



Department of Parliamentary Services

Annual Report
2021–22



Department of Parliamentary Services

The Hon. Shaun Leane MLC
President
Legislative Council
Parliament House
Melbourne VIC 3002

The Hon. Maree Edwards MP
Speaker
Legislative Assembly
Parliament House
Melbourne VIC 3002

Dear President and Speaker,
I have the pleasure in forwarding to you my report on the operations of the Department of Parliamentary Services for the financial year ending June 2022.

Yours sincerely,



Trish Burrows
Secretary
Department of Parliamentary Services

Department of Parliamentary Services Annual Report 2021-22

Tabled in the Legislative Council and Legislative Assembly on 22 March 2023
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*We acknowledge the traditional owners of
Country on which we live and work throughout
Victoria, and pay our respects to them,
their culture and their Elders past and present.*

Secretary's Foreword

It is my pleasure to introduce the 2021–22 annual report for the Department of Parliamentary Services. The stories featured in this year's report are illustrative of the varied and important work undertaken by our team at DPS. Each one tells a short story about an aspect of the department's work as we seek to fulfil our strategic priorities and support an effective, efficient and resilient Parliament.

My hope is that these vignettes will demonstrate some of the tangible ways in which DPS supports Victorian democracy. The services we provide to members and the wider parliamentary institution are wide-ranging, but all our work is ultimately aimed at supporting and enabling contemporary democracy through enhancing representation, engagement and accessibility.

With Parliament's activities in 2021–22 continuing to be heavily impacted by the COVID-19 pandemic, DPS' ability to deliver in difficult and unusual circumstances was on full display, and I would like to thank all team members for their diligent work ethic and agility in an ever-changing environment. That DPS has maintained an unbroken record of service over the last three years is testament to the resilience and adaptability of the DPS team, many of whom have remained on precinct throughout the pandemic, while others have had to adapt their roles to a remote working environment.

Despite the continued unpredictability of our working arrangements during 2021–22, in January, DPS hosted the Parliamentary Services Conference, a major event bringing together parliamentary service professionals from across Australia and New Zealand to share knowledge and discuss ways to continue to improve support to parliaments of the future. Thanks to everybody who contributed to the success of the conference, whether through organising, digital or in-person attendance or the facilitation of live broadcasting.

As a relatively recent arrival to DPS, having been appointed as Secretary in May 2022, the projects and achievements detailed in this report really acknowledge the work of my predecessor, Peter Lochert, who retired as Secretary of DPS in April 2022. Peter worked with the Parliament for 18 years, serving as Secretary since 2010, and has left a strong legacy.

Since taking on the role of Secretary I have been the beneficiary of a wide range of support from across the Parliament, and I would like to thank the Hon. Nazih Elasmr, former President of the Legislative Council, the Hon. Colin Brooks, former Speaker of the Legislative Assembly, and the Hon. Maree Edwards, Speaker of the Legislative Assembly, for their help and encouragement. Similarly, I feel lucky to have been able to call upon the knowledge and experience of Bridget Noonan, Clerk of the Legislative Assembly, and Andrew Young, former Clerk of the Legislative Council, who have both been tremendous colleagues. This report includes the financial statements of all three parliamentary departments – the Department of the Legislative Assembly, the Department of the Legislative Council and DPS.

Finally, I would like to thank everybody within the parliamentary departments for their kindness and patience in my tenure to date. Undertaking a new role in a new organisation can be a challenging learning experience, and I'm grateful for the openness and warmth that has made that experience such a pleasure for me so far. I look forward to the coming year as we prepare for the transition to the 60th Parliament of Victoria.

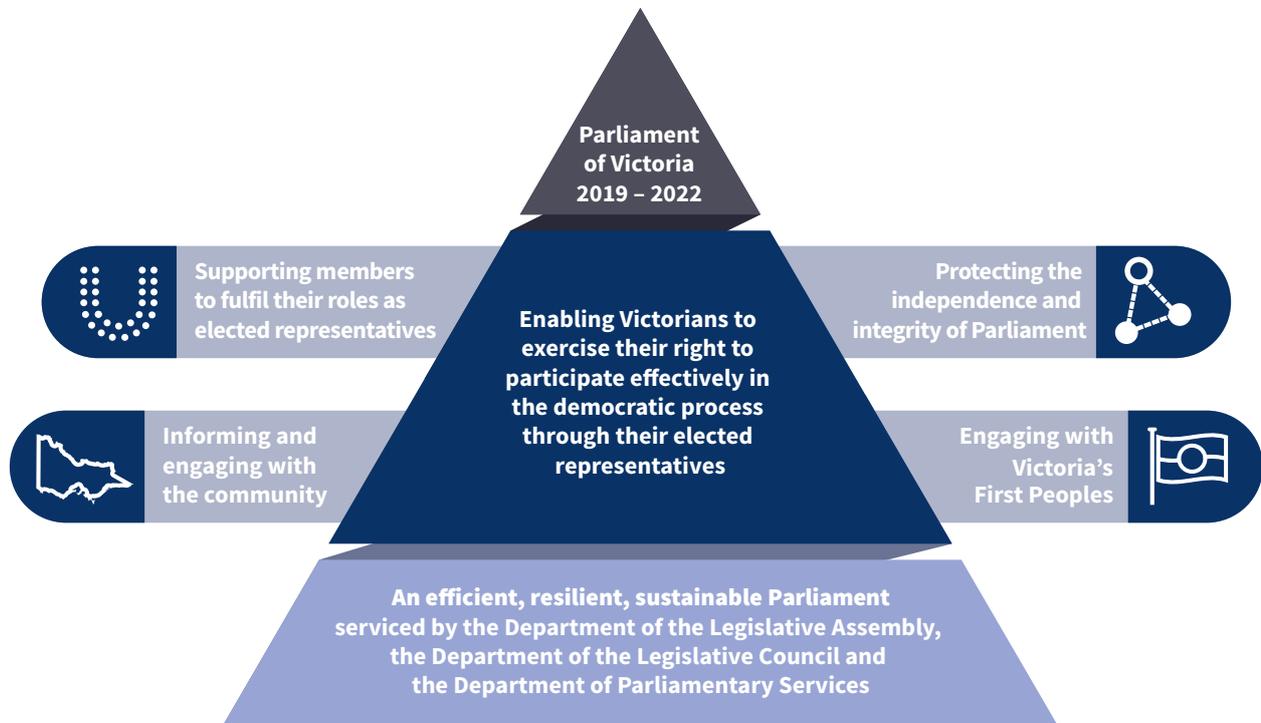


Trish Burrows
Secretary

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

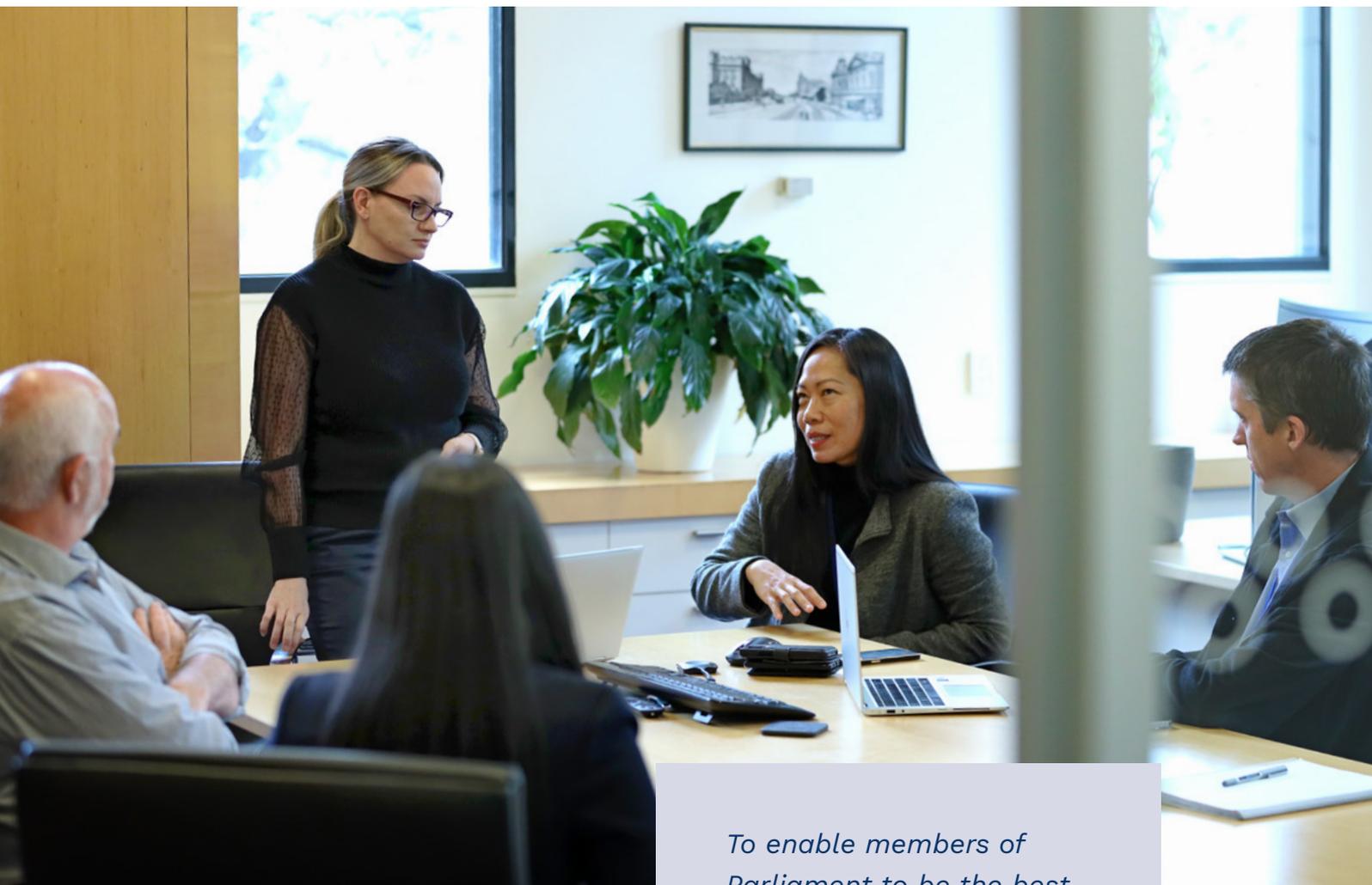
In fulfilling its constitutional purpose, the strategic direction of Parliament for the 2019–2022 period will prioritise four roles and focus the constituent departments on improving Parliament’s resilience and efficiency.

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



Trish Burrows,
Secretary, DPS,
Bridget Noonan,
Clerk, Legislative
Assembly,
Andrew Young,
former Clerk,
Legislative
Council

Our Mission



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

Electorate Office Provision

Supporting members to fulfil their roles
as elected representatives



Each of the 128 electorate offices is carefully chosen to ensure members are as accessible as possible, with guidelines in place to ensure offices are located in primary population hubs and as close as possible to public transport routes. Offices are managed by a team of dedicated Property Partners, who act as a single point of contact for members right across the state.

As part of our core mission to support the work of members in their local communities, the Department of Parliamentary Services (DPS) provides each member of the Parliament of Victoria with their own electorate office, located in a prime local position and including staffing, security infrastructure and a full range of essential professional services.

With MPs spread across the state from inner Melbourne to regional Victoria, DPS' Property Services unit administers a network of electorate offices spanning hundreds of thousands of kilometres, providing and maintaining centralised services and facilities right across Victoria. These electorate offices are provided in addition to the facilities in Parliament House and serve as critical hubs of engagement for constituents and community groups seeking to engage with their elected representatives.

Recent constituency changes have meant there has been a reassessment of many of our existing offices, with our Property Services team identifying and developing a number of new locations this year to comply with boundary changes.

From an accessibility standpoint, DPS undertakes all necessary work to ensure these vital public spaces comply with the requirements of the *Disability Discrimination Act 1992*, while strict standards are maintained across the state with regard to office size and facilities fit-out in line with DPS' commitment to political impartiality.

The facilities installed in each electorate office are also regulated to ensure members have all necessary tools to effectively serve their electorates. State-of-the-art IT services are provided along with ducted heating and air conditioning wherever possible, while security staff and networked surveillance facilities ensure safety and peace of mind for both members and constituents.

While many offices have been held and managed by DPS for years, there is a constant need to review, upgrade and sometimes replace these spaces to ensure they serve the needs of both incumbent and future members as well as the local constituents who access them.

Boundary changes and contract and leasing reviews mean that DPS has relocated or refurbished 10 electorate offices in the last year, allowing impacted members to better serve their constituents from modern offices in prime locations. In addition, over the same time frame DPS' Property Partners have conducted over 200 electorate office inspections and have responded to 470 requests for property management services.

The work involved in providing and resourcing these crucial community hubs for members is as varied as it is vital and forms a crucial component of DPS' obligation to members and our strategic priorities, not just in facilitating the work of members but in ensuring the integrity and efficiency of Parliament as an institution.



200

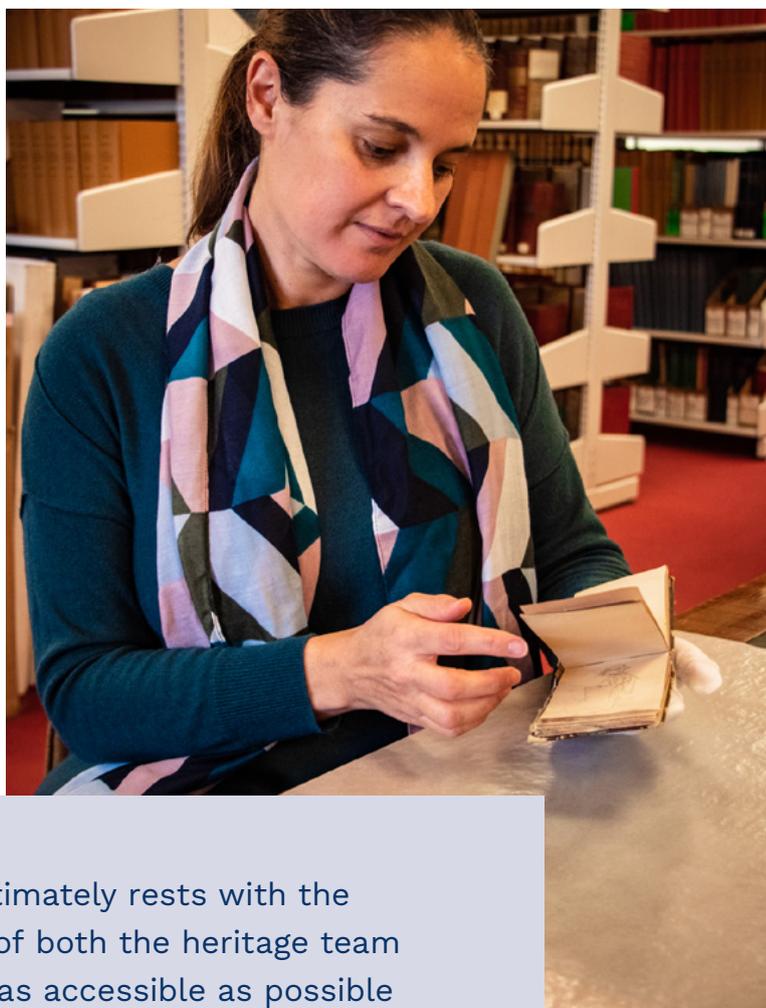
electorate
office inspections

Preserving and Promoting Parliament's Heritage

Informing and engaging with the community

Over the course of the last 166 years, the Parliament of Victoria, with its significant and enduring role in Victorian history, has amassed a substantial volume of historical and heritage material. While much of this collection is evident in the items that decorate the walls and fill the rooms of Parliament House, a significant quantity also comprise less obvious forms, such as pictures, letters and parliamentary and election paraphernalia.

