



Parliament of Australia

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Department of Parliamentary Services

# **Annual Report and Financial Statements 2005-06**



Parliament of Australia

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Department of Parliamentary Services

## **Annual Report 2005-06**

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To access parliamentary material on the Internet, including this report, see the department's Internet site accessed through the Australian Parliament's home page: <http://www.aph.gov.au>

Other documents available on the department's Internet site which will assist the reader in understanding the operations of the department are:

*DPS Portfolio Budget Statement 2005-06*  
*Parliamentary Service Act 1999*



Parliament of Australia

Department of Parliamentary Services

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19 October 2006

Senator the Hon Paul Calvert	Hon David Hawker MP
President of the Senate	Speaker of the House of Representatives
Parliament House	Parliament House
CANBERRA ACT 2600	CANBERRA ACT 2600

Dear Mr President and Mr Speaker

### **Annual Report 2005-06**

1 I have pleasure in submitting the annual report of the Department of Parliamentary Services for the year ending 30 June 2006, as required by paragraph 65(1)(c) of the *Parliamentary Service Act 1999*. That provision requires the report to be presented to each House of the Parliament.

2 The report includes the first report of the Parliamentary Librarian under subsection 65(3) of the *Parliamentary Service Act 1999*.

3 The year covered in this report, the second full year of the department's operations, has seen much change in the department, and a range of reviews which will lead to more change in the next couple of years. So far, I believe, the dedication and hard work of our staff have ensured that Senators and Members and our other external clients continue to receive the services they have come to expect, and are largely unaware of the extent of change in the department's internal processes. For this I commend our staff.

4 In due course, however, I expect that the effects of the internal changes will become apparent to our clients through the provision of improved and more efficient services.

Yours sincerely

Hilary Penfold QC  
Secretary

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Parliament House  
Canberra ACT 2600  
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Parliament of Australia

Department of Parliamentary Services

19 October 2006

Senator the Hon Paul Calvert	Hon David Hawker MP
President of the Senate	Speaker of the House of Representatives
Parliament House	Parliament House
CANBERRA ACT 2600	CANBERRA ACT 2600

Dear Mr President and Mr Speaker

### **Annual Report 2005-06**

1 I have pleasure in submitting the annual report of the Parliamentary Librarian for the year ending 30 June 2006, as required by subsection 65(3) of the *Parliamentary Service Act 1999*.

2 That provision requires the report to be presented to the Presiding Officers after the end of each financial year, and be included in the report on the activities of the Department of Parliamentary Services made under paragraph 65(1)(c) of the *Parliamentary Service Act 1999*. The report is included as Part 2 of the department's report.

3 Section 38H of the *Parliamentary Service Act 1999* requires that the Parliamentary Librarian give a report on the performance of the functions of the Parliamentary Librarian to the Joint Standing Committee on the Parliamentary Library at least once every financial year. I confirm that this report has been provided to the Joint Standing Committee on the Parliamentary Library.

Yours sincerely

Roxanne Missingham  
Parliamentary Librarian

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## **Part 1—Secretary's review**



## **Part 1—Secretary's review**

### **Introduction**

1 The reporting year was the second full year of operation for the Department of Parliamentary Services (**DPS**). In reviewing the year, it is useful to consider both particular events and milestones achieved, and ongoing progress in other areas.

2 Events and milestones in the development and operations of DPS include:

- (a) the implementation of a major departmental restructure;
- (b) a substantial performance audit of DPS by the Australian National Audit Office;
- (c) the finalising of two new certified agreements to replace the four agreements inherited by DPS when it was formed;
- (d) the appointment of the Parliamentary Librarian, and the negotiation between me and the Parliamentary Librarian of an agreement for the provision of resources to the Parliamentary Library;
- (e) the conclusion of the security enhancement project begun in 2004;
- (f) a decision by the Presiding Officers to call for expressions of interest to operate a childcare centre in Parliament House;
- (g) the conduct of a client survey relating to IT services provided by DPS to the Parliament;
- (h) the signing of an agreement between DPS and the National Library of Australia to transfer to DPS the Library's remaining interest in Magna Carta.

3 More generally, we made progress on many fronts during the year. A major focus of activity, of course, was on the ongoing provision of day-to-day services to our clients, including library services, information and communications technology services and support, broadcasting and Hansard services, security, building

## **Part 1—Secretary's review**

maintenance and facilities management, and visitor services. These activities are covered in more detail in Part 4 of this report.

4 Beyond the provision of ongoing services, however, considerable energy was directed to improving the operations of DPS in a variety of ways, including through:

- (a) improving governance arrangements;
- (b) developing our strategic focus and our planning capability;
- (c) improving the efficiency of our operations;
- (d) improving existing services or developing new services; and
- (e) cooperation with the chamber departments in the interests of the Parliament and the Parliamentary Service.

### **Events and milestones**

#### *Departmental restructure*

#### **Origins of restructure**

5 A review of IT governance arrangements began in early 2005 with a recognition that the outcomes of the review might have implications for the department more broadly. The review, conducted by the new Deputy Secretary, recommended a substantial restructure of parts of DPS, with flow-on effects across the rest of the department.

6 Before the restructure and because of its origins, DPS was structured entirely by reference to the skills and activities of its expert staff, not by reference to what its managers should be doing. This left the amalgamated department with a lack of strategic planning capacity, and with several characteristics that reduced its ability to provide the right service to clients in the long term. In particular:

- (a) DPS tended not to make an adequate distinction between clients and service providers, which had a tendency to disempower clients;
- (b) more regard was paid to project delivery than to infrastructure maintenance; and

**Part 1—Secretary's review**

- (c) work was done in silo-based structures that detracted from the quality of problem-solving within DPS.

7 The new structure addressed these problems by setting up a strategic planning area, and also by separating the design and provision of services so that, for instance, infrastructure maintenance and project delivery are now in distinct parts of the organisation. The new approach was designed to lead to improved management decision-making, more accountability, better allocation of resources, better interactions with our clients and, generally, doing our job better.

**Elements of restructure**

8 Under the restructure, the Corporate Group lost its finance role (which was separated out into a new branch under the CFO) but gained responsibility for strategic policy and planning for the whole department.

9 The information technology area was split three ways, to separate day-to-day ICT support and maintenance, ICT projects delivery and ICT strategic planning.

- (a) Day-to-day ICT support and maintenance is in the Infrastructure Services Branch with client support and building maintenance. The general role of this branch is to keep things running smoothly.
- (b) ICT projects delivery is grouped with other project delivery areas (building and security) in the Product and Service Development Branch. The general role of this branch is to deliver projects identified and approved elsewhere in the department.
- (c) ICT strategic planning has moved into the Strategy and Business Services Branch with other strategic planning. There will be a greater focus on the strategic use of ICT to drive efficiencies within the department and provide improved services for external clients.

10 The Library acquired Hansard publishing (but not the Hansard editors) and responsibility for the DPS intranet. It also kept elements of the Electronic Media Management Unit, but IT support for the system is now with all other IT support in the Infrastructure Services Branch.



## **Part 1—Secretary's review**

### **Staffing aspects**

11 The restructure caused significant uncertainty among many staff, and its implementation has created some upheaval across DPS. In particular, many Executive Level 2 staff were moved to positions at the same level elsewhere in DPS. For some staff the new arrangements were a welcome change, but others decided to seek career opportunities elsewhere. The outcomes of the restructure in terms of staff numbers and staff retention will not be clear for some time yet.

12 A number of SES Band 1 positions in DPS were advertised early in 2006 and filled towards the end of the reporting year. As a result of the restructure and some retirements, there were five vacant positions, including the Chief Finance Officer position which had been upgraded to the SES Band 1 level. The Chief Finance Officer position and one other SES Band 1 position were filled from within DPS. Four employees from outside the Parliamentary Service were also engaged (one to fill a position left vacant by a retirement announced before the recruitment exercise was finished).

13 Of the eleven officers who now make up the departmental executive, only one was an SES officer in one of the former joint departments. Two others are former employees of those departments who have been promoted from within DPS, and a third is a former employee of one of the joint departments now acting in a vacant SES position. All other executive staff have come from Australian Public Service agencies.

### *ANAO performance audit*

14 During the reporting year DPS was subject to a performance audit by the Australian National Audit Office (**ANAO**).

15 The ANAO's audit objectives were to report on the implementation of the parliamentary resolutions and other actions arising out of the recommendations of the 2002 *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament*. The ANAO also looked broadly at the effect of the creation of DPS on services provided to the Parliament, and on accommodation space within Parliament House.

16 The ANAO concluded that eight of the nine relevant parliamentary resolutions had been partly or fully implemented (the outstanding resolution related to the establishment of a resource agreement between me and the Parliamentary Librarian, which was

**Part 1—Secretary's review**

completed during the reporting year). The ANAO acknowledged the significant effort made by DPS to implement the parliamentary resolutions.

17 In relation to services, the ANAO noted perceptions within the chamber departments of improved security services but reduced service quality in the areas of IT projects and building and maintenance services. To the extent that these falls in service quality are not simply related to budget constraints, they are intended to be addressed by elements of the departmental restructure and the introduction of new approaches to developing and monitoring project plans.

18 In relation to accommodation, the ANAO noted a shortage of accommodation space within Parliament House, but did not draw any conclusions about links between the creation of DPS and the accommodation position in Parliament House.

19 The ANAO also suggested that there would be benefit in DPS developing a security strategic plan and an ICT strategic plan. Work on both these plans is already under way.

*New certified agreements*

20 The two new certified agreements replaced four agreements inherited from the former departments (the Department of the Parliamentary Reporting Staff, the Department of the Parliamentary Library and the Joint House Department).

21 A significant feature of the certified agreement with the PSS was that it largely reflects the general DPS certified agreement, in both its contents and its end date (30 June 2008). It is intended that the two certified agreements will in due course be replaced by a single certified agreement covering the whole of DPS. Specific provisions addressing particular aspects of PSS working arrangements will be included as an Appendix to the main agreement, in the same way as is done currently with provisions applying only to particular workgroups within the rest of DPS (eg the Parliament House Guides and some of the trade groups).

22 An important element of the certified agreements was the requirement to conduct continuous improvement reviews across all areas of DPS (see paragraphs 41 to 44).

**Part 1—Secretary's review**

*Parliamentary Librarian and resource agreement for the Parliamentary Library*

23 The appointment of the Parliamentary Librarian in December 2005, and the finalisation of a Resource Agreement between the Parliamentary Librarian and the Secretary of DPS in June 2006, completed the implementation of parliamentary resolutions passed in 2003 that created DPS by amalgamating the three former joint service departments.

*Conclusion of the security enhancement project*

24 Early in 2006 the security enhancement project begun in 2004 as a result of ASIO advice received in 2003 was completed with the activation of bollards to restrict vehicular entry to the Senate, House of Representatives and Ministerial Wing access roads. While reducing both the likelihood and the consequences of an attack on Parliament House involving a vehicle-borne improvised explosive device, the new arrangements have caused inconvenience to many building occupants and visitors, in particular by limiting the scope for people to be picked up outside the building entrances (except by drivers who are themselves Parliament House passholders).

25 The increased use of Parliament Drive as a pick-up and drop-off point has in turn created, or drawn attention to, a range of issues relating to the personal security of building occupants and visitors. Traffic congestion arising from increased traffic activity on Parliament Drive has been mitigated by the designation of most of Parliament Drive as a one-way road (taking effect in August 2006), but issues relating to inadequate lighting and shelter, and perceived threats to personal safety, for people waiting to be picked up on Parliament Drive, are yet to be fully resolved.

26 A survey of building occupants and other passholders, intended to gauge the extent of the problems and to invite possible solutions, was begun in June 2006 and will be analysed and responded to in 2006-07. A review of lighting around building entrances and on Parliament Drive has already been initiated.

*Childcare centre for Parliament House*

27 Following consideration of various proposals by the Joint House Committee over nearly two years, the Presiding Officers decided in June 2006 that DPS should call for expressions of interest to operate a childcare centre in Parliament House to cater for the children of building occupants, including Senators and Members. The

**Part 1—Secretary's review**

centre is proposed to operate from the Old Staff Bar, which will be refurbished for the purpose. Centre operating costs will not be subsidised by DPS.

*Client survey—IT services*

28 In early 2006, DPS conducted a survey of client satisfaction with IT services. Such surveys have been undertaken once in the life of each Parliament—the previous survey was done in 2003. The survey used an online questionnaire distributed via email to everyone with an account on the Parliamentary Computing Network (**PCN**).

29 A total of 507 responses were received. As well as answering specific questions (eg “what IT services are important to you”), respondents provided 683 comments on aspects of the IT service. Respondents indicated that the most important IT services are client support, ParlInfo and email. Respondents also noted that client support, general system performance, electorate office networks, application support and ParlInfo are the areas where they currently see problems.

30 The results of the survey will be taken into account in the next stage of work on our ICT Strategic Plan.

*Transfer of Magna Carta*

31 In October 2005 the National Library of Australia formally transferred to DPS all its remaining interest in the *Inspeximus* issue of Magna Carta that is displayed in Parliament House.

32 This Magna Carta was acquired by the Joint Parliamentary Library Committee in 1952, when that Committee was acquiring works for both the future National Library and for the Parliamentary Library. In 1968 the Council of the National Library decided to commit Magna Carta to the care and custody of the Presiding Officers, and some years ago it was recorded as an asset on the then Joint House Department asset register. However, the ownership of Magna Carta was never absolutely certain, and so the decision by the National Library Council to make a formal transfer to DPS on behalf of the Presiding Officers provided a welcome resolution of the uncertainty.

## **Part 1—Secretary's review**

### **Other progress**

#### *Improving governance arrangements*

- 33 Highlights of our progress on governance matters included:
- (a) the implementation of the restructure (see paragraphs 5 to 13);
  - (b) the development and implementation of a new business planning framework;
  - (c) a preliminary review of our performance information and reporting arrangements, with a view to a further review being conducted in 2006-07;
  - (d) the development of a new fraud control policy and framework, and of a Fraud Control Plan 2006-2008;
  - (e) the issue of a variety of new documents setting out internal policies and procedures and client-service policies.

#### *Developing our strategic focus and planning capability*

##### **General**

34 As described in paragraph 7, one aim of the restructure was to establish an effective strategic planning capability for DPS. Staff have been identified to provide the foundation of the relevant section, and work has begun on strategic planning in the areas of security, ICT, energy and water use, and asset replacement.

##### **Security**

35 Strategic planning in this area began with a review of the risk assessments provided by the Australian Security Intelligence Organisation in 2003 and the Protective Security Coordination Centre in 2005. The outstanding recommendations from those reviews have been identified, and will form the starting point for a broader review of all aspects of security in the Parliamentary precincts.

##### **Asset replacement**

36 Asset replacement strategies, and processes for developing and monitoring project plans, are proving difficult to develop and implement in the face of long-established practices in these areas.

**Part 1—Secretary's review**

37 Asset replacement, in relation to both administered and departmental assets, slowed after the creation of DPS.

38 The original causes of the slowdown were varied, and included the diversion of project management resources to the security enhancement project in 2004 and 2005, and a move by new management to require more rigour in the development of asset replacement projects.

39 More recently, the slowdown reflects the significant and deliberate challenge posed to established project development and management practices in DPS by the departmental restructure, a CIR of our ICT structures and processes, and the development of a fleet management approach to many departmental assets.

40 The development of a new strategic approach to asset management will be a major focus in 2006-07.

*Improving the efficiency of our operations*

**Continuous improvement reviews**

41 Continuous Improvement Reviews (**CIRs**) of all parts of DPS are required under the two new certified agreements that took effect during the reporting year.

42 Reviews started during the reporting year include those covering Hansard editing, the Loading Dock and ICT staffing and structures.

43 The reviews are conducted by teams of operational staff from both the area under review and other parts of DPS. This ensures that each team has a mix of knowledge of the work area under review, and new perspectives on how that work might be performed more cost-effectively.

44 Savings identified through the CIRs will fund parts of the salary increases provided for by the certified agreements.

**Human resource management issues**

45 As well as the finalisation of two new certified agreements, progress was made in several other areas affecting human resource management, including:

- (a) the upgrade of our human resource management and information system (PeopleSoft);

## **Part 1—Secretary's review**

- (b) the development and implementation of a new performance management scheme; and
- (c) a major review of PSS rostering arrangements.

### **Accommodation**

46 DPS initiated a review of its current and future accommodation needs, with a view to establishing whether the accommodation available to DPS (including some in West Block) can be used more efficiently, having regard to falling staff numbers.

#### *Improving existing services or developing new services*

47 Changes were made in several aspects of security services, and work began on reviews of existing services or the development of new services in several other areas, including:

- (a) security;
- (b) catering;
- (c) the provision of childcare services in Parliament House;
- (d) ICT services (through a substantial client survey); and
- (e) a range of Library services (see Part 2 of this Report).

48 Work was also done on the Parliament House Art Collection.

### **Catering**

49 One of the major catering contracts for Parliament House was due to expire in 2006, the other in mid-2007. The earlier contract has been extended to match the mid-2007 expiry date of the later contract. DPS engaged catering consultants to review the current arrangements, including the split of services between the two contracts, and to advise on a new tender process which will begin later in 2006. One of the aims of the new tender process will be to bring more competition, and more variety, to catering services in Parliament House.

### **Security**

50 Security has again been a major area of activity for DPS. Changes were made to screening arrangements applied to people entering Parliament House, involving reducing the sensitivity of walk-through metal detectors used at building entrances. This has resulted in fewer detections requiring secondary screening; however,

**Part 1—Secretary's review**

under the new settings, metal detections indicated by the screening equipment will be followed up until the source of the detection can be positively identified.

51 The long-standing pass policy applicable in Parliament House was reviewed by the Security Management Board, and a proposed new policy is now being considered by the Presiding Officers.

52 The ACT Police were invited to resume routine traffic enforcement in the Parliamentary precincts (after some years in which this did not happen). Work was also done to resume the enforcement of parking restrictions within the precincts—enforcement activities will commence late in 2006.

53 The policing model used for AFP-Protection deployment was reviewed and a replacement model proposed by the AFP. Adoption of the new model depends on further work, which will be done before the end of 2006, on our external surveillance infrastructure.

**Parliament House Art Collection**

54 Negotiations with Artbank for assistance with the acquisition of works for the Parliament House Art Collection were nearly completed during the year, but were deferred following the resignation of the Director of Artbank late in the reporting year. DPS now proposes to call for expressions of interest for a consultancy to provide this assistance. No new works were acquired during the year, but a major conservation project was largely completed.

*Cooperation with the chamber departments*

**Accommodation review**

55 As well as our internal accommodation review, DPS took part in a review, commissioned by the Presiding Officers and chaired by the Serjeant-at-Arms, of the current and future accommodation needs of all the agencies that occupy Parliament House, and of options for meeting those needs over the next 20 years. The review is expected to report during 2006-07.

**Business continuity planning**

56 DPS, through the Security Management Board, is leading the development of a business continuity plan relating to the operations of the Parliament. This plan involves all three parliamentary departments, and is intended to address a range of circumstances in which parliamentary activity would need to resume in the absence of



## **Part 1—Secretary's review**

some or most of the resources usually provided by the parliamentary departments and other agencies serving Parliament House.

57 In conjunction with the whole-of-Parliament planning, DPS has started reviewing and updating the business continuity plans previously developed for some of the services provided by DPS, and developing new plans for those services not currently covered. DPS has also begun developing a business continuity plan for the department as such.

### **Financial outcomes**

#### *Operating result*

58 DPS recorded an operating surplus of \$0.939m for 2005-06. This result was derived from a savings against budgeted expenses of \$0.875m and a small increase against budgeted revenue from independent sources of \$0.064m.

59 The savings against budgeted expenses was derived from a savings against depreciation of \$2.32m, offset by an excess of other expenditure, mainly employee and supplier expenses, of \$1.445m. A large component of the employee result was \$0.978m paid to staff as one-off redundancy costs.

### **Finance Committee role**

60 At the beginning of the 2005-06 financial year, operational funding bids were \$8.615m more than the available budget. The DPS Finance Committee decided to fund each group to the amount bid, but noting that the Finance Committee believed there were savings to be made in the proposed budgets without having any major impacts on client service. To enable the Finance Committee to consider opportunities for savings during 2005-06, Finance Committee approval was required for all:

- (a) recruitment action;
- (b) renewals or extensions to existing contracts;
- (c) new contracts;
- (d) advertising of tenders; and
- (e) issuing requests for quotations.

61 Although the Finance Committee rejected very few of the requests for approval that it received, and its scrutiny of spending by

**Part 1—Secretary's review**

purchase order only took place after the spending in question was complete, the final expenditure figures for the 2005-06 year suggest that a significant number of spending proposals were not ever raised for Finance Committee approval, and that other spending was more constrained in the knowledge that it was subject to Finance Committee scrutiny.

62 The additional scrutiny of expenditure enabled us to achieve a close to budget result for the department as a whole. In fact, however, this involved significant overspending on security services, which was largely offset by underspending across the rest of the department. Output Group 3.1—Occupant Services, which includes the security function, recorded expenses of \$38.341m against allocated revenue of \$34.104m, a deficit of \$4.237m.

**Asset replacement spending and depreciation**

63 The actual spend on the purchase of property, plant and equipment, and intangibles was \$7.917m, \$14.419m less than the budgeted amount. This lower than budgeted spend is the reason the actual depreciation charge for 2005-06 was less than the budget estimate. The department is currently developing strategic asset replacement plans for each major class of asset. Once the plans are approved, and project work starts, asset replacement expenditure will increase to budgeted levels, with a consequential increase in the depreciation expense.

*Valuation of administered assets*

64 DPS reported a write-down of \$4m in the value of administered assets and this amount appears as an expense in 2005-06. This write-down reflected a new treatment of a major artwork held in the Parliament. During 2005-06, it emerged that the Tom Roberts painting, *Opening of the First Parliament of the Commonwealth of Australia by H.R.H. The Prince of Wales 9th May 1901*, although listed as an asset on the DPS administered asset register, was in fact on permanent loan from the Royal Collection. In these circumstances, the painting cannot be considered an asset of the Commonwealth, and it was accordingly removed from the face of the statements.

65 DPS now reports the painting in the Notes to the Financial Statements as an asset held in trust, in accordance with the Finance Minister's Orders. DPS will continue to maintain insurance for the painting.

**Part 1—Secretary's review**

*Changes to administered funding arrangements*

66 In November 2005, DPS was notified by the Department of Finance and Administration (**Finance**) that an amount of \$10.6m of previous years' unspent administered funding would not be made available for building works in 2005-06. Following that advice, all administered works projects were put on hold while a review was conducted with the view to cancelling, slowing down or deferring scheduled projects to ensure cash spending was limited to the \$10.63m available from the 2005-06 appropriation.

67 A flow-on effect of the slowdown in scheduled projects was that cash spending also slowed, and it was estimated that \$3m would remain unspent at 30 June 2006. To ensure this amount did not lapse, an application was made to and approved by the Finance Minister to re-phase that amount from 2005-06 into 2006-07. At 30 June 2006, DPS still had \$1.272m of unspent administered funds and this amount lapsed.

68 The Finance Minister also agreed to change the source of administered funding from lapsing operating funding to non-lapsing assets and liability funding. This change took effect from the 2006-07 budget and will ensure that unspent appropriation will not lapse at the end of each year.

*Coins in Parliament House water features*

69 In November 2005, the Presiding Officers asked DPS to put arrangements in place for any money retrieved from water features in and around Parliament House to be paid to UNICEF through the QANTAS Change for Good program, whether the coins were Australian or foreign currency.

70 The money retrieved from the water features falls into three categories:

- (a) bankable Australian currency (currently banked);
- (b) non-bankable foreign currency (currently held); or
- (c) mutilated coins (given to the Reserve Bank).

71 The total amount collected as unsolicited donations of Australian coins from 2000-01 to 2005-06 was \$379.45. Following negotiations with Finance, agreement has been reached at officer level for the creation of a Special Account with the specific

**Part 1—Secretary's review**

purpose of allowing money from the water features to be donated to charity.

**Fraud Control**

72 During the year a large amount of work went into reviewing DPS's exposure to potential fraud risks. A draft Fraud Control Plan was developed for 2006-2008 (it was issued in October 2006). For the purposes of paragraph 2.8 of the *Commonwealth Fraud Control Guidelines 2002*, I am satisfied that fraud risk assessments and fraud control plans have been prepared that comply with the Guidelines and that appropriate fraud prevention, detection, investigation and reporting procedures and processes are in place in the department.

73 DPS submitted responses to the 2005-06 Commonwealth Fraud Control Guidelines Annual Reporting Questionnaire in accordance with the Guidelines.

**Australia Day Achievement Awards 2006**

74 DPS's commitment to serve the Australian people is reflected in the award of Australia Day medallions to our high-performing staff. These awards also recognise the value of a diverse workforce consisting of skilled staff, and encourage their development and contribution to the work of the department. Australia Day medallions were presented to DPS staff at DPS's anniversary function on 1 February 2006.

75 DPS staff who received the awards were Bernice Donnellan, Lenore Hale, Karen Hoad, Paul James and Angus West. As well, group awards were presented to the employee representatives on the negotiating teams for the two new certified agreements. All staff recognised through these awards made a significant contribution to client service, whether directly to our external clients, through the services they provide to other staff members, or through their role in the effective functioning of the department.

**Outlook for 2006-07**

76 Our internal focus will be on strategic planning, covering in particular:

- (a) project development and approval processes, with special emphasis on speeding up asset replacement activities, both for administered and for departmental assets;

**Part 1—Secretary's review**

- (b) security, in relation to both infrastructure and policies and procedures;
- (c) environmental matters, especially in relation to energy and water use; and
- (d) business continuity planning for the Parliament.

77 The remaining CIRs will absorb substantial staff resources over the year, but should also produce significant ongoing efficiencies in our operations.

78 In relation to client service, the main areas of development will include:

- (a) implementing the decision to provide childcare in Parliament House;
- (b) letting new contracts for catering in Parliament House;
- (c) renewing licence arrangements with major licensees of Parliament House accommodation, in particular the Press Gallery;
- (d) improving access arrangements for Parliament House occupants and visitors, while maintaining appropriate security;
- (e) reviving acquisition activities for the Parliament House Art Collection;
- (f) reviewing Library products, the various news-related services provided by the Library, and other Library services;
- (g) developing a replacement for ParlInfo.



Hilary Penfold QC  
Secretary

## **Part 2—Parliamentary Library**



## **Part 2—Parliamentary Library**

### **Parliamentary Librarian's review**

#### *Introduction*

79 The Australian Parliamentary Library has a long and illustrious history. Created in 1901, the Library was launched on 9 May in the Exhibition Building in Melbourne. Since this time it has been accommodated in three different Parliament Houses. It has also been accommodated administratively in a number of different arrangements. The National Library of Australia and the Parliamentary Library were one organisation until 1960.

80 In February 2004, the Parliamentary Library ceased to be a parliamentary department and became a foundation unit of the Department of Parliamentary Services (**DPS**). On 1 April 2005, amendments to the *Parliamentary Service Act 1999* established the statutory office of the Parliamentary Librarian with the following functions:

- (a) to provide high quality information, analysis and advice to Senators and Members of the House of Representatives in support of their parliamentary and representational roles; and
- (b) to undertake such other responsibilities within the joint Department, consistent with the function set out in paragraph (a), as are conferred in writing on the Parliamentary Librarian by the Secretary of the joint Department with the approval of the Presiding Officers.<sup>1</sup>

81 Under the Act, the Parliamentary Librarian and the DPS employees assisting the Parliamentary Librarian are known as the Parliamentary Library.

82 In December 2005, I took up the position of Parliamentary Librarian. The Parliamentary Library from this period on became the Office of the Parliamentary Librarian, the Research Branch (formerly the Information and Research Services Group) and the Information Access Branch (formerly the Library Resources and Media Services Group).

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<sup>1</sup> *Parliamentary Service Act 1999*, subsection 38B(1)



## **Part 2—Parliamentary Library**

83 The Library Senior Management team was recruited during the reporting year. Dr Jane Romeyn took up the position of Assistant Secretary, Research Branch, in July 2006 and Ms Nola Adcock commenced as Assistant Secretary, Information Access Branch in August 2006.

84 This is the first Annual Report of the Parliamentary Library under its new arrangements. It covers the 2005-06 financial year.

85 During the reporting year the Library established new governance and operational arrangements. Some services were reviewed and some changes to services and technologies were implemented, all providing steady improvements in services and efficiencies in the use of resources. Developments in 2005-06 have set the scene for major change in 2006-07, when the new senior management team will be in place, major reviews of the staffing of the Research Branch and Parliament-wide news services will be undertaken and the ParInfo Replacement Project will commence.

### *Joint Standing Committee on the Parliamentary Library*

86 An important process in establishing the governance arrangements for the Parliamentary Library was the establishment of the Joint Standing Committee on the Parliamentary Library (the **Library Committee**) by the Senate and the House of Representatives on 7 December 2005.

87 The current Library Committee membership is:

Mr Dick Adams MP (Joint Chair)  
Senator Russell Trood (Joint Chair)  
Senator Lyn Allison  
Mr John Anderson MP  
Senator George Brandis  
Mr Russell Broadbent MP  
Mr Petro Georgiou MP  
Mr Michael Hatton MP  
Senator Steve Hutchins  
Senator Fiona Nash  
Mr Brendan O'Connor MP  
Mr Barry Wakelin MP  
Senator Ruth Webber

88 The terms of reference of the committee are to:

**Part 2—Parliamentary Library**

- (a) consider and report to the Presiding Officers on any matters relating to the Parliamentary Library referred to it by the President or the Speaker;
- (b) provide advice to the President and the Speaker on matters relating to the Parliamentary Library;
- (c) provide advice to the President and the Speaker on an annual resource agreement between the Parliamentary Librarian and the Secretary of the Department of Parliamentary Services; and
- (d) receive advice and reports, including an annual report, directly from the Parliamentary Librarian on matters relating to the Parliamentary Library.<sup>2</sup>

89 The Committee met on 21 June 2006 and chose the Joint Chairs. It considered a proposed Resource Agreement and resolved that the Joint Chairs write to the Presiding Officers recommending the adoption of the draft Resource Agreement as the agreement for 2006-07. It also discussed the results of a survey on access to regional newspapers, and noted the Library's *Collection Development* and *Serials Circulation* policies, and changes to staffing on sitting nights.

*Resource Agreement*

90 The Parliamentary Librarian and the Secretary of DPS developed a Resource Agreement (the **Agreement**) as required under the *Parliamentary Service Act 1999*.

91 The Agreement identifies the resources provided to the Parliamentary Librarian by DPS to enable the provision of library services to clients. It also details the services provided by DPS to the Librarian. In addition it describes the resources in terms of services provided by the Library to the rest of DPS.

92 The Agreement has been developed in the light of the DPS budget, the relationship between the Library and the rest of DPS in delivering services to clients, and the Department of Parliamentary Services Certified Agreement 2005-2008 (which covers Library staff).

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[http://parlinfoweb.parl.net/parlinfo/view\\_document.aspx?id=104398&table=JOURNAL](http://parlinfoweb.parl.net/parlinfo/view_document.aspx?id=104398&table=JOURNAL)  
S

## **Part 2—Parliamentary Library**

93 The major budget pressure is increases in salary costs. The Continuous Improvement Review of the staffing of the Research Branch will provide an opportunity to explore greater efficiencies in addition to ongoing assessment and review.

94 The budget contained in the agreement is less than the bid made by the Library for funding. It proposes that the Parliamentary Librarian and the Secretary of DPS conduct a mid-term review of the budget in December 2006 to establish whether any variation is required to the budget allocation.

### *DPS restructure*

95 A restructure of DPS generally took effect on 1 February 2006. The restructure made some changes to the Library including the addition of several new responsibilities.

96 Under the restructure, the Parliamentary Librarian is responsible for two branches (as was the case in the Department of the Parliamentary Library).

97 The Research Branch was largely unchanged from the previous Information and Research Group, except that Client Relations and the Central Enquiry Point moved. Client Relations became directly responsible to the Parliamentary Librarian. The Central Enquiry Point function moved to the Information Access Branch.

98 The restructure added several functions to the Information Access Branch. It gained web portal and intranet administration for the whole of DPS as well as managing all print and electronic publishing for DPS (including Hansard printing and distribution). The Library has proposed that the Media Transcription Service, which had previously been in the Library, be transferred back to the Library from the Content Management Branch. This is yet to be implemented. The extra functions conferred on the Parliamentary Librarian were approved by the Presiding Officers as required by paragraph 38B(1)(b) of the *Parliamentary Services Act 1999*.

