	2014 \$
<b>Note 10 - Provisions</b>		
<b>(a) Employee benefits and related on-costs</b>		
<b>Current provisions</b>		
Employee benefits - annual leave:		
Unconditional and expected to be settled within 12 months <sup>(a)</sup>	2,268,347	2,433,877
Unconditional and expected to be settled after 12 months <sup>(a)</sup>	1,262,824	1,342,505
On-costs	564,988	604,221
	<b>4,096,159</b>	4,380,603
Employee benefits - long service leave:		
Unconditional and expected to be settled within 12 months <sup>(a)</sup>	2,558,420	2,186,504
Unconditional and expected to be settled after 12 months <sup>(a)</sup>	1,823,117	2,480,657
On-costs	701,046	746,746
	<b>5,082,583</b>	5,413,907
<b>Total current provisions</b>	<b>9,178,742</b>	9,794,510
<b>Non-current provisions</b>		
Employee benefits - long service leave <sup>(a)</sup>	815,420	797,952
On-costs	130,467	127,672
<b>Total non-current provisions</b>	<b>945,887</b>	925,624
<b>Total provisions</b>	<b>10,124,629</b>	10,720,134

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

### (b) Movement in provisions

	2015			
	Annual leave	Long service leave	On-costs	Total
<b>Opening balance</b>	3,776,382	5,465,112	1,478,640	<b>10,720,134</b>
Additional provisions recognised	2,785,483	718,883	560,698	<b>4,065,064</b>
Reduction arising from payments / other sacrifices of future economic benefits	(3,030,695)	(1,065,289)	(642,837)	<b>(4,738,821)</b>
Unwind of discount and effect of changes in the discount rate	-	78,252	-	<b>78,252</b>
<b>Closing balance</b>	<b>3,531,170</b>	<b>5,196,958</b>	<b>1,396,501</b>	<b>10,124,629</b>
Current	3,531,170	4,381,537	1,266,034	<b>9,178,741</b>
Non-current		815,421	130,467	<b>945,888</b>
	<b>3,531,170</b>	<b>5,196,958</b>	<b>1,396,501</b>	<b>10,124,629</b>

### (c) Employee numbers

	2015	2014
Average number of employees during the financial year	<b>767</b>	777

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Note 11 - Superannuation

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

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Parliament.

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

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Defined benefit plans:</b>				
- Parliamentary Contributory Super Scheme	-	6,975,000	-	-
- Emergency Services and State Super Scheme: ~ Emp New & Revised	<b>212,328</b>	232,806	-	-
<b>Defined contribution plans:</b>				
- VicSuper	<b>3,428,896</b>	3,100,282	-	-
- Other	<b>1,811,004</b>	1,516,309	-	-
<b>Total</b>	<b>5,452,228</b>	11,824,397	-	-

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.

## PARLIAMENT OF VICTORIA

### Notes to the financial statements

30 June 2015

#### Note 12 - Leases

##### Finance leases payables

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

	Minimum future lease payments <sup>(a)</sup>		Present value of minimum future lease payments	
	2015	2014	2015	2014
Not longer than 1 year	<b>1,735,133</b>	2,117,468	<b>1,636,510</b>	2,010,228
Longer than 1 year and not longer than 5 years	<b>1,457,889</b>	1,371,672	<b>1,416,481</b>	1,331,995
<b>Minimum future lease payments<sup>(a)</sup></b>	<b>3,193,022</b>	3,489,140	<b>3,052,991</b>	3,342,223
Less future finance charges	<b>(140,031)</b>	(146,917)	-	-
<b>Present value of minimum lease payments</b>	<b>3,052,991</b>	3,342,223	<b>3,052,991</b>	3,342,223
<b>Included in the financial statements as:</b>				
Borrowings			<b>3,052,991</b>	3,342,223

