



Governance. Service. Sustainability.



Annual Report

2005-2006

Department of Parliamentary Services

Parliament of Victoria

Our mission

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



Department of Parliamentary Services Annual Report 2005-2006
Tabled in the Legislative Council and Legislative Assembly, 4 October 2006

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DEPARTMENT OF PARLIAMENTARY SERVICES

4 October 2006

Monica Gould, MLC
President
Legislative Council
Parliament House
Melbourne Vic 3002

Judy Maddigan, 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 2006.

Yours sincerely

A handwritten signature in cursive script, reading "Stephen O'Kane".

Dr Stephen O'Kane
Secretary
Department of Parliamentary Services

Enc.

Annual Report

2005-2006

Department of Parliamentary Services
Parliament of Victoria

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Secretary's foreword



The Department of Parliamentary Services is a complex, multi faceted business operation which provides support to Members of Parliament and to the Department of the Legislative Council and the Department of the Legislative Assembly.

During the 2005-2006 year the Department continued to consolidate and implement the One Parliament approach.

The Department of Parliamentary Services Senior Leadership Group has continued to perform effectively and to accept new challenges including the improvement of systems, enhanced accountability, and the introduction of new technology and active participation in and support for the Parliament's 150th anniversary celebrations.

Strong collaboration has continued between the Secretaries of the Victorian, New Zealand, Australian and Western Australian Parliaments, and during the year this resulted in officers from the New Zealand and Western Australian Parliaments visiting us for exchange of views, sharing ideas and systems information.

There were many successful achievements during the year by the Department, the most significant of which was the redevelopment of the Parliamentary kitchen and dining room facilities.

Other significant achievements this year included:

- Further development of the Department of Parliamentary Services Business Plan.
- Development of the three year Information Technology strategy.
- Progressive implementation of a strategic risk management strategy.
- Establishment of a Contracts and Consultancy Register.
- Continued accountability improvements through the activities of the Parliament's internal Audit Committee which the Department resources and supports.
- Expansion of the Parliamentary Internship program.
- Significant training of Hansard staff in the use of software products and voice activated transcription (VAT).
- Restoration and enhancement of the Legislative Council chamber rail.
- Completion of the Parliament's first Heritage Asset Management Strategy.
- Introduction of a 'corporate wellness' program to promote healthy lifestyle.
- Successful introduction of the Australian International Financial Reporting Standards (AFIRS) to the Parliament's financial reporting.
- Completion of the Parliament's Re-Member Database.

- The redesign of the Parliament's Intranet site and successful training of content managers in business units.
- Completion and refurbishment of Members of Parliament offices on time and on budget.

The strength of our Department is underpinned by the commitment, dedication and creative enthusiasm of its people. I would like to thank the Department's staff for the significant work they have done this year in support of the Parliament's activities.

A handwritten signature in cursive script, appearing to read "Stephen O'Kane".

Dr Stephen O'Kane
Secretary
Department of Parliamentary Services

Our People

Our People



Dr Stephen O'Kane, *Secretary, Department of Parliamentary Services*

Stephen is the Secretary of the Department of Parliamentary Services, and as Department Head is responsible to the Presiding Officers for the operations of the Library, Communications and Information Technology, Organisation Development and Finance and Precinct and Property Management Groups. Stephen has substantial public sector management experience in state and local government, and in working with government business enterprises. His experience has ranged from human resources, internal audit and policy analysis to management consultancy work.

Stephen holds two degrees in business from RMIT and a PhD in Public Policy from Deakin University, and was Political Studies Fellow of the Australian Parliament. He is an Alumni of the Williamson Community Leadership Program and the Senior Executives in State and Local Government program at Harvard.



Peter Lochert, *Director, Organisation Development and Finance*

Peter is the Director Organisation Development and Finance in the Department of Parliamentary Services. He has held a range of executive positions in public and private sector organisations and brings with him to the Parliament extensive experience in resource management with particular strengths in human resources, change management, information technology and finance.

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Peter's qualifications include a Bachelor of Science, Graduate Certificate in Business and he is currently completing a Master's Degree in Leadership and Management. In addition, Peter has completed professional courses in executive development and as a company director.



Hilton Barr, *Director Precinct & Property Management*

Hilton is the Director, Precinct and Property Management in the Department of Parliamentary Services. After migrating to Australia from South Africa in 1987, Hilton worked in the manufacturing industry for two years before joining Asset Services - a federal government business enterprise - as Financial Controller Victoria and Tasmania. He joined the Parliament in April 1997 as Finance and Resources Manager.

Hilton has a Bachelor of Commerce & Accountancy and Diploma of Business Management from the University of Witswatersrand and is also a Fellow of Australian Society of CPAs.



Charles Gentner, *Director Library, Communications & Information Technology*

Charles is the Director Library, Communications and IT, in the Department of Parliamentary Services. Charles has over 35 years experience in the state, federal and local government in two states plus experience in a large private company. His previous employment also includes running a private accounting and consultancy company.

Charles' qualifications include Diploma of Business (Accounting) from the Caulfield Institute; a Post-Graduate Diploma in Public Policy from University of Melbourne and he is a Certified Practising Accountant. Charles has also completed a number of executive development programs.

Our Activities



PHOTO: LtoR John Mascarenhas (Manager Accounting & Administration), Andrew Van de Werve (Manager Budget & Risks), Bronwen Edwards (Manager Organisation Development), Peter Lochert (Director Organisation Development & Finance)

Organisation Development & Finance

Organisation Development
Accounting & Administration
Budget & Risks

Organisation Development and Finance

This reporting period constitutes the first full year of operation for the Organisation Development and Finance Group. During the year the Group focused on establishing an organisational structure and on recruiting and appointing new staff whilst engaging in wide ranging policy, process and systems development projects to address legislative change, new service delivery requirements and emerging financial pressures.

Enactment of the Parliamentary Administration Act 2005 required revision and change to a range of recruitment, selection and appointment policies and procedures in order to recognise the changed structure of Parliament and the expanded roles and responsibilities of Department Heads.

Implementation of the Occupational Health and Safety Act 2004 (new Act) continued the trend in safety regulation in Australia—with more detailed requirements and dramatically increased penalties. While the new Act does not change the fundamentals of safety obligations, it does add to the ways in which safety is to be promoted and enforced.

During the period, Parliament experienced increased pressure on finances as well as a climate of increased regulatory compliance and reporting requirements. Changed leasing arrangements for MP motor vehicles and increased cost of fuel also contributed additional pressure to the management of finances.

In response, the Group engaged in continuous review of policies, procedures and systems to better meet these growing requirements, to find operational efficiencies and to improve service provision. Significant effort was also invested in preparing for the 2006 State Election seeking to improve communication and service provision to Members and their staff during the closure of the 55th Parliament and implementation of the 56th Parliament.

Highlights

- The Group met all agreed service delivery targets to a wide range of clients across Parliament as well as agreed external reporting and compliance targets,
- Completed implementation of the International Financial Reporting Framework,
- Continued implementation of a strategic risk management framework,
- Development of a new budget allocation and financial performance management system for DPS,
- Review and re-development of a wide range of policies and procedures to reflect the implementation of the Parliamentary Administration Act 2005,
- Development and implementation of a Training and Development calendar addressing needs of Members, electorate officers and parliamentary officers, and
- Proactive management of Occupational Health and safety (OH&S) resulted in reduced injuries and claims.

Organisation Development

PHOTO: Carly Moore (Organisation Development Officer) & Daisy Marshall (Organisation Development Officer)



Role

The Organisation Development Unit came into effect from 1 July 2005. The Unit now includes the training function along with employee and industrial relations advice and support, OH&S advice and support, HR policy development, recruitment and payroll services.

The aim of this newly formed unit is to provide timely, authoritative advice and support to Members, Parliamentary Officers and Electorate officers on the range of people management functions outlined above.

Achievements

● Policy Development

A number of key policies were reviewed and amended in this period to reflect the new Parliamentary Administration Act 2005.

● New Career Structure

The new VPS career structure was consolidated during the year. The Organisation Development Unit provides support to managers and staff to understand and apply the new grade and job evaluation processes and the associated performance management system.

● Training and Development

The training function was integrated into the Unit from 1 July 2005. During this period the Parliamentary Officers and Electorate Officers Learning and Development Policies and Procedures and a calendar of events were endorsed and delivered. Key corporate training activities delivered during the period included:

- Equal Opportunity and Development Program sessions. A total of 157 participants attended these sessions.
- Performance Management training programs were designed for all parliamentary officers at the manager and staff levels to assist them to set performance targets. Forty-five managers and 101 parliamentary officers attended
- Other programs were delivered including knowledge management, computer and desktop training, time management, issue resolution and complaint management and presentation skills.

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- **Occupational Health and Safety and Employee Welfare**

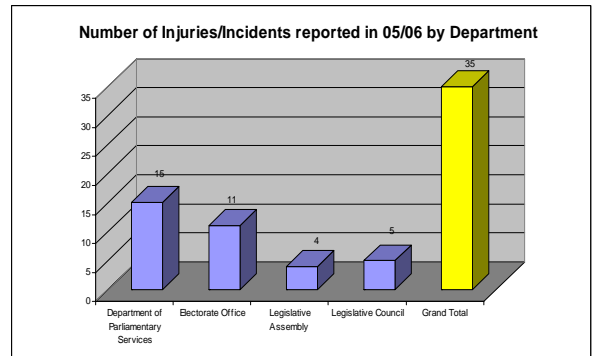
The organisation's commitment to health and safety continued in this period. This included reviewing and amending the Constitution of the Occupational Health and Safety (OH&S) Committee in response to amendments to the OH&S Act 2005, to meet the increased emphasis on consultation with employees and to better align with the "One Parliament" organisation objective by restructuring Designated Work Groups of the OH&S Committee. The new OH&S Committee was endorsed in the meeting in March 2006 and came into effect from April 2006 with an agreement to continue monthly meetings. Committee members underwent training relevant to their position and as per legislative requirements. Workplace assessments have been carried out and preventative action undertaken as appropriate along with ongoing review of OH&S policies and procedures to ensure currency and compliance.

During the 2005 to 2006 period, Parliament has experienced a reduction in the number of new WorkCover claims lodged when compared to the 2004 to 2005 period. During the year employees participated in a range occupational health & safety initiatives such as Flu Vaccinations, Health Checks, Skin Scans, Posture Assessments, Ergonomic Office Assessments and Stress/Fatigue Management training.

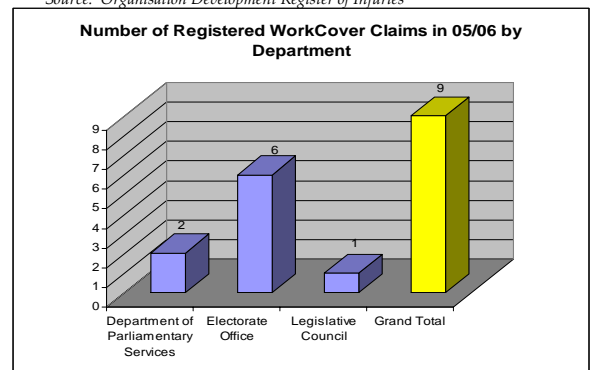
Preventative health and wellbeing activities contribute to the health of organisations. With this aim, the Organisation Development Unit implemented new initiatives such as a Corporate Wellness Pursuit Program and distributed a regular Fit and Healthy eNewsletter. Sixty-two staff joined up for the Corporate Wellness Program and feedback on this program and the newsletter has been positive.

- **Positive Confidential Assistance Provided to Staff**

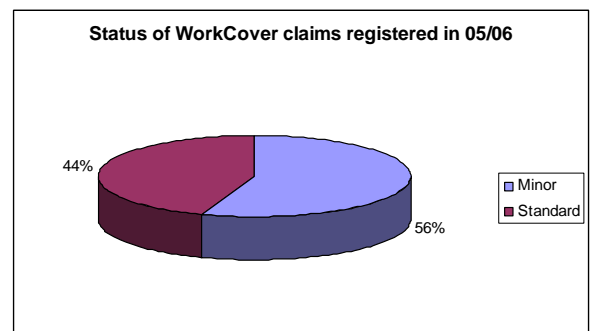
A confidential Employee Assistance Program (EAP) is offered to all employees and their immediate family. Increased marketing of the service and the delivery of a briefing session during the period increased the usage rate to approximately 4.9% of total staff numbers. This usage rate is considered a healthy response for organisations according to the service provider's research and analysis.



*Source: Organisation Development Register of Injuries



**Source: Organisation Development Claims Register



*Note: 'Minor' claim = a claim that does not pass the threshold of \$517 in medical and like expenses and / or 10 lost days. 'Standard' claim = a claim that exceeds the threshold of \$517 in medical and like expenses and / or 10 lost days.

- **Enterprise Bargaining Agreements**

The Members of State Parliament Staff (Victoria) Certified Agreement 2005 was certified in the Australian Industrial Relations Commission on 21st December 2005. Key features of the new agreement include:

- A three year agreement concluding June 2008;
- Maintenance of the salary nexus with federal electorate officers including a 6% increase on 11th August 2005;
- Creation of a tenth salary level;
- An additional two weeks paid maternity and adoption leave from the date of certification; and
- Access to pro-rata long service leave after 7 years.

- **Orientation and Induction**

Two Orientation and Induction day programs were designed, co-ordinated and delivered by Unit which was attended by 28 new employees. During this period, the Unit developed and produced new starter kits to complement the formal program to support new Parliamentary Officers.