Within the Parliament, this treasure trove of historical artefacts is managed and maintained by a heritage team which operates within the Parliamentary Library. This team of passionate heritage experts are constantly working to maintain, catalogue and exhibit the collection to make it as accessible as possible to the people of Victoria.



As the ownership of this collection ultimately rests with the Victorian public, it is a vital objective of both the heritage team and the wider department to make it as accessible as possible to the broader community. By displaying and promoting our collection of photographs, archives, rare books, paintings and other artefacts to the public, DPS works towards our key strategic goal of stronger engagement with the community.



Yet with thousands of artefacts and documents in our archives, there is a substantial amount of work to be done to catalogue and secure this collection for public access and posterity and even more work to expand access to our collection through engagement and outreach with the Victorian community.

As we build a greater understanding of how our heritage collection relates to and intersects with the wider community, we are also exploring new ways of engaging with the general public – for example, through opportunities presented by the widespread adoption of new technology and social media. These channels provide Parliament with a whole new way to communicate, engage and share our collection with the Victorian community.

Where previous engagements on heritage issues may have involved hosting talks or events with a limited reach, social media outreach affords us the opportunity to engage instantly with the almost 100,000 followers who are already connected to the Parliament through the major social media platforms.

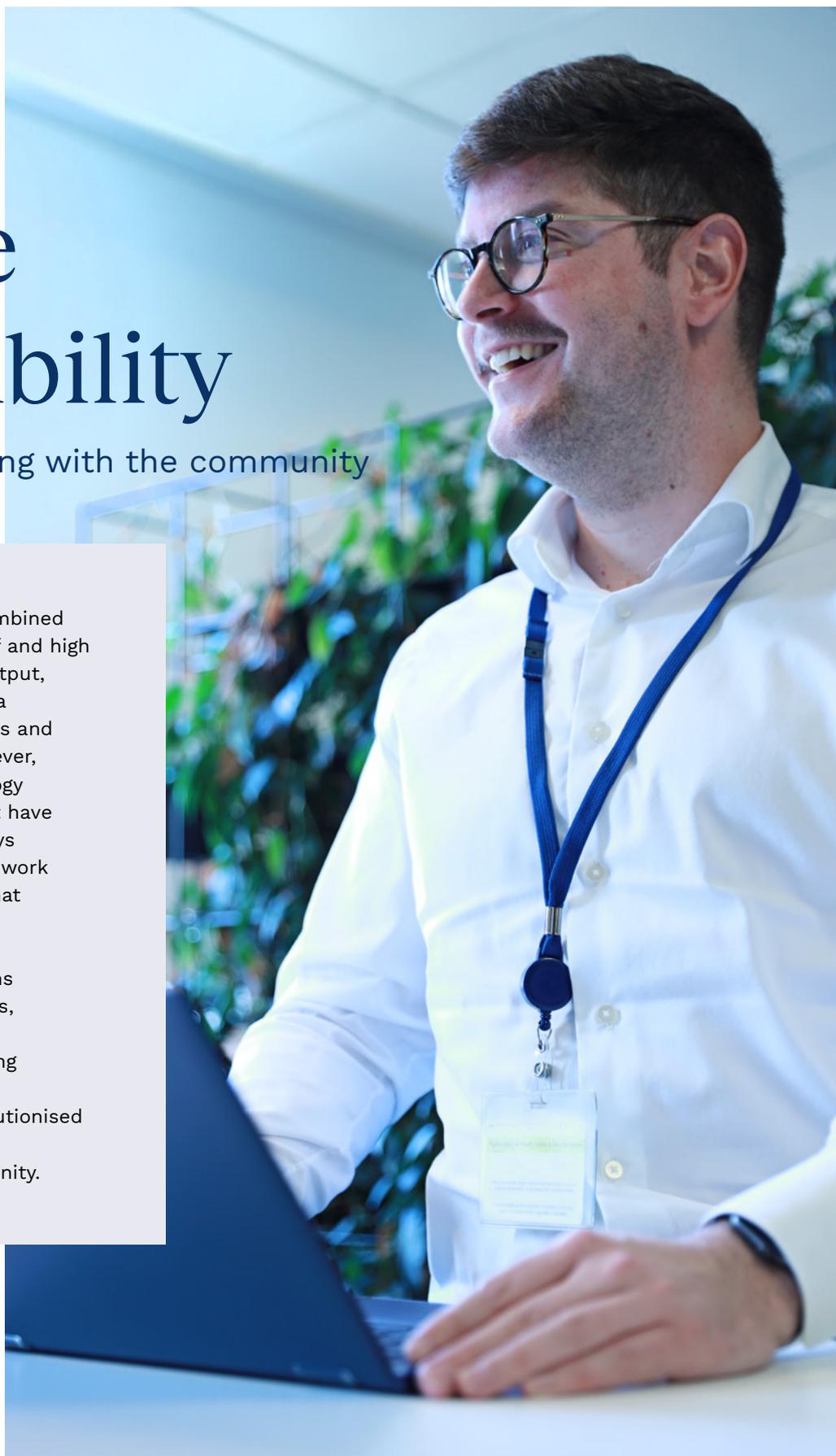
Additionally, social media channels allow us to engage in a reciprocal dialogue with stakeholders, allowing for community engagement rather than community broadcasting. With community engagement one of Parliament's core strategic priorities, this presents an important opportunity to increase the accessibility of Parliament not just by inviting the public to come and visit Parliament House but by taking our shared heritage and institutional stories out into the community.

Website Accessibility

Informing and engaging with the community

Parliament's long history, combined with the technical nature of and high level of public interest in its output, has resulted in the creation of a vast quantity of physical records and correspondence. Recently however, the emergence of new technology and the ubiquity of the internet have created new and innovative ways for Parliament to undertake its work and for DPS to communicate that work out into the community.

The adoption of digital platforms for public engagement purposes, whether through social media outreach or the live broadcasting of parliamentary sessions and committee meetings, has revolutionised our ability to take the work of Parliament out into the community.



However, while technology undoubtedly creates opportunities for greater ease of access, that does not always translate into a greater level of accessibility. It requires active decision-making to ensure that new platforms and tools are built in a way that makes them fully accessible to the widest possible number of Victorians. Additionally, the nature of Parliament's public accountability puts an even greater onus on us to ensure our platforms are accessible to everyone.

In line with these goals, in June 2022 the Parliament of Victoria launched its new public-facing website following an extensive period of review and feedback lasting more than 12 months. Through this consultation process it was revealed that users had found the previous website overly complex and difficult to navigate, with a complex site tree that required a relatively high level knowledge of Parliament's structure and processes.

While the previous website had been developed in line with contemporary W3C Web Content Accessibility Guidelines (WCAG), those standards continued to develop, and it is important that our website develops similarly in order that we remain as accessible as possible for users with different accessibility needs.

Accordingly, the new Parliament website was developed in line with the current best practice web accessibility standards with a target of reaching WCAG level AA. Specifically, the site has been written using plain English, with staff trained to ensure site content is clearer and more consistent. The site structure has been completely revamped, shifting away from a structure based around how we work technically and towards one which aligns with how our users view us.

Development of the new site was also highly user guided, with all features designed and created in association with a website user panel comprising almost 400 people from throughout Victoria.

The work to make our website more accessible is ongoing, with much of the previous website content still in the process of being rewritten, redesigned and migrated. Content currently spread across multiple platforms or in PDF format is being consolidated and will be added to the new website in due course.

Additional tools being utilised in the drive to make Parliament's online engagement more accessible include responsive dialogue through our social media platforms, online broadcasting of parliamentary activity, including committee hearings, and increasing use of closed captioning on video broadcasts and the production of regular Auslan parliamentary bulletin videos to allow members of our deaf community to more easily follow the work of Parliament.

Our website is a vital portal for public engagement, particularly for those community members who may find it more difficult to attend physically at Parliament House or their local electorate office. Digital accessibility will therefore remain an ongoing concern as we seek to create a Parliament which is approachable and relevant to the entire Victorian community.

Aboriginal Change Makers Project

Engaging with Victoria's First Peoples

While the history of the Victorian Parliament, and of the independent colony of Victoria itself, spans only a relatively recent 170 years, the land on which it sits and which our elected representatives endeavour to represent has a history, heritage and meaning to the First Peoples of Victoria which dates back thousands of years.

Despite the vibrant and complex cultural history which forms a background to Victoria and its political history, much contemporary record keeping and storytelling at the Parliament of Victoria has prioritised and celebrated the activities of European settlers and de-emphasised the role and significance of the Indigenous population.

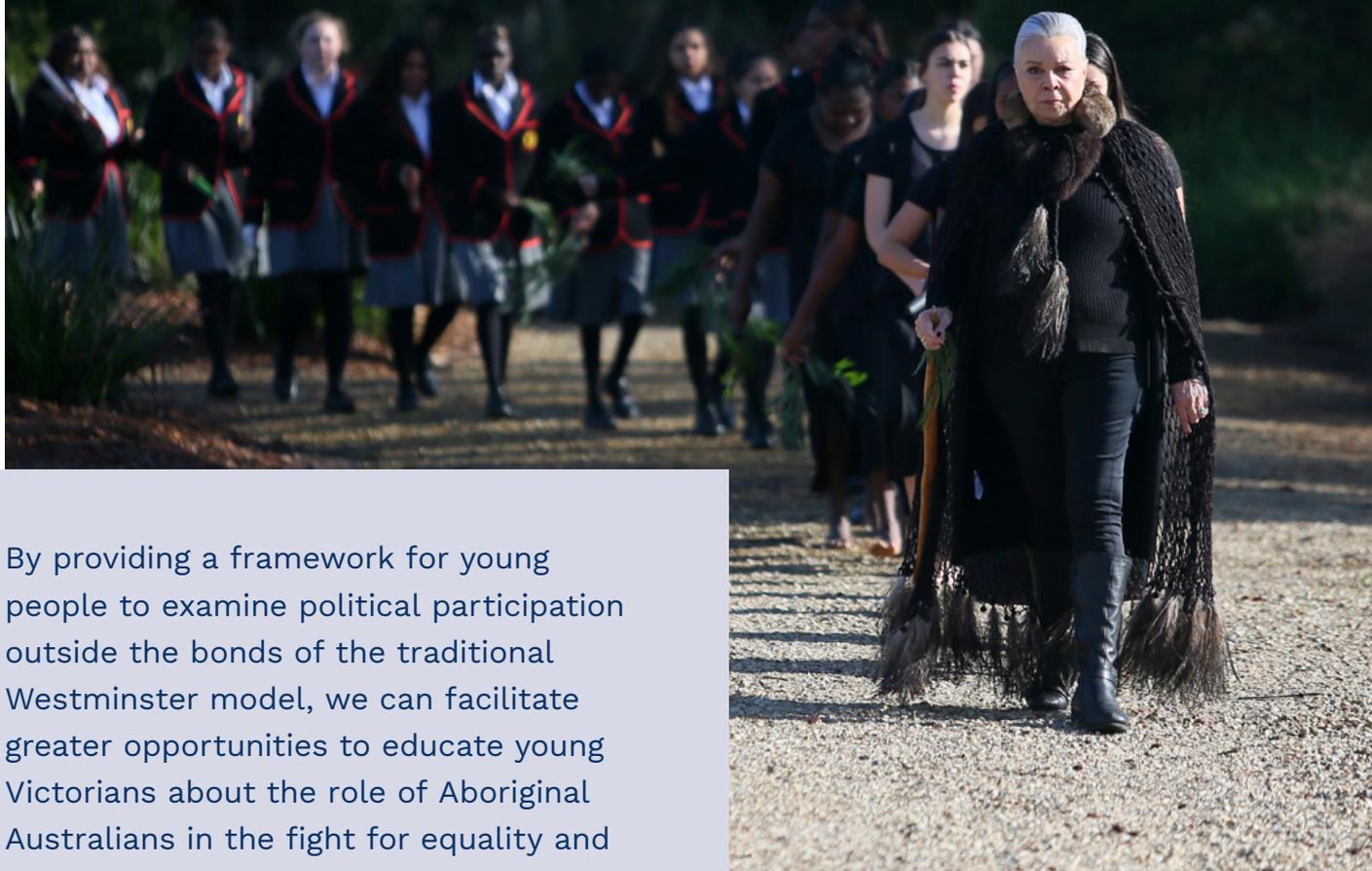
One project which is aimed at redressing this representative imbalance and at increasing Parliament's level of engagement with Victoria's First People is the production of the Aboriginal Change Makers resource: a teaching and learning e-book for use by Victorian schools. This new

educational publication was officially launched during 2022's National Reconciliation Week, with Aboriginal elders, parliamentary representatives, teachers and students attending a gathering at Worawa Aboriginal College in Healesville and participating in the Worawa History Walk.

This landmark online education resource has been developed as a joint initiative between the Parliament of Victoria and Worawa Aboriginal College, and by pulling together the historical record, cultural protocols, community connections and family corpus it seeks to capture the stories of just some of the 19th and 20th century Aboriginal Australians who paved the way for present and future generations. These stories create a compelling educational narrative, aligned to the requirements of the Victorian school curriculum, that can help young people better understand the diversity of events and personalities which have advanced important political and social changes for Aboriginal people in Victoria.



Photography by David Callow



By providing a framework for young people to examine political participation outside the bonds of the traditional Westminster model, we can facilitate greater opportunities to educate young Victorians about the role of Aboriginal Australians in the fight for equality and a more just society.

The Parliament's community engagement team were responsible for driving this project in tandem with Dr Lois Peeler AM, Executive Director and Principal of Worawa Aboriginal College. The creation of a resource like Aboriginal Change Makers, and its subsequent application in Victorian classrooms, is just one way in which we can encourage a reappraisal of the way in which Aboriginal communities have impacted upon and been affected by historical political and social change.

Classroom engagement with the Aboriginal Change Makers program will see students embark upon a body of work that explores the stories and actions of strong, determined and committed Aboriginal Australians as they cut a path towards greater cultural recognition and equality in Australian and Victorian society.

Topics and concepts are presented with teaching notes and suggested activities to provide a flexible and practical learning guide, while a key focus is placed on developing students' understanding of the need to examine contemporary activities and to consider their own roles as political and cultural change makers.

