



Annual Report 2020-21

Department of Parliamentary Services
Parliament of Victoria

Department of Parliamentary Services

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

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

Dear President and Speaker,
I have pleasure in forwarding to you my report on
the operations of the Department of Parliamentary
Services for the year ended June 2021.

Yours sincerely,



Peter Lochert
Secretary
Department of Parliamentary Services

Department of Parliamentary Services Annual Report 2020–21

Tabled in the Legislative Council and Legislative
Assembly on 27 October 2021
© Department of Parliamentary Services 2021

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

Enquires should be directed to the
Department of Parliamentary Services.

ISSN 1836 2648

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

Telephone: +61 3 8682 2661
Website: www.parliament.vic.gov.au



To access the annual report online,
scan the QR code above or go to
www.parliament.vic.gov.au/publications/annual-reports

We acknowledge the Aboriginal peoples, the traditional custodians of the lands on which we live and work and we pay respect to the culture and the elders of the Aboriginal nations in Victoria, past, present and emerging.

Printed on Monza Recycled, which is manufactured from 100% recycled fibre and with pulp derived from well-managed forests.

Contents

| | |
|----|---|
| 04 | Secretary's Foreword |
| 06 | Our Mission |
| 07 | The Department of Parliamentary Services |
| 07 | Department structure |
| 08 | Our role |
| 09 | Enabling the Victorian Parliament during a pandemic |
| 12 | Corporate Governance |
| 12 | Governance structure |
| 12 | Statement of corporate intent |
| 12 | Parliamentary values |
| 12 | Underpinning legislation |
| 13 | Audit Committee |
| 13 | Security Management Board |
| 13 | House Committee |
| 14 | Parliament's Strategic Priorities |
| 18 | Delivering on Parliament's Strategic Priorities |
| 18 | Supporting Members to fulfil their roles as elected representatives |
| 24 | Output measures |
| 28 | Protecting the independence and integrity of Parliament |
| 35 | <i>Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019</i> |
| 37 | Reconciliation of Appropriation Bill 2020-21 & 2021-22 to Budget Paper No. 3 |
| 38 | Office-based environmental impacts |
| 42 | Engaging with Victoria's First People |
| 44 | Informing and engaging with the community |
| 47 | Parliament of Victoria's Disability Action and Inclusion Plan |
| 48 | Ensuring the organisational resilience and efficiency of Parliament |
| 54 | Learning and development |
| 56 | Employment framework |
| 56 | Employee relations |
| 57 | Comparative workforce data |
| 59 | Occupational Health and Safety and employee welfare |
| 61 | Attestation for financial management compliance with Standing Direction 5.1.4 |
| 62 | Consultancies |
| 63 | Major contracts |
| 63 | Information and communication technology expenditure |
| 63 | Senior Officer travel |
| 65 | Financial statements |

Secretary's Foreword

DPS operations for the reporting period were predictably dominated by the COVID-19 pandemic, both in terms of the health risks to Members and staff and the operational requirements of keeping Parliament, Parliamentary committees and electorate offices functioning under severely restricted conditions.

Following the declaration of the state of emergency in March 2020, DPS moved quickly to support Members, Electorate Officers and Parliamentary staff by providing the necessary infrastructure, systems and communications to meet the 'working from home' requirement.

While we were very well served by our five-year digitisation strategy, the great success of the deployment was due to the preparedness of Members and staff to take up remote working tools – often with little notice, preparation or training – learning along the way, and co-creating local solutions for specific circumstances. The trust, collaboration and positive approach we have developed in our service partnership played a great part in this.

The evolving health crisis demanded we continue to work with our House Department colleagues to maintain the operations of the Parliament and of Parliamentary committees under the Chief Health Officer's orders and restrictions. House sittings and attendance in the chambers were staggered and rostered; access to and within the precinct was heavily regulated; all services, works and support functions were rescheduled; and cleaning regimes were elevated to maintain an effective OH&S environment for Members, staff and visitors.

Parliamentary committees dramatically changed their mode of operation whilst keeping up a high tempo of activity. Hybrid meeting modes were quickly adopted, with Members often in multiple locations and witnesses making contributions via a plethora of communication platforms. Our webcasting service went from broadcasting one committee to providing full technical and infrastructure support for all hearings of all committees. We quickly mastered a broad range of platforms to enable continued community participation.

Throughout the year we maintained a high level of all those services that in the background keep up the Parliament's operational capability: finance; people services; industrial relations; information technology and communications; governance; interaction with central agencies and integrity bodies; Hansard and webcasting; and publications and research. The pandemic continued to significantly impact our building and maintenance programs and the renewal rate of our electorate office stock. Restrictions on the building industry delayed the East Wing

Project, stonework restoration and maintenance tasks. Remote work requirements and our inability to conduct property inspections slowed the planned program of electorate office relocations and refurbishment.

Sadly, the pandemic has not slowed down the cybersecurity risk, and Parliament continued to invest heavily to safeguard our digital assets. Protective security has seen a significant increase in activity, with Members and staff frequently targeted by protest activity and serious security incidents growing significantly.

Reduced precinct activity provided an opportunity to partner with leading charities in providing meals for many Victorians facing hardship. Kitchens were reconfigured, menus developed, distribution arrangements established, and we were able to produce some 1.5 million meal items. This staff initiated and led project was a great positive in an otherwise subdued year.

The pandemic has had a most significant impact on our people. Demands on Members and Electorate Officers grew exponentially as Victorians turned to them for information and assistance, and often to express their frustrations. Like all other workforces globally, our staff have had to contend with dramatic changes in work and society, anxiety, fatigue, health fears and family pressures. Mental health today constitutes our principal OH&S risk, as evidenced by the dramatic growth in the use of our Employee Assistance Program.

To meet this challenge, we launched an expanded mental health and wellbeing program aimed at supporting our people and improving our resilience. A new Work Health and Safety unit was established to drive and support this initiative, with professional expertise and resources supporting Members, Electorate Officers and staff.

We are also focusing on the opportunities presented by this experience. New modes of work, new skills and new approaches present opportunities to improve access to our democratic process, to be more open and accountable and to better support the institution of Parliament and its people.

In a year of constant change and uncertainty, the standout for me is the professionalism, dedication and commitment of DPS staff. While facing the same personal and family challenges as most in the community, our staff sustained a heightened level of activity to support the increased demands on Members and on the Parliament. It is their contribution that enables the institution to function under these challenging and difficult circumstances. For this, I thank them.



“We are focusing on the opportunities presented by this experience. New modes of work, new skills and new approaches present opportunities to improve access to our democratic process, to be more open and accountable and to better support the institution of Parliament and its people.”

*Peter Lochert
Secretary
Department of Parliamentary Services*

Our Mission

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



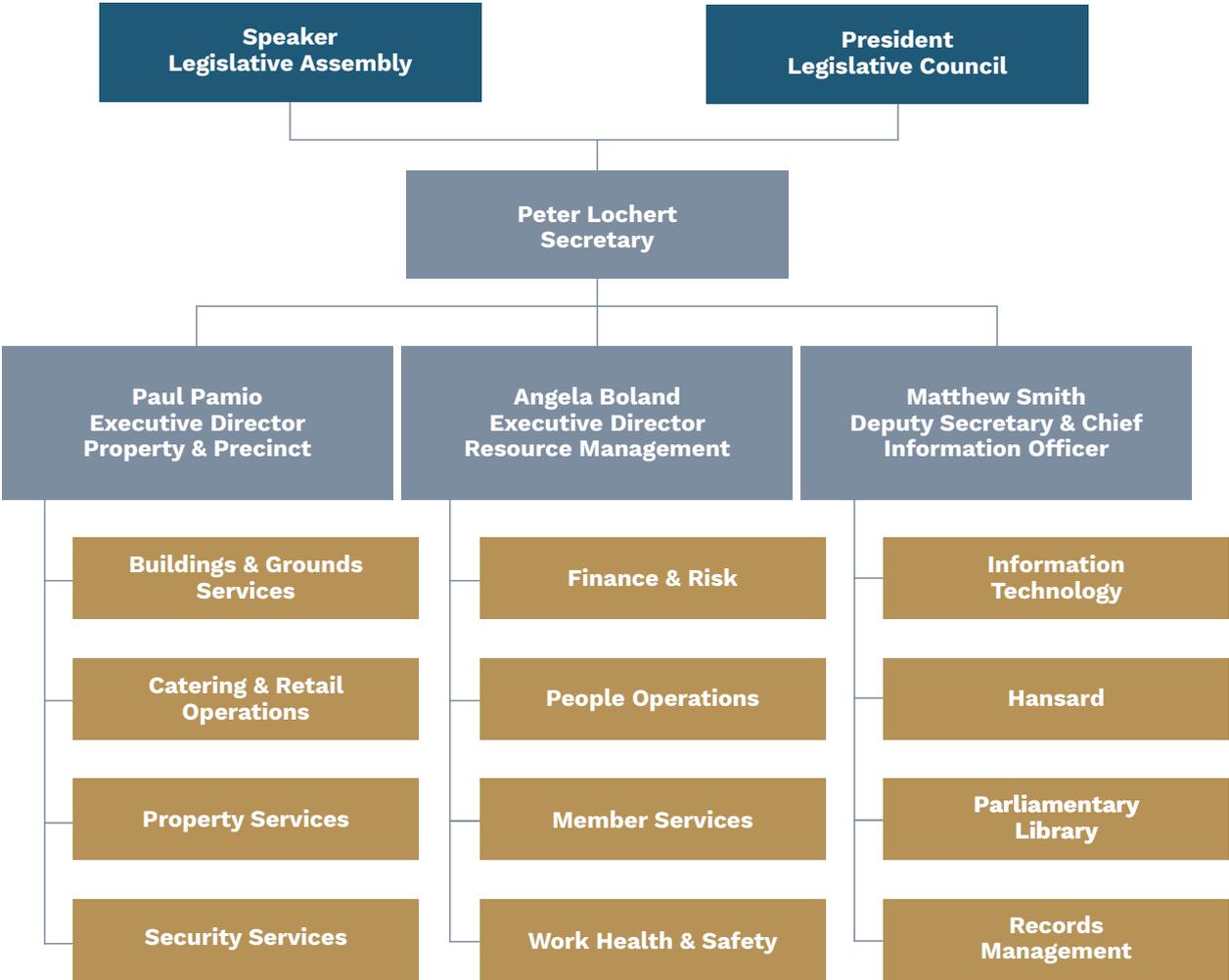
DPS Executive Team

The Department of Parliamentary Services

Department structure

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

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



The Department of Parliamentary Services

Our role

The Department of Parliamentary Services (DPS) provides the essential professional services that enable the Parliament of Victoria to operate at its best on behalf of all Victorians.

Our teams supply and support the technology, buildings, information services, human resources, catering facilities, security and financial management that ensure Parliament operates efficiently. Working behind the scenes on precinct we support the Legislative Council, Legislative Assembly and Parliamentary committees in their work overseeing the passage of legislation through the houses and conducting public inquiries.

Beyond the steps of Parliament House, the 128 Members of Parliament trust DPS to provide them and their electorate offices with the facilities, resources, equipment and advice they need to fulfil their roles as elected representatives for their communities.

Apolitical and service-driven, we work to protect the independence and integrity of the institution and to create a sustainable Parliament for current and future generations.

The work of DPS Victoria can be seen in:

- The high calibre people working at Parliament and in our electorate offices. DPS oversees the recruitment, employment, onboarding, training and professional development of Parliamentary Officers and Electorate Officers.
- Our healthy, safe and cohesive workforce supported by a service-driven culture that is responsive to the needs of Members. This is achieved through the delivery of workplace safety, wellbeing and culture initiatives.
- The effective and efficient onboarding and training of new Members, the professional development of current Members and the provision of offboarding and career transition support to departing Members.
- A mobile, flexible and data-driven Parliament achieved through a secure Parliamentary network, adaptable cloud-based IT systems and a responsive IT helpdesk. Our team protects Parliament's information while facilitating collaboration, knowledge sharing and service delivery.
- Our high-quality public information resources, including progressively published *Hansard*, transcripts from public hearings and the Parliament of Victoria website, which make Parliament more visible, transparent and accessible for all Victorians.
- The high-quality data, insights, research and information products and services that support Members and Parliamentary committees and the processes surrounding legislative change.
- Our accessible, functional, safe, clean and secure Parliamentary buildings, grounds, facilities, and electorate offices.
- The precinct catering amenities, including a variety of quality dining and event options for Members, Parliamentary staff and the public.
- A robust financial environment with internal controls and systems that effectively mitigate risk, enhance accountability and protect the integrity of Parliament's resources.

Enabling the Victorian Parliament during a pandemic

On 16 March 2020 the government announced a state of emergency under the *Public Health and Wellbeing Act 2008* (Vic). Two days later the Governor-General declared a human biosecurity emergency across Australia under the *Biosecurity Act 2015* (Cth). Both declarations conferred extraordinary powers on the Victorian Chief Health Officer and Commonwealth Health Minister, paving the way for successive lockdowns to reduce the spread of infection. In August 2020 a state of disaster was declared for Victoria under the *Emergency Management Act 1986* (Vic), giving police greater power to enforce public health directions.

With workers and students forced to work from home and strict social distancing requirements in place for much of the year, 2020–21 tested the resilience of all Victorians.

Continued outbreaks, rolling lockdowns and increasing concern about the virus and its impacts saw many Victorians turn to their local Members of Parliament for information and assistance. With the doors to electorate offices closed, Electorate Officers working remotely were swamped with calls and emails from constituents and business owners. In some cases, Members became targets for those opposing lockdowns and COVID-driven restrictions. This led to a 50% increase in security incidents in Victorian electorate offices.

Against the backdrop of an evolving health crisis, the Parliament, Members and staff were forced to adapt to ensure the continuation of the legislature. The Legislative Assembly and Legislative Council adapted by ensuring that social distancing and density limits were upheld by Members in the chambers. Members' contributions were delivered from behind perspex screens and masks and for the first time some regional Members appeared via a screen.

Parliamentary committees pivoted to allow evidence from witnesses making contributions remotely rather than in person.

Behind the scenes, DPS teams responded by finding innovative technical and service solutions that would help keep the wheels turning under constantly changing circumstances.

With all Members and Electorate Officers and the majority of Parliamentary staff working from home, the rollout of cloud-based software, including SharePoint and MS Teams, was a crucial first step in our response. These online tools

connected our people, Members and Electorate Officers allowing them to communicate and collaborate – on any device and from any location.

Behind the scenes, DPS teams responded by finding innovative technical and service solutions that would help keep the wheels turning under constantly changing circumstances.

Essential services, including our IT systems and Helpdesk, Finance, People Operations, Pay Services and Hansard publishing, shifted to remote working models with few staff on precinct. Within weeks of the 'state of emergency' announcement, all business-critical processes and systems supporting Parliament's operations had been moved online. Critical back office functions, such as payroll for all Parliamentary staff, paying the rent for 128 electorate offices and managing the finances of the Parliament, were sustained by our people, who continued to deliver from their home offices, living rooms and kitchen tables.

Requests for IT support and assistance increased by 42% compared to before the pandemic. New laptops were procured where possible and office PCs were taken home. Hardware items were distributed to Members, Parliamentary and electorate office staff, giving them the tools they needed to continue their work. New eLearning modules on ergonomic setups for home offices and staying healthy while working from home were developed and promoted widely to staff.

DPS staff worked evenings and weekends to ensure the continuation of sittings and to support the ongoing work of Parliamentary committees while managing the impacts of the pandemic on their own families. Learning from our mistakes, prioritising progress over perfection and supporting our people as they supported others became the focus.

The Department of Parliamentary Services

The sudden shift to remote work compounded by rising anxiety about the pandemic led to an increased focus on employee wellbeing across the organisation. With demand for Parliament's Employee Assistance Program growing by 48% this year, an outreach program ensured Members, Electorate Officers and Parliamentary Officers could access the support they needed.

A video recruitment system was sourced and deployed during periods of lockdown to allow for continued screening of candidates for roles at Parliament. The Learning and Development team shifted new employee inductions online, using interactive tools and video to create engaging learning experiences. A move toward shorter online eLearning modules allowed Parliament and electorate office staff to undertake training from home at a time that suited them.

Following the introduction of 'Permitted Worker' permits, our People Operations team worked around the clock to issue 769 permits for Parliamentary and Electorate Officers and eight Metro-Regional Travel Permits. The requirement that all offices establish a COVIDSafe plan added significant administrative pressure to electorate office staff. Our People Partners responded by establishing an online 'COVID hub' where Members and Electorate Officers could access forms, information, updates and advice.

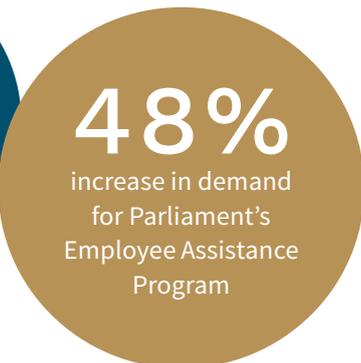
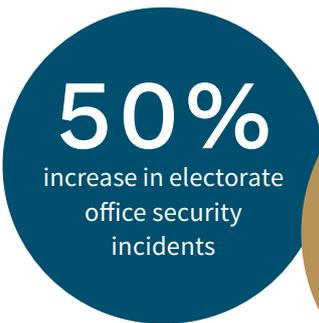
On precinct, demand for safety equipment and services increased. Our Buildings and Grounds Services team worked with Parliament's Occupational Health and Safety Committee to ensure the continued safety of Members and staff in the precinct through the provision of perspex screens, temperature checking, hand sanitiser, face masks, two-hourly cleaning, and tracking the number of people on site at Parliament House.

With many Victorians facing hardship, Parliament's kitchens responded with a charity meals program developed in partnership with the state's leading charities. At times throughout the year, the kitchens at Parliament operated 7 days a week. More than 1.5 million meal items were prepared and delivered to vulnerable Victorians impacted by the pandemic. The initiative supported Victorian suppliers and provided work for casual kitchen staff who would otherwise have been unemployed.

Learning from our mistakes, prioritising progress over perfection and supporting our people as they supported others became the focus.

The year afforded DPS significant opportunities to embrace new technologies, create innovative ways of working, invest in our staff and adapt our workplace for the future.

In a year of unprecedented disruption, increasing demand for services and support and ongoing uncertainty, DPS staff remained engaged, connected and committed to enabling the crucial work of the Victorian Parliament.





42%

increase in email requests to Parliament's IT Service Desk compared to before the pandemic

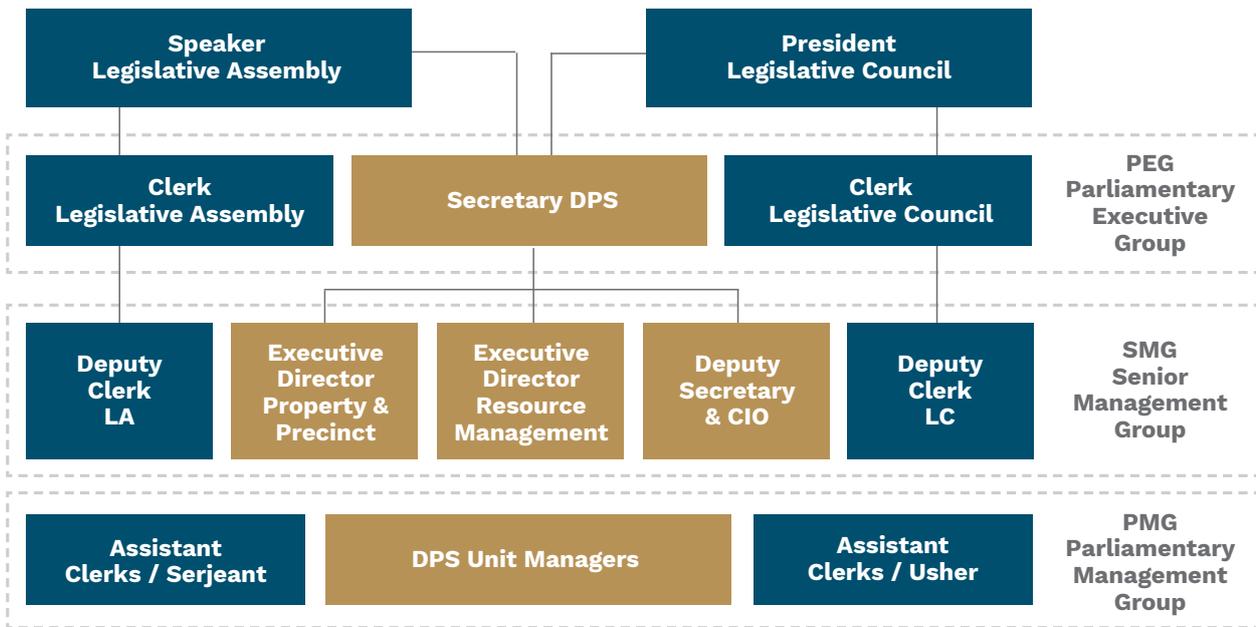
769

Permitted Worker permits issued

This year Victorians endured 130 days in stage 4 lockdown. DPS staff worked to ensure the continuation of sittings and to support the ongoing work of Parliamentary committees while managing the impacts of the pandemic on their own families.

Corporate Governance

Governance structure



Statement of corporate intent

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

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

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

Parliamentary values

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

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

Underpinning legislation

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

- *Parliamentary Administration Act 2005*
- *Parliamentary Salaries, Allowances and Superannuation Act 1968*
- *Heritage Act 1995*
- *Constitution Act 1975*
- *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*
- *Parliamentary Committees Act 2003*
- *Parliamentary Precincts Act 2001*
- *Public Administration Act 2004*

Audit Committee

As an advisory committee appointed by the Presiding Officers, the Audit Committee's role is to assist the Presiding Officers with respect to financial compliance and risk management. This includes the oversight of internal and external audit functions, corporate governance, monitoring and identification of risk, and the approval of annual financial statements on behalf of the Parliament.

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

The Audit Committee provides independent and objective oversight and assists the Presiding Officers. In doing so it:

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

Pursuant to section 12 of the *Parliamentary Administration Act 2005* the Department Heads have the express statutory responsibility for economic management, and it is therefore envisaged that the Audit Committee will be an advisory committee to the three Department Heads moving forward.

Security Management Board

The Security Management Board is an advisory board appointed by the Presiding Officers to assist them in the discharge of their duties as officers responsible for the control, management and security of the Parliamentary precinct. The board advises on strategic direction, policy, practices and procedures in relation to security, emergency management and protective security infrastructure projects and improvements.

In the past year, the Presiding Officers and Security Team (POST) has met in place of the Security Management Board, addressing issues of protective security in a pandemic environment.

