



JOINT HOUSE DEPARTMENT
Annual Report 2002–03



JOINT HOUSE DEPARTMENT
ANNUAL REPORT
2002-03



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15 September 2003

Mr Speaker
Mr President

LETTER OF TRANSMITTAL

Sub-section 65(1)(c) of the *Parliamentary Service Act 1999* (the Act) requires that I provide you with a report on the operations of the Joint House Department (JHD) for the previous financial year for tabling before both Houses of Parliament. I am pleased to present to you the JHD Annual Report for the 2002–03 financial year. The report complies with Subsection 65(2) of the Act and also the requirements applicable to its preparation, approved on behalf of the Parliament by the Joint Statutory Committee of Public Accounts and Audit.

In accordance with these requirements for Annual Reports, this report must be tabled in each House on or before 31 October 2003.

M BOLTON
Secretary

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ABBREVIATIONS

ACROD	National Industry Association for Disability Services (formerly Australian Council for Rehabilitation of Disabled)
ANAO	Australian National Audit Office
APS	Australian Parliamentary Service
APU	Accredited Procurement Unit
ASIO	Australian Security Intelligence Organisation
ATSI	Aboriginal and Torres Strait Islander
AVO	Australian Valuation Office
BCI	Building Condition Index
BEFR	Budget Estimates Framework Review
BGL	Business Group Leader
BMS	Building Management System
BPS	Balanced Performance Scorecard
BUL	Business Unit Leader
CAC	Commonwealth Authorities and Companies (Act)
CCTV	Closed Circuit Television
CDS	Commonwealth Disability Strategy
CEIs	Chief Executive Instructions
CEPs	Chief Executive Procedures
CHRIS	Complete Human Resources and Payroll Information System
DII	Design Integrity Index
DSEG	Development Support Executive Group
EBOM	Executive Board of Management
ECI	Environmental Condition Index
EEO	Equal Employment Opportunity
EEST	Energy and Environmental Services Team
EMP	Environmental Management Plan
EMS	Environmental Management System
ESCI	Engineering Services Condition Index
ESD	Ecologically Sustainable Development
FM	Facilities Management
FMA	Financial Management and Accountability (Act)
HSR	Health and Safety Representative
HTML	Hyper-text Markup Language
HVAC	Heating, Ventilation and Airconditioning
ISO	International Standards Organization
JHC	Joint House Committee
JHD	Joint House Department
KPI	Key Performance Indicator
KPMG	(JHD's Internal Auditors)
KRA	Key Result Area
LCI	Landscape Condition Index
MGT	(formerly Mitchell/Giurgola & Thorp)
NCA	National Capital Authority
NESB	Non-English-Speaking Background
NSCA	National Safety Council of Australia
OHS	Occupational Health and Safety
PBS	Portfolio Budget Statement
PDF	Portable Document Format
PMS	Performance Management System
PSS	Parliamentary Security Service
PWD	People with a Disability
SAP R/3	(corporate IT modules)
SDI	Service Delivery Index
SES	Senior Executive Service
SMCG	Senior Management Coordination Group
SME	Small-to-Medium Enterprises
TBL	Triple Bottom Line

A User's Guide

This report uses the same outcome-outputs structure used to present the JHD 2002–03 Portfolio Budget Statements.

Part One—contains the Secretary's Review for 2002–03 and Departmental Overview

Part Two—contains the Departmental Report on Performance for 2002–03 and a Special Report.

Part Three—contains the Management and Accountability Reports

Part Four—contains Other Mandatory Information

Part Five—contains the appendices.

Part Six—denoted by blue pages—contains the audited financial statements for 2002–03.

Part Seven—contains the glossary and index, which are found immediately after the financial statements.

How to Find Out More

Visit the JHD website at <http://www.aph.gov.au/jhd/about/index.html> for further information on JHD (such as the Corporate Plan, Service Charter, Annual Reports, etc). Hardcopies of these publications are available through the person listed on page ii of this report.

Users with Disabilities

The electronic versions have been optimised to facilitate better access to the material. Further information pertaining to the Annual Report can be obtained through the Telephone Typewriting Facility (TTY) on (02) 6277 7799.

SECRETARY'S REVIEW FOR 2002-03



SECRETARY'S REVIEW FOR 2002-03

Introduction

The year in review was a significant one for the Joint House Department (JHD). A considerable amount of time and effort was required to upgrade the Parliament's security arrangements following the events in Bali in October 2002. In addition, by the end of the 2002-03 financial year, it was apparent that almost certainly during 2003-04 JHD would be amalgamated into a new Department of Parliamentary Services.

Podger Report

On 30 September 2002, the Parliamentary Service Commissioner, Mr Andrew Podger, presented to the Presiding Officers the final report on his Review of Aspects of the Administration of the Parliament. There have been two main outcomes for JHD from this report: the confirmation of the (Interim) Security Management Board, chaired by the Secretary JHD; and the resolutions by each Chamber to amalgamate the three parliamentary "service" departments into a new joint service department

Security Issues

In their respective Chambers on 11 November 2002, the Presiding Officers indicated their agreement in principle to a centralised security operation being created in JHD as recommended by the Parliamentary Service Commissioner in his review. An Interim Security Management Board had been established under the Chair of the Secretary JHD in March 2002 and this was now confirmed. The Presiding Officers also indicated that security personnel employed by the Departments of the Senate and the House of Representatives would be transferred to JHD, with funds channelled through the Chamber departments to support the centralised security operation. The Presiding Officers' in-principle decision was subsequently endorsed by the Senate Standing Committee on Appropriations and Staffing and that committee's resolutions and proposals were endorsed by the Senate on 18 November 2002.

The Parliamentary Security Service (PSS) management and administrative group was transferred to JHD in June 2003. Arrangements for the transfer of the remainder of PSS staff are well under way and it is expected that this will occur by the end of October 2003.

Security initiatives undertaken during the year included:

- installation of temporary vehicle barriers and the development of new vehicular traffic arrangements to address some vehicle bomb vulnerabilities
- the strengthening of external perimeter security through the greater use of Australian Protective Service Officers, upgraded CCTV coverage, motor vehicle and bike patrols, and explosive detection dogs and

- upgraded metal-detection and baggage X-ray equipment, together with further staff training.

At the request of the Departments of the Senate and the House of Representatives, JHD commenced negotiations for a replacement certified agreement for PSS operational staff—the existing agreement nominally expiring on 30 June 2003. It is hoped that this will be completed by the time of the PSS operational staff transfer.

Amalgamation of the Three Service Departments

The Senate Standing Committee on Appropriations and Staffing also supported the Parliamentary Service Commissioner's recommendation to the Presiding Officers that the Joint House Department, the Department of the Parliamentary Library and the Department of the Parliamentary Reporting Staff be abolished and that a new joint service department be established.

Shortly after the year in review, on 14 August 2003, the House of Representatives passed a resolution along the lines of the Senate Committee's recommendation and the Senate did likewise on 18 August 2003.

In moving the Motion in the House of Representatives, the Speaker, the Hon Neil Andrew MP, acknowledged:

... the extent of uncertainty among staff of parliamentary departments during this extensive review and consideration process. I thank them for their patience and understanding through this time. ... I would ask parliamentary staff to accept this new challenge with their customary high standard of professionalism and enthusiasm.

In the Senate, the President, Senator the Hon Paul Calvert said that:

... officers who currently serve in the Joint House Department ... have given and continue to give excellent service to the institution of the Parliament—as have their predecessors, who have worked in [that department] since 1901. Without the work of the joint departments neither the Senate nor the other place would be able to adequately function. I take this opportunity to publicly thank the personnel of the joint departments. If this motion is passed, I look forward to their continuing contributions to the work of the single, joint parliamentary department.

This new department, effective 1 February 2004, will be called the 'Department of Parliamentary Services' and will fulfil all the functions of the former departments.

New Corporate Plan

In the second half of the year, I was a member of a team of senior staff that developed a new Corporate Plan for JHD for the next three years. The plan builds on the successful integrated planning and performance framework set up under the previous Corporate

Plans and foreshadows the introduction of triple bottom line (TBL) performance measures and reporting. Although the plan will not now see out its three-year life, it will provide a sound and robust framework to monitor the JHD services that will now be managed within the new Department of Parliamentary Services.

Maintaining a Contemporary Heritage Building

During the year, the Strategic Planning Group, in conjunction with Advance FM, developed a 100-year asset replacement plan. This plan underpins the rolling five-year capital works program agreed by the Department of Finance and Administration (Finance). The development of a 100-year plan provides both JHD and Finance with a long-term view of funding required to ensure parliamentary processes are not interrupted and to preserve the value of Parliament House throughout its life cycle. In particular, the plan identifies funding spikes and allows sufficient time for proper planning for these occurrences.

JHD has enhanced selection of projects for this program with the introduction of a TBL evaluation process for each proposed project. This method of evaluation adds a social and environmental perspective to the financial considerations, in order to give a broader perspective to the way of ranking projects competing for the funding dollar.

Finance has agreed to expand administered funding to include the replacement and conservation of JHD-controlled Status B furniture and the Parliament House Art Collection. (Status B furniture is furniture specifically designed for Parliament House that is not artworks furniture, nor generic office furniture.) The Strategic Planning Group has developed a Furniture Management Strategy and a Furniture Condition Index to measure the success of this strategy.

Canberra Bushfires

The January 2003 bushfires had a far-reaching effect on the ACT community. Some JHD staff assisted with fighting the fires, whilst other staff had to cope with the trauma of losing their homes. Emergency measures were introduced to protect the Parliament House building and minimise water usage over the critical fire danger period.

The fires in Canberra had an impact on overall visitor numbers to the region, as evidenced by only 78 050 visitors to Parliament House in January 2003—19% lower than in January 2002.

Environment

In January 2003, the Executive established an Environmental Management Committee. This group is tasked with preparing and delivering an Environmental Management System (EMS) for the whole of Parliament House. The EMS, which is scheduled for completion in December 2003, will include a structured program for improvements to infrastructure, education and awareness-raising, continuous improvement, the

development of goals and milestones, public reporting and external audit of results. The program is designed to build on JHD's already excellent environmental performance over the next three years.

The drought has had a significant impact on the parliamentary landscape over the past year, with the loss of 6 000 square metres of turf and approximately 4 000 plants (mainly native shrubs in the peripheral landscape). Only minor restoration work has been carried out, as water restrictions are still in place and are expected to be tightened from 1 October 2003. Landscapes Services has introduced 500 square metres of new, soft leaf buffalo grass in the peripheral landscape as a trial, to test its capacity to survive Canberra's hot, dry summers with minimal water. Further strategies are being developed to help 'drought-proof' the parliamentary landscape. A water-restriction policy was developed and agreed with Actew.

A reduction in energy consumption of 2.9% was achieved for the year. Preparation of a further long-term energy strategy to build on past results will commence in the first quarter of 2003–04.

SafetyMAP Registration

JHD achieved the significant OHS milestone of SafetyMAP certification during the year, addressing all 58 elements of the initial-level criteria. This process required the participation of all staff and a range of OHS activities were undertaken to enable the certification to be awarded. The resultant registration is valid for three years and provides for six-monthly surveillance audits of JHD to maintain this status.

New Arrangements

During the year, Stores and Distribution arrangements in respect of the Parliament House Queanbeyan warehouse were outsourced to another provider.

Also, in May 2003, responsibility for providing support for certain specialised JHD information technology systems was transferred to the Department of the Parliamentary Reporting Staff.

Centenary Medals

The Centenary Medal was created to honour persons living at the time of the Centenary of Federation (1 January 2001) who had made a significant contribution to Australian society or government. Ten medals were awarded to current or retired JHD or contract staff who had provided exemplary service to the institution of Parliament.

Childcare in Parliament House

Following a survey of Parliament House occupants in 2001–02, a consultant was engaged to further develop the various proposals and put forward options for

consideration. The consultant's report was presented to the Presiding Officers, who agreed to its being released to the Childcare Advisory Group—convened by Senator Trish Crossin—for its consideration.

In addition, JHD has referred the report to the National Capital Authority to obtain its views on design and siting requirements, and to ASIO for advice on security issues that might arise by having such a facility located within the Parliamentary Precincts.

Conclusion

The year 2002–03, even more so than in previous years, has been one of both challenges and achievement.

I thank the former President of the Senate, the Hon Margaret Reid (who completed her term as President on 18 August 2002), the new President, Senator the Hon Paul Calvert and the Speaker of the House of Representatives, the Hon Neil Andrew MP for their great assistance and support throughout the year.

I thank the JHD staff for their commitment to the Parliament and the many contractors and consultants who provide services to JHD.

The year 2002–03 was the last full year of existence for the Joint House Department—a department that commenced its service to the Parliament with the first meeting of the Joint House Committee on 26 June 1901. However, I have the utmost confidence that JHD's dedicated and professional staff will continue their exemplary and enthusiastic service to the Parliament through their work in the new Department of Parliamentary Services.

It has been my honour and privilege to lead JHD for the last 17 years. It was been a period that encompassed the historic move from the provisional Parliament House to the new Parliament House and saw JHD's major increase in responsibilities and range of service provision in the new building. As JHD settled into this contemporary heritage building, its highly enthusiastic and professional staff (in all areas of departmental activity) always saw their mission as 'continuing to earn the privilege of maintaining Australia's Parliament House' and in providing a wide range of first-class services to Senators and Members, JHD staff, and all other occupants and visitors to Parliament House. Most recently, this same professionalism has risen to the challenge of taking on the responsibility for developing security services at Parliament House to meet today's uncertain and challenging times.

M BOLTON

Secretary

DEPARTMENTAL OVERVIEW



DEPARTMENTAL OVERVIEW

Introduction

JHD was established, shortly after Federation, on 26 June 1901 and provides a wide range of services to Senators, Members and their staff, parliamentary staff, contract staff, the media and members of the public. The scope of, and responsibility for, these services are outlined below.

Responsibility	Nature of Responsibility	How Service Provided
Maintenance, engineering and other building support services.	Fully responsible for outcome.	Mix of in-house and contract staff.
Visitor services, including management of The Parliament Shop and the Guide Service.	Fully responsible for outcome.	In-house staff.
A food and beverage service to Senators, Members and their guests, building occupants and members of the public.	Responsible for management of contractor performance.	Contracted out.
Cleaning and housekeeping services.	Responsible for management of contractor performance.	Contracted out.
First aid services, health and recreation facilities.	Responsible for provision of general first aid, health and recreation facilities. Other parliamentary departments also provide first aid as required, especially when the Nurses' Centre is closed.	In-house staff.
Maintenance of, and access to, the Parliament House Art Collection.	Fully responsible for outcome.	Mix of in-house and contract staff.
Maintenance of the landscape (gardens and lawns) within the Parliamentary Precincts.	Fully responsible for outcome.	In-house staff.
Support services to JHD, such as procurement and contracts, internal audit, financial and human resource management.	Fully responsible for outcome.	Mix of in-house and contract staff.
Support services on behalf of the parliamentary departments in areas such as legal services contracts, employee relations, internal audit, procurement, and stores and distribution.	Assist as necessary/requested.	Mix of in-house and contract/consultancies.

JHD Vision

Our vision is that Australia's Parliament House continues into the next century and beyond as one of the finest legislative buildings in the world and that the services provided by JHD are commensurate with that ideal.

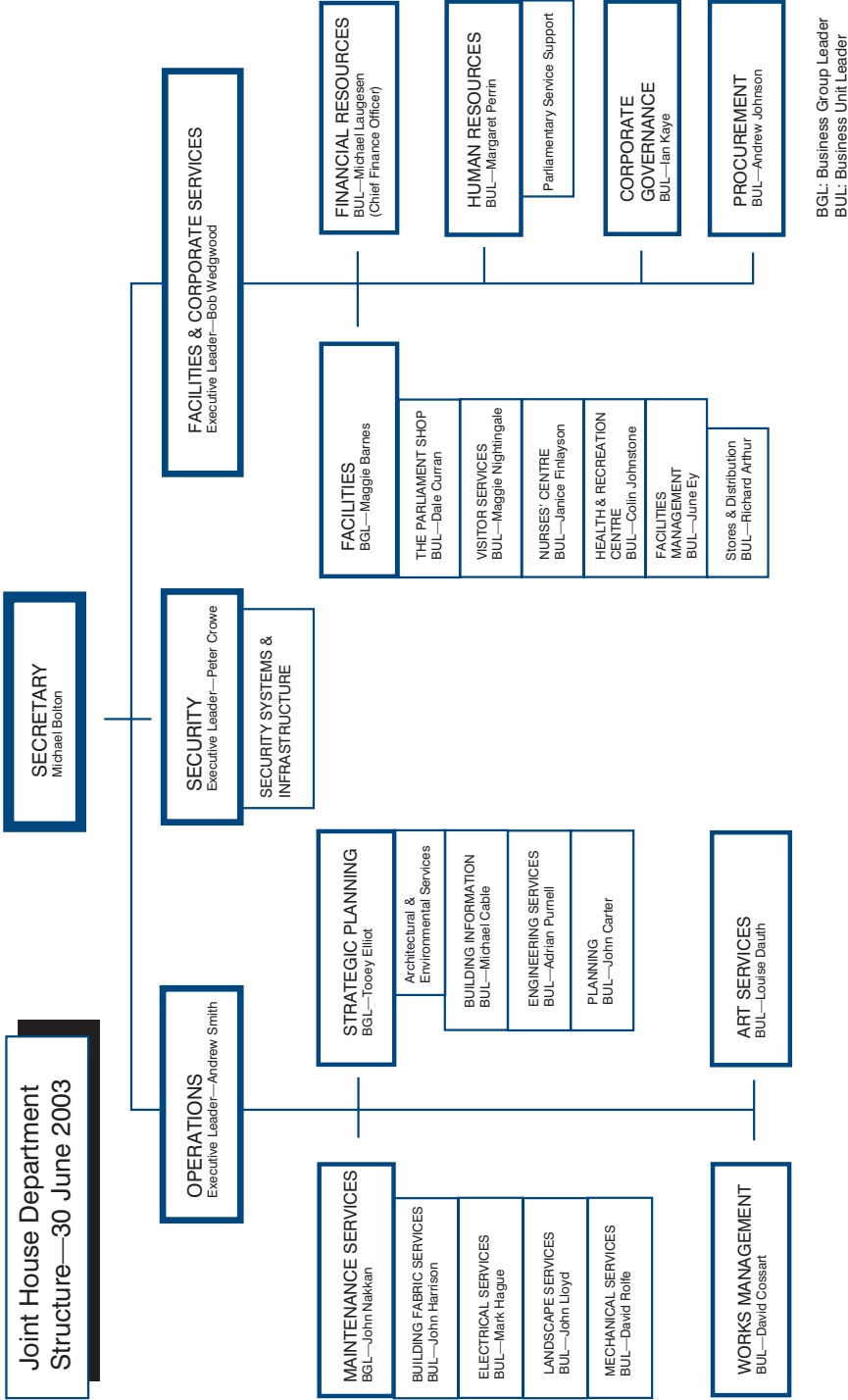
JHD Mission

We will continue to earn the privilege of maintaining Australia's Parliament House and managing its facilities because we best understand and satisfy its unique servicing requirements.

How JHD Operates

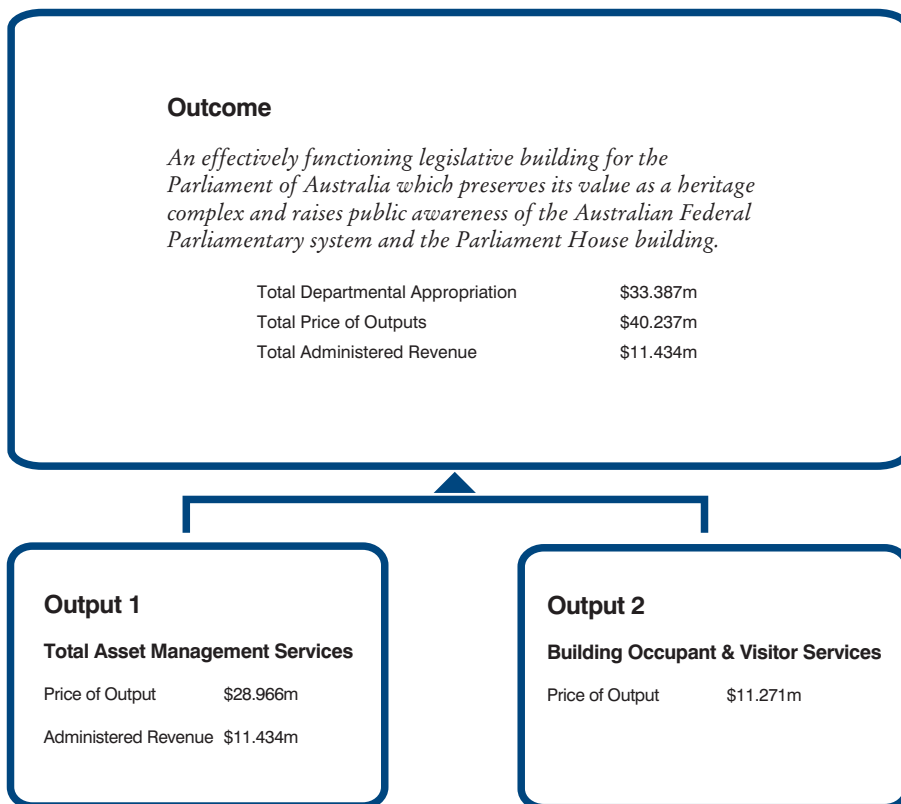
The Presiding Officers of the Parliament—the President of the Senate and the Speaker of the House of Representatives—have joint powers in relation to JHD, similar to those of a Government Minister.

The Presiding Officers are assisted in the formulation of policy by the Joint House Committee, the role of which is to advise the Presiding Officers on the provision of services and amenities to Senators, Members and staff located in Parliament House. Membership of the Committee and issues considered during 2002–03 are at Appendix E.



Outcome and Contributing Outputs

The information below is reproduced from the JHD 2002–03 Portfolio Budget Statements (PBSs).



Note: Revenue from Government through appropriations contributed 83.0% to the total output price for this outcome for 2002–03. The balance is made up of revenue from other sources, including resources received free of charge (\$3.070m) and revenue from other Departmental sources (\$3.780m).

JHD’s outputs reflect the Government recognition of the need to protect a major icon of Australia’s political democracy and an internationally recognised contemporary heritage building, not only for current Australians but for future Australians as well.

Changes to Outcome and Outputs

No change has been made to JHD's Outcome for 2002–03.

The Outputs have been reduced from three to two for 2002–03. Last year's Outputs 2 and 3 have been consolidated into this year's Output 2.