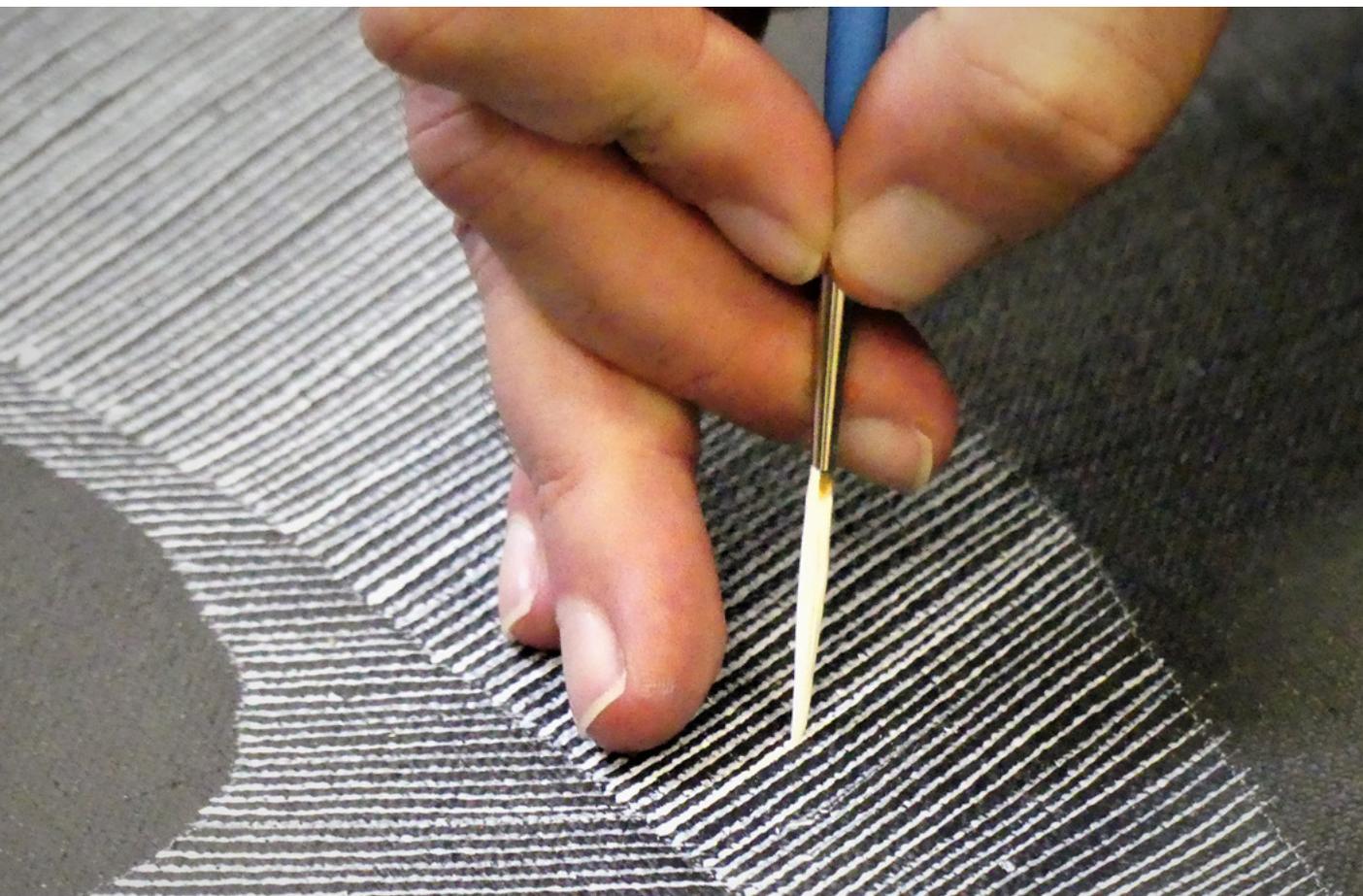
The Parliament of Victoria remains committed to both widening our engagement with Victoria's First People and deepening the level of that engagement. Accordingly, the next step in our partnership with Worawa Aboriginal College relates to the creation of a professional development program centred on Aboriginal Change Makers, while a continuing focus will be ensuring the existing program is adopted as widely as possible by teachers and schools across Victoria.

Reconciliation Action Plan

Engaging with Victoria's First Peoples

The development of a Reconciliation Action Plan for the Parliament of Victoria has been a specific requirement of the 59th Parliament, with 2021 seeing our first submission to Reconciliation Australia, developed as part of the reflection stage of the process. This submission sets out a framework for a consistent vision and direction for reconciliation within Parliament. The RAP has received support from all elements of the organisation, and staff continue to show interest in the initiatives and actions detailed within it.

By putting in place a formal plan to advance reconciliation through relationship building, increased opportunity and respect, we hope to create a safer and more inclusive organisation and culture for First Peoples. We want the Parliament of Victoria to be a place where First Peoples' ideas, history, traditions and cultures are acknowledged and nurtured.



Flying Flags over Parliament House

Informing and engaging with the community

In response to the Russian invasion of Ukraine in early 2022, the Ukrainian flag has flown over Parliament House in Melbourne as a show of support for peace, freedom and democracy in Ukraine, with Parliament's presiding officers expressing their sympathy to the Ukrainian people for the lives lost and suffering endured in the conflict.

This symbolic show of support is highly noteworthy for Parliament. The Ukrainian flag is exceptional in recent memory as the only non-Australian flag to be flown on Parliament House, with the flagpoles traditionally reserved for flags of Australian interest or origin, whether national, regional or international.



“Democracy is under threat in Ukraine and, as a democratic legislature, the Victorian Parliament expresses its support for the democratically elected parliamentarians of Ukraine’s Verkhovna Rada”

– Presiding officers Colin Brooks and Nazih Elasmr, 4 March 2022



Member Services and VIRTIPS Compliance

Protecting the independence and integrity of Parliament

A large proportion of the work the Department of Parliamentary Services undertakes is focused on our core mission of helping members be the best local representatives they can be for their communities. While the full suite of DPS' responsibilities is wide-ranging, encompassing everything from electorate office provision and practical support to academic research, payroll and catering, the provision of services to members as they fulfil their role as elected community officials is the common purpose which drives DPS.

With that mission in mind, the Member Services team was established in 2019 to create a dedicated customer service unit for members and a more personal interface for members looking to utilise DPS' wide range of support services. Member Services serves as a single point of connection for members and electorate staff, who can discuss their needs and requests in plain terms without having to navigate DPS' broader organisational structure.



The team is a first point of contact for members, assisting with queries of any kind. They help members on matters relating to family-friendly facilities, motor vehicles, and use of the electorate office and communications budget. The team also works in partnership with other DPS teams and the House departments to support member welfare and facilitate onboarding and offboarding for members.



8,648

claims assessed under
VIRTIPS framework

An example of member support can be seen in the staffing of the 'kiosk', which is operated from the Parliamentary Library and staffed by the Member Services team on all parliamentary sitting days. The kiosk provides a physical shopfront for members to bring any queries to DPS.

This year also saw the creation of a new member newsletter, Member Matters, which provides regular parliamentary, election and logistical updates and allows DPS to proactively engage and inform members. This proactive approach underscores much of the work of Member Services, with visits to regional electorate offices, regular training and induction courses all playing a role in reinforcing the shared institutional culture and purpose of members and parliamentary staff.

Another key function that Member Services provide is helping members understand and process their obligations under the *Victorian Independent Remuneration Tribunal and*

Improving Parliamentary Standards Act 2019, commonly referred to as VIRTIPS.

This Act reformed the way in which member entitlements are administered, establishing an independent remuneration tribunal to set and limit entitlements and amending a number of other pieces of legislation in order to increase accountability and public reporting.

VIRTIPS also established a number of legislative requirements on DPS with regard to the approval of expenditure against member budgets. As a result, Member Services are highly engaged in providing training material, workshops and guidance to members and electorate officers as well as in assessing and processing expense claims. This is an ongoing process, with 8,648 member claims assessed under the VIRTIPS framework in the last year alone. Through this work, DPS is actively involved in upholding parliamentary standards and in protecting the integrity of Parliament.

Sourcing Local Produce for Parliament

Informing and engaging with the community

In today's world we have become increasingly comfortable with the idea of the global marketplace and of our place within the international supply chain, with these concepts firmly ensconced in an Australian agriculture and food sector that sees billions of dollars in imports and exports flow between Australia, New Zealand, the US, China and the wider Asian and Pacific region.

With part of Parliament's role being to support and empower the people of Victoria, alongside its symbolic position as the representative body for Victorians, DPS' catering team has adopted a more literal approach to the concept of representation. With a wide range of suppliers

and local businesses available across the state, DPS has been able to make a concerted commitment to specifically purchase Victorian produce through a targeted, accountable and transparent procurement process.

Since 2013, Parliament has adopted a policy regarding the procurement of ingredients and produce whereby special care is taken to ensure as high a proportion as possible is sourced locally. This approach means that members, staff and visitors to Parliament House are able to enjoy fresh local ingredients, ethically sourced with a minimal carbon footprint, while also supporting local enterprise and keeping us engaged with the wider Victorian community.





From the ingredients on the plate to the plates themselves, almost everything within Parliament House’s catering team has been sourced locally. Melbourne-roasted coffee is blended with milk from dairies in Pakenham and Gippsland, while Victorian wine and beer is served to guests seated on chairs manufactured locally from Victorian timber. This procurement approach speaks both to Parliament’s practical commitment to supporting Victorian farmers and suppliers as well as to our fundamental commitment to protecting and preserving Victoria itself.

While this policy has the obvious benefit of helping produce a fresh, sustainable and delicious catering product, it also provides an opportunity for Parliament to express practical support for local Victorian producers and businesses and to use Parliament as a shop window for profiling local success stories.

We adopt a balanced selection criteria that ensures local suppliers selected through our procurement policy are spread across the whole of the state. Flexible contracts and an ever-changing menu ensure we engage with producers from as wide a variety of Victorian constituencies as possible. Seasonality is a core consideration in constructing our menus, so as different ingredients come in and out of season, our menus change accordingly, allowing us to rotate our chain of suppliers throughout the parliamentary term.

Further to the general policy of preferencing Victorian suppliers, the catering unit also makes a conscious effort to profile specific regions of the state, with 30–40% of all ingredients within Parliament’s catering unit at any given time originating from one of 12 distinct Victorian regions. This geographic focus rotates through the regions, allowing us to variously highlight the distinctiveness of regional ingredients and cuisine, from the Grampians in the west to Gippsland in the east.

Choosing to build an approach to procurement that puts regional agriculture and locally produced food at its heart is just one way in which the Parliament of Victoria seeks to strengthen its connection with the Victorian community. By making a conscious effort to select suppliers with an ethical and sustainable approach to farming and manufacturing, we can minimise the impact of our consumption on the local environment and help safeguard Victoria for future generations.

Transitioning to Life After Parliament

Supporting members to fulfil their roles
as elected representatives

In order to be as representative, accessible and open as possible, it is important that the Parliament of Victoria seeks to create an environment that is attractive to a wide variety of participants and which minimises barriers to entry. While public sympathy can often be lacking when it comes to parliamentarians, the reality is that political careers can often be fickle and their longevity hard to predict.

This unpredictability can make a political career seem out of reach for many people, with the volatility of elected office appearing incompatible with concerns such as job stability and tenure. Certainly, few members of the public would choose a job in which performance is subject to regular public scrutiny and contract renewals are linked to secret ballots of our communities.

With that in mind, the Parliament of Victoria and the Victorian Parliamentary Former Members' Association commissioned a report from Deakin University to investigate the challenges faced by parliamentarians as their time in elected office comes to an end and to evaluate the support structures which exist to assist with this transition. The average length of a parliamentary career in the Parliament of Victoria is eight years, or two terms, with 45% of these careers ending unexpectedly.

Interviews with former MPs that formed part of the report found that this ruthless unpredictability, with careers at the whim of electoral winds or party selection rather than objective performance review, led defeated members to experience their transition out of Parliament as a process of grief, with reports of depression, anxiety and relationship breakdown.

Following extensive survey and interview consultation with former members, recruitment and wellbeing experts and other parliaments around the world, the report makes 10 recommendations for the Parliament of Victoria to consider. These range from implementing a parliamentary career support program to assist members in learning their role and in planning and developing their long-term careers to a greater focus on maintaining connections and celebrating their work, even after the conclusion of their mandate and generally improving the handover process for non-returned representatives.

The questions asked and recommendations offered by this study are important issues for the Parliament of Victoria, and addressing them will be an important step towards the facilitation of a more effective, sustainable and representative Parliament.



By improving the processes around members' transition to a life after politics we remove unnecessary barriers to the pursuit of a political career and make it easier for a more diverse range of Victorians to imagine a life in Parliament. This is particularly true for prospective parliamentarians who may be from relatively disadvantaged economic backgrounds or who are unable to rely on the structure and support that comes with operating within the established political party system.



45%

of parliamentary careers end unexpectedly

This diversity, whether in thought and ideology, culture, ethnicity or socio-economic background, is an important thread in the creation of a vibrant Parliament, and its delivery is a key driver of the Parliament's strategic priorities.



Gender Equality Action Plan

Ensuring the organisational resilience
and efficiency of Parliament

Despite apparent progress in areas such as the gender pay gap and paid parental leave, the issue of gender inequality is one that persists in both Australian workplaces and society at large, with recent years seeing a continuing slide when compared to our international peers.

Women in the workplace continue to be paid less than men and are likely to face greater barriers in their employment. On a global comparative basis, Australia's ranking in the World Economic Forum's Global Gender Index has fallen from 15th in 2006 to 50th in 2021, with countries that have performed better having codified their commitment to gender equity through legislation.

In recognition of this fact the Victorian Parliament enacted the *Gender Equality Act 2020*, which was the first legislation of its kind to be passed by an

Australian parliament. This legislation established firm requirements for public sector bodies to take positive action towards achieving workplace gender equality and on promoting gender equality in their policies, programs and services.

As part of this legislative drive towards greater gender equity, 2022 saw the Parliament of Victoria become the first parliament in Australia to produce and submit a Gender Equality Action Plan (GEAP). The creation of the GEAP followed a drafting and consultation process lasting more than 18 months, with the Parliament's gender equality working group informing their work through wide-ranging staff consultations and webinars, survey results from the 2021 People Matter Survey and a review of workforce data and written submissions.

This process culminated in April 2022 with the formal publication and launch of the parliamentary departments' Gender Equality Action Plan 2022-2025. The recommendations within the GEAP focus on a number of key areas to be improved within Parliament with a view to bringing about greater gender equality: workplace flexibility, increased diversity, the removal of barriers to promotion and addressing workplace behaviour.

Progress in these areas will be tracked via a number of means, including regular surveying to assess the organisation's perceived culture, as well as through a range of diversity targets. We should also be able to see concrete, measurable improvements when it comes to representation on leadership teams and governance groups and at workplace events. Targets have been set in the GEAP with regard to the proportion of speakers at internal and external events who identify as female, while gender pay gap targets have also been codified.

