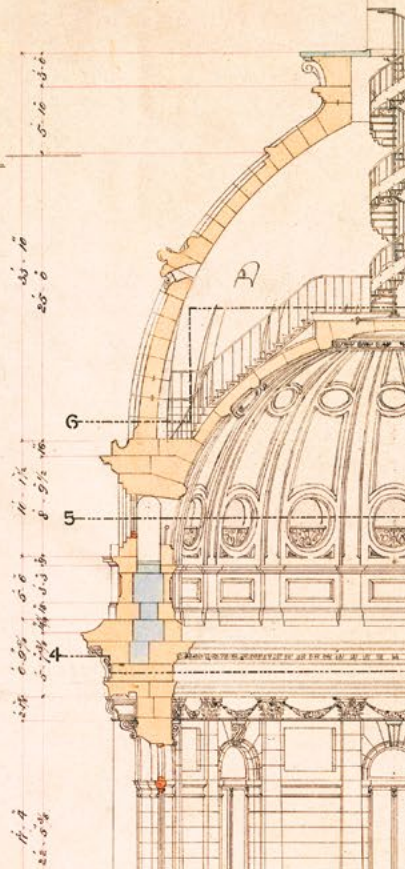


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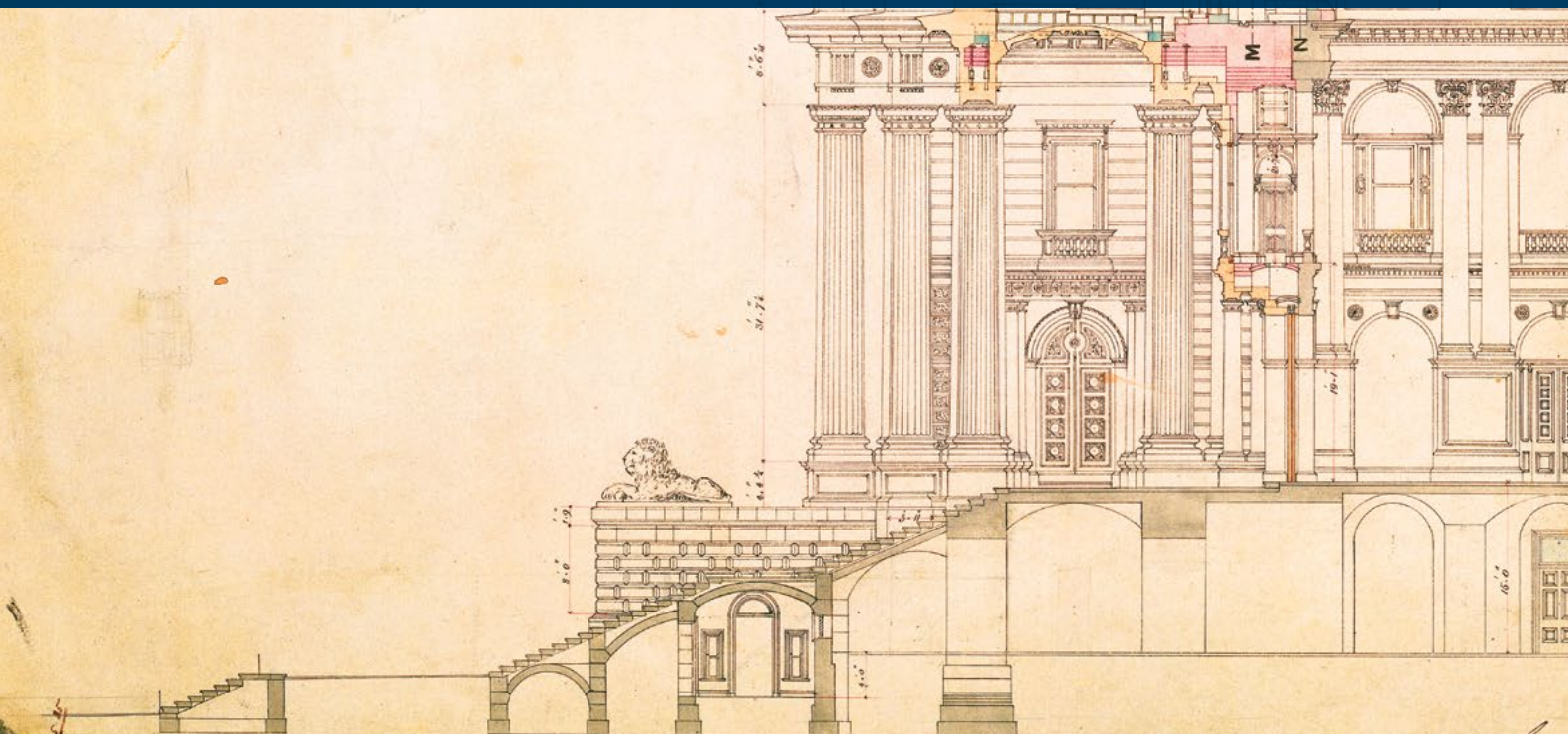
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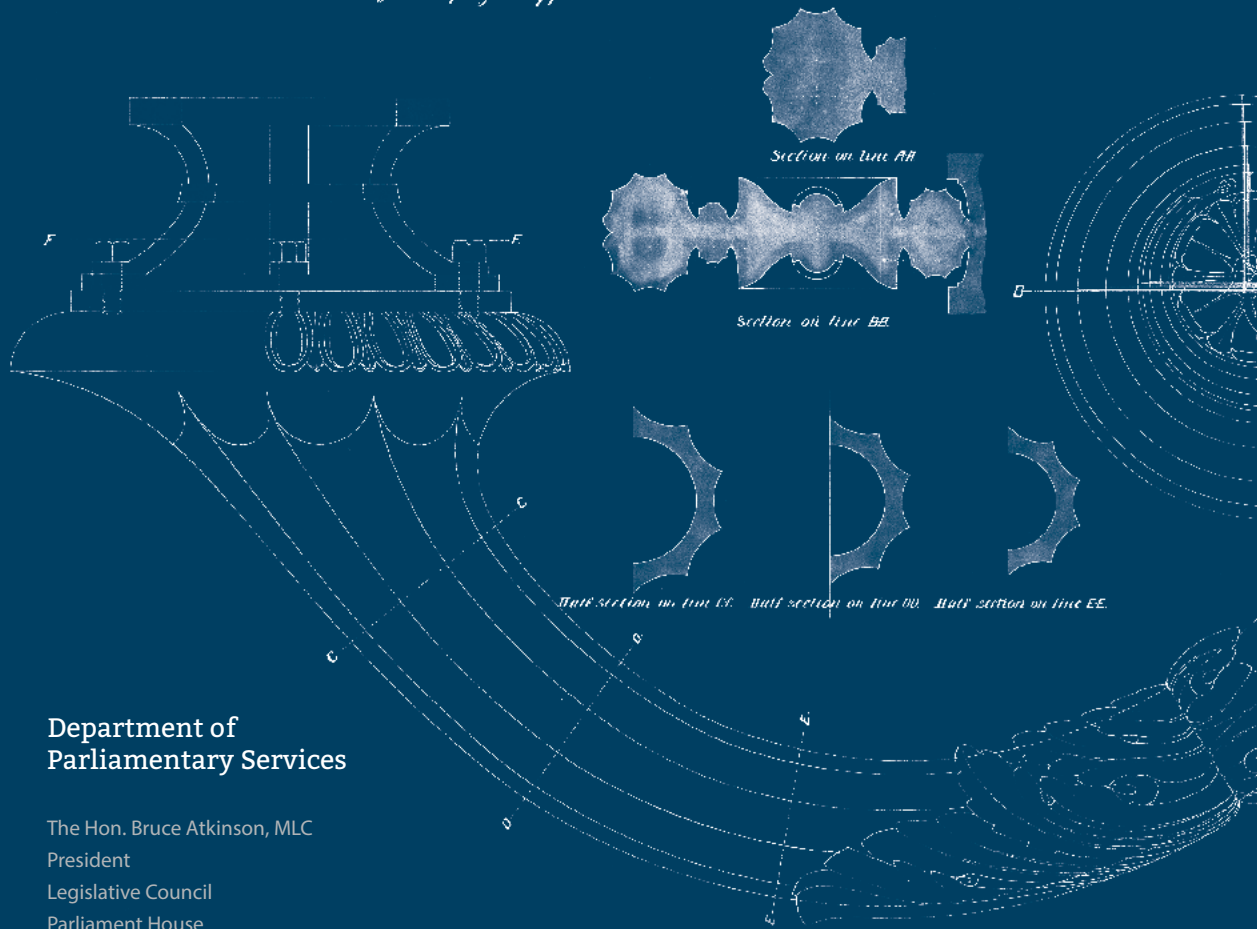
ANNUAL REPORT 2013-14

Department of Parliamentary Services
Parliament of Victoria



Handwritten notes and signatures at the bottom of the page, including 'M.K.' and 'S. M. M.'.

*Houses of Parliament, Melbourne.
Real size details of Lamps for Approaches, etc.*



Department of Parliamentary Services

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

The Hon. Christine Fyffe, MLA
Speaker
Legislative Assembly
Parliament House
Melbourne VIC 3002

Dear President and Speaker,
I have pleasure in forwarding to you my report on
the operations of the Department of Parliamentary
Services for the year ended June 2014.

Yours sincerely,

Peter Lochert
Secretary
Department of Parliamentary Services

Department of Parliamentary Services Annual Report [2013-14]

Tabled in the Legislative Council and Legislative
Assembly on 17 September 2014 © Department of
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Enquires should be directed to the Department of
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Secretary's Foreword

I am pleased to present my report on the operations of the Department of Parliamentary Services (DPS) for 2013-14.

The core business of DPS is to provide a wide range of services and infrastructure underpinning the operation of the Parliament of Victoria and supporting Members of Parliament, Parliamentary departments and Parliamentary committees in their roles. To achieve this, DPS maintains a network of 128 leased electorate offices across Victoria as well as the Parliamentary Precinct on Spring Street, all linked and serviced by an extensive IT and communications infrastructure. We deliver a wide array of services ranging from human resources, industrial relations and payroll to approximately 1,000 people; budgets and finance; security; catering; library; Hansard; education and community engagement.

Many of these services are provided in a routine, often unnoticed, manner, yet are essential to the effective functioning of the Parliament and the ability of Members of Parliament to discharge their duties.

During the reporting period, our focus has been on continuing the department's transformation into a centre of service excellence and on expanding the scope of Parliament House restoration and building works made possible with additional Government funding.

Each operating area of DPS is undergoing a service review in the life of the current 4 year Business and Operational Plan. Through close consultation with clients and stakeholders, service reviews aim to firmly establish customer focus as the key driver of service provision, to embed a culture of collaboration across the department, and to improve operational capability and efficiency.

So far client response to the changes in Catering, Library and Information Technology units have been consistently positive and supportive. Implementing service reviews in Security and Electorate Properties unit and Buildings and Grounds Services are aimed at eliciting similar client endorsement and support.

In particular, the changes within Information Technology and the Library position the department to exploit the benefits of digitisation in supporting the work of Members. Mobility and improving access to ever increasing amounts of complex information are issues identified by Members as critical to their ability to meet their Parliamentary duties in the digital age.

Restoration and building works to improve the condition of Parliament House continue to be a major focus of the department's activity. Stages 6.1 and 6.2 of the stone restoration works and waterproofing program have been completed. Stage 7 is currently underway, and following the bi-annual audit of the stones condition, stages 8, 9 and 10 have been scoped. All stages have been delivered on time and within budget.

Despite this significant effort to address decades of underinvestment and neglect, the building continues to present significant occupational health and safety risks to Members, visitors and staff. In particular, the continued occupancy of the annexe, a 38 year old temporary building constructed principally from asbestos sheeting and lacking adequate heating and ventilation to the 32 Members that occupy it. Addressing these risks will be a major priority going forward.

Works to progressively address disability access and other occupational health and safety issues are currently underway seeking to take advantage of the break in Parliamentary sittings during the election period.

Implementing the outcomes of the 2014 State election and the impact of the electoral boundary redistribution will be another priority for the period ahead. As a result of boundary changes a large number of electorate offices will need to be relocated over the next 12 to 24 months to ensure Members of Parliament are located to best meet the needs of their electorates.



All the department's achievements are totally dependent on the dedication, capability and commitment of DPS staff and on the collaborative relationships with the Presiding Officers, Members, electorate officers and House department staff. Developing, maintaining and strengthening those capabilities and collaborative relationships will continue to be a principal objective of the department.

Peter Lochert
Secretary
Department of Parliamentary Services



Director's Overview

Bronwen Edwards **Director Resource Management**

The business units within the directorate have made a substantial contribution to the department this past year. There have been a number of projects across the three units that involve 'back of house' improvement initiatives that will assist in delivering more seamless services and reduce some administrative processes to achieve efficiencies.

The Organisation Development unit have provided sound advice and support to managers and staff supporting the significant level of change as a result of service reviews of both the Library and Information Technology units.

Learning and Development has continued to offer a wide range of programs for all staff including delivering a 'Hypo Ethicals' code of conduct training for all Parliamentary officers; and rolling out an innovative on-line compliance training program 'Safe Files' covering OH&S, bullying and harassment. Partnering with the House departments to deliver chamber specific lunch and learn sessions has continued, and these are becoming popular events. Wellness programs have been a successful initiative with a total of 490 participants throughout the year.

Budgets and Risks continue to assist and advise Members and staff on budget related matters. The unit also maintain an ongoing relationship with the Department of Treasury and Finance, helping to secure additional funding via state budget processes to address costs of the election and the redistribution of Victorian electoral boundaries. Budgets and Risks co-ordinates and oversees our risk management framework and risk program.

The directorate provides support to the audit committee through provision of financial and strategic risk management reports. Support was provided to co-ordinate the internal audit program and the Parliament's audit committee approved a contract extension for PricewaterhouseCoopers to continue performing the internal audit function for a further two years.

The Accounting and Administration team are integral to the effective functioning of all departments and Members' operations. They continue to provide a responsive accounts payable service and also ensure that the Parliament complies with its financial and taxation reporting requirements. The Parliament's annual financial statements are produced by the unit and audited by the Victorian Auditor-General's office without issues and within required timelines.

The unit assisted other teams in implementing Parliament-wide projects. A GST review conducted assured us that our processes are robust and an accounting system review helped build a master plan to guide process and system development over the next 3-5 years.

Joanne Truman

Director Information Services

The Information Services directorate has continued to deliver improvements in service both through a focus on continuous improvement and through implementing recommendations from the service reviews, with the Library review completed and recommendations implemented during the 2013-14 year.

The purpose of the service reviews is to examine the type and manner of services delivered and ensure that they are able to continue to meet the current and future needs of the Parliament, Members and staff.

The IT unit has continued with its base infrastructure improvements and has delivered significant improvements to storage and backup reliability and functionality. IT business analysts and project management staff have worked with business units to deliver projects such as digitising significant records of the Parliament including all volumes of Hansard, votes and proceedings from the Legislative Assembly and the final stages of the media clippings files. IT also assisted with the relocation of some library holdings and records to free up space in the basement at Parliament House for other uses. IT is finalising projects including the roll-out of upgraded desktop computers and multi-function devices to all electorate offices, and a secure document management and distribution system for Parliament's committees.

Hansard and broadcasting have continued to deliver services in an efficient and effective way. The unit has spent time preparing for a significant upgrade of audio visual equipment for the broadcast and audio recording functions, and for Parliamentary committee hearings held away from the precinct. These projects will be completed over the coming financial year.

The Library has commenced the implementation of its service review outcomes, with a restructure and realignment of staff resources to better focus on improving access to digital records and information. Significant inroads have been made to digitise records to improve access to them. The upper gallery of the Library has been reorganised into an area to display significant heritage and information artefacts.

The Education and Community Engagement team has continued to provide high quality and innovative educational material to support links between Parliament and the community. A number of productions were upgraded to meet revised educational standards and a range of video clip footage was also refreshed.

All of the information service units will be focussed on delivering quality services and providing support to the Parliament around the state election in November 2014, including supporting outgoing and new Members, as well as providing business continuity for the organisation.

Hilton Barr

Director Precinct and Property Management

2013-14 was a big year for Precinct and Property Management, with two of the three units involved in service reviews. These reviews are an important part of maintaining relevancy and require extensive resources, active participation and patience. Leading into 2014-15, the challenge of implementing recommendations and solutions presents many exciting opportunities. Leading the way, the Catering unit has continued to improve and grow from their service review in 2011-12. Equally notable is the improvement in collaboration between units, within Precinct and Property, between directorates and with other departments. Overall, the directorate has maintained a strong focus, emphasising quality of service, team building and leadership development.

Many large and small projects undertaken in the last year were enabled by additional depreciation funding approved by Government. This significant scaling up of the scope and tempo of works will enable heritage, OH&S, access and function issues in the building to be addressed more quickly, but will also require significant effort to scale up the capability and resources of the area to meet the challenge. Scope and timing of works will also need to be carefully balanced against the needs of a functioning Parliament to minimise disruption.

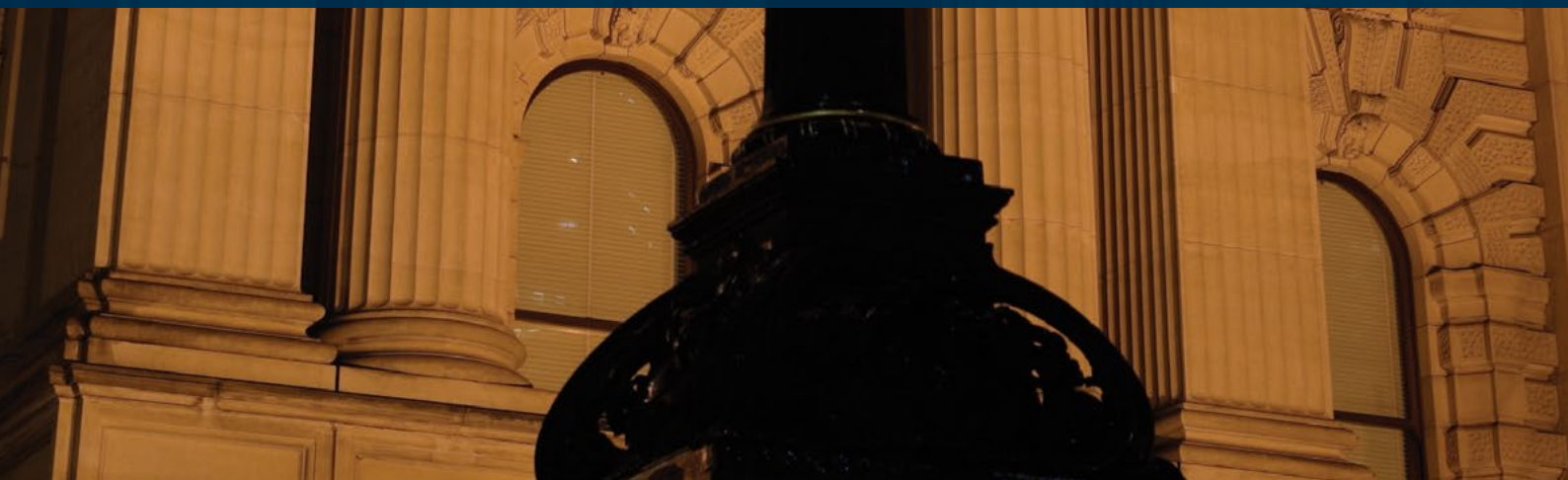
Meanwhile, Security and Electorate Properties unit continued to improve and automate the processes used across a range of services, established a panel for building services to enhance project delivery, contracted new providers for security and maintenance and oversaw several upgrade projects.