### *Steady improvement in services and systems*

99 During the reporting year a number of improvements and reviews occurred for a range of services.

100 A review of weekend work and sitting nights arrangements resulted in changes to rostering that were intended to provide better

**Part 2—Parliamentary Library**

access to staff and services in our high use periods. Both also resulted in a better work-life balance for staff.

101 The Library databases available through the Electronic Media Monitoring Service were improved by the addition of transcripts of radio and television news and current affairs programs.

102 Some refinements to library processing occurred with the implementation of loading full text-searchable newspaper clippings to ParlInfo. For much of the year there were significant problems with data purchased for loading to this system, which were rectified when the supplier changed the software used to create text-searchable PDF documents. This change resulted in significant improvements in the quality of the data received and consequently had a positive impact on the timeliness of processing newspaper clippings to ParlInfo.

103 Staff also reviewed procedures in cataloguing, and ceased the double handling of material.

*Research Service: 40<sup>th</sup> anniversary*

104 The Research Service was established 40 years ago. When it was established the model of providing specialist advice using subject experts was a significant development in services. In 2005-06 every Senator's and every Member's office used the Research Service at least once, and offices made, on average, over 80 requests for information from the Research Service. This is an indication of the relevance of the service to clients.

*Changes to sitting night staffing*

105 The Library reviewed its opening hours on sitting nights with a view to maximising the availability of staff at the peak times of client demand. In 2005, the staffing on sitting nights was reduced from a total of 17 in the Main Library all rostered until 8.00pm to a total of 10 staff (one member from each section in the Research Branch and three staff at the Central Enquiry Point in the Main Library) until 8.00pm. The Ground Floor Reading Room remained unchanged with one staff member rostered until 8.00pm.

106 A survey of client use on sitting nights was undertaken in early 2006 and provided to the Library Committee. As a result of the findings of the survey, further changes were agreed. From 8 August 2006 on sitting nights the Ground Floor Reading Room will be open until 6.30pm and the Main Library will remain open till 8.00pm.

## **Part 2—Parliamentary Library**

Access to specialist information and research services will be more limited after 6.30pm. Clients requiring material from the Ground Floor Reading Room after 6.30pm will be assisted by staff at the Central Enquiry Point in the Main Library.

107 The Library will monitor client use under these new arrangements, and review them after the December 2006 sittings.

### *Provision of information from departments*

108 The Parliamentary Library's access to Departments of State is an important issue for the Parliament and staff of the Library. From the Library's point of view, information from departments is essential to the Library's task of providing information to Senators and Members in support of their parliamentary and representational roles. The information is often requested within a fairly tight timeframe and confidentiality is essential for our clients.

109 Before contacting an agency for information, Parliamentary Library staff first make every effort to consult published sources. Information sought from agencies needs to be published or publishable. Confidential or classified information is not sought. The Library recognises the right of any Departmental Secretary to give directions about how his or her department deals with outsiders (including the Parliamentary Library).

110 After communication with the Secretary of the Department of Prime Minister and Cabinet and some other Secretaries, arrangements have been put in place with some departments to send enquiries through a central departmental contact point.

111 The Library is monitoring the use of these arrangements to ensure that we receive the relevant information from departments in a timely matter. At present the arrangements are working successfully.

### *Australian Parliamentary Fellowship*

112 The Library has, on behalf of the Parliament, managed the Australian Parliamentary Fellowship since 1970. The Fellowship provides support for twelve months to enable the Fellow to undertake a research project, prepare a monograph on the project and undertake client work in the Library.

113 In December 2005 the monographs of the two most recent fellowships were launched. They were:

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- (a) *Scrutiny or secrecy? Committee oversight of foreign and national security policy in the Australian Parliament* by Dr Kate Burton, 2004 Australian Parliamentary Fellow; and
- (b) *Practising Reconciliation? The politics of reconciliation in the Australian Parliament, 1991–2000* by Dr Angela Pratt, 2003 Australian Parliamentary Fellow.

114 Dr Sophia Dimitriadis completed her engagement as 2005 Fellowship holder. Her research was on *Water recycling: a national perspective of choice and perception*. The monograph should be completed late in 2006.

115 Over the years there have been some changes to the operation of the Fellowship. The terms and conditions, approved in 1970, required updating. A proposal for the operational objectives, guidelines and management of the Australian Parliamentary Fellowship was prepared during the reporting year and considered by the Library Committee in September 2006.

*Strategic Planning*

116 The Senior Management Group of the Library has met to develop the Library plan for 2006–07. Initiatives identified for particular action in 2006-07 include:

- (a) a Continuous Improvement Review of staffing in the Research Branch;
- (b) developing a workforce plan;
- (c) developing a policy on the digitisation of older material, particularly newspaper clipping files;
- (d) reviewing news services and the ParlInfo journal database;
- (e) service improvement through introducing a federated search system;
- (f) developing a methodology for collection review, including serials subscriptions;
- (g) improvements to ParlInfo alerts; and
- (h) client training and marketing of services.

## **Part 2—Parliamentary Library**

### **Parliamentary Library overview**

#### *Introduction*

#### **Office of the Parliamentary Librarian**

117 The Office of the Parliamentary Librarian comprised the Parliamentary Librarian, her Executive Assistant and the Director, Client Relations.

118 Relations with clients are managed by the Director, Client Relations who provides orientation and training services for Senators, Members, their staff and other parliamentary staff. A Contact Officer program to introduce new Senators and Members to the Library and its services follows each election. New Senators who took their places in July 2005 were each assigned a Contact Officer. The Vital Issues Seminar series, a program for visitors, and oversight of the editorial and promotional processes for Library publications are also managed by this officer.

119 Administrative support to the Parliamentary Librarian, including liaison with the Library Committee, is also provided from the Office.

#### *Research Branch*

120 The Research Branch (**RB**) provides information, analysis and advice to the Parliament.

121 Information, research and analytical services are provided to Senators and Members and their staff, parliamentary committees and the parliamentary departments to support parliamentary or representational duties (services are not provided to constituents or for commercial purposes).

122 These services are provided by the staff in seven subject sections:

- (a) Economics;
- (b) Foreign Affairs, Defence and Trade;
- (c) Law and Bills Digest;
- (d) Politics and Public Administration;
- (e) Science, Technology, Environment and Resources;

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- (f) Social Policy; and
- (g) Statistics and Mapping.

123 The range of services provided includes commissioned information, research and advisory services, and the production of general distribution briefs and publications.

124 Commissioned information and research services involve responses to individual requests for information, research or critical analysis on subjects, issues and policies of interest to parliamentarians. Responses may be delivered as oral or written briefs or as documentation from source materials.

125 A range of general distribution briefs and publications are produced to deal with broad-based client interest in particular issues and subjects. These include Bills Digests, Research Briefs, Research Notes, Chronologies, Electronic Briefs, Background Notes and Internet Resource Guides. Some of these publications are made available only to parliamentary clients through the Parliamentary Intranet, others are available to clients and to the public through the Internet.

126 An alerting service, which keeps clients up to date with recent material, is provided. It is based on personal subject profiles and run from the ParlInfo databases.

*Information Access Branch*

127 The Information Access Branch (**IAB**) selects, acquires, maintains and facilitates access to print and electronic resources. These resources included monographs, serials, information databases, electronic publications developed both within DPS and externally, off-air recordings, transcripts and related materials.

128 Access to services is also provided through the Parliamentary Library Central Enquiry Point. Staff in this area provide services through the Ground Floor Reading Room, and the inquiry desk in the Main Library, and also obtain inter-library loans for clients. This function transferred from RB to IAB in February 2006.

129 IAB selects, acquires and provides access to monographs, serials, Internet publications and external databases through the Library's Catalogue. They maintain the Library's physical collection of approximately 115,000 titles and an electronic index to the Parliamentary Papers Series.



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130 In addition to maintaining the physical and electronic collection, IAB also selects, compiles, maintains and indexes material for the Library's information databases available through ParlInfo. The databases provided by the Library include:

- (a) selected news clippings from newspapers;
- (b) selected journal articles relevant to the interests of the Parliament from journals acquired by the Library;
- (c) political party documents;
- (d) press releases from the Governor-General, Ministers, Senators and Members and political parties, and selectively from other organisations;
- (e) the Library's own publications; and
- (f) radio and television transcripts.

131 Using this information IAB produces *It's New*, which advertises print and electronic material added to the Library's collections.

132 Access to radio and television news and current affairs programs is provided through the Electronic Media Monitoring System. It enables Senators, Members and parliamentary staff to have immediate online access to these programs.

133 IAB is responsible for publishing DPS materials both in print and electronically on the Parliamentary web site ([www.aph.gov.au](http://www.aph.gov.au)) and on the Parliamentary Library Intranet and DPS Portal. This includes Hansard and Library publications.

## **Report on performance**

### *Output 1—Information and Research Services*

#### **Introduction**

134 Output 1 is the provision of an effective knowledge centre for the Parliament through the provision of information, analysis and advice.

135 Performance is assessed using indicators that cover quality, quantity and price. Indicators, performance results and relevant comments are shown against each of the sub-outputs.

#### *Sub-output 1.1—Information, analysis and advice services to meet clients' needs*

136 The services contributing to this Sub-output are as follows:

- (a) Commissioned information, research and advisory services—these are tailored responses prepared following requests from individual Senators, Members and their staff, and other parliamentary clients.
- (b) General briefs and publications (**GBAPs**)—these are prepared where strong client demand is anticipated for briefing on specific policy issues. GBAPs include Bills Digests, which provide Senators and Members with an independent explanation and commentary on bills as they come before Parliament. A significant proportion of GBAPs are available to the general public through the Library's Internet site  
<http://www.aph.gov.au/library/pubs/index.htm>.

137 The Library has developed a range of other products and services in addition to GBAPs to provide information to clients in the most appropriate formats. These include Vital Issues Seminars, Internet Resource Guides, Background Notes and a map service.

**Part 2—Parliamentary Library**

Figure 1—Sub-output 1.1—quality indicator

Quality indicator	Measure	Target	Performance
1. Client satisfaction with requests, GBAPs and media services	Qualitative evaluation using information gained from office visits, unsolicited feedback and focus groups with clients	High level of satisfaction	99% of unsolicited client feedback was positive (see also paragraphs 139 to 140)

**Indicator—Client satisfaction with requests, GBAPs and media services**

138 During the year, induction and orientation sessions were held for clients. These continued to be successful in providing, through individual and small group sessions, a timely and detailed introduction to Library services. *This Sitting Week*, provided to all clients electronically on the first day of each sitting week, was revamped and used to more effectively promote specific Library services and publications.

139 Unsolicited feedback is an important tool for evaluating the quality of Library services. The feedback is recorded on a database which provides an ongoing record of all qualitative comments that have been volunteered from clients on Library services. During the year the database was reviewed. The data entry was streamlined and procedures were revised.

140 Of the 929 comments for 2005-06, only 10 were negative. The volume of feedback grew considerably from the 635 comments received in 2004-05.

141 Each negative comment was investigated and followed through with the client, as required. Some provided feedback which will be incorporated into changes to policies and procedures that will enable us to improve our services.

**Part 2—Parliamentary Library**

Figure 2—Sub-output 1.1—quantity indicators

Quantity indicator	Measure	Performance	
		2004-05	2005-06
1. Client requests	Number of: (a) requests handled	19,582	20,346
	(b) total hours spent on requests	45,264	47,530
	(c) average hours spent on each request	2.31 hrs	2.34 hrs
2. GBAPs	Number of: (a) GBAPs produced	313	262
	(b) total hours spent on GBAPs	24,602	18,957
	(c) average hours spent on each GBAP	78.6 hrs	72.4 hrs

**Indicator—Client requests**

142 Commissioned individual, confidential services for Senators and Members are the predominant activity for direct client service staff. Other client-related activities include client education and training, Central Enquiry Point activities and the selection of material for the Library's collections.

143 There was an increase in the number of client requests made during the year, and a corresponding increase in the total number of hours spent meeting client requests. The average time spent on each request rose marginally.

144 The Time and Activity Recording Data Information System (**TARDIS**) is used by Library staff to record client requests and the time spent on these and other client-related activities. The time attributed to commissioned requests only reflects the direct time spent on each request. However, the ability to provide effective and timely delivery of commissioned services is underpinned by investment in building and maintaining the expertise of staff, including by building intellectual capital using professional literature, networks and conferences, and by identifying material for quick retrieval from specialised databases.

## **Part 2—Parliamentary Library**

### **Indicator—GBAPs**

145 The number of GBAPs (which include Bills Digests, Research Briefs, Research Notes, Monthly Economic and Social Indicators, E-Briefs and Chronologies) produced was 16% lower than in 2004-05. This, in part, reflects the fact that the number of Bills Digests published decreased from 186 last year to 164 in 2005-06, due to a decrease in the number of bills tabled in the Parliament. The decrease in hours spent on GBAPs was, in part, offset by an increase in total hours spent on client requests.

### **Budget 2006–07**

146 In 2006 the Budget analysis was done using a methodology that was trialled in 2005. A coordinator was appointed and work focused on a small number of themes. A group of staff prepared briefings on these themes, which were given in May 2006 through presentations to clients. Approximately 40 clients attended the briefings, which were well received.

147 The themes chosen for analysis in 2006 were:

- (a) how the Budget is prepared;
- (b) how to navigate the Budget papers; and
- (c) what some of the main figures mean.

148 The papers prepared for the briefings have also been published on the Library Intranet.

### **Parliamentary Handbook of the Commonwealth of Australia**

149 The Handbook is a compendium of biographical and statistical information on the federal parliament. It is available electronically and in print format. Sections of the Handbook are updated regularly online and a new print edition is published for each Parliament. The 30<sup>th</sup> print edition (covering the 41<sup>st</sup> Parliament) was published in 2005.

**Part 2—Parliamentary Library**

Figure 3—Distribution of hours by service type

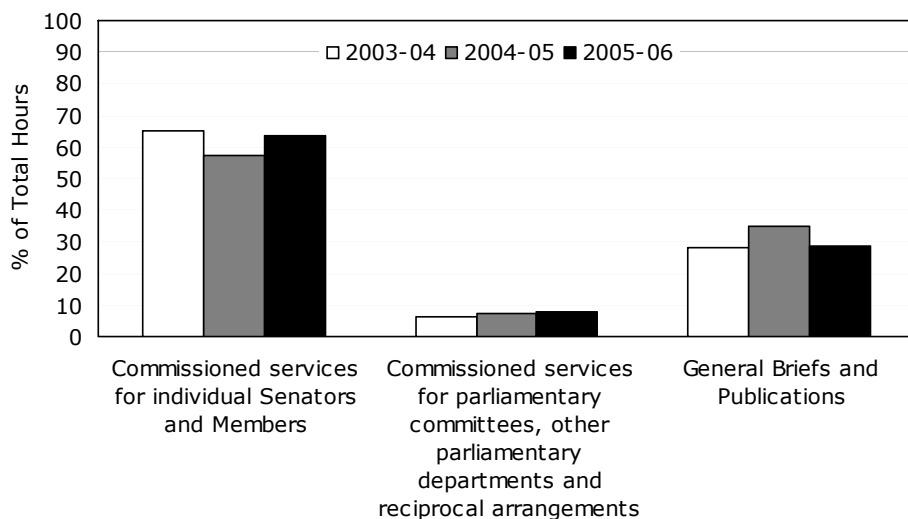


Figure 4—Sub-output 1.1—price indicators

Price indicator	Measure	Performance	
		2004-05	2005-06
1. Efficient and cost-effective response to requests	Average direct cost per request (staff time only)	\$127	\$140
	Average cost per request (total cost including overheads <sup>3</sup> )	\$406	\$414
	Percentage change in unit cost of overheads		- 1.9%
2. Efficient and cost-effective production of GBAPs	Average direct cost per GBAP (staff time only)	\$4,325	\$4,311

<sup>3</sup> Overheads covers certain staff time and non-salary expenses. The staff time included in overheads is that not attributed directly to specific client-service products (requests or GBAPs); it has been allocated to requests or GBAPs where identifiably related to one or the other, and otherwise has been attributed to requests and GBAPs in proportion to the hours spent on requests and GBAPs.

**Part 2—Parliamentary Library**

Price indicator	Measure	Performance	
		2004-05	2005-06
	Average cost per GBAP (total cost including overheads <sup>4</sup> )	\$10,641	\$11,209
	Percentage change in unit cost of overheads		+ 9.2%
3. Efficiency and cost-effectiveness	Price of Sub-output 1.1 compared to previous year's price (percentage change)	\$11.265m	\$11.069m (- 1.7%)

*Sub-output 1.2—Access to collection sources for the use of Parliament*

150 The services contributing to this sub-output are as follows:

- (a) the Library collection—development of the collection to meet users needs and provision of access through the catalogue and ParlInfo;
- (b) online full-text content—news clippings; journal articles; political party documents; press releases and library publications available through ParlInfo;
- (c) media services—desktop access to television and radio news and current affairs programs broadcast in Canberra, provided to Senators and Members for their parliamentary duties;
- (d) commercial databases—including online full-text journal and newspaper services such as ANZ Newsstand, available through the Library Intranet and the Senators' and Members' Services Portal; and
- (e) client services—including the Central Enquiry Point and self-help services.

<sup>4</sup> See note 3 for explanation of overheads.

**Part 2—Parliamentary Library**

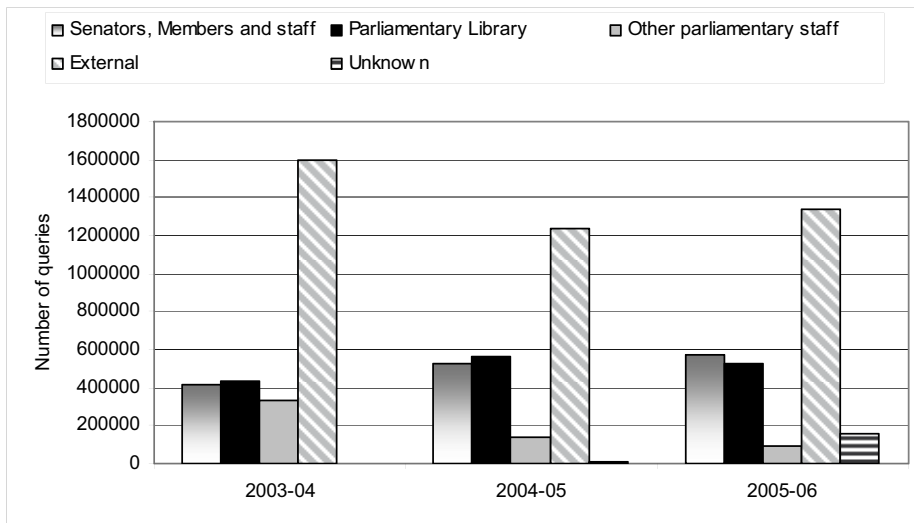
151 As far as possible, usage rates of all of these services are monitored to ensure that the services remain relevant and are of practical assistance to Senators, Members and their staff.

152 To help clients use these services effectively, the Library provides orientation and training courses as well as individual tuition and tip sheets.

Figure 5—Sub-output 1.2—quality indicator

Quality indicator	Measure	Performance	
		2004-05	2005-06
1. Increased usage of Library databases	Increase in Parliamentary clients (not including Library staff) accessing information from Library databases (percentage and number increases)	1,916,019	2,174,147 (+ 13%)

Figure 6—Usage of ParlInfo



**Indicator—Increased usage of Library databases**

153 Clients can access the Library’s databases through ParlInfo, either through the Full Client interface, which is only available to



## **Part 2—Parliamentary Library**

users of the Parliamentary Computing Network, or through the publicly-available web interface.<sup>5</sup>

154 To measure access, the Library relies on usage data logged whenever ParlInfo or the Internet or Intranet is accessed. Some commercial databases also provide usage data to the Library. The Library has been refining data collection processes, because the reliability, consistency and accuracy of data is variable depending on the source and method of collecting data. This work will continue.

155 The increased use of Library databases in ParlInfo by Senators, Members and their staff indicates that the services are valuable and relevant to their needs. It reflects the growing success of the Library's efforts to introduce and promote self-help services at the desktop. The Library will continue to develop these services and promote them to our clients.

156 The ParlInfo Replacement Project commenced in mid-2006. More efficient and more effective use of ParlInfo will be achieved in the next system. It should also enable greater efficiencies in data entry from the Database Section in the Library.

### **Electronic Media Monitoring Service**

157 In November 2004 an automated Electronic Media Monitoring Service (**EMMS**) was introduced. The service records television and radio news and current affairs broadcasts in Canberra and allows Senators and Members to browse, search and view those programs on desktop PCs. The take-up rate has been high since the service commenced in November 2004. The total usage for nearly eight months in 2004-05 was 64,272. In 2005-06 total usage for the full year grew to 102,985.

158 In 2006 the issue of access to program notes and transcripts through both ParlInfo and EMMS was resolved, with both systems now providing access to these resources.

159 EMMS remains unavailable in Electorate Offices, due to concerns about limited bandwidth capacity on the Electorate Office network. This issue is still being discussed with the Department of Finance and Administration, and further trials are planned for 2006-07.

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<sup>5</sup> Note that the "equivalent" figures in the 2004-05 Annual Report only applied to the use of ParlInfo Full Client.

**Part 2—Parliamentary Library**

Figure 7—Sub-output 1.2—quantity indicators

Quantity indicator	Measure	Performance	
		2004-05	2005-06
1. Material added to Library databases	Number of resources added to databases created by the Library	154,563	154,287
2. Material added to Library databases	Percentage change in resources in Library databases.	-	15.5%
3. Material added to Library collection	Number of monographs <sup>6</sup> added to the Library collections	5,370	5,406

**Indicator—Material added to Library databases**

160 Clients of the Library require access to accurate and up-to-date information. As electronic material can be made accessible to clients 24 hours a day, 7 days a week, greater emphasis is being placed on collecting material in an electronic format and making it accessible through easy-to-use interfaces such as the Senators' and Members' Services Portal.

161 The newspaper clipping database continues to grow quickly; an average of 358 entries were added to the database each day in 2005-06. This compares with an average of 337 per day in 2004-05 and 298 per day in 2003-04. It is a heavily-used database in ParlInfo, which indicates its relevance and usefulness to the Library's clients.

162 The Library's other internal databases do not grow as quickly, but continue to be well used.

**Indicator—Material added to Library collection**

163 The Library's physical collection of monographs and journals is constantly updated in accordance with the Library's *Collection Development Policy*. The Library aims to keep the collection at around 110,000 monograph titles and 8,000 journal titles. New material is acquired and outdated, damaged or redundant material is

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<sup>6</sup> Monographs are non-journal publications complete in one volume or a finite number of volumes.

**Part 2—Parliamentary Library**

discarded regularly. Material on Australian politics, legislation and constitutional matters is retained permanently.

164 The Library's electronic collection currently stands at 11,000 electronic documents and 13,500 electronic journals. The proportion of the Library collection available to clients in electronic full text at 30 June 2006 is 15%.

165 In 2006 the Library joined the National Library of Australia's national digital archive, *Pandora*, as an indexing agency. Cooperation between the two libraries will ensure that online publications identified as important to the Parliament are collected and made accessible through the national digital archive. The Parliamentary Library will then concentrate on archiving overseas resources which are not stored in international digital archives.

Figure 8—Sub-output 1.2—price indicator

Price indicator	Measure	Performance	
		2004-05	2005-06
1. Efficient and cost-effective services	Price of Sub-output 1.2 compared to previous year's price (percentage change)	\$8.180 m	\$8.126m (- 0.7%)
	Percentage reduction in cost of each use of Parliamentary Library databases.		4.8% increase
	Percentage reduction in cost of each new resource added to Parliamentary Library databases		14.2% increase

**Indicator—Efficient and cost-effective services**

166 The costs attributed to maintaining, operating and adding to the Library databases are the costs of the relevant part of the Library, and do not include the costs of the databases themselves. Those operating costs increased by 14% in the reporting year. The increased costs reflected salary increases and a 30% increase in the cost of acquiring press clippings from Media Monitors.

167 The use of the Library databases increased by 8.8% over the previous year, but because of the increased cost of maintaining and operating them as described in paragraph 0 above, the cost of each use of the databases increased by 4.8%. The increased cost of

**Part 2—Parliamentary Library**

adding new resources to the databases reflected the same increase in operating costs in the area.

**Internal operating result**

	<b>2005-06</b>	<b>2004-05</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
DOFA/DPS	16,288,201 <sup>7</sup>	14,336,870
Depreciation	1,784,617	2,030,288
<b>Expenditure</b>		
Total Salaries <sup>8</sup>	12,137,306	11,846,702
Research Branch	7,685,044	8,347,992
Information Access Branch	4,321,499	3,498,710
Office of the Parliamentary Librarian	130,763	0
Other employee expenses	142,759	173,345
Collection (information resources)	871,810	1,100,338
Operating Expenses	265,858	1,323
Asset maintenance (software licenses/maintenance)	240,372	298,893
Contractors	211,498	133,747
Training and travel	141,960	125,412
Administrative expenses (general office)	117,242	121,049
Printing and Publishing	85,563	13,537
Staff-related expenses (including recruitment, security clearances)	24,776	47,741
Accommodation	18,429	21,492
Staff travel (non-training)	11,462	16,575

<sup>7</sup> This income figure reflects the Library's budget bid, which if spent would have led to DPS making a loss in the reporting year. The bid amount was approved in the circumstances described in paragraph 60 in Part 1 of this report.

<sup>8</sup> Salary expenditure needs to be considered having regard to the effect of the DPS restructure on staffing levels in the two Library branches, as follows:

**Staffing levels FTE**

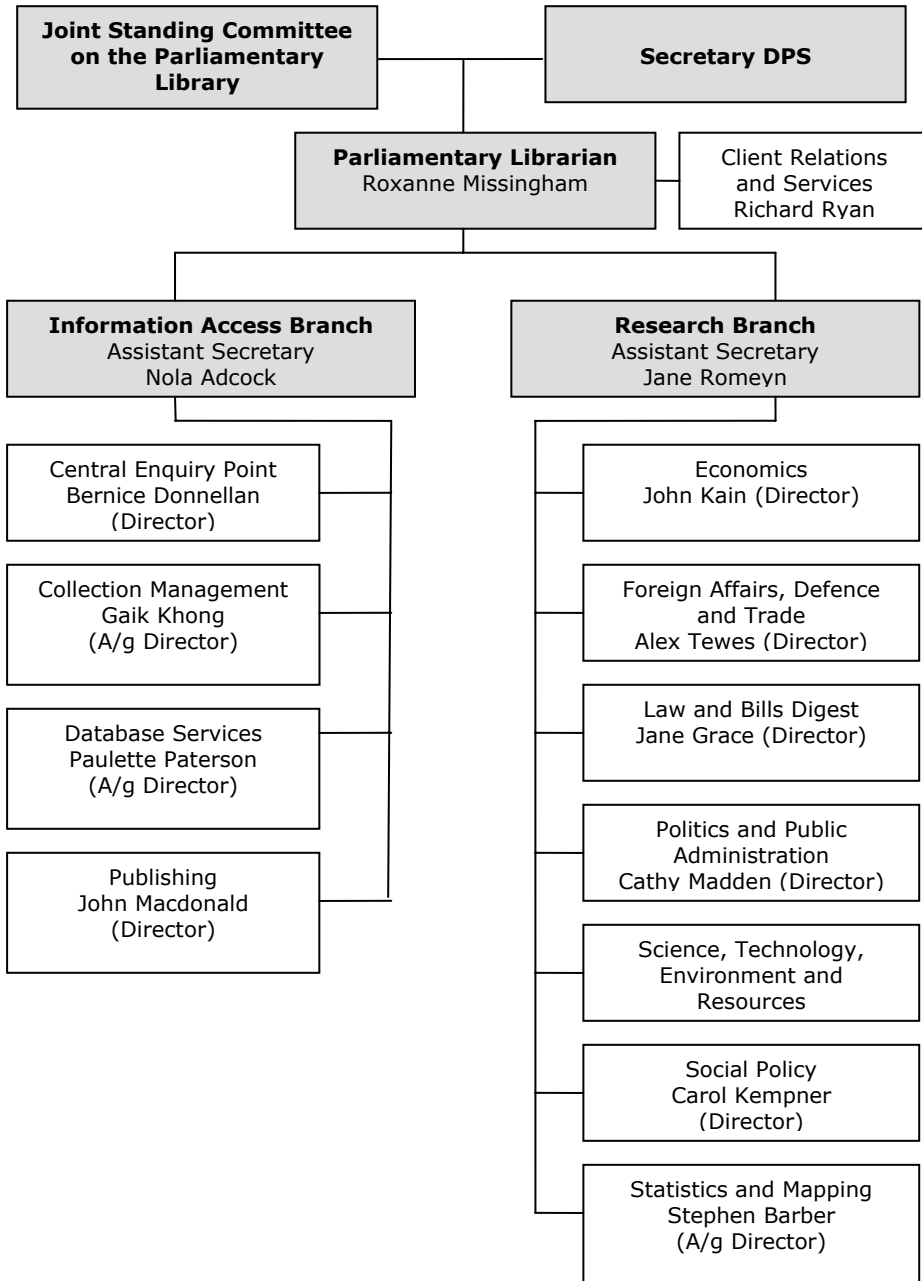
	<b>2005-06</b>	<b>2004-05</b>
	<b>(after 1.2.2006 restructure)</b>	
Research Branch	79.03	95.82
Information Access Branch	57.97	53.78
Office of the Parliamentary Librarian	2.00	0.00
Totals	139.00	149.60

**Part 2—Parliamentary Library**

Consultants	5,950	318
Vital Issues seminars	3,952	3,913
Miscellaneous management	3,795	3,460
Telecommunications	1,414	4,908
<b>Totals</b>	<b>14,284,146</b>	<b>13,912,753</b>

**Part 2—Parliamentary Library**

**Organisation chart**





## **Part 3—Departmental overview**





## **Part 3—Departmental overview**

### **Introduction**

168 The Department of Parliamentary Services (**DPS**) is one of three departments which comprise the Parliamentary Service.

169 The Secretary, under the Presiding Officers of the Parliament (the President of the Senate and the Speaker of the House of Representatives), is responsible for managing DPS and providing advice to the Presiding Officers on matters relating to DPS.

### **Departmental outcome statement**

170 The Presiding Officers have approved the following Outcome statement for DPS:

Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.