Contribution of Outputs to the Outcome

The performance information tables that appear later in this report show the balanced scorecard of key performance indicators used, and the results obtained, by JHD to assess its achievement against the Outcome Statement for 2002–03. There is also an explanation of each of these indicators to give the reader a better idea of what is being measured and the results achieved.

The performance information tables also contain performance indicators used, and the results obtained, by JHD to assess its achievement against Outputs for 2002–03. These indicators are lead indicators for the Outcome and are assessed by the JHD Executive Board of Management (EBOM) on a quarterly basis to ensure JHD stays on track to meet its annual Outcome targets.

There have been no changes to the key performance information that was included in the 2002–03 PBSs.

As required, a table is provided in Appendix F (page 70) showing the total resourcing for JHD's Outcome.

REPORT ON PERFORMANCE



REPORT ON PERFORMANCE

Performance Information

The 2002–03 performance results, independently audited and verified by KPMG, are documented below.

Social Justice and Equity Outcomes

JHD's outputs do not impact on the social justice and equity outcomes in the community.

Effectiveness—Achievement of the Outcome Statement

JHD's corporate performance is measured against a balanced scorecard of key performance indicators. Explanations of these are detailed below, along with the end-of-year results for 2002–03.

1. Financial

The Outcome indicator is whether JHD manages its funds within an agreed profile. The profile is developed during the internal budget process and is a combination of budget targets and operating rules. The agreed profile for 2002–03 included a set of financial targets, the results of which are shown below.

Business unit budget targets are simply spending limits placed on each business unit within which to manage. Additional funds may be agreed by the Executive for a business unit during the year, but must be found from savings in other business units.

Salaries and salary-related costs as a percentage of total Outcome costs is a percentage target of salaries and related costs to the total Outcome costs. Salaries and related costs includes salaries, overtime, performance pay, all allowances (except in the nature of reimbursement allowances), Comcare payments, employer superannuation contributions, recreation leave accruals and LSL accruals.

Maintenance cost per square metre is a measure of predetermined components of the budget spent on maintenance of building fabric and engineering systems, divided by the total ventilated area of Parliament House. Added to this are predetermined components of the budget spent on landscape services, divided by the landscape area maintained. The three figures are added to provide one target for annual performance, but are reported separately on a quarterly basis to the Executive Board of Management (EBOM).

Energy cost per square metre reflects the total amount spent on energy divided by the total ventilated area of Parliament House.

The profile also required development of:

- a five-year rolling works program for administered funding
- an expenditure pattern by each business unit for departmental cash flow purposes
- a departmental asset replacement program constructed with input from each business unit and
- an agreed reporting structure for monitoring and review, on a monthly basis, by the Executive.

The financial profile also included operating rules for BULs on:

- administration of purchase orders
- guidelines covering the purchase of portable and attractive items and
- early advice to the Executive on possible under/over spends for their consideration.

Outcome Indicator	Target	Result
JHD manages its funds properly.	The agreed profile.	JHD managed to the agreed profile as set out below.
Each business unit maintains spending within internal budget limits.	Each business unit meets budget target set.	Targets met or additional funds agreed by Executive. JHD budget met (see Financial Statements)
Salaries and salary-related costs as a percentage of total output costs.	41%	38.8%
Maintenance cost/m ²	\$55.01	\$52.51
Energy cost/m ²	\$10.14	\$9.11 ⁽¹⁾
Five-year, administered funding, rolling works program updated	Program updated and agreed by Finance.	Program updated and agreed by Finance.
Expenditure pattern developed from business unit targets for draw down purposes.	Pattern developed.	Pattern developed.
Five-year Departmental asset replacement plan developed for budget planning purposes.	Plan developed.	Plan developed.
Business unit leader responsibilities and reporting arrangements communicated to them.	Responsibilities determined and communicated.	Responsibilities determined and communicated.

(1) A new draft energy strategy was completed during the year as foreshadowed in last year's report and the final is expected to be signed off in the first quarter of 2003–04.

2. Clients/Stakeholders

The three Outcome measures in relation to clients and stakeholders are:

- client/stakeholder satisfaction
- whether or not JHD is meeting its Service Charter standards and
- a composite measure, the Service Delivery Index.

Client/stakeholder satisfaction is measured by aggregating to a single measure a series of surveys conducted throughout the year by all JHD business units. The surveys include feedback from visitors, feedback from building occupants on relevant services, and feedback between business units on corporate and internal services.

To determine if Service Charter standards are being met, the number of sustained complaints is measured. To test if there are adequate procedures in place to advertise and distribute the Service Charter to clients and stakeholders, JHD's internal auditors undertake a periodic audit.

The Service Delivery Index is a composite of a range of indicators that measure service delivery to building users, the general public and internal corporate users. These measures include:

- the customer satisfaction surveys mentioned above
- performance against business plans for contractor-provided services and
- performance against business plans for in-house provided services, including JHD corporate support units.

Outcome Indicator	Target	Result
Client/stakeholder satisfaction levels	85%	90%
Service Charter standards	Standards met	Standards met
Service Delivery Index	85	89

3. Asset Performance

Five indices (listed below) combine to provide an overall picture of how well JHD is managing Parliament House as an asset.

Building Condition Index (BCI)

The BCI is a measure of the current condition of the fabric of Parliament House, expressed as a percentage of the original condition.

It is calculated by first dividing Parliament House into seven zones. Each zone has a number of components that are examined and given a score for their condition. These are totalled to give a score for each zone. This is then expressed as a percentage of the total possible score, that is, the as-new condition. The percentages for each zone are averaged to give an overall building outcome.

An external consultant conducts a final measure of the BCI in July each year. The

Executive, however, needs to monitor directional trends in the condition of fabric in Parliament House on a more pro-active basis. As a result, a series of “lead indicators” have been developed (see Output 1—Total Asset Management Services on page 20). These are:

- percentage of planned maintenance achieved
- maintenance cost per square metre (see financial)
- development of maintenance plans for all new work
- works projects completed against plan
- cleaning standards measured against cleaning contractors’ business plans and
- outcomes of an internal condition monitoring program, including the Chambers and Special Suites (see Design Integrity Index below).

EBOM reviews these lead indicators on a quarterly basis. If performance against these indicators is on track, then the final BCI target should be met.

The target of 90% has been determined as the optimum balance of condition against cost to achieve that condition.

Design Integrity Index (DII)

This indicator monitors the degree of departure from the original design intent of the building and the fusion of architecture, art and landscape.

It is calculated by first dividing Parliament House into 10 functional zones. Each zone is examined and given a rating from 1 to 5 for language, symbolism, design order, overall impression and change. The outcome for each component is added together to obtain a zone score, the zone results are then added together to obtain a building score. This score is then expressed as a percentage of the total possible score.

As with the BCI, lead indicators have been developed that are reviewed on a quarterly basis by EBOM. These include:

- regular checks of the Chambers and five Special Suites (the President’s Suite, Speaker’s Suite, Prime Minister’s Suite, Cabinet Suite and Leader of the Opposition’s Suite)
- rotational sample check on the remainder of the building and
- confirmation of International Standards Organization quality assurance certification.

The target of 90% recognises the need for flexibility if Parliament House is to be an operationally sensible building, while at the same time maintaining the design intent and national pride it embodies.

Engineering Systems Condition Index (ESCI)

This indicator is a measure of the current operation and condition of engineering systems in Parliament House against the expected decline in condition and operation that any system experiences through its life cycle.

The index is calculated by first dividing the plant and equipment into 33 elements for

internal monitoring. These elements are monitored for:

- performance
- life cycle phase and
- actual versus expected condition.

Each element is given a score for each of these three categories. All scores are then averaged. The system of scoring has been designed so that the target 90 is achieved if all systems are ageing through their life cycle as expected.

As with the other two indices, lead indicators have been developed that are reviewed on a quarterly basis by EBOM. These are:

- the outcome of systems tests and checks
- percentage of planned maintenance achieved
- maintenance cost per square metre and
- the achievement of any systems key action strategies in that year's business plan.

Landscape Condition Index (LCI)

This indicator measures the condition of the parliamentary landscape, which has been divided into eight zones for this purpose. Within these zones, a range of elements are scored, and are then aggregated and expressed as a percentage of the total possible score for the zone. The zone scores are averaged to form the LCI result.

As with the other indices, lead indicators have been developed that are reviewed on a quarterly basis by EBOM. These are:

- maintenance cost per square metre and
- major problems identified and reported.

Environmental Condition Index (ECI)

This indicator is a collective measure of seven different elements of environmental performance at Parliament House. Each element has its own indicator(s) that aggregate to a single index. The baseline year for ECI measurement was 1999–2000, with improvements in subsequent years measured against that baseline.

The seven elements making up the index are:

- water usage—landscape services
- water usage—Parliament House building
- carbon dioxide emissions
- tonnes of waste to landfill as a percentage of total waste
- processes and procedures for the safe handling of dangerous goods and hazardous substances
- biodiversity and
- environmental incidents.

EBOM monitors performance against these elements on a quarterly basis.

Outcome Indicator	Target	Result
Building Condition Index (BCI)	89–92%—optimal at 90%	90%
Design Integrity Index (DII)	89–92%—optimal at 90%	90%
Engineering Systems Condition Index (ESCI)	89–92%—optimal at 90%	91%
Landscape Condition Index (LCI)	89–92%—optimal at 90%	88% ⁽²⁾
Environmental Condition Index (ECI)	1% improvement on 2001–02.	0.5% improvement ⁽³⁾

(2) The drought and negotiated water restrictions have resulted in the loss of 6 000 m² of turf and 4 000 plants in the peripheral landscape in the last 12 months. This was not fully comprehended in the 2002–03 result as the Index is measured in September each year. These losses, Stage 3 water restrictions and continued dry conditions will result in an adverse effect on the 2003–04 result. (See also Asset Management on p38.)

(3) There are two contributing factors as to why the ECI was not met.

1. The target for tonnes of waste to landfill as a percentage of waste generated was not met because of a large amount of landscape waste that the recycler would not accept and therefore had to go to landfill. A more useful indicator is being developed as part of the new Environmental Management System.
2. The loss of plants due to drought and the water restrictions has caused a negative change to the biodiversity of the landscape. These plants will eventually be replaced when water restrictions are lifted and the biodiversity returned to pre-drought levels.

4. Continuous Improvement

The three continuous improvement Outcome measures are:

- value of ideas implemented
- reduction in energy consumption and
- achievement against business unit and JHD business plans.

Value of ideas implemented is expressed as a percentage of the JHD salary vote. The target for any given year equals the pay rise offered by the Certified Agreement at the end of that year, thus underpinning pay increases with productivity improvements. Pay increases are contingent on performance indicators, including this one, being met. Ideas included in this calculation are those that result in:

- bottom line savings to the budget
- expenditure not having to be made and
- additional services being provided at no extra cost.

Reduction in energy consumption is a comparison with the previous year. A draft long-term strategy on energy consumption will be completed in the first quarter of 2003–04.

Achievement against business plans is a measure of the amount of the business plan that is achieved during the course of the year.

Outcome Indicator	Target	Result
Value of ideas implemented	3% of salary vote.	5.82%
Energy consumption reduced	0.5% reduction against 2001–02 consumption.	2.9% reduction.
Business unit performance	80% of JHD business plan achieved.	89%

Performance Information for Administered Items

Outcome Indicator	Target	Result	
Administered	Building Condition Index	89–92%	90%
Items	Design Integrity Index	89–92%	90%
	Engineering Systems Condition Index	89–92%	91%

Performance Information for Departmental Outputs

Output 1—Total Asset Management Services

Output Indicator	Target	Result		
Financial	Maintenance cost/m ²	\$55.01	\$52.51	
	Actual expenditure against allocation	Budget	Budget achieved	
Clients/	Service Charter standards	Standards met	Standards met	
Stakeholders	Client/stakeholder satisfaction levels	85%	87.6%	
Asset	<u>Building Condition Index</u>			
Performance	1. Planned maintenance achieved	85–90%	94%	
	2. Maintenance cost/m ²	\$21.19	\$20.31	
	3. Works projects meeting timeframe	95%	96%	
	4. Availability of maintenance plans	100%	100%	
	5. Internal Condition Monitoring	90% (average of quarterly checks)	90.8%	
	6. Achievement against cleaning business plan of contractor	General — 71.5%	72.0%	
		Industrial — 71.5%	86.1%	
		<u>Design Integrity Index</u>		
	1. Special Suite spot check	Required work identified and undertaken.	Detailed inspections undertaken. Work ongoing	
	2. Issue monitoring	Design integrity issues identified & monitored.	Undertaken.	

Outcome Indicator	Target	Result
<u>Engineering Systems Condition Index</u>		
1. The outcome of systems tests and checks	Expected progress of life cycle	A problem with No 2 Emergency Generator detected and is being addressed
2. Planned maintenance achieved	90%	94%
3. Maintenance cost/m ²	\$25.89	\$24.78
4. Achievement of any systems key action strategies in the business plan.	80%	87.5%
<u>Landscape Condition Index</u>		
1. Maintenance cost/m ²	\$7.93	\$7.42
2. Problems reported	Problems resolved	See note ⁽²⁾ on p.19
<u>Environmental Condition Index</u>		
1. Water Usage (Landscape)	51.75% ⁽⁴⁾ of net evaporation	48.2%
2. Water Usage (Building)	+/-5.0%	-4.4%
3. Carbon Dioxide Emissions	+/-1.5%	+0.29%
4. Tonnes of waste to landfill as a percentage of waste generated.	+/-5%	+4.57% ^(3.1)
5. Hazardous Substances	Proactive steps to minimise risk.	Proactive steps continue to be taken.
6. Biodiversity	Mix +/- 1%	-2.86% ^(3.2)
7. Environmental Incidents	Systems adequate, incidents dealt with adequately.	Systems in place —no incidents.
Continuous Improvement	Energy consumption reduced	0.5% reduction
	Value of ideas implemented	3.0% of salary vote
	Business Unit Performance	All Output business units achieve 80% of business plans

(4) Water restrictions meant the target of 60% (industry standard) was reduced during the year to 51.75% of net evaporation.

Output 2—Building Occupant and Visitor Services

Output Indicator		Target	Result
Financial	Actual expenditure against allocation	Budget	Budget achieved
Client/ Stakeholders	Service Charter standards	Standards met	Standards met
	Client/stakeholder satisfaction levels	80%	91.4%
Continuous Improvement	Energy consumption reduced	0.5% reduction	2.9% reduction
	Value of ideas implemented	3% of salary vote	5.8%
	Business unit performance	All Output business units achieve 80% of business plans	85.8%

Assessment of Progress towards Outcome Statement

Efficiently Functioning Legislative Building

JHD continues to refine the framework and processes it uses to deliver an efficiently functioning legislative building. Within this framework, long-term planning took a significant step forward during the year with the development of a 100-year administered funds work program to underpin the rolling five-year plans agreed by the Department of Finance and Administration (Finance). This provides both JHD and Finance with advance information on workload and funding spikes well into the future and allows both organisations to plan for these occurrences.

JHD continued its ongoing development of a series of related performance indices that provide a holistic view of how well Parliament House as an asset and functioning building is being managed. During the year, JHD developed a Furniture Management Strategy and the Furniture Condition Index to measure the success of this strategy. Both will be introduced fully in 2003–04. JHD also commenced a full review of its maintenance strategies and this process will continue into 2003–04.

The results of the asset performance indices indicate that JHD continues to maintain the building at the appropriate level. JHD's failure to meet its ECI was unexpected, but it was largely due to the method of calculating the index (which did not take into account factors beyond JHD's control—eg drought), not the actual performance. JHD will revise the method of calculating the index in 2003–04 as part of its new Environmental Management System (EMS). This includes implementation of a new long-term energy reduction strategy and Greenhouse Challenge targets, and the finalisation of a water-use strategy.

The drought and associated water restrictions have had a detrimental effect on the surrounds of the building and this will be reflected in the September 2003 measurement of the Landscape Condition Index.

Also planned for 2003–04 is further work and consultation regarding the level and type of services provided to building occupants and visitors.

Preservation of Parliament House as a Heritage Building

JHD uses the Design Integrity Index (DII) to assist it in assessing and maintaining the design intent of Parliament House—the principal contributor to its preservation as a heritage building. It is important to understand that the DII is not intended as an absolute indicator. It has been designed to monitor trends in the way the design integrity of the building may change, which often happens in very subtle and gradual ways. The value of the index is that it raises design integrity issues and trends at an early stage, so that the design integrity of the building can be protected and maintained. The result of 90.4% is down 1% on 2002–03 and is mainly attributable to the impact of security measures at the entrances and the placement of security barriers on the grass ramps. The outcome, however, remains within the accepted range and suggests that consideration of design integrity issues has not impacted adversely on the operation of Parliament House.

Raising Awareness of Parliament House and the Australian Federal Parliamentary System

Visitor Services markets and promotes Parliament House as a major tourist attraction. During the year, 1 021 718 visitors came to Parliament House and were provided with a range of tours that catered to the specific needs of different visitors. This included providing educational tours for 102 352 students.

Raising awareness of the parliamentary system and of Parliament House as a major architectural achievement is, to a large extent, the result of these visits. In 2002–03, satisfaction ratings from visitor surveys continued to score in the high 90s.

Over the last five years, Visitor Services has developed and coordinated a Parliament House Open Day that now involves all parliamentary departments. The most recent day attracted over 6 700 visitors and provided an opportunity to highlight the work of the five parliamentary departments and to raise awareness of the building and the parliamentary system. Other awareness-raising activities were organised around local and national events, such as Australia Day, Australian National Science Week and Floriade.

SPECIAL REPORT



Swimming Pool Plant Upgrade Project

The Health and Recreation Centre at Parliament House provides a range of facilities for Senators, Members and parliamentary passholders, including:

- a fully equipped gymnasium
- a 25-metre indoor heated swimming pool
- a spa pool and
- a sauna and a steam room.

The main computer room at Parliament House—located in the basement in close proximity to the swimming pool plant room—houses critical servers and bulk information technology storage facilities. It provides networked computing facilities for all occupants of the building and electorate offices around the country.

Scope of Project

This Swimming Pool Plant Upgrade project involved:

- utilising waste heat generated in the computer room to heat the swimming pool, whilst also providing a backup cooling system for the main computer room
- upgrading the gymnasium and swimming pool areas airconditioning system and
- upgrading the swimming pool and spa hydraulic plant.

Outcomes

The outcomes resulting from the Swimming Pool Plant Upgrade project included:

- reduction in energy costs of \$32 000 per annum
- reductions in greenhouse gas emissions of 420 tonnes of carbon dioxide (CO₂) per annum (350 tonnes from pool and 70 tonnes from spa)
- backup cooling capacity for the main computer room
- improved comfort conditions in the gymnasium
- improved water quality monitoring ability in the swimming pool and spa and
- an upgrade of aged equipment with resultant reductions in repair and maintenance costs of approximately \$10 000 per annum.

Special Features of Project

This project was special to JHD for the following reasons.

- It demonstrated the use of sound engineering practice and principles. At the design stage, a detailed analysis of options was conducted to ensure that the final solution met all triple bottom line (financial, environmental and social) reporting requirements.

- The project used a combination of established and innovative technologies to provide a reliable and energy-efficient solution to issues that had previously beset the main computer room, and the swimming pool and gymnasium.
- It demonstrated originality and ingenuity in using waste heat, generated in the main computer room, to heat the swimming pool with concomitant environmental, OHS, social and maintenance benefits.
- It achieved very high standards of design and workmanship, to AS/NZS ISO 9001.
- It benefited the community and the environment because:
 - fossil fuels will no longer be required to produce energy to heat the swimming pool and cool the main computer room and
 - all waste metal parts were recycled as scrap metal.

MANAGEMENT AND ACCOUNTABILITY



MANAGEMENT AND ACCOUNTABILITY

Corporate Governance

Names of Executive (at 30 June 2003) and their Responsibilities

- Secretary, Mr Michael Bolton—Chief Executive Officer of JHD.
- Executive Leader (Operations), Mr Andrew Smith—responsible for strategic planning, building works program, building maintenance, engineering and building operations.
- Executive Leader (Security), Mr Peter Crowe—responsible for the physical security of Parliament House.
- Executive Leader (Facilities and Corporate Services), Mr Bob Wedgwood (until May 2003) then Ms Tooyey Elliott—responsible for services provided to building occupants and visitors, as well as corporate support activities.

Senior Management Committees and their Roles

Executive Board of Management (EBOM)

EBOM comprises the Secretary, Executive Leaders and seven key directors—those of Strategic Planning, Security, Corporate Governance, Financial Resources, Human Resources, Facilities and Maintenance Services.

EBOM provides a forum for collegiate leadership under the authority of the Secretary. It meets on a quarterly basis and oversees the affairs of JHD at a strategic level, considering matters related to business objectives and performance expectations identified in the Corporate and Business Plans.

Executive

The Secretary and Executive Leaders meet fortnightly as the JHD Executive to take collective decisions and manage JHD affairs at an operational level. The Secretary meets individually with Executive Leaders on a fortnightly basis to keep abreast of developments.

Development Support Executive Group (DSEG)

DSEG comprises the Secretary, the Executive Leaders and the Director Human Resources, meets quarterly and is responsible for:

- determining Development Support priorities and promoting interest in activities for the development of staff
- developing policy responses to emerging issues in training and development ensuring that the operational responsibility for training and development is effectively devolved and managed within JHD and
- overseeing ongoing evaluation of Development Support.

Senior Management Coordination Group (SMCG)

SMCG is an interdepartmental committee made up of representatives from the five parliamentary departments. It meets every two months and deals with management issues where a coordinated approach/consideration from the Parliamentary Service is required.

Audit Committee

See Annual Report of the Audit Committee on pages 34–35.

Departmental Plans and Associated Performance Reporting

Corporate Plan

The JHD Corporate Plan articulates the JHD vision and mission statements, as well as the guiding principles on which JHD operates. It also includes broad key result areas for the life of the plan and key performance indicators (see also Secretary's Review on page 3).

Business Plan

JHD produces a yearly business plan that sets out key actions that are linked to achieving the key result areas in the Corporate Plan. The key performance indicators for the business plan (and Portfolio Budget Statements) are set out in the Balanced Performance Scorecard (see Report on Performance, pages 14–23).

JHD Risk Management Framework

The JHD Risk Management Plan links all the higher-level risks of the different risk types identified by a departmental risk assessment. It also links existing control measures and current risk management strategies to areas recommended for consideration in the Strategic Internal Audit plan.

Separate and more detailed plans have been developed for the following risk types:

- Business Risk
- Fraud Control
- Business Continuity
- Protective Security.

All these plans except the Protective Security plan were updated in 2002–03. The Protective Security plan is expected to be updated by December 2003.