- **Staff movements**

A total of 26 joined and 26 temporary, full time, part time and casual staff left the Department of Parliamentary Services this year. The Unit assisted with the recruitment of fifty-seven positions during the year across the three Parliamentary Departments. A formal exit interview process is co-ordinated by the Unit on a voluntary and confidential basis. Positive feedback that included comments that Parliament had friendly, approachable, highly skilled and dedicated people; a unique heritage environment and provided diverse and challenging work.

- **Looking Forward**

The Organisation Development Unit aims to build on the initiatives and achievements from this year and continue to provide timely, impartial, authoritative advice and support to Members and staff on a range of employee relations matters.

Accounting & Administration

PHOTO: Holly Lee (Cash Management & Accounting Officer)



Role

The Accounting & Administration Unit maintains the financial management system of the Parliament to ensure integrity of data and accurate reporting. The Unit prepares monthly financial information for the Parliamentary departments and the Members of Parliament. Monthly financial information is also submitted to the Department of Treasury and Finance (DTF). Each year the Unit prepares the annual financial statements for the Parliament.

The Accounting & Administration Unit works with the Department of Treasury and Finance in implementing budgetary decisions, monitoring actual outcomes and reporting.

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

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

The Accounting & Administration Unit's role also includes preparing the annual Fringe Benefit Tax and monthly Goods and Services Tax returns for submission to the Australian Taxation Office.

Other roles 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

- Successfully completed the Annual Financial Statement within the reduced time lines set out by Department of Treasury and Finance. Monthly financial information was submitted to Department of Treasury and Finance on time for the whole of the financial year.
- As a result of continued streamlined processes between the Accounting & Administration Unit and other departments within Parliament, all supplier invoices were paid on time. New and efficient methods were introduced in order to cope with higher volume of transactions during the current year within existing resources. The unit processed approximately 62,000 transactions during the financial year.
- Monthly management accounts for parliamentary departments were prepared and distributed to departments within agreed timelines for the whole financial year. Project accounting successfully delivered to service significant increase in capital and other projects.

- Successfully met further milestones in the implementation of the Australian equivalent of International Financial Reporting Standards (A-IFRS). The process included continued communication with stakeholders, making necessary changes to systems and processes as well as reporting outcomes to Department of Treasury and Finance.
- Successfully upgraded the Oracle financial system used for financial and management accounting. New Oracle application management and monitoring arrangement implemented for 24 hour monitoring, reducing the possibility of down time. Increased security measures introduced to eliminate the possibility of unauthorised access to Oracle.
- Fringe benefits tax policies and processes were further refined during the year leading to greater fringe benefit tax compliance. Recipients of benefits subject to fringe benefits tax were made more aware of their obligations as a result of better communication by the Accounting & Administration Unit.
- The Accounting & Administration Unit met 100 percent of its time lines for taxation reporting to the relevant authorities. This was achieved by improved processes, extensive planning and greater levels of communication with relevant departments and individuals required to provide information.
- Successfully implemented a project to enable electronic funds transfer (EFT) payments to a designated bank account both for suppliers as well as reimbursement of expenses incurred by Members of Parliament and parliamentary staff. The advantage of EFT is that payments are received with none of the delays associated with postage or clearance of cheques.
- Successfully implemented new credit card arrangement negotiated by the Department of Treasury and Finance which replaces the earlier arrangement with Westpac. The new credit card implementation allows cardholders to monitor their payments on-line almost immediately. Cardholders can now account code transactions on-line which makes the process of accounting for payments seamless and more efficient.
- All staff of the Accounting & Administration Unit have undertaken training to keep abreast of changes in accounting and taxation legislation with several staff also doing additional study in order to obtain membership to professional accounting bodies. Other staff training included Equal Employment Opportunity and Anti-discrimination; and customer service to improve the ability to deliver apolitical and efficient service. Staff have rendered services at the travelling exhibition and at the annual open day, which formed part of the 150th anniversary celebrations.
- Changes to chart of accounts implementing new cost centre structure to enable new budget and financial performance management process.
- Planning for 2006 election including preparation of information for members, establishing supply arrangements and accounts for newly elected Members and servicing the change over process.
- Updated Parliament intranet financial and accounting information including updates to Member's guide, relevant procedures, forms and resources for Members of Parliament, electorate offices and Parliamentary staff.

Budget & Risks

PHOTO: Vittoria Smirniotis (Budget & Telecommunications Officer)



Role

As part of the Organisation Development and Finance Group, the role of the Budgets & Risks Unit is to manage the Parliament of Victoria's internal and external budget processes, member services and Parliament's Risk Management Framework. The Unit's responsibilities include:

- Working with the Department of Treasury and Finance to ensure that external budget process is completed within required timeframes including submission to the Expenditure Review Committee and Public Accounts and Estimates Committee
- Working with the Parliamentary Departments to ensure that Internal budget requirements are met
- Providing a consultative service to Parliamentary Departments on financial and budgetary issues
- Managing the Members of Parliament's Electorate Office Budgets and Allowances
- Providing Management Reporting to Electorate Offices on Budgets and Allowances
- Management of Telecommunications accounts and purchasing
- Working with the Victorian Managed Insurance Authority to ensure that Parliament's Insurance and Risk Management needs are met
- Developing and Implementing the Parliament's Risk Management Framework
- Providing trend analysis and recommendations for improvements in the Parliament's financial position.

The Budgets & Risks Unit's role also includes the provision of advice to members and staff regarding the interpretation of guidelines and procedures relating to Electorate Office Budgets and Allowances.

Achievements

- Successfully implemented a new budget process for Department of Parliamentary Services leading to increased accountability of business unit managers
- Completion of Annual Budget process with Department of Treasury and Finance within required timeframes
- Coordinated the response to Public Accounts and Estimates Hearings within required timeframes
- Provision of Monthly reporting to Members and Electorate Offices completed within required timeframes
- Commenced the development of the Parliamentary Risk Management Framework
- Implemented new financial management reports for the monitoring of budget and actual expenditure for cost centres.



PHOTO: LtoR Hilton Barr (Director Precinct & Property Management), Luke Jordan (Manager Catering), Samantha Matthews (Manager Security & Electorate Properties), Paul Gallagher (Joint Manager Grounds & Maintenance), Brian Bourke (Joint Manager Grounds & Maintenance),

Precinct & Property Management

Security & Electorate Properties
Grounds & Maintenance
Catering

Precinct and Property Management

The Group comprises the Security and Electorate Properties Unit, the Grounds and Maintenance Unit and the Catering Unit.

The aim of the Group is to provide Members of Parliament with electorate offices, to maintain the parliamentary buildings, grounds and gardens in a working condition, provide catering services to the Parliament and external customers and security services to the Parliament and electorate offices.

The Group is responsible for the management and delivery of all capital projects for the Parliament and electorate offices. It also proactively manages the Parliamentary precinct to ensure that the heritage requirements and values of the Parliament are preserved.

Highlights

The Group had many achievements during the year which are highlighted in the individual unit reports. Some of the main highlights were

- Renovation of the kitchens of Parliament House while continuing to provide services to clients;
- Delivery of all capital projects within agreed budgets and timeframes;
- All help desk inquiries responded to within 24 hours of receipt;
- Received endorsement of Heritage Asset Management Strategy Plan for implementation in forthcoming years;
- Implementation of Project Management System for the delivery of all Grounds and Maintenance projects within the Parliament. The areas covered in the system include:
 - Business contract development sign-off
 - Contract tendering and administration
 - Contract evaluation
 - Contract management and budgeting.
- Conducted and facilitated program for capital works requirements for whole of Parliament;
- Commenced implementation of Electorate Properties Unit database project.

Security & Electorate Properties

PHOTO: Mark O'Connell & Lyn Greene (Electorate Properties Officers)



Role

The primary function of the Electorate Properties Unit is to provide support to members of Parliament and their staff on any property-related matters concerning their electorate offices. The unit's responsibilities include:

- Sourcing of new properties;
- Management of existing properties and reconciliation of the rent roll;
- Lease administration and associated negotiation;
- Coordination of structural assessments and fit outs and refurbishments;
- Management of telecommunications infrastructure and equipment;
- Management of security equipment, peripherals and monitoring;
- Furniture and equipment assessments, replacements and reconciliations;
- Property management function for Parliament at 157 Spring Street; and
- Provision of authoritative advice to members and staff regarding the interpretation of guidelines and procedures relating to their electorate office.

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As a result of the new organisational structure the security function outside of the Legislative Council and Legislative Assembly will transfer to this unit.

Achievements

This year's achievements include:

- Delivery of four relocation projects on time and on budget;
- Refurbishment of eight existing offices;
- Upgrade of telephone key systems to 70 offices;
- Review and upgrade to standard lease type and format;
- Planning and preparation for new EPU database;
- Review and preparation for Election 2006;
- Successful completion of 'Crime Prevention Through Environmental Design' training;
- Implementation of recommendations from security assessment of 157 Spring Street;
- Establishment of Electorate Office security incident log.

Grounds & Maintenance

PHOTO: Manny Attard (Assistant Maintenance Manager)



Role

The role of the Grounds & Maintenance Unit is to maintain and develop the historic grounds at Parliament House and provide a comprehensive range of building support services.

The team ensures that the Parliament buildings are an attractive and safe environment for staff, Members and visitors, completing a range of maintenance works as well as coordinating works carried out by contractors.

The team manages the tennis court and bowling green facilities and the operation of the Parliament House car park. The grounds are used throughout the year for many functions, including formal parliamentary events, corporate and private functions and public tours.

The challenge to the Grounds & Maintenance Unit is to provide services to a high standard while also protecting the historic significance of the Parliament buildings and gardens.

Achievements

There were several major projects running concurrently at Parliament House during 2005-06 and we accomplished the following:

- Raised the gallery rail in the Legislative Council Chamber to comply with safety standards.
- Refurbished the accommodation for the Opposition on Level 1 of Parliament House.
- Constructed a new gym and mail sorting room.
- Installed safety walkways on the roof of Parliament House.
- Added glass panels and door closers to the corridor doors outside the Legislative Council Chamber.
- Commenced the upgrade of the Premier's Suite.
- Supervised and assisted external contractors working on the catering upgrade project, the sound-proofing of the Hansard offices and the Lanec cabling project.
- Reduced water-usage in the gardens by heavily mulching all garden beds.
- Received a gold medal rating by the Victorian Managed Insurance Authority (VMIA).
- Upgraded many light fittings throughout Parliament House and increased the use of energy-efficient light globes.
- Prepared the Heritage Asset Management Strategy which was endorsed for implementation in the coming year and beyond.



Role

The role of the unit is to provide a high standard of service in relation to food and beverage, for all parliamentary members, their staff and guests, parliamentary staff and guests and external customers.

Achievements

This year's achievements include:

- Delivering the catering services for the Parliament within agreed parameters.
- The Ground and first floor kitchens were fully renovated during 2005 – 2006. Renovations include all new equipment and additional new storage areas for kitchen goods
- Continued operation of the catering department while undergoing full kitchen renovations using external portable kitchen, cool room, and freezer plus the conversion of a staff tea room into a cold food prep area and erecting a marquee in the Parliamentary gardens as a dining room
- Staff dining room relocated to a marquee that was erected in the Parliamentary gardens, complete with espresso machine and a daily *Al a carte* menu cooked on BBQ's plus a selection of daily fresh sandwiches, salads and desserts
- Temporary Members Dining Rooms created in both Queen's Hall and Sessions Café to ensure continued service of meals for Members and their guests on sitting days
- Both internal and external events (dinners up to 200 Guests & cocktail parties up to 350 guests) fully catered for during kitchen renovation.
- On average 2800 guests were recorded through functions and events per month. Over 1000 events were recorded during the kitchen renovations. This does not include guests dining in either the temporary Members Dining Room or the Marquee in the gardens.



PHOTO: LtoR Adrian Gallagher (Parliamentary Librarian), Rod Espie (Education & Community Engagement Officer), Joanne Truman (Manager Hansard), John Lovell (Manager Information Technology), Charles Gentner (Director Library Communications & IT)

Library, Communication & Information Technology

Education & Community Engagement
Information Technology
Hansard
Library

Library, Communication & Information Technology

The aim of the Division is to provide clients and customers with accurate and timely knowledge, record Parliamentary sittings and provide information for decision making purposes. The developed management framework is to produce innovative systems and practices for the efficient effective communication within Parliament. The focus over the past financial year has been the development of co-operative services to the Parliament and its customers. Hansard, Library and Information Technology have been instrumental in working together to improve the services to Members by upgrading computers and systems in Hansard, upgraded desktop computers and printers in the Parliamentary Precinct and electorate Offices and revamped search engine technology in Library.

The Education and Community Engagement Unit has designed educational programmes as part of the promotion of Parliament through the 150th Anniversary Exhibition and the development of the Parliament Tours. In conjunction with the Victorian Electoral Commission, the Unit has designed a series of Professional Development courses, for adult education teachers, around the Constitutional and electoral changes at the November 2006 election.

Communications is an important aspect of this Division's role and it is currently under review.

The Library serves Members in the provision of information, data and statistics and produces research on a variety of community and organisational issues. It is seen as the starting place where items and concerns are detailed and evaluated from to eventually create or amend legislation.