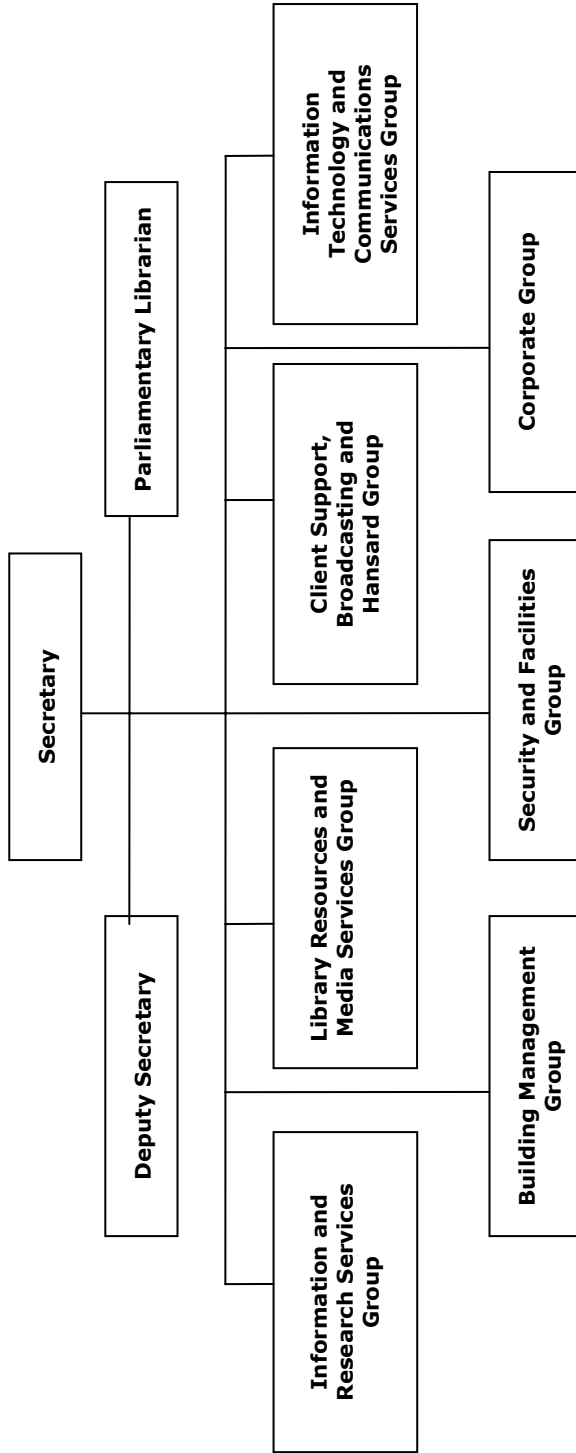
### **Departmental structure**

*Departmental structure as at 30 June 2005*

171 Before the restructure in February 2006, the department consisted of seven Groups as shown in the following diagram.

**Part 3—Departmental overview**

**DPS Departmental structure June 2005**



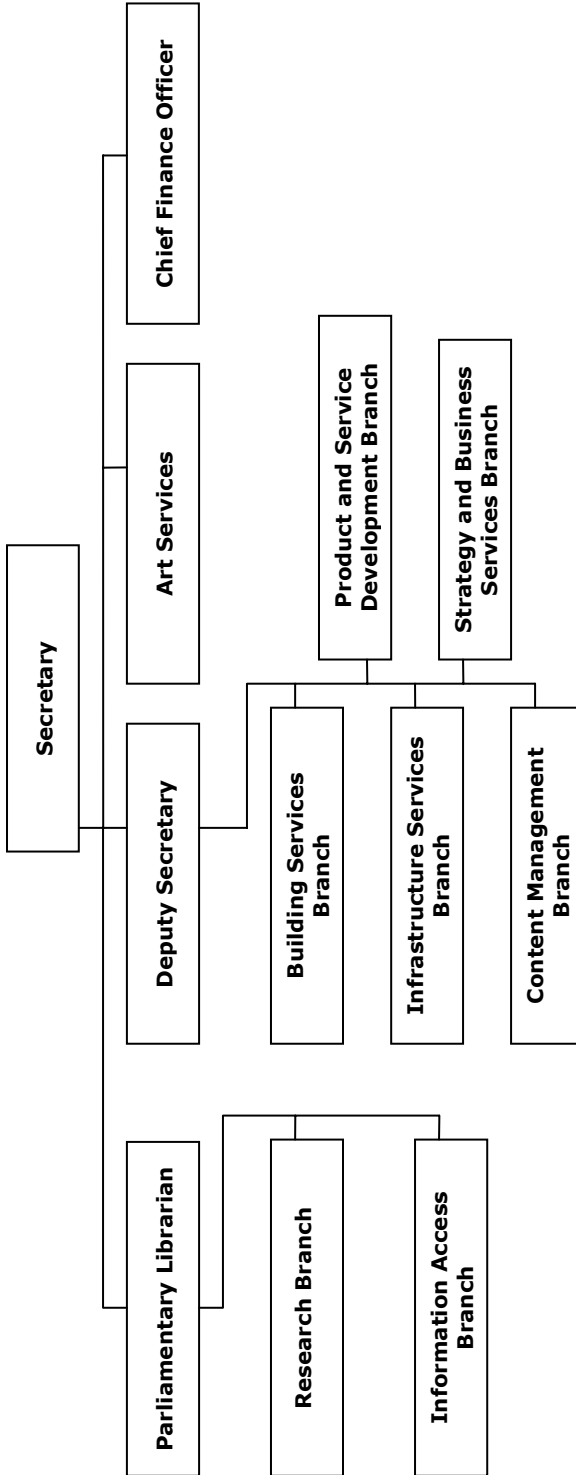
*Departmental structure as at 30 June 2006*

172 Following a departmental restructure in February 2006, DPS was divided into eight branches.

173 As illustrated in the new DPS organisational chart on the following page, the Chief Finance Officer Branch reports directly to the Secretary; the Research Branch and Information Access Branch report to the Parliamentary Librarian; and the remaining five branches report to the Deputy Secretary. Until August 2006, the Art Services Section also reported directly to the Secretary under a temporary arrangement.

**Part 3—Departmental overview**

**DPS Departmental structure June 2006**



## **Departmental services**

174 The work done, and services provided, by the Parliamentary Library, the other six branches, and the Art Services Section, are set out below.

### *Parliamentary Library*

175 The Parliamentary Library provides information, analysis and advice to the Parliament.

176 Information, research and analysis services are provided to Senators and Members and their staff, parliamentary committees and the parliamentary departments to support parliamentary or representational duties.

177 The role and functions of, and services provided by, the Parliamentary Library's two branches, the Research Branch and Information Access Branch, are outlined in more detail in Part 2 of this report (see paragraphs 95 to 98).

### *Building Services Branch*

178 The Building Services Branch provides services to occupants and visitors to Parliament House, including security and emergency services, facilities management, visitor services and services relating to health and wellbeing. The key objectives of the Building Services Branch are to:

- (a) provide an appropriately secure environment for Senators, Members, occupants and visitors to the building;
- (b) manage security and emergency responses within the Parliamentary precincts;
- (c) issue passes to occupants and visitors to the building;
- (d) provide agency security advice;
- (e) provide facilities management services through the management of service contracts and licence agreements;
- (f) implement policies applying to the conduct of functions in Parliament House;

### **Part 3—Departmental overview**

- (g) provide a Health and Recreation Centre that offers health and fitness programs and facilities for the well-being of occupants of Parliament House;
- (h) provide a first aid response to occupants and visitors and manage health promotion programs for occupants of Parliament House;
- (i) conduct tours of Parliament House for school groups, the public, and other visiting groups; and
- (j) provide a retail outlet for occupants and visitors to the building.

#### **Security**

179 The Security Section provides security services through a layered approach.

180 The Protection portfolio of the Australian Federal Police (**AFP-Protection**) is contracted to provide a security service within the Parliamentary precincts, which consists of a constant presence of mobile and static patrols. Mobile patrols are provided by officers in vehicles, on bicycles and using dogs trained in explosives detection. AFP-Protection officers deal with security incidents within the precincts and provide an armed first-response capability for Parliament House. AFP-Protection also provides security services within the Ministerial Wing (except for entry screening procedures at the entrances) and provides security for the Prime Minister's Suite and the Cabinet Suite.

181 Parliamentary Security Service (**PSS**) officers (who are DPS employees) provide access control and security screening at all entrance points and a mobile and static security presence throughout the rest of Parliament House, including the chambers and the public galleries. Access control and security screening involves the use of metal detectors and x-ray machines to screen incoming people, goods and mail. Internal and external security is supported by closed-circuit television (**CCTV**) and a variety of electronic security systems.

182 PSS officers provide security services to functions, visits and other significant activities within Parliament House in addition to their routine security tasks. The PSS provides an unarmed first-response capability within the building (except for the Ministerial Wing) to security incidents and duress alarms, as well as providing first aid services to Senators, Members, other building occupants and visitors.

**Part 3—Departmental overview**

183 Emergency responses within Parliament House are managed by the Security Section and supported by wardens from all parliamentary departments. Members of the Security Section provide secretariat support to the Emergency Control Committee chaired by the Protective Security Controller, and maintain the Building Emergency Procedures.

184 The Security Section provides the Agency Security Adviser role for DPS and administers the Parliament House pass system. The section also contributes to the development of security policy through the Security Management Board, and the implementation of security and emergency policy, procedures and response protocols for Parliament House.

**Facilities**

185 The Facilities Section administers the Presiding Officers' policies on the use of Parliament House facilities by building occupants and members of the public. It also provides catering and cleaning services and pest control in the building through contracts with outsourced providers. The section also manages licence agreements relating to those parts of the building which are occupied by licensees under commercial rental arrangements. Licences are for members of the Press Gallery, banking and travel agency services, a general store, a post office, a hairdresser, a physiotherapist and a florist.

186 The section provides a range of visitor services, including guided tours for visitors to the building and tours and presentations for visiting school groups. The section also operates the Parliament Shop, which sells a range of Parliament House souvenirs and other specialty Australian-made goods.

187 The section provides first aid, and a limited range of other health services, to building occupants through the Nurses Centre, and operates the Health and Recreation Centre, which offers building occupants access to a gymnasium and other facilities, including squash courts, tennis courts, a swimming pool and fitness classes.

*Infrastructure Services Branch*

188 This branch is responsible for providing day-to-day support to Parliament House, building occupants and visitors, through maintaining the building and its systems.



### **Part 3—Departmental overview**

#### **Maintenance Services**

189 The purpose of maintenance services is to maintain the building's services, fabric and landscape to a specified level. The aim of the Maintenance Services Section is to provide premium quality preventative maintenance and breakdown rectification services to Parliament House, and to provide these services at a cost that takes account of the expected life of the building. Services maintained include:

- (a) high and low voltage electrical power distribution;
- (b) fire and security monitoring and control systems;
- (c) air conditioning, hydraulic and pneumatic systems;
- (d) the building's structure and fit-out; and
- (e) the landscape.

190 The section also maintains the building's engineering drawings and technical manual library. The section is responsible for the management and development of long- and short-term maintenance plans for Parliament House, and plant maintenance history, management and analysis.

#### **IT Operations (Support and Maintenance)**

191 The aim of the IT Operations (Support and Maintenance) Section is to provide clients with quality support, assistance and advice, and maintenance of IT, broadcasting and Hansard services.

192 The section operates the Client Support Desk (2020) which is the client gateway for ICT, broadcasting and Hansard services provided by DPS, and provides ICT training and self-help information.

193 The section also provides second-line software and hardware support for desktop and mobile computing devices, printers, televisions and pagers.

#### **Computing Services**

194 The Computing Services Section is responsible for the operation of central computer facilities, including:

- (a) the computer room environment;
- (b) server and storage hardware;

**Part 3—Departmental overview**

- (c) system and data backup and restoration;
- (d) server software such as Windows and UNIX, backup and management software, and email systems;
- (e) database software (SQL-Server, Oracle, Sybase);
- (f) ICT security operations;
- (g) software installation on servers, and automated software distribution and installation on desktops; and
- (h) coordination of changes, and administration of the change management function, for parliamentary ICT and broadcasting systems.

195 The Computing Services Section provides the Information Technology Security Advisor (**ITSA**) role for the department, and assists the chamber departments with their ITSA function.

**Telecommunications**

196 The Telecommunications Section provides data communications and voice communications services to building occupants.

197 The data network services that are supported include:

- (a) the connectivity from the desktop to the network servers, and to applications such as ParlInfo, digital audio and the Table Office and Hansard systems; and
- (b) the Internet, FedLink and connections to Electorate Offices.

198 The voice communications services that are supported include:

- (a) the Alcatel telephone system;
- (b) voicemail;
- (c) the broadcast facsimile gateway; and
- (d) mobile phone coverage within Parliament House.

### **Part 3—Departmental overview**

#### **Broadcasting Infrastructure and Support**

199 The purpose of the Broadcasting Infrastructure and Support Section is to support the broadcasting systems deployed in Parliament House. The major systems are:

- (a) television and radio production facilities in the chambers, committee rooms, and production control rooms;
- (b) broadcast cameras and camera robotics;
- (c) sound reinforcement systems in chambers and committee rooms;
- (d) the House Monitoring Service;
- (e) the Emergency Warning and Intercommunications System;
- (f) the Master Clock System;
- (g) division bells and lights; and
- (h) video tape recorders and tape storage systems.

#### *Content Management Branch*

200 The Content Management Branch (**CMB**) is responsible for broadcasting and archiving the audio-visual record of chamber and committee proceedings of the Parliament, and for producing a Hansard record of those proceedings. CMB coordinates the management of departmental records and knowledge and is responsible for developing and implementing the department's online strategy.

#### **Broadcasting Content**

201 The Broadcasting Content Section produces and distributes annually up to 1,500 hours of television, radio and webcast content of the Senate and House of Representatives chambers and the Main Committee of the House of Representatives, and up to 2,500 hours of committee proceedings. It also produces the House Monitoring Service, a multi-channel radio and television system available within Parliament House. These services are sound reinforced, and include systems for the hearing-impaired in certain locations.

202 This section offers television and radio production facilities to Senators and Members; these include a fully-equipped television

### **Part 3—Departmental overview**

studio complex and video editing facilities, audio-visual support services for parliamentary events, video conferencing and teleconferencing facilities, video and audio copies of parliamentary proceedings and television replays of those proceedings.

#### **Hansard (Editing)**

203 The Hansard Section transcribes and publishes reports of proceedings in the Senate, the House of Representatives and the Main Committee of the House of Representatives, as well as transcripts of parliamentary committee hearings and some ministerial or parliament-related conferences.

#### **Knowledge Management**

204 The Knowledge Management Section is responsible for the creation, capture, control, retention, archiving and reuse of information and records. This section is establishing a Records Disposal Authority for DPS and is progressing a policy for digitisation, retention and preservation of the Hansard and broadcasting records of parliamentary proceedings.

#### **Web Content**

205 The Web Content Section is responsible for developing and implementing an eBusiness strategy for the department. This includes policies and guidelines for the department's online presence, both intranet and Internet, covering both the provision of departmental information and the delivery of interactive services.

#### *Product and Service Development Branch*

206 The purpose of the Product and Service Development Branch (**PSDB**) is to develop the future capability to support the operation of Parliament House in accordance with customer requirements and the operational environment, including through a capital investment program to support the Parliament.

207 PSDB has responsibility for the management and delivery of all projects within DPS. The projects are managed by staff in three sections:

- (a) Building and Security Projects;
- (b) Broadcasting and Digital Media Projects; and
- (c) IT Projects.

### **Part 3—Departmental overview**

208 In addition to the delivery of projects, the branch is also responsible for:

- (a) ensuring that all projects are undertaken using a consistent project management methodology;
- (b) performance reporting on project progress, including reports against milestones and assessment of project risk;
- (c) provision of technical advice to other parts of the department in the development of business cases and specifications for new projects;
- (d) project evaluations and post-implementation reviews; and
- (e) project management training.

209 Other roles undertaken by the branch include enterprise test management, ICT procurement, and the provision of third-line support to IT applications.

#### *Strategy and Business Services Branch*

210 The objective of the Strategy and Business Services Branch is to provide appropriate and cost-effective strategic planning and business services that support DPS's operations and strategic aims.

#### **Strategic Planning and Policy**

211 The Strategic Planning and Policy Section develops strategic plans and policies on a range of issues, including information and communications technology, building security, ICT security and digital media, and has responsibility for the following key functions:

- (a) corporate, broadcasting, Hansard and security strategic planning;
- (b) developing an ICT strategy, including security and digital media;
- (c) reviewing ICT architecture;
- (d) developing and documenting all operational policies, including for physical security and ICT security; and
- (e) publication and promotion of plans and policies.

**Part 3—Departmental overview**

**Strategic Planning and Policy (Building and Energy)**

212 The Strategic Planning and Policy (Building and Energy) Section provides:

- (a) technical advice on building issues and development of long-term strategies for the preservation and effective operation of Parliament House;
- (b) strategic and technical input into the delivery of building and security projects;
- (c) technical advice to other sections such as Maintenance Services and Planning;
- (d) advice on technical and design integrity standards and compliance with the Building Code of Australia and other standards and regulations; and
- (e) management of Parliament House energy and water consumption.

**People Management and Strategy**

213 The People Management and Strategy Section (**PMAS**) maintains the Human Resource Management Information System, administers pay and conditions of service for DPS staff and supports line areas in the recruitment of staff.

214 PMAS develops policy, provides advice and reports, and ensures compliance with legislative requirements on all human resource issues including:

- (a) training and development;
- (b) performance management;
- (c) workplace diversity, including implementation of the Commonwealth disability strategy;
- (d) occupational health and safety; and
- (e) workplace relations.

**Governance and Business Management**

215 The Governance and Business Management Section contributes to DPS's strategic planning, decision-making processes

**Part 3—Departmental overview**

and statutory compliance through the provision of governance and business services across DPS.

216 The key functions of the section include:

- (a) corporate planning and business planning;
- (b) internal performance reporting;
- (c) external statutory reporting (eg portfolio budget statements and annual reports);
- (d) parliamentary and ministerial support;
- (e) risk management and business continuity planning;
- (f) audit and fraud control;
- (g) insurance and legal liaison; and
- (h) continuous improvement.

**Customer Services and Communication**

217 The Customer Services and Communication Section has responsibility for:

- (a) establishing a single point of contact for DPS services (other than requests to the Client Support Desk for day-to-day technical support and Hansard and broadcasting services);
- (b) developing and maintaining the DPS Services Catalogue;
- (c) client consultation, feedback and surveys;
- (d) developing a DPS Service Charter;
- (e) Department of Finance and Administration account management;
- (f) internal communication, media liaison and publications; and
- (g) marketing and public relations.

*Art Services Section*

218 The Art Services Section manages most elements of the Parliament House Art Collection. This includes coordinating the

### **Part 3—Departmental overview**

acquisition of artworks, and providing access to works for display in the offices of Senators and Members and elsewhere in Parliament House and the rest of the Parliamentary precincts. The section administers the Historic Memorials Collection (under the Historic Memorials Committee) and the Gifts Collection. The section also manages the conservation of the collection.

#### *Chief Finance Officer Branch*

219 The Chief Finance Officer Branch provides advice to the Executive, Assistant Secretaries and other managers on a range of financial issues including compliance with statutory requirements. It promulgates the Chief Executive's Instructions and various financial delegations for this purpose. It coordinates external and internal budgeting and provides monthly management reporting and statutory reporting, including annual financial statements.

#### **Procurement**

220 The Procurement Section provides advice on a range of procurement issues. It develops, implements and interprets procurement and contract management policies, and ensures that legislative, regulatory and procedural obligations are consistently observed. This includes statutory reporting obligations covering gazettal of purchases, Senate Order listings, annual report consultancy listings, maintenance of the contracts database and monitoring *Financial Management and Accountability Act 1997* Regulation 10 matters.

221 Procurement also provides a service to other areas of the department in relation to specialised purchasing, contract development and tendering to ensure that value for money is being achieved.

#### **Finance**

222 The Finance Section provides financial information that supports internal management decision-making. The key services of the Finance Section are:

- (a) preparation of the monthly and annual financial statements and monthly management reports;
- (b) development and maintenance of internal accounting policies and procedures;
- (c) performing the treasury function;



**Part 3—Departmental overview**

- (d) asset and taxation management;
- (e) managing accounts payable and receivable;
- (f) development and maintenance of Chief Executive's Instructions, Chief Executive's Procedures and procedural guides; and
- (g) preparation of budgets for DPS and its units.

**Support Services**

223 The Support Services Section provides general offices services to the department, including co-ordinating furniture movements, managing leased vehicles and arranging telephone installations and repairs. The section also co-ordinates capital equipment procurements for office equipment assets and provides loading dock and distribution services for Parliament House, including the management of off-site storage.

## **Part 4—Report on performance**



## **Part 4—Report on performance**

### **Overview**

#### *Performance information and reporting model*

224 As foreshadowed in the 2004-05 Annual Report, new performance indicators were used in 2005-06. These were further refined in the 2006-07 Portfolio Budget Statement, and where possible, the latest versions are used in this report.

225 A further review of performance indicators will be undertaken in 2006-07 to develop indicators in line with the departmental restructure in February 2006.

#### *Output cost attribution*

226 The department uses activity-based costing principles to attribute its shared items. Personnel costs are allocated to output groups based on the number of staff, while other corporate costs are allocated in equal shares. The model also attributes the costs of providing other internal services to the output groups. These internal services are computing services, telecommunication services and accommodation services. Costs are allocated to other output groups based on the number of computing connections, the number of phone connections and the floor space occupied respectively.

#### *Outcome and Outputs*

227 Figure 9 shows the outcome and contributing outputs for the department.

**Part 4—Report on performance**

Figure 9—Relationship between Outcome and Outputs

**OUTCOME**

Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public			
<b>OUTPUT 1</b>	<b>OUTPUT 2</b>	<b>OUTPUT 3</b>	<b>ADMINISTERED ITEM</b>
<p><b>Information and Research Services</b></p> <p>An effective knowledge centre for the Parliament through the provision of information, analysis and advice.</p> <p>1.1 Information, analysis and advice services to meet clients' needs.</p> <p>1.2 Access to collection sources for the use of Parliament.</p>	<p><b>Client and Technical Services</b></p> <p>Provision of client support, broadcasting, Hansard and information and communication technology services.</p> <p>2.1 Client support, broadcasting and Hansard services.</p> <p>2.2 Information and communication technology and broadcasting support.</p>	<p><b>Building and Occupant Services</b></p> <p>An efficiently functioning, safe and secure environment for Senators, Members, other building occupants and visitors</p> <p>3.1 Occupant services.</p> <p>3.2 Visitor services.</p> <p>3.3 Asset management services.</p>	<p><b>Works programs</b></p> <p>Preservation of the heritage value of Parliament House and surrounds.</p> <ul style="list-style-type: none"> <li>• Building</li> <li>• Furniture</li> <li>• Artworks</li> <li>• Gardens and landscapes.</li> </ul>

## **Output 1—Information and Research Services**

### *Introduction*

228 Output 1 is the provision of an effective knowledge centre for the Parliament through the provision of information, analysis and advice.

229 Performance reports for the Parliamentary Library Sub-outputs 1.1 and 1.2 are set out in Part 2 of this report (see paragraphs 136 to 167).

## **Output 2—Client and Technical Services**

### *Introduction*

230 Output 2 is the provision of client support, broadcasting, Hansard, and information and communication technology services.

231 Performance is assessed using indicators that cover quality, quantity, and price. Indicators, performance results and relevant comments are shown against each of the sub-outputs.

### *Sub-output 2.1—Client support, broadcasting and Hansard services*

#### **Client support**

232 Client support services include the Client Support Desk (2020), which is the first point of contact for all ICT, broadcasting and Hansard service requests, queries, incident and problem reporting and resolution. The section also provides classroom, one-to-one and self-help ICT training services.

#### **Broadcasting**

233 Broadcasting services are the production and distribution of television, audio and client-specific broadcast services.

#### **Hansard**

234 Hansard services involve the transcription of reports of proceedings in the Senate, the House of Representatives and the Main Committee of the House of Representative, and transcripts of parliamentary committees and some ministerial or parliament-related conferences.

**Part 4—Report on performance**

Figure 10—Sub-output 2.1—quality indicators

Quality indicators	Measure	Target (2004-05)	Performance
1. Client satisfaction	Client survey	see paragraphs 235 and 236	
2. Timeliness of incident resolution (Client support)	Percentage of support requests resolved within service standards	90%	97%
3. Accuracy of transcription (Hansard)	Error rate per 100 pages transcribed as notified by clients:	Reduction in error rate compared with 2004-05 performance	
	• chambers	(3.7 errors)	3.3 errors
	• committees	(0.3 errors)	1.8 errors
4. Timeliness of transcription (Hansard)	Number of transcripts delivered for Chambers within service standards:	Improved performance compared with 2004-05 performance	
	• draft chamber speeches	(98%)	98%
	• electronic proof Hansard reports	(81%)	69%
	• hard copy proof Hansard reports	(98%)	100%
	• electronic official Hansard	(68%)	60%
	• hard copy official Hansard	(8%)	0%
	Number of transcripts delivered for Committees within service standards:	Improved performance compared with 2004-05 performance	
	• within 24 hours	(100%)	99%
	• 1-3 days	(100%)	96%
	• 3-5 days	(100%)	91%
	• over 5 days	(100%)	99%
Overall performance for committee transcript timeliness	(100%)	96%	

**Part 4—Report on performance****Indicator—Client satisfaction**

235 A client satisfaction survey is conducted once during each Parliament to seek the views of Senators, Members and parliamentary staff regarding their levels of satisfaction with a range of services.

236 The survey for the 41<sup>st</sup> Parliament was conducted via an electronic questionnaire over the period 24 February to 10 March 2006. The results for the survey regarding client support services were generally positive. Overall the highest levels of client satisfaction were found for the attitude, courtesy and helpfulness of Client Support Desk officers and on-site support officers. Skill in resolving problems rated nearly as highly, but there were lower levels of satisfaction in relation to keeping clients informed about the progress of their service calls.

**Indicator—Timeliness of incident resolution (client support)**

237 Timeliness of service delivery to Senators, Members and parliamentary committees continues to be of high importance.

238 Incident resolution service standards are based on four service priority levels with agreed resolution times, as shown in Figure 11.

*Figure 11—Incident resolution service standards*

<b>Priority</b>	<b>Resolution time</b>
Immediate	2 hours
High	4 hours
Medium	8 hours
As agreed	as agreed with client

239 DPS responded to 46,372 calls to the Client Support Desk in 2005-06, a 5% decrease from 2004-05.

240 The resolution timeframes were met for 97% of all service calls resolved during 2005-06. Support desk calls logged as an immediate priority accounted for 1% of the total calls, high priority for 5%, and medium priority for 22%, with the remaining 72% resolved in a timeframe agreed with the client.

**Indicator—Accuracy of transcription (Hansard)**

241 Hansard error rates are based on the number of corrections to pinks and greens (draft chamber speeches) returned by Senators



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and Members, and corrections to committee transcripts made by witnesses, and accepted as Hansard errors.

242 The combined chamber error rate of 3.3 errors per 100 pages for 2005-06 is a slight improvement on the high standard for accuracy achieved in 2004-05. The committee transcripts error rate of 1.8 errors per 100 pages shows a slight fall in accuracy over the previous two years, but still demonstrates a high level of accuracy for committee work.

**Indicator—Timeliness of transcription (Hansard)**

243 The service delivery standards required for chamber transcripts are as follows:

*Figure 12—Timeliness of transcription service standards (chambers)*

<b>Item transcribed</b>	<b>Delivery time</b>
Individual draft speeches	within two hours of speech finishing (but see paragraph 244 below)
Electronic proof Hansard reports Hard copy proof Hansard reports	within three hours of house rising available in Parliament House by 8.30 am on the working day following sitting day
Electronic Official Hansard	within 10 working days following last sitting day in the week
Hard copy Official Hansard	delivered to publisher within 10 working days following last sitting day in the week

244 The Hansard Production System does not capture delivery times for complete speeches. These figures are therefore based on delivery of Hansard “turns”, or sections of proceedings allocated to editors. The delivery standard of two hours for speeches is the same as the Hansard standard of two hours for the completion of turns.

245 The poor performance in respect of loading electronic Official Hansards is due to the priority given to producing proof committee transcripts rather than converting proof chamber reports to official transcripts.

246 The poor performance in delivering the hard copy Official (“weekly”) Hansards to the publisher is due primarily to the change in printing arrangements for Official Hansards. Because of the substantial reduction in the number of Official Hansard recipients, the official versions are sent to the publisher in batches rather than week by week.

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247 The service delivery standards for committee transcripts are in four categories, namely within 24 hours, within 1-3 days, within 3-5 days and over 5 days. Delivery times for priority committee hearings (delivery within three days) are negotiated with the relevant Clerk Assistant, Committees.

248 For committees, the rate of timeliness for transcript deliveries in 2004-05 was 100%. (A total of 399 transcripts were produced and they were all delivered on time.) The figure for 2005-06 has dropped to 96%, or 653 transcripts on time out of 681 services provided. This fall was due principally to a significant increase in total chamber and committee workload (3,792 hours in 2005-06 compared with 2,442 hours in 2004-05) and a reduction in staff levels from 63 full-time equivalent editors to 53 over the year.

249 Where possible, external transcript providers were used to assist with Hansard transcription, and a temporary employment register of casual transcription and editing staff has been established to further assist the section to meet its service standards.

250 The fall in timeliness during 2005-06 occurred despite the proportion of priority requests for transcript delivery within three days or less falling to 47% of total jobs, or 322 of 681 transcripts—a significant reduction from the 2004-05 figure of 66%, or 260 of 399 transcripts, and a return to more usual levels. Many of the occasions on which a service standard was not met did involve priority committees—in particular Estimates Committees, which by the nature of their meeting arrangements impose a considerable workload on Hansard during estimates periods in February, May and October/November.

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Figure 13—Sub-output 2.1—quantity indicators

Quantity indicators	Measure	Performance	
		2004-05	2005-06
1. Client support services	Number of client support services by category:		
	• support desk calls	48,875	46,372
	• training services	670 student days	208 student days
	• consultations	6,289 hours	4,343 hours
2. Broadcasting services	Hours of material captured on audio visual record, by category:		
	• chambers	963	1,354
	• committees	1,479	2,438
	• client specific	5,849	6,498
3. Hansard	Number of hours transcribed, by category:		
	• chambers	963	1,354
	• committees	1,479	2,438

**Indicators—Client support services***Support desk calls*

251 There was a 5% decrease in the number of calls to the Client Support Desk in 2005-06. The decrease may be due to the improved arrangements for providing support to Electorate Offices, less technological change and the improving stability of the computing platform.

252 Of the 46,372 calls to the Client Support Desk, 42,854 were logged in the Service and Request Management System as requiring support action. Of these logged calls, 75% involved computing service requests; 15% involved communications services requests; 9% involved broadcasting service requests; and 1% were Hansard service requests.

253 Calls from Electorate Offices totalled 17,667 and accounted for 41% of the total Client Support Desk calls logged. In 2004-05, Electorate Office calls accounted for 42% of the total calls logged.

*Training services*

254 Group training courses provided in 2005-06 totalled 208 student days, a reduction of 69% on 2004-05. The marked reduction

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in classroom student days was because in-house training was suspended from November 2005 until May 2006 due to the non-availability of training officers. There was a slight increase in one-to-one training sessions provided during the year, with 204 sessions compared to 201 sessions in 2004-05. Thirty-five one-to-one sessions were provided on email spam management software for Senators and Members.

*Consultations*

255 Individual consultations with clients decreased from 6,289 hours in 2004-05 to 4,343 hours in 2005-06. This reflects reduced calls to the Client Support Desk and improvements in the ability of client support staff to resolve queries and service requests at the first level.

*Work Requests*

256 A work request process was introduced in the reporting year to manage requests from our clients to conduct work on their behalf that do not fit the criteria for an incident or project. Typically, this work is of short duration and low complexity, for example the development of surveys.

257 During the reporting year a total of 19 work requests were completed.

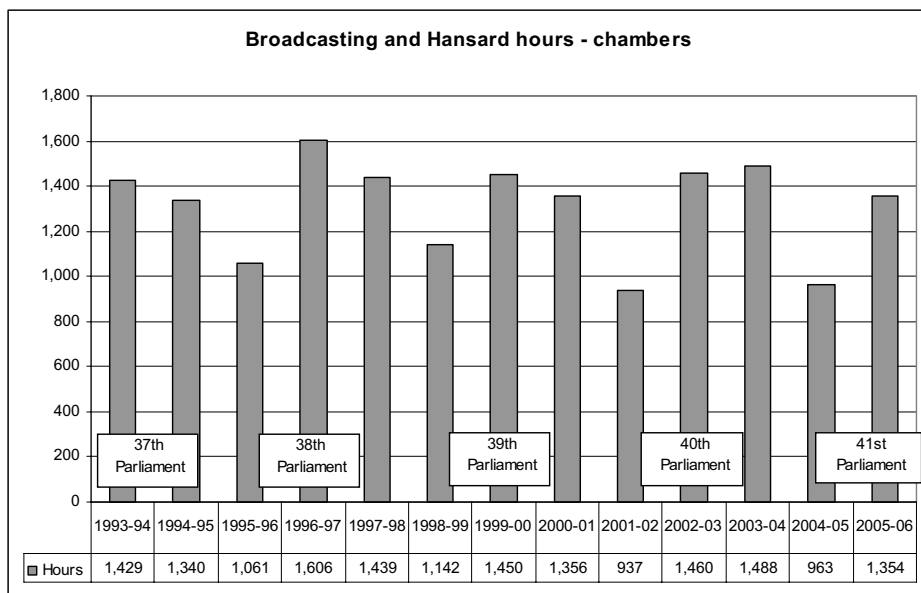
**Indicator—Broadcasting services and Hansard**

*Chambers*

258 There were 1,354 hours of chamber proceedings broadcast (television and audio) in 2005-06. This is a large increase when compared with 2004-05 (963 hours) but is consistent with the activity levels in the preceding post-election year, 2002-03 (1,460 hours).

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Figure 14—Broadcasting and Hansard hours—chambers



259 Transcripts of parliamentary proceedings mirrored the hours of broadcasting. Transcripts were provided to occupants of Parliament House in hard copy, and were also available electronically through ParlInfo, the parliamentary database.

*Committees*

260 There were 2,438 hours of committee hearings broadcast (television and audio) in 2005-06. This is a large increase when compared with 2004-05 (1,479 hours) but is consistent with the preceding post-election year, 2002-03 (2,479 hours).