The coming year presents many challenges and opportunities for all the units. The 2014 election will impact significantly on Security and Electorate Properties unit, while giving Buildings and Grounds Services an opportunity to undertake more disruptive works and Catering the challenge of impressing the new Members.



Our Mission

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



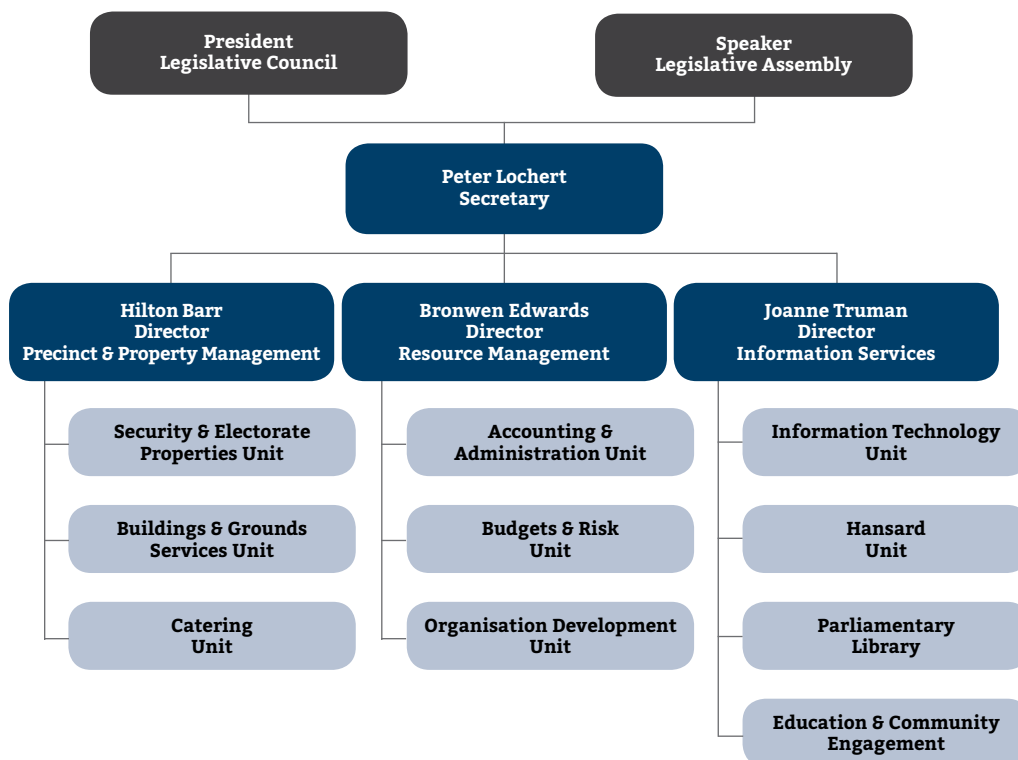
The Department of Parliamentary Services

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

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

The department's mission is:

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



Corporate Governance

Statement of Corporate Intent

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

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

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

Audit Committee

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

House Committee

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

Parliamentary Values

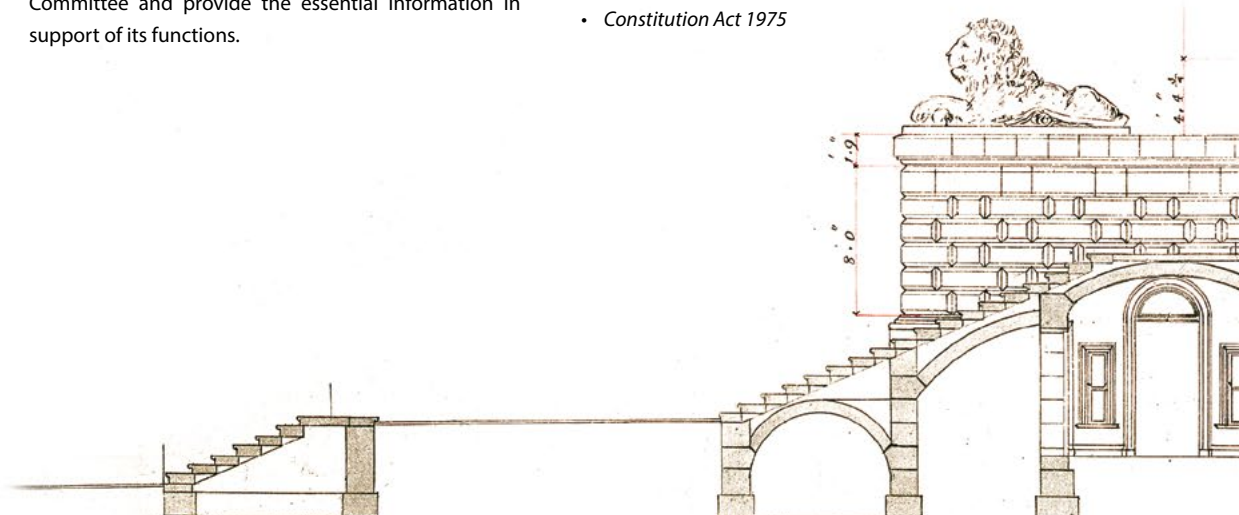
The *Parliamentary Administration Act 2005* also defines the values that should be demonstrated by Parliamentary officers, being:

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect, and
- Leadership

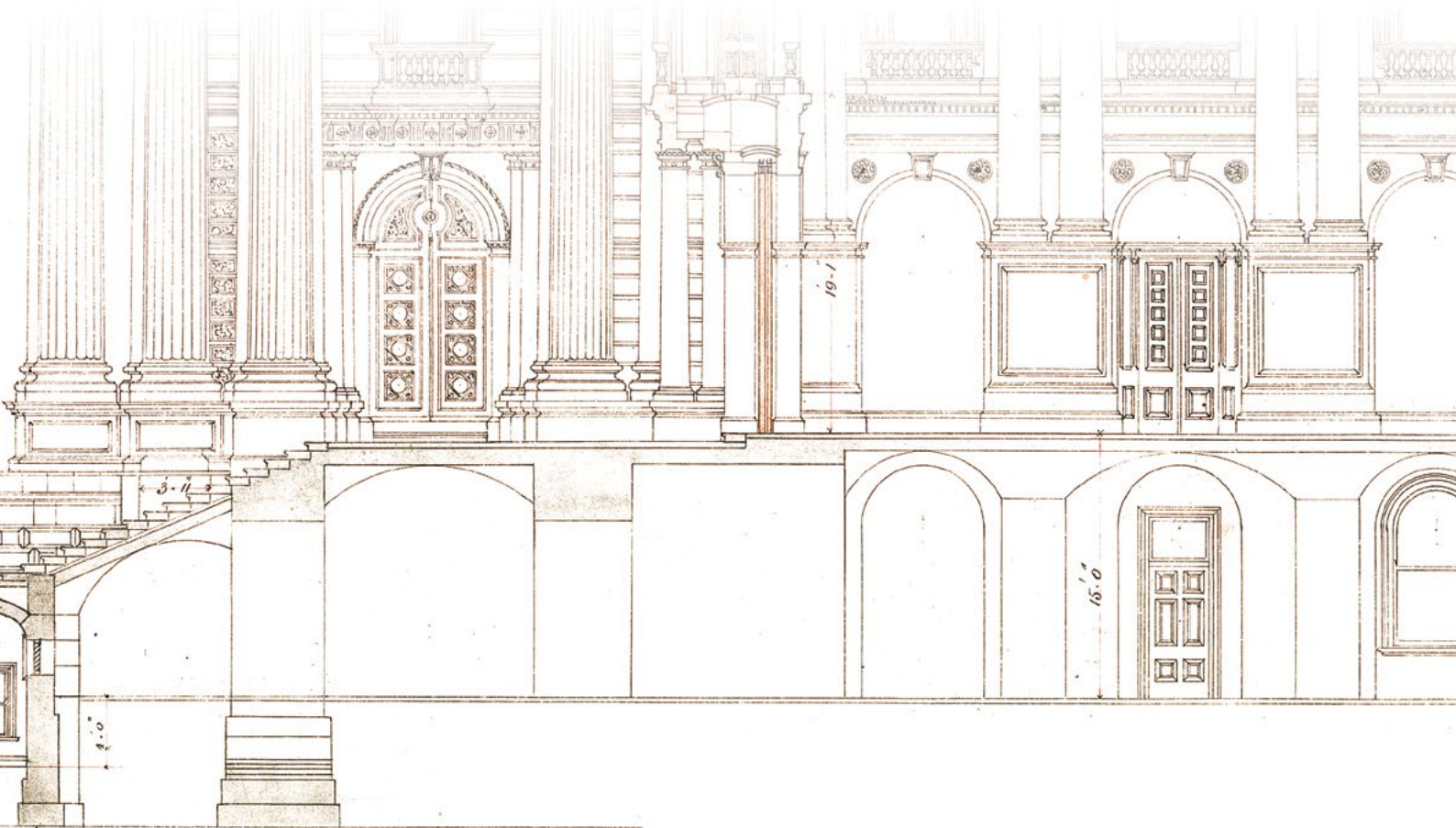
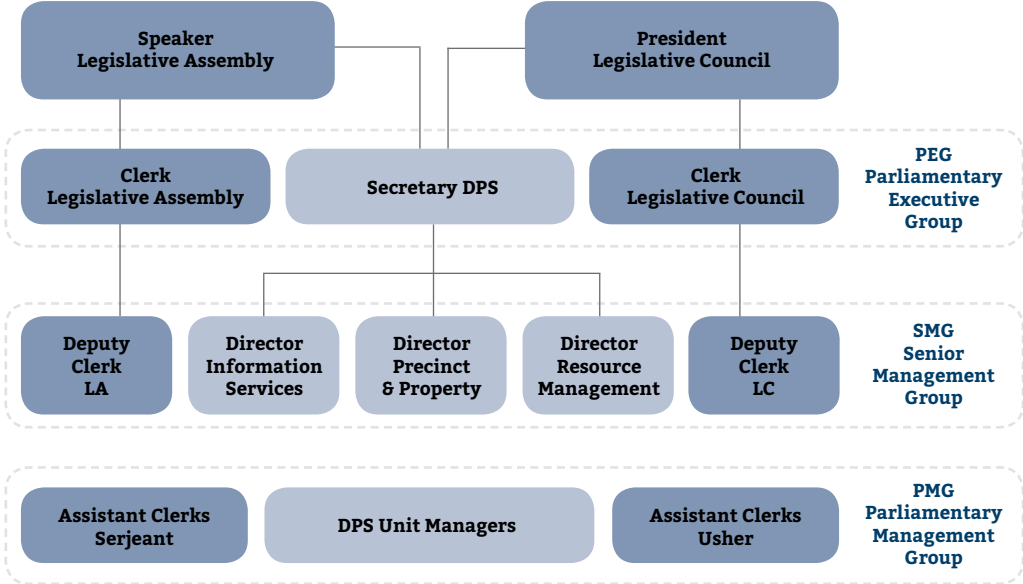
Underpinning legislation

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

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



Parliament of Victoria Governance structure





The pattern discovered after old concrete pavers were lifted



A section of bluestone paving on the east terrace, almost complete



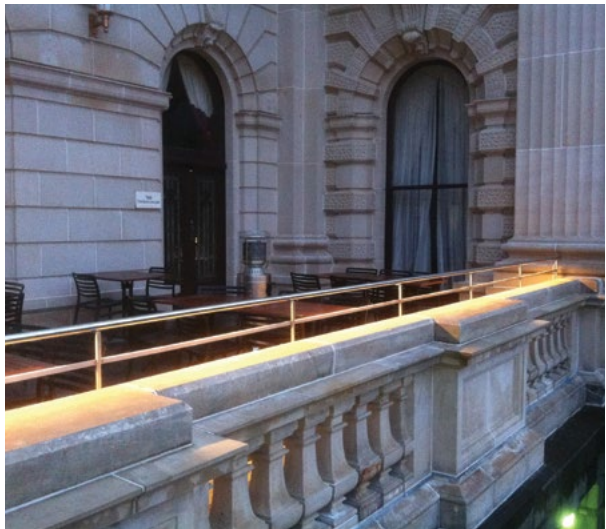
Bluestone pavers are laid in a pattern that reflects the original underneath



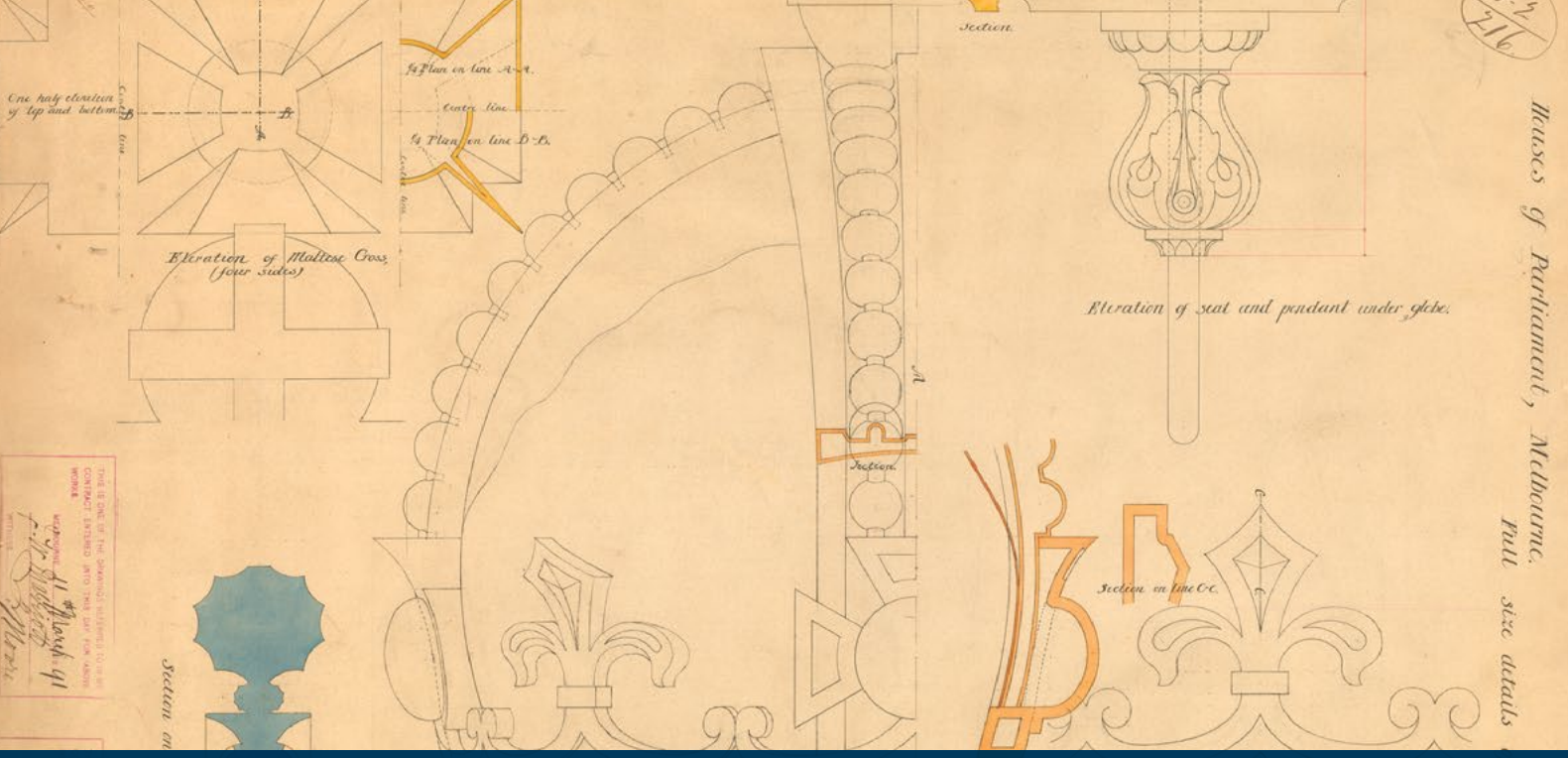
A waterproofing membrane was laid beneath the new bluestone pavers. This helps to eliminate water ingress into the kitchen beneath



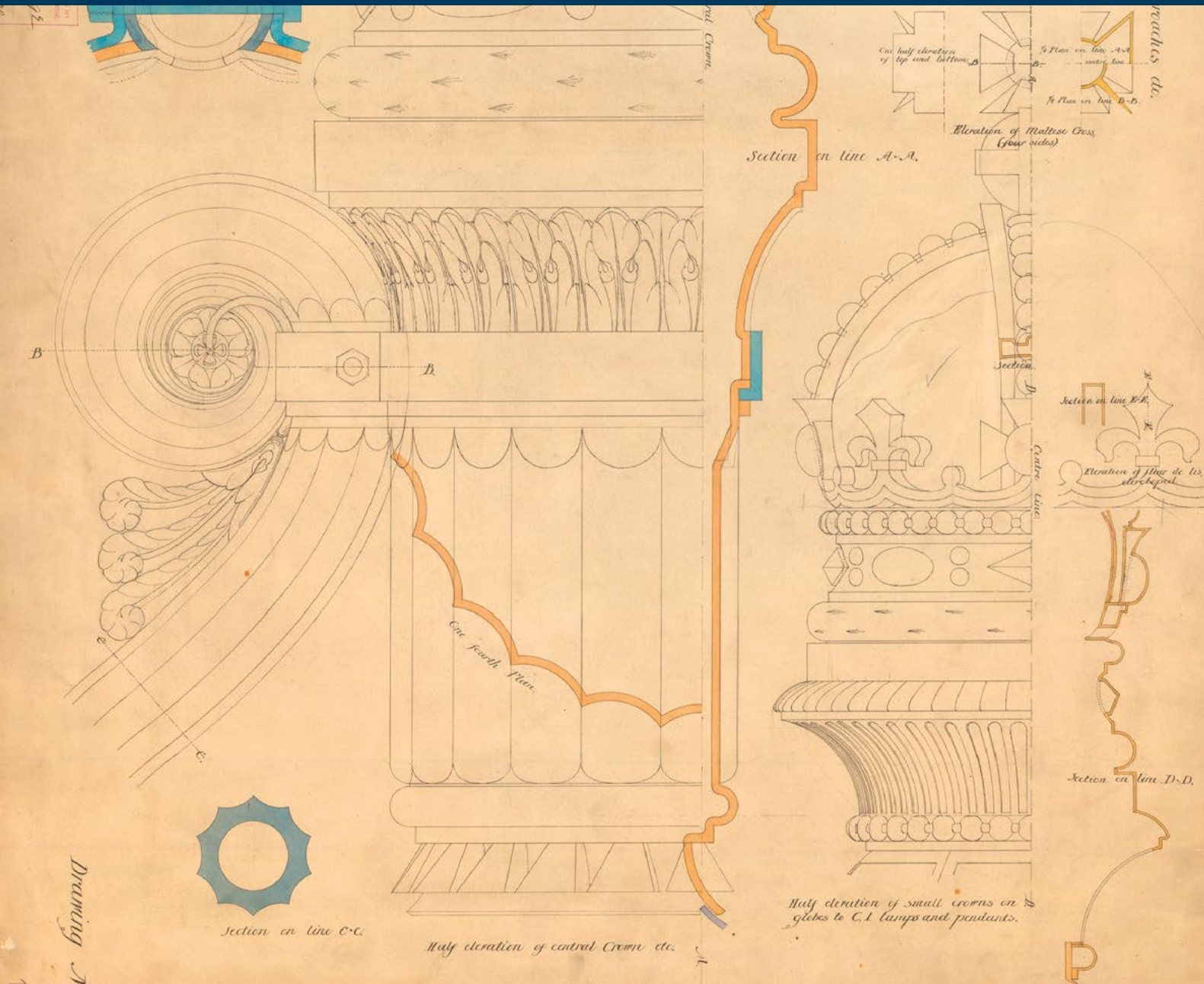
The illuminated new handrail highlights the stone balustrade whilst providing after hours lighting across the terrace



New handrail installed on the east terrace



UNIT REPORTS



Organisation Development

Quick facts

The OD unit arranged for 203 flu vaccinations for Members and staff during 2013-14

The payroll team processed 31,314 transactions during 2013-14

A total of 642 learning and development activities were undertaken by Parliamentary and electorate officers during 2013-14

The Organisation Development (OD) unit delivers services for Parliament staff and Members covering four streams; HR services (recruitment and OH&S); payroll and remuneration services; industrial and employee relations services and advice; and co-ordinates and delivers learning and development programs.