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The Information Technology (IT) Unit provides professional, quality and timely IT services to members, electorate officers and parliamentary staff. The IT aim is to be client focussed and to consult with customers on a regular basis in order to ensure that business goals and objectives of the Parliament are aligned with the needs of customers and subsequently met.

Hansard has met Member and customer performance targets and continually produces the formal and legal record of Parliamentary proceedings within specified timeframes and set quality requirements.

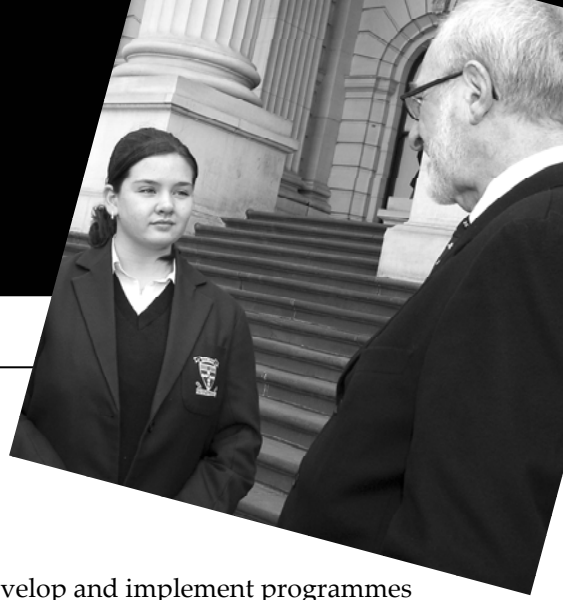
Highlights

- Replacement and upgrade of Hansard computers to a 'dual core' processor;
- Re-member database launch detailing all past and present Members to aid Member research;
- Installation of advanced search engine technology in the Library for the intranet site;
- Enhanced security of the Parliament's computer and communication network;
- Replacement of components within the sound systems of both Chambers of Parliament;
- Education programmes were developed for schools attending Bills, Bells, & Ballots;
- The application of Victorian Essential Learning standards to Parliament's tour guides;
- Production of a DVD on Parliament as part of the 150th Exhibition;
- Upgrade the Blackberry service with improved speeds and new handsets;

- Upgraded both the primary and secondary Storage Area Networks (SANs) to provide for unexpected growth in data storage and volume of e-mails;
- Installed latest generation Category 7 cabling to Member's offices in Parliament House;
- Replaced all Hansard VAT (Voice Activated Transcription) desktops with new highly configured specialist PC's;
- Replaced monochrome printers with new HP Laser series across all Electorate Offices;
- Increase in the range of Library publications addressing Parliamentary business including 9 major research publications and 13 chronologies and background website reports on up-coming legislation;
- Refurbishment of Parliament's Intranet site to apply uniform branding, an improved content management system, updated information and a re-developed Member's Guide database.

Education & Community Engagement

PHOTO: Rod Espie (Education & Community Engagement Officer) & student visiting Parliament



Role

The role of the Education and Community Engagement Officer is to develop and implement programmes that link Parliament with the community and establish its place in school curricula and adult education.

Achievements

During the past financial year Education and Community Engagement priorities have been

- Preparation of educational materials and presentations to engage schools in the *Bills, Bells and Ballots* - 150th Anniversary Travelling Exhibition in regional centres of Victoria.
- Production of a DVD on Parliament to be shown in the 150th Exhibition and used for ongoing community engagement purposes.
- Ensuring that Parliament's educational tours comply with the Victorian Essential Learning Standards (VELS) and training Parliament's tour guides in presentation techniques and the VELS requirements at various educational levels.
- Design of evaluation documentation for teachers of visiting schools resulting in their evaluation of educational tours of Parliament at a uniformly high standard.
- Working with the Legislative Assembly in the development of Parliament role plays for visiting schools and Parliament instructional tour programmes to take out to schools.
- Commencement of training of Attendants from both Houses in provision of public tours.
- Developing a partnership with the Victorian Electoral Commission in presenting Professional Development Courses for adult education teachers around the Constitutional and electoral charges around the November 2006 Election.
- Professional Development programmes for school teachers in collaboration with other members of Civics and Citizenship Network i.e. Law Institute of Victoria, Australian Electoral Commission, Victorian Electoral Commission, Victorian Association of Social Studies Teachers, Department of Education and Training, City Museum and Justice Museum.
- Regular discussion and sharing of ideas and resources with Education Sections of the other Australian Parliaments.
- Review of existing educational publications and resources and determining potential target audiences across entire educational spectrum.
- Coordinate and present Parliament input into the state and national School's Constitution Convention Programme.
- Provision of advice and materials to teachers and Members electoral offices
- Development of a 3 year plan for Education and Community Engagement for the Parliament of Victoria.

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Information Technology

PHOTO: Meinrado Bolinao (IT Services Officer)



Role

The Information Technology (IT) Unit provides professional, quality and timely IT services to members, electorate officers and parliamentary staff. Our aim is to be client focussed and to consult on a regular basis with our customers. This consultation ensures that business goals and objectives of the Parliament are aligned with the needs of our customers and subsequently met.

Our goal is to provide innovative solutions using the best-of-breed technology for the use of both Members and Staff.

The services we provide include:

- Procurement and installation of hardware and software;
- Provision of a Wide Area Network (WAN) linking 132 electorate offices, 35 Spring Street and 157 Spring Street with Parliament House;
- Maintaining the large server fleet across the state;
- Managing emails and ensuring the integrity of data carried via our network;
- Consultation and advice regarding the latest advancements in computer technology;
- Provision of a high availability network to underpin the delivery of services supplied by the various parliamentary departments;
- Building a strategy to improve the delivery of services currently available to the staff of Parliament of Victoria and guiding the development of future requirements in consultation with our customer groups;
- Driving the ongoing development of a unified IT approach throughout Parliament, drawing together three previously separate work groups in support of the One Parliament strategy.

Achievements

- Delivered the 2005 – 2008 Information Technology Strategic Plan.
- Installed latest generation Category 7 (Cat.7) cabling to Member's offices in Parliament House. This effectively removed the need to use the wireless network in the House and improved both the performance and availability of the network.
- Upgraded Lotus Notes from Version 5 to Version 6.5. Rationalised and de commissioned Notes databases; implemented a new "look and feel" across all Notes systems and streamlined Notes replication topology.
- Upgraded communications links to all Electorate Offices (WAN) from 128Kb to 512Kbs.
- Upgrade the Blackberry service with improved speeds and new handsets.
- Implemented sophisticated "Data Shaping" to all Electorate Offices to obtain improved network consistency and data through put. "Shaped" Member's data (e.g Notes and file and print) to have highest priority on communications links back to Electorate Offices.



Role

To accurately and promptly report the proceedings of Parliament, parliamentary committees and other forums in accordance with Victorian Hansard's editorial policy; to publish and proofread *Daily Hansard*; to publish weekly *Hansard*, including answers to questions on notice; and to publish 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. It is also responsible for providing sound amplification for the two parliamentary chambers.

The Unit is involved in exchanging information on professional and technology-related issues with other Australian and overseas Hansard groups.

Achievements

- **Sound Amplification and Recording**

Hansard provides sound amplification in the chambers as well as the digital audio recording used by staff to produce reports of proceedings. These systems are critical to the Parliament and to Hansard. For this reason work has continued on improving the reliability of these systems and refining the comprehensive backup system across the Parliament. Work was also undertaken to improve the quality of audio recording in the Legislative Council committee room (LCCR) by introducing 2-channel recording direct to the server in place of delayed recording via portable equipment. Further, a project has been developed to upgrade the sound amplifications and audio recording systems to further improve both sound and recording quality.

- **Committee Reporting**

Requests from committees for Hansard services continue to grow, and this year was no exception with the establishment by the Legislative Council of the Legislation Committee. Improvements to audio recording systems and minor modifications to staffing arrangements for both reported and monitored committees, including the use of sessional staff as required, lead to improvements in turn-around time for committee transcripts.

- **Service Delivery**

As a result of some staff departures, Hansard was able to promote a number of staff internally and recruit a number of new staff from outside the organisation. Significant improvements were made to the staff training and development program through the implementation of voice activated transcription (VAT) training for all reporters, along with a grammar workshop series to improve the quality and timeliness of service delivery.

- **Business Relationships**

Following the organisational restructure in 2004 and the inclusion of Hansard in the Department of Parliamentary Services, closer working relationships and business liaison has developed between Hansard and the Library and IT units. These improved working relationships have assisted in Hansard's improvements in service delivery including through upgrades to the Hansard computer build to better meet the needs of VAT reporters, improvements to audio systems and the commencement of discussions to streamline the production of *Hansard* for access via Internet.

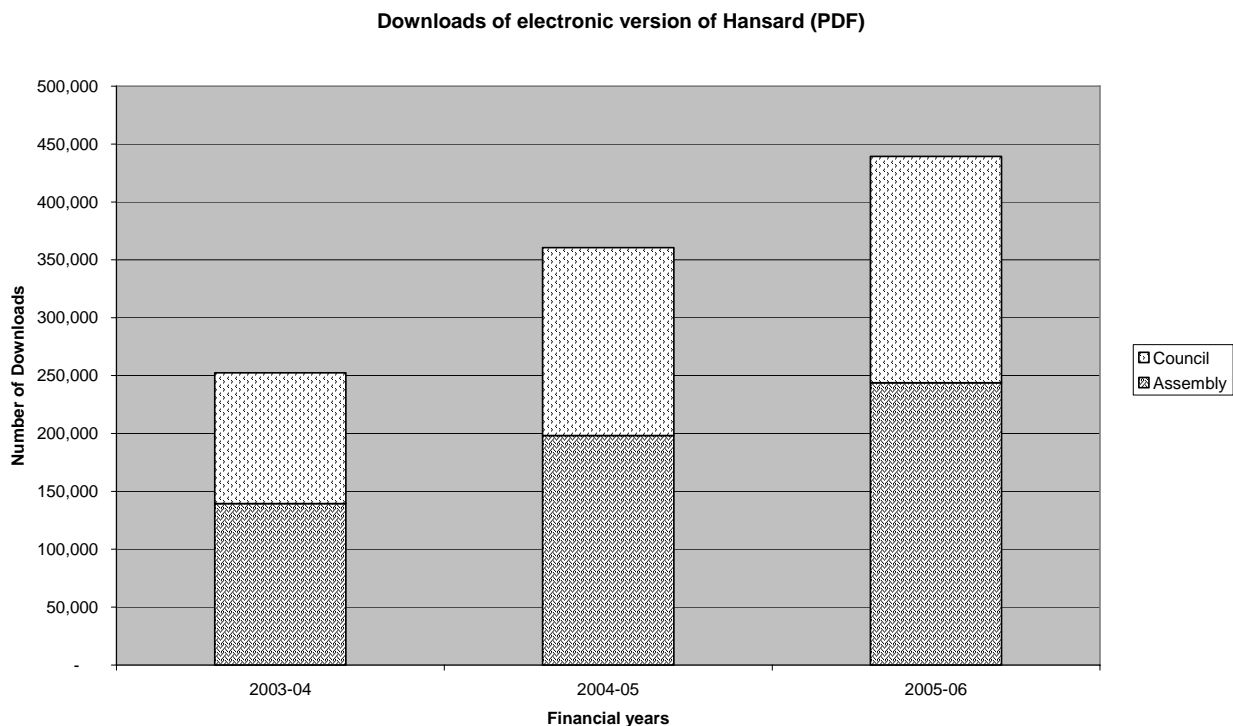
- **Reporting of other Forums**

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

- **Downloads of Electronic Version of Hansard**

The most popular documents on the Hansard web site are the reports of current sittings, as indicated by the 439 389 downloads of the 2005/2006 reports, outnumbering the downloads for every other sitting.

The unit continues to encourage the electronic accessing of *Hansard* to reduce print costs and paper consumption. This is reflected in the significant increase in the number of downloads over the past 3 financial years.





Role

The Parliamentary Library provides innovative, personalized and responsive information and research services to support the information needs of MPs and the Parliamentary community.

Library staff provide timely, accurate, and confidential information to clients upon request through the Reference Service and confidential briefings provided by the Research Service. Major publications containing original research are developed to support the activities of the legislature, including topical reports, bills digests, and a variety of statistical and chronological materials. The critical need of members to stay up-to-date with latest developments is met by a variety of tailored media monitoring services and an expanding collection of digital and print resources. Extensive training and outreach services are delivered by the Library - both at Parliament and in electorate offices - to identify needs and maximize the usage of resources.

The Library assists the organization of Parliament's publications and knowledge through the management of the Intranet site. It also engages with the broader community by providing important information and heritage services, including access to pictorial resources, on the public intranet site.

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Achievements

- In November a new Parliamentary Librarian, Adrian Gallagher, was appointed in the Library, working to ensure a closer relationship between Library, Hansard and Information Technology Units and key stakeholders.
- In May, the Library launched the Re-Member database which is a free online resource covering the biographical details of the 1602 men and woman who have served Parliament since 1851.
- The Library Research Service produced ten major research publications ranging from a Current Issues Brief on the Charter of Human Rights and Responsibilities Bill to a Research Paper on the "China Boom" Victoria's increasing trade with China. The Research Service delivered 176 individual briefings to Members and their staff on a complex range of issues of concern to the Parliamentary community.
- The Library Reference Service developed 6 Bills backgrounders and 7 chronologies to address key legislation and issues before Parliament.
- The Parliamentary Internship Program placed 61 tertiary students within Parliament and was expanded to allow the placement of an Honours student in support of a parliamentary project for the duration of the semester.