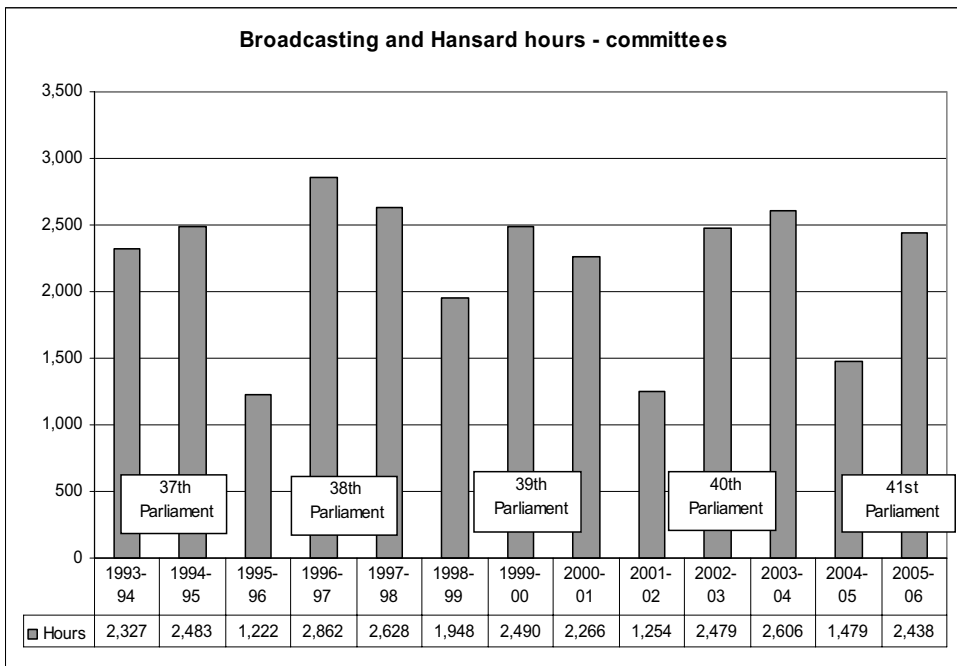
261 As has been the case in recent years, Senate Estimates Committee hearings again presented the most significant workload challenges for Hansard and accounted for 28% of total committee hours (685 hours out of a total of 2,438 hours). Interstate committee hearings accounted for approximately 43% (1,050 hours) of total committee transcription—a significant increase on the figure of 33% (443 hours) in 2004-05.

262 Senate committee hearings made up 58% (1,416 hours) of the total workload, House of Representative Committees 25% (606 hours) and joint committees 17% (420 hours).

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263 DPS continued to use external transcript providers in the management of its peak workload. These providers accounted for 359 hours, or 15% of the total committee hours transcribed, in 2005-06—an increase of 10% on 2004-05. External providers are engaged on occasions to record and transcribe interstate committee hearings. They are also used to assist with the transcription of committees meeting in Parliament House, principally Estimates Committees or committees that meet at the same time as Estimates Committees.

Figure 15—Broadcasting and Hansard hours—committees



*Client-specific services*

264 The number of client-specific broadcasting services increased from 3,808 in 2004-05 to 3,991 in 2005-06, an increase of almost 5%. As well, the total hours for these services increased from 5,849 in 2004-05 to 6,498 in 2005-06, an increase of 11%. These increases reflect an increased demand for the services following the election period in 2004-05.

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Figure 16—Broadcasting—client-specific services

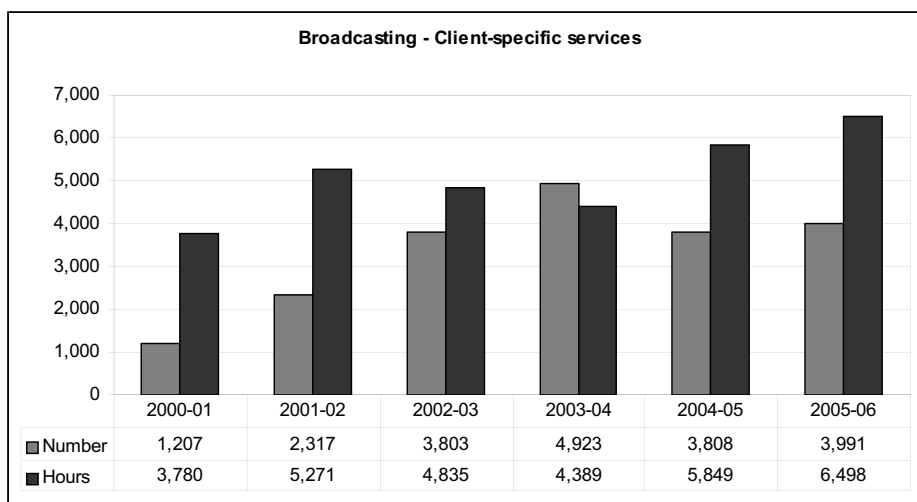


Figure 17—Sub-output 2.1—price indicators

Price indicator	Measure	Performance	
		2004-05	2005-06
1. Client support: Cost-effective client support services	Direct cost for client support (target: reduction in costs for client support per service)		
	(a) cost per support desk call (percentage change)	\$34	\$34 (-)
	(b) cost per training service (percentage change)	\$142	\$206 (+ 45%)
	(c) cost per consultation (percentage change)	\$29	\$18 (- 38%)
2. Broadcasting: Cost-effective broadcasting services	Direct costs for broadcasting services (target: reduction in costs per hour for each service)		

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Price indicator	Measure	Performance	
		2004-05	2005-06
	(a) televised (chambers and committees) per hour (percentage change)	\$653	\$448 (- 31%)
	(b) audio only (chambers and committees) per hour (percentage change)	\$770	\$585 (- 24%)
	(c) client specific broadcast services, per hour (percentage change)	\$182	\$126 (- 31%)
3. Hansard: Cost-effective Hansard services	Direct costs per hour for transcription (target: reduction in costs per hour)		
	(a) chambers (percentage change)	\$4,220	\$2,834 (- 33%)
	(b) committees (percentage change)	\$2,991	\$1,431 (- 52%)
4. Cost of all services	Price of sub-output 2.1 compared to last year's price (percentage change)	\$17.550 m	\$17.168 m (- 2%)

265 Although audio-only broadcasting as such is cheaper than television broadcasting, the audio-only broadcasting services provided by DPS mainly cover committee hearings held interstate. The cost attributed to this broadcasting work includes the costs of staff travel and transportation of broadcasting equipment.

266 The small reduction in overall costs despite a significant increase in volume of services provided indicates increased efficiency in the provision of services. The large reductions in unit costs of most services reflect increased volumes of services supported by relatively stable overhead costs.



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*Sub-output 2.2—Information and communication technology and broadcasting support*

267 The purpose of information and communications technology and broadcast support is to:

- (a) create and deliver into service the capability necessary to support the operation of the Parliament into the future;
- (b) manage development activities to ensure the efficient delivery of quality solutions to operational branches;
- (c) deliver business improvement and ensure that solutions delivered by DPS are provided in accordance with “customer” and “owner” priorities, and can be supported in the operational environment;
- (d) provide robust and reliable infrastructure support to the Parliamentary Computing Network (**PCN**) and parliamentary communications systems;
- (e) provide reliable video and audio infrastructure to support recording and broadcasting;
- (f) provide reliable telephone and communications systems; and
- (g) develop and deliver new information and communications technology, and broadcasting products.

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Figure 18—Sub-output 2.2—quality indicators

Quality indicators	Measure	Target	Performance
1. High level of critical systems availability	Number and percentage of hours of systems unavailable during scheduled service hours:		
	• information technology infrastructure (computing services)	100% availability	unavailable for 8.17 hrs (0.26%)
	• information technology infrastructure (network)	100% availability	unavailable for 10.3 hrs (0.33%)
	• broadcast support infrastructure	100% availability	unavailable for 12.3 hrs (0.38%)
	• telecommunications infrastructure	100% availability	some components unavailable for 90.5 hrs
2. Projects meet quality standards and objectives	Projects are delivered:		
	• with clients satisfied with project deliverables	100%	100%
	• on budget (remainder within budget + 10%)	95%	80%
	• on time (remainder within 3 months)	80%	27%

**Indicator—High level of critical systems availability**

268 Scheduled service hours are:

- (a) sitting days—7.00 am to midnight (total of 1,207 hours during the reporting year); and
- (b) non-sitting days—8.00am to 6.00pm (total of 1,900 hours during the reporting year).

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Figure 19—Critical systems groupings for reporting purposes

<b>Group</b>	<b>Description</b>
Information technology infrastructure	<i>Critical computing services</i> Access to the OneOffice desktop Standard Operating Environment, email, chamber support systems, networked applications, file and print services, and corporate information services.
	<i>Critical network services</i> Network switches, routers, firewalls and remote access infrastructure (Internet and remote and mobile office availability).
Telecommunications infrastructure	<i>Critical communications services</i> Phones, mobile phones, facsimile, pagers, voicemail and directory services and the broadcast facsimile gateway.
Broadcast support infrastructure	<i>Critical broadcasting services</i> Broadcasting systems, sound reinforcement for chambers and committees, division bells, emergency warning and intercommunication system, House Monitoring Service, clocks and public address system.

269 Availability is defined as critical systems being operational and useable during scheduled service hours. The maintenance required to achieve this target is done outside of scheduled service hours. Clients are given advance notice to work around the maintenance period or to request that the maintenance period be deferred. Scheduled maintenance is not counted as downtime.

270 In 2005-06, computing services had a total of 8 hours and 10 minutes of downtime during scheduled service hours. The causes of this downtime were as follows:

- (a) The Events in Progress system allows Table Office staff to display information about the current event on television screens. A new version was implemented in 2005 and a number of failures in late 2005 caused 74 minutes of unavailability. This would have caused some inconvenience for clients who depend on televised proceedings.
- (b) The ParlInfo Web service had two periods of unavailability totalling 93 minutes. Clients who use ParlInfo Web in preference to the ParlInfo Full Client service would have been affected.

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- (c) The Senators' and Members' Services Portal was unavailable for several short periods, totalling 96 minutes. The cause is still under investigation and is believed to be software instability.
- (d) The Hansard Production System failed to start correctly after a nightly backup on one occasion, which led to 150 minutes of unavailability. This occurred on a non-sitting day and production of Hansard was not affected.
- (e) Most Internet-based services, such as the parliamentary website and Internet email, were unavailable for a 17-minute period in April 2006 due to a network component failure.

271 During the reporting year, network services had a total of 10 hours and 23 minutes of unscheduled downtime during scheduled service hours. The time attributed to these outages was related to seven incidents, with the client impact being contained to 167 PCN users.

272 Network equipment failure was the major cause of the unscheduled downtime.

273 Broadcasting infrastructure had a total of 12 hours and 18 minutes of unscheduled downtime during scheduled service hours. The causes of this downtime were:

- (a) two hardware failures in the Peavey Media Matrix in the Committee Rooms audio system, leading to 8 hours and 3 minutes of unscheduled downtime;
- (b) the failure of the air conditioning system in the central equipment area, which resulted in 4 hours of unscheduled downtime of the House Monitoring System (all channels); and
- (c) a hardware failure in the Events in Progress server, which took this service off air for 15 minutes.

274 During the reporting year, communications infrastructure had a total of 90 hours and 30 minutes of unscheduled downtime during scheduled service hours. The amount of downtime is calculated based on the general availability of:

- (a) the phone system;
- (b) individual telephone handsets;

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- (c) voicemail;
- (d) the broadcast facsimile service;
- (e) the Client Support Desk call centre system; and
- (f) the in-house short message service facility.

275 The phone system has been configured to support 5,668 devices, including telephone handsets, facsimile machines and connections to the various carriers. Of the 90 hours and 30 minutes downtime, all but 37 minutes can be attributed to failures of individual handsets.

276 There was a two-minute general outage of the telephone system as a consequence of telecommunication carrier work that was performed at a telephone exchange. This outage occurred in the early hours over a weekend.

277 The remaining 35 minutes of outage affected the broadcast facsimile service.

**Indicator—Extent to which projects meet quality standards and objectives**

*Figure 20—Project quality outcomes*

<b>Performance Indicators</b>	<b>Target</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>
1. Projects completed	n/a	20	25	15	15
2. Stakeholder satisfaction (11 projects surveyed)					
Business outcomes met	100%		96%	100%	100%
Client expectations met	100%		96%	100%	100%
3. Budget					
Projects within original approved budget	95%			87%	80%
Projects within 10% of original approved budget	5%			13%	7%
4. Time					

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<b>Performance Indicators</b>	<b>Target</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>
Projects delivered on time	80%	45%	52%	13%	27%
Projects delivered within 3 months after planned completion time	20%			33%	20%

278 Stakeholder satisfaction was measured for 11 of the 15 completed projects in 2005-2006. For the other four projects, project closure was significantly delayed after the project reached practical completion and responsible officers were no longer available when the projects were reviewed. Client satisfaction was not measured sufficiently before 2003-04 to provide valid measurements.

*Project quality outcome profile*

279 Over the last few years clients have been generally satisfied with the quality of the projects completed, though a few projects did not meet their agreed budget and most projects have been delivered late.

*Number of projects completed*

280 The number of projects completed in 2005-06 was similar to that in 2004-05 and lower than earlier years, in part due to placing four projects on hold pending reviews of alternative solutions. These included two ParlInfo enhancement projects, which were placed on hold pending review by the ParlInfo Governance Committee of whether it was worthwhile to continue enhancing the present ParlInfo service or whether a ParlInfo replacement project should be initiated.

*Client satisfaction*

281 In the 11 projects surveyed, all project sponsors (100%) were satisfied with the quality of the project deliverables, and that the projects met their expectations and business requirements.

282 Client dissatisfaction was noted for minor infrastructure projects, where project sponsors expressed concern about the level of communication and the value of the project management methodology:

- (a) A minor infrastructure project was closed early to consider an alternative solution, as the proposed solution was found to be infeasible.

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- (b) Several minor infrastructure projects had part-time project managers appointed from operational areas, resulting in project work being delayed as operational work was given a higher priority. This was addressed in the February 2006 departmental restructure, which required all new infrastructure projects to be managed by dedicated staff from outside the operational area (to reduce the impact of ongoing operational work on project delivery), and to use consistent project management practices.

*Time*

283 As in previous years, the majority of projects (73%) were delivered late, due to:

- (a) project resource constraints and competing operational activities (now addressed through the departmental restructure, which separates project and operational work where possible);
- (b) over-optimistic schedule and work effort estimation and subsequent under-resourcing (new estimation guidelines have been developed);
- (c) project dependencies, where a delay in one project delayed several others (the proposed project initiation and approval process will give more attention to this issue);
- (d) delays in delivery and configuration of equipment; and
- (e) delays in formally closing projects, for example, when the required service has been installed and is in use by the client, but the project is kept open to finalise paperwork and minor behind-the-scenes tasks.

284 The Project Management Office is monitoring project progress more closely to follow up projects which are running late.

*Budget*

285 In 2005-06 the overall budget of completed ICT projects was \$7.476m, and the overall cost \$6.372m, as follows:

- (a) information technology infrastructure and services (budget \$2.503m, cost \$3.012m);

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- (b) broadcasting infrastructure and services (budget \$1.220m, cost \$1.213m);
- (c) DPS finance system upgrade (budget \$3.754m, cost \$2.147m).

286 Three information technology projects were not completed on budget:

- (a) The Senators' and Members' Services Portal consolidation project, with a budget of \$93,000, overspent by \$28,000, due to delays resulting from changes in project managers and deferral of the project pending work on the problem of slowness and freezing in Electorate Office systems.
- (b) The Content Management Business Analysis project, with a budget of \$344,000, overspent by \$6,000, due to changes in scope, frequent changes in project managers, and the complexity of the new concept. This project reached practical completion in 2004-05 but due to the loss of project manager resources was not formally closed until 2005-06.
- (c) The ParlInfo program of four maintenance projects overspent the initial budget (excluding contingencies) of \$1,168,000 by \$553,000. In this program:
  - (i) the initial project budgets were set before the full scope, complexity and interdependencies of the projects were determined;
  - (ii) there was a failure to assess the architecture and interoperability of the proposed solutions; and
  - (iii) project risks and the required effort and duration were underestimated, due to insufficient documentation of the existing system and its problems.

287 As noted above, further enhancement of ParlInfo has been placed on hold, pending a decision on its replacement.

*Project Office Accreditation*

288 In August 2005 SAI-Global assessed DPS's ICT project management quality control system under ISO 9001:2000 and recommended:



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- (a) an internal audit of the project quality management system; and
- (b) the creation of a change management plan to guide and manage changes to the quality control system following the departmental restructure and subsequent changes to the department’s project management practices.

289 DPS did not accept the need for the recommended audit because we consider that our current level of certification is adequate. The SAI-Global recommendations will be further reviewed in the course of finalising new project management practices.

*Figure 21—Sub-output 2.2—quantity indicator*

<b>Quantity indicator</b>	<b>Measure</b>	<b>2005-06</b>
1. Volume of ICT services required	Number of users, by category, on the PCN	See Figure 22
	Percentage change in number of users, by category and in total	See Figure 22
	Number of telephone calls made, facsimiles sent, email and Internet use	See Figure 23
	Percentage change in number of telephone calls made, facsimiles sent, email and Internet use	See Figure 23

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Figure 22—Registered PCN users

<b>Registered PCN users</b>						
<b>Users</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>Change since 2004-05 %</b>
Department of Parliamentary Services	993	1,129	1,376	1,350	1,315	- 2.6
Department of the House of Representatives	319	403	270	264	255	- 3.4
Department of the Senate	312	322	222	232	224	- 3.4
Members and staff	1,347	1,491	1,591	1,531	1,425	- 6.9
Senators and staff	567	645	672	718	742	+ 3.3
Other clients (Finance)	7	40	443	450	413	- 8.2
<b>Total</b>	<b>3,545</b>	<b>4,030</b>	<b>4,574</b>	<b>4,545</b>	<b>4,374</b>	<b>- 3.8</b>

Figure 23—Telephone calls, facsimiles, email and Internet use

<b>Telephone calls, facsimiles, email and Internet use</b>		
<b>Service</b>	<b>Number 2005-06</b>	<b>Change from 2004-05 %</b>
Telephone calls made	4,206,749	- 3.2
Facsimiles sent	1,665,528	- 12.3
Email messages (internal and external)	31,409,674	+ 16.3
Internet use (terabytes received)	9.663	+ 43.5

**Indicator—Volume of ICT services required**

290 Users of the PCN are given access to a range of resources such as Internet, email, personal storage space and membership to specific groups of common interest. The security model for the parliamentary computing systems ensures that users have access only to the files and systems for which they are authorised.

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291 The number of users has fallen by 4% from the 2004-05 year, although there has been a small increase in the number of user accounts for Senators and their staff. The reductions were due to some clean-up activity following the departure of staff and some rationalisation of support accounts.

Figure 24—Sub-output 2.2—price indicators

Price indicator	Measure	Performance	
		2004-05	2005-06
1. Cost-effective provision and support of infrastructure	Cost per registered user on PCN (percentage reduction)	\$4,234	\$3,685 (- 13%)
	Cost of telephone calls and facsimiles per telephone connection <sup>9</sup> (percentage change)	\$480	\$505 (+ 5%)
	Cost of Internet connection per registered PCN user (percentage change)	\$48	\$50 (+ 4%)
2. Cost of all services	Price of sub-output 2.2 compared to last year's price (percentage change)	\$21.970 m	\$20.738 m (- 6%)

292 Information to meet the 2005-06 PBS indicator, "Cost per telephone call made, facsimile sent, email sent", was not available for this report.

<sup>9</sup> The number of connections is calculated including a x2 weighting for connections in the Ministerial Wing, to take account of higher usage in that part of Parliament House.

### **Output 3—Building and Occupant Services**

#### *Introduction*

293 Output 3 is the provision of an efficiently functioning, safe and secure environment for Senators, Members, other building occupants and visitors.

294 Performance is assessed using indicators that cover quality, quantity and price. Indicators, performance results and relevant comments are shown against each of the sub-outputs.

#### *Sub-output 3.1—Occupant services*

295 DPS provides security, health and well-being and facilities management services to occupants of, and visitors to, Parliament House.

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Figure 25—Sub-output 3.1—quality indicators

Quality indicator	Measure	Target	Performance
<b>Security services</b>			
1. Performance of security systems	Percentage of asset replacement program achieved	90.0%	5.00%
	Availability of operational systems:		
	• card management system	fully functional	achieved
	• radio communications equipment	99.8%	100.00%
	• x-ray equipment	fully functional	not achieved
	• Walk-Through Metal Detection (WTMD)	fully functional	achieved
	• CCTV	99.8%	99.92%
	• electronic door locks	99.8%	99.98%
	• satellite stations	99.8%	100.00%
	• alarms	99.8%	99.94%
2. Extent to which security procedures are followed	Percentage of reported security incidents dealt with in accordance with agreed procedures	100.0%	100.00%
	Percentage of recommendations arising from the validation program that are implemented	100.0%	88.89%
	Percentage of threat image projections correctly identified by Parliamentary Security Service officers conducting x-ray security screening duties	80.0%	80.42%

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Quality indicator	Measure	Target	Performance
<b>Facilities management</b>			
3. Client satisfaction	High level of building occupant and function-user satisfaction with services including the management of catering, cleaning, pest control and functions	85.0%	89.00%
4. Effective contract management	Cleaning and catering contractors' performance measured using a 7-point scale:		
	• Canberra Queanbeyan Cleaning Services	4/7	6.36
	• Limro Cleaning Services	4/7	5.29
	• Hyatt (Members' Guests Dining Room)	4/7	6.87
	• Hyatt (Queen's Terrace Cafe and Staff Dining Room)	4/7	4.00

**Indicator—Performance of security systems**

296 Two major elements of the asset replacement program were not completed during the year. They are the replacement of x-ray machines and the locking cylinder and master keying projects. A tender process for new x-ray machines was terminated late in 2005 because of the passage of time since the tenders were called, and concerns that the tendered technology might already be out of date. A tender process for new locks was terminated late in 2005 because it appeared to have been compromised by the actions of a member of the Tender Evaluation Committee. Following that termination, we have reconsidered the specifications and are looking at a wider range of options for replacing current locks.

297 The equipment unavailability for 2005-06 was as follows:

- (a) One x-ray unit failed (Loading Dock Pallet X-Ray) and was off-line for four months. Repairs were delayed due to the unavailability of parts and the requirement for a new generator to be manufactured in Germany and

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shipped to Australia. While the unit was off-line, alternative screening arrangements were put in place, including the use of dogs trained to detect explosives, and in some cases breaking down pallet-loads for screening through a smaller x-ray unit.

- (b) The CCTV system has been operational for the 12-month period, although there were a number of individual camera faults, all of which were dealt with within 30 minutes after faults were registered.
- (c) There were some minor availability problems with electric door locks, satellite stations and alarms.

298 In addition to the operational availability targets set for components of the various security systems, there are also continuity targets set for the repair or replacement of faulty equipment. All these targets were met in 2005-06.

**Indicator—Extent to which security procedures are followed**

299 While all security incidents were responded to in accordance with agreed procedures, review and updating of procedures occurs on a continuous basis. During the reporting year, the following operational procedures were developed or reviewed:

- (a) management of mentally-disturbed persons;
- (b) perimeter security procedures;
- (c) entry security screening procedures;
- (d) white powder response procedures;
- (e) Loading Dock mail and goods screening procedures; and
- (f) Improvised Explosive Device response procedures.

300 There were nine recommendations arising from the security validation program in 2004-05, eight of which have been implemented.

301 The recommendation not implemented was the establishment of a pool of external exercise role players to conduct validation exercises. Exercise role players continue to be sourced from other Commonwealth departments on an *ad hoc* basis, but this will be reviewed during 2006-07 in the context of a broader review of validation exercises.

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302 Threat Image Projection System (**TIPS**) is a system that projects threat images onto some items as they pass through the x-ray screening equipment, in order to test the effectiveness of x-ray operators. Parliamentary Security Service (**PSS**) staff recorded an average 80.42% success rate in identifying TIPS images during 2005-06. PSS staff have demonstrated improved performance against the target of 80% and met or exceeded the required monthly standard for seven months during the reporting year.

**Indicator—Client satisfaction (facilities management)**

303 The satisfaction rating of 89% for facilities management services is drawn from a client survey conducted in May 2006 of building occupants and contractors. Suggestions to improve services have been implemented.

**Indicator—Effective contract management**

304 The performance of the cleaning and catering contractors is measured against a set of key performance indicators, with a score of 4 out of 7 being satisfactory.

*Cleaning*

305 The following indicators are used for the two cleaning contractors:

- (a) findings from random cleaning inspections;
- (b) periodic cleaning costs per quarter;
- (c) consumables/linen costs per quarter;
- (d) cost for damage to building fabric due to contractor carelessness (not fair wear and tear) per quarter;
- (e) customer satisfaction, including customer complaints per quarter;
- (f) compliance with DPS waste, recycling and environmental policies;
- (g) number of re-work instructions issued;
- (h) number of reportable incidents per quarter;
- (i) number of industrial disputes;
- (j) staff training program in place, and undertaken; and



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- (k) equipment management plan in place and up to date.

*Catering—Staff Dining Room and Queen’s Terrace cafe*

306 The catering contractor for the Staff Dining Room and Queen’s Terrace Cafe is scored against the following indicators:

- (a) revenue generated;
- (b) comparison of prices against benchmarks;
- (c) client satisfaction rating;
- (d) number of written complaints;
- (e) number of incidents and accidents;
- (f) cost of damage to building fabric due to contractor carelessness (not fair wear and tear) per quarter; and
- (g) compliance with DPS waste, recycling and environmental policies; and
- (h) satisfactory reports from the ACT Department of Health (Health Protection Service) to verify satisfaction of regulatory and licensing requirements under the *Food Act 2001*.

*Catering—Members’ services, functions and house services*

307 The catering contractor for members’ services, functions, and house services is scored against the following indicators:

- (a) revenue, gross profit and net profit;
- (b) client satisfaction rating;
- (c) number of written complaints;
- (d) cost of damage to building fabric due to contractor carelessness (not fair wear and tear) per quarter;
- (e) compliance with DPS waste, recycling and environmental policies;
- (f) provision of satisfactory reports from the ACT Department of Health (Health Protection Service) to verify satisfaction of regulatory and licensing requirements under the *Food Act 2001*.

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308 Key performance indicators for contracted cleaning and catering services are reviewed on an annual basis to ensure they continue to be meaningful and measurable.

Figure 26—Sub-output 3.1—quantity indicators

<b>Quantity indicator</b>	<b>Measure</b>	<b>Target</b>	<b>Performance</b>
1. Validation of security procedures	Percentage of security validation program achieved	100%	83.5%
2. Business plan implemented		85%	82.6%
		<b>2004-05</b>	<b>2005-06</b>
3. Security incidents	Number of reported security incidents	AFP-P: 194	AFP-P: 216
		PSS: 309	PSS: 193
4. Security services	Number of PSS and contract (AFP-Protection) security hours per month		Monthly average hours: AFP-P:13,676 PSS:18,586
	Number of official visits and Parliamentary functions requiring extra security resources	94 official visits 318 parliamentary functions	165 official visits 200 parliamentary functions
	(number of non-parliamentary functions)	(243 non-parliamentary functions)	(316 non-parliamentary functions)
5. Nurses centre	Number of requests for first aid services	1,729	1,473
	Number of requests for health support services from Senators and Members	Not available	66
6. Health and Recreation Centre	Number of members	585	664
	Number of casual visits	2,183	1,033
	Number of attendees to classes	2,936	3,673

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**Indicator—Security validation program**

309 There were 10 security validation exercises conducted during the year from a target of 12.

**Indicators—Security and facilities management services**

310 There is no cost recovery applied to security services provided for official visits, or to Parliamentary functions. The cost of security services for non-Parliamentary functions is recovered.

311 The number of official visits and parliamentary functions supported by DPS varies unpredictably from year to year. This creates budget problems, because no supplementation is provided in years when there are significant increases in demand. Increased costs need to be covered from elsewhere in DPS’s budget, thus reducing the funding for other services. As well, demands above normal levels are often addressed through security staff working overtime shifts. High levels of overtime work, as well as being expensive, may compromise the health, effectiveness and job satisfaction of our security staff.

**Indicator—Number of requests for first aid services/health support services**

312 The reduction in the number of first aid requests can probably be attributed to the clarification of the range of services provided by the Nurses’ Centre and a re-evaluation of the collection of data.

**Indicator—Number of casual visits to Health and Recreation Centre**

313 The number of casual visits has decreased as an increasing number of facility users have opted for six-monthly memberships.

*Figure 27—Sub-output 3.1—price indicators*

Price indicator	Measure	Performance	
		2004-05	2005-06
1. Cost-effective security services	Full cost for security:		
	(a) PSS		\$8.371 m
	(b) AFP-Protection		\$9.987 m
	(c) overheads		\$8.297 m
	Total cost of routine security services		\$26.655 m

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Price indicator	Measure	Performance	
		2004-05	2005-06
	Cost of official visits and Parliamentary functions requiring extra security services		\$64,236
2. Revenue generated (facilities management)	Net revenue (less the cost of contract management and other services required to generate revenue) from all chargeable activities		\$1.319m
3. Cost of all services	Price of Sub-output 3.1 compared to last year's price (percentage change)	\$36.28 m	\$38.34 m (+ 6%)

314 Comparative figures from 2004-05 for the 2005-06 PBS indicators were not available for this report (except for the total cost of the sub-output).

*Sub-output 3.2—Visitor services*

315 DPS provides information, retail and other services for visitors to Parliament House.

*Figure 28—Sub-output 3.2—quality indicators*

Quality indicator	Measure	Performance	
		2004-05	2005-06
1. Level of community engagement with Parliament House	Total number of visitors to Parliament House	878,553	880,046
2. Level of visitor satisfaction	High level of visitor satisfaction with Visitor Services (measured by visitor surveys).	94%	94%

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Quality indicator	Measure	Performance	
		2004-05	2005-06
	Percentage of visitors who lodge complaints about Visitor Services or the Parliament Shop	0.00056%	0.00011%

**Indicator—Level of community engagement**

316 Total visitor numbers to Parliament House in 2005-06 (including school visits) increased by 0.17%.

**Indicator—Level of visitor satisfaction**

317 Visitor surveys indicate a high level of satisfaction with the knowledge, helpfulness and friendliness of staff. A recurring suggestion from the surveys was that the Parliament Shop should review and update the product range on a regular basis. This suggestion has been implemented.

Figure 29—Sub-output 3.2—quantity indicators

Quantity indicator	Measure	Performance	
		2004-05	2005-06
1. Parliament Shop customers	Increased numbers of Parliament Shop customers	77,834	72,634
	Increased percentage of visitors to Parliament House who are Parliament Shop customers	35.2%	34.5%
2. Visitor access to Parliament House	Number of school tours conducted (total number of participants)	3,340 (107,831)	3,160 (105,355)
	Number of special tours conducted (total number of participants)	584 (7,180)	675 (8,912)
3. Business plan implemented	Percentage of key actions achieved (target 85%)	92%	81%

**Part 4—Report on performance****Indicator—Parliament Shop customers**

318 During 2004-05, the numbers of visitors to Parliament House increased by 1,493, but the number of people who made purchases at the shop decreased by 5,200. Customer surveys indicate that the product range does not yet match customer requirements.

**Indicator—Visitor access to Parliament House**

319 The number of students participating in school tours decreased by 2.3%.

320 The number of special tours (tours other than public or school tours) conducted increased by 15%, and the number of participants increased by 24%. There is some evidence that the increase in numbers and participants for special tours reflects an increased awareness of this service among Senators and Members.

**Indicator—Business plan implemented**

321 The implementation of the 2005-06 business plan were affected by the cancellation or delay of projects pending the completion of a Continuous Improvement Review of the Visitor Services area which is expected to occur in early 2007.

Figure 30—Sub-output 3.2—price indicators

Price indicator	Measure	Performance	
		2004-05 \$	2005-06 \$
1. Revenue generated	Increased revenue generated from Parliament Shop (target 5%)	1.275 m	1.263 m (- 1%)
	Increased net profit generated from Parliament Shop (target 12%)	158,000 <sup>10</sup>	140,000 (- 11%)
	Increased average spending per customer of Parliament Shop (target 5%)	16.60	17.39 (+ 5%)
	Increased revenue raised through paying tours (target 5%)	7,511 <sup>11</sup>	5,748 (- 23%)

<sup>10</sup> This amount has been recalculated since the 2004-05 Annual Report.

<sup>11</sup> This amount has been recalculated since the 2004-05 Annual Report.

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		<b>Performance</b>	
2. Cost per visitor	Cost per visitor to Parliament House	Not available	2.77
3. Cost of all services	Price of Sub-output 3.2 compared to last year's price (percentage change)	2.306 m	2.437 m (+ 6%)

**Indicator—Revenue generated**

322 There was a 1% drop in revenue from the Parliament Shop. This was attributed to a decrease of 6.6% in the number of customers, which was partly off-set by an increase of 5% in the average spending per customer.

