

# Part 6

## Management and accountability

This Part provides information on the Department of Parliamentary Services (DPS) management and corporate governance practices, and how we meet our accountability obligations. It includes several specific reports required under Commonwealth legislation.

### Corporate governance

#### Introduction

The President of the Senate and the Speaker of the House of Representatives (the Presiding Officers) have joint powers in relation to DPS that are similar, but not identical, to those of a Minister administering an executive department. Parliamentary departments are distinct from government departments, in that they serve the Parliament, not the Government, and operate under the *Parliamentary Service Act 1999*, not the *Public Service Act 1999*.

The Presiding Officers are assisted by the Joint House Committee, the Joint Standing Committee on the Parliamentary Library, the Security Management Board, the Presiding Officers' Information Technology Advisory Group and the Art Advisory Committee. The role of each of these committees is outlined below.

### Committees advising the Presiding Officers

#### Joint House Committee

The Joint House Committee (JHC) is comprised of the members of the House Committees of the Senate and the House of Representatives. Members of those committees are appointed under Senate Standing Order 21 and House of Representatives Standing Order 218 respectively. Currently, when these two committees meet jointly as the Joint House Committee, the senior Presiding Officer is the Chair.

The joint committee first met on Wednesday 26 June 1901, at which time it was resolved that the JHC would take over responsibility for various maintenance and facilities services (at that time, located in the Victorian Parliament House, Melbourne) and 'such other matters as tend to the convenience of Members of Parliament'. Under current standing orders, the respective House Committees may consider any matter relating to the provision of facilities in Parliament House referred to it by that Chamber or its Presiding Officer.

Membership of the JHC at 30 June 2011 was:

Mr Harry Jenkins MP (Chair)  
Senator the Hon John Hogg  
Senator the Hon Alan Ferguson  
Senator the Hon Bill Heffernan  
Senator Anne McEwen  
Senator Stephen Parry  
Senator Glenn Sterle  
The Hon Warren Entsch MP  
The Hon Joel Fitzgibbon MP  
Ms Jill Hall MP  
Mr Chris Hayes MP  
Mr Ewen Jones MP  
Mr Michael McCormack MP

The JHC met twice in 2010–11 and considered a range of issues, including:

- Parliament House security works
- Catering in Parliament House
- Electorate office IT support
- Parking in the Parliamentary Zone
- Water features at Parliament House
- Nurses Centre operations.

#### Joint Standing Committee on the Parliamentary Library

Information about the role and functions of the Joint Standing Committee on the Parliamentary Library, including its terms of reference, can be found under the heading 'Joint Standing Committee on the Parliamentary Library', in Part 3 of this report.

#### Security Management Board

The Security Management Board (SMB) was established pursuant to section 65A of the *Parliamentary Service Act 1999*. The function of the SMB is to provide advice to the Presiding Officers on security policy and the management of security measures for Parliament House.

Membership of the SMB is as follows:

- the Secretary of DPS;
- the Usher of the Black Rod; and
- the Serjeant-at-Arms.

In addition, the SMB may invite representatives of organisations involved in the development of security policy and provision of security services to Parliament House to attend

meetings. Representatives include officials from the Australian Federal Police, the Attorney-General's Department and the Department of Finance and Deregulation, as well as DPS.

#### Presiding Officers' Information Technology Advisory Group

For the 43rd Parliament, the Presiding Officers' Information Technology Advisory Group (POITAG) comprises seven Senators and six Members of the House of Representatives.

POITAG's terms of reference are to:

- (a) identify and advise the Presiding Officers on the information and communication technology (ICT) requirements of Senators and Members;
- (b) monitor and assess the performance of those areas of the parliamentary administration providing ICT-related services; and
- (c) advise and assist the Presiding Officers on issues relating to the efficient and cost-effective use of ICT in the Parliament.

#### Art Advisory Committee

The purpose of the Art Advisory Committee (AAC) is to assist the Presiding Officers in determining the suitability of artworks for addition to the Parliament House Art Collection.

Membership of the AAC includes:

- the Presiding Officers;
- the Deputy President;
- the Deputy Speaker; and
- the Secretary of DPS.

AAC meetings are attended by an independent art adviser from the staff of the National Gallery of Australia.