- Since July 2005, the Library has made a range of contribution to the 150th Anniversary project including:
 - Providing a searchable format and developing an easy-to-use interface for the online '1891 Women's Suffrage Petition'
 - An online Victorian Parliamentary Chronology titled "On this Day" to highlight key dates in Victoria's Parliamentary history.
- Extended the access of users to information resources by acquiring the Informit Australian Public Affairs Full text database along with a subscription to the online Australian Parliamentary Monitor.
- The Library's Client Support Unit provided 51 training sessions for MPs, Electorate Officers and Parliamentary Officers, along with conducting 24 visits to individual electorate offices. In May 2006, the Unit expanded the scope of their training profile to schedule 10 basic and advanced Internet Searching Training Sessions.
- The library, in collaboration with a number of other work units, undertook a major refurbishment of Parliament's Intranet site, requiring large scale redesign of intranet content and extensive consultation with stakeholders and content contributors across Parliament, including:
 - A consistent look and navigation system applying uniform branding and updated organizational information.
 - An improved content management system to enable easier updating of material by content owners to ensure the pages remained up-to-date
 - A redeveloped online Members' Guide was produced, in a more usable format than the previous Lotus Notes version, with up to date content.
 - A redesign of the Library Intranet pages to apply current branding and improve the information architecture of the site.

Additional
information

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; and
- 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 carry out its defined activities and operational functions; and
- 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

Number engaged 11 \$129,215

Topics include information technology security assessments; graphic design; human resources and disabled access assessments.

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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. We consult with Heritage Victoria and permits are issued for all works.

Occupational Health and Safety Reporting

Although the average cost of a WorkCover claim increased during the reporting period, the Organisation Development Unit continued working proactively in this area resulting in an overall reduction of new claims. To support the aim of prevention and early intervention strategies, the Organisation Development Unit focussed on developing and improving the management strategies of its staff working in electorate offices. Quarterly publications were distributed to electorate offices on relevant OH&S issues, including Office Ergonomics, Hazard Assessment and the Employee Assistance Program.

In summary, all the above activities demonstrate a commitment to increase awareness and support occupational health and safety activities in the workplace.

Overview of claims history:

	2002/03	2003/04	2004/05	2005/06
No. of new claims	7	9	12	9
Claims frequency	0.16	0.15	0.17	0.19
Average cost[†]	\$14,939	\$9,101	\$8,194	\$9,432

[†]Source: Cambridge Integrated Services (Insurance Provider)

Statistics include total paid for the claims received in the reporting period and paid during the same period

Staff Listing

Executive

O'Kane, Dr Stephen	<i>Secretary - Parliamentary Services</i>
Diesbecq, Clarisse	<i>Executive Assistant to the Secretary</i>
Murphy, Felicity	<i>Special Projects Officer</i>

Library, Communication & Information Technology

Altair, Angelo	<i>Publishing & IT Bus Supp Off</i>	Grant, Emma	<i>Pictorial Collections Officer</i>
Arabatzis, Peter	<i>IT Services Officer</i>	Gregory, Patrick	<i>Deputy Librarian (Budget & Planning)</i>
Aroozoo, Marianne	<i>Indexing Librarian</i>		
Averte, Gabriella	<i>Business Support Officer</i>	Hambleton, Eleanor	<i>Client Support Librarian (job share)</i>
Bainbridge, Joel	<i>IT Services Officer</i>		
Beks, Sandra	<i>Library Technician</i>	Hansen, Maria	<i>Senior Reporter</i>
Bilic, Giuliana	<i>Sessional Audio Monitor</i>	Harnath, Margaret	<i>Sub-Editor</i>
Bolinao, Meinrado	<i>IT Services Officer</i>	Harris, Linda	<i>Reporter</i>
Breukel, Jon	<i>Senior Reference Librarian</i>	Henson, Richard	<i>Library Technician</i>
Brown, Timothy	<i>Government Information Librarian</i>	Henry, Mark	<i>Publishing & IT Bus Supp Off</i>
		Hickey, John	<i>Editor — Assembly</i>
Cater, Trevor	<i>IT Architect</i>	Kebbe, Sue	<i>Reporter (job share)</i>
Cheney, Barry	<i>Systems Officer</i>	Kendall, Gillian	<i>Sessional Reporter</i>
Cleary, Jenelle	<i>Client Support Librarian (job share) / Intranet Librarian (job share)</i>	Kenny, Andrea	<i>Reporter (job share)</i>
		Kim, Louise	<i>Sessional Reporter</i>
Clifford, Philip	<i>Technical Services Librarian</i>	Lauder, Stephen	<i>Cataloguing Officer</i>
Cousins, David	<i>Technical Officer - IT</i>	Lesman, Bella	<i>Research Officer</i>
Cullen, David	<i>Sub Editor</i>	Lovell, John	<i>Manager Information Technology</i>
D'Odorico, Val	<i>Sessional Audio Monitor</i>	Lovrenovich, Violetta	<i>Sessional Reporter</i>
Ellul, Margaret	<i>Print Media Technician</i>	Macdonald, Claire	<i>Research Officer</i>
Espie, Rod	<i>Education & Community Engagement Officer</i>	Magarey, Joel	<i>Sessional Reporter</i>
		Mamouny, Michael	<i>Print Media Librarian</i>
Federico, Annie	<i>IT Planning & Development Officer</i>	McCarthy, Catherine	<i>Sessional Reporter</i>
		McFarlane, Eithne	<i>Sessional Reporter</i>
Ferry, Vicki	<i>Reporter</i>	McFarlane, Peter	<i>IT Planning & Development Officer</i>
Fewings, Timothy	<i>Broadcast Media Officer</i>		
Florczak, Matthew	<i>Technical Officer - IT</i>	McGlinchey, Stephanie	<i>Intranet Librarian (job share)</i>
Gallagher, Adrian	<i>Parliamentary Librarian</i>	McGregor, James	<i>Sessional Reporter</i>
Gardiner, Dr Gregory	<i>Senior Research Officer</i>	McIntyre, Andrew	<i>Sessional Reporter</i>
Gentner, Charles	<i>Director - Library, Communications & IT</i>	Meagher, Tracy	<i>Technical Officer - IT</i>
		Menadue, Carolyn	<i>Sessional Reporter</i>
Mills, Kevin	<i>Sub Editor</i>	Robertson, Stephen	<i>Senior Systems Engineer</i>
Nilon, Patricia	<i>Sessional Reporter</i>	Rosman, Stephen	<i>Web Development Officer</i>
Nugent, John	<i>Editor — Council</i>	Sablyak, Patricia	<i>Sessional Sub Editor</i>
Palmer, Damaris	<i>Sessional Reporter</i>	Smith, Heather	<i>Reporter</i>
Perdikoyiannis, Poppy	<i>Team Leader IT Services</i>	Spicer, Victoria	<i>Senior Client Support Librarian</i>
Raciti, Joe	<i>Team Leader IT Planning & Development</i>	Spillane, Patrick	<i>Reporter</i>
		Stone, David	<i>Serials Officer</i>
Read, Michelle	<i>Sessional Reporter</i>	Sutherland, Maggie	<i>Sessional Sub Editor</i>
Read, Stephen	<i>Technical Officer - IT</i>	Syer, Robert	<i>Sessional Reporter</i>
Reeves, Debra	<i>Lending Services Librarian</i>	Taucer, Carl	<i>Senior Technical Officer - IT</i>
Rissotto, Daisy	<i>Print Media Assistant</i>	Taylor, Linden	<i>Reporter</i>
Roberts, Karina	<i>Sessional Reporter</i>	Walshe, Beverley	<i>Reporter</i>
Truman, Joanne	<i>Manager, Hansard</i>		

Organisation Development & Finance

Cull, Barry	<i>Senior Organisation Development Officer</i>	Lochert, Peter	<i>Director - Organisational Development & Finance</i>
Barratt, Wendy	<i>Senior Organisation Development Officer</i>	Marshall, Daisy	<i>Organisation Development Officer</i>
Barton, Luke	<i>Accounts Officer</i>	Mascarenhas, John	<i>Manager, Accounting & Administration</i>
Bastas, Dennis	<i>Financial Accountant</i>	Moore, Carly	<i>Organisation Development Officer</i>
Daniels, Catherine	<i>Training & Development Officer</i>	Ridge, Allison	<i>Organisation Development Officer</i>
DePetro, Simone	<i>Receptionist (job share)</i>	Smirniotis, Vittoria	<i>Budget & Telecomm Officer</i>
D'Souza, Richard	<i>Accounts Officer</i>	Van de Werve, Andrew	<i>Manager, Budget & Risks</i>
Edwards, Bronwen	<i>Manager, Organisation Development</i>	Wearing, Paul	<i>Organisation Development Officer</i>
Kolkman, Caroline	<i>Receptionist (job share)</i>		
Lau, Wayne	<i>Accounting Officer</i>		
Lee, Holly	<i>Cash Management Officer</i>		

Precinct & Property Management

Amy, Penny	<i>Projects Officer</i>	Hughes, Ruth	<i>Horticulturist</i>
Attard, Manny	<i>Assistant Maintenance Manager</i>	Hurle, John	<i>Senior Horticulturist - Turf</i>
Barr, Hilton	<i>Director - Precinct & Property Management</i>	Huva, Ron	<i>Carpenter</i>
Bourke, Brian	<i>Jt Manager, Grounds & Maintenance</i>	Jordan, Luke	<i>Manager, Catering</i>
Chan, Leslie	<i>Sous Chef</i>	Matthews, Samantha	<i>Manager, Security & Electorate Properties</i>
Clarke, Joanna	<i>Electorate Properties Officer</i>	O'Connell, Mark	<i>Electorate Properties Officer</i>
Gallagher, Paul	<i>Jt Manager, Grounds & Maintenance</i>	Olive, Geoff	<i>Maintenance Officer (part-time)</i>
Greene, Lyn	<i>Electorate Properties Officer</i>	Robertson, Rachel	<i>Horticulturist (part-time)</i>
Haddow, Linda	<i>Horticulturist (part-time)</i>	Rogers, Robyn	<i>Catering Office Manager</i>
Holland, Kathryn	<i>Horticulturist (part-time)</i>	Schober, Bill	<i>Car Park Attendant</i>
Horvath, Lilian	<i>Electorate Properties Officer</i>	Sellar, Malcolm	<i>Executive Chef</i>
Hough, Stevon	<i>Electrician</i>	Tremoulas, John	<i>Electrician</i>
		Vella, Amanda	<i>Painter</i>
		Window, Graham	<i>Chef</i>

150th Celebrations Project

Morris, Sharon	<i>Project Manager, 150th Anniversary</i>
Fennell, Robyn	<i>Project Officer, 150th Anniversary</i>

Summary of Staffing & Full-time Equivalents

Staffing

	Department Staff	Electorate Office Staff	Total
Full-time	97	118	215
Part-time	12	221	233
Sessional	18	0	18
Total	127	339	466

Full-time equivalents (FTE)

	Permanent	Fixed Term	Total
Department of Parliamentary Services	95.97	14.00	109.97
Electorate Officer Staff	217.48	4.30	221.78
Total	313.45	18.30	331.75

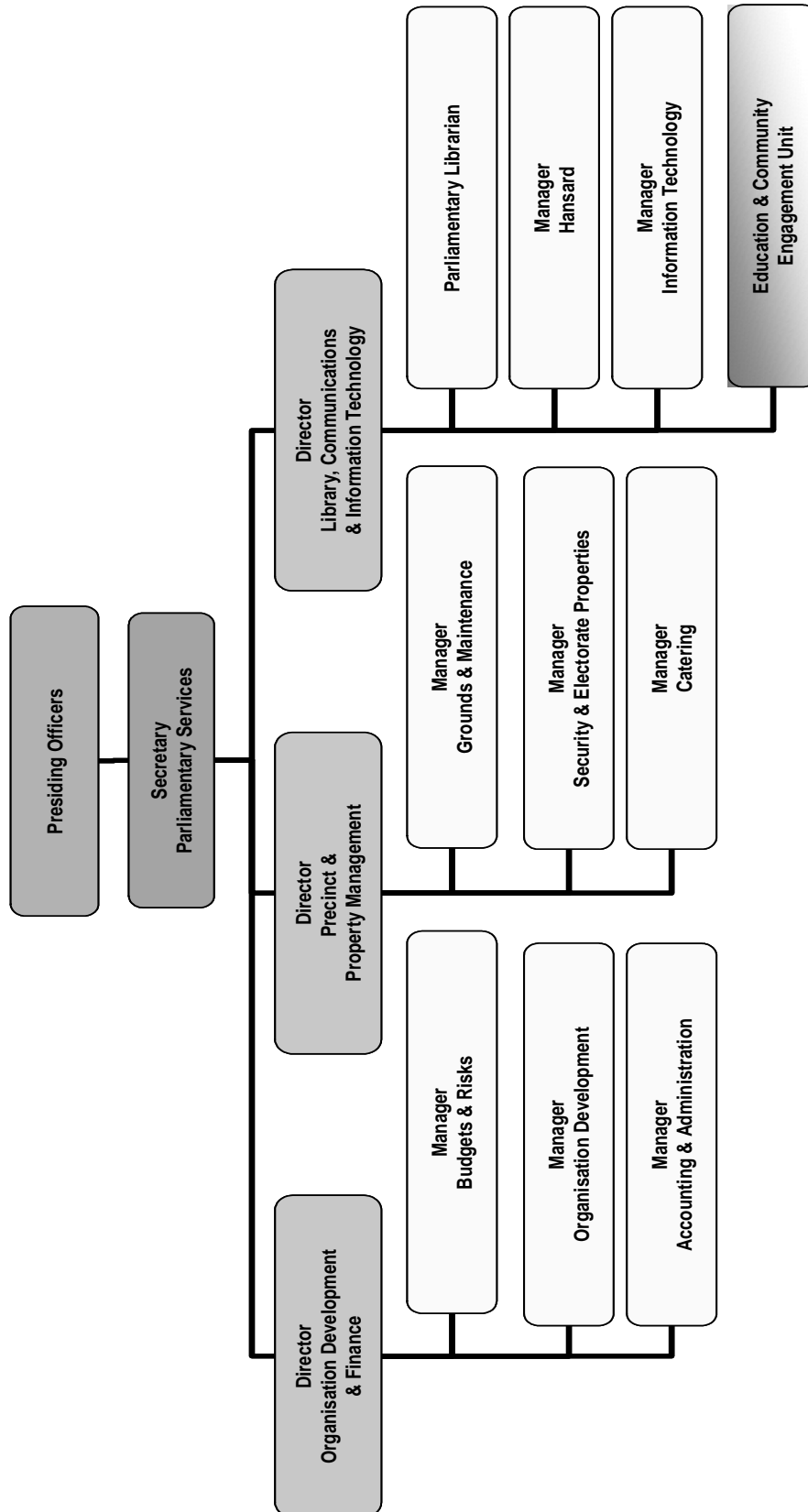
(1) The figures in the Staff Numbers Section represent a count of the number employees in each department

