

Annual Report 2009-10

Department of Parliamentary Services
Parliament of Victoria



DEPARTMENT OF PARLIAMENTARY SERVICES

The Hon. Robert Smith,MLC
President
Legislative Council
Parliament House
Melbourne Vic 3002

The Hon. Jenny Lindell, MP
Speaker
Legislative Assembly
Parliament House
Melbourne Vic 3002

Dear President and Speaker,

I have pleasure in forwarding to you my report on the operations of the Department of Parliamentary Services for the year ended 30 June 2010

Yours sincerely,



Peter Lochert
Secretary
Department of Parliamentary Services

Department of Parliamentary Services
Annual Report 2009-10

Tabled in the Legislative Council and Legislative
Assembly, 15 September 2010

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Enquiries should be directed to the
Department of Parliamentary Services.

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

Telephone +613868 22661
Facsimile +613868 22659
Website www.parliament.vic.gov.au



Annual Report 2009-10





Our Mission

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

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Secretary's foreword



I am pleased to present the Annual Report of the Department of Parliamentary Services (DPS) for the year ended 30 June 2010.

The achievements highlighted in this report reflect the commitment and dedication of DPS staff. DPS has continued to concentrate on its core tasks of providing support services to Parliament and to Members of Parliament, as well as planning for the state election in November 2010.

Various projects were completed this year which enabled significant advancements in the quality and level of service. Whilst many of the projects undertaken are not visible to Members and staff, they form a crucial part of the continuous improvement process undertaken by DPS, and are essential in positioning Parliament's infrastructure for the future.

The first stage of the Parliament broadcasting project was successfully implemented in May 2010, with the proceedings of the Legislative Assembly being streamed live over the internet. This project, announced by the Premier a year earlier, provides increased accessibility to parliamentary proceedings. The system delivers an external broadcast of parliamentary proceedings over the internet and an audiovisual feed to the parliamentary media gallery. Hansard delivered this project on time, building on the significant work undertaken over the past four financial years to upgrade the information technology and audio infrastructure within the chambers. The next stages of the project will bring online the broadcasting of proceedings of the Legislative Council and selected parliamentary committees.

In July 2009 security for the parliamentary precinct was transitioned to DPS. This coincided with the design and construction of an incident

control centre at 55 St Andrews Place, and the upgrade of the electronic access control system at Parliament House.

Significant progress has been made this year on improvements to the Parliament buildings. On-site works commenced for stages three and four of the stonework restoration and window refurbishment project. The development of a Precinct Master Plan was a vital step in providing an overarching framework designed to inform decision-making about the building for the next twenty years.

Information Technology (IT) projects have focused on providing the technical infrastructure necessary to support major initiatives such as the broadcasting of Parliament, as well as keeping Parliament up to date and current with IT developments. This included major upgrades of electorate office and precinct equipment. An upgrade to the latest version of Lotus Notes this year has laid the groundwork for the installation of a new telephone system using Voice Over Internet Protocol, which will provide significant cost savings and efficiencies.

A major project undertaken by the Library during the year has been overseeing the development of a new website for the Parliament of Victoria. The result is a newer, more intuitive and engaging website for Parliament and the citizens of Victoria. Work involved building the website on a new technology platform, development of new applications, and migrating and updating content between current and new websites.

A new Enterprise Agreement was ratified by 97% of staff in October 2009, following ongoing negotiations with the Community and Public Sector Union (CPSU). A new classification structure for electorate officers was also introduced, and the Organisation Development Unit was instrumental in consulting with electorate officers to negotiate and agree on new grade descriptors.

Significant changes that were made to Members' budgets in 2008-09 required a targeted communication strategy and management of funding during the year. A review of the *Members' Guide* was also undertaken to reflect changes that came into effect from 1 July 2009. The ongoing systems improvements have enabled electronic reporting to Members and associated reductions in paper consumption, supporting environmental sustainability.

Sustainability principles continue to guide all DPS projects and operations. Buildings and Grounds Services Unit staff are focused on water conservation strategies with regard to garden maintenance following record dry spells during the previous year. All printers default to duplex

printing and employees are encouraged to consider the need for printing, and to recycle office paper. Energy efficiency is a high priority when replacing office equipment and all old equipment is recycled. The Parliament as a whole is committed to improving our environmental performance and reducing our environmental footprint.

This report also provides details of our accounts for the financial year ending 30 June 2010. I am pleased to report that all of the Parliament's accounting and reporting deadlines have been met throughout the year.

Opportunities to share information and ideas with other Parliaments were taken during the year, by hosting visitors from other parliaments and by visiting as their guests. I attended the annual Secretaries' conference in New Zealand in April, where I met my counterparts from interstate. Being new to the job of Secretary, it was a great opportunity to build networks and learn from those who are facing similar challenges and who have the same client base and operational structures.

In October 2009 the Parliament of Victoria hosted the annual Australasian Parliamentary Education Conference attended by delegates from the Australian state, territory and federal parliaments, and the New Zealand Parliament. The three day conference was a combination of information sharing sessions and presentations by relevant specialists.

In February 2010 the Library hosted a symposium on electronic services to parliamentary clients, which was attended by 20 library staff from across Australia.

DPS will be entering a particularly busy phase leading up the election in November 2010, and planning for this has been underway for some time. I am confident that the forward planning that has already been done will ensure a smooth election process, and an equally smooth transition to the 57th Parliament.

On behalf of my Directors, I would like to acknowledge and thank all staff for their valuable commitment and contributions; and for ensuring that the Parliament of Victoria is well supported and prepared for the coming election.



Peter Lochert
Secretary
Department of Parliamentary Services

July 2009

- The Security and Electorate Properties Unit took responsibility for security for the parliamentary precinct.
- The Organisation Development Unit released the *Code of Conduct for Parliamentary Officers 2009*, which draws directly from the values of Parliamentary Officers contained in the *Parliamentary Administration Act 2005*.
- The Catering Unit managed an opening night cocktail event for the stage musical *Jersey Boys*, with 210 guests in attendance.

August

- The Education and Community Engagement Unit distributed the fifth in a series of DVDs. *From Westminster to Spring Street* targets VCE legal studies and international studies students, as well as history students and teachers.
- The Accounting and Administration Unit completed year end tasks that began in June, culminating in audit clearance by the office of the Auditor-General.
- The IT Unit upgraded all precinct desktop PCs with more energy efficient and faster hardware.
- The final certificate for stage two of the Stone Restoration Works project was issued.

September

- The Education and Community Engagement Unit compiled two detailed activity books for the adult education sector; one for use in adult English as a Second Language (ESL) classrooms and the other in adult literacy and numeracy.
- The IT Unit developed infrastructure in support of Hansard's parliamentary broadcasting project.
- The Budgets and Risks Unit implemented an electronic management reporting system, enabling more efficient monthly reporting to Members of Parliament.

October

- The Education and Community Engagement Unit hosted the annual Australasian Parliamentary Education Conference attended by delegates from the Australian state, territory and federal parliaments, and the New Zealand Parliament.
- The Library launched its Twitter account, which communicates the Library's latest publications, news, reports and intelligence on special events.
- The Security and Electorate Properties Unit implemented a new access control system and parliamentary building security pass policy.
- The Budgets and Risks Unit submitted Expenditure Review Committee (ERC) one proposals.

November

- The Organisation Development Unit upgraded the payroll system utilised by Parliament which included the introduction of accrual calculations for annual leave and long service leave in accordance with the new agreements.
- The Library held a graduation ceremony for interns who completed their parliamentary internships.

December

- The Organisation Development Unit finalised the *Parliamentary Officers (Non-Executive Staff - Victoria) Single Enterprise Agreement 2009* by gaining approval from Fair Work Australia.
- The Catering Unit managed Christmas season events for internal and external guests ranging in size from ten to 500 guests.
- The IT Unit replaced all Opposition desktops, notebooks, servers and printers.

January 2010

- A new Parliament wide data backup system was implemented by the IT Unit.
- The Organisation Development Unit implemented the new classification structure for electorate officers in consultation with each Member of Parliament.
- The existing disk storage array was replaced with a faster version by the IT Unit, allowing increased capacity.

February

- The Library hosted the APLA (Association of Parliamentary Libraries of Australasia) Electronic Services Symposium, which was attended by 20 library staff from around Australia.
- The Security and Electorate Properties Unit completed construction of the Incident Coordination Centre at 55 St Andrews Place.
- The Budgets and Risks Unit provided information to the Department of Treasury and Finance for the publication of Parliament's component of Budget Papers three and four.

March

- The Security and Electorate Properties Unit commenced scoping work for a project to enhance reporting on the Vision Property Database.
- The IT Unit replaced all electorate office multi-function devices with faster Toshiba devices.

April

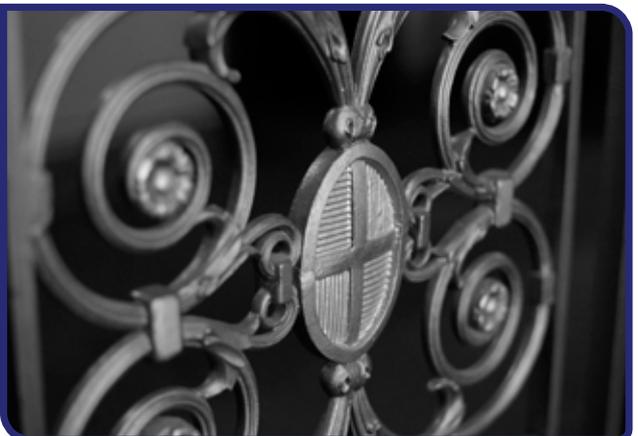
- The Library launched the all party Government, Opposition and Independent Media Releases database (1992 - present).
- The Budgets and Risks Unit completed the process for the submission of stage two of the ERC process.
- The Accounting and Administration Unit completed all requirements for the filing of the end of year Fringe Benefit Tax returns.

May

- Hansard delivered on a key milestone with the commencement of live video webcasting of the proceedings of the Legislative Assembly.
- The Budgets and Risks Unit designed and implemented the 2009-10 Client Satisfaction Survey.
- The Security and Electorate Properties Unit commenced scoping work for the CCTV & lighting project.
- The Budgets and Risks Unit successfully coordinated all briefing papers for the Public Accounts and Estimates Committee.

June

- The IT Unit implemented an upgrade to the latest version of Lotus Notes (8.5) and deployed Sametime - an internal instant messaging and unified communications application - across all desktops.
- The Buildings and Grounds Services Unit commenced site establishment for stages three and four of the Stone Restoration Works Project.
- The IT unit commenced the design and development of Voice Over Internet Protocol (VOIP) telephony within Parliament.



Presiding Officers

Secretary, Parliamentary Services
Peter Lochert

Director
Organisation Development & Finance
Position vacant

Director
Precinct & Property Management
Hilton Barr

Director
Library, Hansard & Information Technology
Charles Gentner

Manager, Budgets & Risks
Charu Saxena

Manager, Organisation Development
Richard Jordan

Manager, Accounting & Administration
John Mascarenhas

Managers, Buildings & Grounds Services
Brian Bourke & Paul Gallagher

Manager, Security & Electorate Properties
Samantha Matthews

Manager, Catering
Luke Jordan

Parliamentary Librarian
Marion King

Manager, Hansard
Joanne Truman

Manager, Information Technology
John Lovell

Senior Education Projects Officer
Rod Espie

Our Activities



Library

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

The Library's Research Service also runs the Parliamentary Internship Program, which involves the coordination and placement of over 60 students with Members during the year, in collaboration with Monash University, Victoria University and the University of Melbourne. During the course of one semester, each third-year student produces a research report on an agreed topic for their Member of Parliament.

The Library meets the critical needs of Members to stay up-to-date with the latest developments by tailoring a range of media monitoring services and providing an expanding collection of digital and print resources. The Library's E-Services team ensures that information databases are developed and maintained to meet the evolving needs of Members and staff for easily accessible, current and relevant electronic information resources and services.

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

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

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

Achievements

A major project undertaken by the Library during the year has been overseeing the creation of a new website for the Parliament of Victoria. The result is a newer, more intuitive and engaging website for Parliament and the citizens of Victoria. Work involved building the website on a new technology

platform, the development of new applications, and migrating and updating content between current and the new websites. Throughout the process a cross-organisational Internet Project Team met on a regular basis to discuss progress and resolve any issues.

In 2009 the Library's Metasearch facility, Better Metasearch, was launched leading to improvements in the speed and capabilities of the search function. Better Metasearch is a simple to use interface which the Library has created, allowing users to search the Library's catalogue, Hansard and the wide range of media, journal, government and other library databases simultaneously. This is a fast and efficient means for clients to search and retrieve the most relevant information for their needs.

A database integrating media releases from all Victorian political parties from 1992 to the present has been created, eliminating the need for clients to search individual databases by party. New media releases are harvested automatically from party websites every two hours, and checked by Library staff. Over 5,000 documents are now added to the database each year, with the total number of searchable records currently at 60,000.

In July 2010, the State Library of Victoria (SLV) launched an exhibition both online and physically at the State Library, to commemorate the anniversary year of the Burke and Wills expedition. As a joint venture to provide digital access to relevant unique artworks held by the Parliamentary Library, the State Library came on-site to photograph *Victoria the Golden* and the *Strutt Sketchbook*, by William Strutt.

Victoria the Golden was purchased for the Parliamentary Library by the Premier and Treasurer, Sir Thomas Bent, in England in 1907 from William Strutt. It is a book of sketches done between the years 1850-1862. Strutt was witness to major events including the inland expedition of Robert O'Hara Burke and William John Wills and the establishment and disbanding of the Native Police Force. The *Strutt Sketchbook* is a record of the Burke and Wills encampment at Royal Park, Melbourne.

This project was an excellent opportunity for the Parliamentary Library to collaborate with the SLV in order to provide public access to these rare and valuable resources via the SLV's website. Another positive outcome has been the opportunity to preserve the Library's valuable collection by obtaining large high resolution images of the work. Parliament is fortunate to have these items of historical significance in its Library collection.

The Reference team completed 12 new *Bills Backgrounders* on a variety of bills during 2009-10, including the *Residential Tenancies Amendment (Housing Standards) Bill 2009*, and the *Pharmacy Regulation Bill 2010*.

The Research team produced a series of research papers on bills, including a major paper on the *Equal Opportunity Bill 2010*. A paper on Census data for the Legislative Council regions was produced, which for the first time presents this data for the new upper house regions which were introduced in 2006. A major paper was also produced on the subject of parliamentary privilege.

In addition to introducing new users to library services, the Client Support team conducted workshops on advanced internet searching, new web technologies, including social networking media, and writing media releases. Client Support also provided targeted support and intensive 'in situ' training to Members and staff with visits to 23 electorate offices throughout the state.

In October 2009, the Library launched its Twitter account. This is a very useful avenue for Members and staff to keep in touch with the Library's latest publications, news, reports and intelligence on special events.

In February 2010, the Victorian Parliament hosted the APLA (Association of Parliamentary Libraries of Australasia) Electronic Services Symposium, which was attended by 20 library staff from around Australia involved in the delivery of electronic services to parliamentary clients. The aim of the day was to discuss common issues on how information is managed and delivered in today's electronic context, and also to get to know colleagues working in similar areas and facing similar challenges.

The VALA (Victorian Association for Library Automation) 2010 15th Biennial Conference and Exhibition was held in Melbourne in February 2010. The theme for this conference was 'Connections, Content, Conversations'. Six Library staff attended this national conference which included presentations and discussions on new services and technologies in the library sphere.

Emerging trends and the year ahead

A review of electronic and broadcast media provision will be undertaken to ensure that the Library is providing the best product to its users at the most competitive price. Improved scanning software will allow process and work improvements with relation to the processing of print media for the Library's News Archive database. New software in the technical services area will enable

faster and more effective scanning of hard copy documents into PDF format, further improving client access to electronic resources.

The News Archive Lateral Files project will enhance client access to valuable newspaper articles which are currently only available in hard copy and are not directly accessible to clients. Commencing in March 2010, newspaper articles from these lateral files covering 1960 to 2002 are being incorporated into the database. News Archive is a full-text digital archive of newspaper clippings which have particular relevance to Victoria, primarily from *The Age* and the *Herald-Sun*. News Archive has been specially designed to meet the needs of Members of Parliament, electorate staff, and parliamentary officers.