The AAC's terms of reference are to:

- (a) provide guidance on the Rotational Collection Acquisition Policy, and set short-term priorities for acquisitions;
- (b) assess acquisition proposals in accordance with the acquisition policy and priorities; and

- (c) provide advice on other matters relating to the display and management of artworks in the Parliament House Art Collection as considered necessary by the Presiding Officers.

## DPS committees

### Strategy and Finance Committee

The Strategy and Finance Committee (SFC) is an essential part of DPS's corporate governance arrangements, and consists of the Secretary, the Deputy Secretary, the Parliamentary Librarian, the Chief Finance Officer, and the Director, Strategy and Communication.

The role of the SFC includes:

- (a) deciding the strategies and strategic policies of DPS, and monitoring their implementation;
- (b) coordinating DPS input into whole-of-Parliament operational and strategic issues;
- (c) formulating DPS policy on all financial matters;
- (d) allocating annual budgets, and reallocating funding during the year as required;
- (e) monitoring financial performance; and
- (f) allocating asset-replacement and administered funds to approved projects to be delivered by DPS, and monitoring the progress of approved projects for expenditure of asset replacement and administered funds.

### Executive Committee

The Secretary is assisted in the management of the department by the Executive Committee, which includes the Deputy Secretary, Parliamentary Librarian, all Assistant Secretaries and the Director, Strategy and Communication. The Executive Committee advises the Secretary and the Parliamentary Librarian on policy and operational matters affecting DPS as a whole or affecting significant parts of DPS.

This committee considers the development and implementation of the DPS governance framework and associated processes, including risk management and business planning.

The Executive Committee also deals with a range of policy matters in areas such as occupational health and safety, environmental issues and departmental organisation issues.

Discussion at the Executive Committee informs decisions of the Strategy and Finance Committee.

The committee also acts as a communication tool and venue for discussing major departmental events.

The Assistant Secretaries relay information about the activities of the Executive Committee to their staff. Minutes of meetings are also published on the intranet (DPS Staff Portal).

### Audit Committee

The Audit Committee is an essential part of DPS's corporate governance arrangements. Its primary responsibilities are to:

- (a) ensure DPS compliance with obligations under the *Financial Management and Accountability Act 1997* (FMA Act) and the FMA Regulations;
- (b) oversee, on behalf of the Executive, the integrity of DPS financial reporting controls and other procedures or systems for the management of risk and good governance;
- (c) advise the Secretary on whether the annual financial statements represent a true and fair view of the department's financial management; and
- (d) provide a forum of communication between the DPS Secretary, senior DPS managers and DPS internal and external auditors.

The Audit Committee comprises an independent chair, Mr Will Laurie, and at least three senior DPS employees.

During 2010–11, five DPS members served on the Audit Committee—the Deputy Secretary (Mr David Kenny), the Parliamentary Librarian (Ms Roxanne Missingham), Assistant Secretaries from the Content Management Branch (Ms Therese Lynch, retiring from the Committee in July 2010) and the Research Branch (Dr Dianne Heriot, being appointed to the Committee in March 2011), and the Director, Strategy and Communication (Ms Judy Tahapehi).

The DPS Chief Finance Officer, representatives of the Australian National Audit Office and DPS's internal auditors also attend Audit Committee meetings.

During 2010–11, internal audit services were provided, under contract, by PricewaterhouseCoopers Pty Ltd.

Over the course of 2010–11, the Audit Committee oversaw reviews of DPS financial and personnel processes; major purchase procurement and tendering processes; and information technology governance and strategic planning arrangements.

Audits conducted during the reporting year made a number of recommendations directed at enhancing efficiency and effectiveness. No serious problems were identified. The Committee monitors implementation of the recommendations.

Progressive reviews of DPS risk management and fraud control arrangements were undertaken by the Committee throughout the year, including monitoring of DPS's implementation, testing and management of business continuity and disaster recovery plans.

The Audit Committee met five times during 2010–11. Members' attendance at the meetings is set out in the Figure 6.1.

#### Parliamentary departments coordination

The Senior Management Coordination Group (SMCG) coordinates corporate and related matters among the three parliamentary departments. DPS is represented by the Deputy Secretary. The Department of the House of Representatives is represented by the Serjeant-at-Arms, and the Usher of the Black Rod represents the Department of the Senate. The position of chair of the SMCG rotates annually among the three members.