(2) The figures in the FTE section 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 0.5 FTE)

All full-time staff are assumed to work a 38 hour week regardless of hours worked during sitting periods etc

NB – Hansard FTE figures include sessional hours worked divided by full-time equivalent hours

Organisational Chart



Output Measures

Major outputs/Deliverables

Performance measures

Support Services

Provision of human resources, finance, information technology, maintenance, grounds and facilities, consultancy, advisory and support service

	2005-06 Actual	2005-06 Target
IT system up time	99%	99%
Provision of fully resourced electorate offices outside of the Parliamentary precinct	132	132
Members, staff and officers satisfied or better with the services provided	83%	73%
Payroll entries processed without error	99%	97%
Requirements of conservation and heritage plans met	100%	100%
Reports prepared within required timelines	100%	98%
Financial accounts paid within credit terms	100%	96%

Hansard, sessional indexes and committee transcripts

	2005-06 Actual	2005-06 Target
Parliamentary audio system transmission availability	99%	99%
Accuracy of Hansard committee transcripts	99%	99%
Accuracy of Committee transcripts	99%	99%
Accuracy of indexes to records of proceedings	99%	99%
Audibility of parliamentary audio transmission	99%	99%
Accuracy of extract of speeches	99%	99%
Hansard chamber record produced within specified time frame in hard, soft, internet and intranet formats	99%	99%
Committee transcripts produced within specified time frame	99%	99%
Indexes to records of proceedings produced within specified time frame	99%	99%
Extracts of speeches produced within specified time frame	99%	99%

Information provision

Delivery of services whereby information is collated for a client in response to a specific request

	2005-06 Actual	2005-06 Target
Service requests satisfied	8,527	8,500
Satisfaction with quality of information provided	85%	85%
MP users of library service as proportion of all MPs	92%	85%
Satisfaction with timeliness of information provided	85%	85%

Information access

Creation of services to enable clients to access information themselves

	2005-06 Actual	2005-06 Target
Items processed for retrieval	41,398	27,000
Visitor sessions on DPS intranet site	49,395	40,000

Research

Provision of statistical, analytical and research briefings and publications in support or anticipation of Members' parliamentary responsibilities

	2005-06 Actual	2005-06 Target
Briefings provided	176	140
Clients rating service at expected level or above	85%	85%
Requests completed within agreed time frame	84%	80%

Public relations and education

Enabling citizen access to parliamentary processes through publishing key information online; involving young people in democratic system

	2005-06 Actual	2005-06 Target
Teachers provided with in-service training & consultancies	835	820
Visitor sessions on Parliament website	1,245,140	650,000
Uptake of student visitor places	100%	80%
Clients rating education service as satisfactory	90%	85%

Financial Statements

Parliament of Victoria

Financial report - 30 June 2006

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

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
Operating Statement
for the financial year ended 30 June 2006

	Notes	2006 \$	2005 \$
Income			
Output appropriations	3 (a)	63,105,266	60,440,227
Special appropriations	3 (a)	17,688,394	32,199,637
Parliament refreshment rooms	3 (a)	834,194	1,416,341
Total income		81,627,854	94,056,205
Expenses			
Employee benefits expense	3 (b)	(49,173,752)	(62,378,422)
Depreciation and amortisation expense	3 (c)	(3,840,183)	(3,367,958)
Capital asset charge		(1,194,000)	(516,174)
Supplies and services	3 (e)	(24,454,104)	(23,787,061)
Parliament refreshment rooms	3 (d)	(1,099,466)	(1,460,000)
Other expenses	3 (f)	(338,763)	(123,481)
Finance Costs	3 (g)	(212,113)	(103,516)
Total expenses		(80,312,381)	(91,736,612)
Net result from continuing operations		1,315,473	2,319,593
Net result for the period		1,315,473	2,319,593

Notes to the financial statements are included on pages 6 to 44.

PARLIAMENT OF VICTORIA
Balance Sheet
as at 30 June 2006

	Notes	2006 \$	2005 \$
Current assets			
Cash assets	23 (a)	59,162	44,194
Receivables	6	4,847,935	2,649,538
Inventories	7	43,307	61,947
Other assets	8	604,576	781,479
Total current assets		5,554,980	3,537,158
Non - current assets held for sale	9	185,806	-
Total current assets		5,740,786	3,537,158
Non-current assets			
Receivables	6	19,131,804	18,029,073
Property, plant and equipment	10	198,014,080	192,129,574
Total non-current assets		217,145,884	210,158,647
Total assets		222,886,670	213,695,805
Current liabilities			
Payables	11	2,092,517	1,721,573
Bank Overdraft	23 (a)	1,125,038	1,349,784
Interest bearing liabilities	12, 19	2,203,187	1,472,954
Provisions	13	5,294,298	4,524,000
Total current liabilities		10,715,040	9,068,311
Non-current liabilities			
Interest bearing liabilities	12, 19	1,493,732	1,039,142
Provisions	13	608,686	308,969
Total non-current liabilities		2,102,418	1,348,111
Total liabilities		12,817,458	10,416,422
Net assets		210,069,212	203,279,383
Equity			
Contributed capital	16 (b)	151,550,362	147,450,362
Asset revaluation reserve	16 (a)	48,019,283	46,644,927
Accumulated surplus	16 (c)	10,499,567	9,184,094
Total equity		210,069,212	203,279,383
Contingent liabilities and contingent assets	18		
Commitments for expenditure	17		

Notes to the financial statements are included on pages 6 to 44.

PARLIAMENT OF VICTORIA
Statement of recognised income and expense
for the financial year ended 30 June 2006

	Notes	2006 \$	2005 \$
Gain on cultural asset revaluation	16	<u>1,374,356</u>	-
Net income recognised directly in equity		<u>1,374,356</u>	-
Net result for the period		<u>1,315,473</u>	2,319,593
Total recognised income and expense for the period		<u><u>2,689,829</u></u>	<u>2,319,593</u>

Notes to the financial statements are included on pages 6 to 44.

PARLIAMENT OF VICTORIA
Cash flow statement for the financial year ended
30 June 2006

	Notes	2006 \$	2005 \$
Cash flows from operating activities			
Receipts from Government		77,682,909	87,788,285
Receipts for Parliament refreshment rooms		1,030,506	1,513,196
Payments to suppliers and employees		(75,214,870)	(88,157,014)
Payments by Parliament refreshment rooms		(1,146,403)	(1,499,319)
		<u>2,352,142</u>	<u>(354,852)</u>
Goods and Services Tax recovered from the ATO		2,853,051	2,568,176
Goods and Services Tax paid to the ATO		(69,284)	(115,457)
Capital asset charge		(1,194,000)	(516,174)
Interest and other costs of finance paid		(212,113)	(103,516)
Net cash provided by/ (used in) operating activities	23 (c)	<u>3,729,796</u>	<u>1,478,177</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(6,387,383)	(1,904,229)
Sale proceeds from disposal of assets		729,954	125,409
		<u>(5,657,429)</u>	<u>(1,778,820)</u>
Cash flows from financing activities			
Proceeds from capital contributed by State Government		4,100,000	250,000
Disposal of assets-Finance lease		(946,069)	(148,890)
Repayments of finance leases		(986,583)	(314,105)
		<u>2,167,348</u>	<u>(212,995)</u>
Net increase/ (decrease) in cash held		<u>239,715</u>	<u>(513,638)</u>
Cash and cash equivalents at the beginning of the financial year		(1,305,590)	(791,952)
Cash and cash equivalents at the end of the financial year	23 (a)	<u>(1,065,875)</u>	<u>(1,305,590)</u>

Notes to the financial statements are included on pages 6 to 44.

Non-cash transactions are disclosed in note 23

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

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Note 1 - Summary of accounting policies

Statement of compliance

This financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, Australian Accounting Standards and Urgent Issues Group Interpretations. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS 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 circumstance, 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 and future periods if the revision affects both current and future periods.

Judgements made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

The Parliament of Victoria changed its accounting policies on 1 July 2005 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of the Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the Parliament's financial position, financial performance and cash flows is discussed in note 26.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2006, the comparative information presented in these financial statements for the year ended 30 June 2005, and in the preparation of the opening A-IFRS balance sheet at 1 July 2004, the Parliament of Victoria's date of transition, except for the accounting policies in respect of financial instruments. The accounting policies for financial instruments applicable to the comparative information and the impact of the changes in these accounting policies are discussed further in Note 1 (z).

(a) Reporting entity

The financial statements include all the controlled activities of the Parliament of Victoria. The Parliament has no controlled entities.

Administered resources

The Parliament administers but does not control certain resources on behalf of the Victorian Government. 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 Victorian Government. Administered resources are accounted for using the accrual basis of accounting.

Transactions and balances relating to these administered resources are not recognised as Parliament revenues, expenses, assets or liabilities within the body of the financial statements, but are disclosed in the applicable output schedules (see note 15).

Non-current assets

All non-current assets, including Crown Land, controlled by the Parliament are reported in the balance sheet. Non-current assets which the Parliament administers on behalf of the Victorian Government are reported as administered resources.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 1 - Summary of significant accounting policies (continued)

(b) Cash

Cash and cash equivalents comprise cash on hand and cash in banks net of outstanding cheques yet to be presented by the Parliament's suppliers and creditors. Refer to note 23 (a).

(c) Rounding of amounts

All figures in the financial statements and the notes thereto have been rounded off to the nearest dollar unless specifically stated otherwise.

(d) 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.

(e) Outputs of the Parliament

Information about the Parliament's output activities, and the expenses, revenues, assets and liabilities which are reliably attributable to those output activities, is set out in the output activities schedule (note 2). Information about expenses, revenues, assets and liabilities administered by the Parliament are given in the schedule of administered expenses and revenues and the schedule of administered assets and liabilities (see also note 15).

(f) Non current physical assets

Land & Buildings are measured at fair value. Plant, equipment and vehicles are measured at cost less accumulated depreciation and impairment.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 1 - Summary of significant accounting policies (continued)

(g) Revaluations of non-current assets

Non-current physical assets measured at fair value are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. This revaluation occurs every 5 years.

Revaluation increments are credited directly to equity in the revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised as income in determining the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets.

(h) Impairment of assets

All assets are assessed annually for indications of impairment (i.e. as to whether their carrying value exceeds their recoverable amount) and whenever there is an indication that the asset may be impaired.

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 1 - Summary of significant accounting policies (continued)

(i) Income recognition

All income received by the Parliament is generally required to be paid into the Consolidated Fund.

Income becomes controlled by the Parliament when it is appropriated from the Consolidated Fund by the Victorian Parliament and applied to the purposes defined under relevant appropriations act. Additionally, the Parliament is permitted under section 29 of the *Financial Management Act 1994* to have certain receipts annotated to the annual appropriation. The receipts which form part of a section 29 agreement are received by the Parliament and paid into the Consolidated Fund as administered revenue (note 15). At this point, 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 receipts from sales of products and services, Commonwealth specific purpose grants and the proceeds from the sale of assets.

Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes.

(j) Output Revenue

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

(k) Financial Assets

All debtors are recognised at the amounts receivable as they are due for settlement at no more than 30 days from the date of recognition.

Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 1 - Summary of significant accounting policies (continued)

(l) Depreciation of property, plant and equipment

Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

Category of Asset	Depreciation Rate %	
	2005-06	2004-05
Buildings	0.5 to 10	0.5 to 10
Leasehold Improvements	10	10
Plant Equipment and Vehicles	10 to 33.3	10 to 33.3
Cultural Assets	0 to 20	0 to 20

(m) Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Parliament, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over 10 years.