The unit provides policy guidance and advice about conditions of employment and remuneration including the administration and processing of all pay and allowances for staff and Members of Parliament. The unit administers and supports recruitment for the Parliament and co-ordinates Parliament's orientation and induction program and probation administration.

OD provides industrial relations advice and assists with the implementation of change. The unit advises and assists Members and management on a range of employee relations issues and provides advice and support to managers and Members on organisational change initiatives.

The unit designs and delivers corporate training programs including online education programs and coordinates professional development opportunities for staff and Members. The unit also provides policy guidance, advice and delivery of preventative programs and services related to OH&S, return to work and employee welfare.

Key achievements

- The OD unit worked closely with the Departments of the Legislative Assembly and Legislative Council to implement changes to the *Parliamentary Salaries and Superannuation Act* and related regulations.
- The unit provided extensive advice to resolve a wide range of complex employee relations issues including individual claims, disputes and matters before the Fair Work Commission.
- The unit supported organisational change through the implementation of service review outcomes for individual business units and restructure of the Joint Investigatory Committees.
- The Learning and Development Coordinator implemented innovative code of conduct compliance programs, online education resources and enhanced utilisation of the dedicated training rooms.
- Learning and development resources were expanded with the allocation of an additional position to build capability in support of greater engagement with electorate offices and administration of the Parliamentary Internship program.
- The unit worked closely with the Deputy Clerk of the Legislative Council to implement the Workplace Fatigue Management Policy, safe work plans and training programs.

Challenges for the coming year

- The general election will involve substantial commencement and separation of staff with additional orientation and induction programs. The unit will assist the Election Coordinator in other election related activities and training.
- The unit will continue support for continuing organisational change through current and planned business unit service reviews.
- Changes to the administration of superannuation will require system changes and substantial compliance activities.
- The unit will review and implement agreed outcomes of an OH&S system audit.





Accounting & Administration

The Accounting and Administration unit maintains the financial management system of the Parliament to ensure data integrity and accurate reporting. The unit processes all payments for supplies and services in compliance with relevant accounting standards, financial and taxation legislation. These transactions are in accordance with the Australian Tax Office requirements for Fringe Benefits Taxes and Goods and Services Taxes. The unit prepares and provides monthly financial information for the Parliamentary departments, Members of Parliament and the Department of Treasury and Finance (DTF). Each year the unit prepares the annual financial statements for the Parliament.

Other tasks include recording and monitoring cash flow, providing advice to Members and 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.

Key achievements

- Completed a review of the Oracle financial system licenses and implemented necessary system changes resulting in significant cost savings.
- Conducted a review of Parliament's GST compliance, audited the supplier database and deactivated approximately 7000 redundant suppliers.
- Analysed Parliament's Oracle financial system and processes and developed an Accounting and Administration Master Plan of system improvements for the next 3-5 years.

- Worked collaboratively with other business units to achieve process improvement including automation of the rent payment for electorate offices and implementation of the online gift shop.
- Improved internal processes and information:
 - transitioning more units/departments onto electronic invoicing and EFT payments
 - further modification of catering service customer statements based on customer feedback
 - Improved Audit Committee financial reports
- Policy development including:
 - Creation and implementation of a travel policy for the Parliament
 - Review of all existing Parliament finance policies

Quick facts

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

Challenges for the coming year

- Supporting new and existing Members and electorate officers in financial procedure to ensure smooth processing of Member invoices.
- Supporting financial activities related to the transition from the 57th to the 58th Parliament.
- Implementation of our financial system Master Plan, including development and implementation of an accounts payable workflow.



Budgets & Risks

Quick facts

Each month the unit reports on and monitors 164 cost centre budgets. These cost centre budgets include 128 Members, 14 Department of Parliamentary Services, 13 Committees, 6 Legislative Council and 3 Legislative Assembly to ensure Parliament delivers services within the allocated budget

The unit made a successful BERC submission on behalf of the Parliament for electoral boundary redistribution and increase in state voter count and received funding for 2014-15 and future years to support these changes

The Budgets and Risks unit manages internal and external budget processes for the Parliament, coordinates Public Accounts and Estimates Committee (PAEC) reports on and oversees Parliament's risk management framework.

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

Parliament's internal budget processes are coordinated by the unit to manage expenses within allocated resources. This includes annual allocation of budgets, provision of monthly reporting to Members of Parliament, periodic review of Parliamentary budgets, initiation of budget management strategies and financial process improvements. The unit also conducts an annual client survey on behalf of the four departments.

Key achievements

- Assisted with achieving additional funds to special appropriation to meet increase in expenses related to Members remuneration under the *Parliamentary Salaries and Superannuation Act 1968*.
- Redeveloped Parliament's contract and consultancy register to improve recording and reporting of contract information.
- Updated strategic and operational risk registers and improved processes and systems for reviews and updates.
- Provided input into the revised Members of Parliament Vehicle Plan to clarify policy application.

Challenges for the coming year

- Monitoring of Parliament's budget performance in 2014-15.
- Prepare for the funding impact of changes to Members' electorate office and communication budget due to the redistribution of electorate boundaries and electorate office staff redundancies following the election in November 2014.
- Manage budgetary impacts where required, due to the outcomes of scheduled unit service reviews.
- Implement systems to improve and automate the processing and reporting of telecommunication accounts.

Catering

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

Key achievements

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

The unit has continued to develop its corporate and commercial event management services and has implemented a Parliament Catering website showcasing the various venues and offerings available at Parliament House. The Catering unit has committed significant resources to team building and leadership activities to maintain an engaged and effective professional workforce which is focussed on excellent service delivery. Seasonal menus have been introduced to showcase regional Victorian produce.

Challenges for the coming year

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

Quick facts

Over the past 12 months the Catering unit has ground and served over 750kgs of espresso coffee



Security and Electorate Properties Unit

Quick facts

In total, 614 property maintenance help tickets were logged with SEPU in 2013-14

There are over 60 individual tasks undertaken for a single office relocation project which takes between 3-5 months to complete

Over 100,000 visitors passed through the Parliament House security screening during business hours

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

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

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

- Two relocation projects and one refurbishment project were delivered.
- Tender process conducted for both contract security and security maintenance services resulted in the appointment of new providers.
- Delivery of several key security projects including:
 - CCTV server & camera upgrades
 - Establishing new CCTV operations to service the new gallery space in the Parliamentary Library
 - Upgrade of PSO control room equipment
 - Installation of a wireless duress button facility in key areas around Parliament House

Challenges for the coming year

- The redistribution of electoral boundaries, which take effect at the election in November 2014, will result in a number of property disposals, reallocations and acquisitions to ensure that each electorate has a compliant electorate office within the new boundaries.
- Property and security related projects and tasks arising from the election will include auditing offices for retiring and defeated Members of Parliament.
- Sourcing compliant and suitable electorate office property within a limited budget to meet client and constituent expectations.
- Working with key stakeholders to deliver effective security initiatives.
- In conjunction with the security operations group members, delivery of the Parliament House rekey project and development of a visitor management strategy.



Key achievements

- In conjunction with other DPS units, SEPU carried out a number of process improvement/upgrade projects in 2013-14, including rental automation, invoice reconciliation and maintenance help ticketing.
- A full review of the building services scope for refurbishment and relocation projects was undertaken and a new building services panel of specialist providers was established.



Buildings & Grounds Service

The Buildings and Grounds Services unit supports facilities management of the Parliamentary Precinct through provision of building maintenance, project management and horticultural services.

Key achievements

Following the revaluation of Parliament House, the Victorian Government approved a significant increase in funding available for capital and maintenance works. This allowed the pace and scope of restoration and waterproofing of the building to significantly increase and has allowed for OH&S and disability access projects to proceed earlier than anticipated.

Stage 7 of stone restoration and waterproofing works has focused on the north-east area of the building, with refreshment rooms and internal courtyards being restored. As a result of the bi-annual stone condition audit, scoping and tender documentation for stages 8,9 and 10 was completed.

During 2013-14, Buildings and Grounds Services staff have worked to capture and document knowledge of the buildings' and garden's maintenance history in the absence of their long standing and now retired Maintenance Manager, Brian Bourke. This has given the team the opportunity to test and develop new systems to optimise the unit's use of IT infrastructure in onward years.

A recent example of this has been the mapping of the irrigation system throughout the gardens of Parliament House. The output of this is immediately and readily usable by the horticultural team, but also forms just one layer of existing conditions documentation previously

missing from the team's library and fundamental to the development of a reliable (and potentially automated) management system.

Staff have continued their professional development through a range of courses including scaffold licensing and first aid. The unit has also broadened its perspective on the work it undertakes on a daily basis, with the input of a diverse group of temporary project and administrative staff throughout the year.

All of these opportunities and achievements have built the capacity to meet the increased building requirements and manage a wider range of projects that address both the fabric and the functions of Parliament House.

Challenges for the coming year

The Buildings and Grounds Services unit will implement its service review outcomes and focus on undertaking a range of capital works and its maintenance activities. The capital programme proposed for the year is extensive and delivering all of the projects to a consistently high standard is a challenge the unit welcomes. One of the great challenges in 2014-15 will be better integrating the outcomes of capital projects with maintenance programmes.

In addition to the capital works, the unit is also conducting research into implementing a Building Automation and Management System. This system should combine all the temporary and independent systems and facilities information into a single monitoring and reporting system. This will ultimately lead to better building management.

Quick facts

2 stonemasonry apprenticeships have been completed at Parliament House since 2006

183,935 litres of rainwater have been captured and used to water the gardens of Parliament House in 2013-14



Parliamentary Library and Information Service

Quick facts

Digitisation of newspaper clippings dating from approximately 1964-2000

- 718,000 articles were scanned, occupying about 666 GB of data storage
- 289 archive boxes of files sent off to be scanned, totalling 8587 files

Digitisation of 56,000 media releases (1970-1990), 4813 pages from 1899 Referendum Voters Roll (microfilm copy), 1689 pages from Historic Clippings from old scrapbooks (1901-1913), 395 Election policies & policy speeches (1911-1992), 212 Electorate profiles (1991 & 1996 Census data)

7176 audio and video recordings were collected

The Parliamentary Library and Information Service provides library, research and information services to Members of Parliament and Parliamentary staff. It assists Members and staff to stay up-to-date with relevant information and resources to support the activities of the legislature. It provides resources to develop the knowledge and skills required to access, evaluate and use information effectively.

Key achievements

The outcome of the independent review of the Library in 2013 resulted in the redefinition of the role of the Parliamentary Library and Information Service. Enhancements include streamlining library and information service functions, rationalising and consolidating collections and implementing new services to enhance user experience, while maintaining and respecting the integrity of Parliament's heritage collections.

Following the service review, the Library and Information Service delivered several key projects and activities:

- Review, cataloguing and relocation of a range of heritage items, paintings and photographs to help preserve the important history of the Parliament,

- Installed several displays in the Library on interesting items in the collection and to commemorate significant legislation or events,
- Digitisation of a wide range of resources including all volumes of Hansard, a collection of political newspaper articles, Parliamentary papers and some rare electoral boundary maps. The digitisation of these resources will help improve research and access to a wider variety of significant resources.

The unit also produced a wide range of research papers, briefs, hot topics pages, bills backgrounders, research notes and bills information links to assist Members and staff in researching legislation being considered by the Parliament.

In collaboration with the Organisational Development unit, the Library continued the successful Parliamentary Internship Program, involving 33 third year political science students from Monash, Melbourne and Victoria Universities who completed a major research report for a Member of Parliament. Over 1000 interns have now participated in this program which forms part of the student's undergraduate degree. Next year Parliament will celebrate the program's 25 year anniversary.

Challenges for the coming year

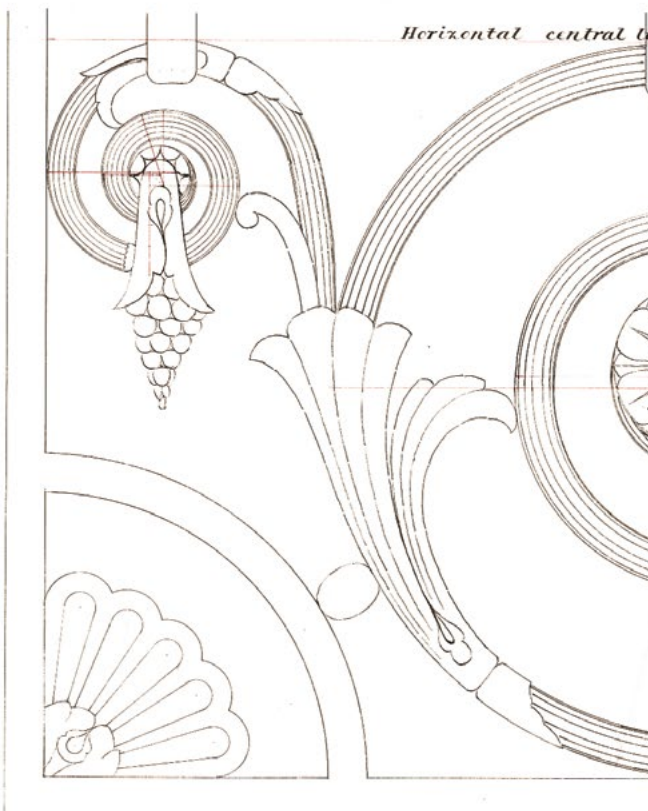
The Parliamentary Library will continue to focus on delivering 'state of the art' information and research services to Members and staff, while still maintaining some traditional library functions, such as developing its heritage collections.

The Library will continue to source relevant and appropriate resources including e-books for use by Members and staff.

The Library will have a range of exhibitions and displays available in the upper gallery, which will include a range of settings; for research; a quiet space; for engaging the community through tours; and showcasing the rich heritage of Parliament House while ensuring that the Library remains highly functional for its purposes.

The Library will continue to rationalise and consolidate its database holdings and legacy information to ensure it maintains a relevant and accessible information service for Members and staff. It will continue to work with other DPS and House departments to ensure it maintains a functional and accessible range of information resources.

The Library will continue to digitise key information assets, including previous intern reports, the Legislative Council's minutes of proceedings and rare books where appropriate.



One-Fourth Central Panel.



Hansard

Quick facts

Hansard transcribed 4,361 pages of committee hearings in 2013-14 financial year

Hansard broadcasting produced over 1,100 hours of live web streaming of Parliamentary proceedings in the last year

Hansard's primary role is to accurately and promptly report the proceedings of the Parliament, Parliamentary committees and other forums in accordance with Victorian Hansard's editorial policy.

Hansard produces and publishes electronically the Daily Hansard and Weekly Hansard which include answers to questions on notice. The Weekly Hansard and sessional volumes of Hansard are published in both electronic and paper format as enduring records and references.

Hansard produces sessional indexes for distribution and inclusion in the sessional volumes.

Hansard's reporting responsibilities include the broadcasting of Parliamentary proceedings live via the internet. The broadcast and audio visual team manage a sophisticated infrastructure which includes over 120 automated microphones, six audio recording servers, sixteen high definition cameras and three broadcast control rooms.

The coverage is provided live to the contingent of news media teams through a dedicated media room and with provisions to their broadcast vans. Hansard provides sound amplification for the two Parliamentary chambers and audio visual support throughout Parliament.

Key achievements

Hansard broadcasting has continued to develop its new high definition web streaming service that delivers all Parliamentary broadcasts live to the Parliament's website. This new media technology enhances the broadcast service delivery managed by Hansard and greatly improves the experience of watching Parliament by the general public and all outside agencies.

Challenges for the coming year

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

The unit will also undertake a significant refresh of broadcast and audio visual infrastructure within the precinct, and for recording committee hearings held away from the precinct.

Information Technology

The Information Technology (IT) unit specialises in providing a stable, innovative and efficient IT service to our customers who are members of Parliament, electorate officers and Parliamentary staff. We manage and support software and systems for the effective and efficient operation of Parliament.

Services provided by our innovative and enthusiastic team include procurement, installation and implementation of all technology systems including management of the wide area networks (WAN) connecting the Parliament and the 128 electorate offices around Victoria.

Key achievements

The major focus of the unit has been to implement the outcomes of the service review conducted in the previous financial year with new customer focus, structure, staffing, service delivery model and operating arrangements.

The IT unit undertook a number of significant projects across the organisation including works to significantly remedy and upgrade existing technical infrastructure.