#### Other governance matters

#### Risk management

DPS continued to identify and manage its risks using the risk management policy and framework implemented in the previous year. DPS is working to improve the alignment of

Figure 6.1—Audit Committee attendance

Member	Position	Meeting attendance	
		attended	out of
Mr Will Laurie	Independent Chair	5	5
Mr David Kenny	Deputy Secretary	5	5
Ms Roxanne Missingham	Parliamentary Librarian	5	5
Ms Therese Lynch	Assistant Secretary, Content Management Branch	1	1
Dr Dianne Heriot	Assistant Secretary, Research Branch	2	2
Ms Judy Tahapehi	Director, Strategy and Communications	5	5

risk management to business objectives by requiring risk assessments to be carried out on the objectives of each section business plan. These risk assessments are collated into a departmental risk register and risk treatment plan. The risk register and risk treatment plan were updated during 2010–11 to reflect changes in the operational environment.

Reporting on the implementation of risk treatments for extreme, high and significant risks was further refined in 2010–11, with the DPS Risk Treatment Implementation report being provided on a quarterly basis to the DPS Executive and Audit Committees. The report provides information on the status of implementation of risk treatments across DPS.

DPS participated in the Comcover 2011 Risk Management Benchmarking Survey, which measured DPS risk management maturity across ten elements. For the 2011 survey, DPS was required to nominate a target maturity level for each of the ten elements in the survey. DPS met or exceeded its nominated target in six of the ten elements and improved on its 2010 benchmarking score—from 5.9 last year to 7.0 in 2011. DPS achieved above-average results in the elements of risk management policy and objectives, integration, and accountability and responsibility.

DPS implemented some risk management training in 2010–11, holding two risk management fundamentals workshops. Further workshops are scheduled in the second half of 2011.

DPS continued to implement business continuity planning, with a number of services added to the critical service list including catering, cleaning and building airconditioning. A number of existing plans were revised during 2010–11. In conjunction with the Chamber departments, DPS also exercised the Continuity of Parliament plan in December 2010. The results of this exercise are informing changes to the plan.

## Fraud control

There were three instances of suspected fraud reported in 2010–11. Two of the reports involved theft of equipment, while the other case related to the misuse of Cabcharge vouchers. All instances were dealt with using the procedures set out in the Fraud Control Policy and Framework, and the Fraud Control Plan.

Fraud-related articles were also published in the *DPS Dispatch* newsletter during 2010–11.

In 2010, DPS carried out a new fraud risk assessment and revised the Fraud Control Plan. While none of the DPS fraud risks were assessed as major, all fraud risks were monitored and a number updated as part of the ongoing procedures to maintain the DPS risk register.

## Ethics

DPS is strongly committed to embedding a departmental culture of ethical and lawful behaviour. Ethical standards are embedded in the Parliamentary Service Values and Parliamentary Service Code of Conduct (ss.10 and 13 of the *Parliamentary Service Act 1999*), and flow through to the extensive policy approach contained in the department's governance, finance, personnel, human resources, and occupational health and safety policies as well as to operating policy and procedure documents.

This commitment has resulted in an appendix—providing guidance on ethics issues for DPS staff—being added to a number of governance and personnel papers such as the *Risk Management Policy and Framework*, the *Fraud Control Policy and Framework* and *Personnel/HR Paper No. 3—Offers of gifts and benefits*.

The DPS Audit Committee developed a framework for an annual ethics 'health check' in 2009–10. The first ethics health check report was considered by the Audit Committee in December 2010. The report included information about DPS's performance on indicators such as staff communications, bullying and harassment, fraud and litigation. The next ethics health check is scheduled to be considered by the Audit Committee in late 2011.

## Strategic plan

The DPS Strategic Plan 2010–13 was published in March 2010 and provides both our 20-year vision and a three-year action plan. The Plan was developed using the collective vision of the department and the values we hold. It explains how we will move toward our vision and presents our people with a clear picture of where we are going. Progress in the first year of the Plan was actively monitored and all initiatives are showing good progress. The plan is publicly available on the Parliament House website at <http://www.aph.gov.au/dps/publications/DPSStrategicPlan2010.pdf>.

## Business planning

The DPS Business Planning Policy and Framework provides the link between strategic planning, resource planning and risk management processes and relates those processes to the operational performance of individual DPS employees working in their day-to-day jobs. Each branch develops an annual business plan that includes initiatives designed to deliver strategic, fraud, risk and ongoing service objectives. Plans are made available to all staff on the DPS intranet.