The extensive collection of photographs held by the Library is undergoing a transformation with moves to provide increasing accessibility. There are approximately 3,500 images in the collection, which includes both physical and digital images of people, places and events related to Parliament. Although the photographs are currently recorded in a database, records are being upgraded to international standards and added to the library catalogue, with the aim of eventually allowing public access to these images via the web.

Further advantages to this project include updating archival storage to high level conservation standards to ensure the photographs are maintained for future reference. In the assessment of each image research is being undertaken to obtain more information regarding people and locations in the images. During the cataloguing process it is being confirmed that digital copies of each image are available, adding not only to accessibility but also acting to preserve the content of the collection. So far the larger physical photographs (approximately 200) have been added to the Library catalogue.

An *Art Collection Management Policy* is being developed, which will review and update procedures for managing Parliament's art collection. This project is well underway with the implementation of an artworks database, and a stocktake of all artworks held by the Parliament. Every piece of artwork in Parliament House and 55 St Andrews Place will be catalogued. Future possibilities with the database include the ability to provide online exhibitions so that the general public will have the opportunity to share this wonderful collection.

Information Technology

The Information Technology (IT) Unit provides professional, high quality and impartial IT services to Members, electorate officers and parliamentary staff within the parliamentary precinct and across Victoria.

The goal of the unit is to provide innovative solutions using best available and, where possible, environmentally sensitive technologies. The IT Unit is also responsible for the procurement and installation of hardware and software and the provision of a Wide Area Network (WAN) linking 128 electorate offices, Parliament House and 55 St Andrews Place.

The IT Unit aims to build strategies to constantly improve the delivery of services to Members and staff and to guide the development of future requirements in consultation with its customer base. With a state-wide client base, the IT Unit manages a geographically dispersed infrastructure covering multiple network paths and delivery methods.

A strong commitment to the environment underpins the unit's service delivery and this is applied to all IT procurement decisions and to the socially responsible recycling of older equipment.

Achievements

During the 2009-10 year the following IT projects were successfully implemented. Whilst many of these projects are not visible to Members and staff, they form a crucial part of the continuous improvement process undertaken by DPS, and are essential to position Parliament's IT infrastructure for the future.

- Upgraded to the latest version of Lotus Notes (8.5) and deployed Sametime - internal instant messaging and unified communications application - across all desktops in preparation for a new phone system.
- Replaced all electorate office multi-function devices with Toshiba devices.
- Designed and commenced the development of Voice Over Internet Protocol (VOIP) telephony with Parliament.
- Upgraded all precinct desktop PCs with more energy efficient and faster hardware.
- Replaced all Opposition desktops, notebooks, servers and printers.
- Implemented a new Parliament wide data backup system.

- Replaced the existing disk storage array with a faster version allowing increased capacity.
- Upgraded the virtual server platform to improve on performance and save on energy use.
- Installed new electorate office Uninterrupted Power Devices to protect the server and network infrastructure at each office.
- Continued the longer term project of replacing the aging data cabling and network infrastructure within Parliament House.
- Developed infrastructure in support of Hansard's parliamentary broadcasting project.

These projects represent a significant investment by IT staff and their work has resulted in the majority of these projects being achieved with minimal impact on Members and staff.

Emerging trends and the year ahead

The IT Unit is actively engaged in the design and impending implementation of a new VOIP phone system that will be deployed in the parliamentary precinct and in all locations across the state during the coming year. For the first time, the new phones will be linked to an individual's Lotus Notes account in what is commonly referred to in the IT industry as 'unified communications' but in Parliament will be known as 'PoVnet Connect'. This integration will allow users to dial phone numbers and access voicemail from within Notes, attach documents to voice messages and participate in virtual meetings with the help of shared data. Other features will be added over time as required.

Ultimately, this will provide Parliament with a single phone system across all offices, and a common handset that can be logged into at any location in the same way that a user can log into any PC in the network.

A continuing trend in the IT industry is a focus on energy efficiency, and whilst Parliament has undertaken steps to dramatically reduce the carbon footprint of its IT equipment, this work continues.

The emerging LED-based technologies for screen displays and printing will significantly reduce energy requirements at the end user computing environment. Virtualisation of both the server and the desktop fleet will result in enhanced capacity with a massive reduction in hardware requirements and subsequently energy requirements.

'Communications Enabled Business Processes' is a new trend that is already having an impact in the mainstream environment. This effectively results in all business processes, such as finance, documentation, voice, data, video and mobility devices being merged into a single entity over time. A recent example is the trend towards Content Presentation Devices (CPDs) such as the iPad and Kindle, where text has made a re-emergence through a different delivery device, i.e. electronic rather than on paper. This will be a significant trend that will impact on how Parliament interacts with the people of Victoria. For example, the traditional approach to static displays in a fixed location could be replaced by a number of CPDs that would present the educational material to a generation who are comfortable with this form of learning. Content could be changed electronically and quickly to suit the needs of different audiences. Broadcasting of Parliament could also be made available to anyone in any location using CPDs, bringing Parliament closer to the citizens of Victoria.



Education and Community Engagement

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

Members of Parliament are provided with copies of all education resources produced by the unit, and advice and assistance is regularly given to electorate officers and to Members making school and community visits.

Achievements

In response to the pattern of requests for information and resources for school visits regularly received from electorate offices, a manual has been produced outlining everything produced by Parliament and how to obtain them. The manual is now on Parliament's intranet, allowing easy access for Members and their staff and regular updating by the unit.

The DVD *From Westminster to Spring Street* was produced and distributed to all secondary schools, public libraries and tertiary institutions. It covers the historic evolution of Victoria's Westminster style Parliament from 1850 to today. The DVD also considers specific aspects of the parliamentary system such as accountable government and the role of the Governor. This is the fifth in the series of DVDs and provides useful background to VCE Legal Studies Unit 3, International Studies Unit 3, as well as history students and teachers.

Two detailed activity books for the adult education sector have been compiled; one for use in adult English as a Second language (ESL) classrooms and the other in adult literacy and numeracy. The books supplement the DVDs previously produced for this education sector and are being extensively taken up in this election year, complemented by professional development courses for teachers on-site and at conferences.

Professional development for teachers in the adult education sector has continued in 2009-10 with courses for the Adult Multicultural Education Service, the Centre for Adult Education and presentations at both the Victorian Adult Learning and Basic Education and the Victorian Adult Learning Association annual conferences. An extensive set of activities has also been developed for ESL and adult literacy students and teachers. The activities are designed to comply with the syllabus requirements of the adult education

sector and activities are specifically linked to the Certificate of Spoken and Written English, ESL Frameworks and the Certificate of General Education for Adults.

The Civics and Citizenship Network is an alliance of providers of civics and citizenship resources for schools and the community. It includes the Law Institute of Victoria, the Victorian Electoral Commission, Social Education Victoria, the Public Record Office Victoria, the Department of Education and Early Childhood Learning, the City Museum, the Crime and Justice Museum and the Parliament of Victoria. In May 2010 the network provided its annual professional development day for teachers at Parliament House, presenting the resources that the network provides. The Immigration Museum was also included this year.

Parliament continued to join the Victoria Law Foundation in its *Law Talks* program in regional Victoria. Presentations were provided to legal studies students as part of the program in Sale in 2009 and Mildura in 2010.

Programs for tertiary students were trialled in 2009 with classes from RMIT University's city campus. Students had a detailed tour of Parliament which covered the role of each house and the progress of legislation, followed by a specialist presentation relevant to their area of study. Second year journalism students received a talk from an experienced member of the press gallery, as well as an opportunity to ask questions. Fourth year social work students had a session with the Chair of the Drugs and Crime Prevention Committee, and environmental studies students were addressed by staff from the Environment and Natural Resources Committee. All of these have been repeated in 2010 and the success of this pilot program means that presentations of this type will be extended throughout the tertiary education sector in future.

In October 2009 the Parliament of Victoria hosted the annual Australasian Parliamentary Education Conference attended by delegates from the Australian state, territory and federal parliaments, and the New Zealand Parliament. The three day conference was a combination of information sharing sessions and presentations by relevant specialists such as Professor Brian Costar, Chair of Victorian Parliamentary Democracy at Swinburne University. As always the information sharing and cross fertilisation of ideas was invaluable for the attendees who all provide education and resources for their parliaments.

Another of the conference workshops was an introduction and explanation of the new Adult Literacy and Numeracy and English as a Second Language activity books. These are an innovation in parliamentary education and match the detailed curriculum requirements of national certificates as well as those specific to Victoria. All the other Parliaments have now received these in a form that allows them to adapt the material to the structure and terminologies of their own parliaments.

Emerging trends and the year ahead

In the education section of Parliament's new public website all of Parliament's educational print and audio visual resources will be listed, illustrated and classified for easy reference by the relevant educational sector. Two interactive units are currently being designed. One of these is a timeline with excerpts of filmed interviews with aboriginal elder Caroline Briggs and historian and former Usher of the Black Rod, Dr Ray Wright. The other is titled *How a Law is Made* and has film covering each aspect of the legislative process including interviews with the Presiding Officers, Clerks, the Premier, Leader of the Opposition, a Minister and the Governor.

The unit is researching the design and provision of parliamentary education modules that can be included in various TAFE and work education programs, where knowledge of the legislative process is relevant. Discussion with teachers during professional development indicated a need to find a way to link the new adult education programs with the study requirements of students in vocational courses. For example, the study of Occupational Health and Safety practices might provide an opportunity for students to become involved in a small but targeted program about the legislative context from which those practices arise, or the study of electricity safety regulations might provide a way for an apprentice in electrical trades to enter a small program about government. A number of pilot training areas have been identified and development of 'linking units' has begun for trial.

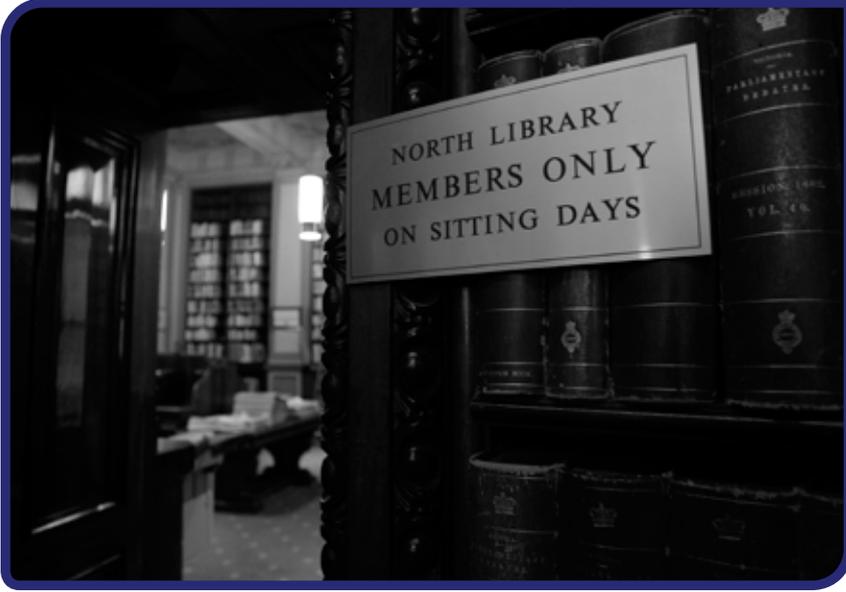
The History Teachers Association of Victoria has reviewed the DVD *From Westminster to Spring Street* and believes that it has a role in meeting history requirements of the Victorian Essential Learning Standards. The Parliament is strengthening its ties with other relevant subject associations with a view to the inclusion of Parliament in their courses where applicable. An example of this is the possible inclusion of Parliament in a heritage building unit for primary students envisaged in the new national curriculum.

The 2010-11 year sees the conclusion of the 56th Parliament and the commencement of the 57th and this will require a review of all print and audio visual resources. A series of three posters, introducing the Members of each house and those born overseas, will be redesigned to reflect the new Parliament and should be distributed in the first half of 2011.

A review of the unit's resources and programs will be undertaken in relation to their content as well as the most appropriate media for their dissemination. Feedback will be invited from the various target audiences.

Quick Fact

80 clips were extracted from the unit's series of DVDs and made available for the Parliament's new website. Interactive modules on making the law and a timeline were also developed for the website.



Hansard

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

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

Hansard is responsible for the broadcast of parliamentary proceedings via the internet. Live audio web casting of the Legislative Assembly commenced in August 2008, and the live video web casting commenced in May 2010. Live video web casting of the proceedings of the Legislative Council and parliamentary committees will be operational during 2010-11.

Achievements

Hansard delivered on a key milestone with the commencement of live video web casting of the proceedings of the Legislative Assembly on 4 May 2010. This project, announced by the Premier in 2009, provides increased accessibility to parliamentary proceedings. Hansard delivered this project on time, building on the significant work undertaken over the past four financial years to upgrade the information technology and audio infrastructure within the chambers.

As part of the live video web casting project, Hansard's service to media outlets improved by enabling access to the live video of the Legislative Assembly proceedings from within and outside the building.

Over the past year, Hansard staff have undertaken research visits to the Parliament of Western Australia and the Australian Parliament to gather updated information for the broadcasting project. Hansard staff have also hosted or assisted with hosting visits from staff and members of the parliaments of Western Australia, Tasmania, Nauru, Jiangsu Provincial People's Conference and Tuvalu.

Hansard staff are actively involved in exchanging information on professional and technology-related issues with other Australian and international Hansard groups such as the Commonwealth Hansard Editors' Association and the Australasian Parliamentary Hansard Editors' Association. In addition, Hansard Communications and Information Technology (CIT) and broadcasting staff have developed strong working relationships with other parliaments to assist in the development and implementation of the broadcasting project.

Hansard also ran a grammar workshop for all Hansard staff, which was based on a course offered at RMIT University and modified to suit Hansard style.

Emerging trends and the year ahead

During the coming year, Hansard will review the Hansard production system to prepare for an IT platform of new versions of Windows and Microsoft Office.

Hansard will continue with stages two and three of the Parliament broadcasting project, which will include the broadcasting of proceedings of the Legislative Council and parliamentary committees.

An emerging technology trend that may impact on the operation of Hansard is the continuing development of voice recognition software. Hansard currently uses voice recognition software as part of the transcription process. Future developments over the next five to ten years with this software may make this process more efficient, and Hansard will maintain a watching brief on developments in this area.

During the coming year, Hansard will continue to develop the Hansard production system to deliver efficiencies in the production process.

Quick Facts

Total words for the year-7,505,512

Average words per *Weekly Hansard* -214,406

Average words per *Daily Hansard* -71,469



Hansard Case Study

Webcasting of Parliament

The challenge

Hansard began preparing and planning for video broadcasting the proceedings of Parliament and in May 2009, the Premier announced that the proceedings of Parliament would be available live by video webcast on the internet by 4 May 2010. Providing Victorians with access to Parliament and its processes is an important part of the Parliament's commitment to service delivery and making the Parliament more accessible to the community.

A significant challenge for the implementation of this project was managing the project within the environment of a working parliament. As with all projects that require access to the parliamentary chambers, any works that have to be undertaken must be managed and coordinated around the sitting patterns of both houses.

The solution

Much of the necessary infrastructure for this project was already in place as part of Hansard's business plan to develop the infrastructure platform that is necessary to broadcast parliamentary debates. The phased infrastructure project was undertaken in stages, each one a crucial step on the way to the goal of live video webcasting.

Steps taken, in conjunction with the IT Unit, have included the development of a stable Hansard IT environment; re-cabling the audio and IT networks within the chambers and Parliament House; and upgrading of the chamber sound systems to a scalable network incorporating some of the necessary elements for video webcasting. The launch of the audio webcasting of parliamentary proceedings has worked well since its launch in August 2008.

The remaining steps in the process included camera installation and the development of an audiovisual computer room, including uninterrupted power supplies. Website capability also had to be secured, and appropriately qualified staff were hired to ensure the provision of a high quality service.

The project team benefited from research and the experiences of other parliaments that had already implemented parliamentary broadcasting, and was also able to take advantage of developments in technology and software systems.

Each stage of the process was carefully planned and timed, with much of the work taking place on non-sitting days and weekends to minimise the disruption to the day to day operations of the Parliament.

The results

The live video webcasting of the proceedings of the Legislative Assembly was successfully launched on Budget Day, 4 May 2010, as announced by the Premier. The proceedings of the Legislative Assembly were the first to be video streamed, and the Legislative Council and parliamentary committees will follow during the next financial year.