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

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

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

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

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

	2015 \$	2014 \$
<b>Note 13 - Commitments for expenditure</b>		
The following commitments have not been recognised as liabilities in the financial statements: <sup>(a)</sup>		
<b>Capital expenditure commitments</b>		
- Not longer than one year	2,566,118	6,313,823
- Longer than one year and not longer than five years	-	594,000
<b>Total capital expenditure commitments</b>	<b>2,566,118</b>	<b>6,907,823</b>
<b>Operating and lease commitments <sup>(b)</sup></b>		
- Not longer than one year	5,795,233	6,679,842
- Longer than one year and not longer than five years	7,502,448	7,327,351
- Longer than five years	529,128	131,515
<b>Total operating lease commitments</b>	<b>13,826,809</b>	<b>14,138,708</b>
<b>Other commitments payable</b>		
- Not longer than one year	622,200	624,306
- Longer than one year and not longer than five years	74,553	229,574
<b>Total other commitments payable</b>	<b>696,753</b>	<b>853,880</b>
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>17,089,680</b>	<b>21,900,411</b>
<b>Less GST recoverable from the Australian Taxation Office</b>	<b>(1,489,635)</b>	<b>(1,741,190)</b>
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>15,600,045</b>	<b>20,159,221</b>

(a) For future finance lease and non-cancellable operating lease payments that are recognised on the balance sheet, refer to Note 12 Leases.

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

## Note 14 - Contingent assets and liabilities

### Contingent assets

The Parliament has no contingent assets at the reporting date (2014- Nil).

### 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.

-	1,131,808
<b>-</b>	<b>1,131,808</b>

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Note 15 - 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 15.1 below:

**Table 15.1: Categorisation of financial instruments**

		2015	2014
Category		\$	\$
<b>Contractual financial assets</b>			
Cash and deposits	Receivables	45,783	103,135
Receivables <sup>(a)</sup>	Receivables	77,181	110,475
<b>Total financial assets</b>		<b>122,964</b>	<b>213,610</b>
<b>Contractual financial liabilities</b>			
Payables <sup>(b)</sup>	Liabilities at amortised cost	3,100,336	2,889,680
Bank overdraft	Liabilities at amortised cost	127,414	630,546
Finance lease payables	Liabilities at amortised cost	3,052,991	3,342,223
<b>Total financial liabilities</b>		<b>6,280,741</b>	<b>6,862,449</b>

(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).

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Note 15 - Financial instruments (continued)

#### (b) Credit risk

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

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

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

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

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

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

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

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

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

# PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2015

## Note 15 - Financial instruments (continued)

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

	Carrying amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Less than 1 Month	1 - 3 months	3 months - 1 year	1-5 years	
<b>2015</b>							
<b>Receivables:</b>							
Debtors - Parliament refreshment rooms & gift shop	76,683	60,935	11,411	3,355	982	-	-
Other receivables	498	498	-	-	-	-	-
<b>Total</b>	<b>77,181</b>	<b>61,433</b>	<b>11,411</b>	<b>3,355</b>	<b>982</b>	-	-
<b>2014</b>							
<b>Receivables:</b>							
Debtors - Parliament refreshment rooms & gift shop	109,330	71,978	19,876	17,162	120	194	-
Other receivables	1,145	1,145	-	-	-	-	-
<b>Total</b>	<b>110,475</b>	<b>73,123</b>	<b>19,876</b>	<b>17,162</b>	<b>120</b>	<b>194</b>	-

(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.

# PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2015

## Note 15 - Financial instruments (continued)

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

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

	Carrying amount	Nominal amount	Maturity dates <sup>(a)</sup>			
			Less than 1 Month	1 - 3 months	3 months - 1 year	1-5 years
<b>2015</b>						
<b>Payables:</b>						
Contractual payables	3,100,336	3,100,336	3,100,336	-	-	-
<b>Bank overdraft:</b>						
Unpresented cheques	127,414	127,414	127,414	-	-	-
<b>Borrowings:</b>						
Finance lease liabilities	3,052,991	3,193,022	325,555	231,895	1,177,683	1,457,889
<b>Total</b>	<b>6,280,741</b>	<b>6,420,772</b>	<b>3,553,305</b>	<b>231,895</b>	<b>1,177,683</b>	<b>1,457,889</b>
<b>2014</b>						
<b>Payables:</b>						
Contractual payables	2,889,680	2,889,680	2,889,680	-	-	-
<b>Bank overdraft:</b>						
Unpresented cheques	630,546	630,546	630,546	-	-	-
<b>Borrowings:</b>						
Finance lease liabilities	3,342,223	3,489,140	535,738	231,571	1,350,158	1,371,673
<b>Total</b>	<b>6,862,449</b>	<b>7,009,366</b>	<b>4,055,964</b>	<b>231,571</b>	<b>1,350,158</b>	<b>1,371,673</b>