Key projects include;

- commenced the development of an ITC strategy
- upgrade and replacement of enterprise SAN and storage infrastructure
- improved telephone account reporting system
- implemented a secure document system for management and distribution of confidential Parliamentary committee documents
- digitisation of documents including news clipping files, Hansards and votes and proceedings
- upgrade all electorate office multi-function devices
- upgraded desktop computers at all electorate offices
- developed a web based application to manage House documents
- developed a new tours booking system for the Legislative Assembly
- redesigned and rebuilt the Catering unit's website including the online gift shop, and
- updated the system for the remote deployment of software within the organisation

Challenges for the coming year

The Information Technology unit will continue to work within a constrained fiscal context, while ensuring the appropriate attention is given to security of systems, the management of 'big data' and the rapid uptake of mobile devices to enable the mobile workforce within Parliament to operate efficiently and effectively.

Quick facts

An average of 1400 phone calls and 470 emails, since February 2014, have been processed by the service desk(4 months)

100 Walk-in requests per month are made to IT Services. That is nearly 100 customer initiated contacts per day

Since July 1 2013 the Parliament website has had 3,598,824 page views

The busiest day during a sitting week occurred on Thursday 3 April when we received 223 phone calls

The busiest day during a non-sitting week occurred on Monday 24 February when we received 277 phone calls



Education and Community Engagement Unit

Quick facts

Parliament hosted the 2013 Junior School Council Congress, where around 150 primary school student delegates from 77 schools across Victoria debated the topic of 'We are citizens too! What we do makes a difference.' The year 5 & 6 students proposed ideas and then discussed, debated and decided on resolutions around issues of importance to the capacity to 'make a difference'

The unit engaged with almost 2,000 teachers and pre-service teachers at a range of education conferences across the secondary and adult education sectors

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

Key achievements

A new online teaching and learning resource consisting of four downloadable units has been completed and is now available at the Education Zone on the Parliament's website. Accompanied by a curriculum alignment guide and answer sheet, the units are aimed at the VCAL (Victorian Certificate of Applied Learning) and CGEA (Certificates in General Education for Adults) frameworks.

The ESL Materials for Teaching Adult Learners workbook has been updated to align with the new EAL Frameworks 2014 and the Certificate in Spoken and Written English 2013 curricula.

Filming of new footage to update a range of video clips on the Parliament's website was completed in 2014. This project was undertaken in conjunction with the Parliament's broadcasting unit.

The annual professional development day for teachers, hosted by the Civics and Citizenship Network, was held at Parliament House in August 2013 and presented a range of resources provided by network members to teachers. The Network is an alliance of providers of civics and citizenship resources for schools and the community. It includes the Law Institute of Victoria, the Victorian Electoral Commission, Social Education Victoria, the Big Issue, the Department of Education and Early Childhood Learning, the Old Treasury Building and the Parliament of Victoria.

The unit presented on approaches to adult education at the annual Australasian Parliamentary Educators' Conference which was held in Canberra in December 2013.

Challenges for the coming year

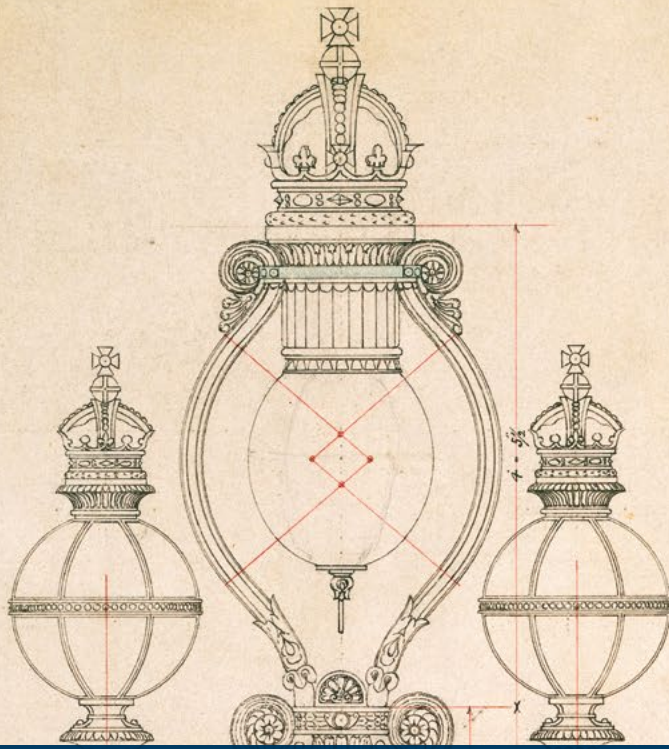
The unit will update its range of print and audio-visual resources as soon as possible after the November 2014 election. New versions also need to reflect changes to the Australian Curriculum. The unit will take this opportunity to review both content and the most appropriate media for the dissemination of resources, prior to the election.

An online interactive resource for the primary school sector is in the development phase, as is a downloadable role play activity for the VCAL sector.

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331
91-7
216
#2323

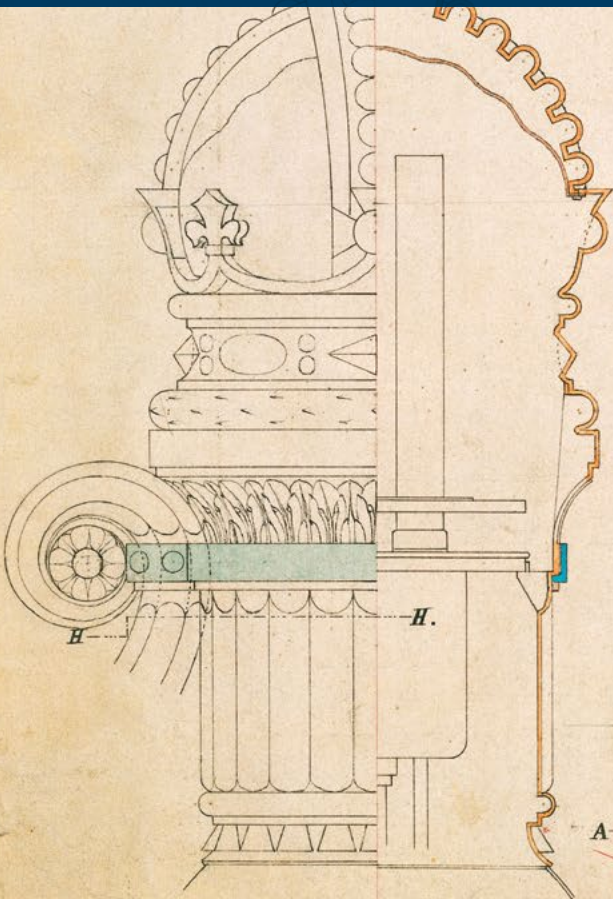
Houses
Detail
per

Half Plan on line H-H,
looking up.

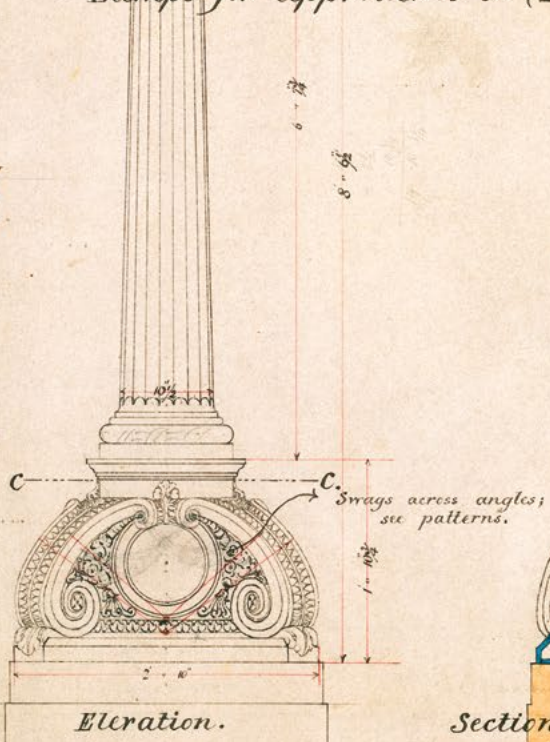


ADDITIONAL INFORMATION

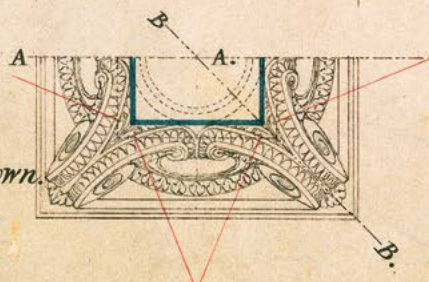
Lamps for Approaches &c (17 in all).



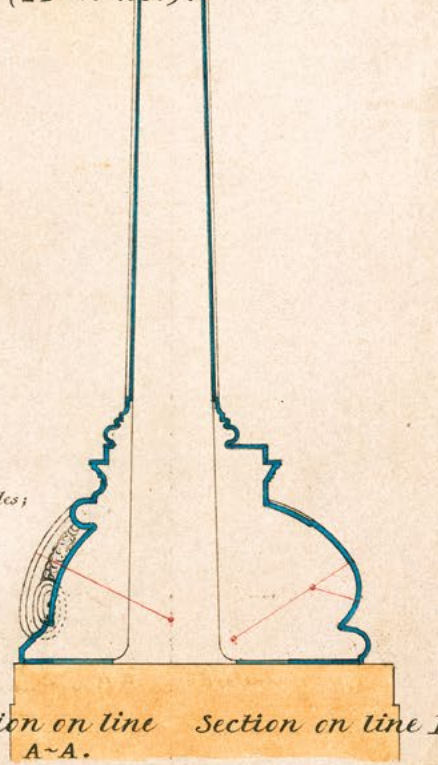
Half Elevation & Half Section of Central Crown.
Scale, 1/4 Real Size.



Elevation.



Plan on line C-C,
looking down.



Section on line A-A. Section on line B-B.



THIS IS ONE OF THE DRAWINGS REFERRED TO IN MY CONTRACT ENTERED INTO THIS DAY FOR ABOVE WORKS.
MELBOURNE 11th March 91
J. W. Marshall
J. Moore

Our People

Secretary - DPS

Lochert, Peter Secretary - Parliamentary Services
 McGraw, Stephanie Executive Assistant

Cox, Sarah Election Coordinator 2014
 Pattison, Matthew Casual Researcher - DPS

Directors - DPS

Barr, Hilton Director - Precinct & Property Management
 Edwards, Bronwen Director - Resource Management
 Truman, Joanne Director - Information Services

Information Services

Altair, Angelo Audiovisual Supervisor
 Altair, Patricia Sub Editor
 Aquino, Terry Coordinator, Information Access & Management
 Aroozoo, Marianne Research Assistant
 Beks, Sandra Serials Technician
 Bertram, Gavin Reporter
 Bilic, Giuliana Sessional Monitor/Keyboarder
 Blyth, John Broadcast Officer
 Breukel, Jon Coordinator, Research & Inquiries
 Bullen, Gavin Service Technician
 Clements, Francesca Sessional Reporter
 Cousins, David Project Management Business Analyst
 Craig, Amber Sessional Monitor/Keyboarder
 Darby, Paige Research & Inquiries Officer
 Dewar, Rachael Sessional Reporter
 Donohue, Justine Sessional Reporter
 Fewings, Timothy Broadcast Media Officer
 Gallagher, Robin Intranet Librarian
 Goldie, Kathryn Sessional Reporter
 Greatorex, Mark Publishing & CIT Business Support Officer
 Greig, Patricia Sub Editor
 Griscti, Trevor Broadcast Officer
 Hansen, Maria Senior Reporter
 Harnath, Margaret Editor
 Harris, Linda Reporter
 Harris, Mark Broadcast Coordinator
 Henson, Richard Library Technician
 Hillis, Crusader Sessional Reporter
 Hurford, Emma Reporter
 Jonas, Alice Research & Inquiries Officer
 Kebbe, Sue Reporter
 Kennedy, Liza Sessional Reporter
 Kenny, Andrea Reporter
 Kim, Lee Sessional Reporter

Koh, Kee
 Kurrle, Michelle
 Lamonato, Michael
 Lauder, Stephen
 Lee, Marshall
 Lesman, Bella
 Lewis, Meredith
 Luddon, Suzie
 Macreadie, Rachel
 Macvean, Carolyn

Magarey, Joel
 Mamouney, Michael
 Martyn, Jennifer
 McCarthy, Timothy
 McFarlane, Eithne
 Milburn, Lesley
 Milk, Anneliese
 Mills, Kevin
 Neish, Peter
 Nichols, Stephen
 Nonneman, Jesse
 Novacco, Monique
 Nugent, John
 O'Connell, Emma
 Pow, Ryan
 Power, Freda
 Prasad, Christopher
 Preston, Andrew
 Rafei, Ibrahim
 Reeves, Debra
 Rissotto, Daisy
 Roberts, Karina
 Ross, Catriona
 Sablyak, Patricia
 Salvatore, Rob
 Scott, James
 Sidhu, Ajeetpal
 Smith, Heather
 Spencer, Lucinda
 Spicer, Victoria
 Spillane, Patrick
 Squire, Evan
 Taylor, Linden
 Thomas, Mathew
 Toller, Annie
 Truman, Jonathan
 Turner, Alan
 Tynan, Matt
 Whitehead, Simon

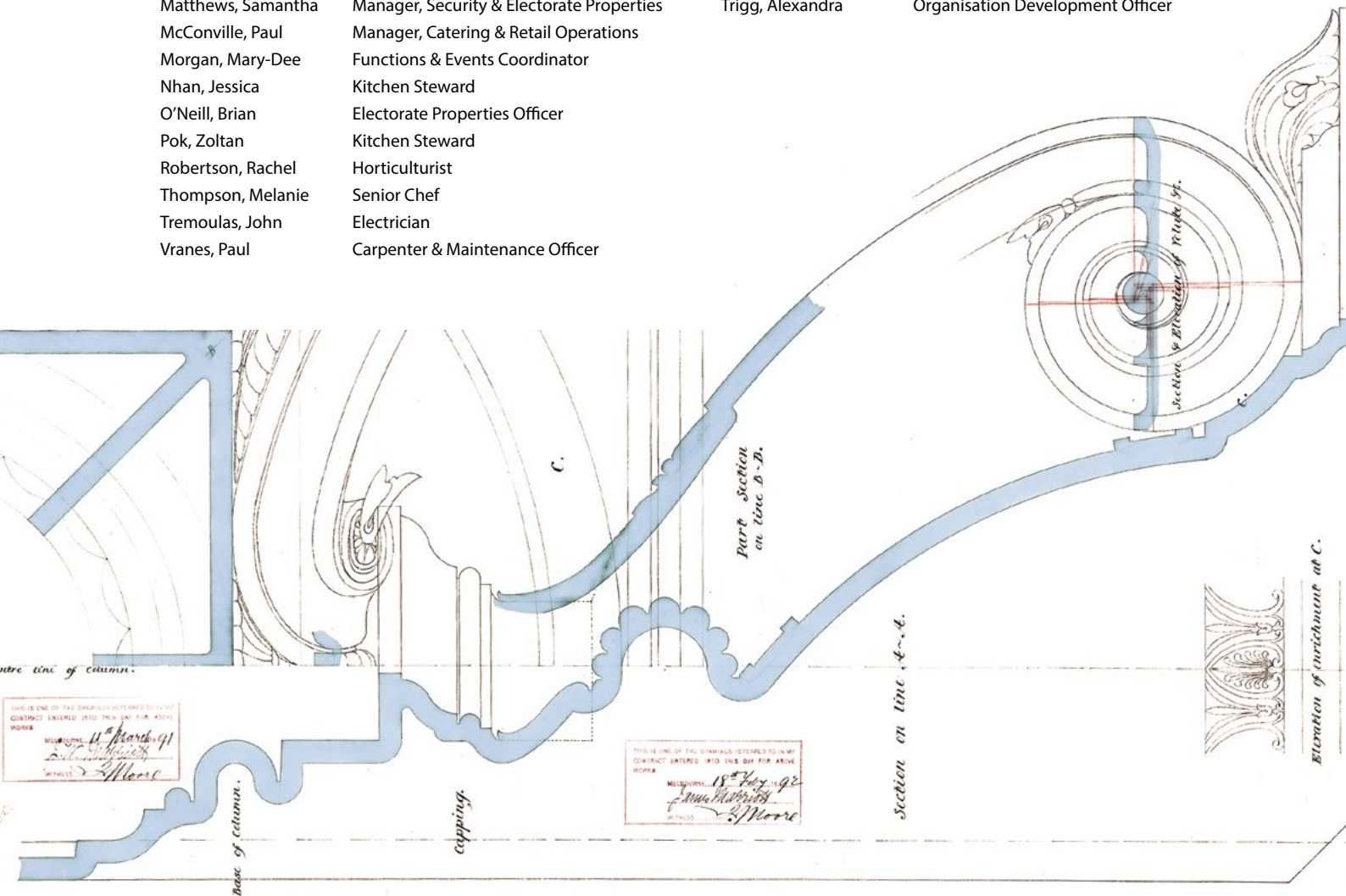
Reporter
 Publishing Business Support Officer
 Sessional Reporter
 Cataloguing Officer
 Leader Business Services
 Statistical Research Analyst
 Sub Editor
 Community Engagement Projects Officer
 Research & Inquiries Officer
 Manager, Parliamentary Library & Information Services
 Sessional Reporter
 Print Media Librarian
 Reporter
 Broadcast Media Officer
 Sessional Reporter
 Manager, Information Technology
 Heritage Databases Officer
 Sessional Sub Editor
 Systems Officer
 Broadcast Officer
 Audiovisual Officer
 Broadcast Officer
 Editor
 Heritage Databases Officer
 Broadcast Officer
 Sessional Reporter
 Service Analyst
 Sessional Reporter
 Leader Enterprise Solutions
 Lending Services Librarian
 Administrative Officer
 Sessional Reporter
 Research & Inquiries Officer
 Sessional Sub Editor
 Broadcast Officer
 Manager, Hansard
 Service Analyst
 Reporter
 Heritage Databases Officer
 Coordinator, Heritage & Collections
 Reporter
 Reporter
 Sub Editor
 Broadcast Officer
 Sessional Reporter
 Casual Administrative Officer
 Sessional Reporter
 Broadcast Officer
 Publishing & CIT Business Support Officer

Precinct and Property Management

Andrews, Stephen	Team Leader Building Services
Bonney, Melodeanna	Kitchen Steward
Bruhin, Peter	Casual Chef
Clarke, Joanna	Electorate Properties Officer
Craig, Michael	Executive Chef
De Graaf, Robert	Electrician - A Grade
Doolan, Jacqueline	Customer Service Supervisor
Fothergill, John	Manager, Buildings & Grounds Services
Fotheringham, Nicole	Team Leader, Security & Electorate Properties
Fox, Karen	Senior Customer Service Officer
Gatewood, Rachel	Senior Projects Officer
Greene, Lynette	Electorate Properties Officer
Haddow, Linda	Horticulturist
Harris, Lisa	Electorate Properties Officer
Higgins, Samantha	Customer Service Officer
Hurle, John	Senior Horticulturist - Turf
Imber, Alison	Administrative Officer
Kearney, Amy	Electorate Properties Officer
Kelly, Glenn	Electrician - A Grade
King, Susan	Security Co-Ordinator
Matthews, Samantha	Manager, Security & Electorate Properties
McConville, Paul	Manager, Catering & Retail Operations
Morgan, Mary-Dee	Functions & Events Coordinator
Nhan, Jessica	Kitchen Steward
O'Neill, Brian	Electorate Properties Officer
Pok, Zoltan	Kitchen Steward
Robertson, Rachel	Horticulturist
Thompson, Melanie	Senior Chef
Tremoulas, John	Electrician
Vranes, Paul	Carpenter & Maintenance Officer

Resource Management

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



Staff Profiles

Corrine Duggan



Corrine joined the Organisation Development team in August 2009.