House Committee

The House Committee is a joint committee established by the *Parliamentary Committees Act 2003*, comprising the President, the Speaker, five Members from the Legislative Council and six Members from the Legislative Assembly. It advises the Presiding Officers on the management of the refreshment rooms, gardens and building maintenance. The Speaker or the President chairs the committee meetings. From May 2020 the Committee's Secretariat services have been provided by the offices of the Presiding Officers. The Secretary and DPS staff service this committee and provide support as required.

Parliament's Strategic Priorities

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

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

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

Priority 1: Supporting Members to fulfil their roles as elected representatives

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

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

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

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

Priority 2: Protecting the independence and integrity of Parliament

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

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

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

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

Priority 3: Engaging with Victoria's First People

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

Priority 4: Informing and engaging with the community

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

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

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

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

Priority 5: Ensuring the organisational resilience and efficiency of Parliament

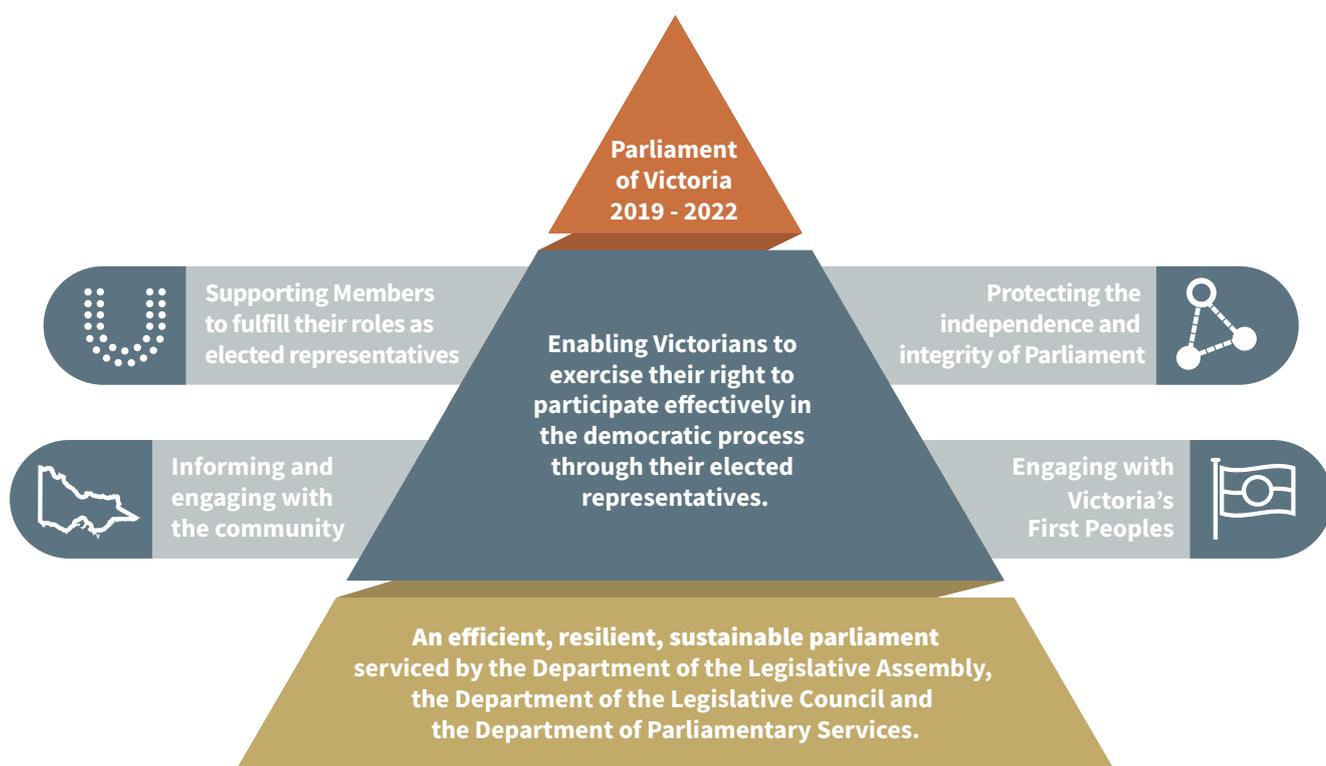
To ensure it properly supports Members and operates to a high standard of efficiency, Parliament will:

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

Parliament will strengthen its capability and culture by:

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

Parliament's Strategic Priorities



Service snapshot: responding to Members' needs



Delivering on Parliament's Strategic Priorities

Supporting Members to fulfil their roles as elected representatives

DPS continued to support Members to fulfil their roles as legislators and elected representatives of their communities. Our teams consulted with Members to understand their professional and personal requirements. Despite the ongoing operational impacts of the pandemic DPS staff remained focused on providing apolitical services, advice and facilities; supporting the work of Electorate Officers; and assisting Members on matters relating to compliance.

- Partner with the House Departments, People Operations, Security and Buildings and Grounds Services to support Member welfare, create a family-friendly environment on precinct and streamline onboarding and offboarding for Members.
- Facilitate engagement between DPS and Members by understanding the customer (Members and Electorate Officers), advocating their perspective and encouraging an integrated, Member-centric approach to communication.

Member service and engagement

DPS continued to build on its Member-centric service model this year with several important initiatives aimed at increasing responsiveness, supporting compliance and improving engagement with Members and Electorate Officers. The recruitment of three additional staff to the Member Services unit ensured continued staffing of the **Member Services kiosk** in Parliament House on sitting days and improved our ability to respond to Member queries. Members and Electorate Officers raised approximately 250 requests over the period – a drop from the year prior due to social distancing regulations and reduced Member presence and movement through the building. The majority of requests centred around electorate office staffing, the Electorate Office and Communications Budget (EO&C Budget) and Member vehicles.

In non-sitting weeks the team monitored and responded to queries received via the **Member Services email inbox and helpline**. The adoption of an online database to track and progress requests ensured prompt resolution and provided data for improved reporting.

In consultation with Members, House Departments and other DPS business units, the Member Services unit continued to evolve and define its role within DPS and the wider organisation, and this has been articulated for stakeholders on Parliament's intranet:

- Make it easier for Members to access and leverage the people, services, advice and information of DPS by serving as a customer service point of contact.
- Provide information, education and advice to Members regarding the EO&C Budget, remuneration and Parliamentary vehicles.

This year the Member Services team focused on two key initiatives to improve communication with Members. The planning and design phase for a digital **Member news bulletin** aimed at keeping Members and Electorate Officers informed about operational matters was completed. A proactive **program of visits to Members' electorate offices** designed to capture feedback from Members and Electorate Officers was interrupted by several lockdowns. This program will be a focus for the team in the year ahead.

To enable DPS to respond to the changing needs of Members, a project to implement a centralised, integrated **Customer Relationship Management system** was established. The IT unit led the design and planning phase of this work in consultation with other DPS business units. The CRM will enable an integrated, data-driven approach to Member engagement and service reporting.

The Parliamentary Library's **Contact Officer Program** ensures Members are aware of the extensive range of resources and research services available to support them in their roles.

Timely and accurate processing of invoices and expenses, accessibility of monthly and quarterly reports for Members and accurate payments to Members and Electorate Officers remained a key focus for our Finance and Risk, Pay Services and Member Services units. The reporting period saw more than 15,000 invoices and 2000 expense reimbursements relating to Members and their electorate offices processed. Infrastructure is now in place enabling the Pay Services team to safely and efficiently process an entire pay run remotely if required.

A contemporary workplace in a landmark building

DPS continued to deliver on its commitment to provide safer, more accessible and more welcoming facilities that meet contemporary health and safety standards for Members, visitors and Parliamentary employees.

Refurbishment of the east wing of Parliament House continued in earnest this year. This project will provide safer and more accessible facilities that meet contemporary health and safety standards for visitors to Parliament House, Parliamentary employees and Members. The project will refurbish, replace and build infrastructure to deliver improvements that are needed so that Parliament House can function as a modern workplace in a heritage building. This work will provide:

- Safer accessibility through the provision of fire escapes to all levels of the east wing;
- Accessible exits and new, larger lifts linking all floors of the east wing, compliant with the *Disability Discrimination Act 1992*;
- Secure connection from Parliament House to the Members' Annexe through an underground tunnel;
- Enhanced facilities on the upper levels, connected to the lower levels of the east wing via new lifts and staircases; and
- Modern infrastructure that renews and replaces stormwater, electrical and other services, some of which are more than 100 years old.

This year eight Members' offices were refurbished as part of an ongoing program to update Members' offices at Parliament House. This work provides Members with a functional, safe, secure and contemporary workspace whilst protecting the heritage aspects of the building. Our Buildings and Grounds Services project teams consulted with Members to understand their specific needs while ensuring each office meets current occupational health and safety standards.

With approximately one third of Members being parents of young children, **initiatives to ensure Members' families feel safe and welcome when visiting Parliament House** continued. In March 2021 a Family Friendly Week in the Member Services kiosk encouraged Members to contribute ideas about how Parliament could be more welcoming for Members' families. In response, several improvements were made to facilities in the Carers and Family Rooms at Parliament House and additional signage raised awareness of these spaces among Members. A toy chest for children visiting their Member parents was placed in the Members' annexe and our Member Services Officers provided assistance and support to parents returning to Parliamentary duties after parental leave.



DPS continued to support Member parents through the provision of family friendly spaces and services on site at Parliament House.

Delivering on Parliament's Strategic Priorities

Supporting Members to fulfil their roles as elected representatives

A range of dining options were offered to Members, employees and their guests during the year, with the Members Dining Room, Sessions Café and Strangers Corridor continuing to operate during sitting weeks, despite several lockdowns and social distancing requirements. Featuring quality Victorian-sourced produce, Parliament's all-season menus have **meal options for changing dietary requirements** and tastes including vegan, gluten- and lactose-free and vegetarian choices. A special children's menu with smaller-sized meals for younger tastes continued and was further developed. Junior guests visiting Sessions Café and Strangers Corridor were kept entertained with a range of colouring sheets and pencils. These initiatives were welcomed by Members and their families.

To improve standards of behaviour, increase Members' accountability and ensure a safe working environment for Electorate Officers and Parliamentary employees, The Speaker of the Legislative Assembly, The Hon. Colin Brooks MP, spearheaded a project to establish a **Member Behaviour Framework**. Parliamentary Officers and Electorate Officers were invited to be briefed on the proposed Member Behaviour Framework, and work will continue to prevent harassment, bullying and discrimination in the Parliamentary workplace.

Functional, safe and secure electorate offices

The sourcing and provision of **safe, secure, contemporary electorate offices** to support the work of Members in their local communities continued in 2020–21 with some projects impacted by lockdowns and social distancing measures. People Operations focused on the safety of electorate office staff, ensuring every workplace had a COVIDSafe Plan in place or could adapt to remote work as required. A system was deployed to enable worker permits for staff at electorate offices that stayed open in lockdown periods with a 'closed door' operation. Learning and development shifted online, with training for hybrid work tools provided for Electorate Officers who moved to hybrid remote operations. Pay Services adopted digital business processes to continue to meet payment deadlines for the salaries of electorate office staff.

The Property Services unit continued to build on its **property portfolio model** with Property Partners, overseeing all aspects of electorate property management from property searches and lease negotiations through to the design and delivery of office fit-outs. This ensured Members' and

constituents' needs were appropriately addressed when selecting and designing an office, whilst forging a strong relationship between Property Partners, Members and Electorate Officers over the lease term of the electorate office.

Property Partners moved forward with **electorate office assessments, relocations and refurbishments** despite the operational restraints imposed by lockdowns, following the introduction of a new framework and standards for electorate offices in June 2020. All electorate offices are subject to an evaluation to assess their alignment against the new framework and standards, ensuring a fair and systematic approach. Office relocations and refurbishments are prioritised based on their variance to the new standards. The team successfully worked across 17 offices during the COVID pandemic, with eight of those projects successfully completed and the remaining due for completion early in the coming financial year.

In a year of rolling lockdowns and 130 days operating under stage 4 restrictions, Property Partners managed to conduct 168 **six-monthly site inspections**. They addressed 591 requests for repairs, maintenance and other matters. Proactive site inspections identified opportunities to improve the safety, security and comfort of electorate offices. This reduced the maintenance-related administrative workload on Members and their staff.

The number of security incidents in electorate offices surged from 131 incidents in last reporting period to 197 incidents in 2020–21 – an increase of 50%. The Security Services unit responded to 112 incidents at Ministerial offices this year, an increase of 124% from the year prior. Our Security Advisors worked alongside Members and Electorate Officers to **investigate and respond to threats and incidents**. Advisors provided an initial response and immediate support after each incident and liaison between Electorate Officers and Victoria Police. Responding to the changing nature of these escalating incidents while adapting to working from home created significant challenges.

The **electorate office security overlay program** to design and install contemporary security upgrades continued in this financial year. An additional 35 new security overlays were provided within the leased electorate office portfolio.



A range of dining options were offered to Members, employees and their guests during the year. The Members Dining Room, Sessions Café and Strangers Corridor continued to operate during sitting weeks despite rolling lockdowns and strict social distancing restrictions.

Delivering on Parliament's Strategic Priorities

Supporting Members to fulfil their roles as elected representatives

Enhanced IT hardware, collaboration tools and digital resources

With work-from-home directions in place for much of the year, the ability for Members and staff to access Parliament's resources online from any location and on any device became critically important to the continued functioning of Parliament. The introduction of **additional Microsoft 365 features** and the redesign and **relaunch of Parliament's intranet (Billy)** online gave Members, Electorate Officers and Parliamentary employees seamless and secure access to the information and advice they needed to support and engage with their constituents.

An ambitious **project to replace ACER desktops and IT hardware in all electorate offices** got underway this year. The project will furnish each electorate office with upgraded laptops, docking stations, mouse devices, keyboards and headsets. An additional high-spec multi-media desktop will allow staff in each office to edit graphics and make videos. Delivery of the equipment to electorate offices has been delayed due to a worldwide shortage in computer chips; this is now scheduled for early 2021–22.

The Parliamentary Library fulfilled more than 1800 requests from Members for information, research, analysis and data over the reporting period. To improve the ability of the Library teams to fulfil these requests, upgrades were made to the Parliamentary Library's online resources. More than two million data assets, dated from the mid-1800s to 2020 and including more than 700,000 historic newspaper articles relating to Parliament, were moved to a new, more secure system. **Significant system-wide updates** to the library's catalogue, ontology manager (a machine-learning classification system for classifying news content) and radio broadcast recording software made it easier for Library staff to access and use these resources.

This year new **online resources** were launched by the Parliamentary Library to provide Members and staff real-time information on the COVID-19 pandemic and its economic and social impacts. The COVID-19 Resource Hub contains legislation, news items, public health announcements and Parliamentary research. The COVID-19 Chronology page tracks COVID-related trends and activity over time. Updated on a daily basis, these resources bring together information from disparate sources and present it in an easy-to-read and understand format for Members and their staff.

Bespoke research, analysis and insights

The **Parliamentary Internship Program** saw 43 bespoke research projects undertaken by Victorian university students on behalf of Members. Now in its 31st year, the program allows Members to engage Victoria's best young minds to conduct research into the issues impacting constituents both now and in the future. The cohort of 43 university students conducted their research over two semesters in a hybrid format, visiting Parliament when possible and also working remotely. University partners included the University of Melbourne, Monash University, La Trobe University, Swinburne University and the Australian Catholic University.

To assist Members in their work developing policy, conducting public inquiries and contributing to Parliamentary debates, a range of **information resources relating to bills, legislation and current issues** were produced by the Parliamentary Library:

- 52 legislation information links (Info Links) to material relating to bills, including Parliamentary documents, legislation, reports and papers, media material and websites were produced for Members.
- Two in-depth research papers were published. *Emergency Powers, Public Health and COVID-19* examined the public health emergency laws and frameworks activated in response to COVID-19, as well as related constitutional, administrative and rights issues. The *Residential Aged Care in Victoria Quick Guide* provided a brief overview of the size, operation and recent history of the residential aged care sector in Victoria.
- Four bill briefs provided Members with critical background information to support their understanding of legislation before the Parliament, covering the:
 - *Summary Offences Amendment (Decriminalisation of Public Drunkenness) Bill 2020*
 - *Wage Theft Bill 2020*
 - *Justice Legislation Amendment (Supporting Victims and Other Matters) Bill 2020*
 - *Change or Suppression (Conversion) Practices Prohibition Bill 2020*

- The Library continued to develop on-demand map products for Members and the public using mapping software 'Carto' and 'QGIS'. During the year, 59 maps were requested and over 230 specific 'map layers' created on request.

Three **Parliamentary Library seminars** brought leading experts to Parliament to engage with Members on topics of current or growing interest in the community. With the pandemic forcing the closure of Parliament House to the public, the seminars were held online: *COVID-19 – Vaccine and Treatment Update* (October 2020), *Waste Avoidance* (February 2021) and *The Internet of Things: Promise, Practice Progress* (June 2021). Produced in partnership with the Australian Academy of Technology and Engineering (ATSE) the webinars generated significant discussion and drew an audience of 126 attendees.

Professional development and wellbeing

Our People Operations unit provided Members and Electorate Officers with **professional human resources** support, delivering tools and advice on industrial relations, managed payroll, learning and development and work health and safety initiatives. Importantly, the People Partners provided **extensive welfare assistance** directly or through our Employee Assistance Program for Electorate Officers and their families and through the MP Assist Program for Members and their families.

The range of **professional development activities** available for Members was expanded during the COVID-19 period. Online learning on broad topics such as political leadership, directorship and ethical decision-making were offered in collaboration with the McKinnon Institute, the Australian Institute of Company Directors and the Cranlana Centre for Ethical Leadership.

The Parliamentary Adviser Collective Agreement was implemented from 1 July 2020 to support eligible Members to engage Parliamentary Advisers. A **new Electorate Officer Enterprise Agreement** was negotiated with management and staff bargaining representatives and 'in principle' agreement was reached. A ballot leading to implementation of the Enterprise Agreement is anticipated early in 2021-22.

Helping Members comply with VIRTIPS

In July 2020, the Victorian Independent Remuneration Tribunal commenced a review of the existing Guidelines governing the use of certain Parliamentary allowances and the Electorate Office and Communications Budget (EO&C Budget). Based on feedback from Members and DPS staff administering the Guidelines, DPS made a submission asking the Tribunal to resolve a number of anomalies and areas of ambiguity in relation to the use of the EO&C Budget. The submission **sought greater clarity to enable a shared understanding of how the Guidelines should be interpreted.**

The Tribunal released the new Members of Parliament (Victoria) Guidelines No. 01/2021 in February 2021 in accordance with section 36 of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (VIRTIPS Act).

All Members are required to understand and comply with the Guidelines, which govern the eligibility and use of the EO&C Budget and Parliamentary allowances. To assist with the transition to the new Guidelines our Member Services unit conducted an **awareness campaign** for Members and Electorate Officers. This was delivered in partnership with the House Departments, Finance and Risk unit and Learning and Development team.

Forty-two Members attended a breakfast briefing about the new Guidelines held at Parliament House on 5 May 2021. More than 120 Electorate Officers attended one of eight interactive webinars in May and June of 2021. The Member Services team visited seven electorate offices to discuss the new Guidelines and other matters with Members and their staff face-to-face. Ten small group training sessions on the Guidelines were conducted for Members and their staff via MS Teams. A series of explainers and other reference materials were published on Parliament's intranet to assist Members' understanding of the new Guidelines.

The Member Services team worked with the IT and Property Services units to understand and define the impact of the new Guidelines on Members in relation to the purchase of IT equipment and other electorate office operational items.

Delivering on Parliament's Strategic Priorities

Output Measures

The following output measures are indicators of achieved service levels against a range of targets across various Parliamentary functions.

Department of Parliamentary Services

| Outputs | Unit of Measure | Target As at 30 Jun 21 | Actuals As at 30 Jun 21 |
|---|-------------------|---------------------------|----------------------------|
| Quantity | | | |
| Percentage of chamber proceedings available to Members and Electorate Officers through Video on Demand. | Percent | 99% | 100% |
| Quarterly budget reports published in accordance with <i>Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019</i> | Number | 4 | 4 |
| Provide Members with an approved standard electorate office | Percent | 95% | 98% |
| Quality | | | |
| Clients satisfied with quality of information provided by Library staff | Percent | 85% | 99% |
| Electorate offices visited by a member of DPS staff during the year | Percent | 95% | 95% |
| Scheduled availability of IT systems (network, email, and windows file and print) | Percent | 99% | 99% |
| Legislative activities at Parliament House undisrupted by service interruptions or security incidents | Percent | 98% | 100% |
| Timeliness | | | |
| Indexes, records, speeches, video and transcripts available within published timeframes | Percent | 90% | 94% |
| Payroll processing completed accurately and within agreed timeframes | Percent | 99% | 99% |
| Monthly budget management reports to Members and departments within five business days after closing monthly accounts | Number | 12 | 12 |
| Cost | | | |
| Total output cost | \$ million | 141.0 | 136.0 |

Legislative Assembly

| Outputs | Unit of Measure | Target As at 30 Jun 21 | Actuals As at 30 Jun 21 |
|--|------------------------|-----------------------------------|------------------------------------|
| Quantity | | | |
| Procedural References – updates published biannually | Number | 2 | 2 |
| Quarterly allowance reports published in accordance with the <i>Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019</i> | Number | 4 | 4 |
| Regional visits to schools to conduct Parliamentary role plays | Number | 5 | 1 |
| Quality | | | |
| Bills and amendments processed accurately through all relevant stages in compliance with constitutional requirements and standing orders | Percent | 100% | 100% |
| Member satisfaction that advice is responsive, prompt, clear and objective | Percent | 80% | 99% |
| Teacher satisfaction with tours of Parliament for school groups | Percent | 95% | 100% |
| Timeliness | | | |
| Documents tabled within time guidelines | Percent | 90% | 100% |
| House documents available one day after sitting day | Percent | 100% | 100% |
| Online information relating to bills updated within one day | Percent | 95% | 100% |
| Cost | | | |
| Total output cost | \$ million | 44.8 | 38.4 |

Delivering on Parliament's Strategic Priorities

Output Measures

Legislative Council

| Outputs | Unit of Measure | Target As at 30 Jun 21 | Actuals As at 30 Jun 21 |
|---|-------------------|---------------------------|----------------------------|
| Quantity | | | |
| Procedural References – updates published biannually | Number | 2 | 2 |
| Quarterly allowance reports published in accordance with the <i>Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019</i> | Number | 4 | 4 |
| Quality | | | |
| Bills and amendments processed accurately through all relevant stages and other business of the House conducted according to law, Standing and Sessional Orders | Percent | 95% | 95% |
| Member satisfaction with accuracy, clarity and timeliness of advice | Percent | 80% | 100% |
| Timeliness | | | |
| Documents tabled within time guidelines | Percent | 90% | 90% |
| House documents and other sitting-related information available one day after sitting day | Percent | 95% | 95% |
| Cost | | | |
| Total output cost | \$ million | 22.8 | 19.4 |

Parliamentary Investigative Committees

| Outputs | Unit of Measure | Target As at 30 Jun 21 | Actuals As at 30 Jun 21 |
|---|------------------------|-----------------------------------|------------------------------------|
| Quantity | | | |
| Reports tabled per annum | Number | 20 | 24 |
| Quality | | | |
| Committee members satisfied that advice about procedure, research and administration is responsive, clear, objective and prompt | Percent | 80% | 97% |
| Inquiries conducted and reports produced in compliance with procedural and legislative requirements | Percent | 95% | 100% |
| Timeliness | | | |
| Reports tabled in compliance with procedural and legislative deadlines | Percent | 95% | 100% |
| Cost | | | |
| Total output cost | \$ million | 5.5 | 5.5 |

Delivering on Parliament's Strategic Priorities

Protecting the independence and integrity of Parliament

DPS plays a central role in protecting the independence and integrity of the institution of Parliament by ensuring compliance with relevant legislation, supporting the principles of the separation of powers and strengthening all stakeholders' confidence in our provision of apolitical professional services. Parliament's governance framework must be robust to survive successive parliaments, incorporate best practices and have built-in assurances and processes for Presiding Officers and Department Heads to discharge their respective accountability. DPS invites public scrutiny of the work we do, adheres to long-standing moral principles that govern our conduct and strives to effectively manage risk and resources independently of the government of the day.