As part of the live video webcasting project, Hansard also improved service provision to media outlets by delivering high definition broadcast quality media access, within and external to the building, to the live video of the Legislative Assembly proceedings, and the audio of both chambers.

Accounting and Administration

The Accounting and Administration Unit maintains the financial management system of the Parliament to ensure data integrity and accurate reporting. The unit prepares monthly financial information for the parliamentary departments and Members of Parliament. Monthly financial information is also submitted to the Department of Treasury and Finance (DTF). The Accounting and Administration Unit works with DTF in implementing budgetary decisions, monitoring actual outcomes and reporting. Each year the unit prepares the annual financial statements for the Parliament.

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

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

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

Achievements

The Accounting and Administration Unit successfully completed the annual financial statements within the timelines required by DTF. The financial statements have been audited by the office of the Auditor-General, confirming that they are in accordance with applicable Australian accounting standards as well as the *Financial Management Act 1994*.

The unit met 100% of its reporting and compliance deadlines. This included all taxation reporting to the ATO, reporting requirements of DTF as well as monthly management reports to internal departments.

In line with the unit's objective to provide meaningful and timely financial information for decision making to key stakeholders, during the year a commentary segment was introduced as part of the monthly management reports. This highlights key issues affecting the Parliament, provides a status update on capital projects,

reviews spending trends of actuals versus budgets and monitors the financial health of the Parliament through ratio analysis. The reports continue to be issued electronically, resulting in a significant saving in paper usage.

The scanned documents project that started in the previous year has now been incorporated into the standard accounts payable procedure and is yielding tangible benefits. Efficiencies can be seen in the areas of document retrieval for customers and auditors. Having easy access to the scanned copies of supplier invoices increases efficiency during the payment review process. High volumes of transactions (approximately 77,000) continue to be processed with payments being made in a timely manner. The option to receive payment via Electronic Funds Transfer (EFT) remains popular, with more suppliers taking this option; approximately 68.4% of payments during the year were by EFT.

The internal control framework of the Parliament forms the basis of ensuring accuracy of financial information and compliance with laws and regulations. Effective internal controls provide better assurance to auditors and the ATO and reduce the likelihood of their engaging in additional substantive procedures. During the year staff members have taken advantage of training courses offered by the Victorian Managed Insurance Authority.

These include:

- Fraud and corruption control
- Strategic risk management
- Controls assurance & risk management

The Parliament of Victoria is currently engaged in several significant capital projects. Given the nature and size of these projects the unit introduced additional financial management controls. Additional reporting to project managers has begun.

Fringe Benefits Tax policies and procedures were further refined during the year. Over the last 12 months the Accounting and Administration Unit has collected usage data from staff electronically. This has led to a more efficient method of data collection leading to an increase in staff responses and has the additional benefit of being environmentally friendly.

Accounting and Administration Unit staff have undertaken training in order to keep abreast of changes in accounting and taxation legislation. Several members of the team have also attended training related to telephone technique, customer service skills and dealing with difficult people.

Emerging trends and the year ahead

The Parliament currently provides budgetary and financial data to DTF via the Budget Management System (BMS). This system is to be replaced by the State Resource Information Management system (SRIMS). DTF has signed a contract for the production and support of the new system. The Accounting and Administration Unit will keep abreast of progress and contribute to working groups where possible.

The *Public Finance and Accountability Bill 2010* is currently progressing through Parliament. This bill aims to create a comprehensive, principles-based legislative framework for public finance in Victoria and aims to represent best practice public financial management. Once the bill is passed through Parliament, representatives of the Accounting and Administration Unit will attend DTF training with a view to implementing necessary changes.

Quick Facts

100% - all financial reporting, taxation legislation and regulatory framework compliance requirements met accurately and on time.

77,000 - the number of transactions processed by the unit during 2009-10.



Budgets and Risks

The Budgets and Risks Unit is responsible for managing the internal and external budget processes for the Parliament, the coordination of Public Accounts and Estimates Committee (PAEC) reporting, Members' services and Parliament's risk management framework.

The unit manages external budget processes and works with other business units of the Parliament to ensure that all budgeting and reporting requirements of the Department of Treasury and Finance (DTF) are met. The unit collates submissions for the Expenditure Review Committee and prepares Parliament related information annually for publication in the state budget papers.

The unit also provides services to Members such as mobile phone purchasing and servicing, management of the Member of Parliament Motor Vehicle Plan with VicFleet, and the provision of monthly reports to enable monitoring of electorate office and communications budgets and training budgets allocated to Members.

The Budgets and Risks Unit also works with the Victorian Managed Insurance Authority (VMIA) on all insurance matters. Parliament's internal budget processes are coordinated by the unit so that expenses are managed within allocated resources. This includes annual allocation of budgets, monitoring and reporting of variances, mid-year review of budgets, initiation of budget management strategies and financial process improvements. The unit also conducts an annual client satisfaction survey on behalf of the three departments of the Parliament.

Achievements

A key achievement of the Budgets and Risks Unit in 2009-10 was the successful completion of the internal and external budget processes within the timeframes prescribed by DTF.

Members' communication and electorate office budgets were combined in 2009-10 and the process of expenditure approval was streamlined with the introduction of new certification stamps for electorate offices.

There has been an increasing need to deliver services and capital projects in a climate of diminishing resources. In conjunction with the Organisation Development Unit, the unit produced estimates of the increases in salary-related costs as a result of enterprise bargaining negotiations for parliamentary officers and electorate officers.

The development of Parliament's risk management framework has also progressed.

Significant changes were made to the Members' budgets in 2008-09, requiring a targeted communication strategy and management of funding. A review of the *Members' Guide* was also undertaken to reflect changes that came into effect from 1 July 2009. The ongoing systems improvements have enabled electronic reporting to Members and associated reductions in paper consumption, supporting environmental sustainability.

The annual client satisfaction survey was reviewed and revised, which resulted in an increased response rate. The results will be collated and analysed early in the coming financial year, and the Budgets and Risks Unit will collaborate with all stakeholders to address the survey results constructively.

Professional development undertaken during the year included attendance at the first Risk Management conference organised by the Victorian Managed Insurance Authority, and ongoing study towards Certified Practising Accountant qualifications.

Emerging trends and the year ahead

Managing risk effectively and embedding internal controls into the related processes is a priority for the organisation. The Budgets and Risks Unit is responsible for ensuring that the system of internal control is effective in managing risks. The unit will continue to enhance Parliament's risk management profile by further developing the risk management framework and the associated risk register.

Accurate budgeting and forecasting is essential for the organisation to maintain operational efficiencies and to assist with planning, development and reporting. The implementation of budgeting tools, such as Budget Wand, will allow phasing of budgets and better overall budget management. It will assist with ensuring budget forecasting and consistency, streamline the budgeting process and improve decision making. During the next financial year the Budgets and Risks Unit will be involved in preparing for, and managing processes related to, the forthcoming state election.

Organisation Development

The Organisation Development Unit provides strategic and operational consultancy and advice in the areas of human resources, payroll, Occupational Health and Safety (OH&S) and learning and development to a diverse customer group encompassing the two houses of Parliament, Members of Parliament, senior management, parliamentary officers and electorate officers.

The functions of the unit include delivering services and providing advice related to conditions of employment and remuneration, including the administration and processing of pay and allowances for staff and Members. The unit's employees are the primary coordination team for developing collective agreements and undertaking negotiations with the union and consulting with staff. Organisation Development staff provide advice and support on employee and industrial relations matters, as well as on OH&S issues and employee welfare.

The Organisation Development Unit oversees and supports recruitment for the Parliament, whilst ensuring that human resource related policies are current and reflecting both legislative requirements and industry best practice. The unit also organises and coordinates Parliament's orientation, induction, corporate training and annual training calendar.

Achievements

Following an intensive consultation and negotiation process with the Community and Public Sector Union (CPSU) the *Parliamentary Officers (Non-Executive Staff - Victoria) Single Enterprise Agreement 2009* was approved by 97% of staff in October 2009. The Agreement was subsequently approved by Fair Work Australia in December 2009.

The new three grade classification structure for electorate officers was introduced in July 2009. In October 2009, a working group comprised of electorate officers and representatives from the Organisation Development Unit and the CPSU developed and agreed grade descriptors for the new structure. The finalisation of these grade descriptors triggered a process facilitated by the unit to confirm the classification level of electorate officer positions. Over a four week period, unit staff met with each Member of Parliament to finalise the classification levels of electorate officer positions within their office. All electorate officers affected by the confirmation process were eligible to lodge a grievance if they disagreed with the grade assigned to the position they occupied. A total of one appeal was lodged which was heard by a grievance review panel comprised of a nominee from the Parliament, a nominee from the CPSU and an independent external person.

The revised *Code of Conduct for Victorian Parliamentary Officers* was released during the reporting period and made available to all parliamentary officers. The Code of Conduct draws directly from the values of parliamentary officers contained in the *Parliamentary Administration Act 2005* and clearly sets out the expectations of the heads of departments regarding the behaviour of all parliamentary officers.

Throughout 2009-10 a wide range of learning and development activities were undertaken across the organisation. The training calendar offered many courses including computer software and systems, desktop publishing, professional development, OH&S and new staff orientations. The Organisation Development Unit collaborated with the Information Technology Unit to coordinate Lotus Notes training which was offered to all staff to support the upgrade to Lotus Notes 8.5. The training was also offered to Members and electorate officers through online webinars. This has proven to be a very effective way to deliver information and training to our geographically diverse workforce.

During the reporting year, online compliance training modules that focus on the areas of workplace behaviour and OH&S were made available to parliamentary officers to ensure that employees understand the expectations of the heads of departments.

The payroll system utilised by Parliament was successfully upgraded and new enhancements made available to supervisors and staff. This has included the introduction of accrual calculations for annual leave and long service leave in accordance with the new agreements.

The Organisation Development Unit continues to improve professional practice through working with best practice resources from a range of agencies and corporate providers and undertaking professional development across payroll, OH&S, learning and development and employee relations activities. This has included interaction with representatives from other Parliaments and the development of networks with other agencies.

Emerging trends and the year ahead

The use of e-recruitment for hiring new staff was adopted and a dedicated internet page has been established to inform potential employees of the opportunities and benefits afforded by working at Parliament. This has enabled hiring managers to manage applications electronically and reduced the average length of the recruitment process.

The Organisation Development Unit is planning for future enhancements of the payroll system to expand the capability to offer a learning management system and improve business processes. Following the successful appointment of a new learning and development coordinator, the unit is developing further resources to support improved performance management, supervisor training and recruitment training.

The state election in November 2010 will generate significant payroll activity with staff separations and commencements. The unit will work closely with the election coordinator to improve business processes and make the necessary transitions as seamless as possible.



The challenge

In late 2009 the Parliament of Victoria commenced a project to upgrade the Lotus Notes client to version 8.5. This change was supported with training to be offered to all Members and staff across the state. The upgrade offered improved functionality and was an essential step in preparing for a new telephone system that would be introduced across the Parliament in 2010-11.

The greatest challenge was to deliver a training solution to all Members and staff, many of whom are located in different locations across Victoria. The IT and Organisation Development (OD) units teamed up to ensure that the process ran smoothly and efficiently.

The solution

A phased approach to the upgrade was adopted. In November 2009, after much testing, the IT unit was ready to release the upgrade to a pilot group of parliamentary officers. An external provider, Absolute Training Professionals, was engaged to deliver the training. All parliamentary officers were provided with the opportunity to attend information sessions which were delivered onsite by the training provider.

An integral component of the training strategy to ensure a smooth transition to the new version of Lotus Notes was the use of 'Lotus Notes Champions'. Volunteers were sought from work units within Parliament to become 'Champions'. They were provided with additional training to enable them to provide assistance to their team or work area during the implementation phase. The Lotus Notes upgrade process, managed by IT staff, was successfully completed in a timely manner for all parliamentary officers located within the parliamentary precinct.

The final phase of the upgrade project was to transition Members and electorate officers to the new version of Lotus Notes. Working collaboratively with the training provider, a new training approach was trialled in the form of a 60 minute webinar - a live seminar where participants take part in an interactive training session over the internet. This allowed Members and electorate officers to receive the training in their offices, eliminating the need to travel to a training session.

The results

The training solutions offered were well received. The information sessions were attended by 175 parliamentary officers, and the webinars by approximately 195 Members and electorate officers.

The success of the webinars can be measured by the feedback and comments from the evaluations. 73.2% of those participants who completed the feedback survey advised that they would be interested in participating in a webinar on another topic in the future.

A selection of comments

"Fabulous technology - so much better than having to travel to a training facility. Thank you."

"I thought it was really well done and would be happy to participate in another webinar session."

"Excellent and easy method of doing a course. Would like to go over it again once we have Lotus Notes upgrade on our PC's."

By 30 June 2010 all Members, electorate officers and parliamentary officers were successfully upgraded to Lotus Notes Version 8.5. Ongoing training will be offered as part of the whole of Parliament Learning and Development Calendar. Overall it was a great team effort and demonstrated the benefits of DPS units working together to achieve key outcomes for the Parliament.

Security & Electorate Properties

The Security and Electorate Properties Unit (SEPU) has two core functions: to provide support to Members of Parliament and their staff on all property and security related matters concerning their electorate office; and to manage security on the parliamentary precinct (excluding chamber security for the Legislative Council and the Legislative Assembly).

In its property role the unit is responsible for sourcing new properties, the management of existing properties, reconciliation of the rent roll, and lease administration and negotiation.

The unit coordinates structural assessments, along with office fit-outs and refurbishments. It manages telecommunications infrastructure and equipment, as well as security equipment, peripherals and security monitoring. The unit also oversees the assessment of electorate office furniture and equipment.

In its security role the unit is responsible for the coordination of physical security providers, contract management, security infrastructure projects and security related policy. The unit oversees a central repository of security incidents and regularly liaises with Victoria Police on any matters which may require police intervention.

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

Achievements

Between July 2009 and June 2010 the unit delivered eight electorate office relocations and eight electorate office refurbishment projects on time and on budget. In addition the unit managed the activities in relation to two Member resignations including a by-election, and successfully organised the handover of the electorate office properties and conducted the initial inductions for the incoming Members.

The unit consolidated its approach to fire equipment servicing and, following on from the preparatory work completed in 2008-09, has awarded a single contract for these services which covers both regional and metropolitan offices.

In July 2009 security for the parliamentary precinct was transitioned and a number of initiatives have since been developed. Improvements were made in the management and coordination of demonstrations. Service level agreements and induction packs were developed for physical security providers, and new policy was prepared in a number of security related areas.

The major achievements in the area of security relate to projects, most notably the design and construction of an incident control centre at 55 St Andrews Place, and the upgrade of the electronic access control system at Parliament House.

The unit's representation at conferences and workshops this year included the Australian Security Industry Association conference in Sydney in August 2009 and a team development workshop with the Victoria Police Protective Services Unit in October 2009. Visits to other parliaments have also been undertaken to discuss physical security initiatives underway in those jurisdictions.

Emerging trends and the year ahead

The state election will be the focus in 2010-11. As well as managing the property requirements of new and returning Members, the unit also oversees the handover of offices of departing Members. Audits of all Parliament supplied office furniture and equipment will be conducted, and a schedule of electorate office relocations and refurbishments will be drawn up in early 2011.

Planned enhancements to the Vision Property Database will assist in the timely production of property information which will be essential during the tight transition program dictated by the election.

Sourcing compliant electorate office property continues to present challenges, as a tight market dictates the length of time it takes to source, lease and fit suitable properties.

The unit is scoping a CCTV and lighting project, which will enhance security across the precinct. Other security initiatives planned for the next year include the implementation of a new security policy, and a strategy for the management of vehicles on the parliamentary precinct.

A review of locks and the key register at Parliament House will be undertaken early in the coming year.

Work on the Front of House Security and Shop project is planned to commence in the coming year once the tender process is completed. This project will enhance security at the front of Parliament House while creating space for a shop through which tour groups will pass at the end of a tour.

Catering

The Catering Unit provides Members of Parliament, their staff and guests and the general public with a high standard of service in relation to food, beverages and event coordination and management. Catering services for functions and events at Parliament House are primarily delivered through the Members' Dining Room, Strangers' Corridor, Sessions Café and Queen's Hall.