323 The number of special tours (all tours other than public or school tours) increased by 91 over the year. However, revenue raised from special tours decreased by 23%, which reflected that most of the increase came from special tours requested by Senators and Members, for which no charges are imposed.

**Part 4—Report on performance***Sub-output 3.3—Building asset management services*

324 DPS provides asset and environmental management services for Parliament House and surrounds.

*Figure 31—Sub-output 3.3—quality indicators*

<b>Quality indicator</b>	<b>Measure</b>	<b>Target</b>	<b>Performance</b>
1. Extent to which design integrity is preserved	Design Integrity Index	90%	91%
2. Extent to which the building condition is maintained	Building Condition Index	89-92%	89.7%
3. Extent to which the landscape condition is maintained	Landscape Condition Index	90%	87%
4. Condition and ageing of engineering systems	Engineering Systems Condition Index	90%	89%
5. Controlling the potential negative impact on the environment	Energy consumption	1% energy reduction in kWhrs spread over next 3 yrs	5.8% increase in energy use
	Greenhouse gas emissions	1.5% reduction	4.6% increase
	Water consumption	5% reduction spread over next 3 yrs (target for 2005-06: 232,383kL)	16% increase
	Waste recycled as a percentage of total waste generated	Increase in percentage of total waste recycled	Waste recycled increased from 39% to 42%



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Quality indicator	Measure	Target	Performance
	Participating as part of the local community to achieve environmental and other goals	Extent of compliance with ACT water restrictions	Parliament House met all water restriction requirements as agreed with ACTEW
		Contribution to ACT waste reduction strategies	Parliament House contributed to ACT waste reduction strategies

**Explanation of indicators**

325 The Design Integrity Index (**DII**) measures the current design features of Parliament House and surrounds, expressed as a percentage of the original design intent.

326 The Building Condition Index (**BCI**) measures the current condition of the building fabric of Parliament House, expressed as a percentage of the original condition.

327 The Landscape Condition Index (**LCI**) measures the current condition of the landscape surrounding Parliament House, expressed as a percentage of the total possible condition.

328 The Engineering Systems Condition Index (**ESCI**) measures the current operation and condition of the engineering systems in Parliament House against the expected decline of those systems through their life cycles. The system of scoring has been designed so that the optimum target of 90 is achieved if all systems are ageing through their life cycle as expected.

**Indicator—Extent to which design integrity is preserved**

329 Parliament House is divided into eight zones for the purposes of measuring the DII.

330 In each zone, the components of language, symbolism, design order, change and overall impression are examined and given a rating score from 1 to 5. The outcomes for each component are added together to obtain a zone score, and the zone scores added to obtain a building score. This score is then expressed as a percentage of the total possible score.

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331 The DII for 2005-06 is assessed at 91.0%. This is a slight increase in the DII compared to the previous year (90.7%) and more significantly there has been no net drop in the design integrity of the building.

332 The calculation of the DII for 2005-06 has been made using a simplified data-gathering process (compared with that used before 2004), with reviews concentrated on areas which have undergone change during the reporting year. Areas which have not undergone any change will remain at the level assessed in the previous year. Full inspections of all eight design integrity zones are intended to occur on a five-year cycle.

333 The DII this year reflects only a slight increase overall, but does show improvements within the tenancy areas due to refurbishment of the Queen's Terrace Cafe and the Health and Recreation Centre. Both these major projects have significance in both public and client services and have assisted with the 2005-06 assessment. Other significant works, such as the slip road bollards and the security wall around the inside of Parliament Drive, were seen to be substantial alterations to the design integrity of the building but were considered to have been well incorporated, further assisting with this year's overall score.

334 The DII assessment this year has identified the positive effect of improvements made to the Forecourt and has acknowledged the discreet incorporation of the hearing loops and data projection systems to the Government Party and Opposition Party rooms.

**Indicator—Extent to which building condition is maintained**

335 Parliament House is divided into seven zones to measure the BCI. The seven zones have different condition targets that combine to give an overall score for the BCI. The target of 90% has been determined as the optimum balance of condition and cost based on external benchmarks.

336 There has been a minor increase in the overall building condition in 2005-06. This has been achieved by better targeting our building fabric maintenance activities. All zones are now regularly measured for building condition, and this measurement now determines the areas most in need of maintenance.

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### **Indicator—Extent to which landscape condition is maintained**

337 The parliamentary landscape has been divided into eight zones for the purpose of measuring the LCI. The zones have different targets that combine to give an overall score.

338 A 2% increase in landscape condition occurred in 2005-06, but the result was still slightly below target. Since the current drought began, we have lost over 6,000 trees and shrubs. However, the re-sowing and turfing of 2.7 ha of lawn, and the completion of the security wall project, have restored the landscape to some extent, thus improving the LCI in 2005-06.

339 The Australian Capital Territory is still experiencing below average rainfall and water restrictions are still in place. DPS is investigating the use of warm season grasses that are more water-efficient for use at Parliament House.

### **Indicator—Condition and ageing of engineering systems**

340 To arrive at the ESCI, 24 engineering systems are monitored for performance, life cycle progress and actual versus expected condition.

341 All engineering systems were found to be in good operational condition for their age. There are significant systems that are reaching the end of their functional life. The administered asset replacement program currently has sufficient funds to replace these assets but as the building approaches its twentieth year of operation, additional funds are likely to be required.

### **Indicator—Controlling the potential negative impact on the environment**

#### *Energy*

342 The target was for a total 1% energy consumption reduction over the next three years. While total energy used in Parliament House during the reporting year was the second lowest since the building opened in 1988, energy consumption for 2005-2006 was 141,260 GJ (5.8% higher than the energy consumption in 2004-05) so the target has not been achieved. The reasons for the 2005-06 increase are:

- (a) there were more sitting days than in 2004-05 (because 2004-05 included an election period);

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- (b) DPS took on responsibility for street lighting around Parliament Drive; and
- (c) Autumn 2006 was one of the coldest since 1967.

*Energy intensity*

343 In Parliament House the 2004-05 energy intensity figure was 881 MJ per square metre per annum, less than the average for Commonwealth public buildings of 1,102 MJ per square metre per annum. For 2005-06 the figure is 932 MJ per square metre per annum, which is an increase but is expected to be less than the year's average for Commonwealth public buildings.<sup>12</sup>

344 DPS is reviewing its energy strategy with a view to reducing long-term energy consumption and greenhouse gas emissions. The strategy is expected to be completed in 2006-07.

*Greenhouse gas emissions*

345 A target 1.5% reduction in greenhouse gas production was not achieved in 2005-06 because of increased energy consumption, both in electricity and gas, for the reasons mentioned in paragraph 342 above. Greenhouse gas emissions rose from 28,278 tonnes in 2004-05 to 29,590 tonnes in 2005-06.

*Water consumption*

346 The water consumption target was a total reduction of 5% over the next three years. Water consumption in 2005-06, at 268,470 kL, was 16.3% higher than the target of 232,383 kL. High water consumption in 2005-06 was due to the following factors:

- (a) a considerable amount of landscape redevelopment work was undertaken in 2005-06 following completion of the security enhancement project, and also replanting of trees, shrubs and turf following the drought. The new plantings required considerably more water than established plants. The work undertaken included:
  - (i) laying 1.6 ha of turf;
  - (ii) seeding 0.9 ha of lawn;
  - (iii) laying 2,000 m<sup>2</sup> of buffalo turf;

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<sup>12</sup> Energy intensity information is published by the Australian Greenhouse Office in the Department of Environment and Heritage ([www.greenhouse.gov.au](http://www.greenhouse.gov.au)).

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- (b) planting 2,500 trees and shrubs as part of the replacement following the drought (replanting of trees and shrubs will continue over the next two years); and
- (c) establishing 10,134 plants on the Senate, House and Ministerial Wing access road banks.
- (d) the Australian Capital Territory experiencing a very dry period from December 2005, with a total evaporation loss of 1,082 mm during the seven months from 1 December (based on rainfall and evaporation data from the Bureau of Meteorology). The long-term average for that period is 793 mm.
- (e) a fault with the irrigation system, and a burst irrigation main that ran for two and a half hours before isolation, resulted in excessive water consumption.

347 Paragraph 74 of the 2004-05 Annual Report advised that a water strategy for Parliament House would be developed “with particular reference to the continued use of sandy soils in the Parliament House landscape”. The water strategy was not completed in 2005-06.

*Waste management*

348 In 2005-06, an increasing proportion of the generated waste was recycled rather than going to landfill; 42% of total waste generated was recycled compared with 39% in 2004-05.

349 Parliament House produces and recycles a large amount of paper (almost half of the total waste) due, in part, to the large volume of annual reports, other tabled documents and newspapers coming into the building. The diverse number of occupant groups occupying Parliament House make it impossible to measure and report on the amount of office paper purchased.

350 A waste audit conducted in late 2004-05 and analysed in 2005-06 identified that Parliament House is recycling around 63% of available paper and cardboard. Efforts will continue in 2006-07 to capture the remaining 37%.

351 The recycling of 28,000 lamps and fluoro tubes, grease, used oil, metals and some batteries added to the Parliament House recycling improvement.

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352 As part of the re-turfing of the grass ramps at the southern end of the building, 3,075 tonnes of grass and soil was recycled by a local golf course, at no cost to the Parliament. The short distance travelled by trucks removing the material minimised diesel consumption and greenhouse gas production.

353 Throughout the prolonged drought in the Australian Capital Territory, Parliament House complied with requests by the Territory Government to restrict water use.

354 Parliament House contributed to waste-to-landfill reduction strategies by increasing the range of materials recycled. While the increased number of sitting days saw a 3% increase in the total amount of waste generated in 2005-06 compared to 2004-05, there was also a 1.5% reduction in the amount sent to landfill, thereby improving the recycling result.

*Figure 32—Sub-output 3.3—quantity indicators*

<b>Quantity indicator</b>	<b>Measure</b>	<b>Target (2004-05)</b>	<b>Performance</b>
1. Maintenance of plant and building fabric	Percentage of planned maintenance achieved	85%	92%
2. Extent to which planned maintenance prevents breakdown	Ratio of planned maintenance to breakdown responses	85:15	84:16
3. Number of help desk calls	Total number of calls	(4,849 )	4,598
4. Business plan implementation	Percentage of key actions achieved	85%	83%

**Indicator—Number of help desk calls**

355 The 4,598 calls to the Maintenance Services help desk resulted in 3,012 work orders being generated to rectify problems identified. This occupied 16% of the Maintenance Services Section's total work in 2005-06.

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Figure 33—Sub-output 3.3—price indicators

Price indicator	Measure	2004-05 \$	Performance \$
	Maintenance cost per m <sup>2</sup> (percentage change) <ul style="list-style-type: none"> <li data-bbox="454 464 467 483">•</li> </ul>	19.48	20.66 (+ 6%)

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- (c) a conservation and replacement program for furniture that was designed and built specifically for Parliament House (status B furniture);
- (d) refurbishment of the air conditioning ductwork system;
- (e) a landscape refurbishment program, including turf replacement;
- (f) a carpet and fabric replacement program; and
- (g) replacement of administered assets on failure.

359 These programs support the operation of Parliament into the future, while at the same time preserving the design integrity of the architecture, engineering systems, art and landscape that make up Parliament House.

360 These programs contribute to some of the indicators in Sub-output 3.3 and these are reproduced in Figure 34 below, along with indicators specific to the administered items.

*Figure 34—Administered items—quality indicators*

<b>Quality indicators</b>	<b>Measure</b>	<b>Target</b>	<b>Performance</b>
1. Extent to which design integrity is preserved	Design Integrity Index	90%	91%
2. A quality standard is applied to building works programs	9001:2000	continuing certification	certification is current until February 2009



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<b>Quality indicators</b>	<b>Measure</b>		<b>Performance</b>
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replacement and refurbishment program for the bronze stands and black leather lounges.

- (d) **Function areas, restaurants and cafeterias** (Members' Guests Dining Room, Members Club and associated areas, Private Dining Rooms and Staff Cafeteria)—61%, down 7% due to the poor condition of tables in the Staff Cafeteria (53%). A refurbishment project for these tables was deferred pending consideration of a planned major refurbishment of the Staff Cafeteria. Gains have been made due to the table maintenance program in the Members' Guests Dining Room (82%) and the table replacement project in the Members' Club (82%).
- (e) **The Parliamentary chambers** (Senate Chamber and House of Representatives Chamber)—73%, up 1%.
- (f) **General circulation areas** (general circulation areas and rooms restricted to parliamentary staff including gymnasium, lunchrooms and courtyards)—68%, down 10% reflecting the deteriorating condition of outdoor chairs and lunchroom dining furniture. The result was improved by the refurbishment of bronze framed and upholstered furniture and bronze signs and stands.
- (g) **House of Representatives Zone** (Members' suites, committee rooms, party rooms and spouses' lounge)—76%, up 2% due to refurbishment of suite furniture by House of Representatives and DPS maintenance services and replacement of Members' office chairs.
- (h) **Senate Zone** (Senators' suites, committee rooms, party rooms, Senate lunchrooms)—67%, up 3%. This improvement is due to the refurbishment of the television cocktail cabinets, credenza fronts and general leather in suites and party rooms, and the refurbishment of perimeter chairs in the committee rooms.
- (i) **Ministerial Zone** (Ministers' suites, committee rooms)—70%, up 1%.

365 The FCI average score is steady at 70%. To achieve the target of 75% in 2006-07, the planned projects for the year have been strategically targeted to achieve the maximum gain in the furniture condition index.

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**Indicator—Extent to which the art collection is preserved**

366 The primary focus in the reporting year was on the conservation of key artworks in the Parliament House Art Collection, as well as the ongoing conservation of outdoor sculptures. During the year, 5 out of the 7 planned conservation projects were undertaken, and 87% of the total conservation budget was spent or committed.

*Figure 35—Administered items—quantity indicators*

<b>Quantity indicators</b>	<b>Measure</b>	<b>Target</b>	<b>Performance</b>
1. Extent to which building and security projects are completed on time	Projects are delivered to agreed timetables	95% of projects delivered to agreed timetables	82%

**Indicator—Extent to which projects are completed on time**

367 Four of the 22 projects completed in 2005-06 were not completed to the agreed timetable. This was due to:

- (a) in three cases—changes to project scope;
- (b) in all four cases—the difficulties of obtaining access to parts of the building in which the work was required, because of high use of those areas; and
- (c) in two cases—flow-on delays caused by delays in higher-priority projects.

*Figure 36—Administered items—price indicators*

<b>Price indicators</b>	<b>Measure</b>	<b>Target</b>	<b>Performance</b>
1. Extent to which projects are completed within budget	Percentage of completed projects within original approved budget, subject to increases for latent conditions or change of scope	95%	91%

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<b>Price indicators</b>	<b>Measure</b>	<b>Target</b>	<b>Performance</b>
	Extent to which expenditure is within the original approved total budget, subject to increases for latent conditions or change of scope	Total expenditure within original approved total budget	Total expenditure: 96% of original approved budget
2. Extent to which administered funds are expended	Percentage of approved administered funds expended—		
	Building and security projects:		
	• Security enhancement		89.7%
	• Other administered		82.0%
	Art services		53.7%

**Indicator—Extent to which projects are completed within budget**

368 For 2006-07, the extent to which projects undertaken by the Building and Security Projects Section are completed within budget will be reported on an individual basis as well as for the total expenditure.

**Indicator—Extent to which administered funds are expended**

369 The low percentage for other administered funds expended for building and security projects is due to:

- (a) two contracts not being awarded until the middle of the reporting year;
- (b) delays in one project due to the need to re-scope the extent of works; and
- (c) delays in one project due to the need to resolve design issues.

370 Although only 53.7% of the total Art Services funds were spent, another 30.7% of the total funds were committed (for conservation work).

**Effectiveness in achieving the planned Outcome**

371 DPS's outcome is that occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.

## **Part 4—Report on performance**

*Occupants of Parliament House are supported by integrated services and facilities, ...*

372 DPS provides occupants and other users of Parliament House with a wide range of services and facilities. These are described in general terms in Parts 2 and 3. The performance reports in Part 2 and this Part measure and discuss the DPS performance in delivering those services and facilities. The results demonstrate success in a variety of areas, but less than satisfactory performance in others. Because of the ongoing nature of the outcome, and the clear scope for providing our services more efficiently and effectively, DPS will continue to look for further improvements.

373 The services and facilities provided by DPS are reviewed on a regular basis. The 2006 departmental restructure, and the Continuous Improvement Reviews required under the DPS certified agreements, are providing particular opportunities to review services and make changes where this is both appropriate and efficient.

*Parliament functions effectively ...*

374 Parliament's operations have continued to run smoothly to the extent that this is within the control of DPS. Our particular contribution includes:

- (a) ensuring the security of the building, including the chambers in particular, and of building occupants;
- (b) providing a suitable venue for parliamentary activity through building maintenance and provision of building and ICT services; and
- (c) providing Hansard and library services to enable members of Parliament to contribute effectively to parliamentary activities.

*... and its work and building are accessible to the public.*

375 In 2005-06, DPS facilitated access for the general public to the work of the Parliament and its building by:

- (a) providing 1,354 hours of chamber broadcasts;
- (b) providing 2,438 hours of committee broadcasts;
- (c) providing print-ready Hansard transcripts on the DPS Internet site and the web interface to ParlInfo; and

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- (d) hosting 880,046 visitors, including 105,355 school children.



## **Part 5—Management and accountability**





**Part 5—Management and accountability**

## **Part 5—Management and accountability**

376 This Part provides information on DPS's management and corporate governance practices, and how it meets its accountability obligations. It includes several specific reports required under Commonwealth legislation.

### **Corporate governance**

#### *Introduction*

377 The Presiding Officers of the Parliament—the President of the Senate and the Speaker of the House of Representatives—have joint powers in relation to DPS, similar, but not identical, to those of the Minister administering a Department of State.

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

#### *Committees advising the Presiding Officers*

##### **Joint House Committee**

379 The Joint House Committee consists 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 327 respectively. The two committees meet jointly as the Joint House Committee.

380 The Committee advises the Presiding Officers on the provision of services and amenities to Senators, Members and staff located in Parliament House.

##### **Joint Standing Committee on the Parliamentary Library**

381 The Joint Standing Committee on the Parliamentary Library was established by motions of the Senate and the House of Representatives on 7 December 2005. The terms of reference of the committee are to:

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- (a) consider and report to the Presiding Officers on any matters relating to the Parliamentary Library referred to it by the President or the Speaker;
- (b) provide advice to the President and the Speaker on matters relating to the Parliamentary Library;
- (c) provide advice to the President and the Speaker on an annual resource agreement between the Parliamentary Librarian and the Secretary of the Department of Parliamentary Services; and
- (d) receive advice and reports, including an annual report, directly from the Parliamentary Librarian on matters relating to the Parliamentary Library.

382 At the commencement of each Parliament, six Senators and seven Members of the House of Representatives are appointed to meet together as the Joint Standing Committee on the Parliamentary Library.

383 Additional information about the role and functions of the Joint Standing Committee on the Parliamentary Library can be found in Part 2 of this report (see paragraphs 86 to 89).

**Presiding Officers' Information Technology Advisory Group**

384 The Presiding Officers' Information Technology Advisory Group provides a forum for Senators and Members to contribute to and guide IT strategies and development in the Parliament.

*DPS committees*

**Audit Committee**

385 One of the primary mechanisms for testing departmental frameworks and controls is through the internal audit program, overseen by the DPS Audit Committee. The Audit Committee has an independent chair, Mr Will Laurie. At the end of the reporting year, the other members were the Deputy Secretary, the Parliamentary Librarian and one Assistant Secretary.

386 The functions of the Committee are set out in DPS Governance Paper No. 7, issued in August 2004 and amended in June 2006. These are to:

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- (a) approve DPS’s annual or strategic audit plans, and to request the preparation of any such audit plan as the Committee considers necessary;
- (b) ensure flexibility in such audit plans as to accommodate additional audits that the Secretary of DPS or the Executive Committee may commission from time to time;
- (c) review any audit report that involves any matter of concern to the Secretary or other senior management in DPS, and to identify and disseminate good practices;
- (d) advise the Secretary on action to be taken on matters of concern raised in any report of an internal auditor or in a report about DPS by the ANAO;
- (e) coordinate, as far as practicable, internal audit programs and the DPS audit programs conducted by the ANAO; and
- (f) advise the Secretary on the preparation and review of DPS’s financial statements.

387 Much of the Audit Committee’s work in 2004-05 involved a major assessment of the control framework of the new department. This work provided the basis for the 2005-06 audit program, including aspects of the DPS risk management regime and continuing compliance testing in areas such as delegations and legislation.

388 The Audit Committee met six times during 2005-06. Members’ attendance at the meetings was as follows:

*Figure 37—Audit Committee attendance*

<b>Member</b>	<b>Position</b>	<b>Attendance</b>	<b>No of possible meetings</b>
Will Laurie	Independent Chair	6	6
David Kenny	Deputy Secretary	6	6
John Walsh	Assistant Secretary, Corporate Group	1	2
Andrew Smith	Assistant Secretary, Infrastructure Services Branch	6	6
Roxanne Missingham	Parliamentary Librarian	2	3

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### **Executive Committee**

389 The Secretary is assisted in the management of the Department by the Executive Committee, which includes all the SES staff of the department. This committee is the primary approving authority for the development and implementation of the DPS governance framework and associated processes, including risk management and business planning. The committee also deals with a range of policy matters in areas such as OHS, environmental issues, and departmental organisation.

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

### **Finance Committee**

391 The Finance Committee is an essential part of DPS's corporate governance arrangements, and consists of the Secretary, the Deputy Secretary, the Parliamentary Librarian and the Chief Finance Officer. The role of the Finance Committee is recognised in the Resource Agreement made between the Secretary and the Parliamentary Librarian (see paragraphs 90 to 94 in Part 2 of this report).

392 The Finance Committee's role is to:

- (a) allocate annual budgets, and reallocate funding during the year as required;
- (b) monitor financial performance, including consideration of monthly reports;
- (c) allocate asset replacement and administered funds;
- (d) monitor the progress of approved projects for expenditure of asset replacement and administered funds; and
- (e) formulate DPS policy on all financial matters.

### *Other governance matters*

#### **Risk management policy and framework**

393 The implementation of the DPS Risk Management Policy and Framework continued during 2005-06. Each branch considered its operational environment to ensure that existing risk assessments and controls remained current and that all new risks were assessed and proposed treatments identified.

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394 Work also continued on consolidating the fraud control plans of the former departments to create a single fraud control policy and framework and Fraud Control Plan for the new department in accordance with the Commonwealth Fraud Control guidelines. Each branch completed fraud risk assessments of its operations and the results of those assessments were incorporated in a draft Fraud Control Plan 2006-2008, which was finalised in October 2006.

395 During 2005-06 preparations began for the development of a DPS-wide business continuity plan which will incorporate existing plans and provide a consistent approach to business continuity planning. DPS's response to a pandemic forms part of our business continuity planning.

396 Discussions on developing a Parliament-wide business continuity plan were held during the year with the chamber departments and external stakeholder organisations. This work will continue during 2006-07.

397 To improve awareness of the department's risk management practices, the DPS Risk Register portal is being redesigned to provide greater assistance to staff assessing and managing risks. DPS staff have also undertaken training provided by Comcover on various aspects of risk management, and further risk management and fraud control training will take place during 2006-07.

**Corporate Plan**

398 The DPS Corporate Plan 2004-07 provides the broad strategic direction for DPS. It recognises that DPS is a relatively new department and that work is required to establish systems and processes by which the organisation is directed and controlled. The development of a new Corporate Plan is to commence in early 2007.

**Business planning policy and framework**

399 A business planning policy and framework was implemented during the 2005-06 financial year. The framework provides for the Executive Committee to decide strategic business direction and priorities each year, having regard to DPS's Outcome Statement and Corporate Plan. Each branch then develops a business plan that includes initiatives designed to implement the strategic direction, as well as deliver ongoing services and facilities.

400 Branches will report on a quarterly basis to the Executive Committee, detailing progress against the business plan.

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401 Existing performance indicators will be reviewed during 2006-07. Business planning and reporting content and processes will also be reviewed and improvements are expected to be implemented during 2006-07.

### **DPS service charter**

402 DPS is currently conducting a review of all services provided by the department with a view to producing and publishing a service charter and services catalogue.

### **Appropriate ethical standards**

403 The standards embraced in DPS reflect the Parliamentary Service Values and Code of Conduct contained in the *Parliamentary Service Act 1999*. These are promoted in DPS corporate documents including the Corporate Plan 2004-2007, the fraud control policy and framework, guidelines on the acceptance of gifts and benefits, and procurement procedures, as well as other financial and human resource documents. Among other things, these documents outline the standards that are expected of employees in their day-to-day work and interactions with third parties, including tenderers and contractors.

### **People management and strategy**

*Staffing, salary and classification structures*

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

404 The remuneration for all SES employees is prescribed in Australian Workplace Agreements (**AWAs**) and takes account of each employee's responsibilities within the department as well as SES pay levels elsewhere in the public sector.

405 Current AWAs were negotiated between employees and the Secretary of DPS. The level of remuneration and the conditions attaching to remuneration vary from employee to employee, but in general terms all salary increases provided to SES employees depend upon performance targets being satisfied. Salaries for SES staff range from \$107,000 to \$163,280.

#### **Performance-based pay arrangements for non-SES staff**

406 The department does not provide performance-based bonuses for non-SES staff. Salary advancement is based upon performance assessment of individuals as required by the certified agreements and performance management arrangements.

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407 The certified agreements for DPS staff provide for an annual salary increase subject to the achievement of an overall rating of “Effective” or higher through the performance management arrangements.

408 Increases in salary and allowances were paid in conjunction with certification of the new agreements in July 2005 for staff other than Parliamentary Security Service (**PSS**) staff, and February 2006 for PSS staff. Both agreements provided for an initial 4% increase, although, as a result of combining 37 different classification levels into 8, some salary points required a larger increase to bring them within the replacement classification.

**Overview of classification structures**

409 Figure 38 sets out the non-SES classifications and salary ranges for DPS staff as at 30 June 2006.

*Figure 38—Classification and salary ranges as at 30 June 2006*

<b>Classification</b>	<b>Salary range</b>
Parliamentary Service Level 1	\$33,073 - \$39,024
Parliamentary Service Level 2	\$39,120 - \$43,024
Parliamentary Service Level 3	\$44,049 - \$46,169
Parliamentary Service Level 4	\$46,778 - \$51,503
Parliamentary Service Level 5	\$52,432 - \$56,648
Parliamentary Service Level 6	\$57,042 - \$65,391
Parliamentary Executive Level 1	\$71,055 - \$81,563
Parliamentary Executive Level 2	\$82,214 - \$97,282

410 The single eight-level classification structure for non-SES employees was created under the *Department of Parliamentary Services Certified Agreement 2005-2008*, certified in August 2005, and the *Department of Parliamentary Services (Parliamentary Security Service) Certified Agreement 2006-2008*, certified in February 2006. Staff translated into the new structure at their current salary and will progress through the salary range based on performance.

411 The new eight-level classification structure replaced 37 different classifications, some of which covered several different classification titles. As well, there are two broad-banded classifications applicable in certain parts of DPS (PSL1/2 and PSL2/3), and apprentices are paid a proportion of the salary applicable to the classification in which they are employed.



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412 Figure 39 sets out staffing numbers, by classification (including the broad-banded and apprenticeship levels separately), as at 30 June 2006.

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Figure 39—Staff numbers as at 30 June 2006

Classification	Ongoing F/T		Ongoing P/T		Non-ongoing F/T		Non-ongoing P/T		Casuals		Total		
	M	F	M	F	M	F	M	F	M	F	M	F	Total
Apprentice 1/2					1	1					1	1	2
Apprentice 2/3					2	1					2	1	3
PSL 1/2 DPS	82	8			12	1			32	2	126	11	137
PSL 2/3 DPS	25	1			1						26	1	27
PSL 1 DPS	12	1	3		1				4	9	20	10	30
PSL 2 DPS	6	15	11	29		2			2		19	46	65
PSL 3 DPS	36	29		6	2	2					38	37	75
PSL 4 DPS	60	32	2	7	3	3			4	3	69	45	114
PSL 5 DPS	37	21	1	6		3			1	8	39	38	77
PSL 6 DPS	81	60	1	16	1	2				4	83	82	165
PEL 1 DPS	85	32	4	8	3						92	40	132
PEL 2 DPS	25	14		1	2						27	15	42
Senior Executive Service B1	4	5									4	5	9
Parliamentary Librarian		1										1	1
Senior Executive Service B3	1										1		1
Secretary		1										1	1
<b>Totals</b>	<b>454</b>	<b>220</b>	<b>22</b>	<b>73</b>	<b>28</b>	<b>15</b>			<b>43</b>	<b>26</b>	<b>547</b>	<b>334</b>	<b>881</b>

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### *Management of human resources*

#### **Introduction**

413 In the reporting year the People Management and Strategy Section (**PMAS**) continued to work on developing a range of policies and guidelines on personnel and workplace relations issues. Other substantial activities undertaken by the section were:

- (a) negotiation of a new DPS PSS certified agreement;
- (b) development and implementation of policies related to the two new certified agreements;
- (c) undertaking a tender process for a salary sacrifice provider; and
- (d) implementation of a new payroll/human resources system.

414 The departmental restructure resulted in the transfer of the security vetting function into PMAS.

415 A continuous improvement review of PMAS under the certified agreements will be conducted in 2007, which will see a review of work practices within PMAS. Conversion to a single payroll/human resources system provides the opportunity to improve payroll processing and human resource management.

#### **Workforce planning, staff retention and turnover**

416 During the reporting year there were 167 staff separations, 62% of which were of ongoing employees.

417 The total staff turnover for 2005-06 was 17%. There was a 14% turnover in ongoing employees—up from 11% in 2004-05.

418 For ongoing employees, 55% of separations resulted from resignations and 26% resulted from retirements. Of the retirements, nearly half (11.6% of the total separations) were redundancies. The remainder were transfers or promotions to the Australian Public Service under section 26 of the *Parliamentary Service Act 1999*.

419 Non-ongoing employees and contractors continued to be used as a means of managing short-term increases in workloads and project activity.

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420 PMAS provides standard monthly staffing reports to the Executive.

### **Staff development and training**

421 DPS provides a range of development opportunities to staff.

422 A performance management working party was formed to develop a new performance management scheme for DPS, which was implemented under the new certified agreements. The individual development plans prepared under the performance management scheme have been a key avenue for identifying development needs.

423 A range of external training courses and a number of in-house workshops were delivered throughout the year to assist supervisors in conducting effective performance management discussions.

424 Sixty-five staff members received support for study. Support included a combination of time to attend study activities and financial assistance towards compulsory costs.

### **Workplace relations**

425 The focus of activity in this year was on negotiating and implementing two new certified agreements, one for most DPS employees and the other for PSS employees (see paragraphs 20 to 22 in Part 1 of this report).

### **Workplace diversity**

426 The workplace diversity plan for 2005-07 which was developed in 2005 continued to build on existing activities which support workplace diversity in DPS.

### **Occupational health and safety (OHS)**

427 The DPS OHS Committee met seven times during the year. The work of the committee has primarily been directed at reviewing and rationalising existing OHS policies and procedures from the predecessor departments to ensure that they meet the requirements of a larger and more diverse department.

428 The OHS Committee also commissioned a group to review the use of SafetyMAP as DPS's OHS management system auditing tool. The group reported in December 2005 with a recommendation to continue with SafetyMAP as the basis for our OHS management system. The Executive Committee has accepted this recommendation.

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429 During the year, eight incidents were notified to Comcare in accordance with section 68 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991* (the **OHS Act**). This was an encouraging reduction from 23 incidents in 2004-05. The incidents reported involved two dangerous occurrences and six injuries defined as serious personal injuries, including a potentially dangerous occurrence where sparks came out of a motor unit on a roller door, and an incident in which a gym instructor injured an ankle while instructing an exercise class.

430 Each incident was examined by DPS and remedial action was taken where necessary. Comcare undertook a review in relation to four previous investigations. Comcare concluded that all recommendations related to those investigations had been satisfactorily implemented by DPS.

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

### **Commonwealth Disability Strategy**

432 DPS has three roles under the Commonwealth Disability Strategy (**CDS**).

#### *Provider Role*

433 DPS is the principal support agency for the operations of Parliament. In providing services for the occupants of and visitors to Parliament House, DPS maintained its compliance with the CDS.

434 In relation to physical changes in the building, the Building and Security Projects section ensures that all projects are carried out in accordance with the Building Code of Australia (**BCA**). The BCA requires that Australian Standard 1428 (disabled access requirements) are met in any new works. During 2005-06 there were no individual projects carried out that related specifically to disabled access.