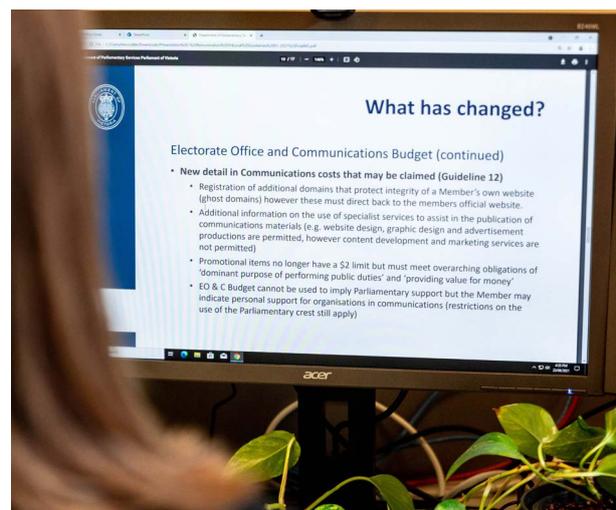
Complying with VIRTIPS Act

The *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (VIRTIPS Act) introduced substantial changes to the way Members manage their Electorate Office and Communications Budget (EO&C Budget) and allowances. The legislation increased Members' reporting responsibilities and accountability in the use of public resources when performing their public duties. The **administrative and enforcement responsibilities** for the EO&C Budget and work-related allowances are placed with the relevant Officer. For the EO&C Budget, the relevant Officer is the Secretary of DPS. For work-related allowances, the relevant Officer is the Clerk of the House of Parliament to which a Member belongs.

In February 2021, the Victorian Independent Remuneration Tribunal issued its updated Guidelines, Members of Parliament (Victoria) Guidelines No. 01/2021. The Guidelines govern Members' use of Parliamentary allowances and the EO&C Budget. The Tribunal reviews the Guidelines every two years to consider any new matters or practices that may have arisen. These legislative and regulatory changes have a significant impact on DPS processes and resources, as DPS must administer the Guidelines. This includes **interpreting the Guidelines**, processing all expense claims and increasing Members' awareness and understanding to facilitate compliance.

Our Member Services unit developed and implemented a communications program to **facilitate compliance with the new Guidelines**, which came into effect on 1 May 2021. Our Finance and Risk unit and Pay Services teams played an integral role in the implementation. The relevant Officer must publish a quarterly expenditure report on the allowances and EO&C Budget for each Member in line with the VIRTIPS Act and it has taken a collaborative effort to continually improve and streamline the process of distributing, certifying and publishing these reports – now loaded on secure microsites on SharePoint. This allowed Members easier access to track their EO&C Budget spend online.

The new Guidelines provide that maintenance and servicing costs for standard electorate office fit-out equipment will now be paid for by Parliament rather than charged to the EO&C Budget. As a result, Property Services is now **tendering for commercial contracts to provide ongoing services** across multiple sites. This will provide opportunities for efficiencies of scale and reduce the time that Members and our Property Partners spend on non-core business such as electorate office facility management.



Our Member Services, Finance and Risk and Pay Services teams helped Members understand and comply with new Guidelines relating to their Parliamentary allowances and Electorate Office and Communications Budget.

Complying with other legislation

As a defined entity under the *Gender Equality Act 2020*, the three departments of Parliament have now established a Gender Equality Working Group. The group will report on gender equity indicators, develop capacity to undertake gender impact assessments on policies, programs and services and provide a **Gender Equality Action Plan for the Parliament**.

In May 2021, guest presenter Dr Niki Vincent, Victoria's first Public Sector Gender Equality Commissioner, visited Parliament to brief DPS staff on organisational obligations under the *Gender Equality Act 2020* and the importance of driving workplace change around gender equity and intersectionality in Victoria.

The Parliamentary departments are also establishing a Bullying, Harassment and Discrimination Prevention Working Group to review relevant policy and procedures and actively educate staff to prevent inappropriate workplace behaviour.

DPS plays a central role in protecting the independence and integrity of the institution of Parliament by ensuring compliance with relevant legislation, supporting the principles of the separation of powers and strengthening all stakeholders' confidence in our provision of apolitical professional services.

Safeguarding a robust financial environment and internal controls and systems

The Victorian Auditor-General (VAGO) gave Parliament a clear audit opinion on the financial statements, meaning that our financial reporting accurately represents our financial position and financial performance. VAGO's report endorses Parliament's robust financial control environment in which all transactions are captured via sound financial records and reporting. **All external financial compliance requirements were met in the reporting period** by submissions to the Department of Treasury and Finance, VAGO and the Australian Taxation Office.

The internal audit function provides independent and objective assurance and consulting services which add value to and improve our operations. This year's **comprehensive internal audit program**, overseen by Ernst & Young, completed reviews of Parliament's:

- Information security;
- Physical security;
- Purchasing and expenditure;
- Electorate office operations; and
- Workplace culture.

The **reviews examined Parliament's internal controls and systems** in relation to governance frameworks; roles and responsibilities to prevent, detect and respond; policy, procedure and guidance material; risk mitigation; applications and systems used; staff training; communication; effective controls and reporting; and efficient use of resources. The findings of the audits have resulted in agreed management actions, the implementation of which will be overseen by the Audit Committee.

Delivering on Parliament's Strategic Priorities

Protecting the independence and integrity of Parliament

Independent Accountable Officers and transparent governance framework

Essential to our understanding of democracy is the principle of **separation of powers** between the legislature, executive and judiciary. A system of checks and balances is in place to ensure that power is not vested in any single person, institution or branch of government. In order to guarantee this balance, it is essential that Parliament remains independent and does not become an instrument for, or controlled by, the executive government. In 2020, Parliament received legal advice confirming that the appropriate Accountable Officer for each Parliamentary Department is the Department Head. Having concluded that the Accountable Officers, managing much of the operations of Parliament, are the three apolitical Department Heads of Parliament, not the politically elected Presiding Officers, steps were taken to enshrine this arrangement in Parliament's governance structure. This included the appointment of three independent members to Parliament's Audit Committee.

Similarly, work to progress a **new financial framework in support of Parliament's financial independence** commenced this year. A sustainable model of financial management provides adequate resources, governance and accountability to successive parliaments, notwithstanding that Presiding Officer officeholders, parties in Government and balances of power in the Houses may change. We see these principles at play in DPS' ability to secure an independent income stream for Parliament from depreciation of its capital assets and by attempting to secure an exemption from efficiency dividends imposed on Parliament, for example. Under the separation of powers principle, it is not appropriate for the executive government to purchase outputs from, or to impose budget cuts or efficiency dividends on Parliament's Appropriation.

This financial year, DPS assisted the Independent Broad-based Anti-corruption Commission and the Local Government Inspectorate with **independent investigations** into the conduct of Members and Electorate Officers. Legal advice was sought to clarify the Secretary's mandatory notification requirements for improper conduct under the *Independent Broad-based Anti-corruption Commission Act 2011* to ensure DPS can meet its obligations and sustain public trust.

The Secretary of DPS, the Clerk of the Legislative Assembly and the Clerk of the Legislative Council appeared together with the Presiding Officers before the **public hearings conducted by the Public Accounts and Estimates Committee**. The Accountable Officers responded to questions relating to the Inquiry into the 2020-21 Budget Estimates and the Inquiry into the 2021-22 Budget Estimates in December 2020 and June 2021, respectively. These hearings promote accountability, transparency and integrity in each of the Parliamentary departments.

Effective risk management

Our Finance and Risk unit continued to drive the development of a **fraud and corruption control framework** for Parliament, augmenting the existing governance framework, which includes risk management, audit and compliance and control assurance activities. In early 2020-21, a review of Parliament's existing fraud and corruption policy identified several opportunities to more closely align to the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*. The new Fraud, Corruption and Other Losses Policy enhances roles and responsibilities; clarifies fraud reporting mechanisms and disclosure processes; and details all related investigation and reporting procedures. Fraud and corruption training was made mandatory for all Parliamentary Officers on induction and again every two years. Our Finance and Risk unit currently manages, responds to and monitors Parliament's strategic and operational risks and provides quarterly reports to Parliament's Audit Committee. DPS continues to develop its risk capability and encourage a mature risk culture.

Ensuring the Parliamentary precinct and electorate offices are safe and secure is the key function of our Security Services unit. Effective incident management, CCTV, building access control, screening of all visitors, protective security infrastructure upgrades and maintenance of all security products on the precinct protect the integrity of the Parliamentary precinct so that Parliament can perform its legislative function. Our Security team experienced a significant increase in workload in this reporting period, with additional COVID safety duties including temperature testing of individuals entering Parliament House and enforcement of social distancing and other COVID-19 measures in the building.



The program to design and install contemporary security overlays continued in this financial year, with an additional 35 new security overlays provided within the leased electorate office portfolio.

The continued development of the Memorandum of Understanding with Victoria Police; proposed amendments to the *Parliamentary Precincts Act 2001*; installation of CCTV in public areas of Parliament House; **security upgrades**; and improved access control by separating public from other areas in Parliament House are key initiatives in the year ahead. Access control measures are installed throughout the building as part of all upgrade and refurbishment works.

A range of internal and independent cybersecurity assessments were undertaken to review our IT team's responsiveness to cyber-attacks, our network and system vulnerabilities, user awareness and knowledge weaknesses. These test results have enabled us to continually improve the **cybersecurity risk mitigation strategies** for all users of Parliament's ICT environment.

Our hybrid working arrangements highlighted a need for a **single management interface system to secure and mitigate data vulnerability** and risks associated with mobile devices. To be able to remotely manage our corporate devices, our IT unit successfully trialled a Unified Endpoint Management system initially for mobile phones. The system provides capabilities for managing and securing mobile applications, content, collaboration and more.

The first phase of this project focused on implementing the Mobile Application Management (MAM) capabilities for mobile phones in a way that protects corporate data by using the Microsoft Intune solution. Both corporate and personal computers (BYOD / Bring Your Own Device) will be included in a new, expanded project scope.

The global shortage in computer chips led to PC, laptop and monitor deliveries being delayed by several months. DPS is considering the possibility of using personal computers, and this has contributed to the need for BYODs to be included as part of the MAM rollout.

Demonstrating accountability

In October 2020 a cross-departmental working group was established to produce a whole-of-Parliament **performance and activity dashboard** to capture and measure the work of Parliament's departments in relation to the strategic objectives. Following consultation, it became clear that producing a dashboard reflecting all the identified measures would require significantly more time and resources than originally envisaged. It was also noted that the data for many of the desired measures was either not being captured or not captured in a systematic manner. The process of producing a pilot model provided valuable insights into the data that exists within each department, whether that data is accessible and useful and the resources required to produce a full dashboard.

Since its establishment in 2020, the Records Management unit has focused on laying the foundation to good recordkeeping that supports **accurate and complete records** for Parliament to improve efficiency, transparency and accountability. This year the team continued to provide our people with the tools, training and support they need to manage records effectively and ensure that compliance with records management regulatory and legislative requirements.

Delivering on Parliament's Strategic Priorities

Protecting the independence and integrity of Parliament

Protecting our heritage assets

The **restoration of the stoneworks** on the Parliament House façade entered its 15th year in 2021. Stage 12 was completed in this reporting period, and the penultimate stage 13 will be delivered in 2023. The stone restoration will return Parliament House's façade to a standard befitting its cultural and historical significance while addressing functional shortcomings and safety concerns. The restoration will allow Members to continue to carry out their Parliamentary duties for many years to come within a safe environment, whilst acknowledging the sandstone and bluestone façade's historical significance (it was built in stages between 1856 and 1929) and protecting it and the building for the benefit of the Victorian public.

As part of Parliament's commitment to protect Parliament's heritage assets for future generations our Building and Grounds Services and Parliamentary Library units worked with heritage architectural firm Lovell Chen to complete an audit of heritage furniture, delivering a full report in September 2020. The project sorted the contemporary furniture (which could then be gifted to charities) and identified non-significant and significant heritage furniture. The audit clarified the extent, content and location of the furniture and identified **assets significant to Parliament's social, cultural, economic and political history**. In all, 303 heritage items were listed as significant, 305 were listed as heritage items of interest and 996 items were listed as other heritage items.

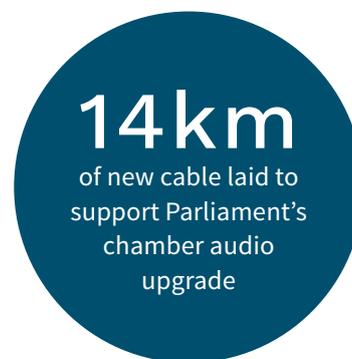
DPS continued to work on the development of an asset management strategy. A maturity assessment is in its planning phase. This will bring the Parliament in line with Victoria's **Asset Management Accountability Framework** and mandatory requirements to realise the full value of our assets in delivering on service objectives.

Parliament owns unique heritage assets that tell a variety of the social, economic and political stories of the history of Victoria. The Library's Heritage team continues to populate its **Cultural Collection management system** to maintain, access and promote Parliament's Heritage, Arts and Cultural Collections. To preserve Parliament's 170-year-plus history of significant heritage furniture, objects and artefacts requires an appropriate facility to house these items. Our people continued to explore opportunities for a dedicated museum or heritage space to

showcase our unique, rare and quirky items and furniture pieces held in the collection for all Victorians to enjoy. The Parliamentary Library will commence digitising these pieces and create a virtual online heritage and cultural experience in the year ahead.

Protecting the integrity of the public record

An internal risk assessment brought a **chamber audio upgrade project** forward to 2020 to ensure the continued accurate reporting of Parliamentary proceedings. The audio system in the two chambers had reached its end of life and required replacement. Hansard's technical team began the design process and led the project through to completion using breaks in the sitting schedule. Approximately 14 kilometres of cable has been run in to support new microphones, audio control, ethernet, fibre optics, media monitoring and amplifiers in the chambers.



Demonstrating relevance and engaging with the community

The town of Bright in north-eastern Victoria was a central staging point for the emergency response during Victoria's catastrophic bushfires in the summer of 2019-20. A regional sitting of the Legislative Council provided an **opportunity for Parliament to demonstrate its support for the people of Victoria** impacted by the bushfires. DPS staff from Building and Grounds Services, Hansard, IT, Security Services and Community Engagement joined forces with representatives from Alpine Shire Council and Bushfire Recovery Victoria to coordinate logistics and leverage opportunities arising from the regional sitting. Parliament's Legal and Social Issues

Committee, Economy and Infrastructure Committee and Environment and Planning Committee conducted hearings in Bright allowing members from surrounding communities to discuss issues impacting them.

In early March 2021, the final report of the Royal Commission into Victoria's Mental Health System was tabled in Parliament at a **special sitting of the Legislative Assembly held in the Royal Exhibition Building** in Melbourne. This special sitting sought to recognise the strength of people living with mental illness or psychological distress and their supporters, many of whom had shared their personal stories as part of the inquiry.

Working with teams from the Royal Exhibition Building, Melbourne City Council, Victoria Police, Telstra and Alpine Shire Council, DPS enabled both special sittings to occur safely and securely. DPS staff worked to provide a reliable network connection to enable the live broadcast of the sittings, the recording and publishing of *Hansard* and the continued effectiveness of Parliamentary staff working on site in Bright and at the Royal Exhibition Building. Feedback from Members, invited guests, witnesses and the public was overwhelmingly positive. Both special sittings provided opportunities for DPS to display its professionalism to the wider community and **increase public confidence** in our service delivery.

Victoria's representative democracy exists to protect the rights of all Victorians. Parliament **engages with the community on issues regarding our civic system**, its independence and integrity through a program of education tools, school tours and role plays for primary and secondary students and those studying VCE Legal studies across the state. With the COVID-19 pandemic eliminating in-person contact with students and teachers, DPS teams supported the delivery of several online education resources, including virtual school incursions and 'Ask an MP' Webex sessions connecting Members with school students in their local communities.

Other initiatives enabled by the work of our teams included a new education resource framework; a new education blog on Parliament's website; a public and specialist tours program showcasing our Parliamentary system; and the production of 'This is Parliament' videos published in three languages: Arabic, Mandarin and Vietnamese.

The Parliamentary Library worked closely with the Presiding Officers to commission and launch two posthumous portraits of former Members, Lady Millie Peacock, the first woman to be elected to the Victorian Parliament (1933-1935), and Pauline Toner, the first woman to be appointed as a Cabinet Minister in Victoria (1982-1985). The portraits, painted by Andrew Mazei and Raelene Sharp respectively, are a first step towards **making Parliament's historical collection more reflective of the diversity of people who have played a key role** in Victoria's Parliamentary history.

The work of Parliament's first-ever photographer in residence, Eliza Hutchinson, examined the complex narrative forces of our political system. Displayed at the front steps of Parliament for the photography festival PHOTO 2021, the commissioned work **engaged new audiences** in the work of Parliament.



Hansard Broadcast supported the production of videos to engage new audiences in the work of the Parliament.

DPS History Book Project

In 2020, COVID-19 demonstrated how much the operations of Parliament have recently been changing – and are continuing to change. Remote participation of Members, Zoom-based Committee hearings and online support services reflected new ways Parliament is fulfilling its legislative and representative functions, and gave a glimpse of the possible futures of Victorian democracy. Incidentally, 2020 also marked **15 years since the establishment of the Department of Parliamentary Services**, which has been a hub for so much of this change. The Parliamentary Library, with the support of DPS Secretary, Peter Lochert, has taken the occasion of these two events to prepare a book on the history of DPS, which will provide a lens on Parliamentary transformation in recent decades.

Authored by Library Researcher and historian, Dr Ben Huf, the book will situate Victoria's DPS story in the context of an Australia-wide trend by parliaments to institute modern corporate services. While DPS formally marked the consolidation of Joint Services, Hansard and the Library into a single department, its story is not simply one of internal restructure but reflects Parliament's response to the twin histories of Victoria's managerial and political transformation over the past four decades.

Parliament has adapted, often uneasily, to enormous changes in industrial relations, public administration, financial management, information technology, workplace expectations and security – all of which reflected Australia's globalising economy and diversifying society. Addressing these issues have revived and reframed much older questions about the relationship between parliament, executive and community. The story of DPS is a story of Parliament's struggle to meet the demands of constitutional change, the professionalisation of politics, a changing media environment and society's demographic and digital transformations.

Drawing on interviews with Clerks, Presiding Officers, long-serving Parliamentary Officers and other key players who lived and negotiated the creation of DPS, the book will be a history of the diverse cast – and their anecdotes, reflections and good humour – who make parliament happen, not what happens in parliament.

The book teases out the new challenges that confronted Parliament from the 1970s, and the multiple attempts at administrative reform in the 1990s and 2000s. It focuses on the evolution of the DPS units – each with long histories of their own – as contact points between Parliament, Members and the Victorian community. In this telling, it captures untold stories, such as the mishaps of introducing new technologies and crafty manoeuvres of building the Members' Annexe. The book also reflects on how administrative change is opening new possibilities of Parliamentary experience in Victoria: reshaping how communities engage with Parliament; the risks and opportunities of digital technologies; and the creation of new relationships with Pacific neighbours and First Nations peoples.

The aim of the book is to draw out the lessons of organisational change in an institutional setting where continuity, procedure and precedent are paramount.

The challenge for Parliament has been to negotiate change where, by constitutional necessity, there is no single point of authority, where the key cohort are answerable only to voters, and where the managerial demands of government have threatened Parliament's identity and independence.

More generally, the book will make the case that taking administration seriously provides perspective on the changing meanings and practices of Parliamentary democracy in the 21st century.