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Note 15 - Financial instruments (continued)

#### (d) Market risk

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

##### *Foreign currency risk*

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

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

##### *Interest rate risk*

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

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

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

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

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

##### *Sensitivity disclosure analysis*

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

#### (e) Fair value

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

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

# PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2015

## Note 15 - Financial instruments (continued)

Table 15.4: Interest rate exposure of financial instruments

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non interest bearing
<b>2015</b>					
<b>Cash and deposits:</b>					
Bank deposits	2.00	45,783	42,333	-	3,450
<b>Receivables:</b>					
Debtors - Parliament refreshment rooms	-	76,683	-	-	76,683
Other receivables	-	498	-	-	498
<b>Total financial assets</b>		<b>122,964</b>	<b>42,333</b>	<b>-</b>	<b>80,631</b>
<b>Payables:</b>					
Contractual payables at amortised cost	-	3,100,336	-	-	3,100,336
<b>Borrowings:</b>					
Bank overdraft	-	127,414	-	-	127,414
Finance lease liabilities	4.81	3,052,991	3,052,991	-	-
<b>Total financial liabilities</b>		<b>6,280,741</b>	<b>3,052,991</b>	<b>-</b>	<b>3,227,750</b>
<b>2014</b>					
<b>Cash and deposits:</b>					
Bank deposits	2.50	103,135	99,485	-	3,650
<b>Receivables:</b>					
Debtors - Parliament refreshment rooms	-	109,330	-	-	109,330
Other receivables	-	1,145	-	-	1,145
<b>Total financial assets</b>		<b>213,610</b>	<b>99,485</b>	<b>-</b>	<b>114,125</b>
<b>Payables:</b>					
Contractual payables at amortised cost	-	2,889,680	-	-	2,889,680
<b>Borrowings:</b>					
Bank overdraft	-	630,546	-	-	630,546
Finance lease liabilities	5.49	3,342,223	3,342,223	-	-
<b>Total financial liabilities</b>		<b>6,862,449</b>	<b>3,342,223</b>	<b>-</b>	<b>3,520,226</b>

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

2015  
\$

2014  
\$

### Note 16 - 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:

Cash on hand <sup>(a)</sup>	- Parliament of Victoria	1,950	2,150
	- Parliament refreshment rooms	1,500	1,500
Bank balance	- Parliament refreshment rooms	42,333	99,485
		<hr/>	
		45,783	103,135
Unpresented cheques		(127,414)	(630,546)
<b>Balance as per cash flow statement</b>		<hr/> <hr/>	<hr/> <hr/>
		<b>(81,631)</b>	<b>(527,411)</b>

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

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

At 30 June 2015, cash at bank included the amount of a notional shortfall for the payment of unpresented cheques of \$127,414 (2014 - \$630,546). Unpresented cheques are represented as 'Bank overdraft' in the Parliament's balance sheet.

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

	2015	2014
	\$	\$
<b>Note 16 - Cash flow information (continued)</b>		
<b>(b) Reconciliation of net result for the period</b>		
<b>Net result for the period</b>	<b>3,698,702</b>	2,524,811
<b>Non-cash movements:</b>		
(Gain) / loss on sale or disposal of non-current assets	<b>(255,760)</b>	(218,736)
Depreciation of non-current assets	<b>13,838,568</b>	13,369,889
<b>Movements in assets and liabilities:</b>		
(Increase) / decrease in receivables	<b>2,597,611</b>	(2,964,571)
Decrease / (increase) in inventories	<b>626</b>	(5,865)
(Increase) / decrease in prepayments	<b>(565,457)</b>	(60,495)
Increase / (decrease) in current payables	<b>159,910</b>	177,825
Increase / (decrease) in unearned income	<b>5,799</b>	(23,125)
Increase / (decrease) in current provisions	<b>(615,768)</b>	194,359
Increase / (decrease) in non current provisions	<b>20,263</b>	(28,107)
<b>Net cash flows from / (used in) operating activities</b>	<b>18,884,494</b>	12,965,985

# PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2015

## Note 17 - Summary of compliance with annual Parliamentary and special appropriations

### (a) Summary of compliance with annual Parliamentary appropriations

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

2015	Appropriation Act				Financial Management Act 1994				Total Parliamentary Authority	Appropriations Applied	Variance
	Annual Appropriation	Advance from Treasurer	Section 3(2)		Section 29	Section 31	Section 32	Section 35 Advances			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Controlled</b>											
Provision for outputs	100,351,562	1,790,000	-	79,950	-	3,163,000	-	-	105,384,512	101,444,471	3,940,041 (a)
Additions to net assets	-	1,900,000	-	-	-	-	-	-	1,900,000	1,894,169	5,831
<b>Total</b>	<b>100,351,562</b>	<b>3,690,000</b>	<b>-</b>	<b>79,950</b>	<b>-</b>	<b>3,163,000</b>	<b>-</b>	<b>-</b>	<b>107,284,512</b>	<b>103,338,640</b>	<b>3,945,872</b>
<b>2014</b>											
<b>Controlled</b>											
Provision for outputs	97,131,562	-	-	75,000	-	3,464,000	-	-	100,670,562	96,917,945	3,752,617 (a)
Additions to net assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>97,131,562</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>-</b>	<b>3,464,000</b>	<b>-</b>	<b>-</b>	<b>100,670,562</b>	<b>96,917,945</b>	<b>3,752,617</b>

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

# PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2015

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

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

Authority	Purpose	Appropriations applied	
		2015	2014
		\$	\$
Audit Act No. 2 of 1994	Audit of the Auditor-General's Office	25,000	34,000
Constitution Act No. 8750 - Clerk of the Parliaments	Salaries	1,993	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	-	6,975,000
Parliamentary Salaries and Superannuation Act No. 7723	Salaries and allowances	27,428,152	26,182,598
		<b>28,205,145</b>	<b>33,943,591</b>

### Note 18 - Ex-gratia expenses

Parliament made the following ex-gratia payments:

Relocation payments	5,072	-
Pay in lieu of backpay	-	10,938
<b>Total ex-gratia expenses</b>	<b>5,072</b>	<b>10,938</b>

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Note 19 - Trust account balances

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

	2015			
	Opening balance as at 1 July 2014	Total receipts	Total payments	Closing balance as at 30 June 2015 <sup>(b)</sup>
<b>Administered Trusts</b>				
Public Service Commuter Club <sup>(a)</sup>	(46,139)	(63,049)	76,674	(32,514)
<b>Total Administered Trusts</b>	<b>(46,139)</b>	<b>(63,049)</b>	<b>76,674</b>	<b>(32,514)</b>
	2014			
	Opening balance as at 1 July 2013	Total receipts	Total payments	Closing balance as at 30 June 2014 <sup>(b)</sup>
<b>Administered Trusts</b>				
Public Service Commuter Club <sup>(a)</sup>	(45,747)	(90,931)	90,539	(46,139)
<b>Total Administered Trusts</b>	<b>(45,747)</b>	<b>(90,931)</b>	<b>90,539</b>	<b>(46,139)</b>

(a) Public Service Commuter Club

Legislation: Financial Management Act 1994

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

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

No Trust Accounts were opened or closed by the Parliament during 2014-15.