Corrine is a key member of the payroll team ensuring that all staff and Members of Parliament receive their correct pay each fortnight. Corrine works closely with the team in processing thousands of payroll transactions each financial year.

Corrine guides many new employees through the payroll commencement process and assists new employees to access ESS. Corrine also produces fortnightly payroll reports and administers superannuation, tax and other employer obligations to relevant agencies.

“What I enjoy most is being part of the payroll team ensuring that all staff get the correct pay every fortnight, have a point of contact for questions regarding employment conditions, entitlements and payroll processes, and deliver great customer service.”

Corinne completed her Diplomas in Human Resources Management and Management to update her skills in Australia. She moved from Switzerland to Australia because of her homesick Aussie husband shortly before commencing work for the Parliament of Victoria.

Corinne’s passion for people doesn’t stop at her work place. In her spare time she helps to improve the health of the local community by empowering people with information, inspiration and support to create a healthier and happier life. In order to achieve this she runs healthy, fun and happy weight loss challenges and a power walking group. Coaching people to reach their goals and achieve a healthy active lifestyle is so empowering and very important in this day and age.

Paul Vranes



Paul Vranes is a valued member of the Buildings and Grounds Services crew, joining the Parliament team just over two years ago as Carpenter and Maintenance Officer.

Prior to working at Parliament, Paul worked as a contractor for the Royal Children’s Hospital. A varied and busy role did not prepare him for being called into emergency theatre to assist the fire brigade, nurses and doctors to remove a child’s finger from the bath plug hole. Medical and nursing degrees were no match for Paul’s tools when it came to saving the day.

Colleagues would describe Paul as cool, calm and collected. The Parliament ‘chippie’ has a laid back style and enjoys the versatility and array of jobs that come with the role. From contractor management and supervision to fixing door hinges – rest assured the maintenance needs of Parliament House are in safe, qualified hands with Paul.

When asked, Paul describes working on and in such an iconic building as “sensational... to see with your own eyes how things were made over one hundred and fifty years ago and the intricate detail and quality of work, it’s just mind blowing.”

A family man married to wife Tania for just shy of 20 years, Paul enjoys family holidays with kids Luke, Jessica and Alicia. Paul and Tania do have a special anniversary coming up and are planning on having a big holiday.

A lover of all things sport including motorsports, cricket and the Western Bulldogs, Paul is hoping to see the Doggies win the flag whilst he is still on this earth (but he is not holding his breath!).

Trish Greig



'Find a job you love, and you will never have to work a day in your life': Trish Greig found such a job when she joined the Parliament of Victoria's Hansard unit in 1998 as a Stenotype — machine shorthand — reporter. Sixteen years later Trish is a Hansard subeditor and is still enjoying the craft of turning the spoken word of Members into a written form suitable for inclusion in the official report. Trish remembers fondly the time former Legislative Council member Roger Hallam congratulated Hansard staff for the work they do, stating that they make 'a silk purse from a sow's ear' and adding that 'they must have an enormous supply of sows' ears somewhere — and where they put the apostrophe in that lot will be the test!'

Trish honed her reporting skills as a court reporter, working in Victorian courts as well as the International Criminal Tribunal for Rwanda in Tanzania. Her most memorable experiences include reporting the Russell Street bombing trial and Justice George Hampel's life sentencing of Hoddle Street murderer Julian Knight, and recording the harrowing evidence of survivors of the Rwandan genocide. Trish was also one of the first reporters in Australia to provide realtime transcription in multiparty litigation. She also turned her hand to reporting press conferences at the Australian Open and Kooyong tennis championships, where she sat boggled opposite players like Roger Federer, Rafael Nadal, Andy Murray, Marat Safin and Andy Roddick as she recorded their answers to the questions fired at them by a room full of journalists. (There were many female players too, but she cannot recall them!) Trish also spent a year as a realtime television captioner — an experience she described as terrifying, knowing that hundreds of thousands of people were watching her live captions and were all too ready to laugh at her mistakes, such as captioning then Prime Minister Howard, who said 'there's life after Canberra', as saying 'there's life African bra!'

Since coming to work at the Victorian Parliament Trish has observed a gradual change in Hansard's reporting style, from being very formulaic in the early days to being much more verbatim today, which she believes better reflects the style of Members. Trish has seen the passage of many important pieces of reforming legislation pass through the Parliament, and she feels privileged to have been a part of the process of reporting and publishing those reforms for the benefit of future generations. Trish also feels privileged to have been selected to work with Queensland Hansard at a time of staffing shortage and to travel to Nauru to provide assistance and training to its Hansard staff, who were experiencing difficulties in producing and publishing reports of the Parliamentary proceedings.

Trish believes that with the live broadcasting of Parliament there will be more changes ahead for Hansard, and she looks forward to the challenge.



Employment Framework

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

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

Staffing

	Parliamentary Officers	Electorate Officers	Total
Full-time	91	117	208
Part-time	18	249	267
Sessional	29	335	364
Total	138	701	839

Full-time Equivalents (FTE)

	Parliamentary Officers	Electorate Officers	Total
Permanent	83.5	234.54	318.04
Fixed Term	33.25	59.64	92.89
Total	116.75	294.18	410.93

Fatigue Management

Fatigue Management has been identified as a strategic Occupational Health and Safety risk.

The Parliamentary Executive Group and the Occupational Health and Safety Committee approved the Workplace Fatigue Management Policy during 2013-14. The policy was implemented through general awareness training for Parliamentary officers and

tailored training for supervisors. Each business unit affected by the sitting schedule of Parliament has developed a Workplace Fatigue Management Plan.

No workplace fatigue incidents were reported during 2013-14 and the risk will continue to be managed during 2014-15.

Senior Officer Travel

	2011 - 12	2012 - 13	2013 - 14
DPS Senior Parliamentary Officer Travel*	\$3,769	\$2,663	\$5,545

* A senior parliamentary officer is defined as EO3 and above.

Organisational Change

The Organisational Development unit assisted the review and implementation of change across Information Technology and the Parliamentary Library providing employee relations advice and support. This included specialised programs for individual employees affected by change and redeployment case

management. The OD unit also provided assistance during the amalgamation and establishment of Joint Investigatory Committees arising from amendment to the Parliamentary Committees Act. This included representation before the Fair Work Commission and coordination of the reassignment process.



Occupational Health And Safety (OH&S) And Employee Welfare

The Organisational Development unit coordinated a wide range of OH&S training activities with a focus on Fatigue Management, Code of Conduct (including workplace bullying as an OH&S issue) and Emergency Management. The corporate wellness program provided preventative programs (flu vaccinations, skin checks, bone density screening), educational resources

(monthly email and information packs) and activities (physical exercise programs) to large numbers of employees and Members. This included employee involvement in external activities such as RU Ok day, Mother's Day Classic fund raising, blood bank donations and the Choosing Healthy Energetic Food (C.H.E.F) Challenge.

Occupational Health and Safety Key Statistics

Measure	Description	Result
Incidents and hazards	Number of incidents	40
	Number of reported hazards	15
Claims (registered between 1/7/13 to 30/6/14)	Number of minor claims**	5
	Number of standard claims**	0
	Number of lost time claims**	2
	Number of claims exceeding 13 weeks**	0
	Return to work compliance	100%
OH&S Committee	Committee Meetings	8
	OH&S Representative initial and refresher training participation	100%
Hazard Inspections	Workplace hazard inspections	4
Corporate Wellness Activities	Number of participants	490

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

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

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

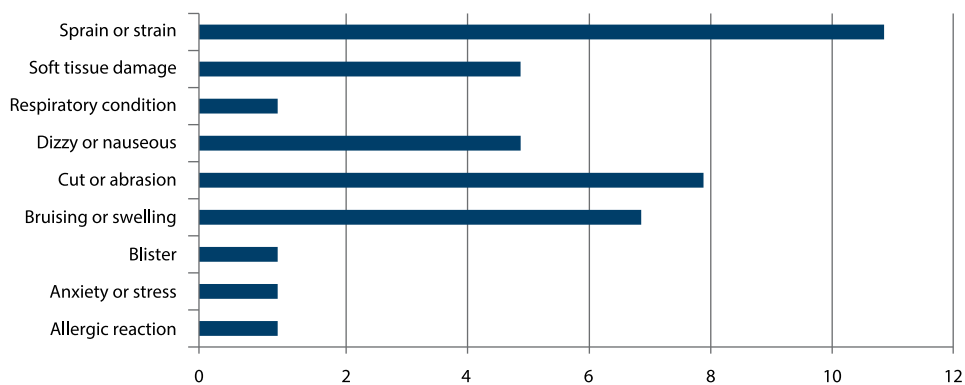
Learning and Development

The Organisational Development unit coordinated an extensive range of learning and development programs including orientation, computer skills, plain english workshops, management and supervisor training. Most of these programs were delivered on site using the computer training room at 55 St Andrews Place. Cost effective and customised for Parliament, programs were offered to employees through the training calendar.

During 2013-14 a position was transferred to the OD unit to enable an increase in learning and development activities, greater engagement with electorate offices and administrative support for the Parliamentary internship program. Online education resources have been expanded and engagement with the public sector and other Parliaments has been extended.

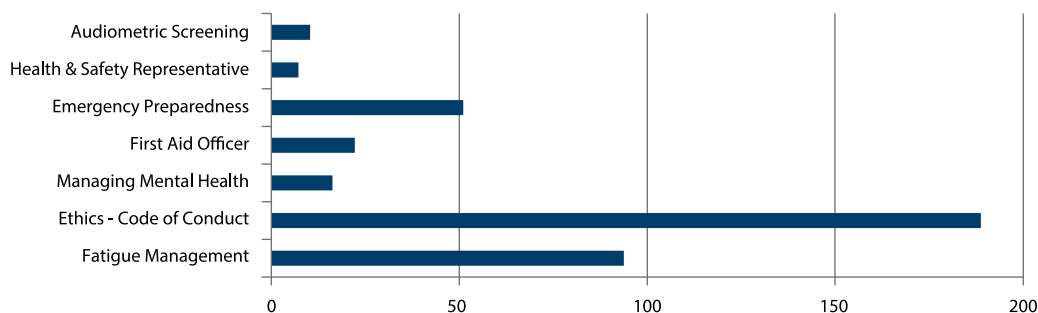
The OD unit also coordinated education programs for Members on legislation and regulatory changes and addressed the training priorities identified by Member surveys including a presentation by IBAC.

OH&S Incidents



Source: PoV Incident & Hazard Reporting database

OH&S Training



Consultancies

Details of Consultancies \$10,000 and over

Consultant name	Brief summary of project	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2012 - 13 (excluding GST)	Future Expenditure (excluding GST)
NLT Consulting	Library service review	Dec - 12	Jul - 13	64,600	12,920	-
KPMG	Development of IT disaster recovery plan	Apr - 14	Jun - 14	18,188	18,188	-
Kathleen Menzies Consulting	Security and Electorate Properties Unit service review	Dec - 13	May - 14	40,000	36,129	-
Kathleen Menzies Consulting	Building and Grounds Unit service review	Dec - 13	May - 14	50,000	46,489	-

Consultancies less than \$10,000

In 2013-14 there were no consultancies where the total fees payable were less than \$10,000.

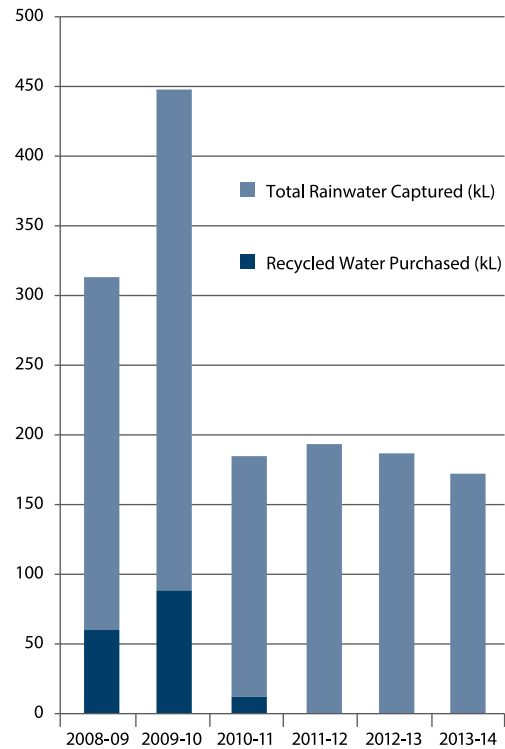
Environmental Sustainability Report

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

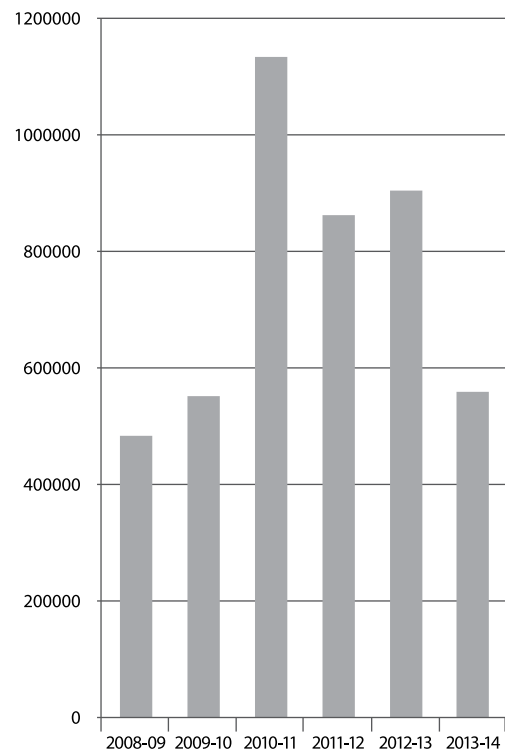
During 2013-14 we have seen a significant reduction in annual gas usage, with levels at their lowest since 2009-10. Increasing use of equipment and technology to perform work tasks explains the small increase in electricity use. We have begun to install LED lighting throughout the precinct and will continue this installation into 2014-15 and beyond. We are also conducting research into the use of a Building Automation and Management System (BAMS) which would further improve our ability to program air-conditioning systems to run more efficiently. The system would combine all current temporary and independent systems into a single management, control, monitoring and reporting system.

The water data collected for 2013-14 has shown very pleasing results, with no recycled water required to be purchased during this period. The level of rainwater captured was sufficiently managed with more outlets being introduced throughout the Parliamentary gardens. These new outlets have improved the distribution of water to required areas and have improved our ability to efficiently monitor our water usage while minimising wastage.

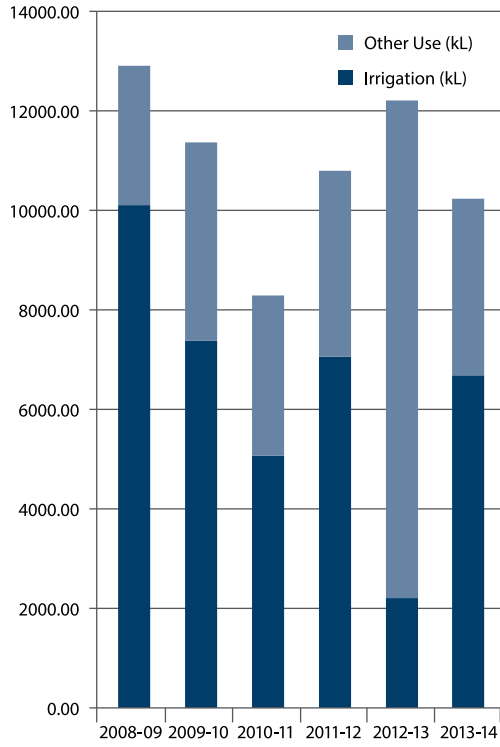
Annual Tank Input (Rainwater)



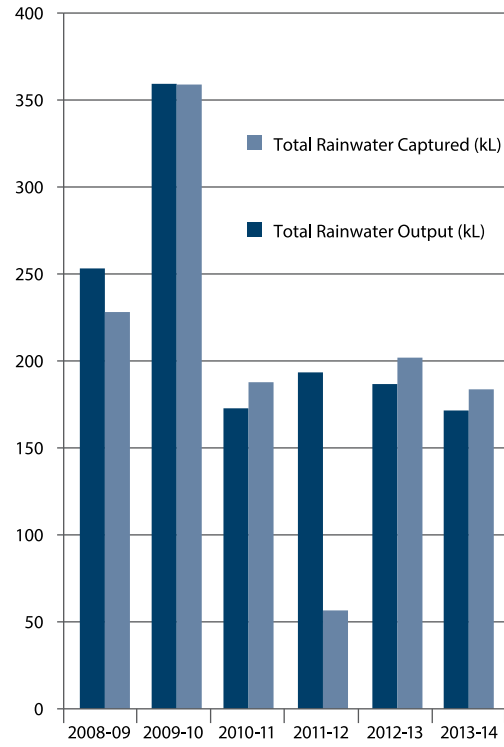
Parliament Precinct Annual Gas Use (Mj)