Delivering on Parliament's Strategic Priorities

Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019

Annual Reporting

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

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

Delivering on Parliament's Strategic Priorities

Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019

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

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

| Category | Total amount paid during the financial year |
|---|---|
| Electorate Allowance | \$5,452,160.04 |
| Expense Allowance | \$725,110.58 |
| Motor Vehicle Allowance | \$751,727.96 |
| Parliamentary Accommodation Sitting Allowance | \$872,415.91 |
| Travel Allowance | \$165,115.86 |
| Commercial Transport Allowance | \$13,410.84 |
| International Travel Allowance | \$509.65 |
| The Budget | \$12,070,646.35 |
| Total | \$20,051,097.19 |

| | Clerk of the Legislative Assembly | Clerk of the Legislative Council | Secretary, Department Parliamentary Services |
|---|-----------------------------------|----------------------------------|--|
| Total number of determinations made during the financial year | 182 | 89 | 7005 |

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

| Member name |
|---------------|
| Nil to report |

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

| | |
|----------------------------|---|
| Number of instances | 0 |
|----------------------------|---|

Reconciliation of Appropriation Bill 2020-21 & 2021-22 to Budget Paper No. 3

| | LEGISLATIVE COUNCIL | | LEGISLATIVE ASSEMBLY | | PARLIAMENTARY SERVICES | | JOINT INVESTIGATORY COMMITTEES | | TOTAL - PARLIAMENTARY DEPARTMENTS | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------------|--------------------------|-----------------------------------|--------------------------|
| | 2020-21 ESTIMATED BUDGET | 2021-22 ESTIMATED BUDGET | 2020-21 ESTIMATED BUDGET | 2021-22 ESTIMATED BUDGET | 2020-21 ESTIMATED BUDGET | 2021-22 ESTIMATED BUDGET | 2020-21 ESTIMATED BUDGET | 2021-22 ESTIMATED BUDGET | 2020-21 ESTIMATED BUDGET | 2021-22 ESTIMATED BUDGET |
| The purpose of this briefing is to explain the differences between the output costs shown in Budget Paper 3 and the Appropriation funding shown in the Appropriations Bill. | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| FIGURES PUBLISHED IN APPROPRIATION BILL* | 5,721 | 6,407 | 7,122 | 7,297 | 134,904 | 142,287 | 5,531 | 6,019 | 153,278 | 162,010 |
| ADD SPECIAL APPROPRIATIONS | 17,081 | 17,133 | 37,669 | 37,775 | | | | | 54,750 | 54,908 |
| LESS ATNAB INCLUDED IN BILL | | | | | - 8,286 | - 15,194 | | | - 8,286 | - 15,194 |
| ESTIMATED OUTPUT BUDGET CARRYOVER FROM PREVIOUS FINANCIAL YEAR | | | | | 7,305 | 6,599 | | | 7,305 | 6,599 |
| GRANT RECEIVED FROM DEECD | | | | | 14 | - | | | 14 | - |
| SECTION 29 RECEIPTS RETENTION AGREEMENT | | | | | 43 | - | | | 43 | - |
| TOTAL APPROPRIATIONS (\$000) | 22,802 | 23,540 | 44,791 | 45,072 | 133,980 | 133,692 | 5,531 | 6,019 | 207,104 | 208,323 |
| TOTAL APPROPRIATIONS (ROUNDED TO MILLIONS) | 22.8 | 23.5 | 44.8 | 45.1 | 134.0 | 133.7 | 5.5 | 6.0 | 207.1 | 208.3 |
| FIGURES PUBLISHED IN BUDGET PAPER 3 | 22.8 | 23.5 | 44.8 | 45.1 | 134.0 | 133.7 | 5.5 | 6.0 | 207.1 | 208.3 |
| <i>Rounding Difference</i> | | - | - | - | - | - | - | - | - | - |

* 2020-21 and 2021-22 Appropriation exclude Capital Asset Charge (CAC)

Delivering on Parliament's Strategic Priorities

Office-based Environmental Impacts

DPS is committed to reducing Parliament's impact on the environment. We seek to generate less waste and lower greenhouse gas emissions by **encouraging environmentally sound behaviours** in regard to energy, gas and water consumption, transport, waste generation, recycling, paper purchases and greener procurement.

We **monitor the electricity, gas and water usage** at the Parliamentary precinct, including the collection and use of rainwater in the gardens. DPS utilities at 55 St Andrews Place are not monitored, as the building is leased and utilities are included in the rent. For the duration of the reporting period, DPS continued to support a flexible and remote working policy, which reduced the occupancy rate in the precinct. Given the inconsistency of staff working in Parliament House and the occupancy of the Members' Annexe remaining for the most part unchanged, Parliament's power, gas and water figures are consistent with the ongoing efficiencies originally forecast in 2018–19.

- The precinct's **electricity usage dropped** by a further 4% from the previous year. This reduction meant nearly 90 tonnes of CO₂ was prevented from entering the earth's atmosphere. An upgrade project replacing 26 of the 250-watt mercury vapour globes with 36 new 100-watt LED high bay lights was completed in the Legislative Assembly chamber. Projects like these reduce wattage, energy consumption and fire risk. The upgrade of the lights has provided a saving to Parliament of approximately \$1000 per month.
- Total **gas usage dropped** to a level consistent with 2018–19 figures. This is most likely due to Parliament's kitchens resuming standard operations. The kitchens were operating seven days a week at the peak of the charity meals program in 2019–20.
- The precinct's **reliance on mains water reduced** by 11% in the last financial year. A new rainwater meter system was installed in this reporting period, however the repositioning and cleaning of the existing water tanks had an effect on rainwater capture and output data. As a consequence, accurate rainfall capture could not be confirmed for this financial year.

The Parliamentary precinct, including 55 St Andrews Place, has waste-sorting capabilities to different streams, such as co-mingled recycling, paper and cardboard, organic waste, scrap metal, e-waste and paint, aiming at **minimising our general waste** contribution. Most of the green waste from our gardens is mulched and re-used. Our Catering unit is embracing zero-waste practices in the Parliamentary kitchens, re-purposing food items that would otherwise have gone to waste. The kitchens are collaborating with Yume Food Australia to on-sell quality surplus stock that may otherwise have been wasted to smart hospitality and retail businesses. Spent coffee granules from the machines on precinct are collected by Reground and diverted from landfill.

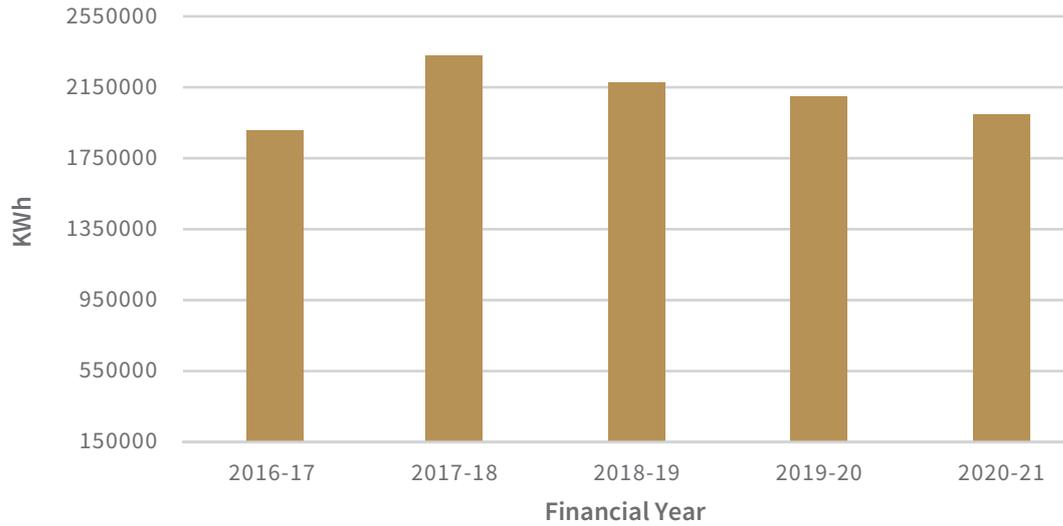
Our Catering unit's sourcing of produce from local suppliers aims to **reduce our carbon footprint and fuel emissions**. A focus on environmentally responsible food and drink packaging continues to reduce our reliance on products made from fossil fuel derivatives. This includes our adoption of bio-degradable paper bags; take-away containers made from rapidly-renewable, responsibly sourced materials such as sugarcane pulp; and sustainable paperboard coffee cups that are lined with bio-plastic made from plants instead of oil and use less paper.

Two of the three DPS fleet vehicles were replaced in the reporting period with hybrid vehicles, and the use of an e-water facility enabled the Parliament to further reduce its reliance on chemical cleaning products.

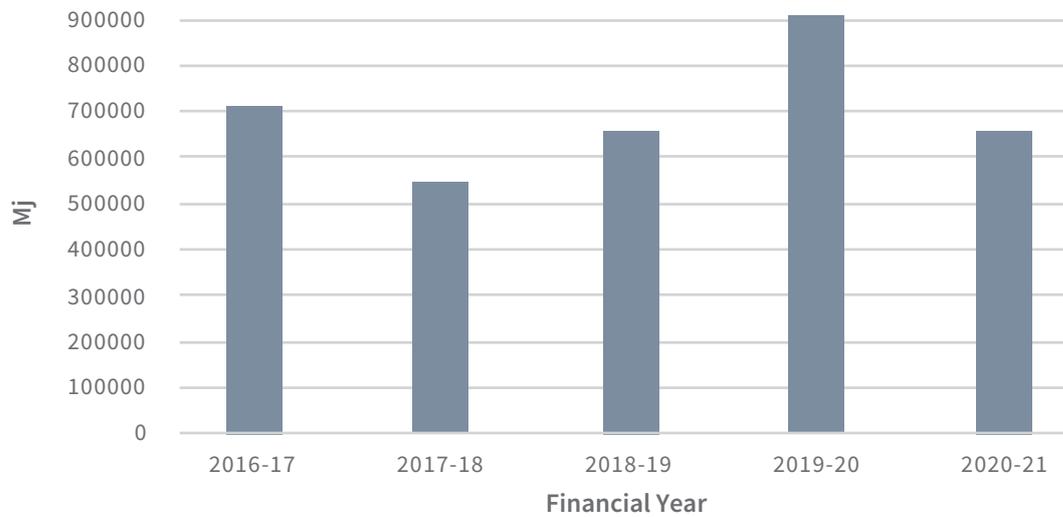
All electorate offices are supplied with 100% green power under the government services contract. Wherever possible Property Partners advocate for **sustainable options in the construction and design of office fit-outs**. Recycling and waste-reduction at the electorate offices is difficult for DPS to monitor and influence as Members themselves select and pay for related services out of their EO&C Budgets.

Prior to the pandemic, DPS moved to greener procurement in sourcing carbon neutral, Australian-made paper certified by the Australian Forestry Standard and endorsed by PEFC. We continue to work to **reduce reliance on copy paper**, driven by our hybrid working arrangements and many new paper-light practices.

Annual Parliament Precinct Electricity Use (kWh)

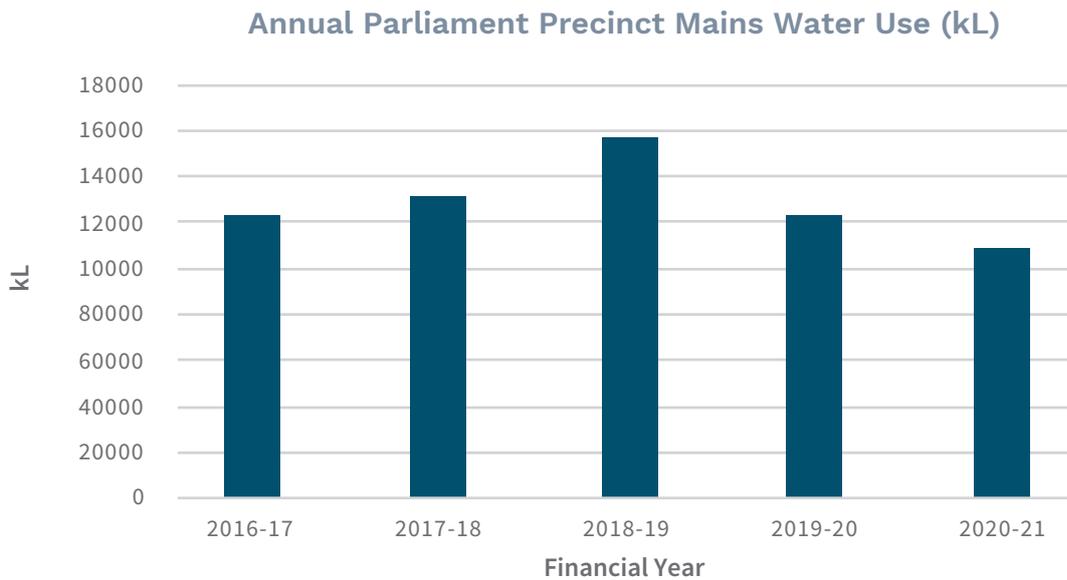


Annual Parliament Precinct Gas Use (Mj)



Delivering on Parliament's Strategic Priorities

Office-based Environmental Impacts



100%
of electorate offices
now supplied with
green power

**Zero
food-waste**
practices in our
Parliamentary
kitchens

11%
reduction in
our reliance on
mains water



**90
tonnes**

of CO₂ prevented from entering the earth's atmosphere as a result of reductions in electricity use on the precinct

\$1000

monthly cost saving to Parliament after old chamber globes were replaced with LED lights

An upgrade project replacing 26 mercury vapour globes with new LED high bay lights in the Legislative Assembly chamber reduced wattage, energy consumption and fire risk.

Delivering on Parliament's Strategic Priorities

Engaging with Victoria's First People

This year DPS contributed to the ongoing development of Parliament's Reconciliation Action Plan (RAP). The RAP drives internal efforts to acknowledge Aboriginal and Torres Strait Islander people as the First Peoples of this land and endorses steps toward reconciliation in the wider community. DPS teams continued to explore opportunities to work collaboratively with Indigenous organisations and suppliers and to acknowledge the contributions of First Peoples to the Parliament and the state of Victoria. Our staff have overwhelmingly backed the push for reconciliation and expressed support for RAP initiatives across the organisation.

- Creating and maintaining Parliament's **Aboriginal Honour Roll**, which recognises 107 outstanding Aboriginal community members and leaders for their achievements in a wide range of fields, including justice, education, health, sport, the arts, community, leadership and military service.
- The commissioning of a **significant original artwork by Thomas Day**, a Victorian Aboriginal artist from Gunditjmarra, Yorta Yorta and Wemba Wemba country. The artwork will be hung in Parliament House and used as a way to promote and reflect on reconciliation across the state.
- Exploring a suitable location for a plaque or marker to **recognise Parliament House as the official meeting place of the First Peoples' Assembly of Victoria**.
- Working with the State Library of Victoria and Wurundjeri elders to secure the loan of a significant **portrait of William Barak to display at Parliament House**. As the last Chief of the Birrarung, William Barak helped bridge the divide between his people and the Victorian Government.
- Exploring future opportunities to create optional **signage for electorate offices that is more inclusive of First People**.

Progressing Parliament's Reconciliation Action Plan

In April 2021, the Victorian Parliament's first **'Reflect' Reconciliation Action Plan** was submitted to Reconciliation Australia for endorsement. This work commenced in 2019 under the direction of a cross-Parliamentary group of emerging leaders, several of them from DPS business units. The RAP includes practical actions and provides a clear vision for Parliament's contribution to reconciliation both internally and in its engagement with the community. The impacts of COVID-19 delayed progress on some initiatives in 2020-21, and we look forward to the release of the Reflect RAP in the coming financial year.

Honouring First People at Parliament

Inspired by the work of the RAP Project, DPS business units progressed several initiatives that celebrate the contributions and culture of First People in the work of the Parliament. Projects this year include:

- Working in consultation with Victorian Aboriginal language authorities on the development of an **Aboriginal languages lexicon** to ensure better understanding and accurate use of First Peoples language in *Hansard*.
- Exploring different ways to **acknowledge Victoria's First People in Parliamentary documents and library publications**. This year an Acknowledgment of Country appears on the inside cover of the DPS annual report.

Engaging First People employees and suppliers

DPS **supports First People employment initiatives**, including participation in the Victorian Public Sector Commission's Barring Djinang Aboriginal employment initiatives for TAFE/VET graduates and the Aboriginal Pathway to Victorian Government graduate program. These initiatives help public sector agencies support and improve career experiences for Aboriginal employees, placing a strong focus on career development. This year, DPS identified several opportunities for First People TAFE/VET graduates. Working closely with the VPSC, DPS tailored a program to the skills and experiences of interested candidates and anticipates placing a graduate with the Broadcast team early in the 2021-22 financial year.

This year the Parliamentary Library commenced planning for the **appointment of a First Peoples Parliamentary Library Fellow**. The Parliamentary Library Fellowship provides academics, scholars, PhD students and post-doctoral candidates with an opportunity to engage in public policy by delivering a research paper and seminar on their research to Members of Parliament. Fellows undertake research based at the Parliamentary Library. The appointment will be announced early in the coming financial year.

The procurement of ingredients direct from **supplier organisations managed by or representing First People** was a key initiative for our Catering unit this year. Fostering closer working relationships with these suppliers has allowed our procurement team to bypass long supply chains and access quality native ingredients for our Parliamentary kitchens. The Catering unit will continue to explore opportunities to support smaller, more diverse Australian food producers that contribute to a better future for First People.

Our Catering team continued to explore opportunities to **partner with Aboriginal businesses** for events. Dumu Balcony Café, a social enterprise that employs and trains Indigenous youth in hospitality, retail and tourism produced and served lunch to 150 people at the regional sitting of the Legislative Council in Bright in April 2021. *Dumu* means 'black duck' in the local Dhudhuroa language.

DPS teams continued to explore opportunities to work collaboratively with Indigenous organisations and suppliers and to acknowledge the contributions of First Peoples. Our staff have overwhelmingly backed the push for reconciliation and RAP initiatives across the organisation.

Delivering on Parliament's Strategic Priorities

Informing and engaging with the community

DPS infrastructure, people and projects support Parliament's Community Engagement and Tours and Customer Services units by facilitating Victorians' access to, understanding of and engagement with the work of Parliament. This year our teams continued to provide safe, secure, fit-for-purpose spaces where members of the public could experience Parliament. A stable and secure IT network allowed Members, Parliamentary committees and tour guides to engage with the community via Zoom, MS Teams and social media channels. Throughout the year our Catering unit continued to provide food and beverages for Members, staff and guests at Parliament House.

Investing in our community

Parliament's **Charity Meals Program** continued to support Victorians under stress due to the pandemic in 2020-21. At its peak the program saw the Parliamentary kitchens operating 7 days per week with three rotating teams to ensure adherence to COVIDSafe plans. The program, a partnership with Melbourne charities and community service providers, distributed more than 1.5 million meal items to vulnerable Victorians in the period March 2020 to June 2021. The initiative also supported several Victorian suppliers experiencing a decline in demand for their products from restaurants and provided ongoing work for casual kitchen staff facing unemployment. As the economy began to recover and charity partners required fewer meals, transition arrangements were put in place. The transition saw a gradual reduction in the number of meals prepared and the provision of a breakfast and fruit only menu. Parliament's Catering team also provided training in meal preparation to charity partner staff.

During the pandemic, Parliament's cafes and restaurants continued our objective of supporting local suppliers by sourcing **locally grown and produced Victorian and Australian foods and other goods**. Milk from Gippsland farms hand-bottled at St David Dairy in Fitzroy, fresh eggs from family-owned Forge Creek Free Range and crockery from Robert Gordon Pottery in Pakenham are all used in our Parliamentary kitchens.

Following an audit of Parliament's heritage and contemporary furniture undertaken this year, DPS **donated surplus furniture to community organisations, charities**

and libraries, including the Brotherhood of St Laurence, St Vincent de Paul Society and The Salvation Army.

This year DPS continued to support initiatives aimed at creating a more inclusive Parliament. 2020 Parliamentary Library Fellow, Maria Mupanemunda, explored the **potential for social procurement to create inclusive employment opportunities** for jobseekers experiencing disadvantage. Ms Mupanemunda's work *The promise of social procurement: Leveraging purchasing power to create inclusive employment opportunities*, explains the concept of social procurement and looks at how Victoria and the public service could engage with this approach in future. Her work was promoted to Members and the wider community via Parliament's website, intranet and social media channels.

More broadly, the Victorian Parliament is twinned with the Parliaments of Fiji, Nauru and Tuvalu. Working as part of the Inter-Parliamentary Advisory Panel, this year DPS continued to support the delivery of professional development opportunities for their Members and staff. In partnership with representatives from the United Nations Development Programme, our Finance team provided accelerated hands-on **budget support for the Nauru Parliament** following a legislative change that increased Parliamentary independence from the executive. Despite COVID-19 and travel restrictions, opportunities were explored to continue our support for Fiji's Parliament in areas such as governance, workforce planning and information and communications technology. DPS continues to support Parliament's efforts to build relationships and enhance democratic governance in our partners in the Pacific.

DPS teams work behind the scenes enabling the day-to-day operations of the Parliament. The physical and digital spaces our teams provide allow Victorians to understand, experience and participate in the work of the Parliament to strengthen our democracy.

Enabling public involvement in the work of Parliament

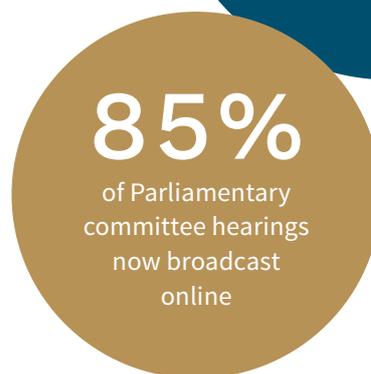
Our Buildings and Grounds Services unit continues to work toward providing built spaces that reflect the changing needs of our community and allow every Victorian to interact with and experience the work of the Parliament. This year the team continued to explore opportunities to **improve the built environment to enhance engagement with the community** on the precinct.

With disability awareness a continued focus for the Parliament, our Property Services unit worked to identify opportunities to **enhance physical access to electorate offices** beyond legislative compliance and ensure easy access for all constituents with a disability.

The creation of a **more accessible, inclusive and engaging website** continued this year with Parliament's website redevelopment project moving into its development phase. The new site will enable all Victorians to access information about the Parliament and engage with Members, Committees and activities at Parliament.

DPS contributed to a major cross-parliamentary project to **refresh and enhance the Parliament's brand**. Driven by our IT team and inspired by the redevelopment of Parliament's website, the project developed and launched a new brand identity and an accompanying style guide under the direction of the Presiding Officers and the three Department Heads. Font types and colour palettes that acknowledge the Parliament's history and heritage while reflecting a more contemporary aesthetic are features of the new branding. The redesign of Parliament's assets commenced and a working group consisting of key design staff from across Parliament is overseeing the rollout of the brand across the organisation.

With the pandemic and social distancing measures closing the building in 2020-21, public hearings for Parliamentary inquiries shifted almost entirely online. This year Hansard provided **transcription, broadcasting, and video conferencing** services to 137 committee hearings – more than 85% of which were held on Zoom or MS Teams. (In 2019 only 7% of committee hearings were conducted online.) To meet this growing demand, Hansard teams designed and established a **dedicated committee hearings room with video conferencing capability** at 55 St Andrews Place.



Supporting Parliament education and experiences

With the pandemic closing Parliament House to members of the public, several events scheduled to take place at in the building were cancelled or moved online. DPS provided facilities, IT support and publishing and broadcasting services to help deliver projects aimed at bringing Parliament into Victorian homes and schools:

- A series of online presentations, **'STEM and Society'**, explored the science and stories behind the game-changing work undertaken by leading experts from Victoria's scientific community. The series was presented by the Victorian Parliament in conjunction with the Royal Society of Victoria and Victorian Parliamentarians for STEM.
- Three public webinars entitled **'Civic Gardens: Now and Then'** held in conjunction with the National 2021 Heritage Festival were broadcast live via Facebook from the Parliamentary Library.