Achievement against these plans is measured in a number of ways. The JHD Risk Management Plan uses the following measures:

- the extent to which the Executive and business unit leaders use risk management practices in the operation of their business unit
- the extent to which risk management is integrated within the existing Business Planning and Corporate Governance framework and
- qualification for the 5% discount offered by Comcover for progressing risk management practices in JHD.

The Business Continuity Plan uses the following measures to determine the success or otherwise of the plan:

- the extent to which the plan is used by relevant JHD staff to avoid a risk occurrence or
- the use of the plan successfully restores services to an acceptable operational level within the timeframe relevant to the risk occurrence.

As the majority of the significant fraud risks relate to resources rather than corporate processes, the following measures are used to determine the success or otherwise of the Fraud Control Plan:

- the 2003–04 and 2004–05 stocktakes identify no cases of fraud:
 - if this is not achieved, the fraudulent act is identified and properly dealt with or
 - the instance is otherwise satisfactorily resolved as it does not involve fraud
- no cases of misappropriation, falsification of disbursements or theft valued at over \$750 occur
- the ANAO annual audit of accounts is unqualified for each year of the plan and
- no significant cases of any other type of fraud occur.

JHD also uses the outcome of annual audits undertaken in accordance with the strategic audit plan by the independent internal auditor (currently KPMG) and external scrutiny from ANAO to assist it determine the success of the Risk Management Framework.

JHD completed the mandatory Fraud Control Guidelines Annual Reporting Questionnaire, as required by the Commonwealth Fraud Control Guidelines.

Strategic Internal Audit Plan 2003–06

This is a three-year overview of the internal audit strategy that addresses departmental risks and provides assurance that departmental systems are working and that JHD is meeting its legislative requirements and obligations detailed in the various risk plans outlined above. An annual audit plan is put together based on the strategic plan. Implementation of recommendations arising from audits is monitored by the JHD Audit Committee (see also pages 34–35).

Development Support Strategy and Plan 2003–06

This plan outlines the development support strategy for a three-year period and contains a specific action plan designed to implement that strategy (see also information on page 30).

Environmental Management System 2003–06

In January 2003, an Environmental Management Committee was established to guide the environmental effort in JHD. The Committee has commenced work on the development of an Environmental Management System in accordance with the Government's direction to all government agencies.

JHD Service Charter

The JHD Service Charter sets out the standard of service that a client can expect and details how a concerned client can make a complaint. In 2001–02, a KPMG audit found that adequate procedures are in place to advertise and distribute the Service Charter to Parliament House occupants and within JHD, and that appropriate systems are in place to record information relevant to assessing JHD’s achievements against the Charter.

Appropriate Ethical Standards

In the sensitive environment at Parliament House, all staff are made aware of the need to conduct themselves with integrity. JHD’s ethical standards are promulgated to all staff. The standards embraced in JHD reflect the values contained in the *Parliamentary Service Act 1999*. The Values and Code of Conduct are strongly promoted in JHD’s corporate documents (including the Chief Executive Instructions and Procedures), in other documentation outlining how staff will conduct themselves with tenderers and contractors, and are also maintained on the JHD Intranet.

Determination of Executive Leader Remuneration

Executive Leaders in JHD are covered by Australian Workplace Agreements (AWAs). JHD’s Executive remuneration policy is that Executive Leaders will receive the same base salary increases as all other JHD staff.

Executive Leaders participate in an annual Executive Leader Performance Assessment and Feedback Scheme. A performance bonus of up to \$5 000 is payable based on performance outcomes for the period 1 July 2002 to 30 June 2003. No performance bonuses were paid in 2002–03 due to a change in the timetable (calendar to financial year) for the Assessment and Feedback Scheme.

External Scrutiny of JHD Activities

The Parliamentary Service Commissioner’s Review into Certain Aspects of the Parliamentary Administration was completed during the year. The results of this review are discussed in detail in the Secretary’s Review on pages 2–3.

During 2002–03, JHD was the subject of an external performance and compliance audit by the ANAO in relation to its financial statements. The audit was unqualified. JHD was also one of a sample of agencies whose published Annual Financial Statements and their web-based versions ANAO reviewed for accuracy and presentation. ANAO found one significant and two insignificant errors, and made one observation in relation to JHD’s statements. ANAO was satisfied with JHD’s explanation of the errors and indicated that no further action was required.

JHD was not subject to any judicial decisions or decisions of administrative tribunals. The Ombudsman did not consider, or report on, activities of JHD in 2002–03.

No specific reports, other than those already mentioned, were made to Parliament on the operations of JHD.

Scrutiny of JHD in relation to the introduction of the SafetyMAP regime is discussed under the Occupational Health and Safety section of this report on pages 50–51.

Annual Report of the Audit Committee

Under its Terms of Reference, the JHD Audit Committee has undertaken to advise the Speaker of the House of Representatives and the President of the Senate of its activities on an annual basis. This special report is designed to fulfil that commitment and covers the 2002–03 financial year.

Committee Meetings

The JHD Audit Committee met on four occasions during the year to consider a range of matters, in accordance with the procedures set out in the JHD Audit Manual. The meeting dates were 28 August 2002, 6 November 2002, 26 February 2003 and 7 May 2003.

These meetings were chaired by the Secretary JHD and were attended by the Executive Leader (Facilities & Corporate Services), the Director Financial Resources, the Director Corporate Governance and advisers from the Australian National Audit Office (ANAO) and contracted internal auditors, KPMG.

Significant Outcomes

During the last 12 months, JHD updated all its risk management plans and documentation (excluding Protective Security) as a result of a full risk assessment undertaken by KPMG in the previous year. JHD used this as a basis to develop a new three-year strategic audit plan. The new plan includes a greater emphasis on auditing financial and other arrangements of strategic partners and service providers. It also provides for annual fraud awareness training and the auditing of performance outcomes in greater detail.

2002–03 Internal Audit Program

During the year, the following program of internal audits—grouped within their contribution to departmental outputs, as well as corporate services—were completed.

Building Occupant and Visitor Services

- Stocktake of The Parliament Shop and Art Services assets

Total Asset Management Services

- Maintenance Services Business Controls
- Energy Management
- Delivery of Works Management Projects (Administered Funds)
- Financial and Procurement Probity—Project Managers

Departmental/Corporate

- Financial Controls
- Stocktake of other assets not included in The Parliament Shop or Art Services

- Corporate Governance arrangements
- Post-implementation review of CHRIS
- Post-implementation review of [CHRIS] KIOSK
- Protection of Information
- Asset Management Controls
- Key Performance Indicator Outcomes

The compliance reviews were assessed as being either satisfactory or satisfactory with minor findings. This demonstrates that the various processes audited are being appropriately managed by JHD.

The management reviews, including energy management, maintenance services business controls and delivery of works management projects, provided JHD with business improvement recommendations designed to improve outputs.

Australian National Audit Office (ANAO)

The Audit Committee also considers ANAO reports tabled in the Parliament that may have a bearing on JHD practices. Relevant business unit leaders provide written comment to the Audit Committee on ANAO recommendations and to what level these are being actioned or are already in place within JHD. Audit Committee acknowledgment of the appropriateness of the business unit response is required before the matter is finalised.

This has resulted in a number of improvements being implemented in JHD during 2002–03, including:

- tightening the key result areas in the new JHD Corporate Plan 2003–06
- Procurement becoming the central point for monitoring guarantees, indemnities and letters of comfort
- a reduction in time taken to produce and table JHD financial statements and
- improvements in the new Energy Management Strategy.

Management of Human Resources

Statistics to support human resource achievements and comments are at Appendix A.

Workforce Planning, Staff Retention and Turnover

In 2001–02, JHD introduced an online succession planning model to minimise the business risks to JHD associated with the loss of key employees. Succession planning is now an integrated part of business unit management and has been undertaken by all business unit leaders (BULs) in relation to their staff. Returns are monitored centrally and BULs, with help from the Human Resources (HR) Business Unit, are responsible for developing appropriate strategies (relating to job design, training, retention, recruitment, etc) where high risks are identified. Participation of staff in the system is a business unit KPI.

At the beginning of 2003, JHD also introduced a comprehensive and business-integrated induction program, which assists new employees to quickly become productive and effective, contributes to employee retention and recognises the different requirements of JHD business units. Each new inductee has been followed up after three months to assess the effectiveness of the program and his/her integration into JHD. Feedback has been very positive in all cases.

JHD has a Performance Management System (PMS), which provides for all JHD staff to have performance agreements that link to the Corporate Plan. The performance agreements include *what* we do (job goals), *how* we do it (required standards) and the *skills* we need to achieve that (training and development component). The PMS has operated for almost five years, is well understood and draws its authority from JHD's Certified Agreement. The PMS has been refined in consultation with stakeholders over time and can be customised to meet the requirements of individual business units. Participation of staff in the system is a business unit KPI.

An extensive evaluation of the JHD Workplace Diversity Program (WDP) 2000–03 was undertaken to review the effectiveness and impact of the program. The evaluation highlighted a number of positive achievements including:

- high completion rate (99.2%) of WDP initiatives/activities
- extensive publicity, including over 130 staff newsletter articles
- significant increase in staff satisfaction with support/opportunities provided to access flexible working arrangements
- increase in JHD male staff accessing flexible working arrangements and
- high recognition and value of Harassment Contact Officer network by staff.

However, it also identified a number of issues and challenges ahead for consideration in the next program, including JHD's ageing staffing profile. The evaluation concluded that workplace diversity, under that label, is not yet an integral part of the JHD culture, but that some of the practices undertaken are starting to make a difference. In addition, it identified a clearer 'people management' link between diversity management and workforce planning/organisational renewal—in particular, the areas of the ageing workforce, generational diversity, and building organisational capability.

Turnover of ongoing staff has reduced to 8.6% after a higher rate in 2001–02, when there was an increase in the number of retirements. Resignation remained the main reason for leaving (12 persons—50%), followed by retirement (10 persons—42%). The ongoing staff retention rate of 91.4% minimises the overhead costs related to recruiting, inducting and developing new employees, and helps retain corporate knowledge, whilst at the same time providing for some re-invigoration of JHD staff.

The recruitment time to fill each vacant ongoing position averaged 7.8 weeks, an almost two-week improvement on the 2001–02 average of 9.6 weeks, against a target of 12 weeks. There was a 100% satisfaction rate from BULs/Executive Leaders on the outcome of the selection process six months after placement of the new employee, which is also an improvement on last financial year's rating of 96%.

In October 2002, HR released an online job vacancy information service as part of the

JHD Internet site. The service provides information to potential employees on current advertised vacancies, status of advertised vacancies, selection documentation, information and forms, JHD employment conditions, other job opportunities and advantages of working at JHD. The site has been particularly popular with people accessing information on apprenticeship and non-ongoing employment opportunities.

Certified Agreements and Australian Workplace Agreements (AWAs)

As at 30 June 2003, JHD had two SES and one non-SES staff covered by AWAs and 274 staff covered by the JHD Certified Agreement 2002–2005 (certified on 15 July 2002).

Salary ranges as at 30 June 2003 are specified at Appendix A on page 60.

In terms of non-salary benefits, the JHD Certified Agreement 2002–2005 provides for:

- flexible hours of work in a span of 6am to 6pm Monday to Friday for most staff
- ongoing staff, three weeks' sick leave at full pay each year
- four weeks' annual leave
- one week's carers leave
- restricted access to a higher duties allowance payable after two or more weeks at the higher level
- travel allowance
- salary packaging
- Employee Assistance Program
- Performance Management System
- overtime payments
- flexibility payment for some classifications in the Electrical, Mechanical and Building Fabric Services Business Units
- annualised shift payment arrangements in Visitor Services and The Parliament Shop and
- access to part-time employment.

Negotiations were also held in relation to a new Certified Agreement for staff of the Parliamentary Security Service and for a variation to the existing JHD Certified Agreement to exclude its application to those staff.

Performance Pay

No performance payments were made during this financial year (see Executive Remuneration on page 33).

Training and Development

JHD has focussed on its identified corporate training requirements in a variety of ways. For example, JHD has adopted the successful model of the Occupational Health & Safety Committee and applied it to other target areas. Environmental management is

being advanced by a group of committed stakeholders who are receiving professional development to enhance their skills and expertise. Financial management is being progressed by the development of clearer reporting requirements and outputs. Extensive customised classroom training has been developed and delivered to improve contract management skills. Three Management Forums have been conducted to allow the Executive and BULs to share information and ideas, put issues on the table, and develop strategies to advance JHD's goals.

Business units have also been provided with funding and the support to hold a separate training day to address issues important to the delivery of outcomes for their business plans, eg planning, team functioning, communication and best practice.

The net expenditure associated with the delivery of training in 2001–02 was \$318 347 against a training budget of \$436 000. Training provided included:

- corporate training such as harassment awareness, environmental management and contract management
- area-specific training, with a focus on job and technical capability—such as confined space training—and
- a range of OHS training including:
 - hearing education
 - drug and alcohol awareness
 - use of personal protective equipment, material safety data sheets and safe lifting techniques
 - for senior management, Health and Safety representatives, the OHS Committee as a whole, contract managers and fire wardens.

Occupational Health and Safety Performance

A report on JHD OHS outcomes can be found under 'Other Mandatory Information' on page 50 of the report.

Asset Management

JHD has the privilege of managing Australia's Parliament House for the people and the Parliament of Australia. Managing this iconic building, valued at \$1.3 billion, presents a considerable asset-management responsibility. Financial and key performance indicator information regarding its management during 2002–03 is reported under the Performance Information heading on pages 20–22. Our asset registers have been maintained in accordance with the ANAO guidelines and the appropriate accounting standards. ANAO has audited and accredited these registers for the year 2002–03.

The following are major items of note in JHD's asset management during the year.

During 2002–03, the Works Management Business Unit undertook a thorough review of the business practices for the delivery of works projects. The review was completed together with the updating of the quality management system, which was certified

against the AS/NZS 9001:1994. The system was then submitted to a third-party external surveillance audit during June 2003 and received an excellent report recommending certification upgrade to ISO 9001:2000. The audit report made two significant comments.

- There is clear evidence available of a well-managed system, which is adding value to the overall effectiveness of the Project Management activities of the group.
- There were no areas of concern or opportunities for improvement identified during the audit, which is a clear indication of the pro-active approach being undertaken by all members of the group.

JHD's Maintenance Services team utilised a balance of in-house and contracted personnel to ensure timely, professional, cost-effective maintenance service provision. Working together with the Planning Group, Maintenance Services achieved a planned work ratio of 94% against a target of 85–90% in a demanding environment. This achievement, utilising condition monitoring and advanced planning techniques, contributed greatly to a very competitive maintenance cost of \$52.51 per square metre. During the year, the Strategic Planning Group commissioned a study to develop a 100-year plan to ensure that design, engineering and funding issues are identified and managed for the refurbishment or replacement of assets as they come to the end of their useful lives. The building was designed for a life of at least 200 years and is now 15 years old—hence the need for a comprehensive plan. This 100-year plan is set to become a key tool in managing the assets and projecting budgetary requirements for JHD.

One area of asset management that has proved to be particularly challenging during the year has been managing the landscape. Like all of the citizens of the ACT, Landscape Services has been struggling with drought-induced water restrictions and the effect this has had on the grounds. Managing the reduction has been made doubly difficult by the efficient, computer-controlled watering regime already in place, which matches water application to a fixed percentage of the evaporation rate. Landscape Services has done a magnificent job in maintaining the appearance of the grounds in key areas, but have had to let the outer landscape area suffer a little until the restrictions are no longer necessary. JHD faces a significant expense in coming years to reverse the damage inflicted by the drought.

Engineering Services, in its ever-increasing endeavour to reduce energy consumption, was the driving force behind the design of an innovative swimming pool upgrade project. A Special Report on this project is on pages 26–27.

Purchasing

The acquisition of goods and services within JHD is undertaken with the aim of realising core business objectives, whilst achieving operational effectiveness and value for money outcomes. JHD's purchasing is managed in accordance with the framework established by the *Commonwealth Procurement Guidelines* and internally by Chief

Executive Instructions and Chief Executive Procedures.

An Accredited Procurement Unit facilitates purchasing activity within JHD so as to ensure that established guidelines and procedures are observed and statutory reporting obligations are met. JHD's prime purchasing objectives are:

- to conduct cost-effective procurement activities that conform with contemporary Commonwealth purchasing policies, practices and procedures
- to ensure the principles of value for money, efficiency and effectiveness, accountability and transparency, ethics and industry development are consistently observed
- to support JHD's business requirements through a focus on better practice procurement and
- to involve small-to-medium enterprises (SMEs) and Australian and New Zealand businesses wherever practicable.

During 2002–03, JHD undertook the development and delivery of a comprehensive contract management training program. This initiative was in recognition of the fact that contract management skills and expertise are critically important to JHD and that training to enhance the skills and abilities of JHD staff offered considerable short- and long-term value. In total, 26 key JHD staff participated in the program and further contract management training is to be undertaken during 2003–04.

Consultants

During 2002–03, 50 consultancy contracts were commissioned or were already in existence with JHD and the total amount expended on consultants was \$969 960.

The total expenditure on consultancies was a small increase compared to the 2001–02 financial year, when \$913 109 was expended on 59 consultants.

JHD uses an effective blend of in-house resources and suitably qualified external consultants to deliver professional services, according to the nature of each requirement. Private sector specialists are engaged under panel or individual contract arrangements when unique skills and expertise are necessary to assist with the achievement of core business objectives.

A total of 21 consultants were under engagement by JHD for \$10 000 or more during 2002–03 and the expenditure/commitment for those consultants was \$818 008. Further details are at Appendix B (page 62).

Competitive Tendering and Contracting

In 2002–03, JHD finalised outsourcing arrangements for the provision of movement systems maintenance services, conservation advice and services and warehouse management services.

In addition, JHD engaged service providers:

- for the delivery of contract management training and
- to offer advice on building security, occupational health and safety, facility management and the establishment of an early childhood centre.

Capable and experienced private sector panel contractors routinely deliver professional services to JHD and standing offers/period contracts are in place for:

- legal assistance
- internal audit
- project management
- maintenance painting
- heating, ventilation and airconditioning maintenance
- engineering advice
- architectural matters
- employee relations and
- specialist trade activities.

Commonwealth Disability Strategy

JHD is neither a policy formulation, policy delivery nor regulatory department. Therefore, neither the Policy Adviser nor Regulator performance indicators apply to it.

Provider Role

Performance Indicator	Performance Measure	Current Level of Performance 2002–03
1. Providers have established mechanisms for quality improvement and assurance.	Evidence of quality improvement and assurance systems in operation.	<p>Feedback is received in response to customer satisfaction surveys conducted by Visitor Services and The Parliament Shop.</p> <p>The customer satisfaction surveys highlighted the difficulties encountered by visitors in accessing the carpark after the installation of protective barriers. The barriers were adjusted and no longer hinder access to the carpark.</p> <p>JHD is currently reviewing the final report on the external audit of Parliament House in relation to its conformance with current disability regulatory requirements.</p>

Provider Role (continued)

Commonwealth Disability Strategy

Performance Indicator	Performance Measure	Current Level of Performance 2002–03
2. Providers have an established Service Charter that specifies the roles of the provider and consumer and service standards which address accessibility for people with disabilities.	Established Service Charter that adequately reflects the needs of people with disabilities in operation.	JHD has a Service Charter published in hard copy and also available under Corporate Information on the JHD Internet site: http://www.aph.gov.au/jhd/about/corpinfo.html Part of the Service Charter addresses accessibility issues for people with disabilities.
3. Complaints/grievance mechanism, including access to external mechanisms, in place to address issues and concerns raised about performance.	Established complaints/grievance mechanisms, including access to external mechanisms, in operation.	A formal grievance and complaints mechanism is in place and promulgated in the JHD Service Charter. Part of that mechanism involves a review of performance if complaints or grievances are lodged. No complaints have been lodged under the terms of the Service Charter and JHD has not been advised of any complaints lodged with external bodies.

Employer Role

Performance Indicator	Performance Measure	Current Level of Performance 2002–03
1. Employment policies, procedures and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i> .	Number of employment policies, procedures and practices that meet the requirements of the <i>Disability Discrimination Act 1992</i> .	Human Resources created and maintains a register of policies and procedures that have been reviewed and comply with the <i>Disability Discrimination Act 1992</i> . All current Human Resources policies, procedures and employment contracts comply with the Act. No disability-related complaints regarding JHD's employment policies, procedures or practices have been received.

