



DEPARTMENT OF THE PARLIAMENTARY LIBRARY

Portfolio Budget Statement 2003-04

**BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS
SPECIFIED BY OUTCOME AND OUTPUTS**

BUDGET RELATED PAPER NO. 1.17D

2003-04 BUDGET PAPERS

Budget Speech

- No. 1** **Budget Strategy and Outlook 2003-04**
Contains information on the economic and financial outlook, together with information on the fiscal strategy.
- No. 2** **Budget Measures 2003-04**
Provides a comprehensive statement on the budget expense, revenue and capital measures in the 2003-04 Budget.
- No. 3** **Federal Financial Relations 2003-04**
Provides information on Commonwealth's financial relations with the States, Territories and local government.
- No. 4** **Agency Resourcing 2003-04**
Contains information on resourcing for Commonwealth agencies (including the Appropriation Bills Nos. 1 and 2 and the Appropriation (Parliamentary Departments) Bill No. 1).

2003-04 BUDGET RELATED PAPERS

- No. 1** **Portfolio Budget Statements**
Detailed information on the expected financial position of each Commonwealth Government agency for 2003-04.

**DEPARTMENT OF THE PARLIAMENTARY
LIBRARY**

**Portfolio Budget
Statement
2003-04**

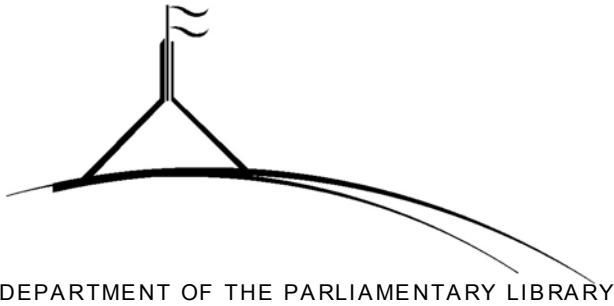
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PARLIAMENT OF AUSTRALIA

PARLIAMENT HOUSE
CANBERRA 2600

MR PRESIDENT
MR SPEAKER

I hereby submit the Portfolio Budget Statement in support of the 2003-04 Budget for the Department of the Parliamentary Library.

This statement is a major component of the department's commitment to proper and effective accountability to the Parliament. It outlines the performance indicators and evaluation mechanisms to be used and details the resources sought from the Parliament to enable the Parliamentary Library to achieve its Outcome and Outputs.

The Parliamentary Library will continue to review its operations and seek to manage its resources in the most cost-effective manner to meet the department's Outcome of contributing to a more informed Parliament and, through it, to the Australian community.

J. W. Templeton
Acting Secretary

May 2003

INFORMATION ANALYSIS AND ADVICE FOR THE PARLIAMENT

Parliament House, CANBERRA ACT 2600 web.library@aph.gov.au

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PART A - USER GUIDE

Introduction

The purpose of the Portfolio Budget Statement (PBS) is to inform Senators and Members of Parliament of the proposed allocation of resources to the Department of the Parliamentary Library (DPL) for DPL's Outcome with particular emphasis on the provisions in the *Appropriation (Parliamentary Departments) Bill (No.1) 2003–2004*.

The PBS is intended to provide sufficient information, explanation and justification to enable Parliament to understand the purpose of the outcome proposed in the Bill.

Structure of the Portfolio Budget Statement

The PBS is presented in three parts as outlined below.

Part A: User Guide

Provides an introduction explaining the purpose of the PBS as well as information in relation to the styles and conventions used.

Part B: Departmental Overview

Provides a brief overview of the department. The departmental outcome is depicted in a chart that outlines the structure of the department's outcome and outputs.

Part C: Budget Statement

The total appropriation for the department is presented in four sections as outlined below.

Section 1: Overview, appropriations, and budget measures summary

This section provides a brief overview of the department, details appropriations and summarises, where applicable, Budget measures. This section describes the link between the resources appropriated and their application to the outputs that contribute to the achievement of the outcome.