## DPS Services Catalogue

The *DPS Services Catalogue* provides a comprehensive overview of all services available to our customers and includes guidance on how to access the services and associated service level expectations. The catalogue is available electronically to all building occupants and can be found on the Parliament House website at <http://www.aph.gov.au>.

## HR services

### Staffing, salary and classification structures

#### Remuneration for Senior Executive Service (SES) employees

The remuneration and other conditions of all SES employees are governed by a Determination made under section 24 of the *Parliamentary Service Act 1999*. From November 2010, all new SES employees are remunerated using a total remuneration approach. This approach was adopted in recognition of the different contributions made by DPS to the various public sector superannuation schemes on behalf of employees and introduces uniformity in the total remuneration to employees at this level.

The level of remuneration and, in some cases, the conditions attaching to remuneration, varies; but, in general terms, salary increases provided to SES employees depend upon a rating of 'effective' or higher through the performance management arrangements. Base salaries for SES positions range from \$143,350 to \$229,270.

#### Performance-based salary advancement for non-SES staff

For non-SES staff, salary advancement is based on performance assessment as required by the Department of Parliamentary Services Union Collective Agreement 2008–11 (UCA) and performance management arrangements.

The UCA provides for salary advancement within a salary range subject to the achievement of an overall rating of 'effective' or higher through the performance management arrangements.



DPS ref: 11/257/34

21 September 2011

Mr Harry Jenkins MP  
Speaker of the House of Representatives  
Parliament House  
CANBERRA ACT 2600

Senator the Hon John Hogg  
President of the Senate  
Parliament House  
CANBERRA ACT 2600

Dear Mr Speaker and Mr President

**DPS—Fraud control certification**

1 I am writing to you to inform you about the status of fraud control in the Department of Parliamentary Services (**DPS**), as required by paragraph 5.8 of the *Commonwealth Fraud Control Guidelines 2011*.

2 I am satisfied that

- (a) fraud risk assessments and fraud control plans have been prepared;
- (b) DPS has appropriate fraud prevention, detection, investigation, data collection and reporting procedures in place; and
- (c) DPS has taken all reasonable measures to minimise the incidence of fraud including action to investigate and recover the proceeds of fraud.

3 For more details about fraud control in DPS, please refer to Part 6—Management and Accountability of the Department of Parliamentary Services Annual Report and Financial Statements 2010-11.

Yours sincerely

Alan Thompson  
Secretary

Figure 6.2—Classification and salary ranges at 30 June 2011

Classification	Salary range (\$)
Parliamentary Service Level 1	43,451 – 50,605
Parliamentary Service Level 2	51,618 – 55,414
Parliamentary Service Level 3	56,647 – 59,196
Parliamentary Service Level 4	60,379 – 65,609
Parliamentary Service Level 5	66,921 – 71,795
Parliamentary Service Level 6	73,230 – 82,305
Parliamentary Executive Level 1	89,116 – 101,748
Parliamentary Executive Level 2	103,782 – 123,059

### Salary increases under the collective agreement

An increase in salary of 4.2% was paid on 1 July 2010, as provided for under the Union Collective Agreement.

### Overview of classification structures

Figure 6.2 sets out the non-SES classifications and salary ranges for DPS staff as at 30 June 2011.

Staff progress annually through the salary range in 3.5% increments, subject to effective performance.

Figure 6.3 sets out actual staff (a headcount), showing broad-banded and apprenticeship levels separately, as at 30 June 2011. It includes inoperative staff and staff acting at a higher level as at 30 June 2011 (ie these staff are listed against their higher classification).

### Management of human resources

#### Introduction

Throughout 2010–11, the HR Services Section (HRS) continued to implement the DPS People Strategy 2007–2010. The strategy aims to build and improve DPS's organisational capability through integrated people management practices.

The major priority for HR Services during 2010–11 was the negotiation of a new Enterprise Agreement to replace the current Collective Agreement made in 2008.

#### Workforce planning, staff retention and turnover

Information on staff retention and turnover for DPS during 2010–11 compared to previous years is provided in Figure 6.4.

During the year, staff turnover decreased from 17.3% in 2009–10 to 14% in 2010–11. Factors affecting this result include a decrease in the number of transfers/promotions out of the department (from 33 in 2009–10 to 26 in 2010–11), resignations (from 42 in 2009–10 to 38 in 2010–11) and a decrease in voluntary redundancy retirements (from 39 in 2009–10 to 11 in 2010–11).