(n) Leased non-current assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Parliament of Victoria at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance lease assets are amortised on a straight-line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 1 - Summary of significant accounting policies (continued)

(o) Restrictive nature of cultural and heritage assets and Crown land

During the reporting period, the Parliament held cultural assets, heritage assets and Crown land.

Such assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The nature of these assets means that there are certain limitations and restrictions imposed on their use and/or disposal.

(p) Payables

These amounts represent liabilities for goods and services provided to the Parliament prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Interest bearing liabilities

Interest bearing liabilities are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost, with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest liability using the effective interest rate method.

(r) Finance costs

Finance costs are recognised as expenses in the period in which they are incurred. Finance costs include finance lease charges.

(s) Maintenance and repairs

Assets of the Parliament are required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(l). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

(t) Goods and Services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
 - for receivables and payables which are recognised inclusive of GST.
- The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority classified as operating cash flows.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 1 - Summary of significant accounting policies (continued)

(u) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provision made in respect of employee benefits are to be measured based on their expected settlement. Provisions which are expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the parliament of Victoria in respect of services provided by employee up to reporting date.

Regardless of the expected timing of settlement, provisions made in respect of employee benefits are classified as a current liability unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability. Provisions made for annual leave and unconditional long service leave would be classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 7 years of continuous service.

Superannuation

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit plans

The amount charged to the Operating Statement in respect of defined benefit plan superannuation represents the contributions made by the Parliament to the superannuation plan in respect to the current services of current Parliament staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The Parliament does not recognise any defined benefit liability in respect of the superannuation plan because the Parliament 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 & Finance administers and discloses the State's defined benefit liabilities in its financial report.

Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and expenses when the employee benefits to which they relate are recognised as liabilities.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 1 - Summary of significant accounting policies (continued)

(v) Inventories

Stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition.

(w) Capital asset charge

The capital asset charge is imposed by the Department of Treasury and Finance and represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs. The charge is calculated on the carrying amount of non-current physical assets (excluding cultural assets and the Whole of Government Motor Vehicle finance lease).

(x) Resources provided and received free of charge or for nominal consideration

Contributions of resources and resources provided free of charge or for nominal consideration are recognised at their fair 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.

(y) Contributed Capital

Consistent with UIG Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* appropriations for additions to net assets have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributed capital.

(z) Comparative information - *financial instruments*

The effect of changes in the accounting policies for financial instruments on the balance sheet as at 1 July 2005 is nil.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 2 - Parliament Outputs

A description of Parliament outputs performed during the year ended 30 June 2006, and the objectives of these outputs, are summarised below.

Parliament Outputs

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 and 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.

Note 2 - Parliament Outputs (continued)

Parliamentary Investigatory Committees Outputs

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 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 Parliament of Victoria's financial statements

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 2 - Parliament Outputs schedule - controlled income and expenses for the year ended 30 June 2006

	Legislative Council \$	Legislative Assembly \$	Department of Parliamentary Services \$	Parliamentary Investigatory Committees \$	Parliament Total \$
Income					
Output appropriations	2,566,823	3,956,752	51,025,064	5,556,627	63,105,266
Special appropriations	6,062,487	11,625,907	-	-	17,688,394
Other revenue	-	-	-	-	-
Parliament refreshment rooms	-	-	834,194	-	834,194
Total revenue	8,629,310	15,582,659	51,859,258	5,556,627	81,627,854
Expenses					
Employee benefits	(7,722,079)	(14,123,625)	(23,923,619)	(3,404,429)	(49,173,752)
Depreciation and amortisation	-	-	(3,840,183)	-	(3,840,183)
Capital asset charge	-	-	(1,194,000)	-	(1,194,000)
Supplies and services	(421,231)	(894,033)	(21,439,642)	(1,699,198)	(24,454,104)
Other expenses from ordinary activities	-	(100,000)	(238,763)	-	(338,763)
Finance costs	-	-	(212,113)	-	(212,113)
Parliament refreshment rooms	-	-	(1,099,466)	-	(1,099,466)
Total expenses	(8,143,310)	(15,117,658)	(51,947,786)	(5,103,627)	(80,312,381)
Net result for the period	486,000	465,001	(88,528)	453,000	1,315,473

The comparative Parliament Outputs schedule for the year ended 30 June 2005 appears on the following page.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 2 - Parliament Outputs schedule - controlled income and expenses for the year ended 30 June 2005

	Legislative Council \$	Legislative Assembly \$	Department of Parliamentary Services \$	Parliamentary Investigatory Committees \$	Parliament Total \$
Income					
Output appropriations	2,864,694	4,562,129	47,455,734	5,557,670	60,440,227
Special appropriations	10,914,726	21,284,911	-	-	32,199,637
Parliament refreshment rooms	-	-	1,416,341	-	1,416,341
Total revenue	13,779,420	25,847,040	48,872,075	5,557,670	94,056,205
Expenses					
Employee benefits	(12,911,374)	(24,470,154)	(21,889,638)	(3,107,256)	(62,378,422)
Depreciation and amortisation	-	-	(3,367,958)	-	(3,367,958)
Capital asset charge	-	-	(516,174)	-	(516,174)
Supplies and services	(385,046)	(948,886)	(20,539,967)	(1,913,162)	(23,787,061)
Other expenses from ordinary activities	-	(100,000)	(23,481)	-	(123,481)
Finance costs	-	-	(103,516)	-	(103,516)
Parliament refreshment rooms	-	-	(1,460,000)	-	(1,460,000)
Total expenses	(13,296,420)	(25,519,040)	(47,900,734)	(5,020,418)	(91,736,612)
Net result for the period	483,000	328,000	971,341	537,252	2,319,593

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 2 - Parliament Outputs schedule - controlled income and expense recognised directly in equity for the year ended 30 June 2006

	Legislative Council \$	Legislative Assembly \$	Department of Parliamentary Services \$	Parliamentary Investigatory Committees \$	Parliament Total \$
Gain on cultural assets revaluation	-	-	1,374,356	-	1,374,356
Total	-	-	1,374,356	-	1,374,356

Parliament Outputs schedule - controlled income and expense recognised directly in equity for the year ended 30 June 2005

	Legislative Council \$	Legislative Assembly \$	Department of Parliamentary Services \$	Parliamentary Investigatory Committees \$	Parliament Total \$
Gain on cultural assets revaluation	-	-	-	-	-
Total	-	-	-	-	-

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 2 - Parliament Outputs schedule - controlled assets and liabilities as at 30 June 2006

	Legislative Council \$	Legislative Assembly \$	Department of Parliamentary Services \$	Parliamentary Investigatory Committees \$	Parliament Total \$
Assets					
Current assets	300	18,113	5,690,279	32,094	5,740,786
Non-current assets	-	-	217,145,884	-	217,145,884
Total assets	300	18,113	222,836,163	32,094	222,886,670
Liabilities					
Current liabilities	(612,904)	(895,405)	(8,554,139)	(652,592)	(10,715,040)
Non-current liabilities	(17,163)	(47,601)	(1,900,738)	(136,916)	(2,102,418)
Total liabilities	(630,067)	(943,006)	(10,454,877)	(789,508)	(12,817,458)
Net assets/(liabilities)	(629,767)	(924,893)	212,381,286	(757,414)	210,069,212

The comparative Parliament Outputs schedule for the year ended 30 June 2005 appears on the following page.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 2 - Parliament Outputs schedule - controlled assets and liabilities as at 30 June 2005

	Legislative Council \$	Legislative Assembly \$	Department of Parliamentary Services \$	Parliamentary Investigatory Committees \$	Parliament Total \$
Assets					
Current assets	2,000	-	3,474,750	60,408	3,537,158
Non-current assets	-	-	210,158,647	-	210,158,647
Total assets	2,000	-	213,633,397	60,408	213,695,805
Liabilities					
Current liabilities	(536,585)	(702,527)	(7,379,391)	(449,808)	(9,068,311)
Non-current liabilities	(5,213)	(50,425)	(1,188,479)	(103,994)	(1,348,111)
Total liabilities	(541,798)	(752,952)	(8,567,870)	(553,802)	(10,416,422)
Net assets/(liabilities)	(539,798)	(752,952)	205,065,527	(493,394)	203,279,383

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

	2006	2005
	\$	\$
Note 3 - Net result from operations		
(a) Revenue by source		
Income from Government		
Output appropriations	63,105,266	60,440,227
Special appropriations	17,688,394	32,199,637
	80,793,660	92,639,864
Income from Other Parties		
Parliament refreshment rooms	834,194	1,416,341
	81,627,854	94,056,205
Total revenue		

Result from ordinary activities includes the following specific expenses:

(b) Employee benefit expense		
Salaries and wages (**)	39,976,175	37,707,685
Annual leave and long services leave expense	3,298,367	2,694,098
Parliamentary contributory superannuation fund	0	15,500,000
Superannuation contribution	2,349,352	2,079,903
State Employees Retirement Benefits Scheme - contribution	17,284	20,171
Work cover premiums	379,852	427,897
Payroll tax	2,457,790	3,218,178
Fringe benefits tax	694,932	730,490
	49,173,752	62,378,422

** 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.

(c) Depreciation & Amortisation expense

Depreciation of non-current assets	2,548,355	2,816,967
Amortisation of non-current assets	1,291,828	550,991
	3,840,183	3,367,958

(d) Parliament refreshment rooms

The Parliament refreshment rooms operate within the Parliamentary complex :

Expenses		
Cost of goods sold	283,175	433,935
Other expenditure	816,291	1,026,065
	1,099,466	1,460,000

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 3 - Net result from operations (continued)

	2006	2005
	\$	\$
(e) Supplies and services		
Acts, bills and statutory rules	472,857	514,513
Adaptations and maintenance	381,741	610,030
Advertising	217,116	178,518
Cleaning expenses	514,292	487,494
Committee operating costs	790,692	991,883
Communication expenses	3,933,545	3,740,635
Computer consulting and contractors	542,649	355,671
Computer software purchases	719,544	458,011
Computer support services	552,529	441,159
Consulting services	640,464	659,369
Electorate office expenses	867,672	701,206
Equipment rental	589,744	1,472,847
Garden expenses	228,160	95,137
Insurance	385,725	457,476
Maintenance consulting and contractors	276,892	345,738
Maintenance department consumables	553,300	517,579
Minor equipment purchase and repair	279,405	360,404
Motor vehicle lease cost	137,730	692,085
Motor vehicle running costs	974,229	831,822
Office expenses	525,603	536,594
Office requisites and stationery	347,456	278,849
Online data base expenses	221,295	204,237
Other expenses	1,186,514	1,037,796
Postage	1,371,176	752,643
Printing and copying	2,176,386	1,619,194
Property rental cost	4,558,138	4,433,203
Travel and subsistence	338,430	302,491
Utilities	670,820	710,477
Total supplies and services	24,454,104	23,787,061
(f) Other expenses from ordinary activities		
Commonwealth Parliamentary Association Grant	100,000	100,000
Loss on disposal of Property, Plant & Equipment	238,763	23,481
	338,763	123,481
(g) Finance costs		
Interest on Finance Leases paid/payable	212,113	103,516

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 4 (a) - Summary of compliance with annual parliamentary appropriations

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

2006

	Appropriation Act		Financial Management Act 1994				Total Parliamentary Authority	Appropriations Applied	Variance
	Annual Appropriation	Section 3(2) Payments from Advance to Treasurer	Section 29	Section 31	Section 32	Section 35 Advances			
Controlled	\$	\$	\$	\$	\$	\$	\$	\$	
Provision for outputs	62,891,000	162,000	-	-	1,584,000	-	63,105,266	1,531,734 (a)	
Additions to net assets Administered	4,100,000	-	-	-	3,800,000	-	4,100,000	3,800,000 (a)	
Payments made on behalf of the state	-	-	-	-	-	-	-	-	
Total	66,991,000	162,000	-	-	5,384,000	-	67,205,266	5,331,734	

(a) Relates to deferral of electorate office budget expenditure, minor maintenance and capital projects.