The GEAP is intended to create and drive positive action towards gender equality within the parliamentary departments and when developing and delivering public-facing services and programs. The creation and promotion of gender-equal workplaces helps promote gender equality in society as a whole and can enhance efficiency, effectiveness and, crucially for a body with Parliament's significant public interest, legitimacy as an institution that claims to represent the interests of all the people of Victoria.



1st
Australian
Parliament to
produce a GEAP

Social demand for change in this area is unquestionable, and as a prominent public employer the Parliament of Victoria should set an example to other Victorian employers of what a safe and respectful workplace should look like. The recommendations and findings in this first GEAP will continue to shape our actions and policies over the next number of years, with phased deliverables scheduled until the end of 2025.



Parliament Security

Ensuring the organisational resilience
and efficiency of Parliament



For the state and people of Victoria, Parliament House is a highly significant and symbolic public building as both the place where the laws that govern Victorians' lives are debated and also the physical meeting space for the people and their representatives. It is meaningful for Victorian democracy that 'the people's building' is open and accessible to the community – a place where people can watch democracy in action, engage in community events or learn about the politics and history of Victoria itself.

Ensuring those activities can happen safely and that members, staff and visitors alike can feel secure attending Parliament House or members' electorate offices is the responsibility of DPS' Security Services team. This team is responsible for keeping Parliament safe through controlling access, and providing security and surveillance services and through the continuous monitoring and assessing of any threats to the building or people who work there.

Parliament's Security Services team provide a wide range of security services around the precinct, from the provision, maintenance and upgrading of practical security infrastructure to security advice, mail scanning and engagement with Victoria Police around threats made to MPs, electorate officers or parliamentary officers.



The high level of public interest in the work of Parliament ensures a constant stream of activity around the precinct, with Security Services processing and facilitating over 30,000 visits to Parliament House last year, from community groups and school trips to individual interested Victorians and tourists. Each and every visitor to Parliament House is processed through a limited number of access points, with airport-style scanners and security personnel making sure everyone entering the building has been fully assessed for hazards.

On top of the physical and operational risks to the safe and effective running of Parliament, the emergence and proliferation of social media spaces have also created new challenges for Parliament security. While there are many positives to be extracted from the growth of these new public forums around discussion and idea sharing, they can also function as breeding grounds for hostility and negative sentiment and provide an uncomfortably easy format through which to broadcast that hostility.

The last few years have seen a sharp increase in the level of public debate around the implications of political decision making, with extraordinary events and emergency legislation dominating the headlines. There has been a corresponding increase in the level of protest and other activities from the public. The impact of this change in public attitudes can be seen in the number of security incidents occurring around Parliament, with the Security Services team recording almost 500 such incidents in the last year.

Despite this figure, the vast majority of people attending and engaging with the Parliament of Victoria, its buildings and its staff are seeking to do so in a responsible and safe manner. With that in mind, it is crucial to the legitimacy and resilience of Parliament that public access and visibility are maintained. DPS' Security Services team play a vital role in facilitating that continuity of service and can proudly point to the Parliament of Victoria's organisational resilience, as evidenced in its record of unbroken operation throughout a challenging 2022.

Remote Committee Participation and Broadcasting

Ensuring the organisational resilience
and efficiency of Parliament

In the earliest days of the Parliament of Victoria, production and distribution of parliamentary transcripts and records was a highly uneven affair, with the earliest iterations appearing in the form of questionably accurate reports in Melbourne's *Argus* newspaper. Even after the creation of an officially sanctioned and mandated transcription service in 1866, records could often be incomplete due to limited staffing levels.

Naturally enough, the intervening century and a half have seen a revolution in the way parliamentary activity is reported, with paper-bound volumes giving way to online databases and advanced digital audio and publishing technologies, meaning MPs and members of the public are now able to access transcripts of speeches and debates within hours of their live delivery.

For observers for whom even that delay is too protracted, Legislative Assembly and Legislative Council activity is filmed and broadcast live online, where it can be watched and shared on computers or mobile devices anywhere and at any time. By investing in modern digital technology and standards the Parliament of Victoria is able to increase the level of

transparency and openness that surrounds its work, enhancing the legitimacy of the legislative process by allowing Victorians to witness parliamentary activity in real time.

Facilitating these broadcast activities requires a large and ongoing investment, with the Parliament undertaking a significant chamber technology upgrade project in recent years, including the installation of 160 microphone locations and approximately 10 kilometres of cabling across the two legislative chambers. By continuing to invest in audiovisual and broadcast services, we can ensure that public visibility and oversight of the work of Parliament remains strong, even in circumstances where physical access may be restricted.

While livestreaming of the chambers has been in place for a number of years, one piece of the broadcast jigsaw that had not been put in place prior to the COVID-19 pandemic was Parliament's committee system, with only the annual Public Accounts and Estimate Committee available for public viewing. It had also not previously been possible for committee participants to engage remotely, with committee members and witnesses alike required to attend and present in person.



 **160**
microphone
locations
installed during
2022 chamber
technology
upgrade

In recent years, DPS has radically enhanced our offering in this regard, fitting out committee rooms with broadcast and remote participation facilities to allow committees and witnesses to meet even when spread across Victoria and unable to share a physical space. All parliamentary committee hearings are now broadcast online, with 58 days of hearings broadcast in the last 12 months, up from just nine in previous years.

Broadcasting hearings in addition to chamber debates requires careful coordination between the Hansard, Committee Services and Broadcast teams, with remote participation providing a set of challenges unique to the committee process. As the committee workload increases during a term there can be as many as three or four hearings per week, often running in parallel to or alongside regular Legislative Assembly or Legislative Council debates, each requiring a dedicated technical control room and broadcast team.

By continuing to expand Parliament's remote participation and broadcast capabilities, DPS is contributing to the creation of a more engaging, transparent and resilient organisation. The ability to work remotely has also created benefits for staff and members in relation to their work-life balance, with staff now able to work from home on a wider range of fronts.

In the context of the COVID-19 pandemic, the added organisational resilience that comes from allowing committees to meet remotely is particularly significant, with Victorians now fully able to rely on the continuity of the legislative process, even in circumstances where parliamentary access and freedom of movement is restricted.

About the Department

Parliamentary values

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

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

Our purpose and functions

Our teams supply and support technology, buildings, information services, human resources, catering facilities, security and financial management. Working behind the scenes, we support the Legislative Council, Legislative Assembly and Parliamentary committees in their work.

We also provide resources, equipment and advice to help 128 members of Parliament fulfil their roles. Apolitical and service-driven, we work to protect the independence and integrity of the institution. We work to create a sustainable Parliament for current and future generations.

Our five strategic directions

- Parliament will assist members to be the best they can be in their role of legislating, scrutinising and representing their individual constituencies and the broader electorate and ensure the relevance, clarity and accessibility of services to members.
- Parliament will continue to support the principle of the separation of powers and strengthen stakeholder and community confidence in the integrity of Parliament.
- Parliament will proactively engage with Victoria's First Peoples by working collaboratively with Indigenous groups and developing a Reconciliation Action Plan that facilitates mutually beneficial engagement with Parliament.
- Parliament will stimulate positive community interest in and engagement with its purpose, roles, activities and events. Parliament will support members to engage effectively with the community.
- Parliament will ensure it properly supports members and operates to a high standard of efficiency and with a strengthened capability and culture.

Portfolio Performance Reporting

Performance against output performance 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 22	Actuals As at 30 Jun 22
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%	95%
Electorate offices visited by a member of DPS staff during the year	Percent	95%	100%
Legislative activities at Parliament House undisrupted by service interruptions or security incidents	Percent	98%	100%
Scheduled availability of IT systems (network, email, and windows file and print)	Percent	99%	99%
Timeliness			
Indexes, records, speeches, video and transcripts available within published time frames	Percent	85%	88%
Payroll processing completed accurately and within agreed time frames	Percent	99%	100%
Monthly budget management reports to members and departments within five business days after closing monthly accounts	Number	12	12
Cost			
Total output cost	\$ million	133.7	128.1

Portfolio Performance Reporting

Performance against output performance measures

Legislative Assembly

Outputs	Unit of Measure	Target As at 30 Jun 22	Actuals As at 30 Jun 22
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	0
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%	86%
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	45.1	39.8

Legislative Council

Outputs	Unit of Measure	Target As at 30 Jun 22	Actuals As at 30 Jun 22
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 and standing and sessional orders	Percent	98%	98%
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	23.5	20.8

Portfolio Performance Reporting

Performance against output performance measures

Parliamentary investigatory committees

Outputs	Unit of Measure	Target As at 30 Jun 22	Actuals As at 30 Jun 22
Quantity			
Reports tabled per annum	Number	20	28
Quality			
Committee members satisfied that advice about procedure, research and administration is responsive, clear, objective and prompt	Percent	80%	100%
Inquiries conducted and reports produced in compliance with procedural and legislative requirements	Percent	95%	100%
Timeliness			
Reports tabled in compliance with procedural and legislative deadlines	Percent	95%	100%
Cost			
Total output cost	\$ million	6.0	5.8

Note: Some targets were impacted by COVID-19.

Reconciliation of Appropriation Bill

The purpose of this briefing is to explain the difference between the output costs shown in Budget Paper No. 3 and the appropriation funding shown in the Appropriation Bill.

Reconciliation of Appropriation Bill 2021–22 and 2022–23 to Budget Paper No. 3

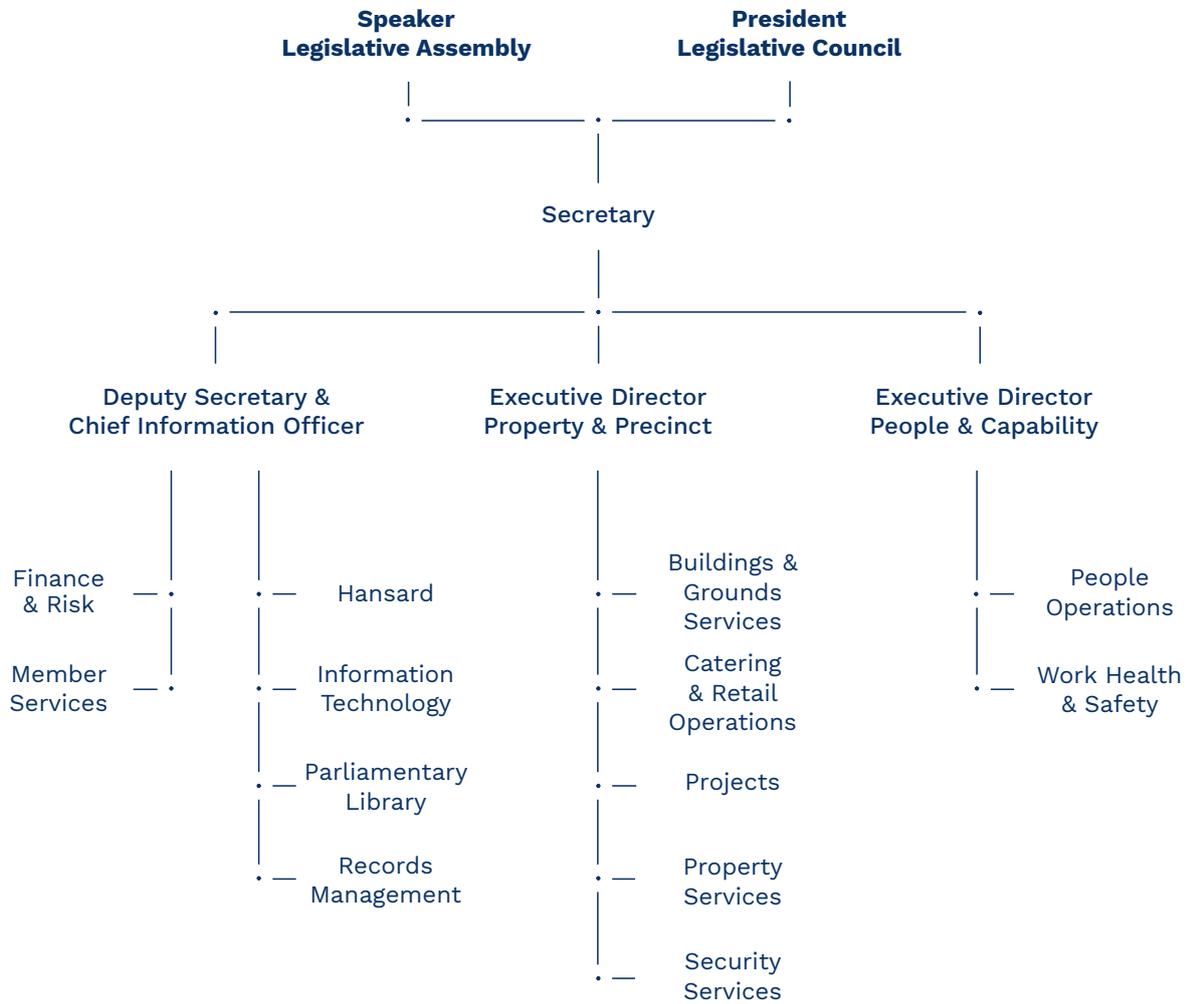
	Legislative Council		Legislative Assembly		Parliamentary Services		Joint Investigatory Committees		Total - Parliamentary departments	
	2021–22 Estimated budget	2022–23 Estimated budget	2021–22 Estimated budget	2022–23 Estimated budget	2021–22 Estimated budget	2022–23 Estimated budget	2021–22 Estimated budget	2022–23 Estimated budget	2021–22 Estimated budget	2022–23 Estimated budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Figures published in Appropriation Bill*	6,407	6,619	7,297	7,535	142,287	142,648	6,019	5,830	162,010	162,632
Add special appropriations	17,133	14,900	37,775	33,952					54,908	48,852
Less ATNAB included in Bill					(15,194)	(12,137)			(15,194)	(12,137)
Estimated output budget carryover from previous financial year					6,599	6,744			6,599	6,744
Total appropriations	23,540	21,519	45,072	41,487	133,692	137,255	6,019	5,830	208,323	206,091
Total appropriations (rounded to millions)	23.5	21.5	45.1	41.5	133.7	137.3	6.0	5.8	208.3	206.1
Figures published in Budget Paper No. 3	23.5	21.5	45.1	41.5	133.7	137.3	6.0	5.8	208.3	206.1
<i>Rounding Difference</i>		-	-	-	-	-	-	-	-	

* Appropriation Bill includes VAGO, Victorian Inspectorate, Victorian Ombudsman, Parliamentary Budget Office and Independent Broad-based Anti-corruption Commission.

Governance and Organisational Structure

Department structure

Department structure as at 30 June 2022



Governance

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).

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*

Parliamentary values and employment principles

Parliament continues its initiatives to foster the highest possible standard of integrity and conduct, supporting staff to build a workplace that demonstrates respect, trust and openness.

Employment and conduct principles

Parliament is committed to meeting the parliamentary officer values and the parliamentary administration employment principles set out in the *Parliamentary Administration Act 2005*. In continuing to develop and maintain its policies and procedures across 2021–22, Parliament ensured these values and principles were reflected and communicated. Information related to the Code of Conduct for Victorian Parliamentary Officers (2019) is promoted via policies on the intranet and through expert advice provided by People Operations.