Figure 6.3—Staff numbers at 30 June 2011

Classification	Ongoing F/T		Ongoing P/T		Non-Ongoing F/T		Non-Ongoing P/T		Casual		Total	
	F	M	F	M	F	M	F	M	F	M	F	M
Apprentice 1/2	0	0	0	0	0	0	0	0	0	0	0	0
Apprentice 2/3	0	0	0	0	0	0	0	0	0	0	0	0
PSL1/2	7	86	5	17	0	2	0	0	2	28	14	133
PSL2/3	0	31	0	0	0	0	0	0	0	0	0	31
PSL4/5	6	4	0	0	2	0	0	0	0	0	8	4
PSL5/6	20	14	15	6	0	0	0	0	5	0	40	20
PSL1	1	9	0	0	0	0	0	0	7	4	8	13
PSL2	15	17	18	6	1	0	4	1	1	3	39	27
PSL3	16	27	3	0	1	2	1	0	7	1	28	30
PSL4	30	63	8	1	2	2	0	0	4	7	44	73
PSL5	14	27	5	0	1	4	0	0	4	0	24	31
PSL6	22	61	7	02	1	1	0	0	4	0	34	64
PEL1	39	66	14	3	1	2	1	2	0	0	55	73
PEL2	14	26	0	0	1	1	0	0	0	2	15	29
Senior Executive Service 1	7	0	0	0	0	0	0	0	0	0	7	0
Parliamentary Librarian	1	0	0	0	0	0	0	0	0	0	1	0
Senior Executive Service 3	0	1	0	0	0	0	0	0	0	0	0	1
Secretary	0	1	0	0	0	0	0	0	0	0	0	1
Total	192	433	75	35	10	14	6	3	34	45	317	530
												847

Figure 6.4—Staff retention and turnover statistics

Staff retention and turnover statistics	2008–09	2009–10	2010–11	Change from 2009–10
Staff Number	904	848	847	1
Staff Separations (total)	114	147	118	-29
Turnover	12.7%	17.3%	14%	-3.3
Separations by type				
transfers/promotions	17	33	26	-7
resignations	33	42	38	-4
age retirements	7	11	17	6
invalidity retirements	0	1	1	0
voluntary redundancy retirements	14	39	11	-28
terminations	4	2	0	-2
death	1	2	0	-2
end of temporary contract	33	18	24	6
end of temporary transfer	5	0	1	1
Exit Interviews				
Interviews held	34	43	37	-6
Participation rate	30%	29%	31%	2%

### Staff development and training

Corporate training focussed on developing a range of general management and leadership skills. Corporate compliance training also included OHS awareness for supervisors; bullying and harassment awareness training for supervisors and employees; maximising staff attendance; and Commonwealth procurement and contract management.

During 2010–11, a total of 56 training events were delivered, through the DPS training calendar, to a total of 497 attendees. The annual training program was determined, in part, as a result of an assessment of training needs from DPS employees' Individual Development Plans.

HRS presented quarterly induction/orientation and monthly OHS awareness workshops to new employees. New employees also attended records management training and completed the Introduction to the Parliamentary Service e-learning induction module.

DPS also provided formal accredited training through Bayleys and Associates (registered training office) to 17 staff in Certificate IV in Government (Procurement and Contract Management). DPS was also awarded six places in Certificate IV and Diploma (Project Management) on the ACT Productivity Places Program with the Australian Institute of Management.

DPS continued to implement its leadership development framework to support the development of middle- and senior-level employees. Leadership development included team leadership skills training events (ie Results through People), quarterly leadership meetings, and the implementation of the inaugural Leadership Essentials at DPS (LEAD) seminar series. Two staff attended the APSC Career Development Assessment Centre and six staff attended an external residential leadership development program.

The department provided support for 35 staff undertaking external study in 2010–11. Support included time to attend study activities and, in some cases, financial assistance towards compulsory costs.

## Workplace relations

Negotiations for a new Enterprise Agreement commenced in December 2010, but were not finalised at 30 June 2011.

Management of the outsourced payroll function delivered by the Department of the House of Representatives continued throughout the year. The transition of all employees to the new payroll system was completed in July 2010.

Throughout the year, the Workplace Relations Unit supported management and staff in accordance with the DPS Staff Management Strategy in relation to several organisational changes.

Continuing activity included the administration of the current Union Collective Agreement. This was done through:

- the provision of secretariat support to the DPS Consultative Forum;
- the review and development of supporting policy documents; and
- the provision of advice to management and employees.