Employer Role (continued)

Commonwealth Disability Strategy

Performance Indicator	Performance Measure	Current Level of Performance 2002–03
2. Recruitment information for potential job applicants is available in accessible formats on request.	<p>Percentage of recruitment information requested and provided in:</p> <ul style="list-style-type: none"> • accessible electronic formats and • accessible formats other than electronic. <p>Average time taken to provide accessible information in:</p> <ul style="list-style-type: none"> • electronic formats and • formats other than electronic. 	<p>All selection documentation was made available in hard copy or electronic format within 48 hours. No requests were received for selection documentation to be made available in any other format.</p> <p>JHD maintained the level of performance in regard to timely provision of recruitment information achieved in the 2001–02 financial year.</p> <p>All press and gazette advertising now includes a reference to a TTY number for potential candidates with a hearing or speech disability.</p> <p>The Recruitment Officer created and will maintain a record of any requests for recruitment documentation in accessible formats other than electronic (eg Braille).</p>
3. Agency recruiters and managers apply the principle of 'reasonable adjustment'	<p>Percentage of recruiters and managers provided with information on reasonable adjustment.</p>	<p>JHD recruitment documents have been reviewed and updated to include information on the reasonable adjustment principles.</p> <p>All JHD Selection Committees include a Human Resources representative who can advise the other committee members about the principle of reasonable adjustment if relevant.</p> <p>In addition, business unit leaders have been provided with education and information to better their understanding of 'reasonable adjustment'.</p> <p>This year, JHD has not needed to apply the principle of reasonable adjustment in any recruitment processes.</p>
4. Training and development programs consider the needs of staff with disabilities.	<p>Percentage of training and development programs that consider the needs of staff with disabilities.</p>	<p>Individual needs are accommodated on a case-by-case basis. Access to training and development opportunities has not been affected by disabilities.</p> <p>Training and development programs accommodate any disability-related needs prior to the commencement of the course. Programs are evaluated and no negative feedback relating to disability needs has been received.</p>

Employer Role (continued)

Commonwealth Disability Strategy

Performance Indicator	Performance Measure	Current Level of Performance 2002–03
<p>5. Training and development programs include information on disability issues as they relate to the content of the program.</p>	<p>Percentage of training and development programs that include information on disability issues as they relate to the program.</p>	<p>Human Resources ensured that all training and development consultants incorporated (where appropriate) disability issues when developing training programs.</p> <p>Human Resources records and monitors training programs that integrate and incorporate disability issues into their course content.</p> <p>Induction training for Guides and for new business unit leaders incorporated disability issues, as did harassment-awareness training conducted for all new staff.</p> <p>This year's senior management forum included training on triple bottom line reporting, which provides for reporting on economic, environmental and social factors, and lays an effective framework for the development, implementation and reporting of initiatives addressing the needs of our people—including those with disabilities.</p>
<p>6. Complaint/grievance mechanism, including access to external mechanisms, in place to address issues and concerns by staff.</p>	<p>Established complaints/grievance mechanisms, including access to external mechanisms in operation.</p>	<p>JHD has an established process for handling complaints. Access is also available to external mechanisms, such as the Parliamentary Service Merit Protection Commissioner. Advice can also be sought from Harassment Contact Officers and through the Employee Assistance Program.</p> <p>Business unit leaders are provided with additional information on how to manage complaints/grievances if they are received.</p> <p>This year, JHD received no formal requests for review of actions under Parliamentary Service legislation and JHD has not been advised of any external complaints lodged.</p> <p>Human Resources has publicised the JHD process for handling reviews of actions in the JHD staff newsletter <i>Nexus</i>.</p>

Purchaser Role

Commonwealth Disability Strategy

Performance Indicator	Performance Measure	Current Level of Performance 2002–03
1. Publicly available information on agreed purchasing specifications is available in accessible formats for people with disabilities.	<p>Percentage of publicly available purchasing specifications requested and provided in:</p> <ul style="list-style-type: none">• accessible electronic formats and• accessible formats other than electronic. <p>Average time taken to provide accessible material in:</p> <ul style="list-style-type: none">• electronic formats and• formats other than electronic.	All JHD tender documents are made available in hard copy or electronic format and the targeted response time is less than one working day. No requests for alternative formats were received during the financial year.
2. Processes for purchasing goods or services with a direct impact on the lives of people with disabilities are developed in consultation with people with disabilities.	Percentage of processes for purchasing goods or services that directly impact on the lives of people with disabilities that are developed in consultation with people with disabilities.	Procurement activities within JHD that may result in a direct impact on the lives of persons with disabilities are undertaken in accordance with JHD's obligations under the <i>Disability Discrimination Act 1992</i> , following appropriate assessment and consultation processes. During the year, an audit of Parliament House was undertaken in relation to its conformance with current disability regulatory requirements. The provider was selected following consultation with ACROD (the national industry association for disability services). The provider had already undertaken such reviews of the remainder of the Parliamentary Triangle.

Purchaser Role (continued)

Commonwealth Disability Strategy

Performance Indicator	Performance Measure	Current Level of Performance 2002–03
3. Purchasing specifications and contract requirements for the purchase of goods and services are consistent with the <i>Disability Discrimination Act 1992</i> .	<p>Percentage of purchasing specifications for goods and services that specify that tender organisations must comply with the <i>Disability Discrimination Act 1992</i>.</p> <p>Percentage of contracts for the purchase of goods and services that require the contractor to comply with the <i>Disability Discrimination Act 1992</i>.</p>	All contemporary JHD tender documents include provisions requiring contractors to comply with their obligations, if any, under the <i>Disability Discrimination Act 1992</i> .
4. Publicly available performance reporting against the purchase contract specifications requested in accessible formats for people with disabilities is provided.	<p>Percentage of publicly available performance reports against the contract purchasing specification requested and provided in:</p> <ul style="list-style-type: none">• accessible electronic formats and• accessible formats other than electronic. <p>Average time taken to provide accessible material:</p> <ul style="list-style-type: none">• electronic formats and• formats other than electronic.	Tendering and contracting in JHD is related to general operational requirements and the maintenance of Parliament House. Limited work relates directly to services to the public and, consequently, performance reporting on contractors is not made publicly available.

Purchaser Role (continued)**Commonwealth Disability Strategy**

Performance Indicator	Performance Measure	Current Level of Performance 2002–03
5. Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about the providers' performance.	Established complaints/grievance mechanisms, including access to external mechanisms, in operation.	<p>The majority of contracts entered into by JHD are for goods and services related to the maintenance of Parliament House and the provision of certain public facilities.</p> <p>Internal and external complaints/grievance mechanisms are in place to allow all members of the broader community, including persons with disabilities, to raise issues and express concerns regarding the facilities in the building and any initiatives that might be undertaken.</p> <p>No complaints/grievances have been lodged internally and JHD has not been advised of any complaints lodged with external bodies.</p>

The development of goals and actions to support the Commonwealth Disability Strategy in 2003–04 has been rescheduled for later in 2003 to incorporate the imminent transfer of nearly 200 security staff to JHD.

OTHER MANDATORY INFORMATION



OTHER MANDATORY INFORMATION

Occupational Health and Safety

JHD is committed to providing a safe workplace for employees, contractors, other building occupants and visitors to Parliament House. An extract from JHD's OHS policy—detailing its purpose—was distributed to, and can be viewed in, each business unit as a continuing commitment to OHS in JHD. The policy is also provided to all new starters on commencement, is referenced in JHD contracts, the *Parliament House Site Book* and the JHD OHS Contractor Induction program, and available to all staff on the JHD Intranet.

In accordance with the *Occupational Health & Safety (Commonwealth Employment) Act 1991* (the Act), an OHS Agreement has been reached through consultation between JHD and those unions party to the JHD Certified Agreement 2002–2005. The Agreement, which commenced operation on 1 January 2003 and has an expiry date of 30 June 2005, sets out the principles for consultation and other agreed matters in relation to OHS issues in JHD.

The JHD OHS Committee comprises of six Health and Safety Representatives (HSRs) representing each designated work group and an equivalent number of management representatives, to facilitate consultation between management and employees on OHS matters. HSRs are selected by staff nomination (within the relevant designated work group) and, if more than the required number nominate, by staff election. Meetings are conducted every two months. The Committee oversees the review and development of all OHS policies and was a significant contributor to OHS success in 2002–03.

Key OHS achievements throughout the year included the following.

- Achieving SafetyMAP certification at the initial level, addressing all 58 elements of the criteria. The resultant registration is valid for a period of three years and will require that JHD undergo six-monthly surveillance audits by an independent assessor, SAI Global, to maintain certification of its OHS management system. This was a significant achievement by JHD and required the contribution and dedication of all staff. Several of the OHS activities undertaken in 2002–03 were a direct reflection of the work being carried out in order to achieve SafetyMAP certification.
- Reviewing and re-issuing 11 OHS policies and significantly varying the Hazardous Substances and Dangerous Goods, and Isolation and Tagging of Plant policies. Reviewing all the policies involved a comprehensive assessment of requirements at the corporate and business unit level. A working group also drafted a Working at Heights policy.
- Inducting all staff (new and existing) in the JHD OHS Safety Induction Program.
- Developing and implementing a new OHS Agreement with staff and unions for 2003–05.

- Establishing the JHD OHS Contractor Subcommittee—a forum for contractors and JHD representatives to discuss and resolve safety issues, and to facilitate information flow between the JHD OHS Committee and JHD’s principal contractors.
- Ongoing medical monitoring of staff at risk of occupational exposure to hazardous chemical substances and physical agents, to ensure that levels are minimised and maintained below occupational exposure guidelines.
- Providing a free influenza vaccination program to all JHD staff.
- Access for staff and their families to an Employee Assistance Program to assist with personal or work-related problems.

During 2002–03, 22 incidents arising out of the activities undertaken by JHD were notified to Comcare, in accordance with the requirements of Section 68 of the Act. This includes 17 serious personal injuries and five dangerous occurrences—of which eight were JHD staff, eight contractors and six visitors (public or other building occupants). Investigations were conducted in relation to all incidents and, as good practice, investigation reports are routinely forwarded to the National Safety Council of Australia (NSCA) to establish the adequacy of our internal follow-up and identification of underlying causes or systemic issues. A pattern of incidents, involving vehicles in the basement, led to a review of basement traffic arrangements by NSCA and measures are currently being adopted for both the short and long term.

Regular testing of air and water quality continued throughout the year. The results of such tests continued to be independently verified and written reports were provided to JHD. No results were found to be outside the legal or specified ranges.

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

Freedom of Information (FOI)

Whilst JHD is not subject to the provisions of the *Freedom of Information Act 1982*, every effort is made to respond in accordance with the intent of the legislation.

JHD maintains documentation on its daily operations, a large number of systems manuals and all of the ‘as-constructed’ drawings of the building. As JHD is not a policy department, it has no policy documents other than those affecting its internal operations.

Because JHD is not subject to the FOI legislation, no facilities are provided to enable members of the public to obtain physical access to JHD documents.

When inquiries for information are made, such requests are referred to the Director, Corporate Governance.

In 2002–03, one request for information was received and JHD provided the information sought.

Advertising and Market Research

In 2002–03, JHD spent no money on market research. Expenditure on media advertising (including for recruitment and tender purposes) is detailed at Appendix C.

Ecologically Sustainable Development (ESD) and Environmental Performance

JHD's activities have a direct environmental impact. Examples include: the use of water, electricity, gas, greenhouse gas emissions, fertilisers, chemicals, consumables, manufactured products sourced from new rather than recycled materials and items whose original source may have been from countries where cheap labour and, at times, unsustainably low wages are available. These raise a number of sustainability and equity issues.

JHD, as a responsible manager, takes a pragmatic approach to environmental issues and meets its statutory environmental obligations. As such, JHD has commenced the intergration of ESD into the corporate culture, decision-making process, record-keeping and reporting framework, especially as these affect the long- and short-term economic, environmental, social and equity considerations.

To improve ESD outcomes, the new JHD Corporate Plan, developed in the last half of 2003, incorporates a triple bottom line (TBL) approach into the decision-making matrix. From 2003–04, a TBL reporting framework will be phased in to all business unit business plans to encourage sustainability by JHD in its operations. TBL training has already been provided to all senior management and most middle-level management staff.

JHD's strategy was that the notion of long-term sustainability—as outlined in Australia's National Strategy on Ecologically Sustainable Development released in 1992—would become the hallmark of how business was conducted in JHD. A long-term cultural change program will be implemented to ensure the success of the TBL program.

During early 2003, in order to ensure that sustainability is considered in purchasing and new capital projects, consideration of environmental expectations became mandatory in all tender and contract documentation. Similar information has also been included in the *Parliament House Site Book*, which outlines JHD's requirements and expectations of persons and companies working at Parliament House. This *Site Book* is provided to all construction contractors and subcontractors. The next phase, incorporating the analysis of social responsibilities that impact on the community, will occur during 2003–04.

The JHD Executive is committed to funding improved environmental and overall sustainability outcomes. In January 2003, it established an Environmental Management Committee (EMC) supported by a dedicated specialist senior officer who provides secretariat support, advice and briefings on environmental issues, opportunities and outcomes.

JHD commenced work to develop an Environmental Management System (EMS), in accordance with the Government direction to all agencies. The new EMS, to cover operations for the next three years, should be completed by December 2003. It will include a structured program for improvements to infrastructure, education and awareness-raising, the development of goals and milestones, public reporting and external audit of results—all designed to improve environmental performance.

To facilitate development of the new EMS, members of the EMC received three days training on Standard ISO 14001:1996 (Environmental Management Systems) in March and early April 2003.

JHD engineering staff continued to seek ways of reducing the impact of Parliament House's operations on the environment, especially in the areas of water management and reductions, energy consumption and reductions, alternative sources of fuels, and more efficient systems operations.

An example of this was the replacement of obsolete and irreparable swimming pool plant. See special report on pages 26–27 of this annual report.

Other specific issues considered from a sustainability perspective ranged from the type of photocopiers to buy to the sourcing of products, in accordance with the Commonwealth Purchasing Guidelines. This demonstrates JHD's ongoing move toward sustainability in purchasing.

In developing business plans with catering, cleaning, painting, HVAC and lift maintenance contractors, JHD has ensured that environmental management is part of the KPIs against which the contractor's performance is assessed. In 2002–03, all contractors met the environmental targets required under their agreed business plans.

In 2003–04, improvements will continue to focus on:

- recycling performance, expanding this to cover a greater range of waste by-products
- continued pursuit and development of water- and energy-reduction strategies and
- purchase of 10% green energy to reduce the carbon dioxide impact on the atmosphere.

Despite only achieving a 0.5% improvement in the ECI against a 1% target (see Report on Performance—Note 3 on page 18) :

- energy consumption was down on all previous years
- landscape water usage reduced by 19% after water restrictions were introduced in November 2002 and reflected JHD's active efforts to conserve water, in line with the ACT Government's water restrictions policy
- water usage in the building was down by 4.4% on 2001–02 levels
- the use of natural treatment options to control pests improved and
- there was no measurable leachate runoff from the site into the surrounding waterways.

Energy Management and Greenhouse Gas Emission Reductions

JHD signed up to the Greenhouse Challenge as a participant with a cooperative Greenhouse Challenge agreement on 18 November 1997. The Greenhouse Challenge target for Parliament House was for a 1.5% reduction in energy consumption per year over six years. This target equated to a reduction from 171 280 gigajoules in 1996–97 to 156 430 gigajoules in 2002–03. In 2002–03, energy consumption at Parliament House was actually 147 742 gigajoules, well under the target set.

JHD has reported its performance on energy management and reductions in greenhouse gas emissions since 1989–90 and has worked hard to achieve the following results over the 1988–89 baseline year:

- electricity reduction of 37.5%
- gas reduction of 71.75%
- carbon dioxide emission equivalent reduction of 46.56%
- total energy consumption has reduced by 55.78%.

In 2002–03, as noted in the performance report on page 20, total energy consumption reduced by 2.9% compared with the 2001–02 financial year.

Carbon dioxide emissions continued to remain higher than the best year, 2000–01, when 15% green energy was purchased. In 2002–03, budget constraints only allowed JHD to purchase 10% green energy. Total emissions since 1996–97 still meet Greenhouse Challenge targets.

Graphs highlighting JHD's energy and building management achievements are shown at Appendix D on pages 64–68.

Compliance with Government Energy Policy

One of the recommendations in the ANAO Audit Report No. 24 of 2002–03 (Energy Efficiency in Commonwealth Operations—Follow-up Audit) was that an agency should indicate in an annual report to its Minister whether the agency complied with all the requirements of the Energy Policy. The following table is designed to fulfil that requirement.

Policy Requirements	JHD's Current State of Compliance
Energy intensity targets to be met by 2002–03.	The policy sets a number of end-use categories for different buildings. Parliament House falls into the public buildings category. At this stage there is no target for this category. In the <i>Energy Use in Commonwealth Operations—2001–2002</i> report, the average energy intensity for this category was 1176MJ/m ² and Parliament House's energy intensity was 1004MJ/m ² .

Compliance with Government Energy Policy (continued)

Policy Requirements	JHD's Current State of Compliance
Departmental secretaries and agency heads to report to and be accountable to their Ministers for their performance in improving energy efficiency.	Every year JHD reports in the annual report on its performance in improving energy efficiency.
All departments and agencies to report annual energy consumption and intensity to the Department of Industry, Science and Resources.	JHD is reporting annual energy consumption and intensity to the Department of Industry, Science and Resources on an annual basis.
A whole-of-government energy performance report to be prepared and published annually by the Department of Industry, Science and Resources.	JHD has contributed to this report.
Energy performance contracting accepted and encouraged as a vehicle for achieving energy savings.	JHD has considerable in-house expertise in energy management and has not used energy performance contracting for achieving energy savings at Parliament House. JHD leases office space in West Block. An energy performance contract is in place for this lease.
Energy and Environmental Services Team available for specialist energy advice.	<p>JHD has attended a number of very informative seminars organised by the Energy and Environmental Services Team (EEST).</p> <p>The EEST has set up a panel of energy auditors. JHD will consider using this panel to undertake a Level 3 energy audit. The EEST assisted other agencies in negotiating a energy contract with ActewAGL. JHD was large enough to negotiate its own contract and was not part of this exercise.</p>
Minimum energy performance standards apply to new buildings (owned and leased).	These standards apply to new buildings and are not applicable to internal office fit outs. Consequently this requirement is not applicable to JHD.
New building leases to exclude energy from being recovered as an outgoing.	<p>JHD is involved in the leasing of office space in West Block. Under this lease, central services energy is not recovered as an outgoing.</p> <p>The main Parliament House building is owned by the Commonwealth and is not subject to any lease agreements.</p>

Compliance with Government Energy Policy (continued)

Policy Requirements	JHD's Current State of Compliance
<p>All building space to be energy audited regularly (every 5 years) and all cost effective recommendations implemented.</p>	<p>In the last five years, JHD has conducted the following energy related audits:</p> <ul style="list-style-type: none"> • October 1998 Energy Consumption & Cost 1997–98 (Enersonics) • September 1999 Parliament House Energy Review (Lincolne Scott) • April 2000 Greenhouse Challenge Independent Verification Report (NDV) • September 2002 Energy Management Report # 3/2003 (KPMG) <p>In addition, JHD has conducted many studies and investigations into energy efficiency initiatives.</p> <p>In the last five years, the following major energy efficiency initiatives have been implemented:</p> <ul style="list-style-type: none"> • Individual Room Controllers Stages 1, 2, 3 and 4 • Cooling Tower Fans VSDs • Air Fans in Committee Control Rooms • Auditing of Start Stop Times • Gas-Fired Steam Generator • Swimming Pool Heating • Creation of Energy Manager Position <p>A Level 1 audit has been carried out as part of the Energy Strategy. One of the recommendations of the energy strategy is to conduct a level 3 energy audit.</p> <p>The Energy Strategy shall include a list of all cost effective recommendations to be implemented over the next 5 years.</p>
<p>All new office equipment to be US EPA Energy Star compliant, where applicable.</p>	<p>JHD's policy as stated in the publication <i>Energy Management in Parliament House</i> is that photocopiers and printers should have a standby mode to reduce energy consumption and that small systems need to be assessed on efficiency and have a standby mode. All desktop computers purchased by JHD are US EPA Energy Star Compliant.</p>

Compliance with Government Energy Policy (continued)

Policy Requirements	JHD's Current State of Compliance
All new appliances to have 4-star or better energy rating under the Appliance Energy Efficiency Rating Label Scheme.	JHD's policy as stated in the publication <i>Energy Management in Parliament House</i> is that all whitegoods must have a minimum five-star energy rating. Environment Australia and the Australian Greenhouse Office have prepared environmental purchasing checklists for a key range of goods and services procured by the Commonwealth. JHD Procurement has incorporated the use of these checklists into the JHD purchasing procedures CEP14.
Opportunities to use renewable energy identified, and adopted, where cost effective.	JHD is currently purchasing 10% renewable (green) energy from the Snowy Hydro scheme. The energy strategy will consider other sources of renewable energy.
All new houses (owned or leased) to have a NatHERS rating of 4-star or better, where available.	Not applicable to JHD
Assess the potential to upgrade all existing houses to 3-star or better, where NatHERS is applicable.	Not applicable to JHD
Development of fuel consumption targets for the Commonwealth vehicle fleet to apply from 2003.	Fuel targets have been published recently and JHD is gathering data on the existing fleet to determine compliance with the targets.
Periodic reviews of the program and an independent review after two years, with results and recommendations to be brought to Cabinet.	Responsibility of the Australian Greenhouse Office and the Department of Industry, Science and Resources.

Discretionary Grants

JHD does not administer any discretionary grant programs.

APPENDICES



APPENDIX A

Staffing Overview as at 30 June 2003

Salary ranges by classification structure at 30 June 2003

Apprentice APS 1/2 and APS 2/3	\$15 950–33 022
Adult Apprentice APS 1/2	\$33 183
Broadbanded APS 1/2	\$33 183–38 230
Australian Parliamentary Service 1	\$29 976–34 676
Australian Parliamentary Service 2	\$33 986–37 195
Broadbanded APS 2/3	\$36 169–41 116
Australian Parliamentary Service 3	\$38 199–41 116
Australian Parliamentary Service 4	\$42 397–45 806
Australian Parliamentary Service 5	\$47 521–48 816
Australian Parliamentary Service 6	\$50 641–57 994
Parliamentary Executive Level 1	\$64 400–73 924
Parliamentary Executive Level 2	\$77 934–86 424
SES Band 1	\$86 425–102 572

Representation of EEO groups by salary level at 30 June 2003

Salary	Total	Women	ATSI	PWD	NESB
Below \$33 986 (includes APS1)	24	1		1	3
\$33 986–38 230 (includes APS1/2 & APS2)	64	43	1	2	8
\$36 169–41 116 (includes APS2/3 & APS3)	56	12			4
\$42 397–45 806 (includes APS4)	37	15		2	3
\$47 521–49 816 (includes APS5)	20	4		1	1
\$50 641–57 994 (includes APS6)	41	10		4	2
\$64 400–73 924 (includes PEL1)	24	7			4
\$77 934–86 424 (includes PEL2)	7	2			
Above \$86 424 (includes SES & Secretary)	5	1			
TOTAL	278	95	1	10	25
Percentage of total staff		34%	<1%	4%	9%

Key: NESB Non-English-Speaking Background (combined figures for first- and second-generation NESB)
 ATSI Aboriginal or Torres Strait Islander
 PWD People with a disability

Staff Numbers

Classification	Staff Numbers 30 June 2003			Staff Numbers 30 June 2002		
	Male	Female	Total	Male	Female	Total
Secretary	1	-	1	1	-	1
SES Band 1	3	1	4	3	-	3
SES Total	4	1	5	4	-	4
PEL 2	5	2	7	6	2	8
PEL 1	17	7	24	16	4	20
APS 6	31	10	41	31	11	42
APS 5	16	4	20	17	3	20
APS 4	22	15	37	22	17	39
APS 3	16	11	27	14	14	28
APS 2	28	41	49	12	38	50
APS 2/3	28	1	29	30	-	30
APS 1/2	13	2	15	11	1	12
APS 1	17	0	17	22	3	25
Apprentice	6	1	7	9	-	9
TOTAL	183	95	278	194	93	287
Including:						
Part-time staff	9	45	(19%) 54	9	45	(19%) 54
Non-ongoing staff	21	11	(12%) 32	22	14	(7%) 36

Notes

- This table includes actual staff numbers as at 30 June 2003 (and 30 June 2002) by classification.
- All staff are located in the ACT.
- The figures include ongoing and non-ongoing staff on leave or temporary assignment of duties.
- JHD has three SES Band1 positions. As at 30 June 2003, one SES officer was on leave and another person was acting in this position. This accounts for a total of four SES Band1 officers as at 30 June 2003.