2005

	Appropriation Act		Financial Management Act 1994				Total Parliamentary Authority	Appropriations Applied	Variance
	Annual Appropriation	Section 3(2) Payments from Advance to Treasurer	Section 29	Section 31	Section 32	Section 35			
Controlled	\$	\$	\$	\$	\$	\$	\$	\$	
Provision for outputs	59,400,000	842,000	-	-	1,800,000	-	60,440,227	1,601,773 (b)	
Additions to net assets Administered	4,050,000	-	-	-	-	-	250,000	3,800,000 (b)	
Payments made on behalf of the state	-	-	-	-	-	-	-	-	
Total	63,450,000	842,000	-	-	1,800,000	-	60,690,227	5,401,773	

(b) Relates to deferral of electorate office budget expenditure, minor maintenance and capital projects.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 4 (b) - Summary of compliance with special appropriations

Authority	Purpose	Appropriations applied	
		2006 \$	2005 \$
Audit Act No.2 of 1994	Audit of the Auditor General's Office	24,000	23,000
Constitution Act No. 8750 - Clerk of the Parliaments	Salary	1,978	997
Constitution Act No. 8750 - Legislative Assembly	Salaries	550,000	275,000
Constitution Act No. 8750 - Legislative Council	Salaries	200,000	100,000
Parliamentary Salaries and Superannuation Act No 7723, Section 13 (1) (c) - contribution	Superannuation contribution	-	15,500,000
Parliamentary Salaries and Superannuation Act No 7723 - salaries and allowances	Salaries and allowances	16,912,416	16,300,640
Total		17,688,394	32,199,637

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

	2006	2005
	\$	\$
Note 5 - Remuneration of auditors		
Victorian Auditor General's Office		
Audit of the financial report	43,300	42,100
Total audit fees	43,300	42,100
 Note 6 - Receivables		
Current:		
Amounts owing from Victorian Government	4,090,486	2,082,466
Debtors - Parliament refreshment rooms	86,409	179,308
Less : Provision for doubtful debts	-	-
	4,176,895	2,261,774
Other debtors	671,040	387,764
	4,847,935	2,649,538
 Non-current:		
Amounts owing from Victorian Government	19,131,804	18,029,073
	19,131,804	18,029,073
 Aggregate carrying amount of receivables		
Current	4,847,935	2,649,538
Non-current	19,131,804	18,029,073
	23,979,739	20,678,611
 Note 7 - Inventories		
Current :		
Stock on hand - Parliament refreshment rooms	43,307	61,947
Note 8 - Other Assets	43,307	61,947
Prepayments	604,576	781,479
Other	-	-
	604,576	781,479
 Note 9 - Non-current assets held for sale		
Property, plant & equipment held for sale	185,806	-
	185,806	-

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 10 - Property, plant and equipment

As at 30 June 2006

Description	At cost/ valuation	Accumulated depreciation & amortisation	Written down value
At cost			
Buildings	2,324,812	58,172	2,266,640
Leasehold improvements	2,716,020	854,976	1,861,044
Plant, Equipment & Vehicles	15,953,953	11,916,952	4,037,001
Plant, Equip & Vehicles under finance lease	4,431,186	975,222	3,455,964
Buildings in the course of construction	4,170,232	-	4,170,232
Plant & Equipment in the course of construction	368,267	-	368,267
At valuation			
Land	43,000,000	-	43,000,000
Buildings	129,054,574	1,505,637	127,548,937
Cultural assets - Library	7,674,162	43,825	7,630,337
Cultural assets - other	3,747,665	72,007	3,675,658
Total	213,440,870	15,426,790	198,014,080

As at 30 June 2005

At cost			
Buildings	755,534	21,006	734,527
Leasehold improvements	2,302,968	597,142	1,705,826
Plant and equipment	15,044,698	10,769,555	4,275,143
Vehicles under finance lease	2,820,824	317,069	2,503,755
Buildings in the course of construction	832,764	-	832,764
Leasehold Improvements in the course of construction	136,086	-	136,086
Plant & Equipment in the course of construction	73,851	-	73,851
At valuation			
Land	43,000,000	-	43,000,000
Buildings	129,054,575	860,364	128,194,211
Cultural assets - Library	8,409,613	1,465,145	6,944,468
Cultural assets - other	3,772,165	43,222	3,728,943
Total	206,203,077	14,073,504	192,129,574

Valuation of assets

The latest revaluations of "Land", "Buildings" and "Cultural assets - other" in Feb 2004 were based on independent assessments done on a fair value basis by registered valuers of the Australian Valuation Office.

The latest revaluation of "Cultural assets - Library" in June 2006 was based on independent assessment done on a fair value basis by Barbara Hince of Kenneth Hince Old & Fine Books Pty Ltd. Refer to note 16 (a) for details.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 10 - Property, plant and equipment (continued)

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

Year ended 30 June 2006	Land	Buildings	Leasehold improvements	Plant & equipment and vehicles	Cultural assets - Library	Cultural assets - other	Leased plant & equipment and vehicles	In course of construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	43,000,000	128,928,738	1,705,826	4,275,143	6,944,468	3,728,943	2,503,755	1,042,701	192,129,574
Additions	-	1,098,328	276,966	909,255	-	-	3,115,436	4,102,834	9,502,819
Disposals	-	-	-	-	-	(23,255)	(943,426)	-	(966,681)
Revaluation increments (note 16(a))	-	-	-	-	1,374,357	-	-	-	1,374,357
Transfers between classes	-	470,950	136,086	-	-	-	-	(607,036)	-
Classified as held for sale	-	-	-	-	-	-	(185,806)	-	(185,806)
Depreciation / amortisation expense (note 3(c))	-	(682,439)	(257,834)	(1,147,397)	(688,488)	(30,031)	(1,033,894)	-	(3,840,183)
Carrying amount at end of year	43,000,000	129,815,577	1,861,044	4,037,001	7,630,337	3,675,657	3,455,965	4,538,499	198,014,080
Year ended 30 June 2005									
Carrying amount at start of year	43,000,000	129,085,362	1,936,122	5,256,679	7,647,738	3,758,997	1,136,110	83,955	191,904,963
Additions	-	505,784	-	439,700	-	-	1,837,229	958,746	3,741,459
Disposals	-	-	-	-	-	-	(148,890)	-	(148,890)
Revaluation increments (note 16(a))	-	-	-	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-	-	-	-
Depreciation / amortisation expense (note 3(c))	-	(662,408)	(230,296)	(1,421,236)	(703,270)	(30,054)	(320,684)	-	(3,367,958)
Carrying amount at end of year	43,000,000	128,928,738	1,705,826	4,275,143	6,944,468	3,728,943	2,503,755	1,042,701	192,129,574

Restrictive assets

The Parliament of Victoria holds \$172 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 3 to the financial statements.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 11 - Payables

	2006	2005
	\$	\$
Trade creditors	1,340,899	1,092,503
Other creditors	751,618	629,070
	2,092,517	1,721,573
	2,092,517	1,721,573

Note 12 - Interest bearing liabilities

Current

Secured

Lease Liabilities (note 19)	2,203,187	1,472,954
	2,203,187	1,472,954
	2,203,187	1,472,954

Non-current

Secured

Lease Liabilities (note 19)	1,493,732	1,039,142
	1,493,732	1,039,142
	1,493,732	1,039,142

Aggregate carrying amount of interest bearing liabilities

Current	2,203,187	1,472,954
Non-current	1,493,732	1,039,142
	3,696,919	2,512,096
	3,696,919	2,512,096

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Assets pledged as security

The carrying amounts of non-current assets pledged as security are :

Finance Lease

Vehicles under finance lease (note 9 & 10)	3,641,770	2,503,755
	3,641,770	2,503,755
Total non-current assets pledged as security	3,641,770	2,503,755

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 13 - Provisions

	2006	2005
	\$	\$
Provision for employee benefits		
Current		
Employee Benefits (note 13A)	5,294,298	4,524,000
Non-current		
Employee Benefits (note 13A)	608,686	308,969
Total provisions	5,902,984	4,832,969

Note 13A - Provisions

Current

All annual leave and LSL entitlements representing 7+ years of continuous service

— Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value

3,273,219 3,952,460

— Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value

2,021,079 571,540

5,294,298 4,524,000

Non-current

LSL representing less than 7 years of continuous service measured at present value

608,686 308,969

Employee numbers

Average number of employees during the financial year **689** 675

Note 14 - Superannuation

Government Employees' Superannuation Fund

No liability is recognised in the statement of financial position for the Parliament's share of the State's unfunded superannuation liability. The State's unfunded superannuation liability has been reflected in the financial statements of the Department of Treasury and Finance.

However, superannuation contributions for the reporting period are included as part of salaries and associated costs in the statement of financial performance of the Parliament.

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

	Contribution for the year	Contribution for the year	Contribution outstanding at year end	Contribution outstanding at year end
Fund	2006	2005	2006	2005
	\$	\$	\$	\$
Parliamentary Contributory Super Scheme	-	15,500,000	-	-
State Superannuation Fund	368,984	376,059	-	-
Victorian Super Scheme	1,908,174	1,703,844	-	-
S.E.R.B.S.	17,283	20,171	-	-
Total	2,294,441	17,600,074	-	-

The bases for contributions are determined by the various schemes.

All employees of the Parliament are entitled to benefits on retirement, disability or death from the Superannuation Funds. The defined benefit funds provide lump sum benefits based on years of service and final average salary.

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 15 - Administered items

In addition to the specific Parliamentary operations which are included in the balance sheet, operating statement and cash flow statement, the Parliament administers or manages 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.

	Department of Parliamentary Services		Parliament Total	
	2006	2005	2006	2005
	\$	\$	\$	\$
Administered income				
Sale of goods and services	61,691	17,054	61,691	17,054
Sale of non-current assets	9,625	-	9,625	-
Total income	71,316	17,054	71,316	17,054
Administered expenses				
Payments into the Consolidated Fund	(71,316)	(17,054)	(71,316)	(17,054)
Total expenses	(71,316)	(17,054)	(71,316)	(17,054)
Revenue less expenses	-	-	-	-
Administered assets	-	-	-	-
Administered liabilities	-	-	-	-

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 16 - Equity and movements in equity

	2006 \$	2005 \$
(a) Reserves		
Asset revaluation reserve - Land		
Balance 1 July	15,000,000	15,000,000
Revaluation increment during the year	-	-
Balance 30 June	<u>15,000,000</u>	<u>15,000,000</u>
Asset revaluation reserve - Buildings		
Balance 1 July	28,687,467	28,687,467
Revaluation increment/(decrement) during the year	-	-
Balance 30 June	<u>28,687,467</u>	<u>28,687,467</u>
Asset revaluation reserve - Cultural Assets		
Balance 1 July	2,957,460	2,957,460
Revaluation increment during the year	1,374,356	-
Balance 30 June	<u>4,331,816</u>	<u>2,957,460</u>
Total Reserves	<u><u>48,019,283</u></u>	<u><u>46,644,927</u></u>
(b) Contributions by owners		
Balance 1 July	147,450,362	147,200,362
Capital contribution during the year by Victorian State Government (note 4(a))	4,100,000	250,000
Balance 30 June	<u><u>151,550,362</u></u>	<u><u>147,450,362</u></u>
(c) Accumulated surplus		
Accumulated surplus at the beginning of the financial year	9,184,094	6,864,501
Net result for the reporting period	1,315,473	2,319,593
Accumulated surplus at the end of the financial year	<u><u>10,499,567</u></u>	<u><u>9,184,094</u></u>

(d) Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1 (g)

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 17 - Commitments for expenditure

	2006	2005
	\$	\$
(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 :		
Within one year	-	328,000

(b) Lease commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in note 19 to the financial statements.

Note 18 - Contingent liabilities and contingent assets

Contingent liabilities

The Plaintiff alleges breaches of a Tender process Agreement and the Fair Trading Act by the Parliament of Victoria. The directions hearing is scheduled for August 2006.

	430,715	812,628
Total quantifiable contingent liabilities	430,715	812,628

Contingent Assets

Nil

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 19 - Leases

Disclosures for lessees - finance leases

Leasing arrangements

Finance leases relate to motor vehicles with lease terms between 1 and 3 years

Finance Lease Liabilities

	Minimum future lease payments		Present value of minimum future lease payments	
	2006	2005	2006	2005
Not longer than 1 year	2,364,305	1,581,305	2,203,187	1,472,954
Longer than 1 year and not longer than 5 years	1,572,196	1,090,618	1,493,732	1,039,142
Longer than 5 years	-	-	-	-
Minimum lease payments*	3,936,501	2,671,923	3,696,919	2,512,096
Less future finance charges	(239,582)	(159,827)	-	-
Present value of minimum lease payments	3,696,919	2,512,096	3,696,919	2,512,096
Included in the financial statements as:				
Current interest bearing liabilities (note 12)	-	-	2,203,187	1,472,954
Non-current interest bearing liabilities (note 12)	-	-	1,493,732	1,039,142
	-	-	3,696,919	2,512,096

*Minimum future lease payments includes the aggregate of all lease payments and any guaranteed residual.

The weighted average interest rate implicit in the leases is 6.30% (2005 - 6.21%)

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.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	5,027,374	4,673,718
Later than one year but not later than 5 years	8,979,956	7,224,536
Later than 5 years	53,431	515,341
Commitments not recognised in the financial statements	14,060,761	12,413,595

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.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 20 - Responsible persons

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

Names

Persons who held positions in relation to the Office for the entire reporting period are :-

- Presiding Officers : Hon M. Gould MLC 1 July 2005 to 30 June 2006
 President of the Legislative Council
- : J. Maddigan MLA 1 July 2005 to 30 June 2006
 Speaker of the Legislative Assembly

Remuneration

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

<u>Salary Band \$</u>	<u>2006</u>	<u>Number of Officers</u>	<u>2005</u>
170,000 - 179,999	-		2
180,000 - 189,999	2		-

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

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 2006

Note 21 - Remuneration of executives

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

Income Band \$	Total Remuneration		Base Remuneration	
	2006 No.	2005 No.	2006 No.	2005 No.
10,000 - 19,999	-	-	-	1
40,000 - 49,999	-	-	1	-
50,000 - 59,999	-	-	-	1
90,000 - 99,999	-	1	-	1
100,000 - 109,999	-	-	-	-
110,000 - 119,999	2	2	2	2
120,000 - 129,999	-	1	-	-
130,000 - 139,999	4	3	3	3
170,000 - 179,999	-	1	-	-
Total numbers	6	8	6	8
Total amount	767,559	1,025,378	679,652	797,309

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

2006 2005
\$ \$

Note 22 - Subsequent events

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

Note 23 - Notes to the cash flow statement

(a) Reconciliation of cash

For the purposes of the Cash Flow Statement, 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 (i)	- Parliament of Victoria	4,325	4,175
	- Parliament refreshment rooms	2,500	2,500
Bank balance	- Parliament refreshment rooms	52,337	37,519
		59,162	44,194
		(863,455)	(1,280,767)
Bank overdraft		(261,583)	(69,017)
Funds held in trust (Note 25)		(1,125,038)	(1,349,784)
		(1,065,876)	(1,305,590)

- (i) Due to the State of Victoria's investment policy and government funding arrangements, government departments generally do not hold a large cash reserve in their bank accounts. Cash received by the Parliament of Victoria from the generation of revenue is generally paid into the State's bank account, known as the Public Account. Similarly, any departmental expenditure, including those in form of cheques drawn by the Parliament of Victoria 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 of Victoria 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 department's suppliers or creditors.