Achievements

In July 2009 an opening night cocktail event for the stage musical *Jersey Boys* was held in Queen's Hall with 210 guests in attendance. The event ended at 7.40pm with all guests walking across Spring Street to the Princess Theatre for the 8.00pm show. (Unfortunately no performers were in attendance as they were preparing for the show).

In November 2009 the Victorian Chamber of Commerce and Industry (VECCI) held their second bi-annual summit at the Parliament of Victoria. An all day event for 150 political and business leaders, this event focused on continued development of a sustainable Victoria. The Legislative Assembly chamber was used as a venue for discussion groups and the catering was set up in Queen's Hall. The event was fully managed by VECCI's event team and Parliament's Catering Unit.

Global Access Partners (GAP) returned for their Annual Congress on Australian Health. This is the third year that GAP has used Parliament as their congress venue with the Legislative Assembly chamber being used for their discussion area and Queen's Hall as their catering area. The Congress was attended by 100 federal and state politicians and health industry professionals.

The Christmas period was again a busy time for the Catering Unit, with a number of Member, parliamentary and departmental Christmas lunches and parties ranging in size from ten to 500 guests held around the building and in the parliamentary gardens.

The Peter MacCallum volunteers' Christmas lunch has been an annual event held at Parliament since 2003. The lunch is seen as the highlight of the year for the volunteers who work with patients at the Peter MacCallum Centre, and the group has already rebooked for 2011.

The Australian Unity's Australia Day Breakfast is a long-standing reservation at Parliament which looks set to continue with bookings received until 2011. It is estimated that this event has been held at Parliament for fifteen consecutive years.

For the third year the Parliament held a dinner in March 2010 to assist in raising funds to go to the maintenance and improvement of the Kokoda Trail and the families and communities who live and work on the trail. This year's event was attended by over 100 guests.

Emerging trends and the year ahead

The year ahead again poses some interesting challenges. The state election in November means that the sitting dates for 2011 will not be available until at least early December, with the official opening of the 57th Parliament to follow.

The lingering effects of the Global Financial Crisis are still impacting on the hospitality industry as a whole and the Catering Unit has not yet seen a return of the large events it was hosting two years ago. With constant supplier price increases there is a need to continually monitor pricing structures and offerings to all users.

Catering Case Study Diwali Dinner at Parliament

The challenge

In mid 2009 the Indo Australian Friendship Council expressed an interest in holding its Diwali dinner at Parliament House. Diwali is the festival of lights, and is a big event in the Indian calendar. It represents the victory of light over darkness, and is celebrated throughout India as well as in Indian communities around the world. 180 people, including Members of Parliament, representatives from the Victorian and Indian governments, and Indian and Australian community leaders were invited to attend the event in Queen's Hall in October.

The solution

The Catering Unit prepared a detailed plan to stage this event, in consultation with the organising committee of the Indo Australian Friendship Council. As the organisers were planning a Bollywood-style event with singing, dancing displays, speeches and a sit-down dinner, a strategy to incorporate these requirements was required. The existing stage in Queen's Hall was dismantled and a bigger one erected to accommodate the dancers. As Diwali is all about lights, the lighting display was integral to the event. LED lights that could change colour on a timer were hired, as was audio-visual equipment, speakers, data projectors and a laptop.

Coordination of the event was a combined effort requiring input from the Buildings and Grounds Services Unit and security staff, as well as our own kitchen and waiting team. From styling, project management and consulting through to lighting, event design and catering, the emphasis was on exceeding all expectations. The energy that Diwali symbolises was at the core of every decision that was made, as well as the desire to keep things simple, classic and authentic while providing guests with an inspirational and satisfying event.

The results

The successful coordination of the Diwali event was due to a combination of teamwork, cooperation and communication. That the event was deemed a great success by the guests is a tribute to the creative and flexible approach that was taken by everyone involved in its planning and execution. The Indo Australian Friendship Council has booked to hold the 2010 Diwali event at Parliament House, which is a great testament to the success of their 2009 experience.





Buildings & Grounds Services

The Buildings and Grounds Services Unit is responsible for maintaining and developing the historically significant Parliament House and surrounding gardens. The unit provides a range of building support services to Members, staff and visitors to the Parliament. The parliamentary gardens are used throughout the year for functions, events and tours. The unit also manages the bowling green and tennis court. Management of car parking will be transitioned to the Security and Electorate Properties Unit in the 2010-11 financial year.

The Buildings and Grounds Services Unit manages the operations of contractors who carry out a range of building services on a daily basis. Project management is a key focus of the unit as it oversees a range of building maintenance and restoration projects each year.

Achievements

The final certificate for stage two of the Stone Restoration Works project was issued in August 2009, and on-site works commenced for stages three and four of the project. This included the installation of a crane in May 2010, enabling block removal and replacement to take place without closing car park operations for crane lifts. This enables some of the works previously reserved for weekends to be undertaken with minimal disruption during the business week.

Inspection of the stone façade of Parliament House was undertaken during the last year to determine priority areas for the next four stages of the Stone Restoration Works (stages five to eight); and as a 'make safe' exercise to be repeated annually.

323 replacement pressed dust geometric and encaustic tiles were manufactured for fixing damaged tiles on the second floor of the Legislative Council.

The development of the Precinct Master Plan has involved the analysis and review of existing accommodation conditions within the parliamentary precinct. This will inform decisions about the standard and location of Members' offices, parliamentary functions and building services over the next twenty years. Sustainable building management practices continue to be incorporated into all new Buildings and Grounds Services Unit projects and operations.

Professional development undertaken by unit staff in 2009-10 includes tertiary studies in Urban Horticulture and Cultural Heritage, and seminars offered by Heritage Victoria through the Government Cultural Heritage Asset Managers Forum.

Emerging trends and the year ahead

Stages three and four of the Stone Restoration Works project are due to be completed in September 2011, and work will then commence on the next stages. Gathering of sample stones will continue in 2010-11. As part of this project plaster finishes and window repairs are being undertaken where necessary.

Pending funding, the Heritage Tile Conservation project will also continue during the 2010-11 financial year. This project is part of the Heritage Asset Management Strategy, and will ensure that the heritage floor tiles of Parliament House are conserved in keeping with their historic significance.

Other projects due for completion include the Front of House Shop and Security project, the Legislative Council chamber lighting project, and the manufacture of tiles for the second floor of the Legislative Assembly.

Quick Facts

There are 95 different shapes, colours and sizes of geometric pressed dust and encaustic tiles in the second floor of Parliament House.

Over 425 block replacements and indent repairs varying from 0.01m³ to 1.28m³ in size will be installed during stages three and four of the Stone Restoration Works project.



Carving of a Replacement Capital Block for Stone Restoration Works Stages three and four

October 2009 to April 2010

Heritage Asset Management Strategy

The Victorian Heritage Register lists the state's most significant heritage places and projects. Heritage Victoria maintains both the Victorian Heritage Register and the Heritage Inventory. The Heritage Council of Victoria determines what places and objects are included in the Victorian Heritage Register; only those places and objects considered to be of outstanding significance are added to the register.

Places on the register are considered to have special character and assist in documenting Victoria's history. Registered heritage places are considered to have state-wide cultural heritage significance. The Victorian Heritage Register is established under the *Victorian Heritage Act 1995* and provides the highest level of protection for heritage places and objects in Victoria.

Parliament House and its surrounds are listed on the Victorian Heritage Register in recognition of its outstanding significance, special character and value in Victoria's history. The construction of Parliament House began with the legislative chambers in 1856 and continued in stages with the addition of the Library at the east of the building in 1860, the vestibule and Queen's Hall in 1878-79, the west façade and colonnade in 1881-88 and the north wing in 1893. As a gift to the Parliament of Victoria, the Federal Parliament financed the construction of refreshment rooms in the north east wing in 1929.

As a consequence of its staged construction, an assortment of building materials and techniques are evident in Parliament House. Internal finishes of plaster, cedar and marble are enhanced by the use of 23 carat gold leaf throughout the building and hundreds of thousands of pressed dust geometric and encaustic floor tiles, indicative of the Victorian gold rush and boom of British industrial tile production in the second half of the nineteenth century. The external façade of the building is made of bluestone and sandstone. The colour and durability of the stone varies depending on its origin.

Developed in 2006, the Heritage Asset Management Strategy (HAMS) outlines works of the highest priorities as being the restoration of external stonework, waterproofing of the Parliamentary Library dome and refurbishment and replacement of windows. Other refurbishment and preventative works include waterproofing of the front steps and Queen's Hall and restoration of internal finishes and floor tiles.

Strategy projects currently underway and planned for the immediate future at Parliament House are the completion of stages three and four of the Stone Restoration Works, heritage tile conservation, window refurbishments and plaster and internal finishes restoration.

Each stage of Stone Restoration Works project involves work to a different area of the external façade of the building. Stages three and four entail works to the northern-most two thirds of the Library wing.

The determination of which areas are going to be addressed in each stage is based on a visual, non-destructive examination. The preliminary scope of works resulting from this is the basis for tendering and contracting the works and procurement of suitable sandstone for the project. It should be noted that given the duration and extent of these works, research has been undertaken and the decision made to ensure an uninterrupted supply of even coloured sandstone by purchasing the required amount of sandstone for each stage.

Once the works contract has been awarded, preparatory and site establishment tasks commence, including gantry and scaffold erection, installation of temporary services and window protection. Protection measures are required as the building continues to function throughout the works.

It is at this point that the scaffold enables full access to the façade and a destructive audit can be undertaken. This is necessary to determine the full extent of restoration works required. The audit of stages three and four revealed the need to construct additional internal protection measures to Members' offices on the third floor, to allow stonemasons to safely replace the upper cornice of sandstone.

Specific tasks undertaken in each stage include full block replacements, indent and mortar repairs, re-pointing, rendering, bird-proofing, window refurbishment and replacement of lead flashing on the cornices with a more environmentally responsible copper or stainless steel alternative (to ensure extended life expectancy of the repairs and new stone). As works to each area of the façade are completed, preventative maintenance programs will be enhanced, allowing works such as plaster and internal finishes restoration to be undertaken.

Additional Information

Summary of Staffing and full-time equivalents

Staffing

	Parliamentary officers	Electorate officers	Total
Full-time	106	132	238
Part-time	14	206	220
Sessional	20	0	20
Total	140	338	478

Full-time equivalents (FTE)

	Permanent	Fixed term	Total
Parliamentary officers	117.7	11.0	128.7
Electorate officers	237.8	7.2	245.0
Total	355.5	18.2	373.7

Notes:

The figures in the staffing table represent a head count of the number of parliamentary and electorate officers.

The figures in the FTE table represent the total number of full-time positions occupied by staff when expressing the hours each employee works as a fraction of a 38-hour working week (eg, a person employed for 19 hours a week would count as a 0.5 FTE). All full-time staff are assumed to work a 38 hour week regardless of hours worked during sitting periods, etc.

NB - Permanent parliamentary officer FTE figures include Hansard sessional hours worked divided by full-time equivalent hours.

Staff Movements

Throughout the year, the Organisation Development Unit supported the recruitment activities of parliamentary officers.

The unit assisted with the recruitment and selection of 63 positions during the reporting period.

Candidates for parliamentary officer positions are able to apply via a dedicated internet page linked to the Parliament's website and the VicCareers website. The internet page provides additional candidate information about working at Parliament.

Quick Facts

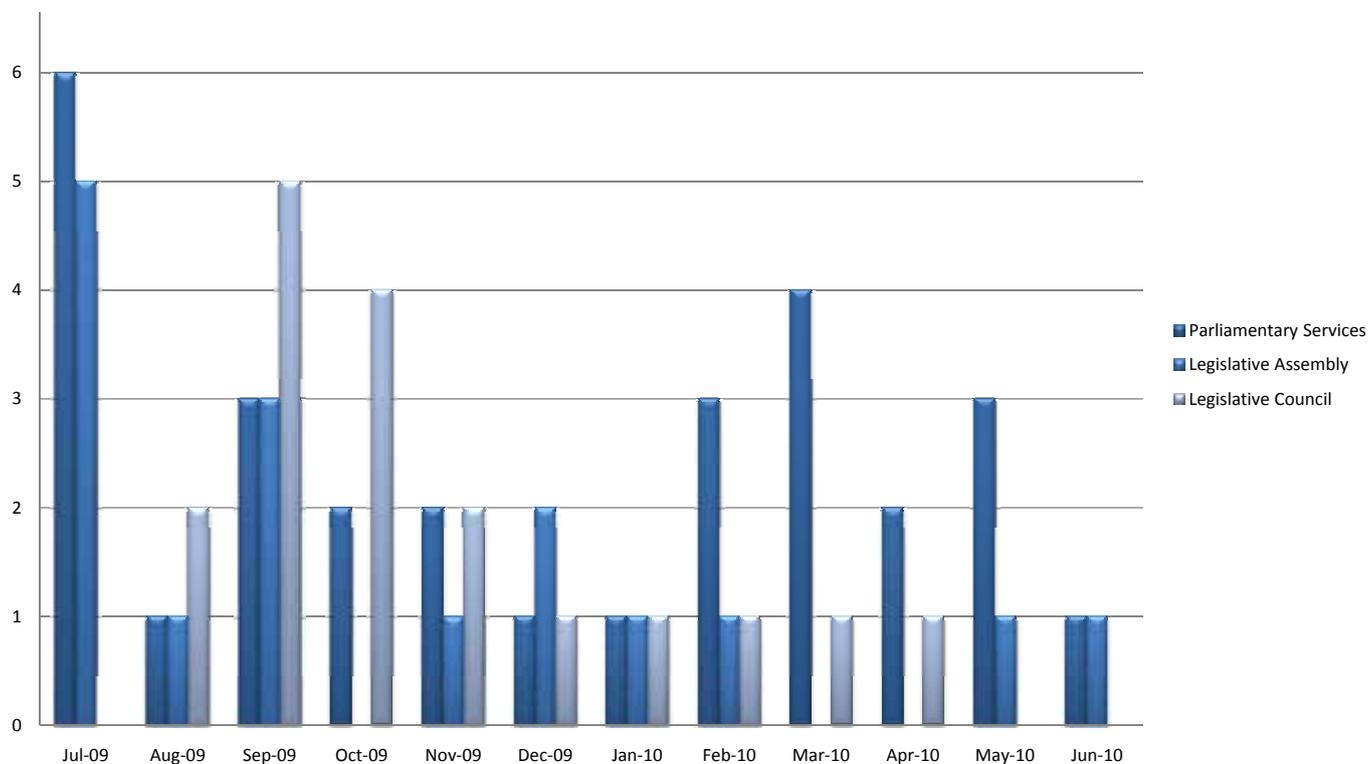
A total of 2,161 applications were received for positions advertised during the reporting period.

34 service awards were given to parliamentary officers during the reporting period.

Staff Service Awards

YEARS	5 YRS	10 YRS	15 YRS	20 YRS	25 YRS or more
NUMBER	11	8	4	5	6

Total Number of Postions Advertised



Professional Development

Secretaries' conference

I was fortunate to attend the annual meeting of the heads of Parliamentary Services departments in Wellington, New Zealand in May 2010, along with my counterparts from the New South Wales, Western Australian, Australian and New Zealand parliaments. These forums provide an invaluable opportunity for networking, sharing of information and ideas, brainstorming solutions to common issues, and generally helping each other perform our roles.

On my arrival in Wellington the group met at the Parliament and were given a formal Maori welcome, called a powhiri. This included a formal speech in Maori, singing of songs, and the hongi, which is the pressing of noses together. It was a very warm introduction to the New Zealand Parliament, and set the scene for the next two days of discussions, meetings and presentations by managers.

We discussed our ideas and experiences in a range of areas, including change strategies, efficiencies and Members' entitlements. There was also ample time for general roundtable discussions on issues facing our departments. Presentation topics from New Zealand Parliament managers included IT systems upgrades, security, operations and information management.

I found the conference extremely useful and gained a great deal out of it in terms of ideas and seeing different ways of doing things. I greatly respect and admire the work of my counterparts, and left Wellington with a new perspective and new ideas about the possibilities for the Department of Parliamentary Services and how to approach my role in further developing the department as a model of providing excellent service to Parliament and its Members.