19%



Composition of
part-time/ full-time
employees

12%



Composition of
non-ongoing/
ongoing
employees

APPENDIX B

Consultancies

Consultancy Services Contracts

Consultants engaged or under engagement during 2002–03

Expenditure \$10 000 and over	Nature and Purpose of Consultancy	Contract Price	Start Date	Expenditure 2002–03 \$	Selection Process	Code
Clayton Utz Lawyers	Provision of Legal Services	Standing Offer	08-Jul-97	97 389	1	C
Minter Ellison	Provision of Legal Services	Standing Offer	08-Jul-97	78 370	1	C
International Conservation Services Pty Ltd	Maintain and Report on Outdoor Sculptures at Parliament House	Period Contract	05-Jul-99	21 920	2	C
Gutteridge Haskins & Davey Pty Ltd	Provision of Engineering Services	Period Contract	25-Jun-99	24 660	1	B
Norman Disney & Young	Provision of Engineering Services	Period Contract	25-Jun-99	30 700	1	B
KPMG	Provision of Internal Audit Services	Standing Offer	11-Aug-00	101 177	1	C
Davidson Trahaire	Provision of an Employee Assistance Program	Period Contract	03-Apr-01	18 633	1	B
Advance FM	Provision of Building Management Consultancy Services	Standing Offer	06-Apr-01	111 679	3	C
EP Safety Rehab and Comp Solutions P/L	Rehabilitation Case Management Services	Period Contract	5-Nov-01	18 393	1	C
Tomorrow Today Strategic Engineering Planning Pty Ltd	Development of a Water Strategy for Parliament House	\$69 000	08-Jan-02	32 264	3	B
Bligh Voller Neild	Provision of Architectural Services	Standing Offer	11-Apr-02	12 788	1	C
SAI Global Assurance	Provision of Safety Audit Against SafetyMap Initial Level Achievement	\$14 300	23-Apr-02	16 769	1	B
Ernst & Young	Review of Security Arrangements in Parliament House	\$46 300	28-Mar-02	46 300	3	B
Ove Arup Pty Ltd	Provision of Advice on Parliamentary Roads, Footpaths, & Carparks Condition Rpt Stage 2	\$83 400	2-Aug-02	83 400	3	C
Eric Martin & Associates	Persons with Disabilities Building Compliance Audit	\$22 350	30-Sep-02	15 500	3	C
MGT Architects	Ministerial Entry Security Gates Design	\$11 225	23-Sep-02	14 788	3	C
PSC Risk Services	Security Risk Review	\$11 200	16-Oct-02	10 000	3	C
Best Practice Project Management	Provision of Contract Management Training	Standing Offer	18-Nov-02	30 200	2	A
One Planet Solutions	Consultancy to Facilitate the Selection, Design, Construction and Commissioning of an Early Childhood Centre at Parliament House	\$288 000	15-Jan-03	26 350	3	B
ActewAGL	Preliminary Analysis for Cogeneration at Parliament House	\$16 000	28-Jan-03	16 000	3	C
accessUTS	Survey of Pest Controls	\$10 725	1-May-03	10 725	3	C
Total Number of Consultancy Contracts				21		
Total Expenditure/Commitments 2002–03				818 005		

Key to Consultancy Justification Codes

A	Limited or one-time use of specialised skills	1
B	Requirement for unique areas of expertise	7
C	Specialist knowledge and/or resources not available from within JHD	13
D	Need for an independent study	0
E	Requirement for a change agent or facilitator	0
F	Requirement for rapid access to the latest technology and experience in its application	0
G	Short-term task; permanent position not required	0
H	Commissioning function; short-term requirement	0
		21

Key to Selection Process

1	Open tender—fully advertised	9
2	Restricted tender/quotation—not advertised	2
3	Sole Sourcing arrangement—not advertised	10
		21

Note: Australian Parliamentary Service Commissioner conducted a Review of Aspects of Parliamentary Administration on behalf of the Presiding Officers. JHD's share of the cost of this review was \$34 000.

APPENDIX C

Advertising costs 2002–03

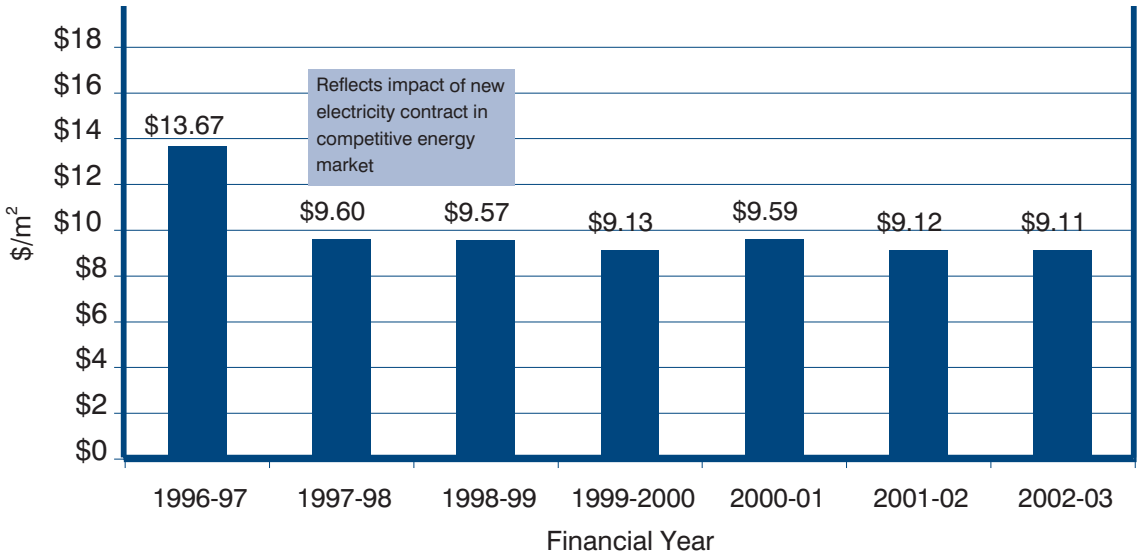
Organisation	Description	Cost \$
bytes 'n colours	Printing Open Day brochures/programs	2 201
Starcom	Print advertising:	
	—Open Day	2 409
	—Flag-raising	537
WIN TV	TV advertising Open Day	5 089
Bearcage Productions	Production TV commercial Open Day	1 487
City News	Open Day	1 090
Whizzbang	Artwork Floriade program	550
<i>The Canberra Times</i>	Floriade program	2 288
chilli.org	Artwork:	
	—Floriade DL brochure	250
	— <i>McCafferty's Magazine</i>	250
CTEC	Window panel CVC	3 150
	Floriade DL brochure	250
Rank Publishing	<i>CIM Magazine</i>	2 600
Lear Marketing	<i>Explore Canberra Map</i>	950
Text Media Group	<i>Australian Tourism Source</i>	918
TW Media	<i>This Week in Canberra Magazine</i>	5 409
Cartoscope P/Ltd	Ad in <i>Cartoscope</i>	1 636
Hotel Heritage	Chinese brochure	671
Millbank P/Ltd	<i>New South Wales Tours</i>	490
TNT	<i>TNT Magazine</i>	144
Tour Pacific Australia P/Ltd	Tour Pacific Kits	500
Val Morgan	Cinema advertising	9 150
CCB	<i>Meeting Planner's Guide</i>	1 996
National Folk Festival	program	227
National Capital Authority	CD Rom	300
<i>Around Canberra Magazine</i>	June issue	333
	TOTAL	\$44 875

In addition, JHD paid \$6 000 and \$1 867 to HMA Blaze for recruitment and tender notice advertising respectively.

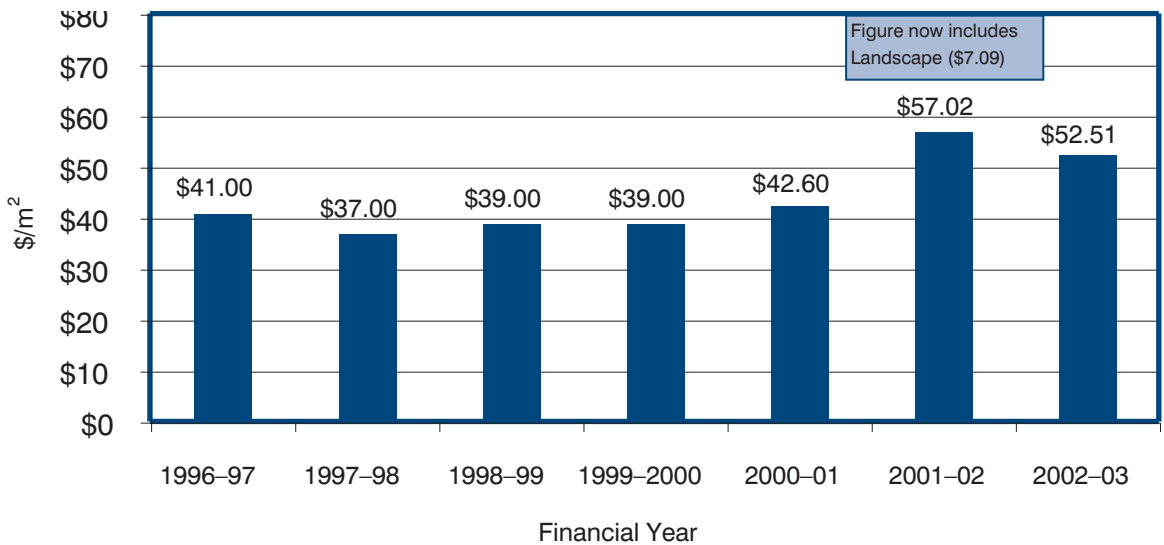
APPENDIX D

Energy and Building Management Achievements

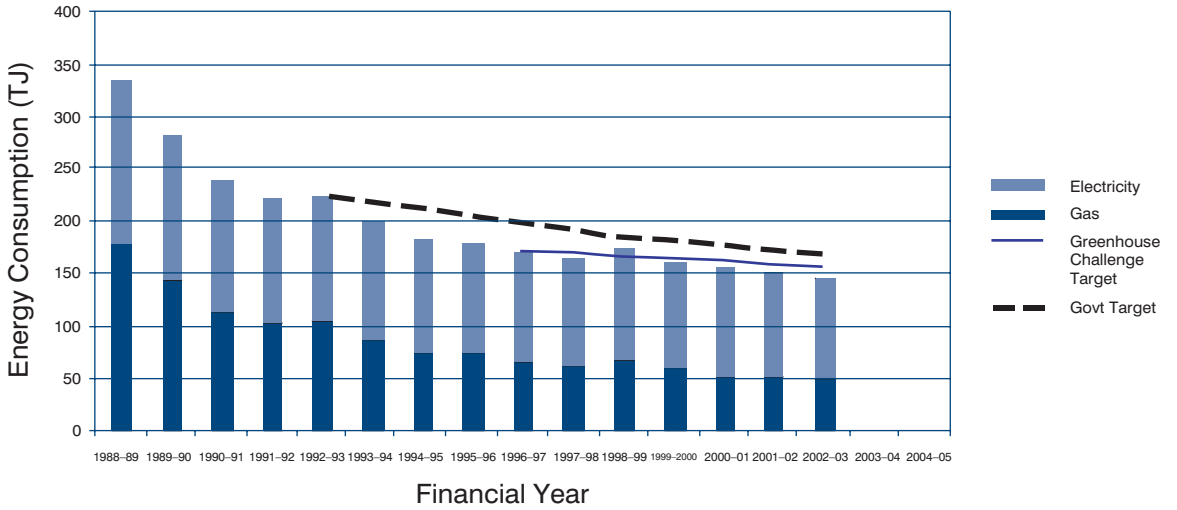
Energy Cost/m²



Maintenance Cost/m²

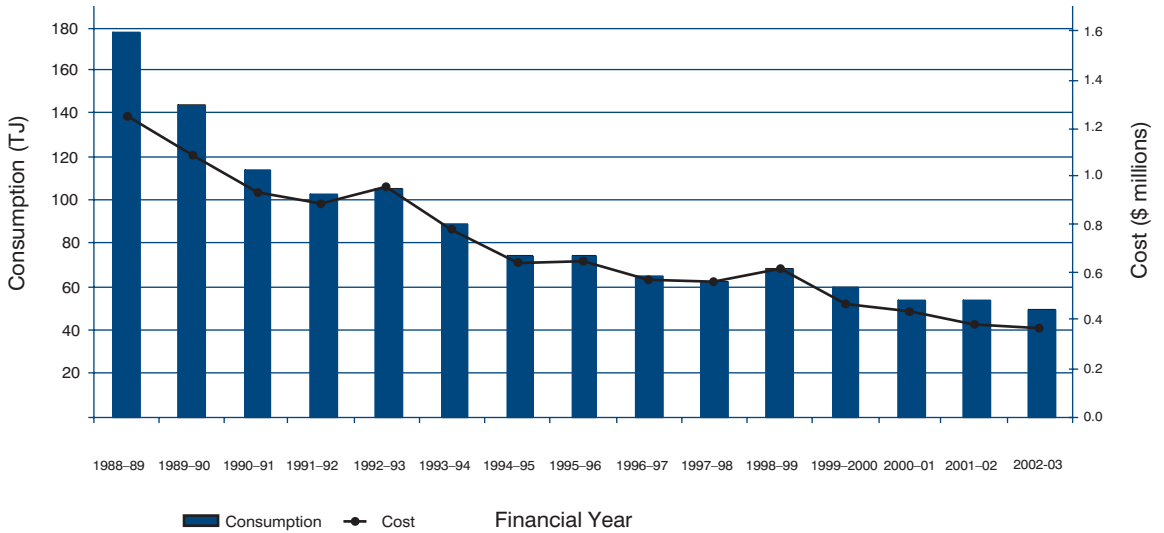


Total Energy Consumption

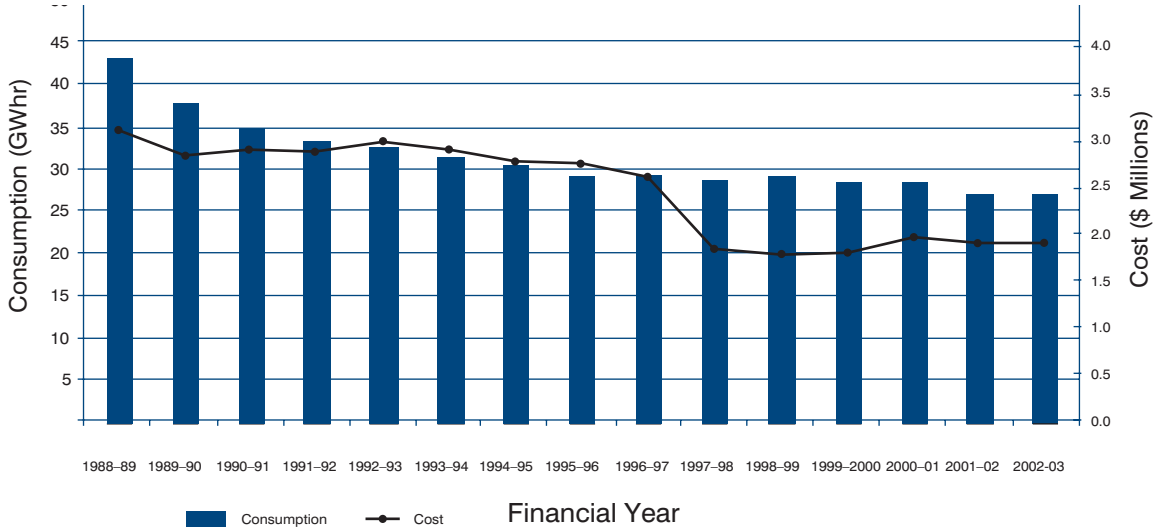


Government Target: by 1997-98, 15% reduction in energy consumption based on 1992-93 level and by 2002-03, 25% reduction in energy consumption based on 1992-93 level
 Greenhouse Challenge Target: 1.5% reduction per year

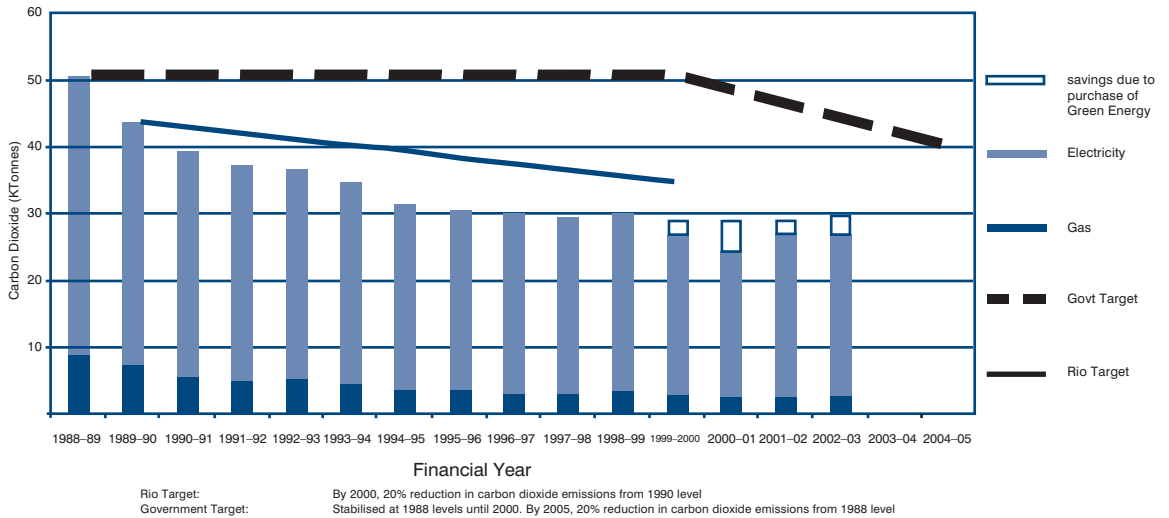
Gas Consumption and Charges



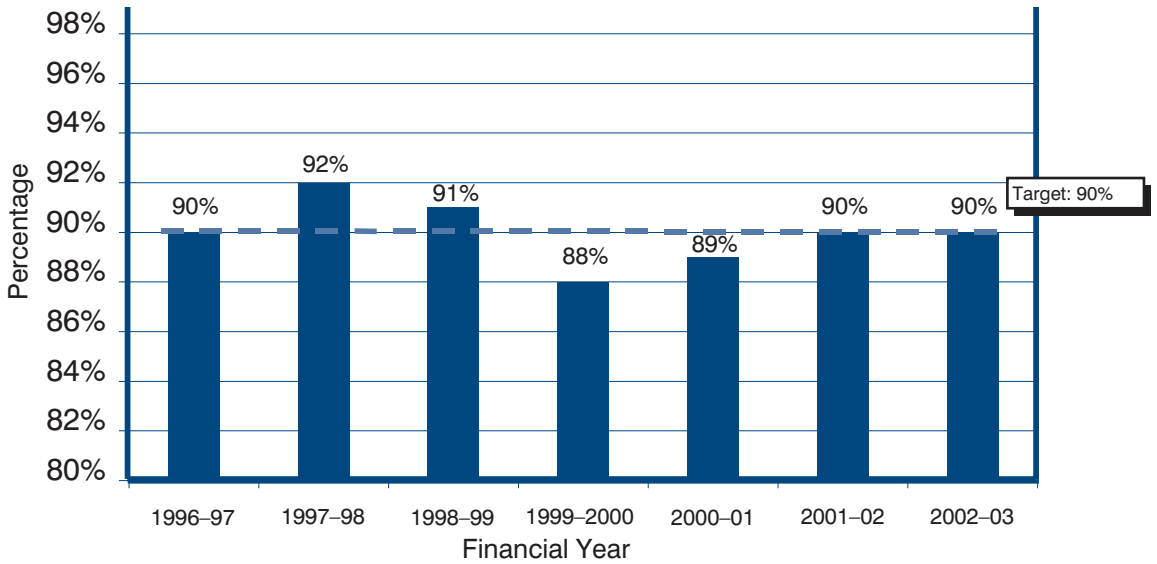
Electricity Consumption and Charges



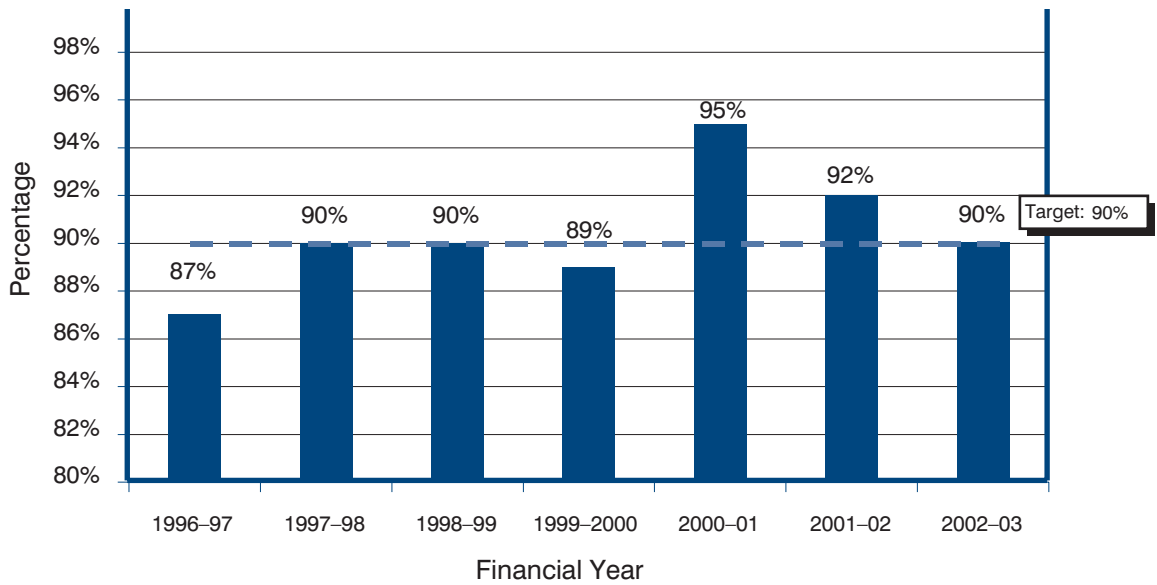
Total Carbon Dioxide Emissions



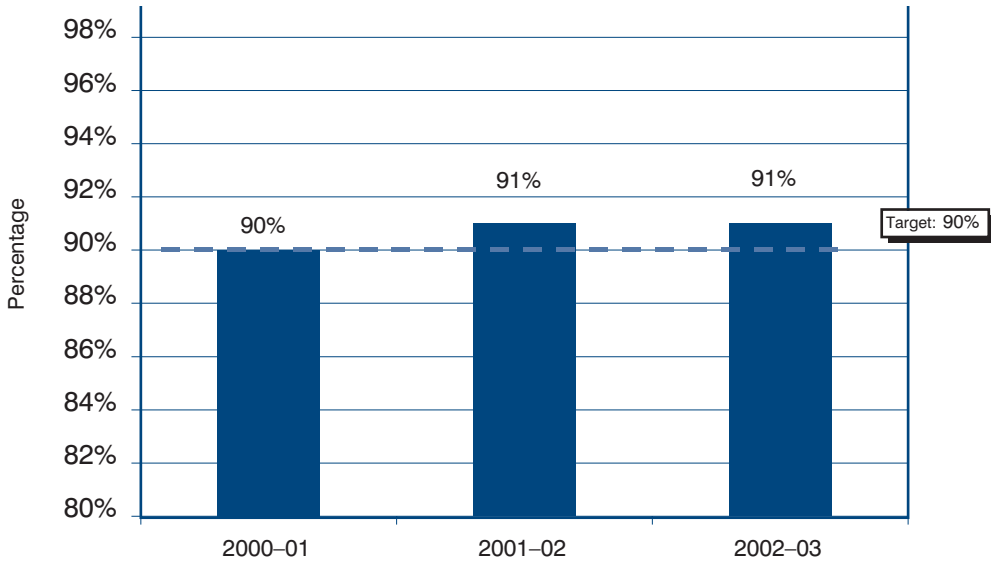
Building Condition Index



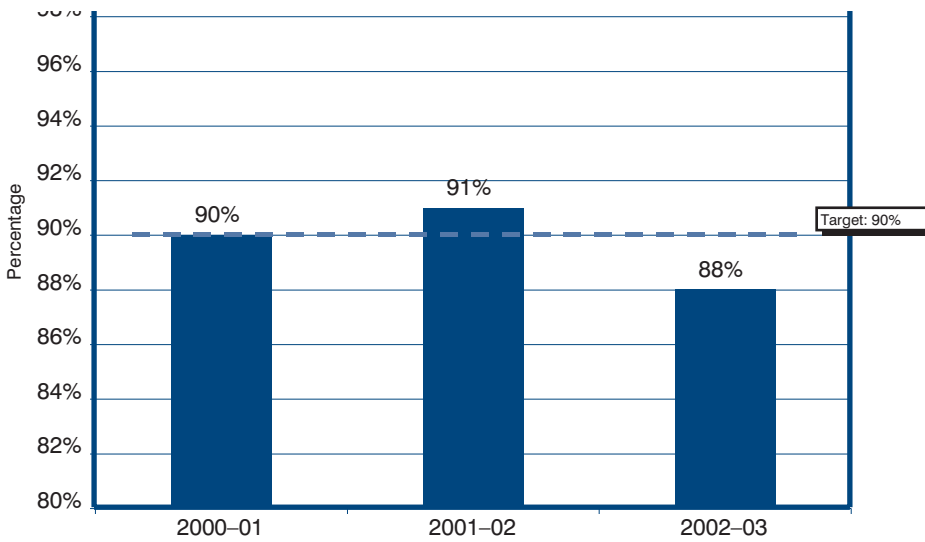
Design Integrity Index



Engineering Systems Condition Index



Landscape Condition Index



APPENDIX E

Joint House Committee 2002–03

The Joint House Committee is comprised of the members of the House Committees of the Senate and the House of Representatives. Members of those committees are appointed under Senate Standing Order 21 and House of Representatives Standing Order 27 respectively. When these two committees meet jointly as the Joint House Committee, currently, the President of the Senate is the Chair.