Delivering on Parliament's Strategic Priorities

Informing and engaging with the community

- A publishing program to capture the knowledge, stories and talent that exists at Parliament was established. Designed for all Victorians, the publications will **share untold stories and hidden treasures** of the Parliament.
- The Parliamentary Library research team continued to produce popular **research papers on topics of interest to all Victorians**. *Epidemics and pandemics in Victoria: Historical perspectives* saw 8741 unique page views and 944 unique downloads. The *Emergency Powers, Public Health and COVID-19* paper saw 57,157 unique pageviews and 3258 unique downloads.
- The filming and production of several short, informative videos by our Hansard Broadcast team helped Parliamentary committees **raise awareness and understanding of public inquiries**. The videos encouraged Victorians to get involved in these inquiries by making submissions, attending online forums and attending public hearings. The videos appear on the Parliament's social media channels.
- In an ongoing effort to **increase public access to Parliamentary resources** our Library staff digitised a large number of documents and reports from the collection. Recently digitised collections include handwritten minutes and proceedings of the original Joint Library Committee (1878-1942) and historic Standing Orders from the Legislative Council covering nearly 100 years to 1945. These items will be accessible via Parliament's new website.
- The Library also continued to explore ways to capture and develop heritage and cultural virtual experiences. A project to develop interpretive **community education spaces** stalled due to COVID-19 and will resume as soon as practicable.

Reflecting community and embracing diversity

This year DPS supported the appointment of Parliament's first Deaf Youth Associate, Sara Weir, to the Community Engagement team. Sara will work on projects to make Parliamentary information and activities **more accessible for people who use Auslan**. Her appointment supports efforts to engage people with diverse experiences, perspectives, and expertise to enrich the work of Parliament.

We continue to work to create an inclusive environment where all cultures and genders are respected and embraced. DPS Parliamentary Officers completed three **mandatory diversity training** programs this year including 'See the Person' developed by disability support services provider SCOPE, LGBTIQ+ awareness training and an eLearning module about Aboriginal and Torres Strait Islander cultures.

Hansard Broadcast continued to support the Parliament's **engagement with culturally and linguistically diverse communities and the deaf community**, assisting with the production of monthly Auslan video bulletins and 'This is Parliament' videos in three languages: Arabic, Mandarin and Vietnamese.

57,157

unique pageviews of
*Emergency Powers,
Public Health
and COVID-19*

8741

unique pageviews of
*Epidemics and pandemics
in Victoria: Historical
perspectives*

Parliament of Victoria's Disability Action and Inclusion Plan

The Disability Action and Inclusion Plan (DAIP) began as a project for the Parliament of Victoria's 2018–19 Emerging Leaders cohort. Eight Parliamentary Officers from all areas of Parliament undertook this project with the aim to help Parliament 'meet its obligations under existing legislation, through ideas that are practical and achievable and promote the Parliament of Victoria as a disability-friendly and inclusive organisation'.

During the initial year of operation the DAIP working group, which consisted of 11 staff from the three departments of Parliament, along with representatives from external peak disability resource organisations, implemented a number of the plan's initiatives, including activities such as undertaking disability awareness training and becoming a gold member of the Australian Network on Disability.

The four strategic areas in the DAIP are:

- People Operations – employment, adjustments, training and culture
- Built Environment – systems and infrastructure
- Service Provision – being accessible to visitors
- Community Engagement – consultations, social media, accessible content.

Despite the difficult working environment this year, the DAIP working group was able to progress a number of key actions.

Under the first DAIP strategic heading, People Operations, disability awareness training was made available for all Parliamentary Officers. Articles for staff newsletter 'On Notice' and the Parliament's DAIP intranet site were developed and communicated.

A plan for an accessibility audit for Parliament House was developed this year. The scope of work includes an access assessment of all public areas within Parliament House, the entrances and exits, pathways around the building, public toilets and signage. The working group conducted a tender process in March 2021 and will appoint a consultant to undertake this audit in the second part of 2021.

Employees from the Tours and Customer Service and Broadcast teams developed a video about how people with a disability can access Parliament House. The initial videos featured Parliamentary staff, but feedback from the reference group advised that best practice would have people with disabilities appearing in the videos. The videos were subsequently reproduced.

As part of the commitment to the Parliament's Community Engagement strategy, the Legislative Assembly's special sitting at the Royal Exhibition Building on 2 March 2021 incorporated Auslan interpreters.



Auslan interpreters appearing in Parliament videos support the Parliament's strategy to be inclusive and accessible for all Victorians.

Delivering on Parliament's Strategic Priorities

Ensuring the organisational resilience and efficiency of Parliament

The 2020-21 period tested DPS systems, people and culture in ways unseen before the arrival of the COVID-19 pandemic. Within two weeks of the state going into lockdown, all business-critical functions were operating effectively online with staff working remotely. Crucially, professional standards, service quality and deadlines continued to be met in the face of significant stress and upheaval. This year DPS adapted to a 'new normal' and the changing requirements of Members and the community. We seized opportunities to modernise practices, enhance our internal capabilities and deliver technology solutions to improve efficiencies and position DPS for the future.

Protecting Parliament's data and IT infrastructure

The COVID-19 pandemic led to a spike in ransomware and cyber-attacks globally. The annual cumulative cost to the nation of this activity has been estimated at \$1 billion. Protecting the integrity and security of the Parliament's ICT environment remains a key priority for DPS.

This year progress continued on a range of initiatives to move the Parliament closer to implementing the **Australian Cyber Security Centre's (ACSC) Essential Eight mitigation strategies**. An investment in internal capability was supported by expert and independent **assessments of our cybersecurity capabilities**.

Investments in technology and the work of our qualified cybersecurity experts continue to play a key role in maintaining Parliament's secure ICT environment. However, the efforts of our staff in detecting and reporting threats is crucial to our ability to respond and protect the Parliament. DPS conducted a **cybersecurity awareness campaign** including videos, articles in Parliament's employee newsletter 'On Notice' and the creation and promotion of a range of eLearning modules. These learnings will also assist staff as they manage their own lives in an online world.

Work progressed on a **network segmentation project** to provide better containment of security attacks, vulnerabilities and infections. Upgrades to our wireless environment enabled non-approved devices to be blocked and new firewalls improved our ability to analyse cyber-attacks and their impact.

To keep up with an ever-growing data storage demand, a **project to significantly increase network storage capacity** for users' files, server and network data commenced in 2021. Planning for the replacement of our virtual (VMWare) and server (UCS) environments for the on-premise IT systems commenced this reporting period. This is expected to occur in the coming financial year. Investigations into the suitability of cloud backup solutions for our future needs continued this year. At the same time, the network bandwidth to all the electorate offices was tripled to 30Mbps.

A Committee module, a House papers module and a Members' module were added to the **Parliamentary Information Management System (PIMS)** enabling us to decommission more of the legacy Lotus Notes databases.

Our Record Management unit continued to work to implement **data classification and protection standards** set by the Office of the Victorian Information Commissioner (OVIC). Work to develop and roll out protective security markings on all emails and documents originating in Parliament to meet the required standards within OVIC's Victorian Protective Data Security Framework also commenced. OVIC's 'PrivacyAwarenessWeek' was promoted throughout the organisation in May 2021.

A **records management policy, guidance material and training resources** were produced for the department during 2021. A physical file census was undertaken during the year and records were tagged for disposal or retention according to Public Record Office Victoria's requirements. Discovery and assessment of physical files is a vital step in disposing of information that is redundant, obsolete or trivial, freeing up space and saving time and resources. Consistent with Parliament's digitisation strategy, the audits also identified records that had reached their date of disposal.

300

Parliamentary Officers have completed a cybersecurity awareness learning program to date



This year DPS adapted to a 'new normal' and the changing requirements of Members and the community. We seized opportunities to modernise practices, enhance our internal capabilities and deliver technology solutions to improve efficiencies and position DPS for the future.

Delivering on Parliament's Strategic Priorities

Ensuring the organisational resilience and efficiency of Parliament

Securing and future-proofing Parliament spaces

In November 2020 Ernst & Young completed an internal audit of Parliament's protective security. The review provided recommendations focused on Parliament's physical security governance, policies and procedures to strengthen the Security Services framework and function.

Implementation of the recommendations made in the protective security audit commenced this year. Ernst & Young developed and implemented a new security risk assessment procedure and template for the Parliament which will be adopted going forward. A risk assessment across all precinct buildings was undertaken and a protocol for Parliament's annual review of security risk assessments was established. An audit of the number and location of security passes with access to the precinct was also carried out.

Our Buildings and Grounds Services unit adopted seven planning principles to ensure that the physical environment of the Parliamentary precinct contributes to the successful service delivery of the whole organisation. These include that the function of the precinct and the people in it will be enhanced through a **careful balance of security, safety, efficiency and contemporary workplace standards**.

Our IT unit successfully managed a **generator expansion project** after it was determined that the current diesel generator at Parliament House and the Members' Annex building generator both have extra capacity. This is now being used to supply emergency electrical power to critical communications rooms and cabinets, security cameras and air-conditioning systems.

Our Building and Grounds Services unit has now implemented a **new work order system for maintenance requests** allowing the Maintenance team to keep on top of priority tasks using their mobile phones as and when they are received. This allows for a more efficient delegation so that maintenance requests can be dealt with promptly.

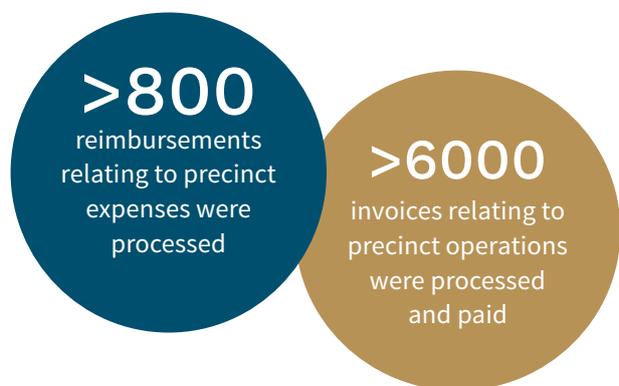
An **integrated building management system** now also gives the Maintenance team the ability to check, diagnose and control various systems remotely, such as the building's heating, ventilation, air conditioning and lighting.

Continuous improvement in systems and reporting

Over 6000 invoices and 800 reimbursements relating to precinct operations were processed by the Finance team in 2020-21. The team continued to support other business units across the Parliament to deliver outputs (targets) within financial constraints. This year, **improvements to Oracle** and aligning systems to reflect Parliament's new governance structure were key areas of focus for our Finance and Risk unit. The team continues to address the ongoing challenge of effective budgeting in a COVID-19 environment and beyond.

A **new approach to tracking and reporting projects using Microsoft Projects** was implemented across the full program of electorate office fit-out projects. This approach allows Property Partners to track and monitor every project at an operational level. The unit now has capacity to generate high level reporting on key project stages for relevant stakeholders.

Work continued on the **upgrade to the cloud-based Empower Human Resources Information System**. This will be fully managed and supported by a vendor and offers improved access to Pay Services data for Members and staff. Our Pay Services team accessed an updated time and attendance system to reflect the new Parliamentary Officer Enterprise Agreement.



A new project established in 2021 will see the development of a suitable **Human Capital Management System (HCMS)** for Parliament's people and culture needs. A new digital system supporting a range of staff onboarding

and movement processes was successfully designed and delivered. This allowed key processes to be moved online, which improved access, transparency and efficiency.

Contractor inductions can now be completed on-line prior to a contractor attending the precinct as a result of a new procedure established by the Buildings and Grounds Services unit. Contractor induction includes the provision of licences to conduct works and company insurances. Inductees undertake refresher inductions every 12 months.

The Parliament's **Performance Development and Progression process was digitised** and deployed in the Learning Portal. Our People Operations team produced a digital template and automated workflow to support the process and conducted a series of webinars to train all Parliament's staff in the use of the digital PDP resources.

Our Hansard unit transformed during 2021 and consistently achieved service and outputs despite Reporters, Subeditors and Editors moving to remote working arrangements. During the pandemic, *Hansard* was edited and published entirely offsite – a first for any Australian Hansard. **A service review of Hansard's Reporting and Publishing teams** is currently underway to identify opportunities for improvement in response to the new hybrid work model.

One of several DPS units to begin adopting the use of AI (artificial intelligence) and machine learning capabilities, the Parliamentary Library commenced work on a **project to use AI and machine learning capabilities** to streamline content classification and improve service delivery. The initiative will also investigate ways to protect the intent and context of information and ensure this is not compromised. Our IT team adopted AI to detect malicious emails, and the Hansard Broadcast team began testing the use of AI in relation to voice recognition for use in transcription.

People and culture

Our human resources strategy centres around delivering innovative, professional and apolitical services to support our elected representatives and the democratic process. Our strength lies in our talented people. We have long recognised the importance of prioritising the physical and emotional wellbeing of our employees. In the post-COVID

world, we recognise that a **greater focus on wellbeing and resilience** should form part of our culture to ensure our employees continue to perform at their best in these uncertain times.

This year DPS continued to strive toward a more **diverse and inclusive workforce** where everyone is empowered to do and be their best. By building our employees' capability and resilience, we are equipping them with the skills and ability to adapt and evolve in an ever-changing world. Through our renewed focus on strategic talent acquisition, we continued to focus on recruiting the best people and ensuring their values are aligned with those of the Parliament. We worked on initiatives that foster a culture where employees feel empowered to speak up and call out behaviour that is inconsistent with our values.

We recognise that **culture transformation** is a continuous process of learning, renewal and having the courage to challenge our inherent thinking, while remaining true to our enduring values of respect, integrity, accountability, leadership, responsiveness and impartiality. The changes in the way we work as a result of the pandemic accelerated the development of **new approaches to managing teams, tasks and projects**. Our teams continued to meet the operational and administrative requirements of DPS and the Parliament under challenging and changing circumstances. Most units continued to adopt hybrid, flexible working arrangements for staff, with approaches differing across units and dependent on service requirements.

People Operations continued to deliver corporate wellbeing programs to support the physical and mental health of Members, Electorate Officers and Parliamentary staff. Flu vaccinations, skin checks and the **Employee Assistance Program** continued to operate throughout the year.

An initiative to promote work/life balance and wellbeing was launched early in the pandemic as a way of keeping employees connected and engaged while supported. The **DPS 'Staying Connected' channel** on MS Teams provided daily tips and tricks on how to navigate remote work and promoted the benefits of healthy practices such as cooking for health, meditation, mindfulness and exercise. Online social events including a Hat Party, Our Younger Selves photo competition, a Grand Final Lunch, morning teas and spontaneous Friday get-togethers aimed to unite staff and bring light relief during a challenging time.

Delivering on Parliament's Strategic Priorities

Ensuring the organisational resilience and efficiency of Parliament



The groundwork was laid for a **dedicated Work Health and Safety function** to be established in DPS in July 2021 for the benefit of the whole of Parliament. This team will oversee our COVIDSafe workplaces working with all DPS units to ensure continued safety on the precinct and in electorate offices. Leading initiatives to improve health and wellbeing for Members and staff is a key focus for this team going forward.

A new cross-parliamentary group of Emerging Leaders, several of whom were selected from DPS business units, have been tasked with reporting on 'Learnings from the COVID-19 pandemic and adapting to the new normal'. The group examined activities undertaken during lockdown by the Victorian Parliament and other jurisdictions and the key learnings from that experience. A review of approaches adopted by other public sector and private organisations will also inform the report. It is anticipated that the recommendations will include insights on how Parliament can develop a more agile, resilient culture and establish itself as an **'employer of choice'**.

Capability building

Migration of Parliament's **recruitment process to a digital environment** enabled the use of video interviews and the delivery of online inductions. Our social media strategy was expanded to include LinkedIn as a broader complementary platform for information and engagement beyond the well-known recruitment function. As part of a coordinated approach for the whole of Parliament, recruitment content will be renewed to ensure a competitive position for DPS in the emerging workforce shortage of skilled and experienced new employees.

Assessment of Members' claims in relation to the EO&C Budget moved from the Finance and Risk unit to the Member Services team in May 2021. This ongoing work supports Members' compliance with the Guidelines that govern their use of the Budget and Parliamentary allowances. The shift required our Member Services officers to **increase their knowledge and understanding of the Guidelines** and absorb a significant increase in workload.

The introduction of a new record management system also required **awareness and skills training for our staff**. Records Management developed an eLearning module on records management principles and responsibilities for all DPS staff. A discovery exercise resulted in the mapping of information categories across our business units and informed a logical structure for storing information moving forward.

Parliament employees adapted to remote and hybrid working arrangements, developing their knowledge and capabilities in workplace health and safety and adapting business processes to the digital environment. With support from People Operations, **staff completed online training to prepare them for hybrid working arrangements** and increased their resilience during a challenging year.

In 2020 several DPS teams presented at a **virtual conference for Parliamentary professional services organisations** hosted by DPS New South Wales. Presentations drew on our broadcasting capability to deliver polished and professional content. Follow up meetings were held with NSW Parliament staff to exchange ideas and share knowledge. DPS Victoria has committed to hosting the next professional parliamentary services conference scheduled for early 2022.



Delivering on Parliament's Strategic Priorities

Learning and Development

Parliamentary Officers

Parliamentary Officers participated in a wide range of learning and development programs in the reporting period. Our Learning and Development team, in collaboration with subject matter experts, authored new programs on COVID-19 infection prevention, social media and a Records Management eLearning Program. Our cybersecurity team created a Cyber Crime Phishing module that provides practical advice on how to deal with the increase in cybersecurity-related issues. There were also several informative online sessions showcased to staff on Parliament's website redevelopment.

A course on how to use the application SharePoint online was the most popular internal course and it has now been completed by 118 Parliamentary Officers. Popular public courses offered through the year included Power BI, First Aid Training and Project Management. Parliament's senior management groups undertook a program of risk workshops customised for Parliament to increase understanding and applied use of risk principles in all practice areas.

The Learning and Development team launched the digital performance review process in September 2020 for Parliamentary Officers, which allowed staff to complete their performance reviews in a remote environment and eliminated the need for paper-based forms. A Learning

Management System is now being used to support our people to adapt to new digital business processes for our training courses, including the digital performance assessment.

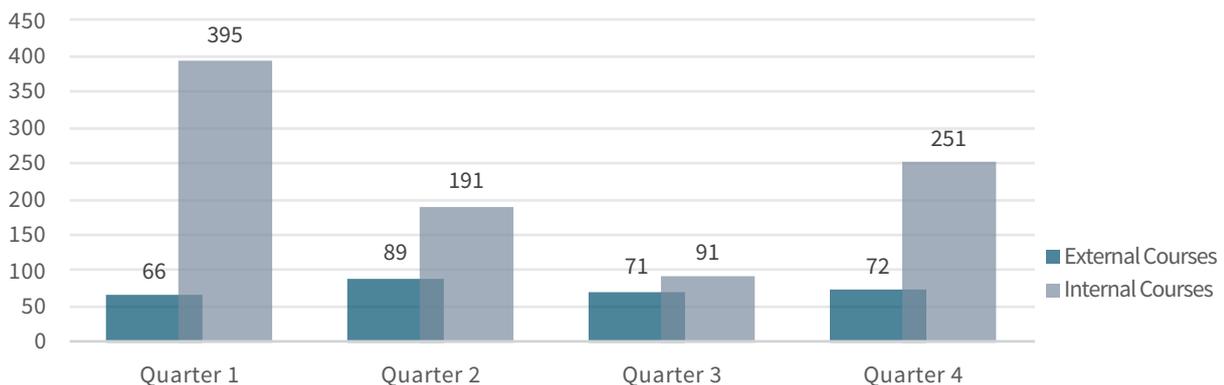
Two hundred and ninety-eight Parliamentary Officers completed a public course during the year and 928 staff attended an internal course coordinated by the Learning and Development team. With many staff focused on adapting to working remotely and responding to changing circumstances total attendance was down somewhat from the previous reporting period, during which 1602 programs were completed.

The online orientation programs for Parliamentary Officers were attended by 45 new starters.



Parliamentary Officer completion rates by quarter

Parliamentary Officers - Internal and External Courses



Electorate Officers

The Learning and Development team significantly expanded activities and programs to enable remote working Electorate Officers to engage in professional development and support programs. Four hundred and ninety-five Electorate Officers attended an internal course during the year and 96 Electorate Officers attended a public course. High attendance was seen in the internal sessions run by the Member Services unit on Understanding the Members of Parliament (Victoria) Guidelines No. 01/2021 and Australia Post information sessions highlighting changes to processes run by the Finance and Risk unit.

A public course on Aboriginal and Torres Strait Islander Cultural Competence was completed by 15 Electorate Officers. Other public courses that were popular for Electorate Officers included Mental Health Awareness and Conversations training.

Attendances for monthly inductions were steady during the year with 126 Electorate Officers attending one of the 12 online mandatory induction programs offered. Electorate Officers who had not been provided with the opportunity to visit Parliament House due to lockdowns in 2020 were invited to a public tour and participated in a Q&A with staff from the House Departments and the Member Services unit in May 2021.

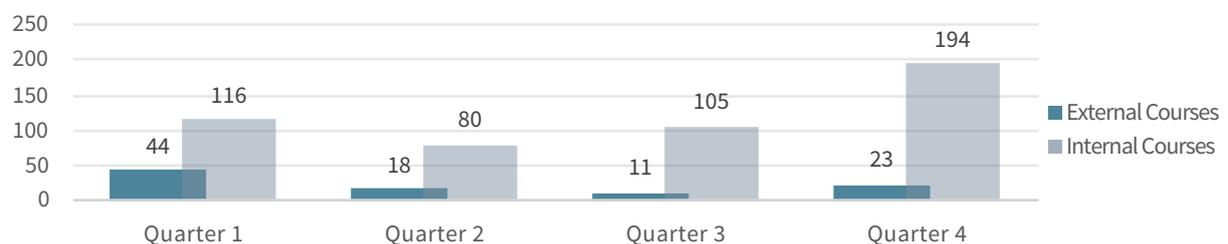
Members of Parliament

Forty Members completed McKinnon Institute's Political Leadership online course which ran over a period of eight weeks in July and August 2020. Members also participated in professional development programs on the topics of 'High Performing Workplace Behaviours' and 'How to Lead a High Performing electorate office'. There were eight enrolments in the AICD Company Directors Course, with one Member having completed the course this year.



Electorate Officer completion rates by quarter

Electorate Officers - Internal and External Courses



Delivering on Parliament's Strategic Priorities

Employment Framework

Two enterprise agreements outline conditions of employment for Parliamentary employees (excluding Executives). The Parliamentary Officers' (Non-Executive Staff – Victoria) Single Enterprise Agreement 2020 applies to all Parliamentary Officers and was implemented from 11 May 2021 with a nominal expiry date of 20 March 2024.