#### *Employer Role*

435 As required under section 18 of the *Parliamentary Service Act 1999*, DPS has a workplace diversity program. The *DPS Workplace Diversity Program 2005-07* includes provisions to ensure that the department's employment policies and procedures support equitable working conditions for employees, including those with disabilities.

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436 All press and gazette advertising now includes a reference to a TTY number for potential applicants with hearing or speech disabilities. The “reasonable adjustment” principles are followed in the recruitment and management of staff. DPS has not needed to apply these principles in any recruitment process in 2005-06.

437 Staff development programs take account of the needs of people with disabilities, and individual needs are accommodated on a case-by-case basis before the commencement of the program.

438 DPS has a number of mechanisms in place—both informal and formal—to manage complaints and grievances. Access is available to Workplace Harassment Contact Officers, the Employee Assistance Program and the Parliamentary Service Merit Protection Commissioner.

*Purchaser Role*

439 All departmental tender documents include provisions requiring contractors to meet their obligations, where applicable, under the *Disability Discrimination Act 1992*.

**Ecologically sustainable development and environmental performance**

440 DPS facilitates and coordinates sustainability issues on behalf of all the parliamentary departments.

441 This report, prepared in accordance with the reporting requirements of section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (the **EPBC Act**), addresses ecologically sustainable development and environmental performance for 2005–06 for all parliamentary departments.

442 A more detailed Parliament House Environmental Performance Report for 2005-2006, using the international Global Reporting Initiative (**GRI**), is available on the DPS web site at <http://www.aph.gov.au>.

*DPS’s activities and administration of legislation*

443 Paragraph 516A(6)(a) of the EPBC Act requires DPS to report on how our departmental activities, and any administration of legislation, accorded with the principles of ecologically sustainable development.

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444 The agencies occupying Parliament House do not manage, coordinate or administer any legislation on behalf of the Commonwealth that has any direct environmental impact. However they do comply with Commonwealth and Australian Capital Territory environmental legislation, and with State legislation where applicable.

445 DPS places a significant emphasis on environmental performance, demonstrated in part by including two specific references in the Corporate Plan 2004–07. Those references require DPS to:

- (a) lead by example in environmental management; and
- (b) balance environmental, social, financial and operational considerations when making decisions.

*Contributions of outcomes*

446 Paragraph 516A(6)(b) of the EPBC Act requires DPS to report on how the outcomes specified in an Appropriations Act for the reporting period contribute to ecologically sustainable development.

447 The outcomes of the parliamentary departments, specified in the Appropriations (Parliamentary Departments) Acts for 2005-06, are as follows:

- (a) **Department of Parliamentary Services:** Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.
- (b) **Department of the Senate:** Effective provision of services to support the functioning of the Senate as a House of the Commonwealth Parliament.
- (c) **Department of the House of Representatives:** The House of Representatives fulfils its role as a representative and legislative body.

448 None of these outcomes directly contributes to ecologically sustainable development. However, Sub-output 3.3 in the DPS Portfolio Budget Statement 2005-06 requires reductions in energy and water consumption and greenhouse gas emissions, and improvements in the rate of recycling at Parliament House. These required outcomes would assist DPS in reducing the environmental impact of parliamentary operations.

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449 Reference to these specific expectations can be found under Sub-output 3.3, paragraphs 342 to 354. The detailed Parliament House Environmental Performance Report is available at <http://www.aph.gov.au>.

*Effect of activities on the environment*

450 Paragraph 516A(6)(c) of the EPBC Act requires DPS to report on the effect of our activities on the environment.

451 In the course of its operations, the Parliament has impacts on the environment through the consumption of electricity, natural gas, diesel fuel, paper and other materials, through the generation of waste and through water usage.

*Measures to minimise environmental impact*

452 Paragraph 516A(6)(d) of the EPBC Act requires DPS to report on measures taken to minimise the impact of environmental activities on the environment.

**Energy use**

453 In 2005-06 DPS continued to purchase 10% green energy to reduce greenhouse gas emissions resulting from Parliament House's use of energy.

454 The Department of the House of Representatives energy saving policy requires departmental staff to conduct an inspection of all Members' suites at the end of each fortnightly sitting period to turn off all electrical equipment and lights that have been left on. They also check that taps are not left dripping.

**Water use**

455 Strategies to reduce water use included:

- (a) experimenting with drought-resistant grasses;
- (b) installing water meters on water displays to enable us to identify ways of reducing the water consumption of these displays; and
- (c) installing five waterless urinals during refurbishment of the Health and Recreation Centre and trialling microbial cubes that reduce the volume of water used in urinals.



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### **Recycling and waste management**

456 The ongoing review of waste management and recycling strategies led to further reductions in the volume of waste going to landfill by:

- (a) increasing the recycling of materials removed from Parliament House;
- (b) continuing review and reduction of the size of print runs, especially in the chamber departments;
- (c) recycling 28,000 lamps and fluorescent tubes (an increase of around 20% over 2004-05); and
- (d) recycling 4.19 tonnes of used print cartridges (an increase of around 13% over 2004-05).

457 The 2004-05 Annual Report advised that further analysis of the impact of commingled recycling on Loading Dock labour and the cleaning contractor would be undertaken. Because the volume of material collected from commingled recycling was small, no adverse labour impacts were experienced by Loading Dock or cleaning staff. Modelling has now been completed that demonstrates the potential impact of increased commingled recovery rates on Loading Dock staff and the cleaning contractor.

### **Purchasing**

458 During 2005–06 DPS complied with the *Commonwealth Procurement Guidelines*, in particular Department of Finance Guideline No 10—*Guidance on Complying with Legislation and Government Policy in Procurement*. This aims to ensure procurement decisions take into account a whole-of-life approach, and consider in particular the Department of Environment and Heritage guidelines on environmentally-friendly purchasing.

459 The purchase of technology by the Department of the Senate focussed on minimising resource consumption, including power, the reusability and recycling of equipment at the end of its life, and having suppliers take back packaging for reuse or recycling. Similar considerations were built into the selection criteria for the standing offer for desktop computer equipment for the Parliament, which is now in operation.

460 In the Department of the House of Representatives, “Green purchasing” formed an integral part of purchasing selection criteria,

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and was used in major purchases including chairs, refrigerators, dishwashers and fax machines. Elements such as energy consumption, sustainable manufacturing techniques, the reuse of parts on obsolete equipment and the return of packaging were included.

### **Communication and promotion**

461 The environmental portal, accessible through the Parliament House web site <http://www.aph.gov.au>, facilitates access to environmental information relating to operations at Parliament House.

#### *Mechanisms for review*

462 Paragraph 516A(6)(e) of the EPBC Act requires DPS to identify mechanisms for reviewing and increasing the effectiveness of measures to minimise the impact of activities on the environment.

463 The DPS Environmental Management System (**EMS**) measures the effectiveness of DPS's efforts to minimise the environmental impact of its operations. This is achieved through:

- (a) meetings of the DPS Environmental Management Committee;
- (b) regular reporting of environmental performance against set targets; and
- (c) reviews of the EMS documentation.

464 In 2005-06 a significant amount of the DPS EMS was reviewed and updated.

465 When convened, one of the initial tasks of a new interdepartmental Environmental Management Committee (EMC) will be to oversee the extension of the EMS to cover all parliamentary departments. This will become a major focus in the second half of 2006-07.

466 A review of environmental coordination across the parliamentary administration led to the development of a paper recommending a new EMC comprising senior officers from the three parliamentary departments and the Ministerial Wing. This proposal will be considered in early 2006-07.

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### **Purchasing**

#### *Overview*

467 The purchasing of property and services by DPS during 2005-06 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**) of January 2005, and DPS Chief Executive's Instructions and supporting procedures.

468 DPS's primary purchasing objectives were:

- (a) to ensure the principle of value for money was consistently observed through:
  - (i) encouraging competition;
  - (ii) promoting efficiency, effectiveness and ethical use of resources; and
  - (iii) 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.

469 DPS has in place a procurement unit, accredited in accordance with Government Skills Australia competencies, to facilitate and monitor contracting and tendering activity across the department. The procurement unit acts to ensure that established guidelines and procedures are observed and statutory reporting responsibilities are met.

#### *Consultants*

470 During 2005-06, 16 new consultancies were entered into involving total actual expenditure of \$225,677 (GST inclusive). In addition, 24 ongoing consultancy contracts were in place from previous years, involving total actual expenditure of \$859,343 (GST inclusive) during the reporting year.

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471 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 objectives.

472 It is the policy of DPS to engage external consultants where they will add genuine value to the operational effectiveness of the department. Each proposal to engage a consultant is carefully scrutinised and considered on its individual merits, and justifying reasons include:

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

473 The method of procurement for consultants is determined by the complexity, nature and value of each specific requirement. The methods used include open tendering, select tendering or quotation, or a direct sourcing arrangement. The method chosen is that which will achieve the best value-for-money outcome in each circumstance, and the choice is subject to the Mandatory Procurement Procedures within the CPGs (where applicable).

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

- (a) legal;
- (b) architectural;
- (c) engineering;
- (d) audit; and
- (e) building management.

475 Particulars of consultancy contracts awarded to the value of \$10,000 or more during 2005-06 are shown in Table 1, Appendix A.

*Competitive tendering and contracting*

476 During 2005-06, DPS did not conduct any competitive tendering and contracting processes that involved contracting out the delivery of government activities, previously performed by a Commonwealth agency, to another organisation.

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### *Exempt contracts*

477 During 2005-06, 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**

478 The Parliament House building has a current replacement cost of \$1.64 billion and an expected remaining life of 182 years. The building represents a public investment, is a national and international tourist attraction and is an eminent work of architecture. The building is expected to accommodate growth and to adapt to the changing functional requirements of Parliament.

479 DPS is responsible for assets management of Parliament House. We have implemented sophisticated asset management systems to ensure that the building fulfils its role as a functional parliamentary building, an office for the executive government and a tourist attraction.

480 The asset management systems used by DPS include a building management system, a maintenance management system, life cycle management, condition monitoring, 100-, 20- and 5-year asset management plans, performance standards and benchmarking. These systems are used in combination to ensure that appropriate levels of condition and serviceability are maintained in a cost-effective manner. The systems are supported by a team of professional engineers, planners and trade staff.

481 The department uses a series of performance indices to measure asset management performance, including the Building Condition Index (**BCI**). The performance against these indices is reported separately in Figure 31 in Part 4 of this report.

482 The DPS maintenance services team used a combination of in-house and contracted personnel to ensure timely cost-effective maintenance service provision. Working with maintenance planning personnel, the maintenance services team achieved a ratio of 84% planned preventative maintenance to 16% reactive maintenance. Their efforts ensured that the building achieved a BCI of 89.7% for a cost of \$46.87 per square metre.

483 The Landscape Condition Index for 2005-06 was rated at 87%; a 2% increase over last year. This reflects the completion of

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the security wall project and the restoration of drought-affected turf areas, which have restored the landscape to some extent.

484 The Australian Capital Territory is still experiencing below-average rainfall and water restrictions are still in place. A water strategy is being developed that includes researching warm season grasses that are more water efficient for use at Parliament House. DPS managed to maintain a generally high standard of landscape while achieving the required water savings.

485 A research trial was started to evaluate 14 new varieties of buffalo grass. Past trial data has shown that buffalo grass is 40% more water efficient than Canberra's traditional cool season grasses. This trial will help DPS in selecting varieties suited to our site.

486 A two-year project has commenced to replant the 6,000 plants lost during the four drought years. DPS staff will look closely at what plants have survived and use this information to help reduce the impact from future dry periods.

487 DPS's other major assets comprise information technology, telecommunications, broadcasting and security infrastructure, equipment and systems, and the art collection. A departmental plant and equipment stocktake is conducted annually, including information technology and office equipment, and the details recorded in the DPS asset register are confirmed or amended. During 2005-06, DPS was one of four organisations reviewed by the ANAO in relation to the management of infrastructure, plant and equipment assets, with the ANAO finding that DPS's asset management processes are sound (see paragraph 491 below).

### **Accountability**

#### *External scrutiny*

##### **ANAO audits**

488 During 2005-06, DPS was the subject of external performance and compliance audits by the ANAO in relation to its financial statements for the period ending 30 June 2005. These audits were unqualified.

489 The ANAO audits the compliance of agencies with the *Senate Order for Departmental and Agency Contracts* (the **Senate Order**) that requires the listing of contract details on the Internet. As a parliamentary department, DPS is not required to comply with the

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Senate Order, but has chosen to do so. DPS was not selected for review during the 2005 calendar year.

490 There were two ANAO reports during 2005–06, however, which directly involved DPS:

- (a) No. 37—*The Management of Infrastructure, Plant and Equipment Assets* (3 May 2006); and
- (b) No. 51—*Implementation of the Parliamentary Resolutions Arising From the Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament* (28 June 2006).

491 DPS was one of four entities reviewed in relation to the management of infrastructure, plant and equipment assets (Report No. 37). The ANAO provided a comprehensive management report following this review, noting that DPS's asset management processes are sound, and:

- (a) finding that, overall, the control environment over DPS's asset management functions was satisfactory;
- (b) acknowledging DPS's stated intention to include asset-related planning in future business planning processes;
- (c) finding that DPS has sound processes for the planning, monitoring and approval of asset acquisitions, and supporting DPS's current initiatives to further strengthen arrangements for asset replacement planning;
- (d) judging DPS's performance in regard to the management of the operation of its assets as good; and
- (e) noting that, at the time of the audit, DPS was developing detailed instructions to guide staff on making disposal-related decisions, which were expected to further assist in the management of asset disposal decisions.

492 DPS was the main focus of Report No. 51. The audit objectives were to report on the implementation of the parliamentary resolutions and other actions arising out of the six recommendations made in the final report entitled *Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament*. The audit also broadly examined the impact of implementation of the parliamentary resolutions on aspects of:

**Part 5—Management and accountability**

- (a) the level of services provided to the Parliament generally following amalgamation of the three former parliamentary departments into the Department of Parliamentary Services; and
- (b) accommodation space within Parliament House.

493 In summary, the ANAO key findings included the following:

*... the substance of the PSC Review Recommendation 1 and the consequent Presiding Officer's [sic] decisions, in November 2002, in relation to physical security have been met.*

*While not all the efficiencies envisaged by the PSC Review have been realised, DPS nevertheless absorbed reductions of approximately \$6 million per annum in departmental appropriations and advised that there were only minor changes to its services.*

*... two of the three parliamentary resolutions regarding the Parliamentary Library have been implemented. In respect of the outstanding matter, the DPS Secretary and the Parliamentary Librarian plan to implement the final outstanding parliamentary resolution, the development of an annual resourcing and services agreement, which will commence with the 2006-07 financial year.*

*Overall, ... eight of the nine parliamentary resolutions arising out of the final PSC Review have been partly or fully implemented. The ANAO acknowledges the significant effort made by DPS to implement the parliamentary resolutions.*

494 The audit report contains one recommendation aimed at improving the measurement and reporting of DPS service levels. The ANAO also identified for consideration some aspects of the administration of the Parliament that would benefit from further strengthening, including:

- (a) greater strategic planning in relation to Parliament House security and ICT; and
- (b) more formal processes for planning major initiatives and procurement of common items.

495 Before the report was published, work had already begun on general improvements to our strategic planning processes and on



## **Part 5—Management and accountability**

increasing joint procurement activity among the parliamentary departments.

### **Senate Committees**

496 A resolution of the Senate provides that no changes in the structure or responsibilities of the parliamentary departments should be made until:

- (a) particulars of proposed changes have been provided to all Senators;
- (b) the Standing Committee on Appropriations and Staffing has examined the proposed changes and reported to the Senate; and
- (c) the Senate has approved of the changes.

497 The Secretary and Deputy Secretary of DPS attended a meeting of the Senate Standing Committee on Appropriations and Staffing in September 2005 to discuss the proposed restructure of the department (see paragraphs 5 to 13 in Part 1 of this report). As a result of this meeting, committee members were given access to an intranet portal created specifically for the purpose of communicating information about the restructure and progress during the process. The Committee did not report to the Senate about the proposed restructure.

498 DPS appeared before the Senate Finance and Public Administration Committee considering the department's estimates on three occasions during 2005-06, 31 October 2005, 13 February 2006 and 22 May 2006.

### **Other scrutiny**

499 DPS was not subject to any judicial decisions or decisions of administrative tribunals, nor did the Ombudsman report on the activities of DPS in 2005-06.

### *Freedom of information*

500 While DPS is not subject to the provisions of the *Freedom of Information Act 1982* (the **FOI Act**), the department generally tries to respond to requests for information in accordance with the spirit of that Act.

501 DPS maintains documentation on its daily operations, the Parliamentary Library catalogue, the Hansard record, a large number

**Part 5—Management and accountability**

of systems manuals, the “as-constructed” drawings of Parliament House, and the Central Reference Document (a document that describes the principles underpinning the design of Parliament House).

502 Because DPS is not subject to the FOI Act, no facilities are provided to enable members of the public to obtain physical access to its documents. When inquiries for information are made, such requests are referred to the Director, Governance and Business Management.

503 In 2005–06, one request for information was received and the requested information was provided.

*Discretionary grants*

504 DPS does not administer any discretionary grant programs.

*Advertising costs*

505 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.

506 Figure 40 below sets out amounts over \$1,500 paid by DPS during the reporting year. No money was paid to any organisation covered in paragraph (b), (c) or (d).

*Figure 40—Advertising costs*

<b>Supplier</b>	<b>Item</b>	<b>Amount \$ (GST inclusive)</b>
HMA Blaze	Recruitment advertisements	62,282
HMA Blaze	Tender advertisements	2,226
HMA Blaze	Open Day advertisements	2,568
Canberra Times	Floriade advertisements	2,595

**Part 5—Management and accountability**

<b>Supplier</b>	<b>Item</b>	<b>Amount \$ (GST inclusive)</b>
Australian Capital Tourism Corporation	Advertisements for 2006 holiday planner and ACTC visitor centre	7,055
Bytes N Colour	Design and printing services for advertisements for Open Day	2,029
Canberra Convention Centre	Advertising in the 2005 <i>Meeting Planners Guide</i>	3,300
Sampson Communications Aust Pty Ltd	Advertising in the <i>Big Book of Australia</i>	3,977
TW Media	Advertising in <i>This Week in Canberra</i>	5,600
ZOO	Visitors' Guide reprints	45,823
ZOO	Presentation folders	4,315
ZOO	Advertising for Open Day	2,149
ZOO	Advertising for Canberra Times holiday planner, Floriade and <i>This Week in Canberra</i>	1,547
ZOO	Promotional brochures	6,306
ZOO	Magna Carta reprint	4,164
<b>Total</b>		<b>155,936</b>

*Legal Services expenditure*

507 The *Legal Services Directions 2005* (paragraph 11.1(ba)) require publication of expenditure on legal services. During 2005-06, DPS spent the following amounts on legal services:

*Figure 41—Legal services expenditure*

<b>Services</b>	<b>Amount \$ (GST exclusive)</b>
Total legal services expenditure—all external	69,942.26
External expenditure on solicitors	69,715.36
Administrative disbursements on external legal services	226.90

# **Financial Statements**



**INDEPENDENT AUDIT REPORT**

To the President of the Senate and the Speaker of the House of Representatives

**Matters relating to the Electronic Presentation of the Audited Financial Statements**

This audit report relates to the financial statements published in both the annual report and on the website of the Parliament of Australia for the year ended 30 June 2006. The Department of Parliamentary Services' Chief Executive is responsible for the integrity of both the annual report and its web site.

The audit report refers only to the financial statements, schedules and notes named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial statements.

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in the Department of Parliamentary Services' annual report.

**Scope*****The financial statements and Chief Executive's responsibility***

The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Income Statement, Balance Sheet and Statement of Cash Flows;
- Statement of Changes in Equity;
- Schedules of Commitments and Contingencies;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements.

of the Department of Parliamentary Services for the year ended 30 June 2006.

The Department of Parliamentary Services' Chief Executive is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Department of Parliamentary Services, and that comply with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards, other mandatory financial reporting requirements in Australia. The Department's Chief Executive is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

***Audit approach***

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective

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## Financial statements

testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Department of Parliamentary Services' financial position, and of its financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Chief Executive.

### *Independence*

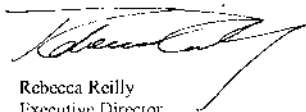
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

### Audit Opinion

In my opinion, the financial statements of the Department of Parliamentary Services:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the Department of Parliamentary Services' financial position as at 30 June 2006 and of its performance and cash flows for the year then ended, in accordance with:
  - (i) the matters required by the Finance Minister's Orders; and
  - (ii) applicable Accounting Standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Rebecca Reilly  
Executive Director

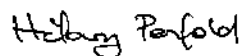
Delegate of the Auditor-General

Canberra  
23 August 2006

**DEPARTMENT OF PARLIAMENTARY SERVICES  
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

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In our opinion, the attached financial statements for the year ended 30 June 2006 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Hilary Penfold QC  
Secretary

23 August 2006



Judith Konig FCPA  
Chief Finance Officer

23 August 2006



**Financial statements****DEPARTMENT OF PARLIAMENTARY SERVICES****INCOME STATEMENT***for the year ended 30 June 2006*

	<b>Notes</b>	<b>2006</b> <b>\$'000</b>	2005 \$'000
<b>INCOME</b>			
<b>Revenue</b>			
Revenues from Government	3A	<b>112,850</b>	112,731
Goods and services	3B	<b>6,515</b>	6,734
Other revenues		<b>113</b>	500
<b>Total Revenue</b>		<b>119,478</b>	119,965
<b>Gains</b>			
Other gains	3C	<b>144</b>	145
<b>TOTAL INCOME</b>		<b>119,622</b>	120,110
<b>EXPENSES</b>			
Employees	4A	<b>58,255</b>	56,692
Suppliers	4B	<b>42,305</b>	42,060
Depreciation and amortisation	4C	<b>17,830</b>	19,109
Finance costs	4D	<b>14</b>	37
Write-down and impairment of assets	4E	-	1,323
Net loss from disposal of assets	4F	<b>279</b>	160
<b>TOTAL EXPENSES</b>		<b>118,683</b>	119,381
<b>Operating result before income tax</b>		<b>939</b>	729
Income tax equivalent expense		-	-
<b>OPERATING RESULT</b>		<b>939</b>	729

The above statement should be read in conjunction with the accompanying notes.

**Financial statements****DEPARTMENT OF PARLIAMENTARY SERVICES****BALANCE SHEET***as at 30 June 2006*

	<b>Notes</b>	<b>2006</b>	2005
		<b>\$'000</b>	\$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	<b>1,087</b>	318
Receivables	5B	<b>46,881</b>	37,572
<b>Total Financial Assets</b>		<b>47,968</b>	37,890
<b>Non-Financial Assets</b>			
Infrastructure, plant and equipment	6A,B	<b>46,777</b>	55,596
Intangibles	6C	<b>10,746</b>	11,656
Inventories	6D	<b>209</b>	204
Other non-financial assets	6E	<b>993</b>	1,125
<b>Total Non-Financial assets</b>		<b>58,725</b>	68,581
<b>TOTAL ASSETS</b>		<b>106,693</b>	106,471
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	<b>2,792</b>	3,576
Other payables	7B	<b>198</b>	797
<b>Total Payables</b>		<b>2,990</b>	4,373
<b>Interest Bearing Liabilities</b>			
Leases	8	<b>55</b>	363
<b>Total Interest Bearing Liabilities</b>		<b>55</b>	363
<b>Provisions</b>			
Employee provisions	9	<b>16,781</b>	16,597
<b>Total Provisions</b>		<b>16,781</b>	16,597
<b>TOTAL LIABILITIES</b>		<b>19,826</b>	21,333
<b>NET ASSETS</b>		<b>86,867</b>	85,138
<b>EQUITY</b>			
Contributed equity		<b>85,507</b>	85,031
Reserves		<b>1,347</b>	1,033
Retained surpluses (accumulated deficits)		<b>13</b>	(926)
<b>TOTAL EQUITY</b>		<b>86,867</b>	85,138
<b>Current assets</b>		<b>49,170</b>	39,219
<b>Non-current assets</b>		<b>57,523</b>	67,252
<b>Current liabilities</b>		<b>17,841</b>	19,668
<b>Non-current liabilities</b>		<b>1,985</b>	1,665

The above statement should be read in conjunction with the accompanying notes.

**Financial statements****DEPARTMENT OF PARLIAMENTARY SERVICES****STATEMENT OF CASH FLOWS***for the year ended 30 June 2006*

	Notes	2006 \$'000	2005 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Goods and services		6,051	9,449
Appropriations		103,861	100,925
Net GST received from ATO		4,532	3,853
<b>Total Cash Received</b>		<b>114,444</b>	<b>114,227</b>
<b>Cash Used</b>			
Employees		58,072	58,218
Suppliers		47,706	48,749
Financing costs		14	37
<b>Total Cash Used</b>		<b>105,792</b>	<b>107,004</b>
<b>Net Cash from or (used by) Operating Activities</b>	11	<b>8,652</b>	<b>7,223</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash Received</b>			
Proceeds from sales of property, plant and equipment		34	45
<b>Total Cash Received</b>		<b>34</b>	<b>45</b>
<b>Cash Used</b>			
Purchase of property, plant and equipment		4,504	7,779
Purchase of intangibles		3,413	2,872
<b>Total Cash Used</b>		<b>7,917</b>	<b>10,651</b>
<b>Net Cash from or (used by) Investing Activities</b>		<b>(7,883)</b>	<b>(10,606)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash Received</b>			
Capital injections		310	-
<b>Total Cash Received</b>		<b>310</b>	<b>Nil</b>
<b>Cash Used</b>			
Purchase of property, plant and equipment		310	-
		310	Nil
<b>Net Cash from or (used by) Financing Activities</b>		<b>Nil</b>	<b>Nil</b>
<b>Net Increase or (Decrease) in cash held</b>		<b>769</b>	<b>(3,383)</b>
Cash at the beginning of the reporting period		318	3,701
<b>Cash at the End of the Reporting Period</b>	5A	<b>1,087</b>	<b>318</b>

The above statement should be read in conjunction with the accompanying notes.

**Financial statements****DEPARTMENT OF PARLIAMENTARY SERVICES****SCHEDULE OF COMMITMENTS**

as at 30 June 2006

<b>BY TYPE</b>	<b>2006</b> <b>\$'000</b>	2005 \$'000
<b>Capital Commitments</b>		
Infrastructure, Plant and Equipment <sup>1</sup>	<b>898</b>	2,261
<b>Total Capital Commitments</b>	<b>898</b>	2,261
<b>Other Commitments</b>		
Operating leases <sup>2</sup>	<b>1,365</b>	2,423
Other <sup>3</sup>	<b>14,801</b>	15,879
<b>Total Other Commitments</b>	<b>16,166</b>	18,302
Commitments Receivable	<b>(781)</b>	(2,273)
<b>Net Commitments by Type</b>	<b>16,283</b>	18,290
<b>BY MATURITY</b>		
<b>Capital Commitments</b>		
One year or less	<b>898</b>	2,261
From one to five years	-	-
Over five years	-	-
<b>Total Capital Commitments</b>	<b>898</b>	2,261
<b>Operating Lease Commitments</b>		
One year or less	<b>1,162</b>	1,165
From one to five years	<b>203</b>	1,258
Over five years	-	-
<b>Total Operating Lease Commitments</b>	<b>1,365</b>	2,423
<b>Other Commitments</b>		
One year or less	<b>6,922</b>	6,460
From one to five years	<b>7,879</b>	9,419
Over five years	-	-
<b>Total Other Commitments</b>	<b>14,801</b>	15,879
Commitments Receivable	<b>(781)</b>	(2,273)
<b>Net Commitments by Maturity</b>	<b>16,283</b>	18,290

NB : Commitments are GST inclusive where relevant.

- 1 Infrastructure, plant and equipment commitments are primarily for purchase of equipment and services for IT system assets and furniture and fittings.
- 2 Operating leases included are effectively non-cancellable and comprise agreements for the provision of motor vehicles, office accommodation and storage facilities.

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Motor vehicles	Lease periods vary from 18 to 60 months, depending on the type of vehicle leased. Ownership never passes to DPS. There are no renewal or purchase options at the end of the leases.
Office accommodation	Relates to office space at the West Block annexe to Old Parliament House. The lease agreement is for a period of ten years, ending in June 2007. Lease payments are subject to annual increases linked to CPI.
Storage facilities	Relates to warehouse space at Queanbeyan. The lease agreement is for a period of 5 years, ending in January 2008. Lease payments are subject to annual increases linked to CPI movements.

- 3 Other commitments are comprised of long term contracts in force as at 30 June 2006, where total consideration is greater than \$100,000, and outstanding purchase orders at 30 June 2006, where the goods and services were ordered but not received by 30 June 2006

The above schedule should be read in conjunction with the accompanying notes.

**Financial statements****DEPARTMENT OF PARLIAMENTARY SERVICES****SCHEDULE OF CONTINGENCIES**

as at 30 June 2006

Contingent liabilities	Guarantees		Claims for damages/ costs		Total	
	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	-	-	-	17	-	17
New	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-
Liabilities crystallised	-	-	-	(15)	-	(15)
Obligations expired	-	-	-	(2)	-	(2)
<b>Total Contingent Liabilities</b>	-	-	-	-	-	-

Contingent assets	Guarantees		Claims for damages/ costs		Total	
	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	-	-	-	-	-	-
New	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
<b>Total Contingent Assets</b>	-	-	-	-	-	-

<b>Net Contingencies</b>					-	-
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Details of each class of contingent liabilities and assets, including any that are not included above because they cannot be quantified or are considered remote, are disclosed in Note 12: Contingent Liabilities and Assets

The above schedule should be read in conjunction with the accompanying notes.

**Financial statements****DEPARTMENT OF PARLIAMENTARY SERVICES  
SCHEDULE OF ADMINISTERED ITEMS**

	Notes	2006 \$'000	2005 \$'000
<b>Income Administered on Behalf of Government</b> <i>for the year ended 30 June 2006</i>			
<b>Revenue</b>			
Other	17	3	373
<b>Total Revenues Administered on Behalf of Government</b>		<b>3</b>	<b>373</b>
<b>Expenses Administered on Behalf of Government</b> <i>for the year ended 30 June 2006</i>			
Depreciation and amortisation	18	41,036	39,853
Write-down of assets	18	4,106	22,746
Value of assets sold	18	19	56
<b>Total Expenses Administered on Behalf of Government</b>		<b>45,161</b>	<b>62,655</b>
<b>Assets Administered on Behalf of Government</b> <i>as at 30 June 2006</i>			
<b>Financial Assets</b>			
Receivables	19	81	467
<b>Total Financial Assets</b>		<b>81</b>	<b>467</b>
<b>Non-Financial Assets</b>			
Land and Buildings	19	1,641,182	1,293,517
Property, Plant and Equipment	19	28,159	29,439
Heritage and Cultural Assets	19	58,624	62,133
<b>Total Non-Financial Assets</b>		<b>1,727,965</b>	<b>1,385,089</b>
<b>Total Assets Administered on Behalf of Government</b>		<b>1,728,046</b>	<b>1,385,556</b>
<b>Liabilities Administered on Behalf of Government</b> <i>as at 30 June 2006</i>			
<b>Payables</b>			
Suppliers	20	107	520
<b>Total Liabilities Administered on Behalf of Government</b>		<b>107</b>	<b>520</b>
<b>Net Assets Administered on Behalf of Government</b>	21	<b>1,727,939</b>	<b>1,385,036</b>
<b>Current Assets</b>		<b>81</b>	467
<b>Non-current Assets</b>		<b>1,727,965</b>	1,385,089
<b>Current Liabilities</b>		<b>107</b>	520
<b>Non-current Liabilities</b>		-	-

This schedule should be read in conjunction with the accompanying notes.