## Occupational health and safety

The DPS Occupational Health and Safety (OHS) Committee met four times during the year. The work of the committee is primarily directed at reviewing OHS policies and procedures and taking a strategic approach to OHS management across the department.

The DPS Contractors' OHS Subcommittee met four times. This forum provides a valuable mechanism to address OHS issues involving the work performed by the large number of contractors at Parliament House, including construction, maintenance, catering or cleaning.

Individual branches also hold Branch OHS Committee meetings on a quarterly basis, addressing OHS issues at the local level.

A range of OHS-related training was provided to staff throughout the year, including generic induction and refresher sessions. There were 31 supervisors who attended a course entitled OHS for DPS Supervisors, while 39 staff attended the DPS OHS Awareness course. DPS also introduced Bullying and Harassment prevention courses, which were attended by 23 supervisors and 53 staff. Occupation-specific OHS training was also provided including: first aid; working in confined spaces; working at heights; manual handling; plant and equipment use; licences for forklifts and elevated work platforms; and defensive tactics.

In 2010–11, DPS underwent six-monthly surveillance audits of its OHS management systems. An external auditor found that DPS continued to comply with the requirements of the SafetyMAP Initial Level auditing tool. DPS continued to maintain certification to Joint Accreditation System–Australia and New Zealand standards.

All DPS staff are entitled to membership of the Parliament House gymnasium as a condition of their employment. In addition, a number of health-related activities were promoted during the year including the National Ride to Work Day and National Safe Work Australia Week. Several health-related seminars were provided for staff on topics including diabetes, kidney health, cancer prevention, depression, and getting a good night's sleep,

During 2010–11, two incidents were notified to Comcare in accordance with Section 68 of the *Occupational Health and Safety Act 1991* (the OHS Act). Each incident was also examined by DPS and remedial work was undertaken where required.

Comcare did not conduct any formal investigations in relation to either of the reported incidents.

There were no Provisional Improvement Notices issued under section 29 of the OHS Act and no directions or notices given under sections 45, 46 or 47 of the OHS Act.

DPS participated in an investigation into health and safety management arrangements within the Commonwealth. A detailed submission was provided to Comcare and, based on the evidence provided, DPS was found to be compliant with Section 16(2)(d) of the OHS Act.

## Disability reporting mechanisms

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au). It should be noted that DPS is not subject to the reporting requirements imposed by the Australian Public Service Commission in respect of the provision of data for the State of the Service report or APS Statistical Bulletin. From 2010–11, departments and agencies are no longer required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy which sets out a ten-year national policy framework for improving life for Australians with disability, their families and carers. A high-level report to track progress for people with disability at a national level will be produced by the Standing Council on Community, Housing and Disability Services to the Council of Australian Governments and will be available at [www.fahcsia.gov.au](http://www.fahcsia.gov.au). The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters in its regular How Australia is Faring report and, if appropriate, in strategic change indicators in agency annual reports. More detail on social inclusion matters can be found at [www.socialinclusion.gov.au](http://www.socialinclusion.gov.au).

# Purchasing

## Overview

The purchasing of assets and services by DPS during 2010–11 was conducted with the aim of realising core business objectives, while achieving operational effectiveness and value-for-money outcomes. Purchasing was managed in accordance with the Commonwealth Procurement Guidelines (CPGs) and DPS Chief Executive's Instructions and supporting procedures.

DPS primary purchasing objectives were:

- (a) to ensure the principle of value for money was consistently obtained through:
  - encouraging competition;
  - promoting efficiency, effectiveness and ethical use of resources; and
  - conducting our business in an environment of accountability and transparency;
- (b) to support the business requirements of each branch within the department through a focus on better practice procurement; and
- (c) to involve small-to-medium enterprises wherever practicable.

DPS has a specialist procurement unit to facilitate and monitor contracting and tendering activity across the department. The procurement unit ensures that established guidelines and procedures are observed and statutory reporting responsibilities are met.

## Consultants

During 2010–11, 139 consultancies were entered into involving total expenditure of \$2,438,989 (GST inclusive), of which 76 were consultancies with a value of more than \$10,000, as detailed in Appendix A. In addition, 28 consultancy arrangements continued from previous years, involving total expenditure of \$667,128 (GST inclusive) during the reporting year.