The Electorate Officers' (Victoria) Single Enterprise Agreement 2017 applies to Electorate Officers. It reached nominal expiry on 30 September 2020 however has remained in operation in the reporting period pending the outcome of enterprise agreement negotiations.

The Parliamentary Advisers' Collective Agreement Victoria 2020 commenced operation from 1 July 2020 and has a nominal expiry date of 30 June 2023. The Secretary has been delegated employment arrangements for 11 Members of Parliament under section 100 of the *Public Administration Act 2004*.

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

Employee Relations

The Parliamentary Officers' (Non-Executive Staff – Victoria) Single Enterprise Agreement 2020 applies to all Parliamentary Officers. This new Parliamentary Officer enterprise agreement was negotiated with management and staff bargaining representatives and supported by an overwhelming majority of staff. The new agreement offers recognition to staff for productivity improvements and terms and conditions consistent with the wider public sector.

The Electorate Officers' (Victoria) Single Enterprise Agreement 2017 applies to Electorate Officers. A new Electorate Officer enterprise agreement was negotiated with management and staff bargaining representatives and 'in principle' agreement has been reached. A staff ballot leading to implementation is anticipated early in 2021-22.

Comparative Workforce Data

Details of employment levels in June of 2020 and 2021

Department of Parliamentary Services

| | 2021 | | | 2020 | | |
|-----------------------|-----------------------|--------------|---------------------------------|-----------------------|---------------|---------------------------------|
| | Ongoing | | Fixed term and casual employees | Ongoing | | Fixed term and casual employees |
| | Employees (Headcount) | FTE | FTE | Employees (Headcount) | FTE | FTE |
| Gender | | | | | | |
| Male | 75 | 74.0 | 30.85 | 67 | 65.8 | 22.21 |
| Female | 67 | 63.4 | 17.83 | 69 | 63.88 | 19.55 |
| Total | 142 | 137.4 | 48.68 | 136 | 129.68 | 41.76 |
| Age | | | | | | |
| Under 25 | 3 | 2.6 | 1.58 | 1 | 1.00 | 3.89 |
| 25-34 | 24 | 23.8 | 16.29 | 28 | 27.80 | 14.71 |
| 35-44 | 40 | 39.0 | 10.34 | 36 | 32.90 | 7.21 |
| 45-54 | 35 | 34.0 | 11.12 | 34 | 32.98 | 7.23 |
| 55-64 | 34 | 32.8 | 7.60 | 31 | 29.80 | 6.69 |
| Over 65 | 6 | 5.20 | 1.75 | 6 | 5.20 | 2.03 |
| Total | 142 | 137.4 | 48.68 | 136 | 129.68 | 41.76 |
| Classification | | | | | | |
| VPS 1 | 0 | 0.0 | 0.00 | 0 | 0.00 | 0.00 |
| VPS 2 | 4 | 4.0 | 1.30 | 4 | 4.00 | 2.37 |
| VPS 3 | 39 | 37.8 | 10.58 | 34 | 32.20 | 5.66 |
| VPS 4 | 33 | 32.0 | 10.45 | 36 | 34.40 | 10.24 |
| VPS 5 | 45 | 43.1 | 16.15 | 41 | 38.58 | 16.18 |
| VPS 6 | 17 | 16.5 | 9.20 | 16 | 15.50 | 6.31 |
| VPS 7 | 1 | 1.0 | 0.00 | 1 | 1.00 | 0.00 |
| Other | 0 | 0.0 | 0.00 | 0 | 0.00 | 0.00 |
| Executive | 3 | 3.0 | 1.00 | 4 | 4.00 | 1.00 |
| Total | 142 | 137.4 | 48.68 | 136 | 129.68 | 41.76 |

Delivering on Parliament's Strategic Priorities

Comparative Workforce Data

Details of employment levels in June of 2020 and 2021

Electorate Officers

| | 2021 | | | 2020 | | |
|-----------------------|-----------------------|---------------|---------------------------------|-----------------------|---------------|---------------------------------|
| | Ongoing | | Fixed term and casual employees | Ongoing | | Fixed term and casual employees |
| | Employees (Headcount) | FTE | FTE | Employees (Headcount) | FTE | FTE |
| Gender | | | | | | |
| Male | 141 | 96.08 | 16.18 | 153 | 104.22 | 25.17 |
| Female | 266 | 187.87 | 20.88 | 258 | 176.70 | 30.88 |
| Other | 0 | 0.00 | 0.00 | 1 | 0.80 | 0.00 |
| Total | 407 | 283.95 | 37.06 | 412 | 281.72 | 56.05 |
| Age | | | | | | |
| Under 25 | 64 | 33.93 | 13.60 | 67 | 34.21 | 18.46 |
| 25-34 | 84 | 62.84 | 10.98 | 93 | 69.39 | 10.98 |
| 35-44 | 77 | 56.34 | 3.2 | 73 | 50.38 | 11.45 |
| 45-54 | 75 | 58.69 | 3.87 | 77 | 60.09 | 5.80 |
| 55-64 | 76 | 52.54 | 3.43 | 84 | 55.04 | 6.47 |
| Over 65 | 31 | 19.61 | 1.98 | 18 | 12.60 | 2.89 |
| Total | 407 | 283.94 | 37.05 | 412 | 281.72 | 56.05 |
| Classification | | | | | | |
| Other | 407 | 283.95 | 37.06 | 412 | 281.72 | 56.05 |
| Total | 407 | 283.95 | 37.06 | 412 | 281.72 | 56.05 |

Occupational Health and Safety and Employee Welfare

The Parliament of Victoria is committed to taking all reasonably practicable steps to ensure a safe and healthy workplace for all employees and other persons. Parliament recognises the importance of harmony between work and life and is committed to supporting employees in achieving this. Parliament will continue to foster a healthy work environment through improved employee wellbeing, increased job satisfaction and greater workplace diversity. In doing this, Parliament hopes to encourage a proactive mindset over a reactive mindset. Effective 1 July 2021, Parliament established a separate Work Health and Safety unit overseeing the occupational health and safety (OH&S) function.

During the reporting period, the People Operations unit coordinated a wide range of OH&S and employee wellness activities with a focus on the COVID-19 response, including

a permitted worker program, working from home, keeping engaged with a remote workforce, mental health, emergency management, first aid and additional online resources for employees. Prevention programs included the delivery of flu vaccinations and skin checks at Parliament House for Members and employees.

The COVID-19 response included EAP reach out programs and the delivery of resource kits to each workplace as well as implementation of COVID-19 Safe Work practices and health and safety representative responsibilities through the OH&S Committee and precinct project teams. A COVID-19 Subcommittee was established and meets regularly to discuss changes to requirements and restrictions, to provide advice on operations and to update the COVIDSafe plan.

Occupational Health and Safety Key Statistics

| Measure | Description | Result |
|--------------------------------------|--|--------|
| Incidents and hazards | Number of incidents | 199 |
| | Number of reported hazards | 30 |
| Claims (reported during the year) | Number of minor claims* | 2 |
| | Number of standard claims** | 10 |
| | Number of lost time claims | 4 |
| OH&S Committee | Number of claims exceeding 13 weeks | 3 |
| | Committee Meetings | 12 |
| | OH&S Representative initial and refresher training participation | 2 |
| Hazard inspections | Workplace hazard inspections | 8 |
| Corporate wellness activities | Number of participants | 190 |

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

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

Source: EML (insurance provider) relates to claims submitted during the reporting period

Delivering on Parliament's Strategic Priorities

Occupational Health and Safety and Employee Welfare

Occupational Health and Safety Incidents

| Breakdown of OH&S Injuries | |
|--|---|
| Being hit by a moving object | 4 |
| Cut or abrasion | 0 |
| Headache / dizzy / nausea | 0 |
| Infection | 0 |
| Hitting object with a part of the body | 0 |
| Sprain or strain | 5 |
| Respiratory condition | 1 |
| Burn / electrocution / shock | 0 |
| Slip, trip or fall | 4 |
| Being hit by a falling object | 1 |
| Anxiety or stress | 2 |
| Other | 0 |

Occupational Health and Safety Training

| Type of training | Number of employees attending |
|---|-------------------------------|
| Occupational Health and Safety eLearning | 217 |
| Equal Opportunity Contact Officer | 3 |
| Manual Handling | 4 |
| COVID-19 E-learning | 329 |
| Health & Safety Representative | 1 |
| HSR refresher | 1 |
| Mental Health | 61 |
| First Aid | 11 |
| First Aid CPR refresher | 1 |
| See the Person - Disability Engagement eLearning | 232 |
| Working from home | 122 |
| Dealing with Challenging Calls and Self-Care Strategies eLearning | 2 |

Attestation for Financial Management Compliance with Standing Direction 5.1.4

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

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

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

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



Peter Lochert
Secretary
Department of Parliamentary Services

Delivering on Parliament's Strategic Priorities

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 2020-21 (excluding GST) | Future Expenditure (excluding GST) |
|---|---|------------|-------------|--|-------------------------------------|------------------------------------|
| ALEXANDRA DOUGLAS CONSULTING PTY LTD | Advice to the Inquiry into the increase in Victoria's Road Toll, Legislative Council Economy and Infrastructure Committee | Sept 2020 | Feb 2021 | \$23,300 | \$23,300 | \$0 |
| BAKAMO LIMITED | Analysis of social media activity as part of research to support Inquiry into social media, Electoral Matters Committee | Sept 2020 | Feb 2021 | \$20,000 | \$20,000 | \$0 |
| DEAKIN UNIVERSITY | Research Project - Transitioning to Life after Parliament, Legislative Assembly and Legislative Council | April 2020 | August 2021 | \$83,000 | \$31,500 | \$31,500 |
| PEOPLE AND PERFORMANCE CONSULTING PTY LTD | Review of the Serjeant-at-Arms Office, Legislative Assembly | Nov 2020 | Jan 2021 | \$11,340 | \$11,340 | \$0 |
| SYNTHETISM PTY LTD | Deputy Clerk Remuneration Review, Legislative Assembly and Legislative Council | Feb 2021 | April 2021 | \$14,500 | \$14,500 | \$0 |

Consultancies less than \$10,000

| No. of consultancies | Total value (excl GST) |
|----------------------|------------------------|
| 1 | \$8,825 |

Major Contracts

Details of Contracts greater than \$10 million

| Supplier name | Purpose | Contract awarded | Contract amount (excluding GST) | Supplier selection method |
|--|---|------------------|---------------------------------|---------------------------|
| THE TRUSTEE FOR HARRIS HMC INTERIORS (VIC) TRUST | Parliament House East Wing Stage 3 Construction works | March 2021 | \$20,785,351 | Selective Tender Process |

Information and Communication Technology Expenditure

| All operational ICT expenditure Business As Usual (BAU) ICT | ICT expenditure related to projects to create or enhance ICT capabilities | | |
|--|---|-------------------------|---------------------|
| | Total non-BAU ICT Expenditure | Operational expenditure | Capital expenditure |
| \$12,987,294.12 | \$3,177,295.43 | \$476,412.43 | \$2,700,883.00 |

Senior Officer Travel

| Travel | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|--|----------|----------|---------|---------|
| DPS Senior Parliamentary Officer Travel* | \$59,799 | \$30,471 | \$9,546 | \$1,546 |

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

DECLARATION IN THE FINANCIAL STATEMENTS

The attached financial statements for the Parliament of Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including 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 2021 and financial position of the Parliament of Victoria at 30 June 2021.

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 02 September 2021.



Peter Lochert
Secretary, Department of Parliamentary Services
Parliament of Victoria
02 September 2021



Charu Saxena
Chief Financial Officer
Parliament of Victoria
02 September 2021

Financial Statements

PARLIAMENT OF VICTORIA

Financial statements and accompanying notes for the financial year ended 30 June 2021

| Contents | Page |
|---|-----------|
| Declaration in the financial statements | 64 |
| Auditor-General's report | 66 |
| Comprehensive operating statement | 68 |
| Balance sheet | 69 |
| Statement of changes in equity | 70 |
| Cashflow statement | 71 |
| Notes to the financial statements | 73 to 128 |

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

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

Parliament of Victoria
Parliament House
Spring Street
Melbourne Victoria 3002

Independent Auditor's Report

To the Accountable Officers of the Parliament of Victoria

| | |
|--|--|
| Opinion | <p>I have audited the financial report of the Parliament of Victoria (Parliament) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • Accountable Officers' and Chief Finance and Accounting Officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of Parliament as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p> |
| Basis for opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of Parliament in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Accountable Officers' responsibilities for the financial report | <p>The Accountable Officers of Parliament are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Accountable Officers determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Accountable Officers are responsible for assessing Parliament's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p> |

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
7 September 2021



Andrew Greaves
Auditor-General

PARLIAMENT OF VICTORIA
 Comprehensive operating statement
 for the financial year ended 30 June 2021

| | | (\$ thousand) | |
|--|----------|------------------|------------------|
| | Notes | 2021 | 2020 |
| Income from transactions | | | |
| Output appropriations | 2.2, 2.3 | 154,435 | 144,674 |
| Special appropriations | 2.2, 2.3 | 44,973 | 43,575 |
| Parliament refreshment rooms & gift shop sales | 2.4 | 234 | 1,334 |
| Other income | | 28 | 28 |
| Total income from transactions | | 199,670 | 189,611 |
| Expenses from transactions | | | |
| Employee expenses | 3.1 | (119,206) | (114,247) |
| Depreciation | 5.4 | (27,059) | (26,760) |
| Computer, communications, rental and other costs | 3.3 | (15,581) | (16,160) |
| Capital asset charge | 9.6 | (7,041) | (6,235) |
| Interest expense | 7.1 | (526) | (554) |
| Parliament refreshment rooms & gift shop | 3.2 | (4,278) | (3,008) |
| Supplies and services | 3.3 | (14,268) | (15,114) |
| Total expenses from transactions | | (187,959) | (182,078) |
| Net result from transactions (net operating balance) | | 11,711 | 7,533 |
| Other economic flows included in net result | | | |
| Net gain / (loss) on non-financial physical assets | | 219 | 174 |
| Other gains / (losses) from other economic flows | | 210 | (152) |
| Total other economic flows included in net result | | 429 | 22 |
| Net result | | 12,140 | 7,555 |
| Other economic flows - other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Changes in physical asset revaluation surplus | 5.1.1 | 49,013 | - |
| Total other economic flows - other comprehensive income | | 49,013 | - |
| Comprehensive result | | 61,153 | 7,555 |

The Comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 73 to 128.

PARLIAMENT OF VICTORIA
Balance sheet
as at 30 June 2021

| | | (\$ thousand) | |
|---|-------|----------------|---------|
| | Notes | 2021 | 2020 |
| Assets | | | |
| Financial assets | | | |
| Cash and deposits | 7.2 | 269 | 22 |
| Receivables | 6.1 | 53,886 | 40,375 |
| Total financial assets | | 54,155 | 40,397 |
| Non-financial assets | | | |
| Inventories - Parliament refreshment room & gift shop | | 58 | 71 |
| Non-financial physical assets classified as held for sale | | 96 | 95 |
| Property, plant and equipment | 5.1 | 783,914 | 732,850 |
| Right-of-use assets | 5.2 | 30,813 | 24,437 |
| Intangible assets | 5.3 | 814 | - |
| Prepayments | | 947 | 441 |
| Total non-financial assets | | 816,642 | 757,894 |
| Total assets | | 870,797 | 798,291 |
| Liabilities | | | |
| Bank overdraft | 7.2 | 5 | 17 |
| Payables | 6.2 | 9,225 | 8,659 |
| Unearned income | | 25 | 19 |
| Lease liabilities | 7.1 | 30,614 | 24,395 |
| Provisions | 3.1 | 16,481 | 15,455 |
| Total liabilities | | 56,350 | 48,545 |
| Net assets | | 814,447 | 749,746 |
| Equity | | | |
| Accumulated surplus / (deficit) | | 71,297 | 59,181 |
| Physical asset revaluation surplus | | 555,543 | 506,530 |
| Contributed capital | | 187,607 | 184,035 |
| Net worth | | 814,447 | 749,746 |

The Balance Sheet should be read in conjunction with the accompanying notes included on pages 73 to 128.

PARLIAMENT OF VICTORIA
Statement of Changes in Equity
for the financial year ended 30 June 2021

| | Notes | Physical asset revaluation surplus ^(a) | Accumulated surplus | Contributions by owner | Total |
|---|-------|---|------------------------|---------------------------|---------|
| Balance at 30 June 2019 | | 506,530 | 51,626 | 181,635 | 739,791 |
| Net result for the year | | - | 7,555 | - | 7,555 |
| Other comprehensive income for the year | | - | - | - | - |
| Additions to Net Asset Base | 9.6 | - | - | 2,400 | 2,400 |
| Balance at 30 June 2020 | | 506,530 | 59,181 | 184,035 | 749,746 |
| Derecognition of Parliamentary Budget Office ^(b) | 4.1 | - | (24) | (219) | (243) |
| Net result for the year | | - | 12,140 | - | 12,140 |
| Other comprehensive income for the year | 5.1.1 | 49,013 | - | - | 49,013 |
| Additions to Net Asset Base | 9.6 | - | - | 3,791 | 3,791 |
| Balance at 30 June 2021 | | 555,543 | 71,297 | 187,607 | 814,447 |

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

(b) On 1 July 2020, the financial information of the Parliamentary Budget Office was derecognised. Refer Note 4.1 for details.

The Statement of Changes in Equity should be read in conjunction with the accompanying notes included on pages 73 to 128.

PARLIAMENT OF VICTORIA
Cash flow statement
for the financial year ended 30 June 2021

| | | (\$ thousand) | |
|---|-------|------------------|-----------|
| | Notes | 2021 | 2020 |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Receipts from Government appropriations | | 185,370 | 181,002 |
| Receipts from Parliament refreshment rooms | | 303 | 1,476 |
| Receipts from other income | | 28 | 28 |
| Goods and services tax recovered from the ATO | | 6,036 | 6,188 |
| Total receipts | | 191,738 | 188,694 |
| Payments | | | |
| Payments to suppliers and employees | | (152,874) | (151,133) |
| Payments to suppliers & employees by Parliament | | (4,297) | (2,970) |
| Capital asset charge payments | | (7,041) | (6,235) |
| Interest and other finance costs | | (526) | (554) |
| Total payments | | (164,739) | (160,892) |
| Net cash flows from / (used in) operating activities | 7.2.1 | 26,999 | 27,802 |
| Cash flows from investing activities | | | |
| Purchases of non-financial physical assets | | (20,934) | (20,700) |
| Sales of non-financial physical assets | | 714 | 844 |
| Net cash flows from / (used in) investing activities | | (20,220) | (19,856) |
| Cash flows from financing activities | | | |
| Owner contributions by state government | | 3,791 | 2,400 |
| Repayment of principal portion of lease liabilities | | (10,312) | (10,511) |
| Net cash flows from / (used in) financing activities | | (6,521) | (8,110) |
| Net increase / (decrease) in cash and cash equivalents | | 258 | (165) |
| Cash and cash equivalents at beginning of financial year | | 5 | 170 |
| Cash and cash equivalents at end of financial year | 7.2 | 264 | 5 |

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2021

| Note | Contents | Page |
|------|---|------|
| 1 | About this report | 73 |
| 2 | Funding delivery of our services | 74 |
| 3 | The cost of delivering services | 77 |
| 4 | Disaggregated financial information by output | 84 |
| 5 | Key assets available to support output delivery | 95 |
| 6 | Other assets and liabilities | 103 |
| 7 | How we financed our operations | 105 |
| 8 | Risks, contingencies and valuation judgements | 112 |
| 9 | Other disclosures | 123 |

NOTE 1 – ABOUT THIS REPORT

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

Parliament of Victoria, Parliament House, Spring Street, Melbourne, Victoria 3002.

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

Basis of preparation

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

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

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

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

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

All amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated. Figures in the financial statements may not equate due to rounding.

Compliance information

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

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

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

NOTE 2 – FUNDING DELIVERY OF OUR SERVICES

Introduction

The Parliament's functions may be broadly described as legislative, financial and representational. It authorises expenditure, debates Government policy and scrutinises Government administration. The Parliament of Victoria is predominantly funded by accrual based Parliamentary appropriations for the provision of outputs that are further described in Note 4.

Structure

| | |
|--|----|
| 2.1 Summary of key income that funds the delivery of our services | 74 |
| 2.2 Appropriations | 74 |
| 2.3 Summary of compliance with annual Parliamentary and special appropriations | 75 |
| 2.4 Parliament refreshment rooms & gift shop | 76 |

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

| | | (\$ thousand) | |
|--|---------|---------------|---------|
| | Notes | 2021 | 2020 |
| Output appropriations | 2.2/2.3 | 154,435 | 144,674 |
| Special appropriations | 2.2/2.3 | 44,973 | 43,575 |
| Parliament refreshment rooms & gift shop | 2.4 | 234 | 1,334 |

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

2.2 Appropriations

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

Output appropriations

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

Special appropriations

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

NOTE 2 – FUNDING DELIVERY OF OUR SERVICES (cont)

2.3 Summary of compliance with annual Parliamentary and special appropriations

The following table discloses the details of the various annual Parliamentary appropriations received by the Parliament for the year. In accordance with accrual output-based management procedures 'provision for outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the Parliament.

| | Appropriation Act | | Financial Management Act 1994 | | Total Parliamentary Authority | Appropriations Applied | Variance ^(a) |
|---------------------------------|----------------------|------------------------|-------------------------------|--------------|-------------------------------|------------------------|-------------------------|
| | Annual Appropriation | Advance from Treasurer | Section 29 | Section 32 | | | |
| 2021 | | | | | | | |
| Controlled | | | | | | | |
| Provision for outputs | 152,030 | - | 43 | 7,305 | 159,378 | 154,435 | 4,943 |
| Additions to net assets (ATNAB) | 8,286 | - | - | - | 8,286 | 3,791 | 4,495 |
| Total | 160,316 | - | 43 | 7,305 | 167,664 | 158,226 | 9,438 |
| 2020 | | | | | | | |
| Controlled | | | | | | | |
| Provision for outputs | 142,471 | 2,863 | 313 | 6,716 | 152,363 | 144,674 | 7,689 |
| Additions to net assets (ATNAB) | - | 2,400 | - | - | 2,400 | 2,400 | - |
| Total | 142,471 | 5,263 | 313 | 6,716 | 154,763 | 147,074 | 7,689 |

(a) Current year output variance is driven by reduced operations due to COVID-19 environment and delays in the 2020-21 Victorian state budget process causing delayed starts to output funded programs. ATNAB variance is due to delay in capital projects driven by COVID-19 environment.