Peter Lochert
Secretary
Department of Parliamentary Services

Victorian Managed Insurance Authority Inaugural Conference on Risk Management

I attended the first Risk Management conference held by Victorian Managed Insurance Authority (VMIA) on 21 and 22 October 2009. Set to the theme 'Challenges, Choices and Changes', the conference brought together more than 270 delegates. 36 speakers from local, national and international organisations spoke on key risk issues such as climate change, economic risk, emergency management, risk management leadership, global trends, developing a culture of risk excellence, reputation management and implications of risk realisation.

The opening address provided by the Hon John Lenders, Treasurer and Leader of the Government in the Legislative Council, demonstrated the value that sound risk management can add to the state.

It was clear from the conference that although most organisations do some form of risk management, they are increasingly required to have formal and systematic risk management. There is also a trend of integrating risk management with the planning and operational processes of organisations.

VMIA are the Parliament's insurers, and are taking a leadership role in developing risk management in the public sector. Presentations from the conference are available at the VMIA website www.vmia.vic.gov.au.

Charu Saxena
Manager
Budgets and Risks Unit



Above is a photo from a panel discussion on 'Emerging Risk Forum - The icebergs ahead' where the panel discussed current risk issues and future trends.



Photos from the Australasian Parliamentary Education Conference 2009

Education Conference, October 2009

In October 2009 the Parliament of Victoria hosted the annual Australasian Parliamentary Education Conference attended by delegates from the Australian state, territory and federal parliaments, and the New Zealand Parliament. The three day conference was a combination of presentations from guest speakers and reports from delegates on their current education programs, all of which stimulated vigorous discussion.

Victoria's new parliamentary resources for teachers and students of Adult Literacy and Numeracy and English as a Second Language were presented at the conference. These workbooks are an innovation in parliamentary education and match the detailed curriculum requirements of national certificates as well as those specific to Victoria. By popular demand, all the other parliaments have now received these in a form that allows them to adapt the material to the structure and terminologies of their own parliaments.

Presentations to delegates covered a number of topics of interest, and presenters included Professor Brian Costar, Chair of Victorian Parliamentary Democracy at Swinburne University, who discussed issues surrounding parliamentary privilege; and Andris Pinnis from Kaleidio, the production company behind the Parliament of Victoria's educational DVDs. Dr Ray Wright, an historian and former Usher of the Black Rod, led a fascinating historical tour of Parliament House, and the Victorian Electoral Commission introduced *Passport to Democracy*, a new civics and citizenship resource. Conference evaluations were very positive.

Parliaments share common issues and challenges, and it was helpful to reflect on individual reports and to develop a collective understanding and appreciation of each other's place in the task of delivering parliamentary education.

Rod Espie
Senior Education Officer
Education and Community Engagement Unit

Occupational Health and Safety and Employee Welfare

The Parliament of Victoria continued to place a high priority on providing a safe, supportive and productive work environment during this period through delivery of a number of initiatives.

In promoting preventative health and wellbeing activities the Organisation Development Unit offered Members of Parliament, parliamentary officers and electorate officers the following services:

- Worksite assessments
- Flu vaccinations (including H1N1 vaccinations)
- Vision screening
- Audiometric screening
- Employee Assistance Program
- Manual handling training
- Corporate Wellness Program
- WorkHealth checks through WorkSafe (offered in metropolitan areas including the program launch hosted at Parliament House; and in regional areas utilising local providers)

The Corporate Wellness program offered employees in the precinct a range of activities such as lunch time pilates, circuit classes, a breast cancer self check workshop and diet consultations. In addition resource kits were provided to Members and electorate officers across a range of themes including men’s health, women’s health, exercise and fitness, diet and nutrition and sleep well education.

The Parliament of Victoria’s Occupational Health and Safety Committee continued to be active, holding a total of eight meetings which gave representatives a chance to discuss and address any possible safety concerns in the workplace.

Occupational Health and Safety Key Statistics

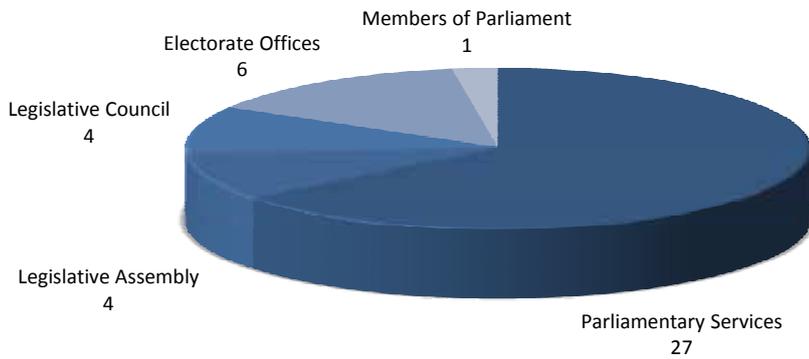
Measure	Description	Result
Incidents and hazards	Number of incidents	42
Claims	Number of minor claims*	7
	Number of standard claims*	8
	Number of lost time claims**	2
	Number of claims exceeding 13 weeks**	1
	Return to work plan compliance**	100%
OH&S Committee	Committee Meetings	8
	OH&S Representative initial and refresher training participation	100%

* Minor claim - a claim that does not pass the threshold of \$582 in medical and like expenses and/or 10 lost days. Standard claim - a claim that exceeds the threshold stated.

** Source - Xchanging (Insurance Provider). Relates to new claims submitted during the reporting period.

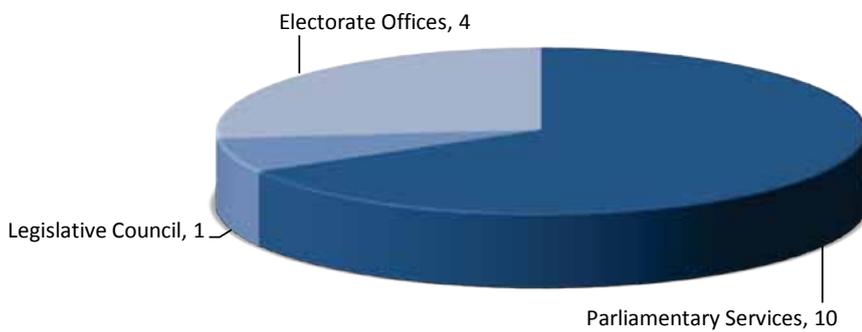
Occupational Health and Safety Reporting for 2009-10

Incidents reported in 2009-10 by department



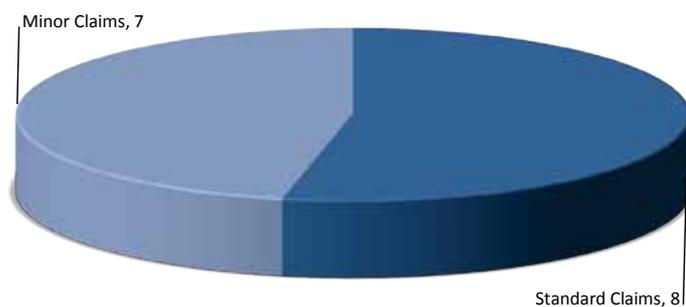
Source: Xchanging (insurance provider). Relates to new claims submitted during the reporting period.

Number of registered WorkCover Claims in 2009-10 by department



Source: Xchanging (insurance provider)

Status of registered WorkCover Claims in 2009-10



Source: Xchanging (insurance provider)

Sustainability

The Parliament of Victoria has an organisational commitment to improving its environmental sustainability whilst maintaining its primary building, Parliament House, as a functioning work environment and one of Melbourne's most significant heritage landmarks.

The organisation continues to implement a range of measures to reduce resource use throughout the parliamentary precinct. Over recent years, these measures have included increasing rain water capture; installation of motion activated lights and the replacement of light fittings with long life fluorescent lamps.

The downward trend in electricity and gas use since the Buildings and Grounds Services Unit commenced recording measurements in the 2005-06 financial year is evident in graphs one and two.

Whilst Parliament has been purchasing 100% green power since July 2008, it is encouraging that individuals and business practices of work units across the Parliament continue to endeavour to lower these energy use statistics.

Commencing in the 2008-09 financial year, an allocation of funds specifically for sustainability related initiatives was established. It is hoped that initiatives such as the Information Technology Unit's installation of environmentally efficient VOIP telephones in the current financial year will see a further decrease in energy use in the parliamentary precinct to that illustrated by graph three.

These new telephone handsets are manufactured from a combination of recycled and 'earth friendly' materials. The Parliament has opted to 'deep-sleep' the handsets after two hours of inactivity to ensure that up to 90% energy savings are achieved.

In an attempt to improve on the water use statistics illustrated in graph four, grounds staff continue to work on water conservation priorities in the maintenance of the parliamentary gardens.

The following water conserving actions have been implemented by the Buildings and Grounds Services Unit:

- An increase in recycled water storage with the addition of two tanks in the trade centre area (in previous financial year).
- A review of plant selection in bed design to incorporate more self sustaining varieties and the replacement of some existing plants.
- The introduction of more drought tolerant turf to the bowling green and tennis court.
- The introduction of verti drain aeration to sports turf areas to provide better water penetration and root development.
- Increased and improved methods of converting garden waste into compost for soil conditioning.
- The installation of an additional pump to allow faster filling of the mobile water tank to increase manual application of recycled water.
- Extensive mulching under all major trees to assist water retention.

The Parliament of Victoria continues in its commitment to reducing the environmental impacts of activities across the organisation and ensuring a transparent approach to sustainability through ongoing monitoring and reporting.

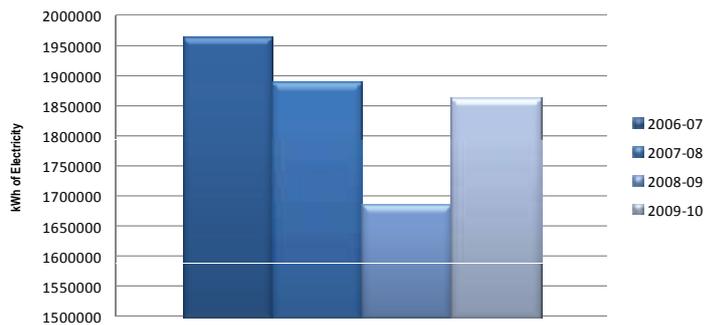
Quick Facts

Gas use at Parliament House has decreased by 54.75% from the 2006-07 baseline to the 2009-10 financial year (1,218,968.84 Mj down to 551,534.60 Mj per annum).

The combined electricity use of Parliament House, the parliamentary gardens and trade centre has decreased by 5.21% from the 2006-07 baseline to the 2009-10 financial year (1,965,883.64 kWh down to 1,863,498.74 kWh per annum).

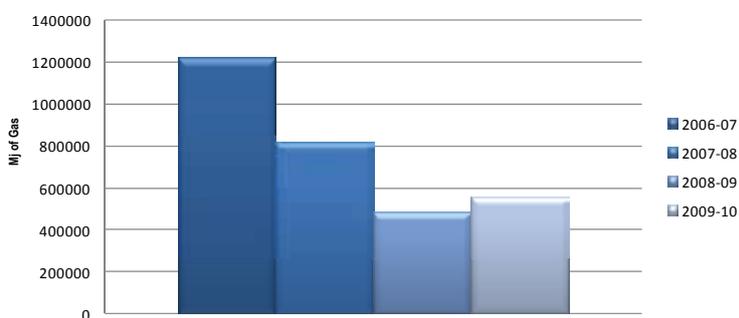
Mains water use at Parliament House (inclusive of the parliamentary gardens and trade centre) has decreased by 2.42% from the 2007-08 baseline to the 2009-10 financial year (11,086 kL down to 10,818 kL per annum).

Graph 1 – Electricity Use at Parliament House (including the gardens and trade centre)¹



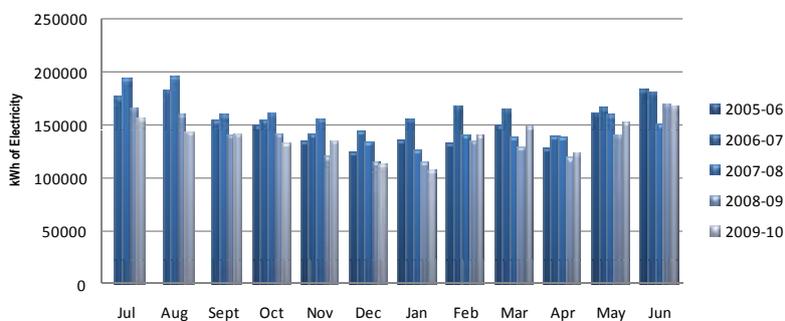
¹Electricity data for Parliament House has been taken from monthly accounts. Electricity data for the Trade Centre has been taken from quarterly accounts spanning periods Aug-Nov, Nov-Feb, Feb-May and May-Aug.

Graph 2 – Gas Use at Parliament House²



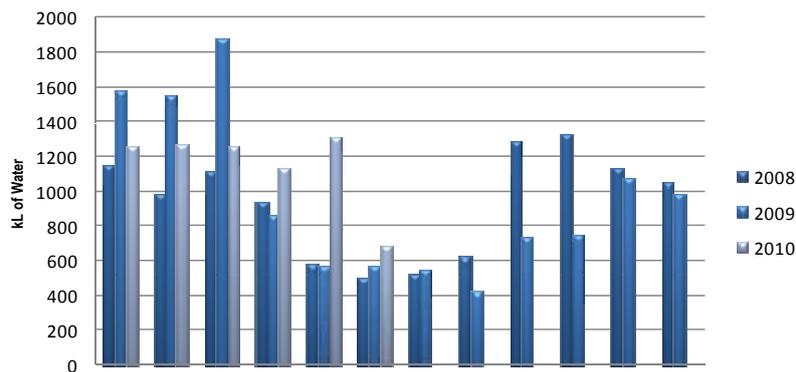
² Gas data for Parliament House has been taken from bimonthly accounts, with cycle starting in the last week of June.

Graph 3 – Electricity Use at Parliament House³



³ Electricity data for Parliament House has been taken from monthly accounts dating from October 2005.

Graph 4 – Mains Water Use at Parliament House (including the gardens and trade centre)⁴



⁴ Mains water data has been taken from monthly meter readings by the Buildings & Grounds Services unit, DPS.



Compliance Issues

Contractors and consultancies

Under the *Financial Management Act 1994* the following delineation is made between consultants and contractors.

Consultancies are an arrangement where an individual or organisation is engaged to:

- provide expert analysis and advice that facilitates decision making;
- perform a specific, one-off task or set of tasks; or
- perform a task involving skills or perspectives that would not normally be expected to reside within the department.

Contractors are an individual or organisation engaged to:

- provide goods, works or services that implement a decision;
- perform all or part of a new or existing ongoing function to assist the department to carry out its defined activities and operational functions; or
- perform a function involving skills or perspectives that would normally be expected to reside within the department but at that time are not currently available.

Contracts in excess of \$10,000,000: Nil

Consultancies in excess of \$100,000: Nil

Consultancies less than \$100,000: Three engaged, totalling \$31,185 (excluding GST)

Topics included: organisational structure review, organisational planning and security review.

Compliance with the provisions of the Building Act

Parliament undertakes a variety of building and maintenance projects associated with Parliament House and ensures all works comply with the building and maintenance provisions of the Building Act. Consultation is undertaken with Heritage Victoria and permits are issued for all works.

Corporate Governance

Statement of corporate intent

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

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

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

Parliamentary values

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

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

The values are encapsulated in the *Code of Conduct for Parliamentary Officers 2009* endorsed by the heads of department and published on Parliament's website.

Employment framework

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

Major Acts administered

The Department of Parliamentary Services is involved in the administration of the following Acts:

- *Parliamentary Administration Act 2005*
- *Parliamentary Salaries and Superannuation Act 1968*

Output Measures

The Department of Parliamentary Services provides consultancy, advisory and support services for the Parliament of Victoria from its ten business units, comprising the Library, Hansard, Education and Community Engagement, Information Technology, Accounting and Administration, Budgets and Risks, Organisation Development, Security and Electorate Properties, Catering, and Buildings and Grounds Services.