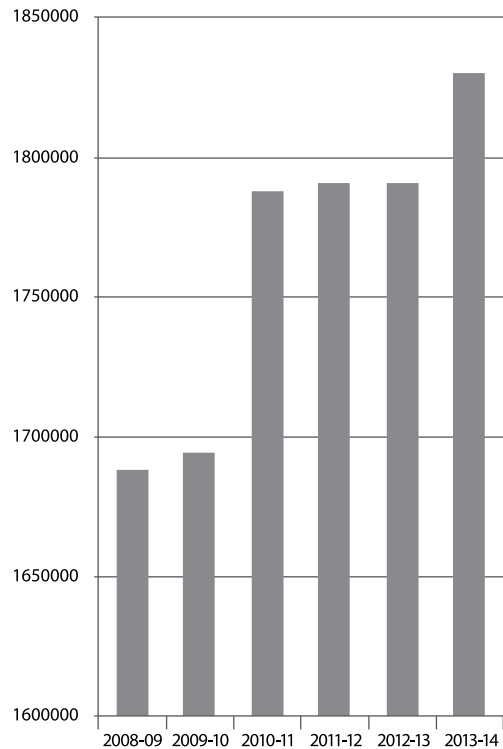
Annual Mains Water Use



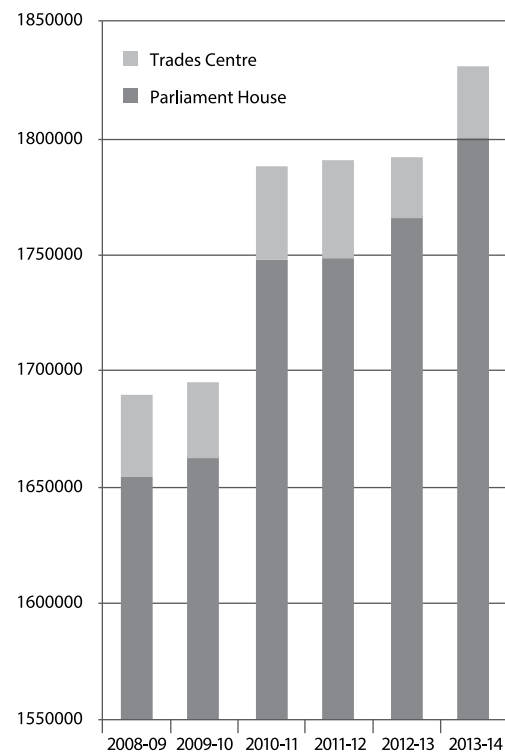
Total Rainwater Capture v. Total Rainwater Output



Annual Parliament House Electricity Use (kWh)



Parliament Precinct Annual Electricity Use (kWh)



Output Measures - Legislative Assembly

Outputs	Unit of Measure	Target 2013 - 14	Actuals 2013 - 14	Target met or exceeded (Y/N)
Quantity				
Procedural references updated biannually	Number	2	2	Y
Regional visits to schools to conduct Parliamentary Information Talks and Parliamentary Role Plays	Number	5	6	Y
Quality				
Bills and amendments processed accurately through all relevant stages in compliance with constitutional requirements and standing orders	Percent	100	100	Y
Member satisfaction that advice is responsive, prompt, clear and objective	Percent	80	100	Y
Teacher satisfaction with tours of Parliament for school groups	Percent	95	99	Y
Timeliness				
Documents tabled within time guidelines	Percent	90	100	Y
House documents available one day after sitting day	Percent	100	100	Y
Online information relating to bills updated within one day	Percent	98	100	Y
Total output cost	\$ million	27.4	27.5	

Output Measures - Legislative Council

Outputs	Unit of Measure	Target 2013 - 14	Actuals 2013 - 14	Target met or exceeded (Y/N)
Quantity				
Procedural references updated biannually	Number	2	2	Y
Quality				
Bills and amendments processed accurately through all relevant stages and other business of the House conducted according to law, standing and sessional orders	Percent	100	100	Y
Member satisfaction with accuracy, clarity and timeliness of advice	Percent	90	89	Y
Timeliness				
Documents tabled within time guidelines	Percent	95	100	Y
House documents and other sitting related information available online one day after sitting day	Percent	98	100	Y
Total output cost	\$ million	14.1	14.0	

As the output measure "Member Satisfaction with accuracy, clarity and timeliness of advice" was marginally less than the target it is considered to be met.

Output Measures - Committees

Outputs	Unit of Measure	Target 2013 - 14	Actuals 2013 - 14	Target met or exceeded (Y/N)
Quantity				
Reports tabled per annum	Number	28	30	Y
Quality				
Committee members satisfied that advice about procedure, research and administration is responsive, clear, objective and prompt	Percent	80	100	Y
Inquiries conducted and reports produced in compliance with procedural and legislative requirements	Percent	95	95	Y
Timeliness				
Reports tabled in compliance with procedural and legislative deadlines	Percent	95	95	Y
Total output cost	\$ million	7.2	7.0	

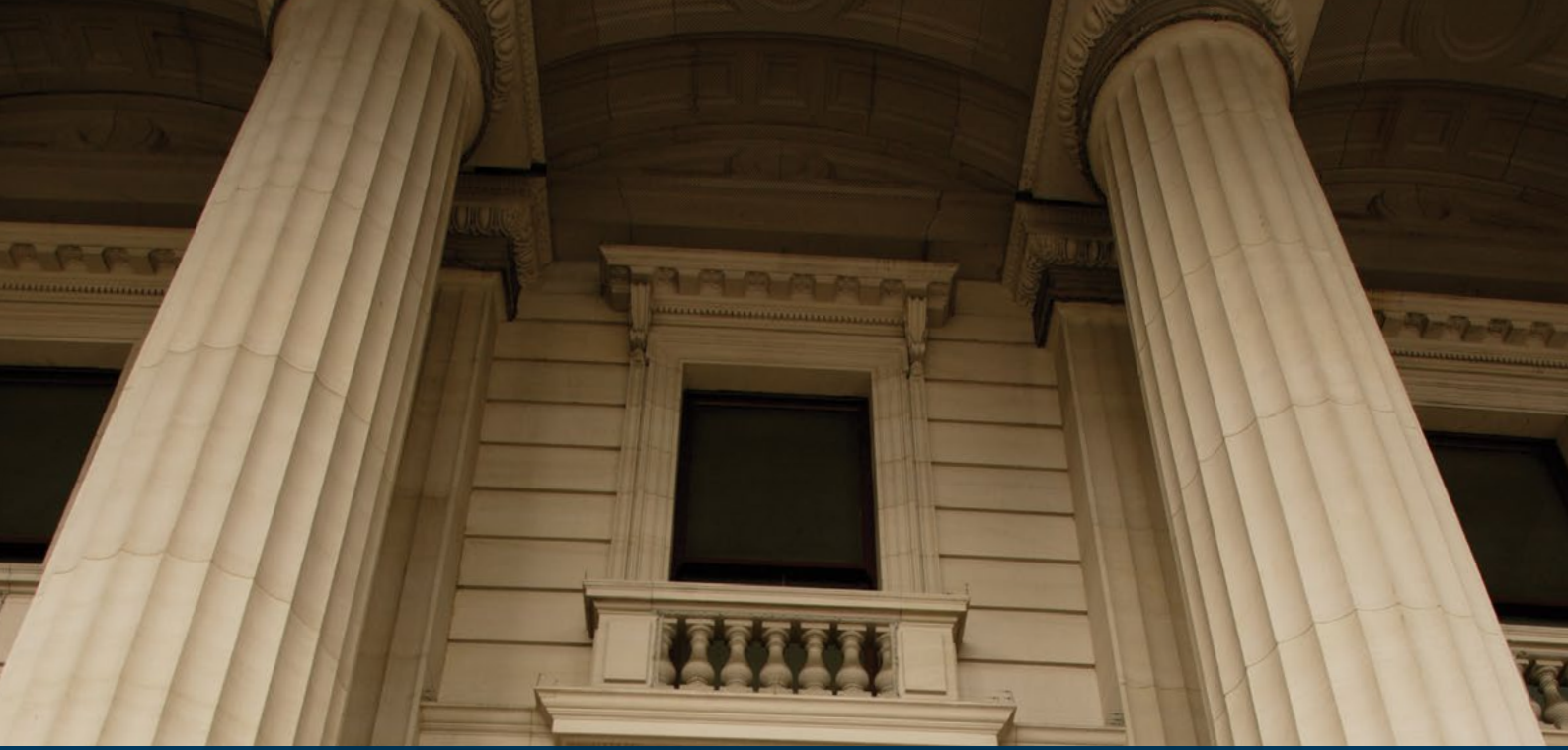
Output Measures - DPS

Outputs	Unit of Measure	Target 2013 - 14	Actuals 2013 - 14	Target met or exceeded (Y/N)
Quantity				
IT systems availability – (Parliament and Electorate Offices)	Percent	99	99	Y
Monthly management reports to MPs and departments	Number	12	12	Y
Parliamentary audio system transmission availability	Percent	99	100	Y
Provide MPs with a functional electorate office	Percent	95	100	Y
Quality				
Clear audit opinion on Parliamentary Financial Statements (previous year)	Percent	100	100	Y
Clients satisfied with quality of information provided by Library staff	Percent	85	96	Y
Maintain and secure the parliamentary precinct and have it available for legislative program	Percent	95	100	Y
Timeliness				
Indexes, records and speeches and transcripts provided within agreed timeframes	Percent	90	93	Y
Payroll processing completed accurately and within agreed timeframes	Percent	99	100	Y
Total output cost *	\$ million	87.2	82.2	

RECONCILIATION OF APPROPRIATION BILL 2013-14 & 2014-15 TO BUDGET PAPER NO. 3

	LEGISLATIVE COUNCIL		LEGISLATIVE ASSEMBLY		PARLIAMENTARY SERVICES		JOINT INVESTIGATORY COMMITTEES		VICTORIAN AUDITOR GENERAL		TOTAL - EXCLUDING VAGO		TOTAL - INCLUDING VAGO	
	2013-14 BUDGET	2014-15 ESTIMATED BUDGET	2013-14 BUDGET	2014-15 ESTIMATED BUDGET	2013-14 BUDGET	2014-15 ESTIMATED BUDGET	2013-14 BUDGET	2014-15 ESTIMATED BUDGET	2013-14 BUDGET	2014-15 ESTIMATED BUDGET	2013-14 BUDGET	2014-15 ESTIMATED BUDGET	2013-14 BUDGET	2014-15 ESTIMATED BUDGET
FIGURES PUBLISHED IN APPROPRIATION BILL	000's 3,081	000's 3,254	000's 4,525	000's 4,636	000's 82,130	000's 85,446	000's 7,196	000's 7,016	000's 15,028	000's 15,404	000's 96,932	000's 100,352	000's 111,960	000's 115,756
ADD SPECIAL APPROPRIATIONS	11,043	12,421	22,830	25,628					499	541	33,873	38,048	34,372	38,589
LESS ATNAB INCLUDED IN BILL														
ESTIMATED OUTPUT CARRYOVER TO 2013-14			5,037								5,037		5,037	
ESTIMATED OUTPUT CARRYOVER TO 2014-15						5,135						5,135		5,135
GRANT RECEIVED FROM DEECD					28	28					28	28	28	28
SECTION 29 RECEIPTS RETENTION AGREEMENT						80			23,111	23,681		80	23,111	23,761
OTHER REVENUE (RECOUPMENT OF EXPENSE, SECONDEES ETC)									34	35			34	35
TOTAL APPROPRIATIONS	14,124	15,674	27,355	30,263	87,195	90,689	7,196	7,016	38,672	39,661	135,870	143,642	174,542	183,303
ROUNDED TO MILLIONS	14.1	15.7	27.4	30.3	87.2	90.7	7.2	7.0	38.7	39.7	135.9	143.6	174.5	183.3
FIGURES PUBLISHED IN BUDGET PAPER 3	14.1	15.7	27.4	30.3	87.2	90.7	7.2	7.0	37.6	39.7	135.9	143.6	173.5	183.3
Diff*	-	-	-	-	-	-	-	-	1.00	-	-	-	1.00	-

* The reconciliation of Appropriation Bill to BP3 is accurate but the number in BP3 for VAGO output cost and VAGO's Appropriation Bill are incorrect. DTF has undertaken to correct the reconciliation error in the next budget update. This is due to an unprocessed journal at the DTF end.



FINANCIAL STATEMENTS



PARLIAMENT OF VICTORIA

Financial statements for the financial year ended 30 June 2014

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

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

Parliament of Victoria
Parliament House
Spring Street
Melbourne
Victoria 3002

PARLIAMENT OF VICTORIA
Comprehensive operating statement
for the financial year ended 30 June 2014

	Notes	2014 \$	2013 \$
Income from transactions			
Output appropriations	17(a)	96,917,945	95,895,012
Special appropriations	17(b)	33,943,591	32,637,352
Grants	4(a)	205,525	189,521
Fair value of assets and services received free of charge	4(b)	98,211	79,220
Parliament refreshment rooms & gift shop		1,704,364	1,400,506
Total income from transactions		132,869,636	130,201,611
Expenses from transactions			
Employee expenses	5(a)	(78,509,885)	(76,622,961)
Depreciation	5(b)	(13,369,889)	(14,385,482)
Interest expense		(121,967)	(183,929)
Capital asset charge		(2,218,106)	(2,218,106)
Parliament refreshment rooms & gift shop	5(c)	(1,996,725)	(1,739,264)
Communications, postage and printing		(8,404,944)	(9,038,820)
Property rental cost		(7,885,932)	(7,549,004)
Other operating expenses	5(d)	(18,050,610)	(16,762,494)
Total expenses from transactions		(130,558,058)	(128,500,060)
Net result from transactions (net operating balance)		2,311,578	1,701,551
Other economic flows included in net result			
Net gain / (loss) on non-financial physical assets	6(a)	218,736	405,691
Other gains / (losses) from other economic flows	6(b)	(5,503)	53,779
Total other economic flows included in net result		213,233	459,470
Net result		2,524,811	2,161,021
Comprehensive result		2,524,811	2,161,021

The comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 47 to 95.

PARLIAMENT OF VICTORIA

Balance sheet as at 30 June 2014

	Notes	2014 \$	2013 \$
Assets			
Financial assets			
Cash and deposits	16(a)	103,135	129,185
Receivables	7	55,427,001	52,468,458
Total financial assets		55,530,136	52,597,643
Non-financial assets			
Inventories - Parliament refreshment room & gift shop		57,199	51,335
Prepayments		1,849,602	1,789,107
Non-financial physical assets classified as held for sale		182,511	41,412
Property, plant and equipment	8	445,779,497	447,251,673
Total non-financial assets		447,868,809	449,133,527
Total assets		503,398,945	501,731,170
Liabilities			
Bank overdraft	16(a)	630,546	1,884,326
Payables	9	3,469,334	3,297,538
Unearned Income		15,905	39,030
Borrowings - Finance leases payable	12	3,342,223	3,260,401
Provisions	10	10,720,134	10,553,883
Total liabilities		18,178,142	19,035,178
Net assets		485,220,803	482,695,992
Equity			
Accumulated surplus / (deficit)		35,760,587	33,235,776
Physical asset revaluation surplus		278,281,957	278,281,957
Contributed capital		171,178,259	171,178,259
Net worth		485,220,803	482,695,992
Commitments for expenditure	13		
Contingent assets and contingent liabilities	14		

The balance sheet should be read in conjunction with the accompanying notes included on pages 47 to 95.

PARLIAMENT OF VICTORIA
Statement of changes in equity
for the financial year ended 30 June 2014

	Notes	Physical asset revaluation surplus	Accumulated surplus	Contributions by owner	Total
Balance at 1 July 2012		278,281,957	31,074,755	171,178,259	480,534,971
Net result for the year		-	2,161,021	-	2,161,021
Balance at 30 June 2013		278,281,957	33,235,776	171,178,259	482,695,992
Net result for the year		-	2,524,811	-	2,524,811
Balance at 30 June 2014		278,281,957	35,760,587	171,178,259	485,220,803

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes included on pages 47 to 95.

PARLIAMENT OF VICTORIA
Cash flow statement
for the financial year ended 30 June 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts			
Receipts from Government appropriations		127,901,375	121,855,849
Receipts from Parliament refreshment rooms & gift shop		1,887,007	1,582,526
Receipts from other Government departments		282,797	264,521
Goods and services tax recovered from the ATO		3,982,128	4,260,603
Total receipts		134,053,307	127,963,499
Payments			
Payments to suppliers and employees		(116,715,574)	(113,244,145)
Payments to suppliers & employees by Parliament refreshment rooms & gift shop		(2,031,675)	(1,692,862)
Capital asset charge payments		(2,218,106)	(2,218,106)
Interest and other finance costs		(121,967)	(183,929)
Total payments		(121,087,322)	(117,339,042)
Net cash flows from / (used in) operating activities	16(b)	12,965,985	10,624,457
Cash flows from investing activities			
Purchases of non-financial physical assets		(10,716,185)	(10,097,324)
Sales of non-financial physical assets		884,591	1,305,305
Net cash flows from / (used in) investing activities		(9,831,594)	(8,792,019)
Cash flows from financing activities			
Repayment of finance leases		(1,906,661)	(2,244,162)
Net cash flows from / (used in) financing activities		(1,906,661)	(2,244,162)
Net increase / (decrease) in cash and cash equivalents		1,227,730	(411,724)
Cash and cash equivalents at beginning of financial year		(1,755,141)	(1,343,417)
Cash and cash equivalents at end of financial year	16(a)	(527,411)	(1,755,141)

The above cash flow statement should be read in conjunction with the accompanying notes included on pages 47 to 95.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

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PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 1 - Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for the Parliament of Victoria for the year ended 30 June 2014.

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

(a) Statement of compliance

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

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

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

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

The annual financial statements were authorised for issue by the President of the Legislative Council and the Speaker of the Legislative Assembly on 18 August 2014.

(b) Basis of accounting preparation and measurement

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

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

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

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

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

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

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 1 - Summary of significant accounting policies (continued)

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

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

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

The Parliament uses the following independent valuers:

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

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

(c) Reporting entity

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

Parliament of Victoria
Parliament House
Spring Street
Melbourne 3002
Victoria

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

Objectives and funding

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

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

Outputs of the Parliament of Victoria

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

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

(d) Basis of consolidation

Administered items

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 1 - Summary of significant accounting policies (continued)

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

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

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

(e) Scope and presentation of financial statements

Comprehensive operating statement

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

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

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

Balance sheet

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

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

Statement of changes in equity

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

Cash flow statement

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

Rounding

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

(f) Changes in accounting policies

Subsequent to the 2012-13 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed as below.

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when Parliament is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. Parliament has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable. In light of AASB 13, Parliament has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 1 - Summary of significant accounting policies (continued)

However, AASB 13 has predominantly impacted the disclosures of Parliament. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 *Financial Instruments: Disclosures*.

The disclosure requirements of AASB 13 apply prospectively and need not be applied in comparative information before first application. Consequently, the 2012-13 comparatives of these disclosures have not been provided, except for financial instruments, of which the fair value disclosures are required under AASB 7 *Financial Instruments: Disclosures*.

AASB 119 Employee benefits

In 2013-14, Parliament has applied AASB 119 *Employee benefits* (September 2011, as amended) and the related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. As the current accounting policy is for the Department of Treasury and Finance (DTF) to recognise and disclose the State's defined benefit liabilities in its financial statements, changes in defined benefit obligations and plan assets will have limited impact on the Parliament.

The revised standard also changes the definition of short term employee benefits. These were previously benefits that were expected to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short term employee benefits are now defined as benefits expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by the Parliament as short term employee benefits no longer meet this definition and are now classified as long term employee benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Parliament's measurement of the annual leave provision.