Section 2: Outcome and outputs information

This section provides a brief description of the outcome and, where applicable, Budget measures. The section also provides details of resourcing, outlining the departmental appropriations, how the outputs contribute to the outcome, performance information for the outcome, and evaluations.

Section 3: Budgeted financial statements

This section contains the budgeted financial statements in accrual format covering the budget year, previous year and the three out-years for the department.

Section 4: Purchaser/provider arrangements

This section is presented, where relevant, for those agencies that have entered into purchaser/provider arrangements with other agencies.

A glossary is provided at the end of the document.

Style and conventions used

The PBS has been prepared on an accrual basis in accordance with the Department of Finance and Administration's *Guidelines for the preparation of the Portfolio Budget Statements 2003–04*.

(a) The following notations may be used:

-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
\$m	\$ million

(b) Figures in tables and in text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Columns in tables that relate to the 2003–04 Budget are shaded.

Enquiries

A copy of DPL's 2003-04 PBS is located on the Budget website at:

<http://www.budget.gov.au>

and the Australian Parliament House Internet site at:

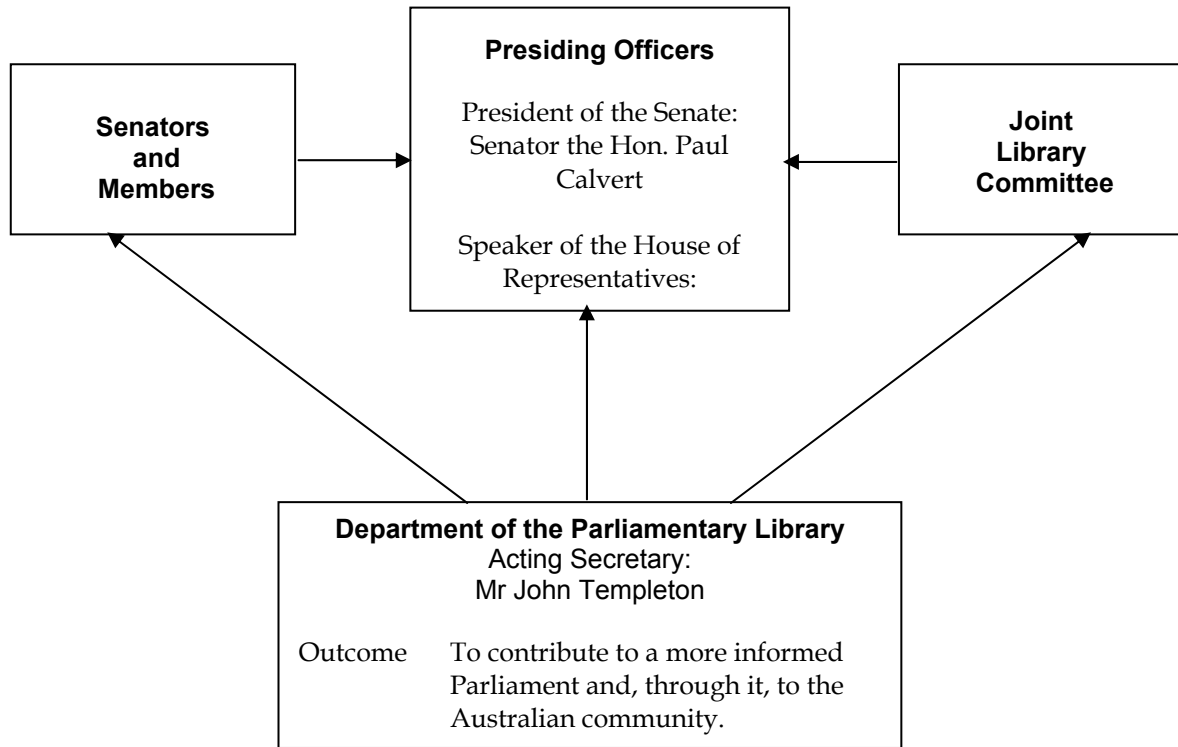
<http://www.aph.gov.au/library/pubs/pbs.htm>