**Financial statements****DEPARTMENT OF PARLIAMENTARY SERVICES  
SCHEDULE OF ADMINISTERED ITEMS (continued)**

	Notes	2006 \$'000	2005 \$'000
<b>Administered Cash Flows</b>			
<i>for the year ended 30 June 2006</i>			
<b>Operating Activities</b>			
<b>Cash Received</b>			
GST received from ATO		<u>1,338</u>	1,521
<b>Total Cash Received</b>		<u>1,338</u>	1,521
<b>Cash Used</b>			
GST paid to Suppliers		<u>(950)</u>	(1,768)
<b>Total Cash Used</b>		<u>(950)</u>	(1,768)
<b>Net Cash From / (Used In) Operating Activities</b>		<u>388</u>	(247)
<b>Investing Activities</b>			
<b>Cash Received</b>			
Proceeds from sales of property, plant and equipment	17	<u>1</u>	1
<b>Total Cash Received</b>		<u>1</u>	1
<b>Cash Used</b>			
Purchase of property, plant and equipment		<u>(9,571)</u>	(17,682)
<b>Total Cash Used</b>		<u>(9,571)</u>	(17,682)
<b>Net Cash From / (Used In) Investing Activities</b>		<u>(9,570)</u>	(17,681)
<b>Net Increase (Decrease) in Cash Held</b>		<b>(9,182)</b>	(17,928)
Cash at the beginning of the reporting period		-	-
Cash from Official Public Account for:			
- Appropriations		<b>9,571</b>	17,888
- GST Annotations Appropriation under S 30A		<b>950</b>	1,768
		<u>10,521</u>	19,656
Cash to Official Public Account for:			
- GST returned		<b>(1,338)</b>	(1,521)
- Other		<b>(1)</b>	(207)
		<u>(1,339)</u>	(1,728)
<b>Cash at End of Reporting Period</b>	19	<u>-</u>	-

This schedule should be read in conjunction with the accompanying notes.

**Financial statements****DEPARTMENT OF PARLIAMENTARY SERVICES  
SCHEDULE OF ADMINISTERED ITEMS (continued)**

	Notes	2006 \$'000	2005 \$'000
<b>Administered Commitments</b>			
<i>as at 30 June 2006</i>			
<b>BY TYPE</b>			
<b>Capital Commitments</b>			
Infrastructure, plant and equipment		3,792	16,102
<b>Total Capital Commitments</b>		<u>3,792</u>	<u>16,102</u>
<b>Commitments Receivable</b>		<u>(345)</u>	<u>(1,464)</u>
<b>Net Commitments by Type</b>		<u>3,447</u>	<u>14,638</u>
<b>BY MATURITY</b>			
<b>Capital Commitments</b>			
One year or less		3,447	14,638
From one to five years		-	-
Over five years		-	-
<b>Net Commitments by Maturity</b>		<u>3,447</u>	<u>14,638</u>

NB : Commitments are GST inclusive where relevant.

**Administered Contingencies**

*as at 30 June 2006*

There were no contingencies or remote or unquantifiable contingencies at balance date.

**Statement of Activities Administered on behalf of Government**

The major administered activities of the Department of Parliamentary Services are directed towards achieving the outcome described in Note 1 to the Financial Statements. Details of planned activities can be found in the Agency Portfolio Budget Statements for 2005-06, which have been tabled in Parliament.

This schedule should be read in conjunction with the accompanying notes.





**Financial statements**

**DEPARTMENT OF PARLIAMENTARY SERVICES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the financial year ended 30 June 2006*

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## **Financial statements**

### **Notes to and forming part of the Financial Statements**

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#### **Note 1 Summary of Significant Accounting Policies**

##### *1.1 Objectives of the Department of Parliamentary Services (DPS)*

The objective of DPS is to serve the Australian people by supporting the Parliament and caring for Parliament House.

DPS is structured to meet one outcome. This outcome is:

*Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.*

The Department's activities contributing towards this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by DPS in its own right. Administered activities involve the management or oversight by DPS, on behalf of the Government, of items controlled or incurred by the Government.

The department's outcome is measured by the following outputs:

#### **OUTPUT 1 - Information and Research Services**

An effective knowledge centre for the Parliament through the provision of information, analysis and advice.

- 1.1 Information, analysis and advice services to meet clients' needs.
- 1.2 Access to collection sources for the use of Parliament.

#### **OUTPUT 2 - Client and Technical Services**

Provision of client support, broadcasting, Hansard, and information and communication technology services.

- 2.1 Client support, broadcasting and Hansard services.
- 2.2 Information and communication technology and broadcasting support.

#### **OUTPUT 3 - Building and Occupant Services**

An efficiently functioning, safe and secure environment for Senators, Members, other building occupants and visitors.

- 3.1 Occupant services.
- 3.2 Visitor services.
- 3.3 Asset management services.

#### **The Administered activity is identified as one item:**

WORKS PROGRAM—Preservation of the heritage value of Parliament House and surrounds.

**Notes to and forming part of the Financial Statements***1.2 Basis of Preparation of the Financial Statements*

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (or **FMOs**, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 01 July 2005)*);
- Australian Accounting Standards issued by the Australian Accounting Standards Board (**AASB**) that apply for the accounting period; and
- Interpretations issued by the AASB and the Urgent Issues Group that apply for the reporting period.

This is the first financial report prepared under Australian Equivalents to International Financial Reporting Standards (**AEIFRS**). The impacts of adopting AEIFRS are disclosed in Note 2.

The Income Statement and Balance Sheet have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted, are at fair value or amortised cost. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars, and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Unless alternative treatment is specifically required by an Accounting Standard, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements that are equally proportionately unperformed, are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 12).

Unless alternative treatment is specifically required by an Accounting Standard, revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for Agency items, except where otherwise stated at Note 1.24.

*1.3 Significant Accounting Judgements and Estimates*

In the process of applying the accounting policies listed in this note, DPS has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

## **Financial statements**

### **Notes to and forming part of the Financial Statements**

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- The fair value of land and buildings has been taken to be the market value subject to restricted use clause as determined by an independent valuer. Parliament House is purpose built and may in fact realise more or less in the market.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

#### *1.4 Statement of Compliance*

The financial report complies with Australian Accounting Standards, which include AEIFRS.

Australian Accounting Standards require DPS to disclose, for those standards that have been issued but are not yet effective, the standards that have not been applied.

The AASB has issued amendments to existing standards; these amendments are denoted by year and then number, for example 2005-1 indicates amendment 1 issued in 2005.

The table below illustrates the standards and amendments that will become effective for DPS in the future. The nature of the impending change within the table, has been of necessity, abbreviated and users should consult the full version available on the AASB's website ([www.aasb.com.au](http://www.aasb.com.au)) to identify the full impact of the change. The expected impact on the financial report of adoption of these standards is based on DPS's initial assessment at this date, but may change. DPS intends to adopt all of the standards upon their application date.

**Financial statements****Notes to and forming part of the Financial Statements**1.4 *Statement of Compliance (continued)*

<b>Title</b>	<b>Standard affected</b>	<b>Application date*</b>	<b>Nature of impending change</b>	<b>Impact expected on financial report</b>
2005-1	AASB 139	1 Jan 2006	Amends hedging requirements for foreign currency risk of a highly probable intra-group transaction.	No expected impact.
2005-4	AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038	1 Jan 2006	Amends AASB 139, AASB 1023 and AASB 1038 to restrict the option to fair value through profit or loss, and makes consequential amendments to AASB 1 and AASB 132.	No expected impact.
2005-5	AASB 1 and AASB 139	1 Jan 2006	Amends AASB 1 to allow an entity to determine whether an arrangement is, or contains, a lease.  Amends AASB 139 to scope out a contractual right to receive reimbursement (in accordance with AASB 137) in the form of cash.	No expected impact.
2005-6	AASB 3	1 Jan 2006	Amends the scope to exclude business combinations involving entities or businesses under common control.	No expected impact.
2005-9	AASB 4, AASB 1023, AASB 139 and AASB 132	1 Jan 2006	Amended standards in regards to financial guarantee contracts.	No expected impact.
2005-10	AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038	1 Jan 2007	Amended requirements subsequent to the issuing of AASB 7.	No expected impact.
2006-1	AASB 121	31 Dec 2006	Changes in requirements for net investments in foreign subsidiaries depending on denominated currency.	No expected impact.
	AASB 7 Financial Instruments: Disclosures	1 Jan 2007	Revise the disclosure requirements for financial instruments from those currently required in AASB 132.	No expected impact.

\* Application date is for annual reporting periods beginning on or after the date shown

## **Financial statements**

### **Notes to and forming part of the Financial Statements**

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#### *1.5 Revenue*

##### **Revenues from Government**

Amounts appropriated for Departmental outputs for the year (adjusted for any formal additions or reductions) are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

##### **Other Revenue**

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to DPS.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits with the transaction will flow to DPS.

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

#### *1.6 Gains*

##### **Resources Received Free of Charge**

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

##### **Other Gains**

Gains from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

**Notes to and forming part of the Financial Statements**

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*1.7 Transactions with the Government as Owner***Equity injections**

Amounts appropriated which are designated as "equity injections" for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

**Restructuring of Administrative Arrangements**

Net assets received or relinquished to another Commonwealth agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

**Other distributions to owners**

The FMOs require that distributions to owners be debited to contributed equity unless they are in the nature of a dividend.

*1.8 Employee Benefits*

As required by the FMOs, DPS has early-adopted AASB 119 Employee Benefits as issued in December 2004.

Liabilities for services rendered by employees are recognised at reporting date to the extent that they have not been settled.

Liabilities for "short-term employee benefits" (as defined in AASB 119) and termination benefits due within 12 months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date (2004-05 LSL only).

**Leave**

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of DPS is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including DPS's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave was calculated using the shorthand method provided by the Australian Government Actuary. In determining the present value of the liability, DPS has taken into account attrition rates and pay increases through promotion and inflation.

**Separation and Redundancy**

Provision is made for separation and redundancy payments in circumstances where DPS has made an offer of Voluntary Redundancy



## **Financial statements**

### **Notes to and forming part of the Financial Statements**

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which has been accepted by a staff member and a reliable estimate of the total amount of the payment can be determined.

#### **Superannuation**

DPS staff are members of the Commonwealth Superannuation Scheme (**CSS**), the Public Sector Superannuation Scheme (**PSS**) or the PSS accumulation plan (**PSSap**).

The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap is a defined contribution scheme

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

DPS makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of DPS's employees.

From 1 July 2005, new employees are eligible to join the PSSap scheme.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final pay accrual of the reporting period, plus the anticipated superannuation contributions when staff take recreation and long service leave.

#### *1.9 Leases*

A distinction is made between:

- finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets; and
- operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the beginning of the inception of the contract, and a liability recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

#### *1.10 Borrowing Costs*

All borrowing costs are expensed as incurred.

#### *1.11 Cash*

Cash means notes and coins held and the balances of DPS's bank accounts. Cash is recognised at its nominal amount.

**Notes to and forming part of the Financial Statements**

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*1.12 Financial Risk Management*

DPS's activities expose it to normal commercial financial risk. As a result of the nature of DPS's business, and internal and Australian Government policies dealing with the management of financial risk, DPS's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

*1.13 De-recognition of Financial Assets and Liabilities*

As prescribed in the FMOs, DPS has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are de-recognised when the obligation under the contract is discharged or cancelled or expires.

For the comparative year (2004-05), financial assets were de-recognised when the contractual right to receive cash no longer existed. Financial liabilities were derecognised when the contractual obligation to pay cash no longer existed.

*1.14 Impairment of Financial Assets*

As prescribed in the FMOs, DPS has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are assessed for impairment at each balance date.

**Financial Assets held at Amortised Cost**

If there is objective evidence that an impairment loss has been incurred for loans and receivables, or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in profit and loss.

**Financial Assets held at Cost**

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

**Available for Sale Financial Assets**

If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in profit and loss, is transferred from equity to profit and loss.

## **Financial statements**

### **Notes to and forming part of the Financial Statements**

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#### **Comparative Year**

The above policies were not applied for the comparative year. For that year, receivables, amounts were recognised and carried at original invoice amount less a provision for doubtful debts based on an estimate made when collection of the full amount was no longer probable. Bad debts were written off as incurred.

Other financial assets carried at cost, which were not held to generate net cash inflows, were assessed for indicators of impairment. Where such indicators were found to exist, the recoverable amount of the assets was estimated and compared to the asset's carrying amount and, if less, reduced to the carrying amount. The reduction was shown as an impairment loss.

#### *1.15 Trade Creditors*

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).

#### *1.16 Contingent Liabilities and Contingent Assets*

Contingent liabilities and assets are not recognised in the Balance Sheet but are disclosed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which the probability of settlement is greater than remote. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability or asset would be recognised. A liability or asset is recognised when its existence is confirmed by a future event, settlement becomes probable (virtually certain for assets) or reliable measurement becomes possible.

#### *1.17 Acquisition of Assets*

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

#### *1.18 Property, Plant and Equipment (PP&E)*

##### **Asset Recognition Threshold**

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total, or add to system assets).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

**Financial statements****Notes to and forming part of the Financial Statements****Definition of Assets**

In these statements, except for office equipment, technical equipment and furniture which are recorded as individual items, a reportable asset is a functional system in which component parts do not retain a separate identity and are not expected to be used by the department after the asset is disposed of.

All non-current depreciable assets are recognised in the financial statements if they belong to a class of assets which is represented by:

- complete functional systems valued at cost or independent valuation;
- work in progress valued at cost; or
- individual items at cost of acquisition or valuation of at least \$2,000.

The department identifies and records all assets individually for fraud control and management purposes.

All monographs added to the Library Collection are capitalised regardless of their individual value as they are regarded as part of a group of similar items significant in total.

**Revaluations***Basis*

Land, buildings, plant and equipment and heritage and cultural assets are carried at valuation, being revalued with sufficient frequency that the carrying amount of each asset class is not materially different, at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June.

Fair values for each class of asset were determined as shown below.

<b>Asset class</b>	<b>Fair value measured at:</b>
Land	Market selling price subject to restricted use clause.
Buildings	Current replacement cost.
Information Technology Assets	Market selling price or depreciated replacement cost
Communication Assets	Market selling price or depreciated replacement cost
Monitoring Assets	Market selling price or depreciated replacement cost
Furniture and Equipment	Market selling price or depreciated replacement cost
Library Collection	Market selling price or depreciated replacement cost
Security Infrastructure	Depreciated replacement cost
Heritage and Cultural Assets	Current market selling price

Assets which are surplus to requirements are valued at their net realisable value.

## Financial statements

### Notes to and forming part of the Financial Statements

#### Conduct

All formal valuations are conducted by an independent qualified valuer. Assets capitalised under finance leases have not been revalued and are accounted for under Australian Accounting Standard AASB 17 Accounting for Leases.

#### Work-in-progress

If, at 30 June 2006, an asset is not fully constructed, the expenditure will be disclosed separately as "work in progress". Depreciation will not be set until the project has been completed to a stage where it can provide a service to the department.

#### Depreciation and Amortisation

An asset is depreciated from the time it is first put into or held ready for use. When an asset is a complex structure made up of interdependent substructures which require installation at successive stages, it is considered as being ready for use only after installation has been completed to a stage where it can provide a service to the department.

All depreciable non-current assets are written off to their estimated residual values over their estimated useful life to DPS. Depreciation is calculated using either the straight-line which is consistent with the pattern of usage or the diminishing value method which is consistent with the market selling price.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current or current and future, reporting periods as appropriate. Residual values are re-estimated when assets are revalued.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives:

	2006	2005
Building	20 to 200 years	20 to 200 years
Heritage and Cultural	Not depreciated	Not depreciated
IT Assets	2 to 20 years	2 to 20 years
Communication Assets	4 to 25 years	4 to 25 years
Monitoring Assets	3 to 20 years	3 to 20 years
Furniture and Equipment	2 to 50 years	2 to 50 years
Library Collection	3 to 30 years	3 to 30 years
Security Infrastructure	3 to 25 years	3 to 25 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Notes 4C and 18.

#### Impairment

All assets were assessed for impairment at 30 June 2006. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its *fair value less costs to sell* and its *value in use*. *Value in use* is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate

**Notes to and forming part of the Financial Statements**

future cash flows, and the asset would be replaced if DPS were deprived of the asset, its *value in use* is taken to be its depreciated replacement cost.

No indicators of impairment were found for assets at fair value.

*1.19 Intangibles*

Intangibles comprise internally developed software for internal use and capital works-in-progress. These assets are carried at cost, and are assessed for indications of impairment.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the department's software is between 3 to 10 years (2004-05: 3 to 10 years). Capital works-in-progress are not depreciated.

*1.20 Inventories*

The Parliament Shop inventories are held for resale and are valued at the lower of cost or net realisable value. Costs are assigned to stock on a first-in-first-out basis.

*1.21 Taxation*

The Department is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

*1.22 Foreign Currency*

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at reporting date. Associated currency gains and losses are not material.

*1.23 Insurance*

DPS has insured for risks through the Government's insurable risk-managed fund *Comcover*. Worker's compensation is insured through Comcare Australia.

*1.24 Reporting of Administered Activities*

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes. Except where otherwise stated below, administered items are reported on the same bases and using the same policies as for Departmental items, including the application of Australian Accounting Standards.

Administered appropriations received or receivable from the Official Public Account (**OPA**) are not reported as administered revenues and assets respectively. Similarly, administered receipts transferred or transferable to the OPA are not reported as administered expenses or payables. These transactions and balances are internal to the Administered entity.

These transfers of cash are reported as administered (operating) cash flows and in the administered reconciliation table in Note 21.

**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2005</b>	2004
	<b>\$'000</b>	\$'000
<b>Note 2 The Impact of the Transition to AEIFRS from Previous AGAAP</b>		
<b>Reconciliation of total equity as presented under previous AGAAP to that under AEIFRS</b>		
Total equity under previous AGAAP	<b>85,059</b>	56,565
Adjustments to retained earnings	<b>79</b>	119
Adjustments to other reserves	<u>-</u>	<u>-</u>
<b>Total Equity translated to AEIFRS</b>	<b><u>85,138</u></b>	<u>56,684</u>
<b>Reconciliation of profit or loss as presented under previous AGAAP to that under AEIFRS</b>		
Prior year loss as previously reported	<b>(1,005)</b>	
Adjustments:		
Employee (refer Note 1.8)	<u>79</u>	
<b>Prior year loss translated to AEIFRS</b>	<b><u>(926)</u></b>	
<b>The impact of the transition to AEIFRS from previous AGAAP (Administered)</b>		
<b>Reconciliation of net assets administered on behalf of Government under previous AGAAP to that under AEIFRS</b>		
Net assets administered on behalf of Government under previous AGAAP	<b><u>1,385,036</u></b>	<u>1,429,973</u>
<b>Net assets administered on behalf of Government translated to AEIFRS</b>	<b><u>1,385,036</u></b>	<u>1,429,973</u>
<b>Reconciliation of expenses administered on behalf of Government under previous AGAAP to that under AEIFRS</b>		
Prior year expenses administered on behalf of Government previously reported	<u>62,655</u>	
<b>Prior year expenses administered on behalf of Government translated to AEIFRS</b>	<b><u>62,655</u></b>	

**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>Note 3      Income</b>		
<b>Revenues</b>		
<u>Note 3A Revenues from Government</u>		
Appropriations for outputs	<b>112,850</b>	112,731
<b>Total revenues from government</b>	<b>112,850</b>	112,731
<u>Note 3B Goods and Services</u>		
Goods	<b>1,307</b>	1,313
Services	<b>5,208</b>	5,421
<b>Total sales of goods and services</b>	<b>6,515</b>	6,734
Provision of goods to:		
Related entities	<b>4</b>	4
External entities	<b>1,303</b>	1,309
<b>Total sales of goods</b>	<b>1,307</b>	1,313
Rendering of services to:		
Related entities	<b>4,413</b>	4,635
External entities	<b>795</b>	786
<b>Total rendering of services</b>	<b>5,208</b>	5,421
<b>Gains</b>		
<u>Note 3C Other Gains</u>		
Resources received free of charge	<b>143</b>	145
Other	<b>1</b>	-
<b>Total other gains</b>	<b>144</b>	145



**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>Note 4      Operating Expenses</b>		
<u>Note 4A   Employee Expenses</u>		
Wages and salary	<b>44,507</b>	42,869
Superannuation	<b>7,295</b>	8,138
Leave and other entitlements	<b>5,475</b>	5,647
Separation and redundancies	<b>978</b>	38
<b>Total employee expense</b>	<b>58,255</b>	56,692
<u>Note 4B   Suppliers</u>		
Provision of goods - related entities	<b>4</b>	9
Provision of goods - external entities	<b>4,933</b>	4,233
Rendering of services - related entities	<b>16,256</b>	17,102
Rendering of services - external entities	<b>18,983</b>	18,581
Operating lease rentals *	<b>1,105</b>	1,239
Workers' compensation premiums	<b>1,024</b>	896
<b>Total supplier expenses</b>	<b>42,305</b>	42,060
* These comprise the minimum lease payments only.		
<u>Note 4C   Depreciation and Amortisation</u>		
Depreciation of property, plant and equipment	<b>13,529</b>	14,584
Amortisation of intangibles-Computer software	<b>4,301</b>	4,525
<b>Total depreciation and amortisation</b>	<b>17,830</b>	19,109
The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:		
Information technology assets	<b>2,063</b>	3,725
Communication assets	<b>4,010</b>	4,078
Monitoring assets	<b>131</b>	165
Furniture and equipment	<b>1,122</b>	1,134
Library collection	<b>847</b>	907
Security infrastructure	<b>5,356</b>	4,575
Intangibles-Computer software	<b>4,301</b>	4,525
<b>Total depreciation and amortisation</b>	<b>17,830</b>	19,109
<u>Note 4D   Finance Costs</u>		
Leases	<b>14</b>	37
<b>Total Finance costs expense</b>	<b>14</b>	37

**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>Note 4E Write Down and impairment of Assets</b>		
Plant and equipment revaluation decrement	-	1,204
Plant and equipment write down	-	33
Intangibles-Computer software write down	-	86
<b>Total write-down of assets</b>	<b>Nil</b>	<b>1,323</b>
<b>Note 4F Net Loss from Sale of Assets</b>		
Plant and equipment		
Proceeds from disposal	<b>(34)</b>	(45)
Net book value of assets disposed	<b>313</b>	205
<b>Net loss from disposal of assets</b>	<b>279</b>	<b>160</b>
<b>Note 5 Financial Assets</b>		
<b>Note 5A Cash and cash equivalents</b>		
Cash on hand	<b>4</b>	6
Cash at bank	<b>1,083</b>	312
<b>Total cash and cash equivalents</b>	<b>1,087</b>	<b>318</b>
<b>Note 5B Receivables</b>		
Goods and services	<b>1,518</b>	916
Less: Allowance for doubtful debts	<b>(10)</b>	(10)
	<b>1,508</b>	906
GST receivable from the Australian Taxation Office (net)	<b>508</b>	955
Appropriations receivable	<b>44,865</b>	35,711
<b>Total receivables (net)</b>	<b>46,881</b>	<b>37,572</b>
All receivables are current assets.		
Receivables (gross) are aged as follows:		
Current	<b>46,448</b>	36,878
Overdue by:		
less than 30 days	<b>51</b>	538
30 days to 60 days	<b>4</b>	166
60 days to 90 days	<b>2</b>	-
more than 90 days	<b>386</b>	-
<b>Total receivables (gross)</b>	<b>46,891</b>	<b>37,582</b>
The allowance for doubtful debts is aged as follows:		
Current	-	-
Overdue by:		
30 days to 60 days	-	(10)
more than 90 days	<b>(10)</b>	-
<b>Total allowance for doubtful debts</b>	<b>(10)</b>	<b>(10)</b>

**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>Note 6 Non-Financial Assets</b>		
<u>Note 6A—Property, plant and equipment</u>		
<b>Information Technology Assets</b>		
At fair value	<b>22,413</b>	22,753
Accumulated depreciation	<b>(16,117)</b>	(15,637)
<b>Total Information Technology Assets</b>	<b><u>6,296</u></b>	<u>7,116</u>
<b>Communication Assets</b>		
At fair value	<b>73,138</b>	70,843
Accumulated depreciation	<b>(55,705)</b>	(51,695)
<b>Total Communication Assets</b>	<b><u>17,433</u></b>	<u>19,148</u>
<b>Monitoring Assets</b>		
At fair value	<b>3,674</b>	3,538
Accumulated depreciation	<b>(3,044)</b>	(2,936)
<b>Total Monitoring Assets</b>	<b><u>630</u></b>	<u>602</u>
<b>Furniture and Equipment</b>		
At fair value	<b>9,123</b>	8,942
Accumulated depreciation	<b>(6,703)</b>	(5,751)
<b>Total Furniture and Equipment</b>	<b><u>2,420</u></b>	<u>3,191</u>
<b>Library Collection</b>		
At fair value	<b>7,360</b>	6,450
Accumulated depreciation	<b>(2,430)</b>	(1,406)
<b>Total Library Collection</b>	<b><u>4,930</u></b>	<u>5,044</u>
<b>Security Infrastructure</b>		
At fair value	<b>64,799</b>	64,870
Accumulated depreciation	<b>(49,731)</b>	(44,375)
<b>Total Security Infrastructure</b>	<b><u>15,068</u></b>	<u>20,495</u>
<b>Total Property, Plant and Equipment (non-current)</b>	<b><u>46,777</u></b>	<u>55,596</u>

Plant and equipment under finance leases is subject to revaluation. The carrying amount is included in the valuation figures above and is separately disclosed in Table B below. All formal revaluations are independent and are conducted in accordance with the revaluation policy stated at Note 1.18. In 2005-06, the formal revaluation was conducted by an independent valuer, K Adams AAPI, Certified Practising Valuer, Australian Valuation Office.

Revaluation increment of \$313,285 for Library Collection (2005 increment: \$1,032,782 for Security Assets) was made to the Asset Revaluation Reserve. There was no revaluation decrement (2005 decrement: \$1,203,675 for System Assets and Furniture and Equipment was expensed).

**Financial statements****Notes to and forming part of the Financial Statements**

## Note 6B Analysis of Property, Plant and Equipment

**TABLE A—Reconciliation of the opening and closing balances of property, plant and equipment (including Library Collection)**

<b>Item</b>	<b>Property, Plant and Equipment \$'000</b>
<b>As at 1 July 2005</b>	
Gross book value	177,394
Accumulated depreciation/amortisation	(121,798)
<i>Opening Net book value</i>	55,596
<b>Additions</b>	
By purchase	<b>4,686</b>
<b>Net revaluation increment/(decrement)</b>	<b>314</b>
Write down	-
Depreciation	<b>(13,529)</b>
<b>Disposals:</b>	
Value of assets sold	<b>(290)</b>
Other transfers	-
<b>As at 30 June 2006</b>	
Gross book value	<b>180,506</b>
Accumulated Depreciation	<b>(133,729)</b>
<b>Closing Net book value</b>	<b>46,777</b>

**Financial statements**

Notes to and forming part of the Financial Statements

Note 6B (continued) Analysis of Property, Plant and Equipment

**TABLE B — Property, plant and equipment held under finance lease**

Item	Property, Plant and Equipment \$'000
<b>As at 30 June 2006</b>	
Gross Value	860
Accumulated depreciation/amortisation	(809)
<b>Net book value</b>	<b>51</b>
<b>As at 30 June 2005</b>	
Gross Value	860
Accumulated depreciation/amortisation	(516)
Net book value	344

**TABLE C — Property, plant and equipment under construction**

Item	Property, Plant and Equipment \$'000
<b>Carrying amount as at 30 June 2006</b>	<b>3,105</b>
Carrying amount as at 30 June 2005	4,582

**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<u>Note 6C Intangible Assets</u>		
Computer software		
—Internally developed—in progress	<b>1,935</b>	<b>2,959</b>
—Internally developed—in use	<b>26,232</b>	<b>21,842</b>
Accumulated amortisation	<b>(17,421)</b>	<b>(13,145)</b>
<b>Total intangibles (non-current)</b>	<b>10,746</b>	<b>11,656</b>

**TABLE A - Reconciliation of the opening and closing balances of intangibles**

Item	Computer Software \$'000
As at 1 July 2005	
Gross book value	24,801
Accumulated amortisation	(13,145)
Net book value	11,656
Additions	<b>3,413</b>
Amortisation expense	<b>(4,301)</b>
Write downs	-
Disposals	<b>(23)</b>
<b>As at 30 June 2006</b>	
Gross book value	<b>28,167</b>
Accumulated amortisation	<b>(17,421)</b>
<b>Closing Net book value</b>	<b>10,746</b>

**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<u>Note 6D Inventories</u>		
Inventories held for sale—The Parliament Shop	<b>209</b>	204
<b>Total inventories</b>	<b>209</b>	204

All departmental inventories are current assets.

<u>Note 6E Other Non-Financial Assets</u>		
Prepayments	<b>993</b>	1,100
Other	-	25
<b>Total other non-financial assets</b>	<b>993</b>	1,125

All other non-financial assets are current assets.

**Note 7 Payables**Note 7A Suppliers

Trade creditors	<b>2,792</b>	3,576
<b>Total Supplier Payables</b>	<b>2,792</b>	3,576

Supplier Payables are all current liabilities.

Note 7B Other Payables

Revenue received in advance	<b>198</b>	797
<b>Total Other Payables</b>	<b>198</b>	797

Other payables are represented by:

Current	<b>155</b>	618
Non-current	<b>43</b>	179

**Note 8 Interest Bearing Liabilities**

Finance lease commitments payable:

Within one year

Minimum lease payments	<b>56</b>	320
Deduct: future finance charges	<b>(1)</b>	(14)
	<b>55</b>	306

In one to five years

Minimum lease payments	-	58
Deduct: future finance charges	-	(1)
	-	57

**Finance lease recognised in balance sheet**

	<b>55</b>	363
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Rental contracts for the hire of computer equipment, peripherals and other equipment have been treated as finance leases. The hire contracts are effectively non-cancellable. While ownership will never pass to DPS, all the risks and benefits of ownership do pass to DPS for the duration of the rental period. The agreement periods ranged from three to five years. There are no contingent rentals.

**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>Note 9</b>		
<b>Provisions</b>		
<u>Employee provisions</u>		
Salaries and wages	<b>580</b>	309
Leave and other entitlements	<b>14,974</b>	14,726
Superannuation	<b>1,081</b>	1,562
Separations and redundancies	<b>146</b>	-
<b>Total employee provisions</b>	<b>16,781</b>	16,597
 Provisions are represented by:		
Current	<b>14,839</b>	14,932
Non-current	<b>1,942</b>	1,665
<b>Total employee provisions</b>	<b>16,781</b>	16,597

**Note 10 Restructuring**Departmental restructuring

Effective from 1 July 2004 the funding and assets associated with the security function of Parliament House were formally transferred from the Department of the Senate and the Department of the House of Representatives to the Department of Parliamentary Services.

There were no net assets received or relinquished to another Commonwealth agency or authority under a restructure of administrative arrangements in 2005-06.

In respect of functions assumed, the net book values of assets and liabilities transferred to DPS, for no consideration, and recognised at the date of transfer were:

Total assets recognised	-	26,693
Total liabilities recognised	-	-
<b>Net assets assumed</b>	<b>Nil</b>	26,693



**Financial statements****Notes to and forming part of the Financial Statements****Note 11 Cash Flow Reconciliation**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>Reconciliation of cash as per Income Statement to Statement of Cash Flows</b>		
Cash at year end as per Statement of Cash Flows	<b>1,087</b>	318
Balance Sheet items comprising above cash: "Financial Asset—Cash"	<b>1,087</b>	318
<b>Reconciliation of operating result to net cash from operating activities:</b>		
Operating result	<b>939</b>	769
Depreciation/amortisation	<b>17,830</b>	19,109
Net write down of non-financial assets	-	1,323
(Gain) / Loss on disposal of assets	<b>279</b>	160
(Increase) / decrease in net receivables	<b>(9,556)</b>	(10,332)
(Increase) / decrease in inventories	<b>(5)</b>	(14)
(Increase) / decrease in prepayments	<b>151</b>	(395)
(Increase) / decrease in GST receivable	<b>442</b>	(696)
Increase / (decrease) in employee provisions	<b>182</b>	(1,566)
Increase / (decrease) in other provisions and payables	<b>(1,610)</b>	(1,135)
<b>Net cash from / (used by) operating activities</b>	<b>8,652</b>	7,223

**Note 12 Contingent Liabilities and Assets***Quantifiable Contingencies*

As at 30 June 2006 DPS had no quantifiable contingencies.

*Unquantifiable Contingencies*

As at 30 June 2006 DPS had no unquantifiable contingencies.

*Remote Contingencies*

As at 30 June 2006 DPS had no remote contingencies.

**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2006</b>	2005
<b>Note 13 Executive Remuneration</b>		
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130,000 to \$144,999	-	1
\$145,000 to \$159,999	<b>1</b>	2
\$160,000 to \$174,999	<b>3</b>	-
\$175,000 to \$189,999	<b>4</b>	3
\$220,000 to \$234,999	<b>1</b>	-
\$280,000 to \$294,999	<b>1</b>	1
<b>Total</b>	<b>10</b>	7

The aggregate amount of total remuneration of executives shown above.

<b>\$1,902,852</b>	\$1,253,676
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The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.

<b>\$150,743</b>	Nil
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**Note 14 Remuneration of Auditors**

Financial statement audit services are provided free of charge to DPS.