(g) Income from transactions

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

Appropriation income

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

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

Output appropriations

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 1 - Summary of significant accounting policies (continued)

Special appropriations

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

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

Grants and other income transfers

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

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

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

(h) Expenses from transactions

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

Employee expenses

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

Superannuation

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

DTF in their Annual Financial Statements, recognise on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

Depreciation

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

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

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

Note 1 - Summary of significant accounting policies (continued)

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

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

Interest expense

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

Capital asset charge

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

Other operating expenses

Other operating expenses generally represent the day to day running costs incurred in normal operations and include:

Supplies and services

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

Bad and doubtful debts

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

(i) Other economic flows

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

Net gain / (loss) on non-financial assets

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

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

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

Impairment of non-financial assets

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

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

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

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 1 - Summary of significant accounting policies (continued)

Net gain / (loss) on financial instruments

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

Other gains / (losses) from other economic flows

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

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

(j) Financial instruments

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

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

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

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

Financial liabilities at amortised cost

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

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

(k) Financial assets

Cash and deposits

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

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

Note 1 - Summary of significant accounting policies (continued)

Receivables

Receivables consist of:

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

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

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

Impairment of financial assets

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

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

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

(l) Non-financial assets

Inventories

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

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

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

This condition is regarded as met only when:

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

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

Property, plant and equipment

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

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

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

Note 1 - Summary of significant accounting policies (continued)

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

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

Leasehold improvements

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

Restrictive nature of cultural and heritage assets and Crown land

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

Non-financial physical assets constructed by the Parliament

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

Revaluations of non-financial physical assets

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

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

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

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

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

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

Note 1 - Summary of significant accounting policies (continued)

Prepayments

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

(m) Liabilities

Payables

Payables consist of:

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

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

Borrowings - finance leases payable

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

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

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

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

Employee benefits

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

(i) Wages and salaries and annual leave

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

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

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

Note 1 - Summary of significant accounting policies (continued)

(ii) Long service leave

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

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

The components of this current LSL liability are measured at:

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

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

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

(iii) Termination benefits

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

On-costs

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

(n) Leases

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

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

Finance leases

Parliament of Victoria as lessee

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 1 - Summary of significant accounting policies (continued)

Operating leases

Parliament of Victoria as lessee

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

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

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

(o) Equity

Contributions by owners

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

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

(p) Commitments

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

(q) Contingent assets and contingent liabilities

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

(r) Accounting for goods and services tax (GST)

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

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

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 1 - Summary of significant accounting policies (continued)

(s) Events after the reporting period

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

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

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

(t) AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2014 reporting period. The Parliament assesses the impact of these new standards and early adopts where applicable. Parliament of Victoria has not adopted these standards early.

Note 2 - Parliament (controlled) outputs

A description of the Parliament of Victoria outputs performed during the year ended 30 June 2014, and the objectives of these outputs, are summarised below.

Legislative Council outputs

Description of outputs

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

Objectives

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

Legislative Assembly outputs

Description of outputs

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

Objectives

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

Department of Parliamentary Services

Description of outputs

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

Objectives

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

Parliamentary Investigatory Committees

Description of outputs

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

Objectives

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

PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2014

Note 2 - Parliament (controlled) outputs (continued)

Schedule A - Controlled income and expenses for the year ended 30 June 2014

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
Income from transactions					
Output appropriations	3,075,534	4,519,121	82,283,742	7,039,548	96,917,945
Special appropriations	10,922,370	23,021,221	-	-	33,943,591
Grants	-	-	205,525	-	205,525
Fair value of assets and services received free of charge	-	-	98,211	-	98,211
Parliament refreshment rooms & gift shop	-	-	1,704,364	-	1,704,364
Total income from transactions	13,997,904	27,540,342	84,291,842	7,039,548	132,869,636
Expenses from transactions					
Employee expenses	(12,810,456)	(24,837,196)	(36,587,708)	(4,274,525)	(78,509,885)
Depreciation	-	-	(13,369,889)	-	(13,369,889)
Interest expense	(36,085)	(79,387)	(6,495)	-	(121,967)
Capital asset charge	-	-	(2,218,106)	-	(2,218,106)
Parliament refreshment rooms & gift shop	-	-	(1,996,725)	-	(1,996,725)
Communications, postage and printing	(36,622)	(71,193)	(8,137,437)	(159,692)	(8,404,944)
Property rental cost	(44,863)	-	(7,280,857)	(560,212)	(7,885,932)
Other operating expenses	(590,173)	(1,457,928)	(14,770,091)	(1,232,418)	(18,050,610)
Total expenses from transactions	(13,518,199)	(26,445,704)	(84,367,308)	(6,226,847)	(130,558,058)
Net result from transactions (net operating balance)	479,705	1,094,638	(75,466)	812,701	2,311,578
Other economic flows included in net result					
Net gain / (loss) on non-financial physical assets	-	-	218,736	-	218,736
Other gains / (losses) from other economic flows	(168)	(72)	(4,311)	(952)	(5,503)
Total other economic flows included in net result	(168)	(72)	214,425	(952)	213,233
Net result	479,537	1,094,566	138,959	811,749	2,524,811
Comprehensive result	479,537	1,094,566	138,959	811,749	2,524,811

The comparative Parliament outputs schedule for the year ended 30 June 2013 appears on the following page.

PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2014

Note 2 - Parliament (controlled) outputs (continued)

Schedule B - Controlled income and expenses for the year ended 30 June 2013

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
Income from transactions					
Output appropriations	2,860,624	4,411,336	81,947,427	6,675,625	95,895,012
Special appropriations	10,629,679	22,007,673	-	-	32,637,352
Grants	-	-	28,770	160,751	189,521
Fair value of assets and services received free of charge	-	-	79,220	-	79,220
Parliament refreshment rooms & gift shop	-	-	1,400,506	-	1,400,506
Total income from transactions	13,490,303	26,419,009	83,455,923	6,836,376	130,201,611
Expenses from transactions					
Employee expenses	(13,017,610)	(24,271,443)	(34,841,354)	(4,492,554)	(76,622,961)
Depreciation	-	-	(14,385,482)	-	(14,385,482)
Interest expense	-	-	(183,929)	-	(183,929)
Capital asset charge	-	-	(2,218,106)	-	(2,218,106)
Parliament refreshment rooms & gift shop	-	-	(1,739,264)	-	(1,739,264)
Communications, postage and printing	(41,322)	(113,969)	(8,720,997)	(162,532)	(9,038,820)
Property rental cost	-	-	(6,957,394)	(591,610)	(7,549,004)
Other operating expenses	(447,371)	(1,053,597)	(14,353,847)	(907,679)	(16,762,494)
Total expenses from transactions	(13,506,303)	(25,439,009)	(83,400,373)	(6,154,375)	(128,500,060)
Net result from transactions (net operating balance)	(16,000)	980,000	55,550	682,001	1,701,551
Other economic flows included in net result					
Net gain / (loss) on non-financial physical assets	-	-	405,691	-	405,691
Other gains / (losses) from other economic flows	2,186	951	47,162	3,480	53,779
Total other economic flows included in net result	2,186	951	452,853	3,480	459,470
Net result	(13,814)	980,951	508,403	685,481	2,161,021
Comprehensive result	(13,814)	980,951	508,403	685,481	2,161,021

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 2 - Parliament (controlled) outputs (continued)

Schedule C - Controlled assets and liabilities as at 30 June 2014

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

The comparative Parliament outputs schedule for the year ended 30 June 2013 appears on the following page.

PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2014

Note 2 - Parliament (controlled) outputs (continued)

Schedule D - Controlled assets and liabilities as at 30 June 2013

	Legislative Council	Legislative Assembly	Department of Parliamentary Services	Parliamentary Investigatory Committees	Parliament Total
	\$	\$	\$	\$	\$
Assets					
Financial assets	656,222	1,149,041	49,059,108	1,733,272	52,597,643
Non-financial assets	9,809	20,521	449,022,715	80,482	449,133,527
Total assets	666,031	1,169,562	498,081,823	1,813,754	501,731,170
Liabilities					
	(1,330,420)	(1,376,260)	(15,200,362)	(1,128,136)	(19,035,178)
Total liabilities	(1,330,420)	(1,376,260)	(15,200,362)	(1,128,136)	(19,035,178)
Net assets / (liabilities)	(664,389)	(206,698)	482,881,461	685,618	482,695,992

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 3 - Administered (non-controlled) items

In addition to the specific Parliamentary operations which are included in the financial statements (comprehensive operating statement, balance sheet, statement of changes in equity and cash flow statement), the Parliament administers or manages other activities on behalf of the State. The transactions relating to these State activities are reported as administered items in this note. Administered transactions give rise to income, expenses, assets and liabilities and are determined on an accrual basis. Administered income includes minor sale of goods and services, and receipts toward the Public Service Commuter Club. Both the controlled Parliamentary financial statements and these administered items are consolidated into the financial statements of the State.

	Department of Parliamentary Services		Parliament Total	
	2014 \$	2013 \$	2014 \$	2013 \$
Administered income from transactions				
Sale of goods and services	24,241	78,219	24,241	78,219
Receipts towards Public Service Commuter Club	90,539	89,173	90,539	89,173
Total administered income from transactions	114,780	167,392	114,780	167,392
Administered expenses from transactions				
Payments towards Public Service Commuter Club	(90,931)	(91,155)	(90,931)	(91,155)
Payments into the Consolidated Fund	(24,241)	(78,219)	(24,241)	(78,219)
Total administered expenses from transactions	(115,172)	(169,374)	(115,172)	(169,374)
Total administered net result from transactions (net operating balance)	(392)	(1,982)	(392)	(1,982)
Administered other economic flows included in the administered net result	-	-	-	-
Administered net result	(392)	(1,982)	(392)	(1,982)
Administered other economic flows - other non- owner changes in equity	-	-	-	-
Total administered comprehensive result	(392)	(1,982)	(392)	(1,982)
Administered financial assets				
Receivables	46,139	45,747	46,139	45,747
Total administered assets	46,139	45,747	46,139	45,747
Administered liabilities				
Payables	(46,139)	(45,747)	(46,139)	(45,747)
Total administered liabilities	(46,139)	(45,747)	(46,139)	(45,747)
Total administered net assets	-	-	-	-

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

	2014 \$	2013 \$
Note 4 - Income from transactions		
(a) Grants		
Department of Education & Early Childhood Development	27,816	28,770
Department of Justice	-	160,751
Department of Premier & Cabinet	177,709	-
	<u>205,525</u>	<u>189,521</u>
(b) Fair value of assets and services received free of charge		
Services received free of charge	98,211	79,220
	<u>98,211</u>	<u>79,220</u>
Note 5 - Expenses from transactions		
(a) Employee expenses		
Salaries and wages ^(a)	57,915,819	55,110,147
Annual leave and long service leave expense	4,133,544	3,748,939
Superannuation contribution	11,824,397	13,384,811
State Employees Retirement Benefits Scheme - contribution	24,172	23,572
Work cover premiums	380,284	294,976
Payroll tax	3,292,013	3,128,533
Fringe benefits tax	939,656	931,983
Total employee expenses	<u>78,509,885</u>	<u>76,622,961</u>
<i>(a) Salaries and wages includes all salaries and allowances paid to Members of Parliament, however, excludes Ministers' salaries and allowances which are paid by the Department of Premier and Cabinet.</i>		
(b) Depreciation		
(i) Depreciation of non-current assets:		
- Buildings at fair value	9,696,174	9,573,406
- Plant, equipment & vehicles at fair value	3,244,976	4,441,653
- Leasehold improvements at fair value	428,739	370,423
Total depreciation	<u>13,369,889</u>	<u>14,385,482</u>

PARLIAMENT OF VICTORIA
Notes to the financial statements
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2014
\$

2013
\$

Note 5 - Expenses from transactions (continued)

(c) Parliament refreshment rooms & gift shop

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

Cost of goods sold	604,145	527,918
Salaries and wages	1,307,387	1,108,288
Other expenditure	85,193	103,058
	1,996,725	1,739,264

(d) Other operating expenses

Acts, bills and statutory rules	246,984	221,883
Advertising	1,293,149	1,331,804
Cleaning expenses	911,764	902,978
Computer consulting and contractors	748,279	577,368
Computer software, support & equipment rental	3,634,696	3,025,923
Consulting services	512,897	557,016
Electorate office expenses	1,216,099	1,332,322
Garden expenses	110,354	100,128
Insurance	366,402	363,537
Maintenance contractors & consumables	559,708	473,784
Security	643,677	591,092
Minor equipment purchase and repair	319,972	323,246
Motor vehicle running costs	644,492	768,234
Office expenses	539,201	420,182
Office requisites and stationery	482,732	514,250
Other expenses	3,602,217	1,809,571
Relocations and maintenance	352,449	1,293,530
Travel and subsistence	891,247	1,194,726
Utilities	974,291	960,920
	18,050,610	16,762,494

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	2014 \$	2013 \$
Note 6 - Other economic flows included in net result		
(a) Net gain / (loss) on non-financial physical assets		
Proceeds from sale	884,591	1,305,305
Written down value of assets sold	(665,855)	(899,614)
Total net gain / (loss) on non-financial physical assets	218,736	405,691
(b) Other gains / (losses) from other economic flows		
Net gain / (loss) arising from revaluation of long service leave liability ^(a)	(5,503)	53,779
Total other gains / (losses) from other economic flows	(5,503)	53,779

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

PARLIAMENT OF VICTORIA
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30 June 2014

	2014 \$	2013 \$
Note 7 - Receivables		
Current receivables		
Contractual		
Debtors - Parliament refreshment rooms	109,330	119,668
Other receivables	1,145	49,464
	<u>110,475</u>	<u>169,132</u>
Statutory		
Amount owing from Victorian Government ^(a)	7,519,683	8,266,589
GST input tax credit recoverable	803,579	711,560
	<u>8,323,262</u>	<u>8,978,149</u>
Total current receivables	<u>8,433,737</u>	<u>9,147,281</u>
Non current receivables		
Statutory		
Amount owing from Victorian Government ^(a)	46,993,264	43,321,177
Total non current receivables	<u>46,993,264</u>	<u>43,321,177</u>
Total receivables	<u>55,427,001</u>	<u>52,468,458</u>

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

(a) Ageing analysis of contractual receivables

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

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

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

PARLIAMENT OF VICTORIA
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Note 8 - Property, plant and equipment

Table 8.1: Public Administration purpose group - carrying amounts

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

As at 30 June 2013	Gross carrying amount	Accumulated depreciation	Net carrying amount
Description			
Land at fair value	60,000,000	-	60,000,000
Buildings at fair value	373,119,971	9,573,405	363,546,566
Plant, equipment & vehicles at fair value	24,874,323	15,256,132	9,618,191
Cultural assets at fair value	11,969,866	-	11,969,866
Leasehold improvements	4,200,024	2,146,828	2,053,196
Assets under construction at cost	63,854	-	63,854
Total	474,228,038	26,976,365	447,251,673

Valuation of assets

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

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

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

The effective date of the valuations is June 2012.

PARLIAMENT OF VICTORIA
Notes to the financial statements
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Note 8 - Property, plant and equipment (continued)

Table 8.2: Public Administration Purpose group - movements in carrying amounts

	Land at fair value	Buildings at fair value	Plant, equipment & vehicles at fair value	Cultural assets at fair value	Leasehold improvements	Assets under construction at cost	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2014							
Opening balance	60,000,000	363,546,565	9,618,193	11,969,865	2,053,196	63,854	447,251,673
Additions	-	-	1,988,480	-	-	10,716,187	12,704,667
Assets received free of charge	-	-	-	-	-	-	-
Disposals / retirements	-	-	(624,443)	-	-	-	(624,443)
Transfer in / (out) of assets under construction	-	7,912,952	1,810,183	-	296,729	(10,019,864)	-
Transfer to disposal group held for sale	-	(9,696,174)	(182,511)	-	-	-	(182,511)
Depreciation expense (Note 5(b))	-	-	(3,244,976)	-	(428,739)	-	(13,369,889)
Closing balance	60,000,000	361,763,343	9,364,926	11,969,865	1,921,186	760,177	445,779,497
Year ended 30 June 2013							
Opening balance	60,000,000	364,600,000	11,696,880	11,890,425	1,895,055	-	450,082,360
Additions	-	-	1,996,538	-	-	10,097,323	12,093,861
Assets received free of charge	-	-	-	-	-	-	-
Disposals / retirements	-	-	(497,654)	-	-	-	(497,654)
Revaluation of PPE	-	-	-	-	-	-	-
Transfer in / (out) of assets under construction	-	8,519,971	905,494	79,440	528,564	(10,033,469)	-
Transfer to disposal group held for sale	-	-	(41,412)	-	-	-	(41,412)
Depreciation expense (Note 5(b))	-	(9,573,406)	(4,441,653)	-	(370,423)	-	(14,385,482)
Closing balance	60,000,000	363,546,565	9,618,193	11,969,865	2,053,196	63,854	447,251,673

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

Depreciation Rate %	Restricted assets
2013-14	The Parliament of Victoria holds \$364 million worth of properties being listed as heritage assets.
1.72 to 10	
2012-13	
1.25 to 10	
6.7 to 50.0	
10	

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 8 - Property, plant and equipment

Table 8.3: Fair value measurement hierarchy for assets as at 30 June 2014

Description	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Land at fair value - specialised land	60,000,000	-	-	60,000,000
Buildings at fair value - heritage buildings	361,763,343	-	-	361,763,343
Plant & equipment at fair value	6,231,101	-	-	6,231,101
Cultural assets at fair value				
Library collection	8,033,006	-	8,033,006	-
Other	3,936,859	-	3,936,859	-
Total cultural assets at fair value	11,969,865	-	11,969,865	-
Total	439,964,309	-	11,969,865	427,994,444

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

There have been no transfers between levels during the period.

Specialised land & heritage buildings

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

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

For Parliament's heritage buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, heritage buildings are classified as Level 3 fair value measurements.