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PART B – DEPARTMENTAL OVERVIEW

Structure of the Department of the Parliamentary Library



Programs

1. Information and Research Services

2. Resource Management Services

Functional Areas

- Client Relations and Services Section
- Economics, Commerce and Industrial Relations Group
- Foreign Affairs, Defence and Trade Group
- Law and Bills Digest Group
- Politics and Public Administration Group
- Science, Technology, Environment and Resources Group
- Social Policy Group
- Statistics Group

- Business Analysis and Human Resources
- Collection Management Section
- Information Systems and Web Services Section
- Library Database Services Section
- Support Services Section

The department's vision is:

To be the leading resource for the Australian Parliament for information, analysis and advice.

The department's mission is:

To support the parliamentary process by providing Senators and Members with quality information services, analysis and advice.

The department's values are:

In addition to the Parliamentary Service Values established by the *Parliamentary Service Act 1999*, DPL has the following values:

Personal

- ◆ *Professionalism*
- ◆ *Confidentiality*
- ◆ *Impartiality*
- ◆ *Integrity*

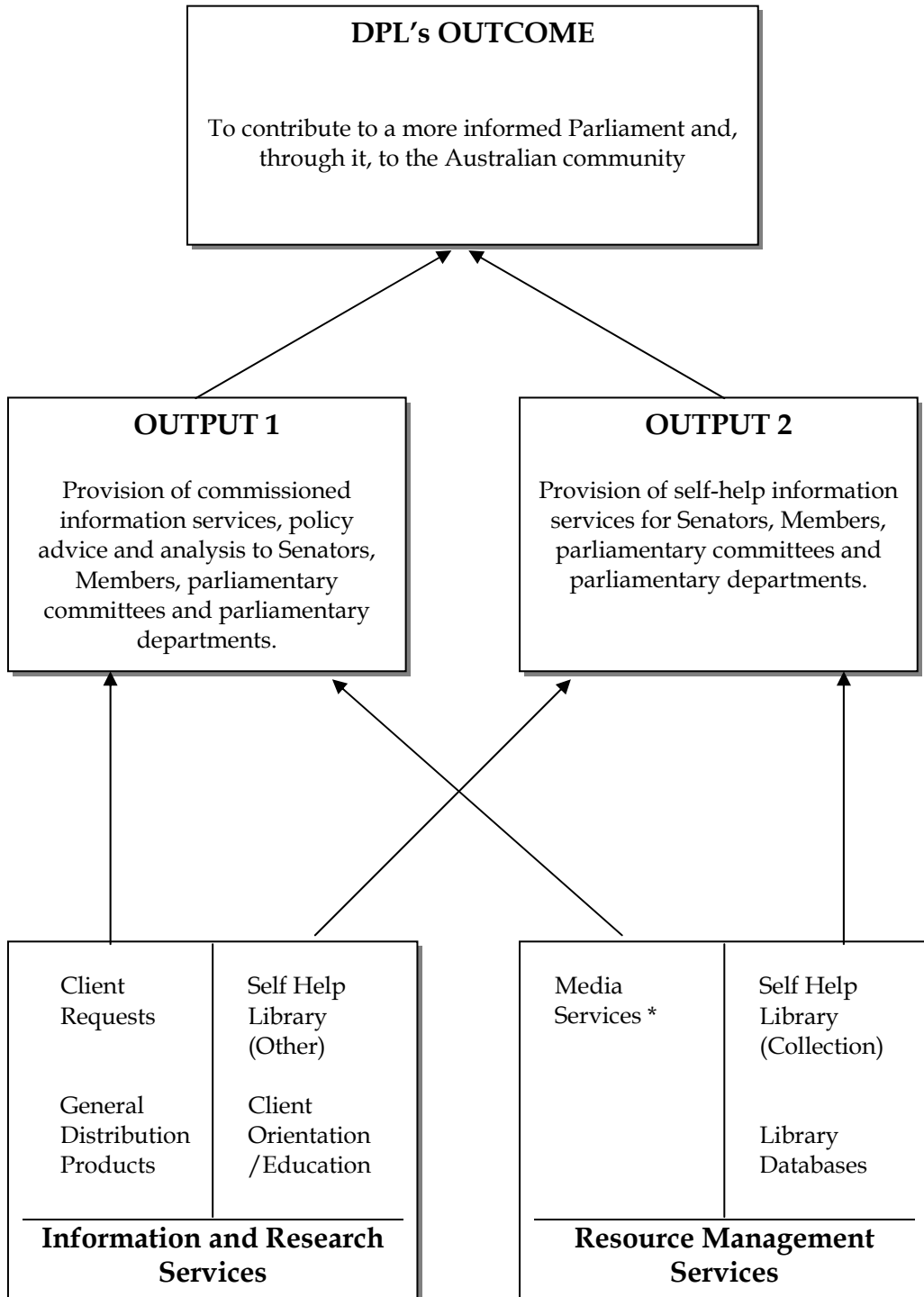
Organisational

- ◆ *Excellence in Service*
- ◆ *Continuous Improvement*
- ◆ *Cost-effectiveness*
- ◆ *Mutual Support*

The department's corporate objectives are:

- ◆ To ensure client confidence in DPL services as demonstrated by increased usage.
- ◆ To provide resources to meet client needs.
- ◆ To ensure staff provide quality services.

Outcome and Outputs Overview



* In financial year 2004-05, Media Services will move to Output 2.

Departmental Summary

The Department of the Parliamentary Library (DPL) is one of five departments that constitute the Parliamentary Service that supports the Parliament. DPL provides the Parliament with quality information services, analysis and advice. DPL's commitment to providing quality services to clients is embodied in its Client Service Charter.

DPL has a single outcome using two outputs:

1. provision of commissioned information services, policy advice and analysis to Senators, Members, parliamentary committees and parliamentary departments; and