NOTE 2 – FUNDING DELIVERY OF OUR SERVICES (cont)

2.3 Summary of compliance with annual Parliamentary and special appropriations (cont)

Special appropriations

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

| | | (\$ thousand) | |
|--|---------------------------------------|---------------|---------------|
| Appropriations applied | | 2021 | 2020 |
| Authority | Purpose | | |
| Audit Act No. 2 of 1994 | Audit of the Auditor-General's Office | 39 | 25 |
| Constitution Act No. 8750 - Clerk of the Parliaments | Salaries | 2 | 2 |
| Constitution Act No. 8750 - Legislative Assembly | Salaries and expenses of the Assembly | 550 | 550 |
| Constitution Act No. 8750 - Legislative Council | Salaries and expenses of the Council | 200 | 200 |
| Parliamentary Salaries and Superannuation Act No. 7723 | Salaries and allowances | 44,182 | 42,798 |
| Total special appropriations | | 44,973 | 43,575 |

2.4 Parliament refreshment rooms & gift shop

| | (\$ thousand) | |
|--|---------------|--------------|
| | 2021 | 2020 |
| Food sales | 180 | 832 |
| Beverage sales | 40 | 181 |
| Gift Shop | 2 | 27 |
| Function income | 12 | 294 |
| Total parliament refreshment rooms & gift shop income | 234 | 1,334 |

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

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

NOTE 3 – THE COST OF DELIVERING SERVICES

Introduction

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

Structure

| | |
|--|----|
| 3.1 Employee benefit expenses | 77 |
| 3.2 Parliament refreshment rooms & gift shop | 81 |
| 3.3 Other operating expenses | 82 |

3.1 Employee benefit expenses

| | (\$ thousand) | |
|---|----------------|----------------|
| | 2021 | 2020 |
| Defined benefit superannuation expense | 133 | 154 |
| Defined contribution superannuation expense | 9,462 | 8,946 |
| Termination payments | 73 | 325 |
| Salaries and wages, annual leave and long service leave | 109,538 | 104,822 |
| Total employee benefit expenses | 119,206 | 114,247 |

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

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

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Parliament is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

NOTE 3 – THE COST OF DELIVERING SERVICES (cont)

3.1.1 Employee benefits in the balance sheet

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

| | (\$ thousand) | |
|---|---------------|--------|
| | 2021 | 2020 |
| Current provisions | | |
| Annual leave | | |
| Unconditional and expected to settle within 12 months | 3,390 | 3,903 |
| Unconditional and expected to settle after 12 months | 3,478 | 1,925 |
| On-costs | 1,018 | 903 |
| | 7,886 | 6,731 |
| Long service leave | | |
| Unconditional and expected to settle within 12 months | 1,030 | 1,118 |
| Unconditional and expected to settle after 12 months | 5,059 | 5,145 |
| On-costs | 965 | 950 |
| | 7,055 | 7,213 |
| Termination benefits | - | 174 |
| | - | 174 |
| Total current provisions for employee benefits | 14,941 | 14,118 |
| Non-current provisions | | |
| Long service leave | 1,329 | 1,161 |
| On-costs | 211 | 176 |
| Total non-current provisions for employee benefits | 1,540 | 1,337 |
| Total provisions for employee benefits | 16,481 | 15,455 |

NOTE 3 – THE COST OF DELIVERING SERVICES (cont)

3.1.1 Employee benefits in the balance sheet (cont)

Reconciliation of movement in on-cost provisions

| | (\$ thousand) | |
|---|---------------|-------|
| | 2021 | 2020 |
| Opening balance | 2,029 | 1,760 |
| Additional provisions recognised | 790 | 883 |
| Reduction arising from payments / other sacrifices of future economic | (625) | (614) |
| Closing balance | 2,194 | 2,029 |
| Current | 1,983 | 1,853 |
| Non Current | 211 | 176 |

Termination benefits and annual leave

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

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

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

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

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

Long service leave (LSL)

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

The components of this current LSL liability are measured at:

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

NOTE 3 – THE COST OF DELIVERING SERVICES (cont)

3.1.1 Employee benefits in the balance sheet (cont)

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

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

3.1.2 Superannuation contributions

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

| | (\$ thousand) | | | |
|---|--------------------------------|--------------|--------------------------------------|------------|
| | Paid contribution for the year | | Contribution outstanding at year end | |
| | 2021 | 2020 | 2021 | 2020 |
| Defined benefit plans ^(a) | | | | |
| Emergency Services & State Super Scheme | | | | |
| - Emp New & Revised | 129 | 151 | 5 | 4 |
| Defined contribution plans: | | | | |
| VicSuper | 4,736 | 4,597 | 169 | 131 |
| Other | 4,400 | 4,104 | 157 | 113 |
| Total superannuation contributions | 9,265 | 8,852 | 331 | 248 |

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

NOTE 3 – THE COST OF DELIVERING SERVICES (cont)

3.2 Parliament refreshment rooms

| | (\$ thousand) | |
|---|---------------|--------------|
| | 2021 | 2020 |
| Cost of goods sold | 2,011 | 977 |
| Salaries and wages, annual leave and long service leave | 2,111 | 1,844 |
| Other expenditure | 156 | 187 |
| Total Parliament refreshment rooms expenses | 4,278 | 3,008 |

Parliament refreshment rooms have experienced an increase in costs due to operation of the charity meals program for the full financial year. This program provided free meals for vulnerable community members during the COVID-19 emergency. The number of meals provided was higher than the prior year, where normal operations occurred for part of 2019-20 followed by the charity meals program which began from April 2020. The 2020-21 operation of the charity meals program was fully funded from output appropriations.

Cost of sales

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

NOTE 3 – THE COST OF DELIVERING SERVICES (cont)

3.3 Other operating expenses

Computer, communications, rental and other costs

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

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

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

Property rental costs: are recognised on a straight-line basis and consist of:

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

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

| | (\$ thousand) | |
|---|---------------|---------------|
| | 2021 | 2020 |
| Computer software, support & equipment rental | 4,633 | 4,641 |
| Communications, postage and printing | 6,906 | 6,897 |
| Contractors and temporary staff | 3,401 | 4,072 |
| Property rental costs | 640 | 551 |
| Total computer, communications, rental and other costs | 15,581 | 16,161 |

NOTE 3 – THE COST OF DELIVERING SERVICES (cont)

3.3 Other operating expenses (cont)

Supplies and services

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

| | (\$ thousand) | |
|---|---------------|---------------|
| | 2021 | 2020 |
| Advertising | 2,792 | 2,596 |
| Cleaning expenses | 1,253 | 1,334 |
| Electorate office expenses | 1,851 | 1,179 |
| Maintenance contractors and consumables | 1,268 | 1,221 |
| Minor equipment purchase and repair | 1,359 | 2,308 |
| Motor vehicle running costs | 747 | 675 |
| Office expenses | 709 | 1,042 |
| Other operating expenses | 439 | 819 |
| Professional services | 1,607 | 1,299 |
| Security | 1,030 | 1,213 |
| Travel and subsistence | 65 | 364 |
| Utilities | 1,147 | 1,064 |
| Total supplies and services | 14,268 | 15,114 |

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT

Introduction

The Parliament is predominantly funded by accrual based parliamentary appropriations for the provision of outputs. This section provides a description of the outputs delivered during the year ended 30 June 2021 along with the objectives of those outputs.

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

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

Distinction between controlled and administered items

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

Structure

| | |
|--|----|
| 4.1 Parliament outputs – Descriptions and objectives | 84 |
| 4.2 Administered items | 93 |

4.1 Parliament outputs – Descriptions and objectives

Objectives

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

Outputs

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

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

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

4.1 Parliament outputs – Descriptions and objectives (cont)

A description of the Parliament of Victoria outputs performed during the year ended 30 June 2021 and the objectives of these outputs, are summarised below.

Legislative Council

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.

Outputs

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

Legislative Assembly

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.

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.

Department of Parliamentary Services

Objectives

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

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.

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Parliamentary Investigatory Committees

Objectives

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

Outputs

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

Parliamentary Budget Office

Context

The Parliamentary Budget Officer is an independent officer of the Parliament of Victoria. The officer has complete discretion in the performance or exercise of the duties, functions and powers of office, and is not subject to direction or control. For 2019-20 the Department of Parliamentary Services provided corporate services to the Parliamentary Budget Office without direction or control. These services ceased for 2020-21.

On 1 July 2020, the Parliament reassessed control arrangements of the Parliamentary Budget Office in line with the requirements of AASB 10 *Consolidated Financial Statements*, and concluded that it does not satisfy the control criteria within the accounting standard. The transactions and balances are therefore no longer disclosed in these financial statements or accompanying notes from that date.

Objectives

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

Outputs

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

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Schedule A – Controlled income and expense for the year ended 30 June 2021

| | Legislative Council | Legislative Assembly | Department of Parliamentary Services | Parliamentary Investigative Committees | Parliament Total |
|---|---------------------|----------------------|--------------------------------------|--|------------------|
| | (\$ thousand) | | | | |
| Income from transactions | | | | | |
| Output appropriations | 5,720 | 7,120 | 136,065 | 5,530 | 154,435 |
| Special appropriations | 13,712 | 31,261 | - | - | 44,973 |
| Other income | - | - | 28 | - | 28 |
| Parliament refreshment rooms & gift shop | - | - | 234 | - | 234 |
| Total income from transactions | 19,432 | 38,381 | 136,327 | 5,530 | 199,670 |
| Expenses from transactions | | | | | |
| Employee expenses | (18,104) | (35,344) | (62,510) | (3,248) | (119,206) |
| Depreciation | - | - | (27,059) | - | (27,059) |
| Computer, communications, rental and other costs | (273) | (472) | (14,317) | (519) | (15,581) |
| Capital asset charge | - | - | (7,041) | - | (7,041) |
| Interest expense | (22) | (49) | (455) | - | (526) |
| Parliament refreshment rooms & gift shop | - | - | (4,278) | - | (4,278) |
| Supplies & services | (1,036) | (1,382) | (11,313) | (537) | (14,268) |
| Total expenses from transactions | (19,435) | (37,247) | (120,426) | (3,782) | (187,959) |
| Net result from transactions (net operating balance) | (3) | 1,134 | 9,354 | 1,226 | 11,711 |

Schedule A continued over the page

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Schedule A – Controlled income and expense for the year ended 30 June 2021 (cont)

| | Legislative Council | Legislative Assembly | Department of Parliamentary Services | Parliamentary Investigative Committees | Parliament Total |
|--|---------------------|----------------------|--------------------------------------|--|------------------|
| | | | | | (\$ thousand) |
| Other economic flows included in net result | | | | | |
| Net gain / (loss) on non-financial physical assets | - | - | 219 | - | 219 |
| Other gains / (losses) from other economic flows | - | - | 210 | - | 210 |
| Total other economic flows included in net result | - | - | 429 | - | 429 |
| Net result | (3) | 1,134 | 9,783 | 1,226 | 12,140 |
| Other economic flows - other comprehensive income | | | | | |
| Items that will not be reclassified to net result | | | | | |
| Changes in physical asset revaluation surplus | - | - | 49,013 | - | 49,013 |
| Total other economic flows - other comprehensive income | - | - | 49,013 | - | 49,013 |
| Comprehensive result | (3) | 1,134 | 58,796 | 1,226 | 61,153 |

The comparative Parliament controlled income and expenses for the year ended 30 June 2020 appears on the following page.

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Schedule B – Controlled income and expense for the year ended 30 June 2020

| | Legislative Council | Legislative Assembly | Department of Parliamentary Services | Parliamentary Investigative Committees | Parliamentary Budget Office* | Parliament Total |
|---|---------------------|----------------------|--------------------------------------|--|------------------------------|------------------|
| Income from transactions | | | | | | |
| Output appropriations | 5,958 | 6,917 | 122,754 | 5,745 | 3,300 | 144,674 |
| Special appropriations | 13,425 | 30,150 | - | - | - | 43,575 |
| Other income | - | - | 28 | - | - | 28 |
| Parliament refreshment rooms & gift shop | - | - | 1,334 | - | - | 1,334 |
| Total income from transactions | 19,383 | 37,067 | 124,116 | 5,745 | 3,300 | 189,611 |
| Expenses from transactions | | | | | | |
| Employee expenses | (17,616) | (34,165) | (57,307) | (2,380) | (2,779) | (114,247) |
| Depreciation | - | - | (26,706) | - | (55) | (26,761) |
| Computer, communications, rental and other costs | (311) | (242) | (14,091) | (1,124) | (377) | (16,145) |
| Capital asset charge | - | - | (6,235) | - | - | (6,235) |
| Interest expense | (27) | (60) | (467) | - | - | (554) |
| Parliament refreshment rooms & gift shop | - | - | (3,008) | - | - | (3,008) |
| Supplies & services | (789) | (1,383) | (12,612) | (278) | (66) | (15,128) |
| Total expenses from transactions | (18,743) | (35,850) | (126,973) | (4,304) | (3,277) | (182,078) |
| Net result from transactions (net operating balance) | 640 | 1,217 | 3,690 | 1,963 | 23 | 7,533 |

Schedule B continued over the page.

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Schedule B – Controlled income and expense for the year ended 30 June 2020 (cont)

| | Legislative Council | Legislative Assembly | Department of Parliamentary Services | Parliamentary Investigative Committees | Parliamentary Budget Office* | Parliament Total |
|--|---------------------|----------------------|--------------------------------------|--|------------------------------|------------------|
| | | | | | | (\$ thousand) |
| Other economic flows included in net result | | | | | | |
| Net gain / (loss) on non-financial physical assets | - | - | 174 | - | - | 174 |
| Other gains / (losses) from other economic | (14) | (19) | (114) | (5) | - | (152) |
| Total other economic flows included in net result | (14) | (19) | 60 | (5) | - | 22 |
| Net result | 626 | 1,198 | 3,750 | 1,958 | 23 | 7,555 |
| Other economic flows - other comprehensive income | | | | | | |
| Items that will not be reclassified to net result | | | | | | |
| Changes in physical asset revaluation surplus | - | - | - | - | - | - |
| Total other economic flows - other comprehensive income | - | - | - | - | - | - |
| Comprehensive result | 626 | 1,198 | 3,750 | 1,958 | 23 | 7,555 |

*On 1 July 2020, the financial information of the Parliamentary Budget Office was derecognised. Refer Note 4.1 for details.

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Schedule C – Controlled assets and liabilities as at 30 June 2021

| | Legislative Council | Legislative Assembly | Department of Parliamentary Services | Parliamentary Investigative Committees | Parliament Total |
|-----------------------------------|---------------------|----------------------|--------------------------------------|--|------------------|
| | | | | | (\$ thousand) |
| Assets | | | | | |
| Financial assets | 1,247 | 2,437 | 48,592 | 1,879 | 54,155 |
| Non-financial assets | 1,875 | 852 | 813,915 | - | 816,642 |
| Total assets | 3,122 | 3,289 | 862,507 | 1,879 | 870,797 |
| Total liabilities | (3,387) | (5,352) | (46,728) | (883) | (56,350) |
| Net assets / (liabilities) | (265) | (2,063) | 815,779 | 996 | 814,447 |

The comparative Parliament controlled assets and liabilities as at 30 June 2020 appears on the following page.

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Schedule D – Controlled assets and liabilities as at 30 June 2020

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

*On 1 July 2020, the financial information of the Parliamentary Budget Office was derecognised. Refer Note 4.1 for details

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

4.2 Administered items

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

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

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

4.2 Administered items (cont)

4.2.1 Administered trust account balances

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

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

Legislation: *Financial Management Act 1994*

Purpose: To record the receipt and payments of amounts relating to the purchase of public transport travel tickets for employees and associated reimbursements from employee salaries. The Parliament of Victoria's portion of the Public Service Commuter Trust is temporarily in deficit due to the timing difference between the purchase of travel tickets and reimbursements from employees. The trust's working capital is funded by the Department of Treasury and Finance.

| | (\$ thousand) | | | |
|----------------------------------|---|-------------------|-------------------|--|
| 2021 | Opening balance as at 1 July 2020 | Total receipts | Total payments | Closing balance as at 30 June 2021 |
| Administered Trusts | | | | |
| Public Service Commuter Club | (61) | 76 | (38) | (23) |
| Total Administered Trusts | (61) | 76 | (38) | (23) |

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

NOTE 5 – KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

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

Significant judgement: fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 in connection with how those fair values were determined.

Structure

| | | |
|-----|-------------------------------|-----|
| 5.1 | Property, plant and equipment | 95 |
| 5.2 | Right-of-use assets | 99 |
| 5.3 | Intangible assets | 101 |
| 5.4 | Depreciation and impairment | 102 |

5.1 Property, plant and equipment

| | (\$ thousand) | | | | | |
|---|-----------------------|----------------|--------------------------|-----------------|---------------------|----------------|
| | Gross carrying amount | | Accumulated depreciation | | Net carrying amount | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land at fair value | 173,828 | 173,828 | - | - | 173,828 | 173,828 |
| Buildings at fair value | 602,544 | 548,651 | (46,039) | (33,900) | 556,505 | 514,751 |
| Plant, equipment & vehicles at fair value | 37,236 | 35,133 | (22,666) | (18,299) | 14,570 | 16,834 |
| Cultural assets at fair value | 11,995 | 11,958 | - | - | 11,995 | 11,958 |
| Leasehold improvements at cost | 8,226 | 5,495 | (2,354) | (1,698) | 5,871 | 3,797 |
| Assets under construction at cost | 21,145 | 11,682 | - | - | 21,145 | 11,682 |
| Total | 854,974 | 786,747 | (71,059) | (53,897) | 783,914 | 732,850 |

NOTE 5 – KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (cont)

5.1 Property, plant and equipment (cont)

Initial recognition

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

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

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

Subsequent measurement

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

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

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

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

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

There were no changes in valuation techniques throughout the period to 30 June 2021.

NOTE 5 – KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (cont)

5.1 Property, plant and equipment (cont)

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

| Year ended 30 June 2021 | Land at fair value | Buildings at fair value | Plant, equipment & vehicles at fair value | Cultural assets at fair value | Leasehold improvements | Assets under construction at cost | Total |
|--------------------------|--------------------|-------------------------|---|-------------------------------|------------------------|-----------------------------------|----------------|
| | | | | | | | (\$ thousand) |
| Opening balance | 173,828 | 514,751 | 16,834 | 11,958 | 3,797 | 11,682 | 732,850 |
| Additions | - | - | - | - | - | 19,585 | 19,585 |
| Disposals / retirements | - | - | - | - | - | - | - |
| Revaluations | - | 49,013 | - | - | - | - | 49,013 |
| Transfer in / (out) from | - | 4,880 | 2,361 | 37 | 2,844 | (10,122) | - |
| Other transfers | - | - | (41) | - | (91) | - | (132) |
| Depreciation expense | - | (12,139) | (4,584) | - | (678) | - | (17,401) |
| Closing balance | 173,828 | 556,505 | 14,570 | 11,995 | 5,873 | 21,145 | 783,914 |

The comparative reconciliation of movements in carrying amount of property, plant and equipment for the year ended 30 June 2020 appears on the following page.

NOTE 5 – KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (cont)

5.1 Property, plant and equipment (cont)

5.1.1 Reconciliation of movements in carrying amount of property, plant and equipment (cont)

| Year ended 30 June 2020 | Land at fair value | Buildings at fair value | Plant, equipment & vehicles at fair value | Cultural assets at fair value | Leasehold improvements | Assets under construction at cost | Total |
|--------------------------|--------------------|-------------------------|---|-------------------------------|------------------------|-----------------------------------|----------------|
| | | | | | | | (\$ thousand) |
| Opening balance | 173,828 | 500,869 | 23,217 | 11,958 | 1,476 | 18,512 | 729,860 |
| Additions | - | - | - | - | - | 23,363 | 23,363 |
| Disposals / retirements | - | - | - | - | - | (115) | (115) |
| Revaluations | - | - | - | - | - | - | - |
| Transfer in / (out) from | - | 25,596 | 1,762 | - | 2,720 | (30,078) | - |
| Other transfers | - | - | (3,255) | - | - | - | (3,255) |
| Depreciation expense | - | (11,714) | (4,890) | - | (399) | - | (17,003) |
| Closing balance | 173,828 | 514,751 | 16,834 | 11,958 | 3,797 | 11,682 | 732,850 |

NOTE 5 – KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (cont)

5.2 Right-of-use assets

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

| | (\$ thousand) | |
|-------------------------------------|---------------|---------|
| | 2021 | 2020 |
| Right-of-use: Motor vehicles | | |
| Gross carrying amount | 4,422 | 4,391 |
| Accumulated depreciation | (1,465) | (1,171) |
| Net carrying amount | 2,956 | 3,220 |
| Right-of-use: Properties | | |
| Gross carrying amount | 43,741 | 29,848 |
| Accumulated depreciation | (15,884) | (8,630) |
| Net carrying amount | 27,857 | 21,218 |
| Total net carrying amount | 30,813 | 24,437 |

Initial recognition

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

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

Subsequent measurement

Right-of-use assets are subsequently measured at fair value less any accumulated depreciation and impairment. The Parliament depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

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

Right-of-use motor vehicles: fair value is determined using the current replacement cost method.

Right-of-use properties: fair value is determined using the market approach whereby current lease payments are compared to market rentals for equivalent properties.

There were no changes in valuation techniques throughout the period to 30 June 2021.

NOTE 5 – KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (cont)

5.2 Right-of-use assets (cont)

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

(\$ thousand)

| | Right-of-use: Motor vehicles | Right-of-use: Properties | Total |
|--------------------------------|---------------------------------|-----------------------------|---------------|
| Year ended 30 June 2021 | | | |
| Opening balance | 3,220 | 21,217 | 24,437 |
| Additions | 1,096 | 15,619 | 16,715 |
| Disposals / retirements | (524) | (157) | (681) |
| Depreciation expense | (836) | (8,822) | (9,658) |
| Closing balance | 2,956 | 27,857 | 30,813 |
| Year ended 30 June 2020 | | | |
| Opening balance | 3,255 | 25,102 | 28,357 |
| Additions | 1,566 | 5,542 | 7,108 |
| Disposals / retirements | (731) | (540) | (1,271) |
| Depreciation expense | (870) | (8,887) | (9,757) |
| Closing balance | 3,220 | 21,217 | 24,437 |

NOTE 5 – KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (cont)

5.3 Intangible assets

The Parliament's intangible assets consists of purchased and generated computer software or systems:

| | (\$ thousand) | |
|----------------------------|---------------|----------|
| | 2021 | 2020 |
| Computer software | | |
| Gross carrying amount | 119 | - |
| Accumulated amortisation | - | - |
| Net carrying amount | 119 | - |

Initial recognition

Purchased intangible assets are initially measured at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Internally generated intangible assets arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible assets with finite useful lives are amortised on a straight-line basis over their useful lives. This amortisation is classified as an 'expense from transactions' on the Comprehensive Operating Statement. The amortisation period for intangible assets is between three to six years.