The Parliamentary Officers' (Non-Executive Staff – Victoria) Single Enterprise Agreement 2020 outlines conditions of employment for parliamentary employees (excluding executives) and applies to all parliamentary officers. The Electorate Officers' (Victoria) Single Enterprise Agreement 2021 applies to electorate officers.

Governance and Organisational Structure

Audit Committee

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.

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 monitors 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.

Audit Committee independent membership as at 30 June 2022

Name	Role
Andrew Nicolaou	Chair and Independent Member
Fiona Pearse	Independent Member
Kerry Ryan	Independent Member

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. The Secretary and DPS staff service this committee and provide support as required.

House Committee membership as at 30 June 2022

Name
The Speaker (ex officio)
Tim Bull MP
Jordan Crugnale MP
Maree Edwards MP
Matt Fregon MP
Ellen Sandell MP
Louise Staley MP
The President (ex officio)
Jeff Bourman MLC
David Davis MLC
Shaun Leane MLC
Wendy Lovell MLC
Ingrid Stitt MLC

Occupational health and safety

The Parliament of Victoria and the parliamentary departments are committed to taking all reasonably practicable steps to ensure a safe and healthy workplace for all employees and other persons. 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.

During the 2021–22 financial year, Parliament implemented a number of initiatives to improve the health and safety of staff, including ergonomic assessments, quarterly workplace inspections to identify and address any workplace risks, an occupational risk reduction program, a healthy lifestyle training program and corporate wellness activities. Converge International, Parliament's new employee assistance program (EAP) provider, was well utilised at a rate of 8.2%. Active promotion of EAP services remains a key focus for Parliament.

Reporting against occupational health and safety measures

Measure	Description	2021–2022	2020–2021	2019–2020
Incidents and hazards	Number of incidents	243	199	165
	Rate of incidents per 100 FTE	33.03	27.47	23.51
	Number of reported hazards	34	30	66
	Rate of reported hazards per 100 FTE	4.62	4.41	9.40
Claims (reported during the year)	Number of minor claims*	0	2	1
	Rate of minor claims per 100 FTE	0	0.28	0.14
	Number of standard claims**	10	10	3
	Rate of standards claims per 100 FTE	0.41	0.41	0.43
	Number of lost time claims	7	4	2
	Rate of lost time claims per 100 FTE	0.95	0.55	0.28
	Number of claims exceeding 13 weeks	5	3	1
	Rate of claims exceeding 13 weeks per 100 FTE	0.68	0.41	0.14

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

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

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

Governance and Organisational Structure

Reporting against occupational health and safety measures

Measure	Description	Results
Incidents investigated	Percentage of incidents investigated	100%
Fatalities	Number of fatalities	0
OH&S Committee	Committee meetings	12
	OH&S representative initial and refresher training participation	9
Hazard inspections	Workplace hazards inspections	16

Occupational health and safety incidents

Breakdown of OHS injuries by cause	Results
Being hit by a moving object	4
Muscle strain	2
Cut	0
Burn	2
Hitting an object with a body part	0
Slip, trip or fall	2
Being hit by a falling object	0
Electric shock	0
Psychological	2
Total	12

Occupational health and safety training

Type of training	Number of staff attending
Auslan and Deaf Culture Workshop	1
Chief Warden Training	2
Contact Officer Training	7
Dealing with Difficult Calls and Resilience Training	20
Disability Training	19
Emergency Response Procedures	25
Domestic and Family Violence Contact Officer Training	8
First Aid	21
HSR Refresher OHS Training Course	7
Managing a Hybrid Work Environment	4
Managing Difficult Interactions & Behaviours	15
Managing Unreasonable Complainant Behaviour	7
Manual Handling	29
Mental Health	112
Mental Health First Aid	9
OH&S for Managers & Supervisors	2
Resilience In Self	2
SunSmart UV Safety Training	9
Disability Awareness eLearning	3
Home Office Ergonomics eLearning	544
Occupational Health and Safety eLearning	279
Resilience eLearning	2
Fatigue Management eLearning	350
Self-Care Tips eLearning	7

Workforce Data

Comparative workforce data

Department of Parliamentary Services

Details of employment levels in June of 2022 and 2021

June 2022							
All employees			Ongoing			Fixed term and casual	
	Number*	FTE	Full time*	Part-time*	FTE	Number*	FTE
Gender							
Male	115	106.5	84	5	87.4	26	19.1
Female	99	89.4	63	12	71.0	24	18.4
Total	214	195.9	147	17	158.4	50	37.5
Age							
15–24	7	6.0	2	1	2.6	4	3.4
25–34	50	44.8	33	5	36.4	12	8.4
35–44	55	51.3	40	1	40.8	14	10.5
45–54	50	46.8	36	3	38.1	11	8.7
55–64	44	40.1	32	5	34.9	7	5.2
65+	8	7.0	4	2	5.6	2	1.4
Total	214	195.9	147	17	158.4	50	37.5
Classification							
Grade 1	0	0.0	0	0	0.0	0	0.0
Grade 2	9	8.1	6	1	6.5	2	1.6
Grade 3	42	40.5	34	3	35.8	5	4.7
Grade 4	59	52.7	40	7	45.2	12	7.5
Grade 5	69	60.2	44	4	46.4	21	13.8
Grade 6	30	29.5	21	2	22.5	7	7.0
Grade 7	1	1.0	0	0	0.0	1	1.0
Executive	4	4.0	2	0	2.0	2	2.0
Total	214	195.9	147	17	158.4	50	37.5

* Headcount

June 2021							
All employees			Ongoing			Fixed term and casual	
	Number*	FTE	Full time*	Part-time*	FTE	Number*	FTE
Gender							
Male	112	104.9	71	4	74.0	37	30.9
Female	91	81.2	57	10	63.4	24	17.8
Total	203	186.1	128	14	137.4	61	48.7
Age							
15–24	5	4.2	2	1	2.6	2	1.6
25–34	43	40.1	23	1	23.8	19	16.3
35–44	53	49.3	37	3	39.0	13	10.3
45–54	49	45.1	32	3	34.0	14	11.1
55–64	44	40.4	31	3	32.8	10	7.6
65+	9	6.9	3	3	5.2	3	1.7
Total	203	186.1	128	14	137.4	61	48.7
Classification							
Grade 1	0	0.0	0	0	0.0	0	0.0
Grade 2	6	5.3	4	0	4.0	2	1.3
Grade 3	51	48.4	36	3	37.8	12	10.6
Grade 4	48	42.5	30	3	32.0	15	10.5
Grade 5	66	59.3	39	6	43.1	21	16.2
Grade 6	27	25.7	15	2	16.5	10	9.2
Grade 7	1	1.0	1	0	1.0	0	0.0
Executive	4	4.0	3	0	3.0	1	1.0
Total	203	186.1	128	14	137.4	61	48.7

* Headcount

Note:

- (i) The table discloses the head count and full-time staff equivalent (FTE) of all active employees of DPS, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June of the previous reporting period (2021).
- (ii) Headcount means a person employed who has attended work and been paid during the last full pay period in June of the relevant year.
- (iii) FTE means full-time equivalent and a standard unit of measurement which is calculated by dividing the number of hours an employee has been paid by the number of ordinary hours a full-time employee would work (76 hours) per fortnight.
- (iv) Excludes employees on leave without pay, employees on secondment paid by an external third party and external contractors/consultants.

Workforce Data

Comparative workforce data

Department of Parliamentary Services

Employee classification by gender

June 2022						
Classification	All employees		Gender			
	Number*	FTE	Men*	FTE	Women*	FTE
Grade 1	0	0.0	0	0.0	0	0.0
Grade 2	9	8.1	3	3.0	6	5.1
Grade 3	42	40.5	21	20.2	21	20.3
Grade 4	59	52.7	31	27.8	28	24.9
Grade 5	69	60.2	41	36.5	28	23.7
Grade 6	30	29.5	17	17.0	13	12.5
Grade 7	1	1.0	0	0.0	1	1.0
Executive	4	4.0	2	2.0	2	2.0
Total	214	195.9	115	106.5	99	89.4

* Headcount

June 2021						
Classification	All employees		Gender			
	Number*	FTE	Men*	FTE	Women*	FTE
Grade 1	0	0.0	0	0.0	0	0.0
Grade 2	6	5.3	3	2.8	3	2.5
Grade 3	51	48.4	28	26.2	23	22.2
Grade 4	48	42.5	24	21.2	24	21.3
Grade 5	66	59.3	35	33.4	31	25.8
Grade 6	27	25.7	19	18.2	8	7.5
Grade 7	1	1.0	0	0.0	1	1.0
Executive	4	4.0	3	3.0	1	1.0
Total	203	186.1	112	104.8	91	81.2

* Headcount

Note:

- (i) The table discloses the headcount and full-time staff equivalent (FTE) of all active employees of DPS, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June of the previous reporting period (2021).
- (ii) Headcount means a person employed who has attended work and been paid during the last full pay period in June of the relevant year.
- (iii) FTE means full-time equivalent and a standard unit of measurement which is calculated by dividing the number of hours an employee has been paid by the number of ordinary hours a full-time employee would work (76 hours) per fortnight.
- (iv) Excludes employees on leave without pay, employees on secondment paid by an external third party and external contractors/consultants.

Workforce Data

Comparative workforce data

Electorate Officers

Details of employment levels in June of 2022 and 2021

June 2022							
All employees			Ongoing			Fixed term and casual	
	Number*	FTE	Full time*	Part-time*	FTE	Number*	FTE
Gender							
Male	161	108.4	52	73	94.2	36	14.3
Female	347	216.1	94	183	194.1	70	22.0
Self-described	1	0.4	0	1	0.4	0	0.0
Total	509	324.9	146	257	288.6	106	36.2
Age							
15–24	111	52.6	11	55	37.7	45	14.9
25–34	109	71.8	34	51	63.5	24	8.3
35–44	78	58.9	33	35	55.5	10	3.5
45–54	83	59.4	32	40	54.6	11	4.9
55–64	86	54.9	25	48	50.8	13	4.0
65+	42	27.3	11	28	26.6	3	0.7
Total	509	324.9	146	257	288.6	106	36.2
Classification							
Grade 1	126	46.0	3	31	18.0	92	28.0
Grade 2	270	177.7	67	192	171.6	11	6.1
Grade 3	113	101.2	76	34	99.0	3	2.2
Total	509	324.9	146	257	288.6	106	36.2

* Headcount

June 2021							
	All employees		Ongoing			Fixed term and casual	
	Number*	FTE	Full time*	Part-time*	FTE	Number*	FTE
Gender							
Male	198	112.3	51	90	96.1	57	16.2
Female	342	208.8	92	174	187.9	76	20.9
Self-described	0	0.0	0	0	0.0	0	0.0
Total	540	321.0	143	264	284.0	133	37.1
Age							
15–24	120	47.5	8	56	33.9	56	13.6
25–34	111	73.8	36	48	62.9	27	11.0
35–44	89	59.6	30	47	56.3	12	3.2
45–54	89	62.6	34	41	58.7	14	3.9
55–64	90	56.0	27	49	52.5	14	3.4
65+	41	21.6	8	23	19.6	10	2.0
Total	540	321.0	143	264	284.0	133	37.1
Classification							
Grade 1	150	44.3	5	38	20.7	107	23.7
Grade 2	278	176.7	66	189	165.3	23	11.4
Grade 3	112	100.0	72	37	98.0	3	2.0
Total	540	321.0	143	264	284.0	133	37.1

* Headcount

Note:

- (i) The table discloses the headcount and full-time staff equivalent (FTE) of all electorate officers, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June of the previous reporting period (2021).
- (ii) Headcount means a person employed who has attended work and been paid during the last full pay period in June of the relevant year.
- (iii) FTE means full-time equivalent and a standard unit of measurement which is calculated by dividing the number of hours an employee has been paid by the number of ordinary hours a full-time employee would work (76 hours) per fortnight.
- (iv) Excludes employees on leave without pay, employees on secondment paid by an external third party and external contractors/consultants.

Workforce Data

Comparative workforce data

Electorate officers

Employee classification by gender

June 2022								
Classification	All employees		Gender					
	Number*	FTE	Men*	FTE	Women*	FTE	Self-described*	FTE
Grade 1	126	46.0	48	19.7	78	26.3	0	0.0
Grade 2	270	177.7	72	49.7	197	127.6	1	0.4
Grade 3	113	101.2	41	39.0	72	62.2	0	0.0
Total	509	324.9	161	108.4	347	216.1	1	0.4

* Headcount

June 2021								
All employees			Gender					
	Number*	FTE	Men*	FTE	Women*	FTE	Self-described*	FTE
Classification								
Grade 1	150	44.3	63	18.4	87	26.0	0	0.0
Grade 2	278	176.7	96	58.6	182	118.1	0	0.0
Grade 3	112	100.0	39	35.3	73	64.7	0	0.0
Total	540	321.0	198	112.3	342	208.8	0	0.0

* Headcount

Note:

- (i) The table discloses the headcount and full-time staff equivalent (FTE) of all electorate officers, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June of the previous reporting period (2021).
- (ii) Headcount means a person employed who has attended work and been paid during the last full pay period in June of the relevant year.
- (iii) FTE means full-time equivalent and a standard unit of measurement which is calculated by dividing the number of hours an employee has been paid by the number of ordinary hours a full-time employee would work (76 hours) per fortnight.
- (iv) Excludes employees on leave without pay, employees on secondment paid by an external third party and external contractors/consultants.

Other Disclosures

Consultancy expenditure

Details of consultancies valued at \$10,000 and over

In 2021–22, Parliament of Victoria engaged 11 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred in relation to these consultancies is \$495,944 (excluding GST). Details of individual consultancies are outlined below.

Consultant name	Brief summary of project	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2021–22 (excluding GST)	Future expenditure (excluding GST)
ANIC Business Services	Services to Parliament's Audit Committee, Independent Member and Chair	May 2020	Oct 2022	\$100,000	\$40,000	\$10,000
Deakin University	Research project – Transitioning to Life after Parliament	April 2020	Aug 2021	\$83,000	\$31,500	\$0
Dexis Pty Ltd	Review of Parliament's Governance Officer role	Aug 2021	Jan 2022	\$47,300	\$47,300	\$0
Domatic Access Pty Ltd	Accessibility audit services for Parliament's Disability Action and Inclusion Plan	Aug 2021	Dec 2021	\$10,190	\$10,190	\$0
Equal Research Pty Ltd	Workplace audit services to Parliament's gender equality working group	Nov 2021	April 2022	\$114,500	\$114,500	\$0
Korda Mentha Pty Ltd	Review of Parliament's Fraud and Corruption Control Framework	April 2022	June 2022	\$22,727	\$18,200	\$4,527
List A Barristers Pty Ltd	Specialist advice on human rights issues relating to pandemic orders, Pandemic Accountability and Oversight Committee	May 2022	June 2022	\$10,568	\$10,568	\$0

Consultant name	Brief summary of project	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2021–22 (excluding GST)	Future Expenditure (excluding GST)
List G Pty Ltd	Specialist advice on human rights issues relating to pandemic orders, Pandemic Accountability and Oversight Committee	Jan 2022	May 2022	\$25,626	\$25,626	\$0
Papillon Consulting Group Pty Ltd	Review of the LA Procedure Office, Legislative Assembly	March 2022	June 2022	\$18,000	\$18,000	\$0
Professor Jeremy Gans	Specialist legal advice on the scrutiny of human rights in bills and subordinate legislation introduced into the Parliament, Scrutiny of Acts and Regulations Committee	April 2019	Nov 2022	\$449,974	\$129,160	\$49,265
Synthetism Pty Ltd	Remuneration review and classification of roles, Department of Parliamentary Services	Jan 2022	June 2022	\$50,900	\$50,900	\$0

Details of consultancies less than \$10,000

No. of consultancies	Total value (excl GST)
1	\$2,330

Other Disclosures

Information and communication technology expenditure

For the 2021–22 reporting period, DPS had a total ICT expenditure of \$18,198,147.52, with the details shown below.