DPS used a combination of in-house resources and external consultants to deliver services according to the nature of each requirement. Private sector specialists were engaged under

panel or discrete contract arrangements to provide the skills and expertise necessary to assist with the achievement of DPS's objectives.

It is the policy of DPS to engage external consultants where they will add value to the operational effectiveness of the department.

Each proposal to engage a consultant is carefully scrutinised and considered on its individual merits—justifying reasons include:

- (a) a need for independent research or assessment;
- (b) a need for specialised or professional skill; and
- (c) skills currently unavailable within the department.

The method of procurement of consultants is determined by the complexity, nature and value of each specific requirement. The methods used include open tendering, select tendering or a direct sourcing arrangement. The method chosen is that which will achieve the best value-for-money outcome in each circumstance and the Mandatory Procurement Procedures within the CPGs are applied as appropriate.

DPS currently has in place standing offer panel arrangements for the following consultancy services:

- legal;
- architectural;
- engineering; and
- information technology.

Information about expenditure on contracts and consultancies is also available on the AusTender website (<http://tenders.gov.au>)

## Competitive tendering and contracting

During 2010–11, DPS did not allow provisions in contracts prohibiting the Auditor-General's access. DPS did not conduct any competitive tendering and contracting processes that involved contracting out the delivery of government activities previously performed by this department, to another organisation.

## Exempt contracts

During 2010–11, no DPS contracts or standing offers were exempted by the Chief Executive from being published via AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

## Asset management

DPS provides asset management services to Parliament House, for the building and for infrastructure supporting the delivery of other services to the Parliament. A detailed assessment of the effectiveness of DPS management of these assets can be found in Part 4 of this report.

## Accountability

### External scrutiny

#### ANAO audits

During 2010–11, DPS was the subject of an external compliance audit by the ANAO in relation to its financial statements for the period ending 30 June 2010, and an interim audit in preparation for the 2010–11 financial statement audit. The audit on the 2009–10 financial statements was unqualified.

There were no other ANAO reports during 2009–10 that directly involved DPS.

#### Senate committees

DPS appeared before the Senate Finance and Public Administration Committee on three occasions during 2010–11: 18 October 2010 (Supplementary Budget Estimates hearings), 21 February 2011 (Additional Estimates hearings) and 23 May 2011 (Budget Estimates hearings).

The Senate agreed on 23 June 2011 to refer to the Senate Finance and Public Administration Legislation Committee an inquiry into the performance of DPS, with the Committee to report by 29 November 2011.

## Other scrutiny

DPS responded to one Parliamentary Question on Notice (QoN): Senate QoN No. 682 asked by Senator the Hon John Faulkner.

DPS was not subject to any significant judicial decisions or decisions of administrative tribunals, nor did the Ombudsman report on the activities of DPS in 2010–11.

## Freedom of information

DPS is not subject to the provisions of the *Freedom of Information Act 1982*.

If inquiries for information are made, such requests are referred to the Director, Governance and Business Management.

In 2010–11, two requests for information were received.

## Discretionary grants

DPS does not administer any discretionary grant programs.

Figure 6.5—Advertising costs

Supplier	Item	Amount (GST inclusive)
Canprint Communications	Parliament House promotional materials	\$43,261
Adcorp Australia	Recruitment advertisements	\$32,518
Environmetrics Pty Ltd	Visitor surveys	\$22,440
Total		\$98,219

Figure 6.6—Legal services expenditure

Services	Amount (GST inclusive)
External expenditure on professional fees	\$168,705
External expenditure on counsel	\$0
Administrative disbursements on external legal services	\$9,083
Total (legal services expenditure—all external)	\$177,787

### Advertising costs

All Commonwealth departments and agencies are required, under section 311A of the *Commonwealth Electoral Act 1918*, to provide a statement setting out particulars of amounts paid to:

- (a) advertising agencies;
- (b) market research organisations;
- (c) polling organisations;
- (d) direct mail organisations; and
- (e) media advertising organisations.

Figure 6.5 sets out amounts over \$11,500 (GST inclusive) paid by DPS during the reporting year. No money was paid to any organisation covered in paragraph (b), (c) or (d).

No advertising campaigns were undertaken by the department in 2010–11.

### Legal services expenditure

The *Legal Services Directions 2005* (paragraph 11.1(ba)) require FMA Act agencies to make publicly available their expenditure on legal services. Figure 6.6 shows the amount DPS spent on legal services during 2010–11.