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

Plant & equipment at fair value

Plant & equipment

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

Cultural assets at fair value

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

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

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

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

There were no changes in valuation techniques throughout the period to 30 June 2014

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

PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2014

Note 8 - Property, plant and equipment

Table 8.4: Description of significant unobservable inputs to Level 3 valuations

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
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	2014 \$	2013 \$
Note 9 - Payables		
Current Payables		
<i>Contractual</i>		
Supplies and services	2,621,462	2,595,806
Other payables	268,218	131,501
	<u>2,889,680</u>	<u>2,727,307</u>
<i>Statutory</i>		
Taxes payable	579,654	570,231
	<u>579,654</u>	<u>570,231</u>
Total current payables	<u>3,469,334</u>	<u>3,297,538</u>
Total payables	<u>3,469,334</u>	<u>3,297,538</u>

(a) Maturity analysis of contractual payables

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

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

	2014 \$	2013 \$
Note 10 - Provisions		
(a) Employee benefits and related on-costs		
Current provisions		
Employee benefits - annual leave:		
Unconditional and expected to be settled within 12 months ^(a)	2,433,877	2,400,165
Unconditional and expected to be settled after 12 months ^(a)	1,342,505	1,370,477
On-costs	604,221	603,303
	4,380,603	4,373,945
Employee benefits - long service leave:		
Unconditional and expected to be settled within 12 months ^(a)	2,186,504	2,168,634
Unconditional and expected to be settled after 12 months ^(a)	2,480,657	2,157,954
On-costs	746,746	692,254
	5,413,907	5,018,842
Termination benefits	-	207,365
Total current provisions	9,794,510	9,600,152
Non-current provisions		
Employee benefits - long service leaves ^(a)	797,952	822,182
On-costs	127,672	131,549
Total non-current provisions	925,624	953,731
Total provisions	10,720,134	10,553,883

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

(b) Movement in provisions

	2014				Total
	Annual leave	Long service leave	On-costs	Termination benefits	
Opening balance	3,770,642	5,148,770	1,427,106	207,365	10,553,883
Additional provisions recognised	2,779,950	866,194	585,503		4,231,647
Reduction arising from payments / other sacrifices of future economic benefits	(2,774,210)	(563,098)	(533,969)	(207,365)	(4,078,642)
Unwind of discount and effect of changes in the discount rate		13,246			13,246
Closing balance	3,776,382	5,465,112	1,478,640	-	10,720,134
Current	3,776,382	4,667,161	1,350,967		9,794,510
Non-current		797,952	127,672		925,624
	3,776,382	5,465,113	1,478,639	-	10,720,134

(c) Employee numbers

	2014	2013
Average number of employees during the financial year	777	771

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 11 - Superannuation

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

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

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

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

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2014	2013	2014	2013
	\$	\$	\$	\$
Defined benefit plans:				
- Parliamentary Contributory Super Scheme	6,975,000	9,300,000	-	-
- Emergency Services and State Super Scheme: ~ Emp New & Revised	232,806	261,356	-	-
Defined contribution plans:				
- VicSuper	3,100,282	2,741,310	-	-
- Other	1,516,309	1,082,145	-	-
Total	11,824,397	13,384,811	-	-

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 12 - Leases

Finance leases payables

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

	Minimum future lease payments ^(a)		Present value of minimum future lease payments	
	2014	2013	2014	2013
Not longer than 1 year	2,117,468	1,999,885	2,010,228	1,853,139
Longer than 1 year and not longer than 5 years	1,371,672	1,462,458	1,331,995	1,407,262
Minimum future lease payments ^(a)	3,489,140	3,462,343	3,342,223	3,260,401
Less future finance charges	(146,917)	(201,942)	-	-
Present value of minimum lease payments	3,342,223	3,260,401	3,342,223	3,260,401
Included in the financial statements as:				
Borrowings			3,342,223	3,260,401

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

(a) Maturity analysis of finance lease liabilities

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

(b) Nature and extent of risk arising finance liabilities

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

Operating leases payable

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

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

	2014	2013
Not longer than 1 year	6,679,842	7,087,335
Longer than 1 year and not longer than 5 years	7,327,351	9,803,802
Longer than 5 years	131,515	253,052
	14,138,708	17,144,189

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Notes to the financial statements
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2014	2013
\$	\$

Note 13 - Commitments for expenditure

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

(a) Capital expenditure commitments

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

- Not longer than one year	6,313,823	5,433,010
- Longer than one year and not longer than five years	594,000	-
Total capital expenditure commitments	6,907,823	5,433,010
Total commitments for expenditure (inclusive of GST)	6,907,823	5,433,010
Less GST recoverable from the Australian Taxation Office	(627,984)	(493,910)
Total commitments for expenditure (exclusive of GST)	6,279,839	4,939,100

Note 14 - Contingent assets and liabilities

Contingent assets

The Parliament has no contingent assets at the reporting date.

Contingent liabilities

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

Legal proceedings and disputes - the Plaintiff alleges breaches of a Tender process Agreement and the Fair Trading Act by the Parliament of Victoria.	1,131,808	1,093,625
Employment related litigation	-	8,824
	1,131,808	1,102,449

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 15 - Financial instruments

(a) Financial risk management objectives and policies

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

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

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

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

The carrying amounts of the Parliament's financial assets and financial liabilities by category are in Table 15.1 below:

Table 15.1: Categorisation of financial instruments

Category		2014 \$	2013 \$
Contractual financial assets			
Cash and deposits	Loans and receivables	103,135	129,185
Receivables ^(a)	Loans and receivables	110,475	169,132
Total financial assets		213,610	298,317
Contractual financial liabilities			
Payables ^(b)	Liabilities at amortised cost	2,889,680	2,727,307
Bank overdraft	Liabilities at amortised cost	630,546	1,884,326
Finance lease payables	Liabilities at amortised cost	3,342,223	3,260,401
Total financial liabilities		6,862,449	7,872,034

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

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

Note 15 - Financial instruments (continued)

(b) Credit risk

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

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

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

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

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

Financial assets that are either past due or impaired

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

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

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

PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2014

Note 15 - Financial instruments (continued)

Table 15.2: Ageing analysis of contractual financial assets ^(a)

	Carrying amount	Not past due and not impaired			Past due but not impaired			Impaired financial assets
		Less than 1 Month	1 - 3 months	3 months - 1 year	1 - 3 months	3 months - 1 year	1-5 years	
2014								
Receivables:								
Debtors - Parliament refreshment rooms & gift shop	109,330	19,876	17,162	120		194		
Other receivables	1,145	1,145						
Total	110,475	19,876	17,162	120	194			
2013								
Receivables:								
Debtors - Parliament refreshment rooms & gift shop	119,668	15,399	6,654	693				
Other receivables	49,464							
Total	169,132	15,399	6,654	693				

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

(c) Liquidity risk

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

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

PARLIAMENT OF VICTORIA

Notes to the financial statements

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Note 15 - Financial instruments (continued)

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

Table 15.3: Maturity analysis of contractual financial liabilities

	Carrying amount	Nominal amount	Maturity dates ^(a)			
			Less than 1 Month	1 - 3 months	3 months - 1 year	1 - 5 years
2014						
Payables:						
Contractual payables	2,889,680	2,889,680	2,889,680	-	-	-
Bank overdraft:						
Unpresented cheques	630,546	630,546	630,546	-	-	-
Borrowings:						
Finance leases payables	3,342,223	3,489,140	535,738	231,571	1,350,158	1,371,673
Total	6,862,449	7,009,366	4,055,964	231,571	1,350,158	1,371,673
2013						
Payables:						
Contractual payables	2,727,307	2,727,307	2,727,307	-	-	-
Bank overdraft:						
Unpresented cheques	1,884,326	1,884,326	1,884,326	-	-	-
Borrowings:						
Finance lease liabilities	3,260,401	3,462,343	287,085	290,508	1,422,291	1,462,459
Total	7,872,034	8,073,976	4,898,718	290,508	1,422,291	1,462,459

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

Note 15 - Financial instruments (continued)

(d) Market risk

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

Foreign currency risk

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

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

Interest rate risk

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

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

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

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

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

Sensitivity disclosure analysis

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

(e) Fair value

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

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 15 - Financial instruments (continued)

Table 15.4: Interest rate exposure of financial instruments

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non interest bearing
2014					
Cash and deposits:					
Bank deposits	-	103,135	-	-	103,135
Receivables:					
Debtors - Parliament refreshment rooms	-	109,330	-	-	109,330
Other receivables	-	1,145	-	-	1,145
Total financial assets		213,610	-	-	213,610
Payables:					
Contractual payables at amortised cost	-	2,889,680	-	-	2,889,680
Borrowings:					
Bank overdraft	-	630,546	-	-	630,546
Finance lease liabilities	5.49	3,342,223	3,342,223	-	-
Total financial liabilities		6,862,449	3,342,223	-	3,520,226
2013					
Cash and deposits:					
Bank deposits	-	129,185	-	-	129,185
Receivables:					
Debtors - Parliament refreshment rooms	-	119,668	-	-	119,668
Other receivables	-	49,464	-	-	49,464
Total financial assets		298,317	-	-	298,317
Payables:					
Contractual payables at amortised cost	-	2,727,307	-	-	2,727,307
Borrowings:					
Bank overdraft	-	1,884,326	-	-	1,884,326
Finance lease liabilities	6.47	3,260,401	3,260,401	-	-
Total financial liabilities		7,872,034	3,260,401	-	4,611,633

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

2014
\$

2013
\$

Note 16 - Cash flow information

(a) Reconciliation of cash and cash equivalents

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

Cash on hand ^(a)	- Parliament of Victoria	2,150	3,818
	- Parliament refreshment rooms	1,500	2,500
Bank balance	- Parliament refreshment rooms	99,485	122,867
		103,135	129,185
Unpresented cheques		(630,546)	(1,884,326)
Balance as per cash flow statement		(527,411)	(1,755,141)

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

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

At 30 June 2014, cash at bank included the amount of a notional shortfall for the payment of unpresented cheques of \$630,546 (2013 - \$1,884,326).

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

	2014 \$	2013 \$
Note 16 - Cash flow information (continued)		
(b) Reconciliation of net result for the period		
Net result for the period	2,524,811	2,161,021
Non-cash movements:		
(Gain) / loss on sale or disposal of non-current assets	(218,736)	(405,691)
Depreciation of non-current assets	13,369,889	14,385,482
Movements in assets and liabilities:		
(Increase) / decrease in current receivables	(2,964,571)	(6,535,697)
Decrease / (increase) in current inventories	(5,865)	6,185
(Increase) / decrease in prepayments	(60,495)	(412,790)
Increase / (decrease) in current payables	154,700	742,069
Increase / (decrease) in current provisions	194,359	563,825
Increase / (decrease) in non current provisions	(28,107)	120,053
Net cash flows from / (used in) operating activities	<u>12,965,985</u>	<u>10,624,457</u>

PARLIAMENT OF VICTORIA

Notes to the financial statements

30 June 2014

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

(a) Summary of compliance with annual Parliamentary appropriations

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

	Appropriation Act				Financial Management Act 1994					Total Parliamentary Authority	Total Appropriations Applied	Variance
	Annual Appropriation	Advance from Treasurer	Section 3(2)		Section 29	Section 31	Section 32	Section 35 Advances				
	\$	\$	\$		\$	\$	\$	\$	\$	\$	\$	\$
2014												
Controlled												
Provision for outputs	97,131,562	-	-		75,000		3,464,000	-		100,670,562	96,917,945	3,752,617 (a)
Total	97,131,562	-	-		75,000	-	3,464,000	-		100,670,562	96,917,945	3,752,617
2013												
Controlled												
Provision for outputs	86,513,562	8,160,000	-		75,000	-	4,617,000	-		99,365,562	95,895,012	3,470,550 (a)
Total	86,513,562	8,160,000	-		75,000	-	4,617,000	-		99,365,562	95,895,012	3,470,550

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

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

(b) Summary of compliance with special appropriations

Authority	Purpose	Appropriations applied	
		2014 \$	2013 \$
Audit Act No. 2 of 1994	Audit of the Auditor General's Office	34,000	32,600
Constitution Act No. 8750 - Clerk of the Parliaments	Salaries	1,993	1,993
Constitution Act No. 8750 - Legislative Assembly	Salaries	550,000	550,000
Constitution Act No. 8750 - Legislative Council	Salaries	200,000	200,000
Parliamentary Contributory Superannuation Act No. 89	Benefits and allowances	6,975,000	9,300,000
Parliamentary Salaries and Superannuation Act No. 7723	Salaries and allowances	26,182,598	22,552,759
		33,943,591	32,637,352

Note 18 - Ex-gratia expenses

Parliament made the following ex-gratia payments:

Settlement of employment related claims	-	61,939
Pay in lieu of backpay	10,938	-
Total ex-gratia expenses	10,938	61,939

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 19 - Trust account balances

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

	2014			
	Opening balance as at 1 July 2013	Total receipts	Total payments	Closing balance as at 30 June 2014 ^(b)
Administered Trusts				
Public Service Commuter Club ^(a)	(45,747)	(90,931)	90,539	(46,139)
Total Administered Trusts	(45,747)	(90,931)	90,539	(46,139)
	2013			
	Opening balance as at 1 July 2012	Total receipts	Total payments	Closing balance as at 30 June 2013 ^(b)
Administered Trusts				
Public Service Commuter Club ^(a)	(43,765)	(93,286)	91,304	(45,747)
Total Administered Trusts	(43,765)	(93,286)	91,304	(45,747)

(a) Public Service Commuter Club

Legislation: Financial Management Act 1994

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

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

No Trust Accounts were opened or closed by the Parliament during 2013-14.

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 20 - Responsible persons

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

Names

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

<u>Presiding Officers:</u>	The Hon Bruce Atkinson MLC 1st July 2013 to 30th June 2014 President of the Legislative Council
	The Hon Ken Smith 1st July 2013 to 4th February 2014 Speaker of the Legislative Assembly
	The Hon Christine Fyffe 4th February 2014 to 30th June 2014 Speaker of the Legislative Assembly

Remuneration

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

Salary Band \$	Number of Officers	
	2014	2013
120,000 - 129,999	1	-
200,000 - 209,999	1	-
290,000 - 299,999	1	-
310,000 - 319,999	-	2

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 2014

Note 21 - Remuneration of executives

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

Income Band \$	Total Remuneration		Base Remuneration	
	2014 No.	2013 No.	2014 No.	2013 No.
30,000 - 39,999	-	-	1	-
120,000 - 129,999	1	-	-	-
160,000 - 169,999	-	-	1	-
170,000 - 179,999	1	1	-	1
180,000 - 189,999	3	4	3	4
190,000 - 199,999	-	-	-	-
200,000 - 209,999	1	1	3	1
210,000 - 219,999	2	2	1	2
220,000 - 229,999	1	-	-	-
Total numbers	9	8	9	8
Total annualised employee equivalent (AEE)^(a)	8.4	8.0	8.4	8.0
Total amount	\$ 1,703,269	\$ 1,558,520	\$ 1,599,744	\$ 1,554,056

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

Note 22 - Remuneration of auditors

Victorian Auditor-General's Office

Audit of the financial statements	56,500	55,000
	56,500	55,000

Note 23 - Subsequent events

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 24 - Glossary of terms

Borrowings

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that is acquired for policy purposes.

Capital asset charge

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

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

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

Depreciation

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

Employee benefits expenses

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

Ex-gratia expenses

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

Financial asset

A financial asset is any asset that is:

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

PARLIAMENT OF VICTORIA
Notes to the financial statements
30 June 2014

Note 24 - Glossary of terms

Financial instrument

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

Financial liability

A financial liability is any liability that is:

(a) a contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) a contract that will or may be settled in the entity's own equity instruments and is:

- a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt of delivery of the entity's own equity instruments.

Financial statements

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

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to Parliament may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

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

Interest expense

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

Note 24 - Glossary of terms

Interest income

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

Net result

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

Net result from transactions / net operating balance

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

Non-financial assets

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

Other economic flows

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

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

Payables

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

Receivables

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

Supplies and services

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

Transactions

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

PARLIAMENT OF VICTORIA
Accountable Officer's declaration
30 June 2013

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2014 and financial position of the Parliament of Victoria at 30 June 2014.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 18 August 2014.



HON CHRISTINE FYFFE MP
Speaker of the Legislative Assembly
Parliament of Victoria



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



John Mascarenhas
Chief Finance and Accounting Officer
Parliament of Victoria

Melbourne

18 August 2014

INDEPENDENT AUDITOR'S REPORT

To the Presiding Officers, Parliament of Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2014 of the Parliament of Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officers' and chief finance and accounting officer's declaration has been audited.

The Presiding Officers' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

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

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Parliament of Victoria as at 30 June 2014 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

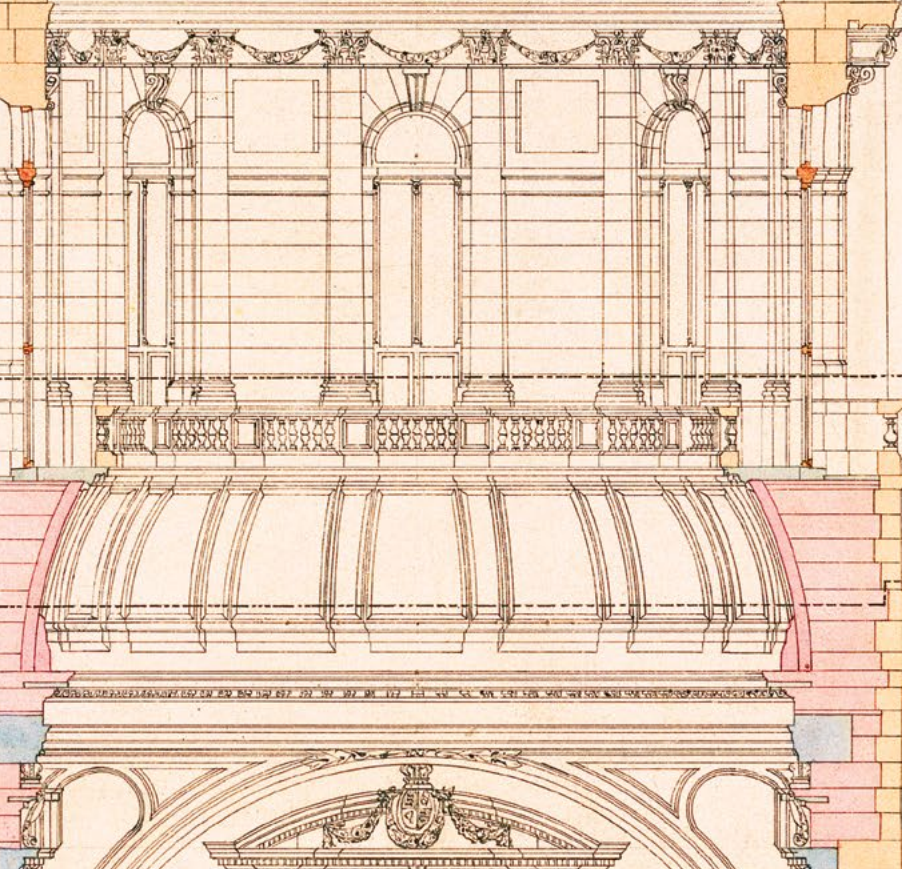
Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Parliament of Victoria for the year ended 30 June 2014 included both in the Parliament of Victoria's annual report and on the website. The Presiding Officers are responsible for the integrity of the Parliament of Victoria's website. I have not been engaged to report on the integrity of the Parliament of Victoria's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.



MELBOURNE
18 August 2014

John Doyle
Auditor-General



SECT



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