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
\$13,343,287.03	\$4,854,860.49	\$454,153.00	\$4,400,707.49

Disclosure of major contracts

Supplier name	Purpose	Contract awarded	Contract amount (excl GST)	Supplier selection method
O'Connor & Sons Stonemasons Pty Ltd	Parliament House, Stage 13 stone restoration program	Oct 2021	\$16,357,642	Negotiated appointment of contractor engaged to deliver previous program stages

Compliance with other legislation

Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019

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

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

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

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

Category	Total amount paid during the financial year
Electorate Allowance	\$5,697,766.22
Expense Allowance	\$764,890.97
Motor Vehicle Allowance	\$869,171.08
Parliamentary Accommodation Sitting Allowance	\$922,620.61
Travel Allowance	\$233,258.34
Commercial Transport Allowance	\$5,786.34
International Travel Allowance	\$49,893.96
The Budget	\$12,371,989.00
Total	\$20,915,376.52

Other Disclosures

Compliance with other legislation

	Clerk of the Legislative Assembly	Clerk of the Legislative Council	Secretary, Department of Parliamentary Services
Total number of determinations made during the financial year	235	142	8,648

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

Member name	Explanation
Bev McArthur	Overnight stays related to parliamentary sittings, a member of three parliamentary committees and visits to locations within my electorate.

- (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

Office-based environmental impacts

Parliament of Victoria

Energy

Indicator	2021–22	2020–21	2019–20
Total energy consumption (MJ)	12,130,319	12,239,706	13,563,201
Electricity usage (MJ)	10,404,032	10,306,721	11,169,760
Parliament House and grounds	7,454,707	7,349,796	7,594,564
55 St Andrews Place, East Melbourne*	2,949,325	2,956,925	3,575,196
Gas usage (MJ)	1,726,287	1,932,985	2,393,441
Parliament House and grounds	508,885	704,401	913,664
55 St Andrews Place, East Melbourne*	1,217,402	1,228,584	1,479,777
Total greenhouse gas emissions from energy consumption (tCO₂-e)**	2,719	2,705	2,947
Electricity	2,630	2,605	2,823
Gas	89	100	123

* Parliament of Victoria does not occupy the entire building at 55 St Andrews Place; however, the reported usage is for the component attributable to Parliament of Victoria.

** Tonnes of carbon dioxide equivalent (tCO₂-e) is a metric measure used to convert emissions from other greenhouse gases to the amount of carbon dioxide with the equivalent global warming potential.

Other Disclosures

Office-based environmental impacts

Water

Indicator	2021–22	2020–21	2019–20
Mains water consumption (kL)	15,767	11,903	14,510
Mains water usage (kL)			
Parliament House and grounds	14,500	10,755	12,209
55 St Andrews Place, East Melbourne*	1,267	1,148	2,301

*Parliament of Victoria does not occupy the entire building at 55 St Andrews Place; however, the reported usage is for the component attributable to Parliament of Victoria.

Paper

Indicator	2021–22
Total units of A4 equivalent copy paper used (reams)	208
Units of A4 equivalent copy paper used FTE (reams/FTE)	0.97
Percentage of recycled content in copy paper purchased	100%

Note:

- (i) Paper use covers Department of Parliamentary Services staff working at Parliament House and grounds and at 55 St Andrews Place, East Melbourne

Travel and transport

Indicator	2021–22
Total energy consumption by fleet vehicles (MJ)	96,714
Diesel	37,629
Unleaded petrol	31,404
Hybrid	27,681
Total distance travelled by fleet vehicles (km)	35,600
Diesel	9,306
Unleaded petrol	9,917
Hybrid	16,377
Total greenhouse gas emissions from fleet vehicles (tCO₂-e)	6.64
Diesel	2.65
Unleaded petrol	2.12
Hybrid	1.87
Greenhouse gas emissions from fleet vehicles per 1000km (tCO ₂ -e)	0.187

Note:

- (i) Parliament of Victoria's fleet comprises four operational vehicles to maintain the buildings and grounds and to service 128 electorate offices around Victoria. Of the operational fleet, one vehicle is diesel fuelled, one vehicle is unleaded petrol fuelled and two cars are hybrid vehicles.
- (ii) Data is obtained from fuel purchase records and vehicle log sheets. Vehicle travel data excludes hire car usage from the DTF SSP vehicle pool.
- (iii) Tonnes of carbon dioxide equivalent (tCO₂-e) is a metric measure used to convert emissions from other greenhouse gases to the amount of carbon dioxide with the equivalent global warming potential.

Financial Statements

PARLIAMENT OF VICTORIA

Financial statements and accompanying notes for the financial year ended 30 June 2022

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

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

Parliament of Victoria
Parliament House
Spring Street
Melbourne Victoria 3002

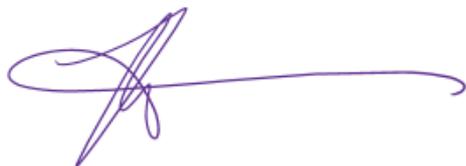
Declaration in the Financial Statements

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 2022 and financial position of the Parliament of Victoria at 30 June 2022.

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 27 February 2023.



Trish Burrows

Secretary, Department of Parliamentary Services
Parliament of Victoria
27 February 2023



Adam Lane

Chief Financial Officer
Parliament of Victoria
27 February 2023

Independent Auditor’s Report

To the Accountable Officers of the Parliament of Victoria

<p>Opinion</p>	<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 2022 • 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 • declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of Parliament as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<p>Basis for Opinion</p>	<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 <i>APES 110 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>
<p>Accountable Officers’ responsibilities for the financial report</p>	<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
14 March 2023



Andrew Greaves
Auditor-General

PARLIAMENT OF VICTORIA
Comprehensive operating statement
for the financial year ended 30 June 2022

		(\$ thousand)	
	Notes	2022	2021 ^(a)
Income from transactions			
Output appropriations	2.2, 2.3	147,517	154,435
Special appropriations	2.2, 2.3	46,886	44,973
Parliament refreshment rooms & gift shop sales	2.4	601	234
Other income		504	28
Total income from transactions		195,508	199,670
Expenses from transactions			
Employee expenses	3.1	(125,795)	(119,206)
Depreciation and amortisation	5.3, 5.4	(26,516)	(25,699)
Computer, communications, rental and other costs	3.3	(16,277)	(15,581)
Capital asset charge	9.6	-	(7,041)
Interest expense	7.1	(445)	(526)
Parliament refreshment rooms & gift shop	3.2	(1,771)	(4,278)
Supplies and services	3.3	(14,393)	(14,268)
Total expenses from transactions		(185,197)	(186,599)
Net result from transactions (net operating balance)		10,311	13,071
Other economic flows included in net result			
Net gain / (loss) on non-financial physical assets		435	219
Other gains / (losses) from other economic flows		472	210
Total other economic flows included in net result		907	429
Net result		11,218	13,500
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	5.1.1	(163,741)	42,714
Total other economic flows - other comprehensive income		(163,741)	42,714
Comprehensive result		(152,523)	56,214

(a) The 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House buildings. Refer to Note 10 for further details.

The Comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 67 to 125.

PARLIAMENT OF VICTORIA
Balance sheet
as at 30 June 2022

		(\$ thousand)		
	Notes	2022	2021 ^(a)	2020 ^(a)
Assets				
Financial assets				
Cash and deposits	7.2	243	269	22
Receivables	6.1	65,821	53,886	40,375
Total financial assets		66,064	54,155	40,397
Non-financial assets				
Inventories - Parliament refreshment room & gift shop		67	58	71
Inventories		475	-	-
Non-financial physical assets classified as held for sale		127	96	95
Property, plant and equipment	5.1	563,510	721,305	675,180
Right-of-use assets	5.2	28,462	30,814	24,437
Intangible assets	5.3	2,041	814	-
Prepayments		1,985	947	441
Total non-financial assets		596,667	754,034	700,224
Total assets		662,731	808,189	740,621
Liabilities				
Bank overdraft	7.2	5	5	17
Payables	6.2	6,289	9,225	8,659
Unearned income		24	25	19
Lease liabilities	7.1	28,768	30,614	24,395
Provisions	3.1	18,341	16,481	15,455
Total liabilities		53,427	56,350	48,545
Net assets		609,304	751,839	692,076
Equity				
Accumulated surplus / (deficit)		87,955	76,737	63,261
Physical asset revaluation surplus		323,754	487,495	444,780
Contributed capital		197,595	187,607	184,035
Net worth		609,304	751,839	692,076

(a) The 1 July 2020 and 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House buildings. Refer to Note 10 for further details.

The Balance sheet should be read in conjunction with the accompanying notes included on pages 67 to 125.

PARLIAMENT OF VICTORIA
Statement of Changes in Equity
for the financial year ended 30 June 2022

(\$ thousand)					
	Notes	Physical asset revaluation surplus ^(a)	Accumulated surplus	Contributions by owner	Total
Balance at 30 June 2020^(c)		444,781	63,261	184,035	692,077
Derecognition of Parliamentary Budget Office ^(b)		-	(24)	(219)	(243)
Net result for the year		-	13,500	-	13,500
Other comprehensive income for the year	5.1.1	42,714	-	-	42,714
Additions to Net Asset Base	9.6, 2.3	-	-	3,791	3,791
Balance at 30 June 2021^(c)		487,495	76,737	187,607	751,839
Net result for the year		-	11,218	-	11,218
Other comprehensive income for the year	5.1.1	(163,741)	-	-	(163,741)
Additions to Net Asset Base	9.6, 2.3	-	-	9,988	9,988
Balance at 30 June 2022		323,754	87,955	197,595	609,304

(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. On 1 July 2020, the Parliament reassessed control arrangements of the Parliamentary Budget Officer 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.

(c) The 1 July 2020 and 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House buildings. Refer to Note 10 for further details.

The Statement of Changes in Equity should be read in conjunction with the accompanying notes included on pages 67 to 125.

PARLIAMENT OF VICTORIA
Cash flow statement
for the financial year ended 30 June 2022

		(\$ thousand)	
	Notes	2022	2021
Cash flows from operating activities			
Receipts			
Receipts from Government appropriations		182,444	185,370
Receipts from Parliament refreshment rooms		690	303
Receipts from other income		28	28
Goods and services tax recovered from the ATO		6,162	6,036
Total receipts		189,324	191,738
Payments			
Payments to suppliers and employees		(162,884)	(152,874)
Payments to suppliers & employees by Parliament refreshment rooms & gift shop		(1,790)	(4,297)
Capital asset charge payments		-	(7,041)
Interest and other finance costs		(445)	(526)
Total payments		(165,119)	(164,739)
Net cash flows from / (used in) operating activities	7.2.1	24,205	26,999
Cash flows from investing activities			
Purchases of non-financial physical assets		(25,949)	(20,934)
Sales of non-financial physical assets		1,011	714
Net cash flows from / (used in) investing activities		(24,938)	(20,220)
Cash flows from financing activities			
Owner contributions by state government		9,988	3,791
Repayment of principal portion of lease liabilities		(9,282)	(10,312)
Net cash flows from / (used in) financing activities		706	(6,521)
Net increase / (decrease) in cash and cash equivalents		(27)	258
Cash and cash equivalents at beginning of financial year		264	6
Cash and cash equivalents at end of financial year	7.2	237	264

The Cash flow statement should be read in conjunction with the accompanying notes included on pages 67 to 125.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2022

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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 SERVICE

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

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

	Notes	(\$ thousand)	
		2022	2021
Output appropriations	2.2, 2.3	147,517	154,435
Special appropriations	2.2, 2.3	46,886	44,973
Parliament refreshment rooms & gift shop	2.4	601	234

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 are recognised as income when applied to the purposes defined under the relevant Appropriations Act. Appropriations income is recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

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 SERVICE (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		(\$ thousand)		
	Annual Appropriation	Advance from Treasurer	Section 29	Section 32	Total Parliamentary Authority	Appropriations Applied	Variance ^(a)
2022							
Controlled							
Provision for outputs	146,814	1,248	-	4,942	153,004	147,517	5,487
Additions to net assets (ATNAB)	15,194	2,208	-	-	17,402	9,988	7,414
Total	162,008	3,456	-	4,942	170,406	157,505	12,901
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

(a) The current year output variance represents the carryover of unapplied current year appropriation to the next financial year, as approved by the Treasurer under Section 32 (1) of the *Financial Management Act 1994*. In addition, there have been delays in ATNAB funded programs, related to renovation works being completed at Parliament House.

NOTE 2 – FUNDING DELIVERY OF OUR SERVICE (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)	
		2022	2021
Appropriations applied			
Authority	Purpose		
Audit Act No. 2 of 1994	Audit of the Auditor-General's Office	41	39
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	46,093	44,182
Total special appropriations		46,886	44,973

2.4 Parliament refreshment rooms & gift shop

	(\$ thousand)	
	2022	2021
Food sales	437	180
Beverage sales	81	40
Gift Shop	3	2
Function income	80	12
Total revenue from parliament refreshment rooms & gift shop	601	234

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	71
3.2	Parliament refreshment rooms and gift shop	75
3.3	Other operating expenses	76

3.1 Employee benefit expenses

	(\$ thousand)	
	2022	2021
Superannuation expense		
- Members of Parliament	3,956	3,619
- All other employees	6,458	5,976
	10,414	9,595
Termination payments	355	73
Salaries and wages, annual leave and long service leave		
- Members of Parliament	42,137	40,563
- All other employees	72,889	68,975
	115,026	109,538
Total employee benefit expenses	125,795	119,206

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).

NOTE 3 – THE COST OF DELIVERING SERVICES (cont)

3.1 Employee benefit expenses (cont)

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.