The Committee first met on Wednesday 26 June 1901, at which time it was resolved that the Committee would take over responsibility for various maintenance and facilities services (at that time, located in the Victorian Parliament House, Melbourne) and "such other matters as tend to the convenience of Members of Parliament".

extract from the minutes of the first meeting of the Joint House Committee, 26 June 1901

Membership of the Committee at 30 June 2003 was:

Senator the Hon Paul Calvert	The Hon Neil Andrew MP
Senator K Carr	Mr R Charles MP
Senator R Colbeck	The Hon J Crosio MBE MP
Senator J Collins	Mr B Haase MP
Senator J Hogg	Ms S Jackson MP
Senator R Lightfoot	Mr H Quick MP
Senator U Stephens	The Hon A Somlyay MP

Note: Senator J Ferris was discharged from the committee on 18 November 2002.

During 2002–03, the Committee met on four occasions. The following issues were amongst those considered by the Committee.

- Security in and around Parliament House
- Childcare in Parliament House
- Protocols for functions in Parliament House
- Health and Recreation Centre fee proposal
- Computer upgrade issues affecting Senators and Members
- Accommodation issues in Parliament House
- Role of the Nurses' Centre.

APPENDIX F

Resources for Outcome

Outcome

An effectively functioning legislative building for the Parliament of Australia which preserves its value as a heritage complex and raises public awareness of the Australian Federal Parliamentary system and the Parliament House building.

	(1)	(2)	Variation	Budget**
	Budget*	Actual expenses	(column 2 minus column 1)	
	2002–03	2002–03		2003–04
	\$'000	\$'000		\$'000
Administered Expenses (including third party outputs)	11 434	28 388	16 954	10 654
Total Administered Expenses	11 434	28 388	16 954	10 654
Price of Departmental Outputs				
Output 1				
—Total Asset Management Services	28 966	26 662	(2 304)	27 408
Output 2				
—Building Occupant & Visitor Services	4 421	9 557	5 136	6 790
Revenue from Government (Appropriation) for Departmental Outputs	33 387	36 219	2 832	34 198
Revenue from other Sources	6 850	4 603	(2 247)	6 710
Total Price of Outputs	40 237	40 822	585	40 908
TOTAL FOR OUTCOME				
(Total Price of Outputs and Administered Expenses)	51 671	69 210	17 539	51 562
Average Staffing Level			2002–03	2003–04
			254	260

* Full-year budget, including additional estimates

** Budget prior to additional estimates

APPENDIX G

Details of Photographs used in Annual Report

All the photographs used in this Annual Report are courtesy of the Government Photographic Service (AUSPIC).

Annual Report Section	JHD Service / location	Staff / Contractor / visitor in photograph
Front cover	Northern courtyard wall on which is superimposed (L to R) photos of: <ul style="list-style-type: none"> •Parliamentary Guide in Senate •Mechanical Services technician erecting flag in Great Hall •Parliamentary Guide with school group in Main Foyer 	Rosemary Lever Ken Gale Georgina Hutchinson with Northern Beaches State High School (near Townsville Qld)
Frontispiece	View of the flagpole	
Secretary's Review 2002–03	Aerial view of Parliament House	
Departmental Overview	Building Fabric Services	Bill Bulters
Report on Performance	Landscape Services	Wayne Roach Jeff van Aalst
Special Report	Building Information (with the competition model for the new Parliament House)	Ross Wilson Steve Tokley Joe Zeccola Lee Packwood
Management and Accountability	Art Services with <i>Aboriginal Genesis (No 1)</i> (2000) Emmanuel SANTOS (1957–) <small>Reproduced courtesy of the Artist and Parliament House Art Collection, Joint House Department, Canberra ACT</small>	Tony Dibley Juliet Walker Nic Ratsaphong
Other Mandatory Information	Loading Dock	Alex Blistak
Appendices	Queen's Terrace Café Hyatt Hotel Canberra at Parliament House	Renee Beauchamp with visitors—Forbes family from South Australia
Financial Statements	Great Hall Limro Cleaning Services (ACT)	Maria Ljubic
Glossary	The Parliament Shop	Kleme Stavreski
Index	Health and Recreation Centre	Esteban Gonzalez Gavin Godkin

FINANCIAL STATEMENTS 2002-03



FINANCIAL STATEMENTS 2002-03

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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 Report

This audit report relates to the financial report of the Joint House Department for the year ended 30 June 2003 included on the Parliament of Australia's web site. The Department's Chief Executive is responsible for the integrity of the information on the Parliament of Australia's web site that relates to the Joint House Department.

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

If the users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

I have audited the financial statements of Joint House Department for the year ended 30 June 2003. The financial statements comprise:

- Statement by the Chief Executive;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Contingencies and Commitments
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements.

The Department's Chief Executive is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Department's financial position, its financial performance and its cash flows.

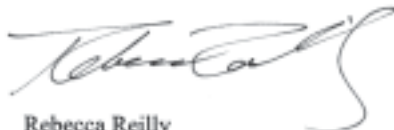
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of Joint House Department as at 30 June 2003, and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Rebecca Reilly
Acting Executive Director

Delegate of the Auditor-General

Canberra
27 August 2003



Statement by the Chief Executive

In my opinion, the attached financial statements for the year ended 30 June 2003 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*.

A handwritten signature in black ink, appearing to read 'M Bolton'.

M BOLTON
Secretary

27 August 2003

JOINT HOUSE DEPARTMENT
STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2003

	Notes	2002-03 \$'000	2001-02 \$'000
Revenues from ordinary activities			
Revenues from Government	3A	36 807	36 845
Sales of goods and services	3B	2 819	3 037
Interest	3C	125	235
Revenue from sale of assets	3D	67	68
Other	3E	1 390	539
<i>Total revenues from ordinary activities</i>		<u>41 208</u>	<u>40 724</u>
Expenses from ordinary activities (excluding borrowing cost expense)			
Employees	4A	15 926	15 377
Suppliers	4B	22 922	23 716
Depreciation and amortisation	4C	1 448	1 048
Value of assets sold	3D	363	235
Other	4D	133	400
<i>Expenses from ordinary activities (excluding borrowing costs expense)</i>		<u>40 792</u>	<u>40 776</u>
Borrowing costs expense	4E	30	365
Net surplus / (deficit)		<u>386</u>	<u>(417)</u>
Net credit to asset revaluation reserve		(136)	0
Decrease in accumulated results on initial adoption of accounting standard AASB1028 Employee Benefits		(68)	0
Total revenues, expenses and valuation adjustments attributable to the Commonwealth Government and recognised directly in equity		<u>(204)</u>	<u>0</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>182</u>	<u>(417)</u>

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

JOINT HOUSE DEPARTMENT
STATEMENT OF FINANCIAL POSITION

as at 30 June 2003

	Notes	2002-03 \$'000	2001-02 \$'000
ASSETS			
Financial assets			
Cash	5A	1 590	5 954
Receivables	5B	4 322	492
<i>Total financial assets</i>		<u>5 912</u>	<u>6 446</u>
Non-financial assets			
Infrastructure, Plant & Equipment	6A,C	2 257	3 453
Intangibles	6B,C	436	601
Inventories	6D	191	248
Other	6E	107	141
<i>Total non-financial assets</i>		<u>2 991</u>	<u>4 443</u>
TOTAL ASSETS		<u>8 903</u>	<u>10 889</u>
LIABILITIES			
Interest bearing liabilities			
Leases	7	255	611
<i>Total interest bearing liabilities</i>		<u>255</u>	<u>611</u>
Provisions			
Capital use charge	8A	0	848
Employees	8B	4 565	4 361
<i>Total provisions</i>		<u>4 565</u>	<u>5 209</u>
Payables			
Suppliers	9	961	1 766
<i>Total payables</i>		<u>961</u>	<u>1 766</u>
TOTAL LIABILITIES		<u>5 781</u>	<u>7 586</u>
NET ASSETS		<u>3 122</u>	<u>3 303</u>
EQUITY			
Contributed equity	10	1 609	1 609
Reserves	10	347	483
Retained surpluses or accumulated deficits	10	1 166	1 211
TOTAL EQUITY	10	<u>3 122</u>	<u>3 303</u>
Current assets		6 210	6 835
Non-current assets		2 693	4 054
Current liabilities		2 647	4 650
Non-current liabilities		3 134	2 936

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

**JOINT HOUSE DEPARTMENT
STATEMENT OF CASH FLOWS**

for the year ended 30 June 2003

	Notes	2002-03 \$'000	2001-02 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		3 979	3 900
Appropriations		33 520	33 603
Interest		125	235
GST received from ATO		1 704	2 031
Total cash received		<u>39 328</u>	<u>39 769</u>
Cash used			
Employees		(15 782)	(15 298)
Suppliers		(22 430)	(22 176)
Return of Cash Balances		(4 000)	0
Borrowing costs		(30)	(365)
Total cash used		<u>(42 242)</u>	<u>(37 839)</u>
Net cash from / (used by) operating activities	11	<u>(2 914)</u>	<u>1 930</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		67	63
Total cash received		<u>67</u>	<u>63</u>
Cash used			
Purchase of property, plant and equipment		(306)	(1 328)
Total cash used		<u>(306)</u>	<u>(1 328)</u>
Net cash from / (used by) investing activities		<u>(239)</u>	<u>(1 265)</u>
FINANCING ACTIVITIES			
Cash received			
		0	0
Cash used			
Repayment of debt		0	(53)
Capital use charge paid		(1 211)	0
Total cash used		<u>(1 211)</u>	<u>(53)</u>
Net cash from / (used by) financing activities		<u>(1 211)</u>	<u>(53)</u>
Net increase (decrease) in cash held		(4 364)	612
Cash at beginning of the reporting period		5 954	5 342
Cash at the end of the reporting period	5A	<u>1 590</u>	<u>5 954</u>

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

**JOINT HOUSE DEPARTMENT
SCHEDULE OF COMMITMENTS**

as at 30 June 2003

	Notes	2002-03 \$'000	2001-02 \$'000
BY TYPE			
Capital commitments		0	0
Other commitments			
Operating leases ¹		4 768	4 504
Other commitments		28 469	16 072
<i>Total other commitments</i>		<u>33 237</u>	<u>20 576</u>
Commitments receivable		(3 022)	(1 871)
Net commitments		<u>30 215</u>	<u>18 705</u>
BY MATURITY			
All net commitments			
One year or less		6 935	10 455
From one to five years		23 229	8 250
Over five years		51	0
<i>Net commitments by maturity</i>		<u>30 215</u>	<u>18 705</u>
Gross Operating lease commitments			
One year or less		1 188	1 298
From one to five years		3 580	3 206
Over five years		0	0
<i>Total operating leases</i>		<u>4 768</u>	<u>4 504</u>

NB: Commitments are GST inclusive where relevant.

¹ Operating leases included are effectively non-cancellable and comprise:

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Leases for office accommodation.	Lease payments to the Commonwealth, are subject to annual increases in accordance with movements in the Consumer Price Index. The current lease agreement is for a period of ten years.
Leases for storage facilities.	Lease payments are subject to annual increases in accordance with movement in the Consumer Price Index. The current sub-lease agreement is for a period of five years.
Agreements for the provision of motor vehicles to executive officers.	Lease periods vary from 18 to 60 months, depending on the type of vehicle leased. Ownership never passes to JHD. There are no renewal or purchase options at the end of the agreement.

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

**JOINT HOUSE DEPARTMENT
SCHEDULE OF CONTINGENCIES**

as at 30 June 2003

	Notes	2002-03 \$'000	2001-02 \$'000
CONTINGENT LOSSES			
Claims for damages/costs		50	255
CONTINGENT ASSETS			
Claims for damages/costs		0	0
Net Contingent Liabilities		<u>50</u>	<u>255</u>

Quantifiable Contingencies

The amount represents an estimate of JHD's liability based on precedent cases. JHD has determined a position in each matter in accordance with, and consistent with, the Legal Service Directions promulgated by the Attorney-General. In order to reduce exposure, costs and damages to the Commonwealth, JHD uses the services of three legal service providers under contractual arrangements.

REMOTE OR UNQUANTIFIABLE CONTINGENCIES

At 30 June 2003, JHD has no remote or unquantifiable contingencies at balance date.

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

**JOINT HOUSE DEPARTMENT
SCHEDULE OF ADMINISTERED ITEMS**

	Notes	2002-03 \$'000	2001-02 \$'000
Revenues Administered on Behalf of Government <i>for the year ended 30 June 2003</i>			
Non-Taxation Revenue			
Resources received—free of charge	17A	202	40 000
Total revenues administered on behalf of Government		<u>202</u>	<u>40 000</u>
Expenses Administered on Behalf of Government <i>for the year ended 30 June 2003</i>			
Depreciation and amortisation	17B	28 028	27 916
Value of assets sold	17B	360	73
Total expense administered on behalf of Government		<u>28 388</u>	<u>27 989</u>
Assets Administered on Behalf of Government <i>as at 30 June 2003</i>			
Financial assets			
Receivables	17C	48	90
Total financial assets		<u>48</u>	<u>90</u>
Non-financial assets			
Land & Buildings	17C, 18A	1341 786	1117 464
Infrastructure, Plant & Equipment	17C, 18B	33 093	34 663
Artworks	17C, 18C	84 041	83 878
Total non-financial assets		<u>1458 920</u>	<u>1236 005</u>
Total Assets Administered on Behalf of Government		<u>1458 968</u>	<u>1236 095</u>
Liabilities Administered on Behalf of Government <i>as at 30 June 2003</i>			
Payables			
Suppliers	17D	115	2 403
Total payables		<u>115</u>	<u>2 403</u>
Total Liabilities Administered on Behalf of Government		<u>115</u>	<u>2 403</u>
Net Assets Administered on Behalf of Government	19	<u>1458 853</u>	<u>1233 692</u>
Current assets		48	90
Non-current assets		1458 920	1236 005
Current liabilities		115	2 403
Non-current liabilities		0	0

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

JOINT HOUSE DEPARTMENT
SCHEDULE OF ADMINISTERED ITEMS

	Notes	2002-03 \$'000	2001-02 \$'000
Administered Cash Flows			
<i>for the year ended 30 June 2003</i>			
Operating Activities			
Cash received			
Rendering of Services		0	2
Cash from Official Public Account for :			
– Appropriations		6 888	7 575
– GST Annotations		688	756
GST received from ATO		713	717
Total cash received		<u>8 289</u>	<u>9 050</u>
Cash used			
Cash to Official Public Account for :			
– GST Returned		(713)	(717)
– Other		0	(2)
GST paid to Suppliers		(671)	(820)
Total cash used		<u>(1 384)</u>	<u>(1 539)</u>
Net cash from / (used by) operating activities		<u>6 905</u>	<u>7 511</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		0	0
Total cash received		<u>0</u>	<u>0</u>
Cash used			
Purchase of property, plant and equipment		(6 905)	(7 511)
Total cash used		<u>(6 905)</u>	<u>(7 511)</u>
Net cash from / (used by) investing activities		<u>(6 905)</u>	<u>(7 511)</u>
Net increase (decrease) in cash held		0	0
Cash at beginning of the reporting period		0	0
Cash at the end of the reporting period		<u>0</u>	<u>0</u>

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

**JOINT HOUSE DEPARTMENT
SCHEDULE OF ADMINISTERED ITEMS**

	Notes	2002-03 \$'000	2001-02 \$'000
Administered Commitments			
<i>as at 30 June 2003</i>			
BY TYPE			
Capital Commitments			
Infrastructure, plant and equipment		17 137	10 272
Total capital commitments		<u>17 137</u>	<u>10 272</u>
Commitments Receivable			
GST Component		(1 558)	(934)
Total other commitments		<u>(1 558)</u>	<u>(934)</u>
Net commitments		<u>15 579</u>	<u>9 338</u>
BY MATURITY			
All net commitments			
One year or less		14 229	5 590
From one to five years		1 350	3 748
Over five years		0	0
Net Administered Commitments		<u>15 579</u>	<u>9 338</u>

NB: Commitments are GST inclusive where relevant.

Administered Contingencies
as at 30 June 2003

JHD has no contingent, remote nor unquantifiable contingencies at balance date.

Statement of Activities Administered on behalf of Government

The major administered activity of Joint House Department is directed towards achieving the outcome described in Note 1 to the Financial Statements. That outcome being "An effectively functioning legislative building for the Parliament of Australia which preserves its value as a heritage complex and raises public awareness of the Australian Federal Parliamentary system and the Parliament House building".

Details of planned activities can be found in the Department's Portfolio Budget Statements for 2002-03 which have been tabled in Parliament.

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

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note	Description
1	Summary of Significant Accounting Policies
2	Events Occurring after Balance Date
3	Operating Revenues
4	Operating Expenses
5	Financial Assets
6	Non-financial Assets
7	Interest Bearing Liabilities
8	Provisions
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17	Administered Items
	A - Revenues Administered on behalf of Government
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Note 1 Summary of Significant Accounting Policies

1.1 Objectives of Joint House Department (JHD)

OUR VISION

Our vision is that Parliament House continues into the next century and beyond as one of the finest legislative buildings in the world and that the services provided by JHD are commensurate with that ideal.

OUR MISSION

We will continue to earn the privilege of maintaining Australia's Parliament House and managing its facilities because we best understand and capably satisfy its unique servicing requirements.

JHD is structured to meet one outcome.

An effectively functioning legislative building for the Parliament of Australia which preserves its value as a heritage complex and raises public awareness of the Australian Federal Parliamentary system and the Parliament House building.

JHD'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 JHD in its own right. Administered activities involve the management, by JHD on behalf of the Government, of items controlled or incurred by the Government.

The departmental outcome is measured by the following outputs:

- Output 1—Total Asset Management Services
- Output 2—Building Occupant & Visitor Services.

The administered outcome has only one output:

- Output 1—Total Asset Management Services.

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

1.2 Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Financial Management and Accountability (Financial Statements for reporting periods ending on or after 30 June 2003) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board;
- other authoritative pronouncements of the Board; and
- Consensus Views of the Urgent Issues Group.

The statements have also been prepared having regard to the Explanatory Notes to Schedule 1, and Finance Briefs issued by the Department of Finance and Administration.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefit will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionally unperformed are, however, 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. JHD has no remote and unquantifiable contingencies at reporting date.

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of JHD in its present form, and with its present outputs, is dependent on Government policy and on continuing appropriations by Parliament for JHD's administration.

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Administered revenues, expenses, assets, liabilities and cash flows are presented in the Schedule of Administered Items and related Notes. Except where otherwise stated, administered items are reported on the same bases and using the same policies as for departmental items. Refer Note 1.20 for administered items.

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2001–02, except in respect of:

- measurement of certain employee benefits at nominal amounts (refer to Note 1.6);
- valuation of Non-Financial Assets (refer to Notes 1.11 and 1.13);
- presentation and disclosure of administered items (refer to Note 17);
- accounting for output appropriations (refer to Note 1.4); and
- recognition of equity injections (refer to Note 1.5).

1.4 Revenue

The revenues described in this note are revenues relating to JHD's core operating activities.

Revenues from Government

The full amount of the appropriation for the departmental output for the year is recognised as revenue.

As a result of the Budget Estimates Framework Review (BEFR), current policy will affect future reporting periods. From July 2003, JHD will draw down appropriations on a "just-in-time" basis. This is expected to improve the whole of government cashflow position and central treasury cash management. Departmental appropriations not drawn down at the end of the financial reporting period will be accrued in the same manner as administered appropriations.

Resources Received Free of Charge

Services received free of charge are recognised in the Statement of Financial Performance 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 1.5).