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Note 20 - Responsible persons

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

#### Names

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

#### Presiding Officers:

**The Hon Bruce Atkinson MLC 1st July 2014 to 30th June 2015**

President of the Legislative Council

**The Hon Christine Fyffe 1st July 2014 to 23 December 2014**

Speaker of the Legislative Assembly

**The Hon Telmo Languiller 23 December 2014 to 30th June 2015**

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	
	2015	2014
120,000 - 129,999	-	1
150,000 - 159,999	2	-
200,000 - 209,999	-	1
290,000 - 299,999	-	1
300,000 - 309,999	1	-
<b>Total numbers</b>	<b>3</b>	<b>3</b>
<b>Total amount</b>	<b>\$ 609,758</b>	<b>\$ 633,994</b>

#### Other transactions

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Note 21 - 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. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Income Band \$	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
20,000 - 29,999	-	-	1	-
30,000 - 39,999	-	-	-	1
110,000 - 119,999	-	-	1	-
120,000 - 129,999	-	1	-	-
160,000 - 169,999	2	-	3	1
170,000 - 179,999	-	1	-	-
180,000 - 189,999	4	3	2	3
190,000 - 199,999	-	-	-	-
200,000 - 209,999	1	1	1	3
210,000 - 219,999	-	2	-	1
220,000 - 229,999	2	1	1	-
230,000 - 239,999	1	-	1	-
<b>Total numbers</b>	<b>10</b>	<b>9</b>	<b>10</b>	<b>9</b>
<b>Total annualised employee equivalent (AEE)<sup>(a)</sup></b>	<b>9.25</b>	<b>8.4</b>	<b>9.25</b>	<b>8.4</b>
<b>Total amount</b>	<b>\$ 1,968,325</b>	<b>\$ 1,703,269</b>	<b>\$ 1,664,553</b>	<b>\$ 1,599,744</b>

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

### Note 22 - Remuneration of auditors

#### Victorian Auditor-General's Office

	2015	2014
Audit of the financial statements	57,900	56,500
	<b>57,900</b>	<b>56,500</b>

### Note 23 - Subsequent events

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

### Note 24 - 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 comprehensive income.

#### **Commitments**

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

#### **Depreciation**

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

#### **Employee benefits expenses**

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

#### **Ex-gratia expenses**

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

#### **Financial asset**

A financial asset is any asset that is:

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

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

#### 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.

#### 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.

# PARLIAMENT OF VICTORIA

## Notes to the financial statements

30 June 2015

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

#### **Interest income**

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

#### **Net result**

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

#### **Net result from transactions / net operating balance**

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

#### **Non-financial assets**

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

#### **Other economic flows**

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

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

#### **Payables**

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

#### **Receivables**

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

#### **Supplies and services**

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

#### **Transactions**

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

**PARLIAMENT OF VICTORIA**  
**Accountable Officer's declaration**  
**30 June 2015**

**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 2015 and financial position of the Parliament of Victoria at 30 June 2015.

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 25 August 2015.



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



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



Chris Summerill  
Acting Chief Finance and Accounting Officer  
Parliament of Victoria

Melbourne

25 August 2015

## INDEPENDENT AUDITOR'S REPORT

### To the Presiding Officers, Parliament of Victoria

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 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 officer's, chief finance and accounting officer's declaration has been audited.

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

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

#### *Auditor's Responsibility*

The audit of the Parliament of Victoria is undertaken by invitation under Section 16G of the *Audit Act 1994*. Audits by invitation are not subject to section 3A(2) of the *Audit Act 1994* which requires me to consider matters relating to wastage, probity and financial prudence in the course of my audit. Accordingly, when conducting audits by invitation I am unable to report to Parliament on matters relating to wastage, probity and financial prudence.

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

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

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

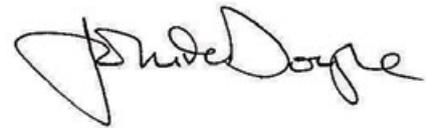
## Independent Auditor's Report (continued)

### *Independence*

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

### *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 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.



MELBOURNE  
28 August 2015

John Doyle  
*Auditor-General*





**Department of Parliamentary Services  
Parliament of Victoria**

**Spring Street Melbourne Victoria 3002 Australia**

Telephone	+61 3 8682 2661
Facsimile	+61 3 8682 2659
Website	<a href="http://www.parliament.vic.gov.au">www.parliament.vic.gov.au</a>

Designed By Corza Advertising & Design