Major outputs/deliverables	Target Full year	Actuals As at 30 Jun 10
Performance measures		
Provision of information and resources to Parliament		
Quantity		
Briefings provided	200	165
Items processed for retrieval ^(a)	42000	50278
IT system up time	99%	97%
Parliamentary audio system transmission availability	99%	99%
Provision of fully resourced electorate offices outside the parliamentary precinct	128	128
Service requests satisfied	10000	7818
Uptake of class visits to Parliament House	600	604
Visitor sessions on library intranet site ^(b)	48000	55358
Quality		
Accuracy of transcripts, records and reports	99%	99%
Audibility of parliamentary audio transmission	99%	99%
Client satisfaction with the quality of information provided	85%	90%
Members, staff and officers satisfied or better with the services provided	80%	88%
Timeliness		
Indexes, records, speeches and transcripts provided within agreed timeframes and in required formats	99%	93%
Members, staff and officers satisfied or better with the time frame of service delivery	96%	88%
Satisfaction with timeliness of information provided	85%	88%
Total output cost (\$ millions)	68.80	70.70

Notes:

- (a) Actual performance exceeded target due to additional staff employed to add historical information and the continuing effort to add electronic resources to the library catalogue.
- (b) Actual performance exceeded target due to more resources available online, improvements in access to online resources and education of clients in the use of online resources.

Financial Statements

PARLIAMENT OF VICTORIA

Financial Report for the financial year ended 30 June 2010

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This financial report covers the Parliament of Victoria as an individual entity.

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

Parliament of Victoria
Parliament House
Spring Street
Melbourne
Victoria 3002

PARLIAMENT OF VICTORIA
Comprehensive Operating Statement
for the financial year ended 30 June 2010

	Notes	2010 \$	2009 \$
Income from transactions			
Output appropriations		84,318,763	78,789,451
Special appropriations		39,151,903	38,452,291
Grants and other income transfers	4(a)	145,584	52,000
Fair value of services received free of charge	4(b)	100,341	101,431
Parliament refreshment rooms		1,338,546	1,285,345
Total income from transactions		125,055,137	118,680,518
Expenses from transactions			
Employee expenses	5(a)	(79,940,205)	(75,267,859)
Depreciation and amortisation	5(b)	(4,629,763)	(4,036,337)
Interest expense		(229,262)	(281,906)
Capital asset charge		(1,487,106)	(1,422,106)
Parliament refreshment rooms	5(c)	(1,596,529)	(1,490,984)
Communications, postage and printing		(11,997,102)	(11,356,868)
Property rental cost		(7,068,742)	(6,789,793)
Other operating expenses	5(d)	(15,817,661)	(14,374,913)
Total expenses from transactions		(122,766,370)	(115,020,766)
Net result from transactions (net operating balance)		2,288,767	3,659,752
Other economic flows included in net result			
Net gain / (loss) on non-financial assets	6(a)	108,448	(185,391)
Other gains / (losses) from other economic flows	6(b)	(21,016)	(205,796)
Total other economic flows included in net result		87,432	(391,187)
Comprehensive result		2,376,199	3,268,565

The above Comprehensive Operating Statement should be read in conjunction with the accompanying Notes included on pages 6 to 56.

PARLIAMENT OF VICTORIA
Balance Sheet
as at 30 June 2010

	Notes	2010 \$	2009 \$
Assets			
Financial Assets			
Cash and deposits	19(a)	22,306	25,995
Receivables	7	45,302,353	46,868,766
Total financial assets		45,324,659	46,894,761
Non Financial Assets			
Inventories	8	56,850	58,720
Prepayments		967,493	989,644
Non-financial assets classified as held for sale, including disposal group assets	10	138,920	83,541
Property, plant and equipment	9	217,958,572	212,211,027
Total non financial assets		219,121,835	213,342,932
Total assets		264,446,494	260,237,693
Liabilities			
Bank overdraft	19(a)	909,021	993,766
Payables	11	5,254,573	4,362,495
Interest bearing liabilities	12	3,488,381	3,297,286
Provisions	13	8,961,923	8,127,749
Total liabilities		18,613,898	16,781,296
Net assets		245,832,596	243,456,397
Equity			
Accumulated surplus / (deficit)		25,298,937	22,922,738
Physical asset revaluation surplus	20	55,355,400	55,355,400
Contributed capital		165,178,259	165,178,259
Net worth		245,832,596	243,456,397
Commitments for expenditure	16		
Contingent liabilities and contingent assets	17		

The above Balance Sheet should be read in conjunction with the accompanying Notes included on pages 6 to 56.

PARLIAMENT OF VICTORIA
Statement of Changes in Equity
for the financial year ended 30 June 2010

	Notes	Equity at 1 July 2009	Changes due to		Equity at 30 June 2010
			Total comprehensive result	Transactions with owners in their capacity as owners	
Accumulated surplus / (deficit)		22,922,738	2,376,199	-	25,298,937
Contributions by owners		165,178,259	-	-	165,178,259
Capital appropriations		-	-	-	-
		165,178,259	-	-	165,178,259
Physical asset revaluation surplus	20	55,355,400	-	-	55,355,400
Total equity at end of financial year		243,456,397	2,376,199	-	245,832,596

	Notes	Equity at 1 July 2008	Changes due to		Equity at 30 June 2009
			Total comprehensive result	Transactions with owners in their capacity as owners	
Accumulated surplus / (deficit)		19,654,173	3,268,565	-	22,922,738
Contributions by owners		160,756,333	-	-	160,756,333
Capital appropriations		-	-	4,421,926	4,421,926
		160,756,333	-	4,421,926	165,178,259
Physical asset revaluation surplus	20	55,355,400	-	-	55,355,400
Total equity at end of financial year		235,765,906	3,268,565	4,421,926	243,456,397

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes included on pages 6 to 56.

PARLIAMENT OF VICTORIA
Cash Flow Statement
for the financial year ended 30 June 2010

	Notes	2010 \$	2009 \$
Cash flows from operating activities			
Receipts			
Receipts from Government appropriations		124,842,171	111,817,120
Receipts from Parliament Refreshment Rooms		1,541,625	1,379,405
Receipts from other Government Departments		145,584	52,000
Goods and Services Tax recovered from the ATO		4,599,081	3,821,271
Total Receipts		131,128,461	117,069,796
Payments			
Payments to suppliers and employees		(117,453,627)	(110,673,893)
Payments by Parliament Refreshment Rooms		(1,626,721)	(1,533,263)
Goods and Services Tax paid to the ATO		(117,548)	(103,084)
Capital asset charge payments		(1,487,106)	(1,422,106)
Interest and other costs of finance paid		(229,262)	(281,906)
Total Payments		(120,914,264)	(114,014,252)
Net cash flows from / (used in) operating activities	19(b)	10,214,197	3,055,544
Cash flows from investing activities			
Payments for non-financial assets		(9,053,822)	(6,430,140)
Proceeds from sale of non-financial assets		1,081,136	1,259,545
Net cash flows from / (used in) investing activities		(7,972,686)	(5,170,595)
Cash flows from financing activities			
Owner contributions by State Government		-	4,421,926
Repayment of finance lease liability on disposals		(889,146)	(1,193,637)
Repayment of borrowings and finance leases		(1,271,309)	(1,286,283)
Net cash flows from / (used in) financing activities		(2,160,455)	1,942,006
Net increase / (decrease) in cash and cash equivalents		81,056	(173,045)
Cash and cash equivalents at the beginning of the financial year		(967,771)	(794,726)
Cash and cash equivalents at the end of the financial year	19(a)	(886,715)	(967,771)

The above Cash Flow Statement should be read in conjunction with the accompanying Notes included on pages 6 to 56.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

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PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 1 - Summary of significant accounting policies

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

To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 27.

(a) Statement of compliance

These financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, including interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards.

Where applicable, those paragraphs of the AASs applicable to not-for-profit entities have been applied.

The annual financial statements were authorised for issue by the President of the Legislative Council and the Speaker of the Legislative Assembly on the 11th August 2010.

(b) Basis of accounting preparation and measurement

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

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

The financial statements have been prepared in accordance with the historical cost convention except for:

- non-current physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- the fair value of an asset other than land is generally based on its depreciated replacement value;
- derivative financial instruments, managed investment schemes, certain debt securities, investment properties after initial recognition, which are measured at fair value through profit and loss;

Historical cost is based on the fair values of the consideration given in exchange for assets.

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.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2010 and the comparative information presented for the year ended 30 June 2009.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 1 - Summary of significant accounting policies (continued)

(c) Reporting entity

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

Parliament of Victoria
Parliament House
Spring Street
Melbourne 3002
Victoria

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

Objectives and funding

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

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

Outputs of the Parliament of Victoria

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

Information about expenses, incomes, assets and liabilities administered by the Parliament is set out in the schedule of administered expenses and revenues and the schedule of administered assets and liabilities (see also Note 3).

(d) Basis of consolidation

Administered items

The Parliament administers but does not control certain resources on behalf of the Crown. It is accountable for the transactions involving those administered resources, but does not have the discretion to deploy the resources for achievement of the Parliament's objectives. For these resources, the Parliament acts only on behalf of the Crown. Administered resources are accounted for using the accrual basis of accounting.

Transactions and balances relating to these administered resources are not recognised as Parliament income, expenses, assets or liabilities within the body of the financial statements, but are disclosed in the administered items schedule (see Note 3). Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for Parliamentary items.

(e) Scope and presentation of financial statements

Comprehensive operating statement

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

Note 1 - Summary of significant accounting policies (continued)

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods 2005* Cat. No. 5514.0 published by the Australian Bureau of Statistics (see Note 27).

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

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals, and revaluations and impairments of non-current physical and intangible assets. The net result is equivalent to profit or loss derived in accordance with AASs.

Balance sheet

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

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

Statement of changes in equity

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

Cash flow statement

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

(f) Income from transactions

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

Appropriation income

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 1 - Summary of significant accounting policies (continued)

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

Output appropriations

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

Special appropriations

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

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

Grants and other income transfers

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

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

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

(g) Expenses from transactions

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

Employee expenses

Employee expenses include superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans. In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Employer superannuation expenses in relation to employees who are members of defined benefit superannuation plans are described below.

Note 1 - Summary of significant accounting policies (continued)

Superannuation - State superannuation defined benefit plans

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

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

Depreciation and amortisation

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

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

The typical estimated useful lives for the different asset classes for both current and prior years can be found in Note 9. As part of the 2009-10 review of fixed asset useful lives, within the plant and equipment category, due to new technology, certain assets' useful lives were reassessed from 10 to 15 years. This change did not result in a material impact in relation to depreciation expenditure for the year.

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

Interest expense

Interest expenses (other than swap interest which is classified as an other economic flow) are recognised as expenses in the period in which they are incurred. Refer to glossary of terms in Note 27 for an explanation of interest expense items.

Capital asset charge

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

Other operating expenses

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

Supplies and services

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

Bad and doubtful debts

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Those written off unilaterally and the allowance for doubtful receivables, are classified as other economic flows (refer to Note 1(i) Financial assets - Impairment of financial assets).

Note 1 - Summary of significant accounting policies (continued)

(h) Other economic flows included in the net result

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

Net gain / (loss) on non-financial assets

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

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

Refer to accounting policy on Property, plant and equipment, provided in Note 1(j) *Non-financial assets*.

Disposal of non-financial assets

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

Impairment of non-financial assets

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

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

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

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

Net gain / (loss) on financial instruments

Net gain / (loss) on financial instruments includes:

- impairment and reversal of impairment for financial instruments at amortised cost.

Other gains / (losses) from other economic flows

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

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

Note 1 - Summary of significant accounting policies (continued)

(i) Financial assets

Cash and deposits

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

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

Receivables

Receivables consist predominantly of amounts owing from the Victorian Government, debtors in relation to goods and services and GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Amounts owing from the Victorian Government, taxes and other statutory receivables are not classified as financial instruments.

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

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified (refer to Note 1(i) Impairment of financial assets).

Impairment of financial assets

The Parliament assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

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

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, the Parliament applies professional judgement in assessing materiality and using estimates, averages and computational shortcuts in accordance with *AASB 136 Impairment of assets*.

(j) Non-financial assets

Inventories

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

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

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

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

Note 1 - Summary of significant accounting policies (continued)

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

Non-financial assets (and disposal group assets) classified as held-for-sale are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation.

Non-financial assets, disposal groups, and related liabilities are treated as current and classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Property, plant and equipment

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

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

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

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

Leasehold improvements

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

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

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

Non-current physical assets arising from finance leases

Refer to Note 1(l) Leases.

Non-current physical assets constructed by the Parliament

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

Note 1 - Summary of significant accounting policies (continued)

Revaluations of non-current physical assets

Non-current physical assets are measured at fair value in accordance with FRD 103D *Non-current physical assets* issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs.

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

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

Net revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except that the net revaluation decrease shall be recognised in other comprehensive income to the extent that a credit balance exists in the revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation surplus.

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

Prepayments

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

Impairment of non-financial assets

Refer to Note 1(h) Other economic flows included in net result.

(k) Liabilities

Payables

Payables consist predominantly of accounts payable and other sundry liabilities. Accounts payable represent liabilities for goods and services provided to the Parliament prior to the end of the reporting period that are unpaid, and arise when the Parliament becomes obliged to make future payments in respect of the purchase of those goods and services.

Other liabilities included in payables mainly consist of unearned/prepaid income, goods and services tax and fringe benefits tax payables.

Payables are initially measured at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

Note 1 - Summary of significant accounting policies (continued)

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

Employee benefits

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

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

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

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

(ii) Long service leave

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

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

The components of this current LSL liability are measured at:

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

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

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

Note 1 - Summary of significant accounting policies (continued)

(iii) Termination benefits

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

Employee benefits on-costs

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

(i) Leases

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

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

Finance leases

Parliament of Victoria as lessee

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

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

Operating leases

Parliament of Victoria as lessee

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

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

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

Note 1 - Summary of significant accounting policies (continued)

(m) Equity

Contributions by owners

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

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

(n) Commitments

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

(o) Contingent assets and contingent liabilities

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

(p) Accounting for the Goods and Services Tax (GST)

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

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

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

(q) Events after the reporting period

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

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 1 - Summary of significant accounting policies (continued)

(r) Rounding of amounts

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

(s) AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2010 reporting period. DTF assesses the impact of these new standards and advises the Parliament of their applicability and early adoption where applicable.

As at 30 June 2010, the following standards and interpretations (applicable to the Parliament) had been issued but were not mandatory for the financial year ending 30 June 2010. The Parliament has not early adopted these standards.

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning</i>	<i>Impact on Parliament's financial statements</i>
AASB 9 Financial instruments.	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial instruments: recognition and measurement (AASB 139 Financial Instruments: recognition and measurement).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 124 Related party disclosures (Dec 2009).	Government related entities have been granted partial exemption with certain disclosure requirements.	Beginning 1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, the Parliament is still assessing the detailed impact and whether to early adopt.
AASB 2009-5 Further amendments to Australian Accounting Standards arising from the annual improvements project [AASB 5, 8, 101, 107, 117, 118, 136 and 139].	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	Beginning 1 Jan 2010	Terminology and editorial changes. Impact minor.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 1 - Summary of significant accounting policies (continued)

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning / ending on</i>	<i>Impact on Parliament's financial statements</i>
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12].	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052].	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASs.	Beginning 1 Jan 2011	The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments.
AASB 2009-13 Amendments to Australian Accounting Standards arising from interpretation 19 [AASB 1].	Consequential amendment to AASB 1 arising from publication of Interpretation 19.	Beginning 1 Jul 2010	The Parliament does not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 19 and related amendments have no impact.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement [AASB Interpretation 14].	Amendment to Interpretation 14 arising from the issuance of prepayments of a minimum funding requirement.	Beginning 1 Jan 2011	Expected to have no significant impact.
Erratum General Terminology changes.	Editorial amendments to a range of Australian Accounting Standards and Interpretations.	Beginning 1 Jan 2010	Terminology and editorial changes. Impact minor.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 1 - Summary of significant accounting policies (continued)

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning / ending on</i>	<i>Impact on Parliament's financial statements</i>
AASB 1053 Application of Different Tiers of Australian Accounting Standards.	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 Jul 2013	The impact of this Standard may affect disclosures in the financial reports of certain types of entities (public sector entities (except whole of government and general government sector)) where reduced disclosure requirements may apply. The Standard does not affect the operating result or financial position.
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	Beginning 1 Jul 2013	Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 2 - Parliament (controlled) outputs

A description of the Parliament of Victoria outputs performed during the year ended 30 June 2010, and the objectives of these outputs, are summarised below.