The fair value of services provided was:

<b>\$118,000</b>	\$105,000
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No other services were provided by the Auditor-General.

**Note 15 Average Staffing Levels**

The average staffing levels for DPS during the year were

<b>767</b>	864
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**Financial statements**

Notes to and forming part of the Financial Statements

**Note 16 Financial Instruments**

Note 16A Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate		
		Interest Rate		1 Year or Less		1 to 5 Years		> 5 Years		Interest Bearing		Total		Effective Interest Rate		
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
<b>Financial Assets</b>																
Cash on Hand	5A	-	-	-	-	-	-	-	-	4	6	4	6	N/A	N/A	N/A
Cash at Bank	5A	-	-	-	-	-	-	-	-	1,083	312	1,083	312	N/A	N/A	N/A
Receivables for goods and services (gross)	5B	-	-	-	-	-	-	-	-	1,518	916	1,518	916	N/A	N/A	N/A
Total		-	-	-	-	-	-	-	-	2,605	1,234	2,605	1,234			
Total Assets										106,693	106,471					
<b>Financial Liabilities</b>																
Finance lease liabilities	8	-	55	363	-	-	-	-	-	-	-	55	363	6.57	6.57	6.57
Trade creditors		-	-	-	-	-	-	-	-	248	108	248	108	N/A	N/A	N/A
Total		-	55	363	-	-	-	-	-	248	108	303	471			
Total Liabilities										18,687	21,333					

**Financial statements****Notes to and forming part of the Financial Statements****Note 16 Financial Instruments (continued)****Note 16B Net Fair Values of Financial Assets and Liabilities**

Departmental		2006		2005		
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	
<b>Financial Assets</b>						
	Cash on hand	5A	4	4	6	6
	Cash at bank	5A	1,083	1,083	312	312
	Receivables for goods and services(net)	5B	1,508	1,508	906	906
<b>Total Financial Assets</b>			<b>2,595</b>	<b>2,595</b>	1,224	1,224
<b>Financial Liabilities (Recognised)</b>						
	Finance lease liability	8	55	55	363	363
	Trade creditors		248	248	108	108
<b>Total Financial Liabilities (Recognised)</b>			<b>303</b>	<b>303</b>	471	471

**Note 16C Credit Risk Exposures**

DPS's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

DPS has no significant exposures to any concentrations of credit risk.

This note also applies to DPS's administered financial instruments and is therefore not produced at Note 22.

**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>Note 17 Income Administered on Behalf of Government</b>		
Heritage and cultural assets donated to the Parliament of Australia	<b>2</b>	372
Proceeds on sale of assets	<b>1</b>	1
<b>Total Income Administered on Behalf of Government</b>	<b>3</b>	373

<b>Note 18 Expenses Administered on Behalf of Government</b>		
<b>Depreciation</b>		
Buildings	<b>38,589</b>	37,543
Other Property, Plant and Equipment	<b>2,447</b>	2,310
<b>Total Depreciation</b>	<b>41,036</b>	39,853
<b>Value of Assets Written-down</b>		
Artworks	<b>4,001</b> <sup>1</sup>	22,746
Buildings	<b>105</b>	-
<b>Total Value of Assets Written-down</b>	<b>4,106</b>	22,746
<b>Value of assets sold</b>		
Other Property, Plant and Equipment	<b>19</b>	56
<b>Total Expenses Administered on Behalf of Government</b>	<b>45,161</b>	62,655

<sup>1</sup> Adjustment for assets found to be held in trust

<b>Note 19 Assets Administered on Behalf of Government</b>		
<b>Financial Assets</b>		
<b>Receivables</b>		
GST receivable from ATO	<b>81</b>	467
<b>Total Financial Assets Administered on Behalf of Government</b>	<b>81</b>	467

All receivables are not overdue.

**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
Note 19 Assets Administered on Behalf of Government ( <i>continued</i> )		
<b>Non-Financial Assets</b>		
<b>Land and Buildings</b>		
<b>Land</b>		
At fair value	<b>25,000</b>	22,500
<b>Total Land</b>	<b>25,000</b>	22,500
<b>Buildings</b>		
At fair value	<b>1,605,812</b>	1,234,131
At cost	-	17,328
Work in Progress – at cost	<b>10,370</b>	19,558
<b>Total Buildings</b>	<b>1,616,182</b>	1,271,017
<b>Total Land and Buildings</b>	<b>1,641,182</b>	1,293,517
<b>Property, Plant and Equipment</b>		
<b>Furniture, Fittings and Equipment</b>		
At fair value	<b>796</b>	614
<b>Total Furniture, Fittings and Equipment</b>	<b>796</b>	614
<b>Plant and Equipment</b>		
At fair value	<b>27,363</b>	28,825
<b>Total Plant and Equipment</b>	<b>27,363</b>	28,825
<b>Total Property, Plant and Equipment</b>	<b>28,159</b>	29,439
<b>Heritage and Cultural Assets</b>		
At fair value	<b>58,192</b>	61,748
Work in progress—at cost	<b>432</b>	385
<b>Total heritage and cultural assets</b>	<b>58,624</b>	62,133
<b>Total Non-Financial Assets administered on behalf of Government</b>	<b>1,727,965</b>	1,385,089
<b>Total Assets Administered on Behalf of Government</b>	<b>1,728,046</b>	1,385,556

All formal revaluations are independent and are conducted in accordance with the revaluation policy stated at Note 1.18. In 2005-06, the formal revaluation was conducted by an independent valuer, A F Graham, Certified Practising Valuer, Australian Valuation Office.

**Financial statements****Notes to and forming part of the Financial Statements**

<b>Note 19 (continued)</b>				
<b>Analysis of Land and Buildings, Property, Plant and Equipment, and Heritage and Cultural Assets</b>				
<b>TABLE A Reconciliation of the opening and closing balances of land and buildings, property, plant and equipment and heritage and cultural assets.</b>				
<b>Item</b>	<b>Land and Buildings \$'000</b>	<b>Property, Plant and Equipment \$'000</b>	<b>Heritage and Cultural Assets \$'000</b>	<b>Total \$'000</b>
As at 1 July 2005				
Gross book value	1,368,447	34,016	62,133	1,464,596
Accumulated depreciation/amortisation	(74,930)	(4,577)	n/a	(79,507)
Opening Net Book Value	1,293,517	29,439	62,133	1,385,089
<b>Additions:</b>				
By donation			2	2
By purchase	8,974	80	490	9,544
By transfer from WIP	(951)	951	-	Nil
Depreciation/amortisation expense	(38,589)	(2,447)	-	(41,036)
Net revaluation / (decrement)	378,336	155 <sup>1</sup>	-	378,491
<b>Disposals</b>				
By sale	(105)	(19)	-	(124)
By adjustment for assets held in trust			(4,001)	(4,001)
<b>As at 30 June 2006</b>				
Gross book value	1,763,271	55,874 <sup>1</sup>	58,624	1,877,769
Accumulated depreciation	(122,089)	(27,715) <sup>1</sup>	n/a	(149,804)
<b>Closing Net Book Value</b>	<b>1,641,182</b>	<b>28,159</b>	<b>58,624</b>	<b>1,727,965</b>

<sup>1</sup> Prior to 2005-06, PP&E assets were held at the net revalued figure. The 2005-06 revaluation adjustment was recorded at the gross amount (gross book value increase of \$20.886m and accumulated depreciation increase of \$20.731m).

## Notes to and forming part of the Financial Statements

TABLE B Assets under construction					
Item	Land and Buildings \$'000	Property, Plant and Equipment \$'000	Heritage and Cultural Assets \$'000	Total	Total
<b>Gross value at 30 June 2006</b>	<b>10,370</b>	<b>-</b>	<b>432</b>	<b>10,802</b>	<b>\$'000</b>
Gross value at 1 July 2005	19,558	Nil	385	19,943	

TABLE C Assets held in trust					
Item	Land and Buildings \$'000	Property, Plant and Equipment \$'000	Heritage and Cultural Assets \$'000	Total	Total
<b>Gross value at 30 June 2006</b>	<b>-</b>	<b>-</b>	<b>4,001<sup>1</sup></b>	<b>4,001</b>	<b>\$'000</b>
Gross value at 1 July 2005	-	-	-	-	Nil

<sup>1</sup> Heritage and cultural assets on permanent loan to enhance the Parliament House art collection.



**Financial statements****Notes to and forming part of the Financial Statements**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>Note 20</b>		
<b>Liabilities Administered on Behalf of Government</b>		
<b>Payables</b>		
Suppliers—trade creditors	<b>107</b>	520
<b>Total Liabilities Administered on behalf of Government</b>	<b>107</b>	520

All payables are current.

<b>Note 21</b>	<b>Administered Reconciliation Table</b>	
<b>Opening administered assets less administered liabilities at 1 July</b>	<b>1,385,036</b>	1,429,637
Plus: Administered revenues	<b>3</b>	373
Asset Revaluations	<b>378,491</b>	-
Less: Administered expenses	<b>(45,161)</b>	(62,655)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations	<b>6,357</b>	9,770
Administered assets and liability appropriation	<b>3,214</b>	8,118
Transfers to OPA:		
Administered Receipts	<b>(1)</b>	(2)
Lapsing Appropriation	<b>-</b>	(205)
<b>Closing administered assets less administered liabilities as at 30 June</b>	<b>1,727,939</b>	1,385,036

Notes to and forming part of the Financial Statements

**Note 22 Administered Financial Instruments**

Administered Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate			
		Rate		1 Year or Less		1 to 5 Years		> 5 Years		2005 \$'000		2006 \$'000		2005 %		2006 %	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 %	2006 %			
<b>Financial Assets</b>																	
Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	N/A
Total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	19													<b>1,728,046</b>	<b>1,385,556</b>		
<b>Financial Liabilities</b>																	
Trade creditors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	20													<b>107</b>	<b>53</b>	<b>N/A</b>	<b>N/A</b>
														<b>24</b>	<b>53</b>		
														<b>24</b>	<b>53</b>		
														<b>107</b>	<b>520</b>		

## Financial statements

### Notes to and forming part of the Financial Statements

#### Note 23 Appropriations

Note 23A. Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations

Particulars	Administered Expenses		Departmental Outputs		Total	
	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$
Balance carried from previous year	11,056,556	10,253,314	36,853,729	22,649,220	47,910,285	32,902,534
Correction of GST owing prior years	-	(26,750)	-	-	-	(26,750)
Reductions of appropriations (prior years)	-	(195,320)	-	-	-	(195,320)
Adjusted Balance carried for previous period	11,056,556	10,031,244	36,853,729	22,649,220	47,910,285	32,680,464
Appropriation Parliamentary Departments Act (No.1) 2005-2006	10,630,000	10,600,000	113,326,000	93,224,000	123,956,000	103,824,000
Departmental Adjustments by the Finance Minister (Appropriation Acts)	(3,000,000)	-	-	-	(3,000,000)	-
Comcover receipts (Appropriation Act s13)	-	-	-	69,086	-	69,086
Adjustment of appropriations on change of entity functions (FMA Act s32)	-	-	-	24,933,000	-	24,933,000
Refunds credited (FMA s30)	-	-	623,570	1,295,612	623,570	1,295,612
Appropriation reduced by section 8 determinations (current year) <sup>1</sup>	(10,600,000)	(10,134)	-	-	(10,600,000)	(10,134)
Sub-total Annual Appropriation	(2,970,000)	10,589,866	113,949,570	119,521,698	110,979,570	130,111,564

## Financial statements

## Notes to and forming part of the Financial Statements

Note 23A. Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations (continued)

Particulars	Administered Expenses Outcome 1		Departmental Outputs		Total	
	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$
Appropriations to take account of recoverable GST (FMA Act s30A)	628,731	955,439	4,558,816	5,105,060	5,187,547	6,060,499
Annotations to 'net appropriations' (FMA Act s31)		-	5,563,517	8,577,710	5,563,517	8,577,710
Total appropriations available for payments	8,715,287	21,576,549	160,925,632	155,853,689	169,640,919	177,430,238
Cash payments made during the year (GST inclusive)	(6,985,967)	(10,519,933)	(114,640,831)	(118,999,960)	(121,626,798)	(129,519,953)
Appropriations credited to Special Accounts (excluding GST)	-	-	-	-	-	-
Balance of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations	1,729,320	11,056,556	46,284,801	36,853,729	48,014,121	47,910,285
<b>Represented by:</b>						
Cash at bank and on hand	-	-	1,086,950	318,024	1,086,950	318,024
Receivable-departmental appropriations	-	-	44,865,145	35,711,000	44,865,145	35,711,000
Receivables-GST receivable from the ATO	-	-	332,706	733,704	332,706	733,704
Formal reductions of appropriations	-	-	-	91,000	-	91,000
Undrawn, unexpired administered appropriations	1,729,320	11,056,556	-	-	1,729,320	11,056,556
<b>Total</b>	<b>1,729,320</b>	<b>11,056,556</b>	<b>46,284,801</b>	<b>36,853,729</b>	<b>48,014,121</b>	<b>47,910,285</b>

<sup>1</sup> The Finance Minister may determine amounts of administered appropriations to be lapsed, having regard to expenses incurred. On 16 February the Finance Minister lapsed \$10.6m of prior year administered appropriations.

**Financial statements****Notes to and forming part of the Financial Statements****Note 23 Appropriations (continued)**

Note 23B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Other than Ordinary Annual Services Appropriations

Particulars	Administered	
	2006	2005
	<b>Equity</b>	Equity
	\$	\$
<b>Year ended 30 June</b>		
Balance carried from previous year	<b>3,581,848</b>	Nil
Appropriation Parliamentary Departments Act (No.1)	-	11,700,000
Appropriations to take account of recoverable GST (FMAAs 30A)	<b>321,389</b>	811,815
Total appropriations available for payments	<b>3,903,237</b>	12,511,815
Cash payments made during the year (GST inclusive)	<b>(3,535,279)</b>	8,929,967
Balance of Authority to Draw Cash from the CRF for Other Than Ordinary Annual Services Appropriations	<b>367,958</b>	3,581,848
<b>Represented by:</b>		
Undrawn, unlapsd administered appropriations	<b>367,958</b>	3,581,848
Total	<b>Nil</b>	Nil

**Financial statements****Notes to and forming part of the Financial Statements****Note 24 Special Accounts***Services for Other Governments and Non-Agency Bodies Special Account*

This account was established under section 20 of the *Financial Management and Accountability Act 1997* for expenditure in connection with services performed on behalf of other governments and bodies that are not agencies under the *Financial Management and Accountability Act 1997*. For the period ending 30 June 2006 this special account had a \$Nil balance and there were no transactions debited or credited for the purposes of the account.

However, this special account is considered to provide the legal basis for the monies advanced by Comcare and held by DPS and the payments made against accrued sick leave entitlements. Pending determination of an employee's claim, permission is obtained in writing from each individual to allow DPS to recover the payments from the monies in the account.

<b>Comcare Account</b>	<b>2006</b>	2005
	\$	\$
<i>Legal Authority: Safety, Rehabilitation and Compensation Act 1998</i>		
<i>Purpose: for the purpose of distributing compensation payments in accordance with this Act.</i>		
Balance carried from previous period	<b>17,092</b>	32,139
Receipts	<b>205,553</b>	334,700
Available for payments	<b>222,645</b>	366,839
Payments made	<b>(165,101)</b>	(349,747)
<b>Balance carried to next year held by DPS</b>	<b>57,544</b>	17,092
<i>Represented by:</i>		
Cash - held by DPS	<b>57,544</b>	17,092

**Financial statements**

**Notes to and forming part of the Financial Statements**

**Note 25 Specific Payment Disclosures**

	<b>2006</b>	<b>2005</b>
	\$	\$
No Act of Grace Payments were made during the reporting period, pursuant to subsection 33(1) of the <i>Financial Management and Accountability Act 1997</i> (2005: No payments).	<u>Nil</u>	<u>Nil</u>
No waivers of an amount owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2005: No waivers).	<u>Nil</u>	<u>Nil</u>
No payments were made under the "Scheme for Compensation for Detriment caused by Defective Administration" during the reporting period (2005: No payments).	<u>Nil</u>	<u>Nil</u>
No ex-gratia payments were provided for during the reporting period. (2005: No payments)	<u>Nil</u>	<u>Nil</u>
No payments were made during the reporting period under section 66 of the <i>Parliamentary Service Act 1999</i> (2005: 3 payments).	<u>Nil</u>	<u>98,478</u>

**Financial statements****Notes to and forming part of the Financial Statements****Note 26 Reporting of Outcomes**

The department uses activity-based costing principles to attribute its shared items. Personnel costs are allocated to output groups based on the number of staff, other corporate costs are allocated on an equal share. The model also attributes the costs of providing other internal services between output groups. These are computing services, telecommunication services and accommodation services. Costs are allocated to other output groups based on the number of computing connections, the number of phone connections and the floor space occupied respectively.

**Note 26A Net cost of Outcome Delivery**

	<b>Outcome 1</b>	
	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
Administered expenses	<b>45,161</b>	62,655
Departmental expenses	<b>118,683</b>	119,381
<b>Total expenses</b>	<b>163,844</b>	182,036
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Administered	<b>3</b>	2
Departmental	<b>2,098</b>	2,095
<b>Total costs recovered</b>	<b>2,101</b>	2,097
<i>Other external revenues</i>		
Departmental		
Other	<b>113</b>	500
Goods and Services Revenue from Related Entities	<b>4,417</b>	4,639
<b>Total other external revenues</b>	<b>4,530</b>	5,139
<b>Net cost of outcome</b>	<b>157,213</b>	174,800

The outcome is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. Refer to the Outcome Resourcing Table in the Departmental Overview of this Annual Report.



**Financial statements**

Notes to and forming part of the Financial Statements

**Note 26 Reporting of Outcomes (continued)**

Note 26B Major Classes of Departmental Revenue and Expenses by Outputs

	Output 1				Output 2			
	Output Group 1.1		Output Group 1.2		Output Group 2.1		Output Group 2.2	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Departmental Expenses</b>								
Employees	9,353	9,079	4,360	4,111	12,495	12,916	7,295	6,782
Suppliers	1,296	1,318	2,031	1,974	3,401	2,834	5,873	6,155
Depreciation and amortisation	413	655	1,559	1,723	1,269	1,579	7,554	8,816
Other expenses	7	213	176	372	3	221	16	217
<b>Total departmental expenses</b>	<b>11,069</b>	<b>11,265</b>	<b>8,126</b>	<b>8,180</b>	<b>17,168</b>	<b>17,550</b>	<b>20,738</b>	<b>21,970</b>
<b>Funded by:</b>								
Revenues from government	11,743	11,763	8,344	8,036	16,442	16,952	21,165	20,479
Sale of goods and services	57	67	30	38	1,130	1,108	1,743	2,195
Other operating revenue	19	19	51	19	18	21	19	21
<b>Total departmental revenues</b>	<b>11,819</b>	<b>11,849</b>	<b>8,425</b>	<b>8,093</b>	<b>17,590</b>	<b>18,081</b>	<b>22,927</b>	<b>22,695</b>

## Notes to and forming part of the Financial Statements

**Note 26 Reporting of Outcomes (continued)**

Note 26B Major Classes of Departmental Revenue and Expenses by Outputs (continued)

Outcome 1	Output 3						Total	
	Output Group 3.1		Output Group 3.2		Output Group 3.3		Outcome 1	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Departmental Expenses</b>								
Employees	13,166	12,046	1,529	1,398	10,057	10,360	58,255	56,692
Suppliers	19,106	18,716	900	882	9,711	10,181	42,319	42,060
Depreciation and amortisation	6,051	5,269	7	6	977	1,061	17,830	19,109
Other expenses	18	248	1	20	58	230	279	1,520
<b>Total departmental expenses</b>	<b>38,341</b>	<b>36,279</b>	<b>2,437</b>	<b>2,306</b>	<b>20,802</b>	<b>21,832</b>	<b>118,683</b>	<b>119,381</b>
<b>Funded by:</b>								
Revenues from government	32,048	32,254	992	991	22,116	22,256	112,850	112,731
Sale of goods and services	2,038	1,920	1,379	1,297	138	109	6,515	6,734
Other operating revenue	18	451	1	37	131	77	257	645
<b>Total departmental revenues</b>	<b>34,104</b>	<b>34,625</b>	<b>2,372</b>	<b>2,324</b>	<b>22,385</b>	<b>22,442</b>	<b>119,622</b>	<b>120,110</b>

**Financial statements**

Notes to and forming part of the Financial Statements

**Note 26 Reporting of Outcomes (continued)**

Note 26C Major Classes of Administered Revenue and Expenses by Outcome

	Outcome 1	
	2006	2005
	\$'000	\$'000
<b>Administered Revenues</b>		
Revenue from sale of assets	1	2
Heritage and cultural assets donated to the Parliament of Australia	2	371
<b>Total Administered Revenues</b>	<b>3</b>	<b>373</b>
<b>Administered expenses</b>		
Depreciation and amortisation	41,036	39,853
Write down of assets	4,106	22,746
Value of assets sold	19	56
<b>Total Administered Expenses</b>	<b>45,161</b>	<b>62,655</b>

DPS's Outcome is described in Note 1.1.

Net costs shown include intra-government costs that are eliminated in calculating the Budget outcome.

# **Appendix**



**Appendix A—Consultancy services 2005-06***Table 1: Consultancy contracts let during 2005-06 for \$10,000 or more*

<b>Consultant name</b>	<b>Description</b>	<b>Contract price</b>	<b>Selection process (1)</b>	<b>Justification (2)</b>
Advance FM Pty Ltd	Audit of the 2004-05 Parliament House condition indexes	\$25,700	Direct sourcing (standing offer)	B
Bassett Consulting Engineers	Computer room thermal modelling	\$15,400	Direct sourcing (standing offer panel)	B
Gutteridge Haskins & Davey Pty Ltd	Cathodic protection testing at Parliament House	\$15,004	Select tender (standing offer panel)	B
Gutteridge Haskins & Davey Pty Ltd	Investigation of water leaks from the flusherette system at Parliament House	\$22,000	Direct sourcing (standing offer panel)	B
Le Quesne & Associates	Review of Parliament House crawl spaces, water ingress, condensation and air quality	\$26,950	Select tender (standing offer panel)	B
Australian Government Solicitor	Provision of legal services	\$15,724	Direct sourcing (standing offer panel)	B
Australian Government Solicitor	Provision of legal services	\$15,996	Direct sourcing (standing offer panel)	B
peckvonhartel	Design of Cabinet Room executive chairs	\$15,400	Select tender	B
Microsoft Pty Ltd	Design, development and implementation of a webcasting system	\$33,000	Direct sourcing	B

**Appendix**

<b>Consultant name</b>	<b>Description</b>	<b>Contract price</b>	<b>Selection process (1)</b>	<b>Justification (2)</b>
Lawson Consulting Group Pty Ltd	Review of food and beverage delivery services at Parliament House	\$27,500	Select tender	B
Sherton Pty Ltd	Provision of investigation services	\$22,000	Direct sourcing	C
Adept Associates Pty Ltd	Provision of investigation services	\$11,000	Direct sourcing	C
Australian Valuation Office	Valuation of administered and library collection assets	\$15,100	Direct sourcing	B
Sussex Materials Solutions Pty Ltd	Provision of advice about fire sprinkler corrosion	\$11,880	Select tender	B
<b>(1) Explanation of selection process based on the Commonwealth Procurement Guidelines of January 2005:</b>				
<b>Open tender:</b> A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders. Public tenders are sought from the marketplace using the Australian Government AusTender Internet site and, in some circumstances, local and national newspapers.				
<b>Select tender:</b> A procurement procedure in which DPS selects which potential suppliers are invited to submit tenders (or quotations). Bids are invited from a short list of competent suppliers.				
<b>Direct sourcing:</b> A procurement procedure where a single potential supplier is invited to bid because of their unique expertise or their special ability to supply the property or services sought.				
<b>Panel:</b> An arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply property or services to DPS. Tenders or quotations are sought from suppliers that have pre-qualified for a panel to supply to the department. This category includes standing offers.				
<b>(2) Justification for decision to use consultancy:</b>				
A	Skills are currently unavailable within the department			
B	A need for specialised or professional skills			
C	A need for independent research or assessment			

## Glossary

Set out below is a glossary of technical terms, or ordinary words used technically, and a list of acronyms and abbreviations used in this document.

**Accrual accounting**—The system of accounting where items are brought to account as they are earned or incurred (and not as cash received or paid) and included in the financial statements for the periods to which they relate.

**Administered items**—Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.

**Agencies/authorities**—The basic unit of organisation covered by the budget, and focus for assessing management performance and implementing government policy. Agencies are Departments of State (eg the Department of Finance and Administration), parliamentary departments (eg DPS) and other agencies prescribed under the *Financial Management and Accountability Act 1997* (eg the Australian Taxation Office). Authorities are bodies corporate (eg the Australian Broadcasting Corporation) which are, for legal purposes, entities in their own right in that they are separate from the Commonwealth government and are governed by the *Commonwealth Authorities and Companies Act 1997*.

**Appropriation**—An authorisation by Parliament to spend monies from the Consolidated Revenue Fund.

**Assets**—Future economic benefits controlled by an entity as a result of past transactions or future events.

**Building Condition Index**—A measurement of the current condition of the maintenance of the building, expressed as a percentage of the original condition.

**Capital expenditure**—Expenditure by an agency on capital projects, for example purchasing a building.

**Cash accounting**—The system of accounting that records cash receipts, payments and balances and provides reports that show the sources of cash and how cash was used.

**Comcare**—Comcare is the workers' compensation insurer for the Australian Commonwealth government, providing safety, rehabilitation and compensation services to Commonwealth employees (and employees of the ACT Government) under the



## **Glossary**

auspices of the Safety, Rehabilitation and Compensation Commission.

**Competitive tendering and contracting**—Represents the process of contracting out the delivery of government activities that were previously performed by a Commonwealth agency, to another organisation following a competitive tendering process.

**Comcover**—Comcover is the Commonwealth's self-managed fund for insurable risk.

**Consolidated Revenue Fund**—Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (**CRF**). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.

**Corporate governance**—The structures and processes employed by an organisation to facilitate accountability to stakeholders, as well as successful performance. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.

**Departmental items**—Assets, liabilities, revenues and expenses which are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.

**Design Integrity Index**—A measurement of the current condition of the building, assessed against the Design Integrity Indicators and expressed as a percentage of the original condition.

**Equity**—The residual interest in the assets of a reporting entity after deduction of its liabilities.

**Expenses**—Consumption or losses of future economic benefits in the form of reductions in assets or increases in liabilities of the entity.

**Financial Management and Accountability Act 1997 (the FMA Act)**—The principal legislation governing the proper use and management of public property and other Commonwealth resources by Commonwealth agencies. FMA Regulations and FMA Orders are made pursuant to the FMA Act.

**Financial results**—The results shown in the financial statements of an entity.

**Liabilities**—Future sacrifices of economic benefits that the entity is presently obliged to make to other entities as a result of past transactions or other past events.

**Materiality**—This concept is assessed taking into account the planned outcome and the relative significance of the resources consumed in contributing to the achievement of that outcome.

**Operating result**—The difference between revenues and expenses; either a surplus or a deficit.

**Outcomes**—Results, impacts or consequences of actions by the Commonwealth on the Australian community. Outcomes are the results or impacts that the government wishes to achieve. Actual outcomes are the results or impacts actually achieved.

**Output groups**—The aggregation of outputs, based on a consistent type of product or beneficiary target group. Aggregation may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.

**Outputs**—The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs include goods and services produced for other areas of government external to the agency.

**Performance information**—Provides evidence about performance that is collected and used systematically, and that may relate to appropriateness, effectiveness and efficiency and the extent to which an outcome can be attributed to an intervention. Performance information may be quantitative (numerical) or qualitative (descriptive); however, it should be verifiable. Performance measures are more precise than indicators, and are used when there is a causal link between an intervention and a measurable change in performance.

**Portfolio Budget Statements**—Statements prepared by agencies to explain the Budget appropriations in terms of outcomes and outputs.

**Purchaser/provider arrangements**—Includes arrangements under which the outputs of one agency are purchased by another agency to contribute to the other agency's outcomes.

**Price**—The amount the government or the community pays for the delivery of agreed outputs.

**Quality**—Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between users' expectations and experiences.

**Quantity**—The size of an output.

## **Glossary**

**Receipts**—The total or gross amount received by the Commonwealth. Each receipt item is either revenue, an offset within outlays, or financing transactions. Receipts include taxes, interest, charges for goods and services, borrowings and government business enterprise dividends received.

**Service charter**—A public statement about the service that a department will provide and what clients can expect from the department. It is government policy that departments that provide services direct to the public have service charters in place.

**Third party outputs**—Goods or services delivered to the community by entities outside the Commonwealth general government sector. They are outputs wholly or partly funded by administered items and are directed to achieving planned outcomes.

**Acronyms and abbreviations**

AFP- Protection	Protection portfolio of the Australian Federal Police
ANAO	Australian National Audit Office
AWA	Australian Workplace Agreement
BCA	Building Code of Australia
BCI	Building Condition Index
BFG	Broadcast Facsimile Gateway
BSB	Building Services Branch
CA	Certified Agreement
CCTV	Closed-circuit television
CDS	Commonwealth Disability Strategy
CEI	Chief Executive Instruction
CEP	Chief Executive Procedure
CFO	Chief Finance Officer
CMB	Content Management Branch
DII	Design Integrity Index
DPS	Department of Parliamentary Services
EMMS	Electronic Media Monitoring Service
EMS	Environmental management system
ESCI	Engineering Systems Condition Index
FCI	Furniture Condition Index
Finance	Department of Finance and Administration
GBAPs	General briefs and publications
GJ	Gigajoule (a joule is a measure of energy; giga is 10 <sup>9</sup> )
ICT	Information and communications technology
IAB	Information Access Branch
ISB	Infrastructure Services Branch
KL	Kilolitre (1,000 litres)

**Acronyms and abbreviations**

LCI	Landscape Condition Index
OHS	Occupational health and safety
OneOffice	Parliamentary computing platform
ParlInfo	Parliamentary information system
PBS	Portfolio Budget Statement
PCN	Parliamentary Computing Network
PHAC	Parliament House Art Collection
POITAG	Presiding Officers' Information Technology Advisory Group
PSDB	Product and Service Development Branch
PSS	Parliamentary Security Service
RB	Research Branch
SBSB	Strategy and Business Services Branch
SES	Senior Executive Service
TIPS	Threat Image Protection System

## Compliance index

The Department of Parliamentary Services is required to present its annual report to each House of the Parliament under paragraph 65(1)(c) of the *Parliamentary Service Act 1999*.

Under subsection 65(2) of the *Parliamentary Service Act 1999*, the department's annual report must be prepared in accordance with guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit (JCPAA). The *Requirements for annual reports for departments, executive agencies and FMA Act bodies* (the **Requirements**) were revised and reissued in June 2006.

The Requirements stipulate a core set of mandatory information which must be included in annual reports to ensure that accountability requirements are met and to provide consistency for readers. There are other items which are suggested for inclusion on the basis of making the annual report as informative as possible.

The following table shows where the mandatory information specified by the Requirements may be found in this report.

<b>Part of report</b>	<b>Requirement item</b>	<b>Location</b>
	Letters of transmittal	Pages iii and v
Aids to access	Table of contents	Page 1
	Index	Page 214
	Glossary	Page 205
	Abbreviations and acronyms	Page 209
	Contact officer	Page ii
	Internet address	Page ii
Part 1—Secretary's review	Review by departmental Secretary	Paragraphs 1 to 78
	Summary of significant issues and developments	Paragraphs 2 to 5732
	Overview of department's performance and financial results	Paragraphs 58 to 68
	Outlook for 2006-07	Paragraphs 76 to 78
Part 3—Departmental overview	Description of department	Paragraphs 168 to 223
		Paragraphs 79 to 81 (Parliamentary Library)

**Compliance index**

<b>Part of report</b>	<b>Requirement item</b>	<b>Location</b>
	Role and functions	Paragraphs 174 to 223 Paragraphs 117 to 133 (Parliamentary Library)
	Organisational structure	Paragraphs 171 to 173
	Outcome and output structure	Paragraph 227
Part 4—Report on performance	Review of performance in relation to outputs and contribution to outcome	Paragraphs 224 to 375 Paragraphs 134 to 167 (Parliamentary Library)
	Actual results against performance targets set out in PBS	Paragraphs 224 to 375 Paragraphs 134 to 167 (Parliamentary Library)
	Narrative discussion and analysis of performance	Paragraphs 224 to 375 Paragraphs 134 to 167 (Parliamentary Library)
	Discussion and analysis of financial performance	Financial statements, pages 145 to 198
	Summary resource tables by outputs	Note 26 to financial statements
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