Other Revenue

Revenue from the sale of goods is recognised under accrual principles upon delivery of goods and services to customers.

These revenues are mainly comprised of:

- rental income received from Parliament House (PH) occupants
- catering revenue received under contracts in place between JHD and the PH catering service provider.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. The investment function was discontinued during the year as part of the (BEFR) recommendations. This accounts for the drop in the current year's interest revenue and there will be no interest revenues reported in future accounting periods.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

1.5 Transactions by the Government as Owner

Equity Injections

From 1 July 2002, the FMOs require that amounts of appropriations designated as 'equity injections' are recognised directly in Contributed Equity as at 01 July or later date of effect of the appropriation. This is a change of accounting policy from 2001-02 to the extent that any part of an equity injection that was dependent on specific future events occurring was not recognised until the appropriation was drawn down.

This change in policy had no financial effect in 2002-03, as there have been no equity injections since the 1999-2000 reporting period.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Commonwealth agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Capital Use Charges

A Capital Usage Charge of 11% (2002: 11%) is imposed by the Government on the departmental net assets of the department at year end. The net assets figure is adjusted to take account of assets gifted and revaluation adjustments during the financial year. The charge is accounted for as a dividend to Government.

In accordance with the recommendations of the BEFR, the government has decided to discontinue the capital usage charge after 30 June 2003.

1.6 Employee Entitlements

Liabilities for services rendered by employees are recognised at reporting date to the extent that they have not been settled.

Liabilities for employee entitlements include provisions for annual leave, long service leave and superannuation on-costs associated with the anticipated usage of leave entitlements prior to retirement or separation.

These provisions are recorded at their nominal amount, being the rate at which the liability is expected to be paid on settlement. This is a change in accounting policy from last year as a result of the initial adoption of Accounting Standard AASB 1028 *Employee Benefits* from 01 July 2002, highlighted in Note 1.3 above. JHD's Certified Agreement provides for increase in rate of pay from 01 July each year.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to reporting date.

Leave

Sick Leave is not provided for as sick leave is non-vesting, and the average sick leave taken in future years by JHD employees is estimated to be less than the annual entitlement for sick leave.

Recreational Leave liabilities at 30 June 2003 are calculated on the basis of employee's remuneration, including the department's employer superannuation contributions to the extent that the leave is likely to be taken during service rather than paid out on termination.

Long Service Leave liabilities are determined by reference to the present value of the estimated future cash flows to be made in respect of all employees as at 30 June 2003. The estimation of the present value of the liability has taken into account attrition rates and pay increases through promotion and inflation.

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Separation and redundancy

Provision would be made for separation and redundancy payments in circumstances where JHD has formally identified positions as excess to requirements and a reliable estimate of the total amounts of the payments can be determined.

No redundancies have been identified at reporting date.

Superannuation

JHD staff are members of the Commonwealth Sector Superannuation or the Public Sector Superannuation Schemes. Liability for their superannuation benefits is recognised in JHD's financial statements and is settled by the Commonwealth in due course.

JHD makes employer contributions to the Commonwealth at rates determined by an actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of JHD's employees. Employer contributions of \$1 606 090 (2001-02: \$1 602 184) have been expensed in these financial statements.

No liability is shown for superannuation in the Statement of Financial Position as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth.

Employer Superannuation Productivity Benefit contributions of \$343 430 (2001-02: \$330 806) have also been expensed in these financial statements.

1.7 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 risk and benefits.

Non-current assets that have been acquired under finance leases are capitalised at the present value of the minimum lease payments at the inception of the lease, with a corresponding liability being recognised for the same amount. The leased assets are amortised over the term of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Statement of Financial Performance on a basis which is representative of the pattern of benefits derived from the leased assets.

1.8 Borrowing Costs

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in the reporting period does not exceed the amounts of costs incurred in the period. Refer to Note 4F.

1.9 Cash

Cash includes notes and coins held and the balances of JHD's bank accounts. In previous years, cash included term deposits. As part of the BEFR, this function was discontinued in this financial period.

1.10 Financial Instruments

Accounting policies for financial instruments are stated in Note 16.

1.11 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. 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 as outlined in Note 1.5: Restructuring of Administrative Arrangements.

1.12 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment in excess of \$2 000 are recognised at cost in the Statement of Financial Position. Purchases costing less than \$2 000 are expensed in the year of acquisition in the Statement of Financial Performance (other than where they form part of a group of similar items that are in excess of \$2 000).

Revaluations

The buildings, infrastructure, plant and equipment were revalued at 30 June 2003 at fair value. In previous accounting periods the basis of valuation has been deprival values. This is a change in accounting policy required by adoption of the Australian Accounting Standard AASB 1041 *Revaluation of Non-current Assets*.

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Fair and deprival values for each class of asset are determined as shown below.

Asset class	Fair value measured at:	Deprival value measured at:
Land	Market selling price subject to restricted use clause.	Market selling price subject to restricted use clause.
Buildings	Current replacement cost.	Current replacement cost.
Plant & Equipment	Current market value, or Current replacement cost.	Current market value, or Current replacement cost.
Furniture & Fittings	Current market value, or Current replacement cost, or Current reproduction cost.	Current market value, or Current replacement cost, or Current reproduction cost.
Artworks	Current market value, or Current replacement cost.	Current market value, or Current replacement cost.

Under both deprival and fair value, assets that are surplus to requirement are measured at their net realisable value. JHD has no surplus assets at reporting date.

The financial effect for 2002–03 of this change in policy relates to those assets to be recognised at fair value at 30 June 2003. The financial effect of the change is given by the difference between the carrying values at 30 June 2002 and their fair values at 01 July 2002. The independent valuer has determined that the fair value and deprival values are the same and there was no change.

Accounting Standard AAS 6 *Accounting Policies* requires, where practical, presentation of information that would have been disclosed in the 2001–02 reporting period had the new accounting policy always been applied. It is impractical to present this information.

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Frequency

Assets are revalued progressively in successive three—year cycles. The current cycle commenced 01 July 2002 and finishes on 30 June 2005.

Land, buildings, plant and equipment have been revalued in 2002–03, in accordance with AASB1041 *Revaluation of Non-current Assets*, and future revaluations will be dependent on the materiality of the revaluation adjustment.

Artworks were last revalued in 2002 using the deprival method of valuation. The next valuation of artworks, in 2005, will be conducted using the fair value method in accordance with the standard AASB 1041 *Revaluation of Non-current Assets*. As the fair value and deprival value bases are the same, no material differences are expected.

Assets capitalised under finance leases have not been revalued and are accounted for under standard AAS 17 *Leases*.

Conduct

All valuations of property, plant and equipment were conducted by independent qualified valuers—Australian Valuation Office.

The artworks were valued in June 2002 by independent valuers—Sotheby's Australia. McWilliam and Associates, registered art valuers, undertook the revaluation project as specialist subcontractors to Sotheby's and are accredited with the National Cultural Heritage Committee (established under the *Protection of Movable Cultural Heritage Act 1986*).

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Depreciation and Amortisation

Land is classified as a heritage asset and is not depreciated.

Artworks are classified as heritage assets and are not depreciated.

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to JHD using, in all cases, the straight-line method of depreciation.

Depreciation/amortisation rates (useful lives) and method are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation rates applicable to each class of depreciable asset are based on the following useful lives.

	2002-03	2001-02
Building—Superstructure	200 years	200 years
Building—External Services	50 years	50 years
Building—Internal Services	30 years	30 years
Building—Finishes, Fittings and Improvements	20 years	20 years
Computer Equipment	3 to 5 years	10 years
Plant & Equipment	3 to 50 years	5 to 50 years
Office Furniture	3 to 10 years	10 years
Artworks Furniture	10 years	10 years

The aggregate amount of depreciation expense allocated for each class of asset during the reporting period is disclosed in Note 4C.

Recoverable Amount Test

From 01 July 2002, Schedule 1 no longer requires the application of the recoverable amounts test in Australian Accounting Standard AAS 10 *Recoverable Amount of Non-Current assets* to assets belonging to JHD when the primary purpose of the asset is not the generation of net cash inflows.

No property, plant and equipment assets have been written down to recoverable amount per AAS 10, so this change in policy has had no financial effect.

1.13 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 individual items of stock on a first-in-first-out basis.

1.14 Intangibles

JHD's intangibles comprise internally developed software for own use and capital works-in-progress. These assets are carried at cost.

From 01 July 2002, Schedule 1 no longer requires the application of the recoverable amounts test in Australian Accounting Standard AAS 10 *Recoverable Amount of Non-Current assets* to assets belonging to JHD when the primary purpose of the asset is not the generation of net cash inflows.

However Schedule 1 now requires such assets, if carried at cost, to be assessed for indications of impairment. The carrying amount of the impaired asset must be written down to the greater of its net market selling price or depreciated replacement cost.

All software assets were assessed for impairment at 01 July 2002 and 30 June 2003, and none were found to be impaired.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives.

	2002-03	2001-02
Software	5 years	5 years

Capital works-in-progress are not depreciated.

1.15 Taxation

JHD's activities are exempt from all forms of taxation, except the Goods and Services Tax (GST) and Fringe Benefits Tax (FBT).

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Receivables and payables are recognised including the GST components receivable or payable.

1.16 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 balance date. Associated currency gains and losses are not material.

1.17 Insurance

JHD has insured for risks through the Government's insurable risk managed fund 'Comcover'. Workers' compensation is insured through the Government's Comcare Australia.

1.18 Comparative figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

1.19 Rounding

Amounts have been rounded to the nearest \$1 000 except in relation to the following:

- act of grace payments and waivers
- remuneration of executives
- remuneration of auditors, and
- appropriations.

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are presented 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 to the greatest extent possible of Accounting Standards, Accounting Interpretations and Urgent Issues Group Consensus Views.

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 19.

Accounting policies that are relevant to the administered activities of JHD are disclosed below.

Revenue

JHD has negotiated an Administered Funding agreement with the Department of Finance and Administration. The agreement is supported by a Funding Proposal, which is reviewed every five years. The Funding Proposal contains a schedule of Projects based upon a 200-year life cycle planning model, prepared by an independent engineering consultant. It utilises a 'criticality' methodology to rank projects into a series of five-year plans for rolling upgrades, which are designed to keep Parliament House in a fully operational state, commensurate with its status as a 'nationally significant building'.

This funding will be used for:

- ongoing administered asset replacement, modification and upgrade;
- construction of new minor works; and
- purchases of artworks for the Historic Memorials Collection (HMC) and Parliament House Art Collection (PHAC).

Note 2 Events Occurring after Balance Date

On 14 August, 2003, the House of Representative resolved in accordance with section 54 of the *Parliamentary Services Act 1999* that:

- the Joint House Department, Department of the Parliamentary Library and the Department of the Reporting Staff are abolished with effect from 31 January, 2004; and
- a new joint services department to be called the "Department of Parliamentary Services" be established from 01 February, 2004 to fulfil all the functions of the former departments.

The Senate passed the resolution on 18 August, 2003.

The event has occurred after balance date and has not been brought to account in the 2003 financial statements.

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

	2002-03	2001-02
	\$'000	\$'000
Note 3 Operating Revenues		
<u>Note 3A Revenues from Government</u>		
Appropriations for outputs	33 387	33 203
Advance from Presiding Officers	133	400
Resources received free of charge	3 287	3 242
<i>Total revenues from Government</i>	<u>36 807</u>	<u>36 845</u>
<u>Note 3B Sales of Goods and Services</u>		
The Parliament Shop retail sales	1 429	1 533
Press Gallery and Caterers	1 210	1 188
User Charges	180	316
<i>Total sales of goods and services</i>	<u>2 819</u>	<u>3 037</u>
Provision of goods to:		
– Related entities	0	0
– External entities	1 429	1 533
<i>Total sales of goods</i>	<u>1 429</u>	<u>1 533</u>
Cost of goods sold	<u>750</u>	<u>836</u>
Rendering of services to:		
– Related entities	514	425
– External entities	876	1 079
<i>Total sales of goods</i>	<u>1 390</u>	<u>1 504</u>
<u>Note 3C Interest</u>		
Interest on deposits	<u>125</u>	<u>235</u>

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 3 Operating Revenues (continued)	2002-03	2001-02
	\$'000	\$'000
<u>Note 3D Net Losses from Sales of Assets</u>		
Infrastructure, Plant and Equipment:		
– Proceeds from disposal	67	68
– Net book value of assets disposed	(363)	(235)
<i>Total net losses from disposal of assets</i>	<u>(296)</u>	<u>(167)</u>
 <u>Note 3E Other Operating Revenues</u>		
Other	<u>1 390</u>	<u>539</u>
<i>Total other operating expenses</i>	<u>1 390</u>	<u>539</u>

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

	2002-03	2001-02
	\$'000	\$'000
Note 4 Operating Expenses		
<u>Note 4A Employee Expenses</u>		
Wages and salaries	12 171	11 695
Superannuation	1 950	1 926
Leave and other entitlements	1 380	1 219
Separation and redundancies	141	180
Other employee expenses	39	40
<i>Total employee remuneration</i>	<u>15 681</u>	<u>15 060</u>
Worker compensation premiums	245	317
<i>Total employee expenses</i>	<u>15 926</u>	<u>15 377</u>
<u>Note 4B Suppliers' Expenses</u>		
Goods from related entities	15	16
Goods from external entities	3 080	3 190
Services from related entities	469	478
Services from external entities	18 450	19 117
Operating lease rentals ^o	908	915
<i>Total supplier expenses</i>	<u>22 922</u>	<u>23 716</u>

^o These comprise the minimum lease payments only.

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 4 Operating Expenses (continued)	2002-03	2001-02
	\$'000	\$'000
<u>Note 4C. Depreciation and Amortisation</u>		
Depreciation of infrastructure, plant and equipment	980	590
Amortisation of intangibles	468	458
<i>Total depreciation and amortisation</i>	1 448	1 048
<p>The aggregate amounts of depreciation/amortisation expended during the reporting period for each class of asset are as follows:</p>		
– Furniture and fittings	154	150
– Plant and equipment	404	327
– Computers	422	113
– Software	468	458
<i>Total depreciation and amortisation</i>	1 448	1 048
<u>Note 4D. Other Operating Expenses</u>		
Legal and Compensation	133	400
<i>Total other operating expenses</i>	133	400
<u>Note 4E. Borrowing Cost Expenses</u>		
Leases	30	365
<i>Total borrowing expenses</i>	30	365

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

	2002-03	2001-02
	\$'000	\$'000
Note 5 Financial Assets		
<u>Note 5A Cash</u>		
Cash on hand	9	9
Cash at bank	1 581	5 945
Total cash	1 590	5 954

All cash is recognised as a current asset.

<u>Note 5B Receivables</u>		
Appropriations receivable	4 000	0
Goods & services	236	287
Less: Provision for doubtful debts	(10)	(10)
	4 226	277
GST receivable from the ATO	96	215
Total net receivables	4 322	492

All receivables are current assets.

Gross receivables are aged as follows:

Not overdue	4 169	338
Overdue by:		
less than 30 days	145	152
30 days to 60 days	18	11
60 days to 90 days	0	0
more than 90 days	0	1
Total gross receivables	4 332	502

The provision for doubtful debts is overdue by 30-60 days.

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 6 Non-financial Assets	2002-03	2001-02
	\$'000	\$'000
<u>Note 6A Infrastructure, Plant and Equipment</u>		
<u>Furniture and Fittings</u>		
Furniture and Fittings—under finance lease	88	88
Accumulated depreciation	(88)	(59)
Furniture and Fittings—at cost		40
Accumulated depreciation		(3)
Furniture and Fittings—at 2000 deprival valuation		1 357
Accumulated depreciation		(711)
Furniture and Fittings—at 2003 fair valuation	373	
<i>Total Furniture and Fittings</i>	373	712
<u>Plant and Equipment</u>		
Plant and Equipment—under finance lease	163	163
Accumulated depreciation	(60)	(27)
Plant and Equipment—at cost		365
Accumulated depreciation		(68)
Plant and Equipment—at 2000 deprival valuation		2 377
Accumulated depreciation		(1 376)
Plant and Equipment—at 2003 fair valuation	1 278	
<i>Total Plant and Equipment</i>	1 381	1 434

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 6 Non-financial Assets (continued)	2002-03	2001-02
	\$'000	\$'000
<u>Note 6A Infrastructure, Plant and Equipment (Continued)</u>		
<u>Computers</u>		
Computers—under finance lease	942	942
Accumulated depreciation	(804)	(269)
Computers—at cost		387
Accumulated depreciation		(13)
Computers—at 2000 deprival valuation		721
Accumulated depreciation		(461)
Computers—at 2003 fair valuation	365	
Total Computers	503	1 307
Total Infrastructure, Plant and Equipment	2 257	3 453
<u>Note 6B Intangibles</u>		
<u>Computer software</u>		
Internally developed—Work in Progress at cost	121	104
Computer Software—at cost	2 341	2 341
Accumulated amortisation	(2 026)	(1 844)
Total Computer Software	436	601

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 6 Non-financial Assets (continued)

Note 6C Analysis of Infrastructure, Plant and Equipment, and Intangibles

Table A Reconciliation of the opening and closing balances of infrastructure, plant and equipment, and intangibles

Item	Infrastructure, Plant and Equipment	Computer Software	Total
	\$'000	\$'000	\$'000
As at 1 July 2002			
Acquisition cost or valuation	6 440	2 445	8 885
Accumulated depreciation/amortisation	(2 987)	(1 844)	(4 831)
Net book value	3 453	601	4 054
Acquisition of new assets	289	16	305
Net revaluation increment/(decrement)	(142)	6	(136)
Depreciation/amortisation expense	(980)	(468)	(1 448)
Revaluation decrement reversed	-	281	281
Disposals	(363)	-	(363)
As at 30 June 2003			
Gross value	2 257	2 461	4 718
Accumulated Depreciation	-	(2 025)	(2 025)
Net book value	2 257	436	2 693

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 6 Non-financial Assets (continued)

Note 6C Analysis of Infrastructure, Plant and Equipment, and Intangibles (continued)

Table B Assets at valuation

Item	Infrastructure, Plant and Equipment \$'000
As at 30 June 2003	
Gross Value	2 016
Accumulated depreciation/amortisation	-
<i>Net book value</i>	2 016
As at 30 June 2002	
Gross Value	4 455
Accumulated depreciation/amortisation	(2 548)
Net book value	1 907

Table C Assets under finance lease

Item	Infrastructure, Plant and Equipment \$'000
As at 30 June 2003	
Gross Value	1 194
Accumulated depreciation/amortisation	(952)
<i>Net book value</i>	242
As at 30 June 2002	
Gross Value	1 194
Accumulated depreciation/amortisation	(576)
Net book value	618

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 6 Non-financial Assets (continued)

Note 6C. Analysis of Infrastructure, Plant and Equipment, and Intangibles (continued)

Table D Assets under construction

Item	Infrastructure, Plant and Equipment	Computer Software	Total
	\$'000	\$'000	\$'000
Gross Value as at 30 June 2003	-	121	121
Gross Value as at 30 June 2002	-	104	104

	2002-03	2001-02
	\$'000	\$'000
Note 6D. Inventories		
Inventories held for sale—The Parliament Shop	191	248
Total Inventories	191	248

All Departmental inventories are current assets.

Note 6E. Other Non-financial Assets

Prepayments	107	141
Total other non-financial assets	107	141

All other non-financial assets are current assets.

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 7 Interest Bearing Liabilities

Finance lease commitments:

Payable:		
within one year	141	417
in one to five years	133	273
greater than five years	0	0
Minimum lease payments	274	690
Deduct: future finance charges	(19)	(79)
Net lease liability	255	611

Lease Liability is represented by:

Current	130	356
Non-current	125	255
Net lease liability	255	611

Rental contracts for the hire of computer equipment, peripherals and other equipment, and have been treated as finance leases. The hire contracts are effectively non-cancellable. While ownership will never pass to JHD, all the risks and benefits of ownership do pass to JHD for the duration of the rental period. The agreement periods range from three to five years. There are no contingent rentals.

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 8 Provisions	2002-03 \$'000	2001-02 \$'000
<u>Note 8A Capital Use Charge</u>		
Capital use charge	0	848
Balance owing 01 July	848	440
Capital use charge provided for during the period	363	408
Capital use charge paid	(1 211)	0
Balance owing 30 June	0	848

The capital use charge provision was a current liability

Note 8B Employee Provisions

Salaries and wages	347	256
Leave	3 929	3 857
Superannuation	289	248
Total Employee Provisions	4 565	4 361
Current	1 556	1 425
Non-current	3 009	2 936

Note 9 Supplier Payables

Trade creditors	961	1 766
Total Supplier Payables	961	1 766

Payables are all current liabilities.

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 10 Equity

Item	Capital		Asset revaluation reserve		Accumulated results		TOTAL EQUITY	
	2002-03 \$'000	2001-02 \$'000	2002-03 \$'000	2001-02 \$'000	2002-03 \$'000	2001-02 \$'000	2002-03 \$'000	2001-02 \$'000
Opening balance as at 01 July	1 609	1 609	483	483	1 211	2 035	3 303	4 127
Net surplus / (deficit)	-	-	-	-	386	(417)	386	(417)
Net revaluation increments/decrements	-	-	(136)	-	-	-	(136)	-
Decrease in retained earnings on application of accounting standard AASB 1028 <i>Employee Benefits</i>	-	-	-	-	(68)	-	(68)	-
Capital Use Charge	-	-	-	-	(363)	(407)	(363)	(407)
Closing balance as at 30 June	1 609	1 609	347	483	1 166	1 211	3 122	3 303

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	2002-03 \$'000	2001-02 \$'000
Note 11 Cash Flow Reconciliation		
Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows		
Cash at year end per Statement of Cash Flows	1 590	5 954
Statement of Financial Position items comprising above cash: 'Financial Asset—Cash'	1 590	5 954
Reconciliation of net surplus to net cash provided by operating activities:		
Net surplus (deficit)	386	(417)
Depreciation/amortisation	1 448	1 048
Write down of non-financial assets	(281)	-
Loss on disposal of assets	297	172
Financing activities—repayment of lease debt (interest)	0	53
(Increase)/decrease in net receivables	(3 830)	255
(Increase)/decrease in inventories	57	(1)
(Increase)/decrease in prepayments	34	(77)
Increase/(decrease) in employee provisions	136	(239)
Increase/(decrease) in supplier payables	(1 161)	1 136
<i>Net cash from / (used by) operating activities</i>	(2 914)	1 930

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	2002-03	2001-02
	Number	Number
Note 12 Executive Remuneration		
The number of Executive officers who received or were due to receive fixed remuneration of \$100 000 or more are as follows:		
\$130 000 to \$139 999	-	2
\$140 000 to \$149 999	1	1
\$150 000 to \$159 999	1	-
\$190 000 to \$199 999	-	1
\$220 000 to \$220 999	1	-
The aggregate amount of total remuneration of Executive officers shown above:	\$526 536	\$615 221
The aggregate amount of separation and redundancy payments to Executive officers shown above:	-	-
One Executive officer left JHD during the financial year and two officers filled the position in an acting capacity. None of these officers reached the threshold for inclusion in this note.		
Note 13 Remuneration of Auditors		
Financial statement audit services are provided free of charge to JHD.		
The fair value of services provided was:	\$99 000	\$95 000
No other services were provided by the Auditor-General.		
Note 14 Average Staffing Levels		
The average staffing levels for JHD during the year were	254	263
Note 15 Act of Grace Payments, Waivers and Defective Administration Scheme		
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> .		
No waivers were made during the reporting period pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> .		
No payments were made under the 'Defective Administration Scheme' during the reporting period.		

**JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
for the year ended 30 June 2003

Note 16 Financial Instruments

Note 16A Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
FINANCIAL ASSETS		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	5A	Cash is recognised at its nominal amounts. Interest is credited to revenue as it accrues.	Cash includes notes and coins held and the balances of JHD's bank accounts.
Term Deposit	5A	Term deposits are recognised as cost. Interest is accrued as it is earned	Term deposits held with the Reserve Bank attracted an effective interest rate of 4.73% (2002: 4.72%). With the cessation of the Agency Bank Incentive Scheme as a result of BEFR recommendations (refer to Note 1.4 Other Revenue, there are no term deposits held by JHD at the end as at 30 June 2003.
Receivables for goods and services	5B	Receivables 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 collection of the debt is judged to be less rather than more likely.	A majority of receivables are with entities external to the Commonwealth. Credit terms are net 30 days (2002: 30 days).
Appropriations receivable	5B	Appropriation receivables are recognised at their nominal amounts.	Amounts appropriated by the Parliament in the current or previous years which are available to be drawn down by JHD. Also includes amounts to be appropriated by the Parliament in a future year for services provided in previous years under a purchasing, workload or similar agreement.

**JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
for the year ended 30 June 2003

Note 16 Financial Instruments (continued)

Note 16A Terms, Conditions and Accounting Policies (continued)

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
FINANCIAL LIABILITIES		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured	
Finance lease liabilities	7	Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the leases.	At the reporting date, JHD had finance leases with terms averaging three years and a maximum term of five years. The interest rate implicit in the leases averaged 6.57% (2002: 6.57%). The lease asset secures the lease liabilities.
Capital Use Charge Payable	8A	This payable is recognised as the amount outstanding on the estimated amount to be paid in accordance with the calculations outlined by the Department of Finance and Administration.	The final amount payable will be 11% (2002: 11%) of the closing balance of Equity less movements in the Asset Revaluation Reserve and any capital injections. JHD has no CUC payable as at 30 June 2003, as the liability was settled before 30 June.
Trade creditors	9	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 or services have been received (and irrespective of having been invoiced).	A majority of creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.

**JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
for the year ended 30 June 2003

Note 16 Financial Instruments (continued)

Note 16B Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate			Non-Interest Bearing	Total	Weighted Average Effective Interest Rate		
		Rate		Interest Rate					2002-03 2001-02		
		2002-03 \$'000	2001-02 \$'000	1 year or less	1 to 5 years	> 5 years			2002-03 \$'000	2001-02 \$'000	%
Financial Assets											
Cash on hand	5A						9	9	m/a	m/a	
Cash at bank	5A	1 581	445				1 581	445	m/a	m/a	
Term deposits	5A	-	5 500				-	5 500		4.72%	
Receivables for goods and services (gross)	5B						322	492	n/a	n/a	
Appropriations receivable	5B						4 000	-	n/a	n/a	
Total		1 581	445	-	5 500	-	4 331	5 912	6 446	n/a	n/a
Total assets											
								8 903	10 889		

Financial Liabilities											
Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate			Non-Interest Bearing	Total	Weighted Average Effective Interest Rate		
		2002-03 \$'000	2001-02 \$'000	1 year or less	1 to 5 years	> 5 years			2002-03 \$'000	2001-02 \$'000	%
Finance lease liabilities	7			130	406	125	205	255	611	6.57	6.57
Capital use charge payable	8A							-	848		11.0
Trade creditors	9						961	1 766	961	1 766	n/a
Total		-	-	130	406	125	205	1 216	3 225	n/a	n/a
Total liabilities											
								5 781	7 586		

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 16 Financial Instruments (continued)

Note 16C Net Fair Values of Financial Assets and Liabilities

Departmental	Notes	2002-03		2001-02	
		Total carrying amount \$'000	Aggregate net fair value \$'000	Total carrying amount \$'000	Aggregate net fair value \$'000
Financial Assets					
Cash on hand	5A	9	9	9	9
Cash at bank	5A	1 581	1 581	445	445
Term deposits	5A	-	-	5 500	5 500
Receivables for goods and services	5B	322	322	492	492
Appropriations receivable	5B	4 000	4 000	-	-
Total Financial Assets		5 912	5 912	6 446	6 446
Financial Liabilities (Recognised)					
Lease creditor	7	255	255	611	611
Capital use charge	8A	-	-	848	848
Trade creditors	9	961	961	1 766	1 766
Total Financial Liabilities (Recognised)		1 216	1 216	2 377	2 377

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values of the finance lease liabilities are approximated by their carrying amount as current market rates are per fixed rates.

The net fair value for the Capital Use Charge payable is approximated by its carrying amount.

The net fair values for trade creditors are approximated by their carrying amounts.

Note 16D Credit Risk Exposures

JHD'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 Statements of Financial Position.

JHD has no significant exposures to any concentrations of credit risk.

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 17 Administered Items	2002-03 \$'000	2001-02 \$'000
<u>Note 17A Revenues administered on behalf of Government</u>		
Resources received free of charge		
Artworks and collectables received on behalf of the Parliament of Australia	202	40 000
<i>Total Revenues administered on behalf of Government</i>	<u>202</u>	<u>40 000</u>
<u>Note 17B Expenses administered on behalf of Government</u>		
Depreciation		
Buildings	25 751	25 679
Other Infrastructure, Plant and Equipment	2 277	2 237
<i>Total Depreciation</i>	<u>28 028</u>	<u>27 916</u>
Value of assets sold		
Other Infrastructure, Plant and Equipment	360	73
<i>Total Expenses administered on behalf of Government</i>	<u>28 388</u>	<u>27 989</u>

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 17 Administered Items (continued)	2002-03 \$'000	2001-02 \$'000
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Note 17C Assets administered on behalf of Government

Financial Assets

Receivables

Current GST receivable from ATO	48	90
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<i>Total Financial Assets administered on behalf of Government</i>	<u>48</u>	<u>90</u>
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All receivables are considered to be not overdue.

Non-financial Assets

Land and Buildings	1 341 786	1 117 464
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Infrastructure, Plant & Equipment	33 093	34 663
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Artworks	84 041	83 878
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<i>Total Non-financial Assets administered on behalf of Government</i>	<u>1 458 920</u>	<u>1 236 005</u>
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<i>Total Assets Administered on behalf of Government</i>	<u>1 458 968</u>	<u>1 236 095</u>
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Note 17D Liabilities administered on behalf of Government

Payables

Suppliers—trade creditors	115	2 403
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<i>Total Liabilities Administered on behalf of Government</i>	<u>115</u>	<u>2 403</u>
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All payables are current.

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 18 Administered Non-financial Assets	2002-03	2001-02
	\$'000	\$'000
<u>Note 18A Land and Buildings</u>		
Land		
Land— at 2000 valuation		21 500
Land— at 2003 fair value	22 500	
Total Land	<u>22 500</u>	<u>21 500</u>
Buildings		
Buildings— at cost		11 395
Accumulated depreciation		(591)
Work in progress— at cost	10 790	10 611
Buildings— at 2000 valuation		1 175 560
Accumulated depreciation		(101 011)
Buildings— at 2003 fair value	1 308 496	
Total Buildings	<u>1 319 286</u>	<u>1 095 964</u>
Total Land and Buildings	<u>1 341 786</u>	<u>1 117 464</u>

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 18 Administered Non-financial Assets (continued)	2002-03 \$'000	2001-02 \$'000
<u>Note 18B Infrastructure, Plant and Equipment</u>		
Furniture, Fittings and Equipment		
Furniture, Fittings and Equipment— at cost		234
Accumulated depreciation		(10)
Furniture, Fittings and Equipment— at 2000 valuation		283
Accumulated depreciation		(168)
Furniture, Fittings and Equipment— at 2003 fair value	448	
Total Furniture, Fittings and Equipment	448	339
Plant and Equipment		
Plant and Equipment— at cost		545
Accumulated depreciation		(43)
Plant and Equipment— at 2000 valuation		46 472
Accumulated depreciation		(12 650)
Plant and Equipment— at 2003 fair value	32 645	
Total Plant and Equipment	32 645	34 324
Total Infrastructure, Plant and Equipment	33 093	34 663
<u>Note 18C Artworks</u>		
Artworks		
Work in progress— at cost	89	78
Artworks— at 2002 valuation	83 745	83 800
Artworks— at 2003 cost	207	
Total Artworks	84 041	83 878

**JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
for the year ended 30 June 2003

Note 18D. Analysis of Infrastructure, Plant and Equipment and Intangibles

Table A. Reconciliation of the opening and closing balances of infrastructure, plant and equipment, and intangibles

Item	Land and Buildings	Infrastructure, Plant and Equipment	Artworks	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2002				
Gross book value	1 219 066	47 534	83 878	1 350 478
Accumulated depreciation/amortisation	(101 602)	(12 871)	-	(114 473)
Net book value	1 117 464	34 663	83 878	1 236 005
Additions				
By purchase	4 451	148	218	4 817
Net revaluation increment/(decrement)	246 500	(14)		246 486
Depreciation/amortisation expense	(25 751)	(2 277)		(28 028)
Transfer of Work-in-progress (Buildings) to I,P & E.	(878)	878		-
Disposals				
Other disposals	-	(305)	(55)	(360)
As at 30 June 2003				
Gross book value	1 341 786	33 093	84 041	1 458 920
Accumulated depreciation/amortisation	-	-		-
Net book value	1 341 786	33 093	84 041	1 458 920

**JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003**

Note 18E Analysis of Infrastructure, Plant and Equipment, and Intangibles

Table B Assets at valuation

Item	Land and Buildings \$'000	Infrastructure, Plant and Equipment \$'000	Artworks \$'000	Total \$'000
As at 30 June 2003				
Gross value	1 341 786	33 093	83 745	1 458 624
Accumulated depreciation/amortisation	-	-	-	-
Net book value	1 341 786	33 093	83 745	1 458 624
As at 30 June 2002				
Gross value	1 197 060	46 755	83 800	1 327 615
Accumulated depreciation/amortisation	(101 011)	(12 818)	-	(113 829)
Net book value	1 096 049	33 937	83 800	1 213 786

Note 18F Analysis of Infrastructure, Plant and Equipment, and Intangibles

Table C Assets under construction

Item	Land and Buildings \$'000	Infrastructure, Plant and Equipment \$'000	Artworks \$'000	Total \$'000
Gross value at 30 June 2003	10 790	89	89	10 879
Gross value at 30 June 2002	10 611	78	78	10 689

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 19 Administered Reconciliation Table	2002-03 \$'000	2001-02 \$'000
<i>Administered assets less administered liabilities as at 1 July</i>	1 233 692	1 198 846
<i>Plus Administered revenues</i>	202	40 000
<i>Less Administered expenses</i>	(28 388)	(27 989)
<i>Administered transfers to/from Government</i>		
Appropriation transfers from Official Public Account	6 861	5 961
Transfers to Official Public Account	0	(2)
<i>Administered revaluations taken to/from reserves</i>	246 486	16 876
Administered assets less administered liabilities as at 30 June	1 458 853	1 233 692

**JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
for the year ended 30 June 2003

Note 20 Administered Financial Instruments

Note 20A Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
FINANCIAL ASSETS		Financial assets are recognised when control over future economic benefits and the amount of the benefit can be reliably measured.	
Receivables for goods and services	17C	These receivables are recognised at their nominal amounts. No provision for bad or doubtful debts is deemed necessary.	All receivables are from the ATO for GST.
FINANCIAL LIABILITIES		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Trade creditors	17D	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 or services have been received (and irrespective of having been invoiced).	A majority of creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.

**JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
for the year ended 30 June 2003

Note 20 Administered Financial Instruments (continued)

Note 20B Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate			Fixed Interest Rate			Non-Interest Bearing	Total	Weighted Average Effective Interest Rate			
		Rate			Rate					Interest Rate			
		2002-03 \$'000	2001-02 \$'000	2002-03 \$'000	1 to 5 years \$'000	2001-02 \$'000	2002-03 \$'000			2001-02 \$'000	2002-03 \$'000	2001-02 %	2002-03 %
Financial Assets													
Receivables for Goods and Services (gross)	17C	-	-	-	-	-	-	48	90	48	90	n/a	n/a
Total		-	-	-	-	-	-	48	90	48	90	n/a	n/a
Total assets										1 458 968	1 236 095		
Financial Liabilities													
Trade creditors	17D	-	-	-	-	-	-	115	2 403	115	2 403	n/a	n/a
Total		-	-	-	-	-	-	115	2 403	115	2 403		
Total liabilities										115	2 403		

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 20 Administered Financial Instruments (continued)

Note 20C. Net Fair Values of Financial Assets and Liabilities

Note	2002-03		2001-02	
	Total carrying amount \$'000	Aggregate net fair value \$'000	Total carrying amount \$'000	Aggregate net fair value \$'000
Financial Assets				
Receivables for goods and services	48	48	90	90
Total Financial Assets	48	48	90	90
Financial Liabilities				
Trade creditors	115	115	2 403	2 403
Total Financial Liabilities	115	115	2 403	2 403

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values for trade creditors are short-term in nature and are approximated by their carrying amounts.

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 21 Appropriations

Note 21A Cash Basis Acquittal of Appropriation (Parliamentary Departments) Acts (No. 1/3)

Particulars	Administered Expenses Outcome 1	Departmental Outputs	Total
Year ended 30 June 2003	\$	\$	\$
Balance carried forward from previous year	-	5 954 039	5 954 039
Appropriation for reporting period (Act 1)	6 859 744	33 387 000	40 246 744
Amounts from Advance to Presiding Officers	-	132 700	132 700
GST credits (FMA s30A)	688 470	2 093 700	2 782 170
Annotations to "net appropriations" (FMA s 31)	-	4 169 929	4 169 929
Administered appropriation lapsed	-	-	-
Available for payments	7 548 214	45 737 368	53 285 582
Payments made	7 548 214	40 036 819	47 585 033
Balance carried to next year	-	5 700 549	5 700 549
<i>Represented by:</i>			
Cash		1 589 798	1 589 798
Add: Appropriations receivable		4 000 000	4 000 000
Add: Receivables – Goods and Services – GST receivable from customers		14 797	14 797
Add: Receivables – Net GST receivable from the ATO		96 089	96 089
Less: Payable – Suppliers – GST portion		(135)	(135)
Total	-	5 700 549	5 700 549

**JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003**

Note 21 Appropriations (continued)

Note 21A Cash Basis Acquittal of Appropriations (Parliamentary Departments) Acts (No. 1/13)

Particulars	Administered Expenses Outcome 1	Departmental Outputs	Total
Year ended 30 June 2002	\$	\$	\$
Balance carried forward from previous year	-	5 341 837	5 341 837
Appropriation for reporting period (Act 1)	7 574 811	33 203 000	40 777 811
Amounts from Advance to Presiding Officers	-	399 600	399 600
GST credits (FMA s30A)	756 030	2 031 194	2 787 224
Annotations to "net appropriations" (FMA s 31)	2 245	4 197 959	4 200 204
Administered appropriation lapsed	-	-	-
Available for payments	8 333 086	45 173 590	53 506 676
Payments made	8 333 086	39 219 551	47 552 637
Balance carried to next year	-	5 954 039	5 954 039
<i>Represented by:</i>			
Cash	-	5 954 039	5 954 039
<i>Add:</i> Receivables—Goods and Services—GST receivable from customers			
<i>Add:</i> Receivables—Net GST receivable from the ATO			
<i>Less:</i> Payable—Suppliers—GST portion			
Total	-	5 954 039	5 954 039

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 22 Trust Monies

Comcare Trust Account

Purpose— monies held in trust and advanced to JHD by Comcare for the purpose of distributing compensation payments made in accordance with the *Safety Rehabilitation and Compensation Act 1998*

	2002-03	2001-02
	\$	\$
Balance brought forward from previous period	22 684	14 429
Receipts	57 038	106 322
Available for payment	79 722	120 751
Payments	(76 446)	(98 067)
Balance carried forward to next period	3 276	22 684

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 23 Reporting of Outcome and Outputs

Note 23A Net cost of Outcome Delivery

	Outcome 1	
	2002-03	2001-02
	\$'000	\$'000
Departmental expenses	40 822	41 141
Administered expenses	28 388	27 989
Total expenses	69 210	69 130
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Departmental	2 305	2 612
Administered	202	40 000
Total costs recovered	2 507	42 612
Departmental		
Interest on cash deposits	125	235
Revenue from disposal of assets	67	68
Other	1 390	539
Goods and Services from Related Entities	514	425
Total other external revenues	2 096	1 267
Net cost/(contribution) of Outcome	64 607	25 251

The outcome is described in Note 1.1. Net costs shown included intra-government costs that are eliminated in calculating the actual Budget outcome. The Capital Usage Charge is not included as it is not an operating expense in end-of-year financial reports. Refer to the Outcome Resourcing Table in the Departmental Overview of this Annual Report.

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

Note 23 Reporting of Outcome and Outputs (continued)

Note 23B Major Classes of Departmental Revenue and Expenses by Outputs

	Outcome 1		Output 1		Output 2		Total	
	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental Expenses								
Employees	11 538	10 978	4 388	4 399	15 926	15 377		
Suppliers	13 767	15 345	9 155	8 371	22 922	23 716		
Depreciation and amortisation	1 061	743	387	305	1 448	1 048		
Other expenses	296	473	230	527	526	1 000		
Total departmental expenses	26 662	27 539	14 160	13 602	40 822	41 141		
Funded by:								
Revenues from government	26 406	25 508	10 401	11 337	36 807	36 845		
Sale of goods and services	51	55	2 769	2 982	2 819	3 037		
Other operating revenue	563	613	1 019	229	1 582	842		
Total departmental revenues	27 020	26 176	14 189	14 548	41 208	40 724		

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 23 Reporting of Outcome and Outputs (continued)

Note 23C. Major Classes of Administered Revenue and Expenses by Outcome

	Outcome 1	
	2002-03	2001-02
	\$'000	\$'000
Administered Revenues		
Other	202	40 000
Total administered revenues	<u>202</u>	<u>40 000</u>
Administered expenses		
Depreciation and amortisation	28 028	27 916
Loss on sale of assets	360	73
Total Administered Expenses	<u>28 388</u>	<u>27 989</u>

JHD's Outcome is described in Note 1.1.

Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

GLOSSARY



GLOSSARY

Accrual Basis	The accounting basis whereby 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 Appropriation	The 1999–2000 Budget was the first year Administered Items were appropriated separately. Previously, all appropriations were Departmental.
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 the focus for assessing management performance and implementing government policy. Agencies are Departments of State (eg Finance), parliamentary departments (eg JHD) and other agencies prescribed under the FMA Act (eg ATO). Authorities are bodies corporate (eg ABC, CSIRO) which are, for legal purposes, entities in their own right in that they are separate from the Commonwealth Government and are governed by the CAC Act.
Budget Measure	A decision by the Cabinet or Minister that changes existing policy and results in cost or savings in budget financial estimates.
Building Condition Index	The current condition of the maintenance of the building, expressed as a percentage of the original condition.
Capital Use Charge	The return on capital to the Government for its capital investment in an agency. The 1999–2000 Budget was the first budget for which a capital user charge (CUC) was applied. No CUC is applied to Administered items. In accordance with the recommendations of the BEFR, the government has decided to discontinue the capital usage charge after 30 June 2003.
Cash Accounting	An accounting method that records cash receipts, payments and balances and provides reports that show the sources of cash and how cash was used.

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	Commonwealth's self-managed fund for insurable risks—began its role on 1 July 1998
Conformance vs compliance	Compliance refers to the narrow process of merely meeting requirements of regulations and legislation. Conformance covers the wider process of responding to the intent of legislation, regulations and guidelines.
Consultancy Services	Consultancy services are one particular type of service delivered under a contract for services. They are distinguished from other contracts for services by the nature of the work performed. A consultant is an entity, whether an individual, a partnership or a corporation, engaged to provide professional, independent and expert advice or services. Typically, consultancy contracts define the nature and purpose of the task to be performed, but not the manner in which the task is to be performed.
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.
Design Integrity Index	The current condition of the building assessed against the Design Integrity Indicators and expressed as a percentage of the original condition.
Environmental Condition Index	The results of the annual Compliance Audit and expressed as a percentage against baseline conditions.
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.
<i>Financial Management and Accountability (FMA) Act 1997</i>	Often referred to as the FMA Act—the principal legislation governing the proper use and management of public property and other Commonwealth resources. FMA Regulations and FMA Orders are made pursuant to the Act.

Financial Results	The results shown in the financial statements of an agency.
Liabilities	Future sacrifices of future economic benefits that the entity is presently obliged to make to other entities as a result of past transactions or other past events.
Materiality	Takes into account the planned outcome and the relative significance of the resources consumed in contributing to the achievement of that outcome.
Non-ongoing APS employee	An APS employee who is not an ongoing APS employee.
Ongoing APS employee	A person engaged as an ongoing APS employee as mentioned in subsection 22(2)(a) of the <i>Parliamentary Service Act 1999</i> .
Operations	Functions, services and processes performed in pursuing the objectives or discharging the functions of an agency.
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. Planned 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 based on homogeneity, type of product or beneficiary target group, of outputs. 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 portfolios to explain the Budget appropriations in terms of outcomes.
Purchaser/Provider Arrangements	Include arrangements under which the outputs of one agency are purchased by another agency to contribute to outcomes.
Price	The amount the Government or the community pays for the delivery of agreed outputs.
Revenues	Inflows or other enhancements, or savings in outflows, of future economic benefits in the form of increases in assets or reductions in liabilities of the reporting entity.
Service Charter	A public statement about the service that a department will provide and what customers can expect from the department. It is Government policy that departments that provide services directly to the public have service charters in place.
Staff Years	An aggregate measure of employment based on the hours worked by employees over the period of one year. It is the unit of measurement for staff resource use.
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.

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