5.3.1 Reconciliation of movements in carrying amount of intangible assets

| | (\$ thousand) | | |
|---------------------------------------|-------------------|-----------------------------------|------------|
| Year ended 30 June 2021 | Computer software | Intangible assets being developed | Total |
| Opening balance | - | | - |
| Additions | - | | 814 |
| Transfers in / (out) from development | 119 | (119) | - |
| Closing balance | 119 | 696 | 814 |

NOTE 5 – KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (cont)

5.4 Depreciation and impairment

All items of property, plant and equipment that have finite useful lives, including right-of-use assets are depreciated. The exceptions to this rule include items under assets held for sale, land and cultural assets.

Depreciation is calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

| | Useful life (years) | |
|---|---------------------|----------|
| | 2021 | 2020 |
| Buildings at fair value | 10 to 90 | 10 to 90 |
| Plant, equipment & vehicles at fair value | 2 to 10 | 2 to 10 |
| Leasehold improvements at cost | 2 to 10 | 2 to 10 |
| Right-of-use assets | 2 to 10 | 2 to 10 |

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

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

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

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

Impairment of property, plant and equipment

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

NOTE 6 - OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

| | | |
|-----|-------------|-----|
| 6.1 | Receivables | 103 |
| 6.2 | Payables | 104 |

6.1 Receivables

| | (\$ thousand) | |
|---|---------------|--------|
| | 2021 | 2020 |
| Current | | |
| Contractual | | |
| Debtors - Parliament refreshment rooms | 34 | 23 |
| Statutory | | |
| Amounts owing from Victorian Government | 17,256 | 17,461 |
| GST input tax credit recoverable | 767 | 764 |
| Total current receivables | 18,057 | 18,249 |
| Non Current | | |
| Statutory | | |
| Amounts owing from Victorian Government | 35,829 | 22,127 |
| Total non current receivables | 35,829 | 22,127 |
| Total receivables | 53,886 | 40,375 |

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

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

NOTE 6 - OTHER ASSETS AND LIABILITIES (cont)

6.2 Payables

| | (\$ thousand) | |
|-----------------------------------|---------------|--------------|
| | 2021 | 2020 |
| Current | | |
| Contractual | | |
| Supplies and services | 4,482 | 5,320 |
| Accrued salaries & wages | 3,489 | 2,651 |
| Statutory | | |
| Fringe Benefits Tax | 220 | 199 |
| Payroll tax | 503 | 488 |
| Total current payables | 8,694 | 8,659 |
| Non Current | | |
| Contractual | | |
| Supplies and services | 532 | - |
| Total non current payables | 532 | - |
| Total payables | 9,225 | 8,659 |

Contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Parliament prior to the end of the financial year that are unpaid. All contractual payables are set to mature within one month of the end of the financial year.

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 contracts.

NOTE 7 – HOW WE FINANCED OUR OPERATIONS

Introduction

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

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

Structure

| | | |
|-----|------------------------------------|-----|
| 7.1 | Lease liabilities | 105 |
| 7.2 | Cash flow information and balances | 109 |
| 7.3 | Commitments for expenditure | 111 |

7.1 Lease liabilities

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

| | (\$ thousand) | |
|--|---------------|--------|
| | 2021 | 2020 |
| Current lease liabilities | | |
| Motor vehicle lease liabilities | 1,901 | 1,492 |
| Property lease liabilities | 7,759 | 7,292 |
| Total current lease liabilities | 9,660 | 8,784 |
| Non current lease liabilities | | |
| Motor vehicle lease liabilities | 1,151 | 1,832 |
| Property lease liabilities | 19,802 | 13,779 |
| Total non current lease liabilities | 20,953 | 15,612 |
| Total lease liabilities | 30,614 | 24,395 |

The Parliament leases various electoral office properties and motor vehicles. The Parliament also leases minor IT equipment for operational use. These leases are either short-term (due to expire within 12 months of 30 June 2021) or of insignificant value. As such, these leases are not recognised as right-of-use assets or lease liabilities, with associated payments recognised as an expense in the period they occur.

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

NOTE 7 – HOW WE FINANCED OUR OPERATIONS (cont)

7.1 Lease liabilities (cont)

7.1(a) Right-of-use assets

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

7.1(b) Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement:

| | (\$ thousand) | |
|--|---------------|--------------|
| | 2021 | 2020 |
| Interest expense on lease liabilities | 526 | 554 |
| Expenses relating to short-term leases | 604 | 551 |
| Total | 1,130 | 1,105 |

Interest expense

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

7.1(c) Amounts recognised in the Statement of Cashflows

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

| | (\$ thousand) | |
|--------------------------------------|---------------|--------|
| | 2021 | 2020 |
| Total cash outflow for leases | 10,312 | 10,511 |

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

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

This policy is applied to contracts entered into, or changed, on or after 1 July 2019. Before this date, leases were measured and presented in accordance with the superseded AASB 117 *Leases*.

NOTE 7 – HOW WE FINANCED OUR OPERATIONS (cont)

7.1 Lease liabilities (cont)

Recognition and measurement of leases

Initial recognition

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Subsequent measurement

The carrying amount of the lease liability will:

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

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

Short-term leases and leases of low value assets

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

NOTE 7 – HOW WE FINANCED OUR OPERATIONS (cont)

7.1 Lease liabilities (cont)

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

| | (\$ thousand) | | | |
|---|--|---------------|--|---------------|
| | Minimum future lease payments ^(a) | | Present value of minimum future lease payments | |
| | 2021 | 2020 | 2021 | 2020 |
| Motor vehicle leases | | | | |
| Not longer than one year | 1,947 | 1,902 | 1,901 | 1,832 |
| Longer than one year and not longer than five years | 1,172 | 1,525 | 1,151 | 1,492 |
| Property leases | | | | |
| Not longer than one year | 7,879 | 7,438 | 7,759 | 7,292 |
| Longer than one year and not longer than five years | 19,093 | 13,641 | 18,802 | 13,468 |
| Longer than five years | 1,016 | 414 | 1,000 | 312 |
| Minimum future lease payments | 31,107 | 24,919 | 30,614 | 24,395 |
| Less future finance charges ^(b) | (493) | (524) | | |
| Present value of minimum lease payments | 30,614 | 24,395 | 30,614 | 24,395 |
| Included on the balance sheet in: | | | | |
| Current borrowings lease liabilities (Note 7.1) | | | 9,660 | |
| Non-current borrowings lease liabilities (Note 7.1) | | | 20,953 | |
| Total | | | 30,614 | |

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

(b) Weighted average discount rate for motor vehicle leases is 2.8% (2019-20: 3.2%) and property leases is 1.6% (2019-20: 2.0%)

NOTE 7 – HOW WE FINANCED OUR OPERATIONS (cont)

7.2 Cash flow information and balances

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

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

| | (\$ thousand) | |
|---|---------------|------|
| | 2021 | 2020 |
| Cash on hand | | |
| Parliament of Victoria | 1 | 2 |
| Parliament refreshment rooms | - | 1 |
| Bank balance | | |
| Parliament refreshment rooms | 268 | 19 |
| | 269 | 22 |
| Bank overdraft - unrepresented cheques | (5) | (17) |
| Balance as per cash flow statement | 264 | 5 |

Due to the State of Victoria's investment policy and government funding arrangements, the Parliament does not hold a large cash reserve in its bank accounts. Parliamentary expenditure, including those in the form of cheques drawn by the Parliament for the payment of goods and services to its suppliers and creditors are made via the Public Account. The public account remits to the Parliament the cash required upon presentation of cheques by the Parliament's suppliers or creditors.

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

At 30 June 2021, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$5,324 (2020 - \$16,922). Unrepresented cheques are represented as 'Bank overdraft' in the Parliament's balance sheet.

NOTE 7 – HOW WE FINANCED OUR OPERATIONS (cont)

7.2 Cash flow information and balances (cont)

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

| | (\$ thousand) | |
|---|---------------|---------|
| | 2021 | 2020 |
| Net result for the period | 12,140 | 7,555 |
| Non cash movements | | |
| (Gain) / loss on sale or disposal of non-current assets | (219) | (174) |
| Depreciation of non-current assets | 27,059 | 26,760 |
| Movements in assets and liabilities: | | |
| (Increase) / decrease in receivables | (13,511) | (6,958) |
| (Increase) / decrease in inventories | 14 | (5) |
| (Increase) / decrease in prepayments | (506) | 890 |
| Increase / (decrease) in current payables | 1,102 | (1,773) |
| Increase / (decrease) in unearned income | 5 | (66) |
| Increase / (decrease) in provisions | 1,026 | 1,573 |
| Non-cash movements due to exit of PBO ^(a) | (111) | - |
| Net cash flows from / (used in) operating activities | 26,999 | 27,802 |

(a) On 1 July 2020, the financial information of the Parliamentary Budget Office was derecognised. Refer Note 4.1 for details

NOTE 7 – HOW WE FINANCED OUR OPERATIONS (cont)

7.3 Commitments for expenditure

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

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

| | (\$ thousand) | |
|---|----------------|---------|
| | 2021 | 2020 |
| Capital expenditure commitments | | |
| Not longer than one year | 15,595 | 9,381 |
| Longer than one year and not longer than five years | 5,713 | - |
| Total capital expenditure commitments | 21,308 | 9,381 |
| Other commitments payable | | |
| Not longer than one year | 2,027 | 1,510 |
| Longer than one year and not longer than five years | 101 | 1,098 |
| Total other commitments payable | 2,128 | 2,608 |
| Total commitments for expenditure (inclusive of GST) | 23,436 | 11,989 |
| Less GST recoverable from the Australian Taxation Office | (2,131) | (1,090) |
| Total commitments for expenditure (exclusive of GST) | 21,305 | 10,899 |

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

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

NOTE 8 – RISK, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

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

Structure

| | | |
|-----|--|-----|
| 8.1 | Financial instruments specific disclosures | 112 |
| 8.2 | Contingent assets | 116 |
| 8.3 | Fair value determination | 117 |

8.1 Financial instruments specific disclosures

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

Categories of financial assets

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

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

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment. The Parliament recognises the following assets in this category:

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

Categories of financial liabilities

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

The Parliament recognises the following liabilities in this category:

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

NOTE 8 – RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)

8.1 Financial instruments specific disclosures (cont)

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

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

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

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

Categorisation of financial instruments

| | | | (\$ thousand) | |
|--|---|-------|---------------|---------------|
| | Category | Notes | 2021 | 2020 |
| Contractual financial assets | | | | |
| Cash and deposits | Financial assets at amortised cost | 7.2 | 269 | 22 |
| Receivables ^(a) | Financial assets at amortised cost | 6.1 | 34 | 23 |
| Total financial assets | | | 303 | 45 |
| Contractual financial liabilities | | | | |
| Payables ^(b) | Financial liabilities at amortised cost | 6.2 | 8,502 | 7,972 |
| Bank overdraft | Financial liabilities at amortised cost | 7.2 | 5 | 17 |
| Lease liabilities | Financial liabilities at amortised cost | 7.1 | 30,614 | 24,395 |
| Total financial liabilities | | | 39,121 | 32,384 |

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

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

NOTE 8 – RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)

8.1 Financial instruments specific disclosures (cont)

8.1.1 Financial risk management objectives and policies

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

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

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

There has been no material change to the Parliament's financial risk profile in 2020-21.

Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Parliament's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Parliament. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Parliament's contractual financial assets is minimal because the main debtor is the Victorian Government.

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

Liquidity risk

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

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

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

NOTE 8 – RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)

8.1 Financial instruments specific disclosures (cont)

8.1.1 Financial risk management objectives and policies (cont)

Market risk

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

Foreign currency risk

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

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

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Parliament does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Parliament has minimal exposure to cash flow interest rate risks through cash and deposits that are at a floating rate.

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

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

NOTE 8 – RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)

8.2 Contingent assets

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

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

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

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

Quantifiable contingent assets

| | (\$ thousand) | |
|--------------------------------|---------------|--------------|
| | 2021 | 2020 |
| Bank guarantees from suppliers | 2,115 | 1,741 |
| Total contingent assets | 2,115 | 1,741 |

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

NOTE 8 – RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)

8.3 Fair value determination

Significant judgements and estimates

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

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

Land, buildings, cultural assets, plant and equipment and right-of-use assets are carried at fair value.

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

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

Fair value hierarchy

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

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

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

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

How this section is structured

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

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

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

NOTE 8 – RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)

8.3 Fair value determination (cont)

8.3.1 Fair value determination: Financial instruments

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

These financial instruments include:

| Financial assets | Financial liabilities |
|--|---|
| <ul style="list-style-type: none"> cash and deposits receivables | <ul style="list-style-type: none"> payables bank overdraft lease liabilities |

No financial instrument items have a fair value that is different from the carrying amount.

8.3.2 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

| (\$thousand) | | | | |
|---|------------------------------------|--|---------------|----------------|
| As at 30 June 2021 | Carrying amount as at 30 June 2021 | Fair value measurement at end of reporting period using: | | |
| Description | | Level 1 | Level 2 | Level 3 |
| Land at fair value - specialised land | 173,828 | - | - | 173,828 |
| Buildings at fair value - specialised buildings | 556,505 | - | - | 556,505 |
| Plant, equipment & vehicles at fair value | 14,570 | - | - | 14,570 |
| Cultural assets at fair value | 11,995 | - | 11,995 | - |
| Right-of-use assets at fair value | 30,813 | - | 27,856 | 2,956 |
| Total | 787,710 | - | 39,852 | 747,858 |

NOTE 8 – RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)

8.3 Fair value determination (cont)

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

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

Specialised land

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

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

At the end of June 2019, a fair value assessment was performed using the Valuer General's indices. This assessment determined a material increase in the value of Parliament's land since the last valuation in June 2017. As such a managerial revaluation is recognised in accordance with the requirements of FRD 103.

Specialised buildings

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

At the end of June 2021, a fair value assessment was performed using the Valuer General's indices. This assessment determined a material increase in the value of Parliament's specialised buildings since the last valuation in June 2017. As such a managerial revaluation is recognised in accordance with the requirements of FRD 103.

NOTE 8 – RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)

8.3 Fair value determination (cont)

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

Plant, equipment and vehicles

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

Cultural assets

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

For the library collection, valuation of the assets was determined by researching and checking the prices paid for similar books sold both in Australia and overseas. The last revaluation was performed for the library collection for the financial period ended at 30 June 2017. An interim valuation was performed at 30 June 2021 by reference to CPI and auction prices, no material change in market values was observed.

For other cultural assets (including heritage furniture, heritage items & artworks), valuation of the assets was determined by a comparison to similar examples of the artists or makers work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years. The last revaluation was performed for heritage items and artwork for the financial period ending at 30th June 2017. An interim valuation was performed at 30 June 2021 by observing a sample of the asset register. No material change in market values was observed.

The valuation methodology for cultural assets does not contain significant, unobservable inputs, and these assets are classified as Level 2 under the market approach.

Right-of-use assets

Right-of-use properties are valued using the market approach whereby current lease payments are compared to market rentals for similar or equivalent properties. Although these assets are depreciated, depreciation adjustments are made over contracted lease terms and are not considered as significant, unobservable inputs to the fair value measurement. Right-of-use properties are classified as Level 2 under the market approach.

Right-of-use vehicles are valued using the current replacement cost method, adjusting for associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, right-of-use vehicles are classified as Level 3 fair value measurements.

There were no changes in valuation techniques throughout the period to 30 June 2021. For all assets measured at fair value, the current use is considered the highest and best use.

NOTE 8 – RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)

8.3 Fair value determination (cont)

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

Reconciliation of Level 3 fair value movements

| Year ended 30 June 2021 | <i>Specialised land</i> | <i>Specialised buildings</i> | <i>Plant, equipment and vehicles</i> | <i>Right-of-use assets: motor vehicles</i> |
|--|-----------------------------|----------------------------------|--|--|
| Opening balance | 173,828 | 514,751 | 16,834 | 3,220 |
| Purchases (sales) | - | - | - | 1,096 |
| Transfer in / (out) of assets under construction | - | 4,880 | 2,361 | - |
| Other transfers | - | - | (41) | - |
| Gains or losses recognised in net result | | | | |
| Depreciation | - | (12,139) | (4,584) | (836) |
| Disposal of assets | - | - | - | (524) |
| Subtotal | 173,828 | 507,492 | 14,570 | 2,956 |
| Gains or losses recognised in other economic flows - other comprehensive income | | | | |
| Revaluation | - | 49,013 | - | - |
| Closing balance | 173,828 | 556,505 | 14,570 | 2,956 |

The comparative reconciliation of Level 3 fair value movements for the year ended 30 June 2020 appears on the following page.

NOTE 8 – RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (cont)

8.3 Fair value determination (cont)

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

Reconciliation of Level 3 fair value movements

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

Description of significant unobservable inputs to Level 3 valuations

| Asset class | Valuation technique | Significant unobservable input |
|-------------------------------------|--------------------------|--|
| Specialised land | Market approach | Community Service Obligation (CSO) |
| Specialised buildings | Current replacement cost | Direct cost per square metre, and |
| Plant, equipment and vehicles | Current replacement cost | Useful life of plant, equipment and vehicles |
| Right-of-use assets: motor vehicles | Current replacement cost | Useful life of leased motor vehicle |

The significant unobservable inputs remain unchanged from the prior period.

NOTE 9 – OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

| | | |
|-----|---|-----|
| 9.1 | Responsible persons | 123 |
| 9.2 | Remuneration of executives | 125 |
| 9.3 | Related parties | 126 |
| 9.4 | Remuneration of auditors | 126 |
| 9.5 | Subsequent events | 127 |
| 9.6 | Other accounting policies | 127 |
| 9.7 | Australian Accounting Standards issued that are not yet effective | 128 |

9.1 Responsible persons

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

Names

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

Presiding Officers:

The Hon Colin Brooks - 1st July 2020 to 30th June 2021

Speaker of the Legislative Assembly

The Hon Nazih Elasmr MLC - 1st July 2020 to 30th June 2021

President of the Legislative Council

Accountable Officers:

Peter Lochert - 1st July 2020 to 30th June 2021

Secretary, Department of Parliamentary Services

Andrew Young - 1st July 2020 to 30th June 2021

Clerk - Legislative Council

Bridget Noonan - 1st July 2020 to 30th June 2021

Clerk - Legislative Assembly

NOTE 9 – OTHER DISCLOSURES (cont)

9.1 Responsible persons (cont)

Remuneration of responsible persons

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

| | 2021 | 2020 |
|-----------------------------------|--------------|--------------|
| Salary Band \$ | | |
| 10,000 - 19,999 | - | 1 |
| 320,000 - 329,999 | 1 | - |
| 350,000 - 359,999 | 1 | - |
| 360,000 - 369,999 | 1 | 1 |
| 370,000 - 379,999 | - | 2 |
| 390,000 - 399,999 | 1 | 1 |
| 400,000 - 409,999 | - | 1 |
| 420,000 - 429,999 | 1 | - |
| Total number of Officers | 5 | 6 |
| Total amount (\$ thousand) | 1,877 | 1,932 |

Remuneration of ministers

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

| | 2021 | 2020 |
|----------------------------------|--------------|---------------|
| | | (\$ thousand) |
| Short-term employee benefits | 9,230 | 8,752 |
| Post-employment benefits | 735 | 570 |
| Total remuneration | 9,965 | 9,322 |
| Total number of Ministers | 24 | 26 |

NOTE 9 – OTHER DISCLOSURES (cont)

9.2 Remuneration of executives

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

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

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

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

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

| | (\$ thousand) | |
|--|---------------|--------------|
| | 2021 | 2020 |
| Short-term employee benefits | 1,226 | 1,248 |
| Post-employment benefits | 104 | 123 |
| Other long-term benefits | 45 | 37 |
| Total remuneration^(a) | 1,375 | 1,408 |
| Total number of executives | 6 | 7 |
| Total annualised employee equivalents^(b) | 6 | 6.9 |

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

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

NOTE 9 – OTHER DISCLOSURES (cont)

9.3 Related parties

Related parties of the Parliament include:

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

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

Key management personnel (KMP) of Parliament includes the individuals listed as Responsible Persons in Note 9.1.

| | (\$ thousand) | |
|------------------------------|---------------|--------------|
| | 2021 | 2020 |
| Compensation of KMPs | | |
| Short-term employee benefits | 1,713 | 1,745 |
| Post-employment benefits | 139 | 155 |
| Other long-term benefits | 25 | 32 |
| Total compensation | 1,877 | 1,932 |

Transactions and balances with key management personnel and other related parties

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

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

9.4 Remuneration of auditors

| | (\$ thousand) | |
|---|---------------|-----------|
| | 2021 | 2020 |
| Victorian Auditor-General's Office | | |
| Audit of the financial statements | 66 | 66 |
| Total remuneration | 66 | 66 |

NOTE 9 – OTHER DISCLOSURES (cont)

9.5 Subsequent events

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

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

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

9.6 Other accounting policies

Contributions by owners

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

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

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

Capital asset charge

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

NOTE 9 – OTHER DISCLOSURES (cont)

9.7 Issued but not yet effective Australian accounting and reporting pronouncements

Certain new and revised accounting standards have been issued but are not effective for the 2020-21 reporting period. These accounting standards have not been applied to the Parliament's Financial Statements. The Parliament is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- *AASB 17 Insurance Contracts* (effective for reporting periods beginning on or after 1 January 2023): The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities.
This standard currently does not apply to the not-for-profit public sector entities.
- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current* (effective for reporting periods beginning on or after 1 January 2023): This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.
This standard is expected to have an insignificant impact to the Parliament, due to the nature of its liabilities.
- *AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021* (effective for reporting periods beginning on or after 1 April 2021): This Standard amends AASB 16 to extend by one year the application period of the practical expedient added to AASB 16 by *AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions*. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications (e.g. account for as variable lease payment instead). This standard is expected to have nil impact, as the Parliament received no rent concessions as a direct consequence of the COVID-19 pandemic.

In addition to the new standards and amendments previously disclosed, the AASB has issued a list of other amending standards that are not effective for the 2020-21 reporting period. In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on the Parliament's financial reporting.



**Department of Parliamentary Services
Parliament of Victoria**

Spring Street Melbourne Victoria 3002 Australia

Telephone: +61 3 8682 2661

Website: www.parliament.vic.gov.au