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)	
	2022	2021
Current provisions		
Annual leave		
Unconditional and expected to settle within 12 months	3,939	3,390
Unconditional and expected to settle after 12 months	3,945	3,478
On-costs	1,324	1,018
	9,208	7,886
Long service leave		
Unconditional and expected to settle within 12 months	1,095	1,030
Unconditional and expected to settle after 12 months	5,410	5,059
On-costs	1,138	965
	7,643	7,055
Termination benefits	-	-
	-	-
Total current provisions for employee benefits	16,851	14,941
Non-current provisions		
Long service leave	1,268	1,329
On-costs	222	211
Total non-current provisions for employee benefits	1,490	1,540
Total provisions for employee benefits	18,341	16,481

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)	
	2022	2021
Opening balance	2,194	2,029
Additional provisions recognised	1,125	790
Reduction arising from payments / other sacrifices of future economic	(635)	(625)
Closing balance	2,684	2,194
Current	2,462	1,983
Non Current	222	211

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	
	2022	2021	2022	2021
Defined benefit plans ^(a)				
Emergency Services & State Super Scheme				
- Emp New & Revised	119	129	-	5
Defined contribution plans:				
VicSuper	5,286	4,736	-	169
Other	5,009	4,400	-	157
Total superannuation contributions	10,414	9,265	-	331

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 and gift shop

	(\$ thousand)	
	2022	2021
Cost of goods sold	296	2,011
Salaries and wages, annual leave and long service leave	1,370	2,111
Other expenditure	105	156
Total Parliament refreshment rooms and gift shop expenses	1,771	4,278

During 2020-21, the Parliament refreshment rooms 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 2020-21 operation of the charity meals program was fully funded from output appropriations.

This program ceased operations on 30 June 2021.

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)	
	2022	2021
Computer software, support & equipment rental	4,907	4,633
Communications, postage and printing	7,206	6,906
Contractors and temporary staff	3,163	3,401
Property rental costs	1,001	640
Total computer, communications, rental and other costs	16,277	15,581

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)	
	2022	2021
Advertising	3,093	2,792
Cleaning expenses	1,345	1,253
Electorate office expenses	1,004	1,851
Maintenance contractors and consumables	1,116	1,268
Minor equipment purchase and repair	683	1,359
Motor vehicle running costs	689	747
Office expenses	960	709
Other operating expenses	463	439
Professional services	2,439	1,607
Security	1,523	1,030
Travel and subsistence	104	65
Utilities	973	1,147
Total supplies and services	14,393	14,268

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 2022 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 controlled financial statements.

Structure

4.1 Parliament outputs – Descriptions and objectives	78
4.2 Administered items	86

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 2022 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.

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.

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Schedule A – Controlled income and expense for the year ended 30 June 2022

	(\$ thousand)				
	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
Income from transactions					
Output appropriations	6,406	7,297	128,057	5,757	147,517
Special appropriations	14,410	32,476	-	-	46,886
Other income	-	-	504	-	504
Parliament refreshment rooms & gift shop	-	-	601	-	601
Total income from transactions	20,816	39,772	129,162	5,757	195,508
Expenses from transactions					
Employee expenses	(19,270)	(36,817)	(66,497)	(3,211)	(125,795)
Depreciation	-	-	(26,516)	-	(26,516)
Computer, communications, rental and other costs	(409)	(414)	(14,717)	(737)	(16,277)
Capital asset charge	-	-	-	-	-
Interest expense	(14)	(31)	(400)	-	(445)
Parliament refreshment rooms & gift shop	-	-	(1,771)	-	(1,771)
Supplies & services	(872)	(1,514)	(11,675)	(331)	(14,393)
Total expenses from transactions	(20,565)	(38,776)	(121,576)	(4,279)	(185,197)
Net result from transactions (net operating balance)	251	996	7,586	1,478	10,311

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 2022 (cont)

	(\$ thousand)				
	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
Other economic flows included in net result					
Net gain / (loss) on non-financial physical assets	-	-	435	-	435
Other gains / (losses) from other economic flows	-	-	472	-	472
Total other economic flows included in net result	-	-	907	-	907
Net result	251	996	8,493	1,478	11,218
Other economic flows - other comprehensive income					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	-	-	(163,741)	-	(163,741)
Total other economic flows - other comprehensive income	-	-	(163,741)	-	(163,741)
Comprehensive result	251	996	(155,248)	1,478	(152,523)

The comparative Parliament controlled income and expenses for the year ended 30 June 2021 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 2021^(a)

	(\$ thousand)				
	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
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	-	-	(25,699)	-	(25,699)
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)	(125,613)	(4,304)	(186,599)
Net result from transactions (net operating balance)	(3)	1,134	10,714	1,226	13,071

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 2021 (cont)

	(\$ thousand)				
	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
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	11,143	1,226	13,500
Other economic flows - other comprehensive income					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	-	-	42,714	-	42,714
Total other economic flows - other comprehensive income	-	-	42,714	-	42,714
Comprehensive result	(3)	1,134	53,857	1,226	56,214

(a) The 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House buildings. Refer to Note 10 for further details.

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Schedule C – Controlled assets and liabilities as at 30 June 2022

	(\$ thousand)				
	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
Assets					
Financial assets	1,667	2,483	59,605	2,309	66,064
Non-financial assets	971	2,124	593,562	10	596,667
Total assets	2,638	4,607	653,167	2,319	662,731
Total liabilities	(3,018)	(4,567)	(44,832)	(1,010)	(53,427)
Net assets / (liabilities)	(379)	40	608,335	1,309	609,304

The comparative Parliament controlled assets and liabilities as at 30 June 2021 appears on the following page.

NOTE 4 – DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT (cont)

Schedule D – Controlled assets and liabilities as at 30 June 2021^(a)

	(\$ thousand)				
	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
Assets					
Financial assets	1,247	2,437	48,592	1,879	54,155
Non-financial assets	1,875	852	751,307	-	754,034
Total assets	3,122	3,289	799,899	1,879	808,189
Total liabilities	(3,387)	(5,352)	(46,728)	(883)	(56,350)
Net assets / (liabilities)	(265)	(2,063)	753,171	996	751,839

(a) The 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House buildings. Refer to Note 10 for further 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 receipts and payments relating to the Public Service Commuter Club on behalf of the State.

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.

All 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.

The following table shows the balances the Parliament manages under the Public Service Commuter Club:

	(\$ thousand)	
	2022	2021
Administered financial assets		
Public Service Commuter Club receivables	14	23
Administered financial liabilities		
Public Service Commuter Club payables	14	23

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	87
5.2	Right-of-use assets	91
5.3	Intangible assets	93
5.4	Depreciation and impairment	95

5.1 Property, plant and equipment

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2022	2021 ^(a)	2022	2021 ^(a)	2022	2021 ^(a)
Land at fair value	200,256	173,828	-	-	200,256	173,828
Buildings at fair value	304,612	534,495	(125)	(40,602)	304,487	493,894
Plant, equipment & vehicles at fair value	35,869	37,236	(24,427)	(22,666)	11,442	14,570
Cultural assets at fair value	15,063	11,995	-	-	15,063	11,995
Leasehold improvements at cost	11,125	8,226	(3,279)	(2,353)	7,846	5,873
Assets under construction at cost	24,416	21,145	-	-	24,416	21,145
Total	591,341	786,926	(27,831)	(65,621)	563,510	721,305

(a) The 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House buildings. Refer to Note 10 for further details.

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.

Refer to Note 8 for further details of valuation techniques.

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 2022							(\$ thousand)
	Land at fair value	Buildings at fair value ^(a)	Plant, equipment & vehicles at fair value	Cultural assets at fair value	Leasehold improvements	Assets under construction at cost	Total
Opening balance	173,828	493,894	14,570	11,995	5,873	21,145	721,305
Additions	-	-	-	-	-	22,470	22,470
Disposals / retirements	-	-	(1)	-	-	-	(1)
Revaluations	26,429	(193,238)	-	3,068	-	-	(163,741)
Transfer in / (out) from assets under construction	-	13,095	3,206	-	2,898	(19,199)	-
Other transfers	-	2,617	(2,617)	-	-	-	-
Depreciation expense	-	(11,881)	(3,717)	-	(925)	-	(16,523)
Closing balance	200,256	304,487	11,442	15,063	7,846	24,416	563,510

The comparative reconciliation of movements in carrying amount of property, plant and equipment for the year ended 30 June 2021 appears on the following page.

(a) The 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House buildings. Refer to Note 10 for further details.

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)

(\$ thousand)

Year ended 30 June 2021	Land at fair value	Buildings at fair value ^(a)	Plant, equipment & vehicles at fair value	Cultural assets at fair value	Leasehold improvements	Assets under construction at cost	Total
Opening balance	173,828	457,079	16,834	11,958	3,797	11,682	675,178
Additions	-	-	-	-	-	19,585	19,585
Disposals / retirements	-	-	-	-	-	-	-
Revaluations	-	42,714	-	-	-	-	42,714
Transfer in / (out) from assets under construction	-	4,880	2,361	37	2,844	(10,122)	-
Other transfers	-	-	(41)	-	(91)	-	(132)
Depreciation expense	-	(10,779)	(4,584)	-	(678)	-	(16,041)
Closing balance	173,828	493,894	14,570	11,995	5,873	21,145	721,305

(a) The 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House buildings. Refer to Note 10 for further details.

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)	
	2022	2021
Right-of-use: Motor vehicles		
Gross carrying amount	4,421	4,422
Accumulated depreciation	(1,504)	(1,465)
Net carrying amount	2,917	2,957
Right-of-use: Properties		
Gross carrying amount	49,953	43,741
Accumulated depreciation	(24,409)	(15,884)
Net carrying amount	25,544	27,857
Total net carrying amount	28,462	30,813

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 2022.

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 2022			
Opening balance	2,956	27,857	30,813
Additions	1,477	7,136	8,613
Disposals / retirements	(703)	(293)	(996)
Depreciation expense	(813)	(9,156)	(9,969)
Closing balance	2,917	25,544	28,461
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

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)	
	2022	2021
Computer software		
Gross carrying amount	403	119
Accumulated amortisation	(24)	-
Net carrying amount	379	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.

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

5.3 Intangible assets (cont)

5.3.1 Reconciliation of movements in carrying amount of intangible assets

(\$ thousand)

Year ended 30 June 2022	Computer software	Intangible assets being developed	Total
Opening balance	119	696	815
Additions	-	1,250	1,250
Transfers in / (out) from development	284	(284)	-
Amortisation expense	(24)	-	(24)
Closing balance	379	1,662	2,041

(\$ thousand)

Year ended 30 June 2021	Computer software	Intangible assets being developed	Total
Opening balance	-	-	-
Additions	-	814	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)	
	2022	2021
Buildings at fair value	10 to 100	10 to 90
Plant, equipment & vehicles at fair value	2 to 30	2 to 10
Leasehold improvements at cost	4 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	96
6.2	Payables	97

6.1 Receivables

	(\$ thousand)	
	2022	2021
Current		
Contractual		
Debtors - Parliament refreshment rooms	75	34
Other receivables	30	-
Statutory		
Amounts owing from Victorian Government	14,954	17,256
GST input tax credit recoverable	743	767
Total current receivables	15,802	18,057
Non Current		
Statutory		
Amounts owing from Victorian Government	50,019	35,829
Total non current receivables	50,019	35,829
Total receivables	65,821	53,886

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)	
	2022	2021
Current		
Contractual		
Supplies and services	4,461	4,482
Accrued salaries & wages	240	3,489
Statutory		
Fringe Benefits Tax	297	220
Payroll tax	759	503
Total current payables	5,757	8,694
Non Current		
Contractual		
Supplies and services	532	532
Total non current payables	532	532
Total payables	6,289	9,225

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 current 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). Note 8.1 provides additional, specific financial instrument disclosures.

Structure

7.1	Lease liabilities	98
7.2	Cash flow information and balances	102
7.3	Commitments for expenditure	104

7.1 Lease liabilities

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

	(\$ thousand)	
	2022	2021
Current lease liabilities		
Motor vehicle lease liabilities	1,791	1,901
Property lease liabilities	8,934	7,759
Total current lease liabilities	10,725	9,660
Non current lease liabilities		
Motor vehicle lease liabilities	1,242	1,151
Property lease liabilities	16,801	19,802
Total non current lease liabilities	18,043	20,953
Total lease liabilities	28,768	30,614

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 2022) 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)	
	2022	2021
Interest expense on lease liabilities	445	526
Expenses relating to short-term or low value leases	947	604
Total	1,392	1,130

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 Cash flow Statement

The following amounts are recognised in the Cash flow Statement relating to leases:

	(\$ thousand)	
	2022	2021
Principal repayments of leases	9,282	10,312
Interest payments on leases	445	526
Total cash outflows relating to leases	9,727	10,838

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.

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	
	2022	2021	2022	2021
Motor vehicle leases				
Not longer than one year	1,821	1,947	1,791	1,901
Longer than one year and not longer than five years	1,261	1,172	1,242	1,151
Property leases				
Not longer than one year	9,068	7,879	8,934	7,759
Longer than one year and not longer than five years	15,340	19,093	15,113	18,802
Longer than five years	1,713	1,016	1,688	1,000
Minimum future lease payments	29,203	31,107	28,768	30,614
Less future finance charges ^(b)	(435)	(493)		
Present value of minimum lease payments	28,768	30,614	28,768	30,614
Included on the balance sheet in:				
Current borrowings lease liabilities			10,725	9,660
Non-current borrowings lease liabilities			18,043	20,953
Total			28,768	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 2.43% (2020-21: 2.8%) and property leases is 1.5% (2020-21: 1.6%)

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)	
	2022	2021
Cash on hand		
Parliament of Victoria	1	1
Bank balance		
Parliament refreshment rooms	242	268
	243	269
Bank overdraft - unrepresented cheques	(5)	(5)
Balance as per cash flow statement	237	264

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 2022, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$5,423 (2021 - \$5,324). 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)	
	2022	2021 ^(b)
Net result for the period	11,218	13,500
Non cash movements		
(Gain) / loss on sale or disposal of non-current assets	(435)	(219)
Depreciation and amortisation of non-current assets	26,516	25,699
Movements in assets and liabilities:		
(Increase) / decrease in receivables	(11,935)	(13,511)
(Increase) / decrease in inventories	(486)	14
(Increase) / decrease in prepayments	(1,038)	(506)
Increase / (decrease) in current payables	(1,496)	1,102
Increase / (decrease) in unearned income	1	5
Increase / (decrease) in provisions	1,860	1,026
Non-cash movements due to exit of PBO ^(a)	-	(111)
Net cash flows from / (used in) operating activities	24,205	26,999

(a) On 1 July 2020, the financial information of the Parliamentary Budget Office was derecognised.

(b) The 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House. Refer to Note 10 for further 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)	
	2022	2021
Capital expenditure commitments		
Not longer than one year	22,726	15,595
Longer than one year and not longer than five years	2,294	5,713
Total capital expenditure commitments	25,020	21,308
Other commitments payable		
Not longer than one year	750	2,027
Longer than one year and not longer than five years	-	101
Total other commitments payable	750	2,128
Total commitments for expenditure (inclusive of GST)	25,770	23,436
Less GST recoverable from the Australian Taxation Office	(2,343)	(2,131)
Total commitments for expenditure (exclusive of GST)	23,427	21,305

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	105
8.2	Contingent assets	109
8.3	Fair value determination	110

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	2022	2021	
Contractual financial assets				
Cash and deposits	Financial assets at amortised cost	7.2	243	269
Receivables ^(a)	Financial assets at amortised cost	6.1	105	34
Total financial assets			348	303
Contractual financial liabilities				
Payables ^(b)	Financial liabilities at amortised cost	6.2	5,233	8,502
Bank overdraft	Financial liabilities at amortised cost	7.2	5	5
Lease liabilities	Financial liabilities at amortised cost	7.1	28,768	30,614
Total financial liabilities			34,006	39,121

(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 2021-22.