Legislative Council Outputs

Description of outputs

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

Objectives

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

Legislative Assembly Outputs

Description of outputs

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

Objectives

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

Department of Parliamentary Services

Description of outputs

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

Objectives

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

Parliamentary Investigatory Committees

Description of outputs

Inquire into matters either referred by the Governor-in-Council or the Parliament, or which may be self-generated by a Committee. Committees can be joint investigatory, specific purpose or select.

Objectives

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

Victorian Auditor-General's Office

Description of outputs

Separate financial statements have been prepared by the Victorian Auditor-General's Office for presentation to Parliament, as required by the *Audit Act 1994*. Accordingly, the transactions and balances of the Office are not included in the Parliament's financial statements.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 2 - Parliament (controlled) outputs (continued)

Schedule A - Controlled income and expenses for the year ended 30 June 2010

	Legislative Council \$	Legislative Assembly \$	Department of Parliamentary Services \$	Parliamentary Investigatory Committees \$	Parliament Total \$
Income from transactions					
Output appropriations	2,783,635	4,321,558	70,716,780	6,496,790	84,318,763
Special appropriations	13,327,839	25,824,064	-	-	39,151,903
Grants and other income transfers	-	-	145,584	-	145,584
Fair value of services received free of charge	100,341	-	100,341	-	100,341
Parliament refreshment rooms	-	-	1,338,546	-	1,338,546
Total income from transactions	16,111,474	30,145,622	72,301,251	6,496,790	125,055,137
Expenses from transactions					
Employee expenses	(15,364,554)	(27,816,218)	(32,367,017)	(4,392,416)	(79,940,205)
Depreciation and amortisation	-	-	(4,629,763)	-	(4,629,763)
Interest expense	-	-	(229,262)	-	(229,262)
Capital asset charge	-	-	(1,487,106)	-	(1,487,106)
Parliament refreshment rooms	-	-	(1,596,529)	-	(1,596,529)
Communications, postage and printing	(33,955)	(60,639)	(11,879,899)	(22,609)	(11,997,102)
Property rental cost	-	-	(7,068,742)	-	(7,068,742)
Other operating expenses	(391,966)	(902,764)	(12,868,166)	(1,654,765)	(15,817,661)
Total expenses from transactions	(15,790,475)	(28,779,621)	(72,126,484)	(6,069,790)	(122,766,370)
Net result from transactions (net operating balance)	320,999	1,366,001	174,767	427,000	2,288,767
Other economic flows included in net result					
Net gain / (loss) on non-financial assets	-	-	108,448	-	108,448
Other gains / (losses) from other economic flows	(1,016)	929	(19,591)	(1,338)	(21,016)
Total economic flows included in net result	(1,016)	929	88,857	(1,338)	87,432
Comprehensive result	319,983	1,366,930	263,624	425,662	2,376,199

The comparative Parliament Outputs schedule for the year ended 30 June 2009 appears on the following page.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 2 - Parliament (controlled) outputs (continued)
Schedule B - Controlled income and expenses for the year ended 30 June 2009

	Legislative Council \$	Legislative Assembly \$	Department of Parliamentary Services \$	Parliamentary Investigatory Committees \$	Parliament Total \$
Income from transactions					
Output appropriations	2,706,408	4,210,932	65,549,780	6,322,331	78,789,451
Special appropriations	12,694,425	25,757,866	-	-	38,452,291
Grants and other income transfers	-	-	52,000	-	52,000
Fair value of services received free of charge	-	-	101,431	-	101,431
Parliament refreshment rooms	-	-	1,285,345	-	1,285,345
Total income from transactions	15,400,833	29,968,798	66,988,556	6,322,331	118,680,518
Expenses from transactions					
Employee expenses	(14,544,214)	(27,782,340)	(28,876,435)	(4,064,870)	(75,267,859)
Depreciation and amortisation	-	-	(4,036,337)	-	(4,036,337)
Interest expense	-	-	(281,906)	-	(281,906)
Capital asset charge	-	-	(1,422,106)	-	(1,422,106)
Parliament refreshment rooms	-	-	(1,490,984)	-	(1,490,984)
Communications, postage and printing	(44,858)	(68,134)	(11,129,987)	(113,889)	(11,356,868)
Property rental cost	-	-	(6,789,793)	-	(6,789,793)
Other operating expenses	(446,761)	(848,323)	(11,356,257)	(1,723,572)	(14,374,913)
Total expenses from transactions	(15,035,833)	(28,698,797)	(65,383,805)	(5,902,331)	(115,020,766)
Net result from transactions (net operating balance)	365,000	1,270,001	1,604,751	420,000	3,659,752
Other economic flows included in net result					
Net gain / (loss) on non-financial assets	-	-	(185,391)	-	(185,391)
Other gains / (losses) from other economic flows	(7,573)	(13,994)	(161,368)	(22,861)	(205,796)
Total economic flows included in net result	(7,573)	(13,994)	(346,759)	(22,861)	(391,187)
Comprehensive result	357,427	1,256,007	1,257,992	397,139	3,268,565

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 2 - Parliament (controlled) outputs (continued)

Schedule C - Controlled assets and liabilities as at 30 June 2010

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

The comparative Parliament Outputs schedule for the year ended 30 June 2009 appears on the following page.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 2 - Parliament (controlled) outputs (continued)

Schedule D - Controlled assets and liabilities as at 30 June 2009

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
Assets					
Financial assets	371,171	1,270,450	44,828,913	424,227	46,894,761
Non-financial assets	-	12,064	213,330,381	487	213,342,932
Total assets	371,171	1,282,514	258,159,294	424,714	260,237,693
Liabilities					
	(1,067,625)	(1,343,923)	(13,374,147)	(995,601)	(16,781,296)
Total liabilities	(1,067,625)	(1,343,923)	(13,374,147)	(995,601)	(16,781,296)
Net assets / (liabilities)	(696,454)	(61,409)	244,785,147	(570,887)	243,456,397

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 3 - Administered (non controlled) items

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

	Department of Parliamentary Services		Parliament Total	
	2010	2009	2010	2009
	\$	\$	\$	\$
Administered income from transactions				
Sale of goods and services	-	28,615	-	28,615
Receipts towards Public Service Commuter Club	101,944	96,723	101,944	96,723
Sale of non-current assets	-	4,263	-	4,263
Total administered income from transactions	101,944	129,601	101,944	129,601
Administered expenses from transactions				
Payments towards Public Service Commuter Club	(92,701)	(94,470)	(92,701)	(94,470)
Payments into the Consolidated Fund	-	(32,878)	-	(32,878)
Total administered expenses from transactions	(92,701)	(127,348)	(92,701)	(127,348)
Total administered net result from transactions (net operating balance)	9,243	2,253	9,243	2,253
Administered other economic flows included in the administered net result	-	-	-	-
Total administered comprehensive result	9,243	2,253	9,243	2,253
Administered financial assets				
Receivables	39,712	48,955	39,712	48,955
Total administered assets	39,712	48,955	39,712	48,955
Administered liabilities				
Funds held in trust	(39,712)	(48,955)	(39,712)	(48,955)
Total administered liabilities	(39,712)	(48,955)	(39,712)	(48,955)
Total administered net assets	-	-	-	-

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

	2010 \$	2009 \$
Note 4 - Income from transactions		
(a) Grants and other income transfers		
Department of Education & Early Childhood Development	52,520	52,000
Department of Sustainability & Environment	93,064	-
	145,584	52,000
(b) Fair value of services received free of charge		
Services received free of charge - Victorian Auditor General's Office	100,341	101,431

Note 5 - Expenses from transactions

(a) Employee benefit expense		
Salaries and wages ^(a)	50,455,237	46,711,460
Annual leave and long service leave expense	3,882,937	3,642,921
Superannuation contribution	21,432,011	21,142,882
State Employees Retirement Benefits Scheme - contribution	19,244	18,964
Work cover premiums	395,821	377,147
Payroll tax	2,902,651	2,670,054
Fringe benefits tax	852,304	704,431
Total employee benefits	79,940,205	75,267,859

(a) Salaries and wages includes all salaries and allowances paid to Members of Parliament, however, excludes Ministers' salaries and allowances which are paid by the Department of Premier and Cabinet.

(b) Depreciation & amortisation expense		
(i) Depreciation of non-current assets:		
- Buildings	1,230,632	1,192,901
- Plant & equipment	1,681,859	1,275,369
- Cultural assets	162,413	162,414
- Leasehold improvements	367,190	365,342
- Plant & equipment under finance lease	1,187,669	1,040,311
Total depreciation & amortisation expense	4,629,763	4,036,337

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

2010 2009
 \$ \$

Note 5 - Expenses from transactions (continued)

(c) Parliament Refreshment Rooms

The Parliament Refreshment Rooms operate within the Parliamentary complex:

Cost of goods sold	436,568	440,331
Other expenditure	1,159,961	1,050,653
	1,596,529	1,490,984

(d) Other operating expenses

Acts, bills and statutory rules	442,546	371,791
Advertising	931,274	319,112
Cleaning expenses	669,365	552,138
Committee operating costs	764,152	852,624
Computer consulting and contractors	485,843	408,355
Computer software purchases	799,740	685,313
Computer support services	399,260	266,623
Consulting services	370,019	263,625
Electorate office expenses	1,790,089	874,217
Equipment rental	1,474,233	1,617,940
Garden expenses	105,385	136,757
Insurance	403,654	359,710
Maintenance consulting and contractors	246,178	222,919
Maintenance department consumables	652,827	583,136
Minor equipment purchase and repair	369,473	555,966
Motor vehicle running costs	823,224	773,491
Office expenses	475,182	574,385
Office requisites and stationery	605,444	487,397
Online data base expenses	232,333	227,428
Other expenses	1,176,939	1,656,018
Relocations and maintenance	1,230,339	1,234,472
Travel and subsistence	660,643	720,433
Utilities	709,519	631,063
	15,817,661	14,374,913

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

	2010	2009
	\$	\$
Note 6 - Other economic flows included in net result		
(a) Net gain / (loss) on non financial assets		
Net gain / (loss) from sale of property, plant and equipment	108,448	(185,391)
Total net gain / (loss) on non-financial assets and liabilities	108,448	(185,391)
(b) Other gains / (losses) from other economic flows		
Net gain / (loss) arising from revaluation of long service leave liability ^(a)	(21,016)	(205,796)
Total other gains / (losses) from other economic flows	(21,016)	(205,796)

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

	2010	2009
	\$	\$
Note 7 - Receivables		
Current receivables		
<i>Contractual</i>		
Debtors - Parliament Refreshment Rooms	59,864	119,582
less: Provision for doubtful debts	-	-
Other receivables	1,490	7,473
	61,354	127,055
<i>Statutory</i>		
Amounts owing from Victorian Government ^(a)	9,228,526	7,430,274
GST input tax credit recoverable	787,074	916,281
	10,015,600	8,346,555
Total current receivables	10,076,954	8,473,610
Non current receivables		
<i>Statutory</i>		
Amounts owing from Victorian Government ^(a)	35,225,399	38,395,156
	35,225,399	38,395,156
Total non current receivables	35,225,399	38,395,156
Total receivables	45,302,353	46,868,766

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

(a) Ageing analysis of contractual receivables

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

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

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

Note 8 - Inventories

Current inventories

Stock on hand - Parliament Refreshment Rooms (at cost)	56,850	58,720
	56,850	58,720
	56,850	58,720

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 9 - Property, plant and equipment

Table 9.1: Public Administration purpose group - carrying amounts

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

As at 30 June 2009 Description	Gross carrying amount	Accumulated depreciation & amortisation	Net carrying amount
At cost			
Buildings	2,752,541	23,280	2,729,261
Leasehold improvements	6,361,888	3,396,010	2,965,878
Buildings in the course of construction	4,746,447	-	4,746,447
Plant & equipment in the course of construction	103,891	-	103,891
Plant, equipment & vehicles under finance lease	4,305,511	1,119,452	3,186,059
At fair value			
Land	50,000,000	-	50,000,000
Buildings	133,453,000	2,349,990	131,103,010
Plant & equipment	14,357,230	8,218,207	6,139,023
Cultural assets - Library	7,674,162	262,947	7,411,215
Cultural assets - other	3,890,401	64,158	3,826,243
Total	227,645,071	15,434,044	212,211,027

Valuation of assets

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

The effective date of the valuation is June 2007.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 9 - Property, plant and equipment (continued)

Table 9.2: Public Administration Purpose group - movements in carrying amounts

	Land	Buildings	Leasehold improvements	Plant & equipment	Cultural assets - Library	Cultural assets - other	Plant, equipment & vehicles under finance lease	In course of construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2010									
Opening balance	50,000,000	133,832,271	2,965,878	6,139,023	7,411,215	3,826,243	3,186,059	4,850,338	212,211,027
Additions	-	59,492	26,989	218,619	-	-	2,351,553	8,748,722	11,405,375
Disposals	-	-	-	-	-	-	(889,147)	-	(889,147)
Revaluation of PPE (Note 20)	-	-	-	-	-	-	-	-	-
Transfer in / (out) of assets under construction	-	9,382,982	-	4,216,078	-	-	-	(13,599,060)	-
Transfer to disposal group held for sale	-	-	-	-	-	-	(138,920)	-	(138,920)
Depreciation / amortisation expense (Note 5(b))	-	(1,230,632)	(367,190)	(1,681,859)	(131,474)	(30,939)	(1,187,669)	-	(4,629,763)
Closing balance	50,000,000	142,044,113	2,625,677	8,891,861	7,279,741	3,795,304	3,321,876	-	217,958,572
Year ended 30 June 2009									
Opening balance	50,000,000	134,862,447	3,309,220	5,586,401	7,542,690	3,857,182	3,123,055	432,916	208,713,911
Additions	-	15,544	22,000	254,505	-	-	2,380,492	6,138,089	8,810,630
Disposals	-	-	-	-	-	-	(1,193,636)	-	(1,193,636)
Revaluation of PPE (Note 20)	-	-	-	-	-	-	-	-	-
Transfer in / (out) of assets under construction	-	147,181	-	1,573,486	-	-	-	(1,720,667)	-
Transfer to disposal group held for sale	-	-	-	-	-	-	(83,541)	-	(83,541)
Depreciation / amortisation expense (Note 5(b))	-	(1,192,901)	(365,342)	(1,275,369)	(131,475)	(30,939)	(1,040,311)	-	(4,036,337)
Closing balance	50,000,000	133,832,271	2,965,878	6,139,023	7,411,215	3,826,243	3,186,059	4,850,338	212,211,027

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

	Depreciation Rate%	
	2009-10	2008-09
Buildings	0.55 to 10	0.55 to 10
Leasehold improvements	10	10
Plant, Equipment and Vehicles	6.7 to 33.3	10 to 33.3
Cultural Assets	0 to 5	0 to 5

Restrictive assets

The Parliament of Victoria holds \$184 million worth of properties being listed as heritage assets.

Depreciation by class of asset

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

	2010	2009
	\$	\$
Note 10 - Non-current assets classified as held for sale		
Assets held for sale		
Motor vehicles held for sale	138,920	83,541
	138,920	83,541
	138,920	83,541
Note 11 - Payables		
Current Payables		
<i>Contractual</i>		
Supplies and services	3,031,359	2,562,125
Other payables	1,644,449	1,371,021
	4,675,808	3,933,146
<i>Statutory</i>		
Taxes payable	578,765	429,349
	578,765	429,349
Total current payables	5,254,573	4,362,495
Total payables	5,254,573	4,362,495

(a) Maturity analysis of contractual payables

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

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

	2010	2009
	\$	\$
Note 12 - Interest bearing liabilities		
Current interest bearing liabilities		
Finance lease liabilities ^(a) (Note 15)	1,944,854	2,031,483
	1,944,854	2,031,483
Non-current interest bearing liabilities		
Finance lease liabilities ^(a) (Note 15)	1,543,527	1,265,803
	1,543,527	1,265,803
Total interest bearing liabilities	3,488,381	3,297,286

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

(a) Maturity analysis of interest bearing liabilities

Please refer to Table 18.3 in Note 18 for the maturity analysis of interest bearing liabilities.