The above funding arrangements often result in departments having a notional shortfall in the cash at bank required for payment of unrepresented cheques at the reporting date.

At 30 June 2006, cash at bank include the amount of a notional shortfall for the payment of unrepresented cheques of \$885,602.55 (2005 - \$1,284,529.60)

(b) Non cash-services received

Non-cash services of seconded staff (valued at \$104,359) received from the Victorian Auditor-General's Office (an output group of the Parliament) during the year.

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

Net result for the period	1,315,473	2,319,593
Depreciation and amortisation	3,840,183	3,367,958
Assets not previously recognised	-	-
Loss on sale of assets	238,763	23,480
Change in operating assets and liabilities		
(Increase) in receivables	(3,301,128)	(4,877,289)
Decrease (Increase) in inventories	18,639	11,969
(Increase) in prepayments	176,905	(38,092)
Increase in trade creditors	370,945	261,054
Increase in other provisions	1,070,016	409,504
Net cash from operating activities	3,729,796	1,478,177

Note 24 - Financial Instruments

(a) Financial risk management objectives

The Parliament of Victoria does not enter into derivative financial instruments to manage its exposure to interest rate risk.

(b) Significant Accounting policies

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, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(c) Interest rate risk exposures

The following table details the Parliament's exposure to interest rate risk as at 30 June 2006:

2006	Notes	Weighted average effective interest rate	Variable interest rate	Fixed interest maturing in:		Non-interest bearing	Total
				Less than 1 year	1 - 2 years		
			\$	\$	\$	\$	\$
Financial assets							
Cash assets	23 (a)	5.46%	52,337	-	-	6,825	59,162
Receivables	6	-	-	-	-	23,979,739	23,979,739
Total financial assets			52,337	-	-	23,986,564	24,038,901
Financial liabilities							
Payables	11	-	-	-	-	2,092,517	2,092,517
Bank overdraft	23 (a)	-	-	-	-	1,125,038	1,125,038
Interest bearing liabilities	12, 19	6.30%	-	2,203,187	1,493,732	-	3,696,919
Total financial liabilities			-	2,203,187	1,493,732	3,217,555	6,914,474
Net financial assets (liabilities)			52,337	(2,203,187)	(1,493,732)	20,769,009	17,124,427

2005	Notes	Weighted average interest rate	Floating interest rate	Fixed interest maturing in:		Non-interest bearing	Total
				1 year or less	Over 1 year to 5 years		
			\$	\$	\$	\$	\$
Financial assets							
Cash assets	23 (a)	5.39%	37,519	-	-	6,675	44,194
Receivables	6	-	-	-	-	20,678,611	20,678,611
Total financial assets			37,519	-	-	20,685,286	20,722,805
Financial liabilities							
Payables	11	-	-	-	-	1,721,573	1,721,573
Bank overdraft	23 (a)	-	-	-	-	1,349,784	1,349,784
Lease liabilities	12, 19	6.21%	-	1,472,954	1,039,142	-	2,512,096
Total financial liabilities			-	1,472,954	1,039,142	3,071,357	5,583,453
Net financial assets (liabilities)			37,519	(1,472,954)	(1,039,142)	17,613,929	15,139,352

Note 24 - Financial instruments (continued)

(d) Fair value

Management consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values (2005: net fair value)

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Transaction costs are included in the determination of net fair value.

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

(e) Credit risk exposure

The credit risk on financial assets of the Parliament which have been recognised on the statement of financial position is generally the carrying amount, net of any provisions for doubtful debts.

The Parliament has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

2006	2005
\$	\$

Note 25 - Trust Account Balances

The following is a listing of Trust Account Balances relating to Trusts Accounts Controlled and Administered by the Parliament of Victoria.

Cash/overdrafts as at 30 June		
Controlled Trusts		
Public service commuter club	(45,468)	(45,536)
Vehicle lease trust account	(216,115)	(23,481)
Total Controlled Trusts	(261,583)	(69,017)
<hr/>		
Administered Trusts	-	-
Total Administered Trusts	-	-
<hr/>		

No other Trust Accounts were opened or closed by the Parliament during 2005-06.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 26 - Impacts of the adoption of Australian equivalents to International Financial Reporting Standards

The Parliament of Victoria changed its accounting policies, other than its accounting policies for financial instruments, on 1 July 2004 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition. The Parliament changed its accounting policies for financial instruments effective from 1 July 2005 (refer note 1(z)).

An explanation of how the transition from superseded policies to A-IFRS has affected the Parliament of Victoria's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Effect of A-IFRS on the balance sheet as at 1 July 2004

	Note	Superseded policies \$	Effect of transition to A-IFRS \$	A-IFRS \$
Current Assets				
Cash assets		66,889	-	66,889
Receivables		1,940,984	-	1,940,984
Inventories		73,916	-	73,916
Prepayments		743,387	-	743,387
Total current assets		2,825,176	-	2,825,176
Non Current Assets				
Receivables		13,860,339	-	13,860,339
Property, plant & equipment		191,904,963	-	191,904,963
Total non-current assets		205,765,302	-	205,765,302
Total Assets		208,590,478	-	208,590,478
Current liabilities				
Payables		1,460,520	-	1,460,520
Bank Overdraft		858,841	-	858,841
Interest bearing liabilities		406,154	-	406,154
Provisions		2,102,093	-	2,102,093
Total current liabilities		4,827,608	-	4,827,608
Non current liabilities				
Interest bearing liabilities		731,708	-	731,708
Provisions		2,321,372	-	2,321,372
Total non-current liabilities		3,053,080	-	3,053,080
Total liabilities		7,880,688	-	7,880,688
Net Assets		200,709,790	-	200,709,790
Equity				
Contributed capital		147,200,362		147,200,362
Asset Revaluation Reserve	(b)	47,262,737	(617,810)	46,644,927
Accumulated Surplus	(d)	6,246,691	617,810	6,864,501
Total equity		200,709,790	-	200,709,790

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 26 - Impacts of adoption of Australian equivalents to International Financial Reporting Standards (continued)

Effect of A-IFRS on the operating statement for the financial year ended 30 June 2005

	Note	Superseded Policies \$	Effect of transition to A-IFRS \$	A-IFRS \$
Income				
Output appropriations		60,440,227	-	60,440,227
Special appropriations		32,199,637	-	32,199,637
Parliament refreshment rooms		1,416,341	-	1,416,341
Other revenue	(a)	125,409	(125,409)	-
		<u>94,181,614</u>	<u>(125,409)</u>	<u>94,056,205</u>
Expense				
Employee Benefits expense		(62,378,422)	-	(62,378,422)
Depreciation and amortisation		(3,367,958)	-	(3,367,958)
Capital asset charge		(516,174)	-	(516,174)
Supplies and services		(23,787,061)	-	(23,787,061)
Parliament refreshment rooms		(1,460,000)	-	(1,460,000)
Other expenses	(a)	(248,890)	125,409	(123,481)
Finance Costs		(103,516)	-	(103,516)
		<u>(91,862,021)</u>	<u>125,409</u>	<u>(91,736,612)</u>
Net result for the period		<u>2,319,593</u>	<u>-</u>	<u>2,319,593</u>

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 26 - Impacts of adoption of Australian equivalents to International Financial Reporting Standards (continued)

Effect of A-IFRS on the balance sheet as at 30 June 2005

	Note	Superseded policies \$	Effect of transition to A-IFRS \$	A-IFRS \$
Current Assets				
Cash assets		44,194	-	44,194
Receivables		2,649,538	-	2,649,538
Inventories		61,947	-	61,947
Other Assets		781,479	-	781,479
Total current assets		3,537,158	-	3,537,158
Non Current Assets				
Receivables		18,029,073	-	18,029,073
Property, plant & equipment		192,129,574	-	192,129,574
Total non-current assets		210,158,647	-	210,158,647
Total Assets		213,695,805	-	213,695,805
Current liabilities				
Payables		1,721,573	-	1,721,573
Bank Overdraft		1,349,784	-	1,349,784
Interest bearing liabilities		1,472,954	-	1,472,954
Provisions	(c)	2,317,684	2,206,316	4,524,000
Total current liabilities		6,861,995	2,206,316	9,068,311
Non current liabilities				
Interest bearing liabilities		1,039,142	-	1,039,142
Provisions	(c)	2,515,285	(2,206,316)	308,969
Total non-current liabilities		3,554,427	(2,206,316)	1,348,111
Total liabilities		10,416,422	-	10,416,422
Net Assets		203,279,383	-	203,279,383
Equity				
Contributed capital		147,450,362	-	147,450,362
Asset Revaluation Reserve	(b)	47,262,737	(617,810)	46,644,927
Accumulated Surplus	(d)	8,566,284	617,810	9,184,094
Total equity		203,279,383	-	203,279,383

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2006

Note 26 - Impacts of adoption of Australian equivalents to International Financial Reporting Standards(continued)

Effect of A-IFRS on the Cash Flow Statement for the financial year ended 30 June 2005.

There are no material differences between the Cash Flow Statement presented under A-IFRS and the Statement of Cash Flows presented under the superseded policies.

Notes to the reconciliations of income and equity

(a) Revenue

Under superseded policies, the Parliament of Victoria recognised appropriations from Government as revenue. Under A-IFRS appropriations are classified as income. Accordingly, appropriations from government have been reclassified in the operating statement from revenue to income.

In addition, any gain or loss on disposal of property, plant and equipment was recognised by the Parliament on a 'gross basis' by recognising as revenue and expenses, the proceeds from sale, and the carrying amount of the property, plant and equipment disposed. Under A-IFRS, the gain or loss on disposal is recognised on a 'net' basis, and is classified as income, rather than revenue. Accordingly, the 'gross' amounts have been adjusted out of the operating statement for A-IFRS reporting purposes.

(b) Asset Revaluation Reserve

The Parliament elected to treat the fair value of cultural assets in February 2004 as deemed cost on transition to A-IFRS. Consequently, revaluation reserve on cultural assets recognised prior to February 2004 has been de-recognised and transferred to accumulated surplus.

(c) Employee Entitlements

Prior to transition to A-IFRS, the long service leave provision was classified as non-current where the Parliament was not expected to settle the liability within 12 months of balance date. On transition to A-IFRS, long service leave provision representing less than 7 years of continuous service has been classified as non-current.

(d) Accumulated surplus

The effect of the above adjustments on accumulated surplus is as follows:

	1-Jul-04	30-Jun-05
	\$	\$
Transfer from the asset revaluation reserve	617,810	617,810

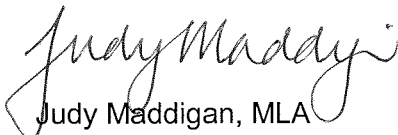
PARLIAMENT OF VICTORIA
Accountable officer's declaration

Accountable officers' and chief finance and accounting officer's declaration

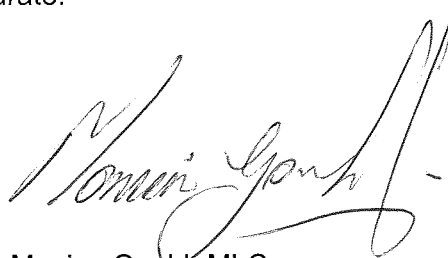
We certify that the attached financial statements for the Parliament of Victoria have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Recognised Income and Expense, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2006 and financial position of the Parliament as at 30 June 2006.

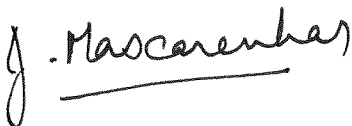
We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Judy Maddigan, MLA
Speaker of the Legislative Assembly
Parliament of Victoria



Monica Gould, MLC
President of the Legislative Council
Parliament of Victoria



John Mascarenhas
Chief Finance and Accounting Officer
Parliament of Victoria

Melbourne

11 August 2006



AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Parliament of Victoria

**To the Members of the Parliament of Victoria, the Speaker of the Legislative Assembly
and the President of the Legislative Council**

Scope

The Financial Report

The accompanying financial report for the year ended 30 June 2006 of the Parliament of Victoria consists of the operating statement, balance sheet, statement of recognised income and expense, cash flow statement, notes to and forming part of the financial report, and the supporting declaration.

Speaker and President's Responsibility

The Speaker of the Legislative Assembly and the President of the Legislative Council are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Speaker of the Legislative Assembly and the President of the Legislative Council
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Parliament of Victoria's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.



AUDITOR GENERAL
VICTORIA

Independent Audit Report (continued)

Independence

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

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of Parliament of Victoria as at 30 June 2006 and its financial performance and cash flows for the year then ended.

MELBOURNE
14 August 2006

JW CAMERON
Auditor-General



Images: Vicki Jones, Jaime Murcia and Joe Sabljak



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