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 and property 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.

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)	
	2022	2021
Bank guarantees from suppliers	1,985	2,115
Total contingent assets	1,985	2,115

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 2022-23 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 2022	Carrying amount as at 30 June 2022	Fair value measurement at end of reporting period using:		
Description		Level 1	Level 2	Level 3
Land at fair value - specialised land	200,256	-	-	200,256
Buildings at fair value - specialised buildings	304,487	-	-	304,487
Plant, equipment & vehicles at fair value	11,442	-	-	11,442
Cultural assets at fair value	15,063	-	4,852	10,211
Right-of-use assets at fair value	28,461	-	25,544	2,917
Total	559,709	-	30,396	529,313

A change in valuation technique occurred for cultural assets, where a portion of cultural assets previously measured at Level 2 fair value is now measured at Level 3 fair value at 30 June 2022.

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)

(\$ 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 ^(a)	493,894	-	-	493,894
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	2,957
Total	725,100	-	39,851	685,249

(a) The 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House buildings. Refer to Note 10 for further details.

Significant judgement - valuation uncertainty

Parliament's assets relating to land, buildings and cultural assets were independently valued at 30 June 2022. The valuer advised that the fair value of the Parliament's land, buildings and cultural assets at 30 June 2022 are subject to significant valuation uncertainty because the market environment continues to experience impacts from COVID-19. The current value may therefore change over a relatively short period of time.

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 reflects 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.

An independent valuation of the Parliament's specialised land was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2022.

Specialised buildings

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

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)

Specialised buildings (cont)

An independent valuation of the Parliament's specialised building was performed by the Valuer-General Victoria. The valuation was performed using the current replacement cost method, with an effective date of 30 June 2022.

The independent valuation resulted in a decrease of \$193.2 million to the value of Parliament's specialised buildings, primarily driven by a change in professional judgement applied by the valuer in determining the fair value at 30 June 2022. This has resulted in a reduction in the remaining useful life of buildings and a reduction in the estimated cost to replace with a modern equivalent building having regard to its heritage overlay.

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 relating to the Parliament's rare book collection are measured at Level 2 fair value using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets.

An independent valuation of the Parliament's rare book collection was performed using the market approach. The rare book collection was valued from physical inspection of items, either in full or through random sampling. Higher value rare books were valued individually, while lower value rare books were valued using statistical sampling methods. This approach included comparison against sales of identical or similar books sold both in Australia and overseas. This methodology does not contain significant, unobservable inputs, and these assets are classified as Level 2 under the market approach.

Cultural assets relating to artworks, heritage furniture and other items are measured at Level 3 fair value using the market approach, with an adjustment made to factor in the unique characteristics of these assets (e.g. origin, age, characteristics).

An independent valuation of artworks, heritage furniture and other items was performed using the market approach. This approach made a comparison against items of a similar nature, with a subsequent adjustment to reflect the valuer's assessment of how the assets belonging to the Parliament and being placed in Parliament House, impact the market value of such items. This adjustment is considered a significant unobservable input, hence the Level 3 fair value classification.

All cultural assets were independently valued with an effective date of 30 June 2022.

Right-of-use assets

Right-of-use properties are classified as Level 2 and valued using the market approach. Under this method, current lease payments are compared to market rentals for similar or equivalent properties. These assets are depreciated and management has not made any judgements over the useful life of these assets, as depreciation adjustments are made over contracted lease terms.

Right-of-use vehicles are valued using the current replacement cost method. Parliament manages the acquisition, use and disposal of these assets with a relevant depreciation rate set during use to reflect the consumption of the vehicles. As a result, the fair value of the vehicles does not differ materially from the carrying amount (depreciated cost).

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

	(\$ thousand)				
Year ended 30 June 2022	<i>Specialised land</i>	<i>Specialised buildings^(a)</i>	<i>Plant, equipment and vehicles</i>	<i>Right-of-use assets: motor vehicles</i>	<i>Cultural Assets</i>
Opening balance	173,828	493,894	14,570	2,956	-
Purchases (sales)				1,477	-
Transfer in/(out) of Level 3	-	13,095	3,207	-	7,618
Other transfers	-	2,617	(2,617)	-	-
Gains or losses recognised in net result					
Depreciation		(11,881)	(3,717)	(813)	-
Disposal of assets	-	-	-	(703)	-
Subtotal	173,828	497,725	11,443	2,917	7,618
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	26,429	(193,238)	-	-	3,068
Closing balance	200,257	304,487	11,443	2,917	10,211

The comparative reconciliation of Level 3 fair value movements for the year ended 30 June 2021 appears on the following page.

(a) The 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House buildings. Refer to Note 10 for further details.

The transfer of cultural assets from Level 2 to Level 3 fair value valuation methodology is based on updated valuation techniques from the previous independent valuation effective at 30 June 2017.

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	(\$ thousand)			
	<i>Specialised land</i>	<i>Specialised buildings^(a)</i>	<i>Plant, equipment and vehicles</i>	<i>Right-of-use assets: motor vehicles</i>
Opening balance	173,828	457,079	16,834	3,220
Purchases (sales)	-	-	-	1,096
Transfer in/(out) of Level 3	-	-	-	-
Transfer in / (out) of assets under construction	-	4,880	2,361	-
Other transfers	-	-	(41)	-
Gains or losses recognised in net result				
Depreciation	-	(10,779)	(4,584)	(836)
Disposal of assets	-	-	-	(523)
Subtotal	173,828	451,180	14,570	2,957
Gains or losses recognised in other economic flows - other comprehensive income				
Revaluation	-	42,714	-	-
Closing balance	173,828	493,894	14,570	2,957

(a) The 30 June 2021 comparative figures have been restated to correct a prior period error in the valuation of Parliament House buildings. Refer to Note 10 for further details.

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)

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 Useful life of buildings
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
Cultural assets (new for 2021-22)	Market approach	Assessment of asset's characteristics

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

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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 - 1 July 2021 to 30 June 2022
Speaker of the Legislative Assembly

The Hon Nazih Elasmr MLC - 1 July 2021 to 30 June 2022
President of the Legislative Council

Accountable Officers:

Peter Lochert - 1 July 2021 to 12 April 2022
Secretary, Department of Parliamentary Services

Matthew Smith – 13 April 2022 to 2 May 2022
Secretary, Department of Parliamentary Services

Trish Burrows – 3 May 2022 to 30 June 2022
Secretary, Department of Parliamentary Services

NOTE 9 – OTHER DISCLOSURES (cont)

9.1 Responsible persons (cont)

Accountable Officers: **Andrew Young** - 1 July 2021 to 30 June 2022
Clerk - Legislative Council

Bridget Noonan - 1 July 2021 to 30 June 2022
Clerk - Legislative Assembly

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:

	2022	2021
Salary Band \$		
20,000 – 29,999	1	-
70,000 – 79,999	1	-
310,000 – 319,999	1	-
320,000 - 329,999	-	1
350,000 - 359,999	-	1
360,000 - 369,999	-	1
390,000 - 399,999	-	1
410,000 - 419,999	1	-
420,000 - 429,999	2	1
440,000 – 449,999	1	-
Total number of Officers	7	5
Total amount (\$ thousand)	2,115	1,877

Remuneration of ministers

The Department of Parliamentary Services is responsible for the payment of Ministers' salaries and allowances. The disclosure of Ministerial remuneration is included in the State of Victoria's annual financial report.

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.

Termination benefits include termination of employment payments, such as severance packages.

	(\$ thousand)	
	2022	2021
Short-term employee benefits	1,253	1,226
Post-employment benefits	108	104
Other long-term benefits	60	45
Termination benefits	75	-
Total remuneration	1,496	1,375
Total number of executives	6	6
Total annualised employee equivalents^(a)	6	6

(a) 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)	
	2022	2021
Compensation of KMPs		
Short-term employee benefits	1,902	1,713
Post-employment benefits	154	139
Other long-term benefits	59	25
Total compensation	2,115	1,877

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)	
	2022	2021
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.

Capital asset charge

A capital asset charge (CAC) was a charge levied on the budgeted written-down value of controlled non-current physical assets in the Parliament's balance sheet. In previous years, CAC had been used to demonstrate the opportunity cost of utilising government assets.

It should be noted that the capital asset charge policy was discontinued in 2021-22 and also reflected in the 2021-22 Budget. While the inclusion of CAC was previously reflected in output cost, it did not reflect a net distribution of funds to the Parliament because the Parliament was funded from the budget for its CAC expense, and then immediately paid the same amount back into the Consolidated Fund.

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 2021-22 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 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.

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 2021-22 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.

NOTE 10 – CORRECTION OF PRIOR PERIOD ERROR

Introduction

The Parliament has identified a prior period error which is explained below. The error has been corrected and each of the affected financial statements for the 2021 financial year has been restated as shown in this note.

Structure

10.1 Error in valuation of the Parliament House	123
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10.1 Prior Period Error in valuation of the Parliament House

During the 2021-22 financial year the Parliament undertook a full independent revaluation of the fair value of its non-financial physical assets as required by Financial Reporting Direction 103.

The revaluation process found that \$61.75 million of cost escalation anticipated to occur during the design and reconstruction periods were incorrectly included by the Valuer in the valuation of Parliament House as at 30 June 2017. This error had the effect of overstating the following balances by \$61.75 million as at 30 June 2017:

- Property, plant and equipment – buildings at fair value
- Physical asset revaluation surplus

Since 30 June 2017, depreciation expense has been calculated and reported using the overstated value of Parliament House. This error had the effect of overstating depreciation expense and understating accumulated surplus by \$1.36 million for each year, from 30 June 2018 to 30 June 2021.

In accordance with Financial Reporting Direction 103 using indices provided by the Valuer, a managerial revaluation increment was also recorded at 30 June 2021. This valuation included the overstated amount of \$61.75m resulting in the following balances being overstated by \$6.3 million as at 30 June 2021:

- Property, plant and equipment – buildings at fair value
- Physical asset revaluation surplus

The 2021 reported balances have been restated to correct the error, with the effects detailed on the following page.

NOTE 10 – CORRECTION OF PRIOR PERIOD ERROR (cont)

Impact of error on the Comprehensive Operating Statement

	(\$ thousand)		
	For the period ended 30 June 2021 (previously presented)	Correction of error	For the period ended 30 June 2021 (restated)
Expenses from transactions			
Depreciation	(27,059)	1,360	(25,699)
Total expenses from transactions	(187,959)	1,360	(186,599)
Net result from transactions (net operating balance)	11,711	1,360	13,071
Net result	12,140	1,360	13,500
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	49,013	(6,299)	42,714
Total other economic flows - other comprehensive income	49,013	(6,299)	42,714
Comprehensive result	61,153	(4,939)	56,214

NOTE 10 – CORRECTION OF PRIOR PERIOD ERROR (cont)

Impact of error on the Balance Sheet

	(\$ thousand)					
	As at 1 July 2020	Correction of error	As at 1 July 2020	As at 30 June 2021	Correction of error	2021
	(previously presented)	error	(restated)	(previously presented)	error	(restated)
Assets						
Property, plant and equipment	732,850	(57,670)	675,180	783,914	(62,609)	721,305
Total non-financial assets	757,894	(57,670)	700,224	816,642	(62,609)	754,034
Total assets	798,291	(57,670)	740,621	870,797	(62,609)	808,189
Equity						
Accumulated surplus / (deficit)	59,181	4,080	63,261	71,297	5,440	76,737
Physical asset revaluation	506,530	(61,750)	444,780	555,543	(68,049)	487,495
Net worth	749,746	(57,670)	692,076	814,447	(62,609)	751,839

Appendix A: Budget Portfolio Outcomes

The budget portfolio outcomes provide comparisons between the actual financial information and the published 2021–22 budget in the 2021–22 Budget Paper No. 5: Statement of Finances for parliamentary departments (Legislative Council, Legislative Assembly and Department of Parliamentary Services)*.

This statement is prepared on the basis of comprehensive operating statement published in Budget Paper No. 5: Statement of Finances.

This statement is not subject to audit by the Victorian Auditor-General's Office.

	2021–22 Actual (\$ million)	2021–22 Published Budget (\$ million)	Variation (\$ million)	Variation %
Income from transactions				
Output appropriations ¹	147.5	153.4	(5.9)	(4) %
Special appropriations ²	46.9	54.9	(8.0)	(15) %
Sale of goods and services	0.6	0.0	0.6	100 %
Grants	0.0	0.0	0.0	100 %
Other income	0.5	0.0	0.5	100 %
Total income from transactions	195.5	208.3	(12.8)	(6) %
Expenses from transactions				
Employee benefits ³	(125.8)	(135.2)	9.4	(7) %
Depreciation	(28.0)	(27.8)	(0.2)	1 %
Interest expense	(0.4)	(0.5)	0.1	(11) %
Other operating expenses ⁴	(32.4)	(44.8)	12.3	(28) %
Total expenses from transactions	(186.7)	(208.3)	21.6	(10) %
Net result from transactions (net operating balance)	8.8	0.0	8.8	(100) %
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	0.4	0.0	0.4	100 %
Other gains/(losses) from economic flows	0.5	0.0	0.5	100 %
Total other economic flows included in net result	0.9	0.0	0.9	100 %
Net result	9.7	0.0	9.7	100 %
Other economic flows – other comprehensive income				
Changes in physical assets revaluation surplus ⁵	(230.5)	0.0	(230.5)	(100) %
Total other economic flows – other comprehensive income	(230.5)	0.0	(230.5)	(100) %
Comprehensive result	(220.7)	0.0	(220.7)	(100) %

* Budget Paper No. 5: Statement of Finances includes consolidated figures for parliamentary departments, Victorian Auditor-General's Office, Victorian Inspectorate, Victorian Ombudsman, Parliamentary Budget Office and Independent Broad-based Anti-corruption Commission.

1. Lower output appropriations mainly due to the carryover of budget from 2021–22 to 2022–23.
2. Lower special appropriations due to no contributions required for members of Parliament defined benefit scheme (Parliamentary Contributory Super Fund) in 2021–22, partly offset by increase in members' salaries and allowances.
3. Lower employee benefits mainly due to no contributions required for members of Parliament defined benefit scheme (Parliamentary Contributory Super Fund) in 2021–22.
4. Lower other operating expenses due to carry over of budget from 2021–22 to 2022–23 and lower parliamentary departments' non-employee expenditure resulting in a surplus.
5. Changes in physical assets revaluation surplus due to reduction in the fair value in buildings and cultural assets, offset by increase in fair value of land.



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