(b) Nature and extent of risk arising from interest bearing liabilities

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

	2010 \$	2009 \$
Note 13 - Provisions		
Current provisions		
Employee benefits ^(a) (Note 13(a)) - annual leave:		
Unconditional and expected to be settled within 12 months ^(b)	2,151,311	1,921,797
Unconditional and expected to be settled after 12 months ^(c)	1,103,169	912,611
Employee benefits ^(a) (Note 13(a)) - long service leave:		
Unconditional and expected to be settled within 12 months ^(b)	2,241,045	2,016,638
Unconditional and expected to be settled after 12 months ^(c)	1,639,225	1,553,275
	7,134,750	6,404,321
Provisions related to employee benefit on-costs (Note 13(a)):		
Unconditional and expected to be settled within 12 months ^(b)	702,777	630,150
Unconditional and expected to be settled after 12 months ^(c)	438,783	394,541
	1,141,560	1,024,691
Total current provisions	8,276,310	7,429,012
Non-current provisions		
Employee benefits ^(a) (Note 13(a))	591,046	602,359
Employee benefits on-costs (Note 13(a))	94,567	96,378
Total non-current provisions	685,613	698,737
Total provisions	8,961,923	8,127,749

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

(b) The amounts disclosed are nominal amounts.

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

	2010 \$	2009 \$
Note 13 - Provisions (continued)		
(a) Employee benefits and related on-costs ^(a)		
Current employee benefits		
Annual leave entitlements	3,254,480	2,834,408
Long service leave entitlements	3,880,270	3,569,913
Non-current employee benefits		
Long service leave entitlements	591,046	602,359
Total employee benefits	7,725,796	7,006,680
Current on-costs	1,141,560	1,024,691
Non-current on-costs	94,567	96,378
Total on-costs	1,236,127	1,121,069
Total employee benefits and related on-costs	8,961,923	8,127,749

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

(b) Movement in provisions

	2010			
	Annual Leave	Long Service Leave	On-costs	Total
Opening balance	2,834,408	4,172,272	1,121,069	8,127,749
Additional provisions recognised	2,659,690	666,653	535,577	3,861,920
Reduction arising from payments / other sacrifices of future economic benefits	(2,239,618)	(388,625)	(420,519)	(3,048,762)
Unwind of discount and effect of changes in the discount rate	-	21,016	-	21,016
Closing balance	3,254,480	4,471,316	1,236,127	8,961,923
Current	3,254,480	3,880,270	1,141,560	8,276,310
Non-current	-	591,046	94,567	685,613
	3,254,480	4,471,316	1,236,127	8,961,923

(c) Employee numbers

	2010	2009
Average number of employees during the financial year	775	754

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 14 - Superannuation

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

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

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

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

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2010	2009	2010	2009
	\$	\$	\$	\$
Defined benefit plans:				
- Parliamentary Contributory Super Scheme	18,000,000	18,000,000	-	-
- Emergency Services and State Super Scheme:				
~ Emp New & Revised	358,026	363,738	-	26,841
~ Emp Serbs	19,244	18,987	-	1,459
Defined contribution plans:				
- Vic Super - Emp SG Contributions	2,548,781	2,355,621	-	188,752
- Other	505,960	171,700	-	15,784
Total	21,432,011	20,910,046	-	232,836

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 15 - Leases

Disclosures for lessees - finance leases

Leasing arrangements

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

	Minimum future lease payments ^(a)		Present value of minimum future lease payments	
	2010	2009	2010	2009
Not longer than 1 year	2,102,972	2,193,231	1,944,854	2,031,483
Longer than 1 year and not longer than 5 years	1,619,244	1,344,055	1,543,527	1,265,803
Minimum future lease payments^(a)	3,722,216	3,537,286	3,488,381	3,297,286
Less future finance charges	(233,835)	(240,000)	-	-
Present value of minimum lease payments	3,488,381	3,297,286	3,488,381	3,297,286
Included in the financial statements as:				
Current interest bearing liabilities (Note 12)			1,944,854	2,031,483
Non-current interest bearing liabilities (Note 12)			1,543,527	1,265,803
			3,488,381	3,297,286

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

(a) Maturity analysis of finance lease liabilities

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

(b) Nature and extent of risk arising finance liabilities

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

Disclosures for lessees - operating leases

Leasing arrangements

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

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

	2010	2009
Not longer than 1 year	7,256,405	5,781,922
Longer than 1 year and not longer than 5 years	11,620,036	8,013,239
Longer than 5 years	318,546	825,736
	19,194,987	14,620,897

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

2010 2009
 \$ \$

Note 16 - Commitments for expenditure

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

(a) Capital expenditure commitments

Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:

- Not longer than one year	6,425,479	7,445,381
- Longer than one year and not longer than five years	613,156	-
- Longer than five years	-	-
Total capital expenditure commitments	7,038,635	7,445,381
Total commitments for expenditure (inclusive of GST)	7,038,635	7,445,381
Less GST recoverable from the Australian Taxation Office	(639,876)	(676,853)
Total commitments for expenditure (exclusive of GST)	6,398,759	6,768,528

All amounts shown in the commitments note are nominal amounts inclusive of GST.

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

Note 17 - Contingent assets and liabilities

Contingent liabilities

Legal proceedings and disputes - the Plaintiff alleges breaches of a Tender process Agreement and the Fair Trading Act by the Parliament of Victoria.

Employment related litigation

2,437,928	2,158,936
85,000	-
2,522,928	2,158,936

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 18 - Financial instruments

(a) Financial risk management objectives and policies

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

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

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

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

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

Table 18.1: Categorisation of financial instruments

Category		2010	2009
Contractual financial assets			
Cash and deposits	Loans and receivables	22,306	25,995
Receivables ^(a)	Loans and receivables	61,354	127,055
Total financial assets		83,660	153,050
Contractual financial liabilities			
Payables ^(b)	Liabilities at amortised cost	3,031,359	2,562,125
Interest bearing liabilities	Liabilities at amortised cost	3,488,381	3,297,286
Total financial liabilities		6,519,740	5,859,411

(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 18 - Financial instruments (continued)

(b) Credit risk

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

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

In addition, the Parliament does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Parliament's policy is to only deal with banks with high Provision of impairment for contractual financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

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

Financial assets that are either past due or impaired

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

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

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. Table 18.2 discloses the ageing only of contractual financial assets that are past due but not impaired.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 18 - Financial instruments (continued)

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

	Carrying amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			Less than 1 Month	1 - 3 months	3 months - 1 year	
2010						
Receivables:						
Debtors - Parliament Refreshment Rooms	59,864	55,718	2,407	1,585	154	-
Other receivables	1,490	1,490	-	-	-	-
Total	61,354	57,208	2,407	1,585	154	-
2009						
Receivables:						
Debtors - Parliament Refreshment Rooms	119,582	90,998	10,967	5,179	12,438	-
Other receivables	7,473	7,473	-	-	-	-
Total	127,055	98,471	10,967	5,179	12,438	-

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

(c) Liquidity risk

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 18 - Financial instruments (continued)

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

Table 18.3: Maturity analysis of contractual financial liabilities

	Carrying amount	Nominal amount	Maturity dates ^(a)			
			Less than 1 Month	1 - 3 months	3 months - 1 year	1-5 years
2010						
Payables:						
Contractual payables	3,031,359	3,031,359	3,031,359	-	-	-
Interest bearing liabilities:						
Finance lease liabilities	3,488,381	3,722,216	481,534	359,821	1,246,593	1,634,268
Total	6,519,740	6,753,575	3,512,893	359,821	1,246,593	1,634,268
2009						
Payables:						
Contractual payables	2,562,125	2,562,125	2,562,125	-	-	-
Interest bearing liabilities:						
Finance lease liabilities	3,297,286	3,537,286	395,803	263,119	1,534,309	1,344,055
Total	5,859,411	6,099,411	2,957,928	263,119	1,534,309	1,344,055

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

Note 18 - Financial instruments (continued)

(d) Market risk

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

Foreign currency risk

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

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

Interest rate risk

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

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

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

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

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

Sensitivity disclosure analysis

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

(e) Fair value

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 18 - Financial instruments (continued)

Table 18.4: Interest rate exposure of financial statements

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non interest bearing
2010					
Cash and deposits:					
Bank deposits	-	22,306	-	-	22,306
Receivables:					
Debtors - Parliament Refreshment Rooms	-	59,864	-	-	59,864
Other receivables	-	1,490	-	-	1,490
Total financial assets		83,660	-	-	83,660
Payables:					
Contractual payables at amortised cost	-	3,031,359	-	-	3,031,359
Interest bearing liabilities:					
Finance lease liabilities	6.89	3,488,381	3,488,381	-	-
Total financial liabilities		6,519,740	3,488,381	-	3,031,359
2009					
Cash and deposits:					
Bank deposits	-	25,995	-	-	25,995
Receivables:					
Debtors - Parliament Refreshment Rooms	-	119,582	-	-	119,582
Other receivables	-	7,473	-	-	7,473
Total financial assets		153,050	-	-	153,050
Payables:					
Contractual payables at amortised cost	-	2,562,125	-	-	2,562,125
Interest bearing liabilities:					
Finance lease liabilities	7.29	3,297,286	3,297,286	-	-
Total financial liabilities		5,859,411	3,297,286	-	2,562,125

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

2010 2009
 \$ \$

Note 19 - Cash flow information

(a) Reconciliation of cash and cash equivalents

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

Cash on hand ^(a)	- Parliament of Victoria	4,475	4,475
	- Parliament Refreshment Rooms	2,500	2,500
Bank balance	- Parliament Refreshment Rooms	15,331	19,020
		22,306	25,995
Unpresented cheques		(909,021)	(993,766)
		(886,715)	(967,771)

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

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

At 30 June 2010, cash at bank included the amount of a notional shortfall for the payment of unpresented cheques of \$909,021 (2009 - \$993,766).

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

	2010 \$	2009 \$
Note 19 - Cash flow information (continued)		
(b) Reconciliation of net result for the period to net cash flows from operating activities		
Net result for the period	2,376,199	3,268,565
Non-cash movements:		
(Gain) / loss on sale or disposal of non-current assets	(108,448)	185,391
Depreciation and amortisation of non-current assets	4,629,763	4,036,337
Movements in assets and liabilities:		
(Increase) / decrease in current receivables	1,566,411	(1,053,211)
Decrease / (increase) in current inventories	1,870	(8,429)
(Increase) / decrease in prepayments	22,150	(276,347)
(Increase) / decrease in non current receivables	-	(4,634,364)
Increase / (decrease) in current payables	892,078	550,118
Increase / (decrease) in current provisions	847,298	826,260
Increase / (decrease) in non current provisions	(13,124)	161,224
Net cash flows from / (used in) operating activities	10,214,197	3,055,544

Note 20 - Reserves

Physical asset revaluation surplus ^(a):

Balance at beginning of financial year	55,355,400	55,355,400
Revaluation increments / (decrements)	-	-
Balance at end of financial year	55,355,400	55,355,400

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

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

(a) Summary of compliance with annual Parliamentary appropriations

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

2010	Financial Management Act 1994							Total Parliamentary Authority	Appropriations Applied	Variance
	Appropriation Act	Section 3(2)	Section 29	Section 31	Section 32	Section 35 Advances	\$			
	Annual Appropriation	Advance from Treasurer	\$	\$	\$	\$	\$	\$	\$	\$
Controlled										
Provision for outputs	82,382,000	322,010	-	-	5,889,000	-	88,593,010	84,318,763	4,274,247	(a)
Additions to net assets	-	-	-	-	-	-	-	-	-	-
Total	82,382,000	322,010	-	-	5,889,000	-	88,593,010	84,318,763	4,274,247	
2009										
Controlled										
Provision for outputs	80,539,000	358,000	-	-	3,811,000	-	84,708,000	78,789,451	5,918,549	(a)
Additions to net assets	860,000	-	-	-	4,549,000	-	5,409,000	4,421,926	987,074	(b)
Total	81,399,000	358,000	-	-	8,360,000	-	90,117,000	83,211,377	6,905,623	

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

(b) The variance is primarily related to agreed changes in committed projects being delivered in the next financial year (pertains to the Heritage Asset Management Strategy).

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

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

(b) Summary of compliance with special appropriations

Authority	Purpose	Appropriations applied	
		2010 \$	2009 \$
Audit Act No. 2 of 1994	Audit of the Auditor General's Office	33,318	30,450
Constitution Act No. 8750 - Clerk of the Parliaments	Salaries	1,993	1,993
Constitution Act No. 8750 - Legislative Assembly	Salaries	550,000	550,000
Constitution Act No. 8750 - Legislative Council	Salaries	200,000	200,000
Parliamentary Contributory Superannuation Act No. 89	Benefits and allowances	18,000,000	18,000,000
Parliamentary Salaries and Superannuation Act No. 7723	Salaries and allowances	20,366,592	19,669,848
		39,151,903	38,452,291

Note 22 - Trust account balances

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

Cash and cash equivalents and investments

Administered Trusts

Public Service Commuter Club ^(a)	(39,712)	(48,955)
Total Administered Trusts	(39,712)	(48,955)

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

No Trust Accounts were opened or closed by the Parliament during 2009-10.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 23 - Responsible persons

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

Names

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

Presiding Officers:

The Hon Robert Smith MLC 1 July 2009 to 30 June 2010
 President of the Legislative Council

The Hon Jenny Lindell 1 July 2009 to 30 June 2010
 Speaker of the Legislative Assembly

Remuneration

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

Salary Band \$	Number of Officers	
	2010	2009
260,000 - 269,999	-	1
270,000 - 279,999	-	-
280,000 - 289,999	-	-
290,000 - 299,999	1	-
300,000 - 309,999	-	1
310,000 - 319,999	-	-
320,000 - 329,999	1	-

Other transactions

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 24 - Remuneration of executives

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

Income Band \$	Total Remuneration		Base Remuneration	
	2010 No.	2009 No.	2010 No.	2009 No.
120,000 - 129,999	-	-	1	-
130,000 - 139,999	-	-	-	-
140,000 - 149,999	-	-	-	-
150,000 - 159,999	-	3	1	5
160,000 - 169,999	5	2	4	-
170,000 - 179,999	-	-	-	1
180,000 - 189,999	1	2	1	2
190,000 - 199,999	1	1	1	-
200,000 - 209,999	1	-	-	-
Total numbers	8	8	8	8
Total amount	\$ 1,420,556	\$ 1,372,339	\$ 1,323,354	\$ 1,343,384

Note 25 - Remuneration of auditors

Victorian Auditor General's Office

Audit of the financial statements	53,900	50,090
	53,900	50,090

Note 26 - Subsequent events

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

Note 27 - Glossary of terms

Capital asset charge

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

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Commitments

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

Employee benefits expenses

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

Financial asset

A financial asset is any asset that is:

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

Financial instrument

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

Note 27 - Glossary of terms (continued)

Financial liability

A financial liability is any liability that is:

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

Financial statements

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

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

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

Interest expense

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

Interest income

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

Note 27 - Glossary of terms (continued)

Net acquisition of non-financial assets (from transactions)

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

Net result

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

Net result from transactions / net operating balance

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

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'.

Other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

Payables

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

Receivables

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

Sale of goods and services

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2010

Note 27 - Glossary of terms (continued)

Supplies and services

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

Transactions

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

PARLIAMENT OF VICTORIA
Accountable Officer's declaration
30 June 2010

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

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2010 and financial position of the Parliament of Victoria at 30 June 2010.

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 11 August 2010.

HON JENNY LINDELL MP
Speaker of the Legislative Assembly
Parliament of Victoria

HON ROBERT SMITH MLC
President of the Legislative Council
Parliament of Victoria

John Mascarenhas
Acting Chief Finance and Accounting Officer
Parliament of Victoria

Melbourne

11 August 2010

INDEPENDENT AUDITOR'S REPORT

To the Presiding Officers, Parliament of Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2010 of the Parliament of Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the Accountable Officers' and Chief Finance and Accounting Officer's declaration has been audited.

The Presiding Officers' Responsibility for the Financial Report

The Presiding Officers' of the Parliament of Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of the Parliament of Victoria for the year ended 30 June 2010. The Presiding Officers of the Parliament of Victoria are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Parliament of Victoria web site.

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Parliament of Victoria as at 30 June 2010 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
12 August 2010


for D D R Pearson
Auditor-General

Annual Report 2009-10

Department of Parliamentary Services
Parliament of Victoria





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

Telephone +613 8682 2661

Facsimile +613 8682 2659

Website www.parliament.vic.gov.au