2. provision of self-help information services for Senators, Members, parliamentary committees and parliamentary departments.

Output 1 comprises:

- Client Requests:
 - to meet the needs of individual Senators and Members for up-to-date information and for high-quality analysis and advice in a timely, impartial and confidential manner; and
 - to support the work of parliamentary committees, and Senators and Members in their outgoing and incoming delegation responsibilities; and
- General Distribution Products:
 - covering major issues before the Parliament, and are available on request; and
 - Bills Digests for enquiries on legislation; and
- Media Services:
 - radio/TV recordings and transcripts.

It is proposed that by November 2003 the Media Services will be fully digitised and, from the 2004-05 financial year, will be part of Output 2.

Output 2 comprises:

- Self-Help Library (including the Library's collection):
 - paper and electronic information required by clients and staff;
- Client Orientation/Education:
 - briefing programs on topical issues and on the range of client services, especially to new Senators, Members and staff;
 - training in access to electronic and other information services; and
- Library Databases:
 - relevant database information accessible to Senators, Members and staff using the parliamentary network (including newspaper clippings, journal articles, press releases, political party documents and DPL publications).

DPL aims to provide information services at the client's desktop using the parliamentary computing network to provide relevant, accurate, timely and useful data 24 hours a day, 7 days a week.

Performance

Tables 2.2 (on page 18) and 2.3 (on page 20) set out the performance measures for 2003-04.

The majority of client services provided to Senators, Members and parliamentary committees are confidential and are provided directly by DPL staff to the client making the request.

DPL's strategy of developing self-help services is having an impact on the number and nature of requests received. An increasing range of key documents and sources are being made directly accessible to clients or are loaded onto the Library's own databases. These resources can be searched for and retrieved through desktop computers in Senators' and Members' offices, both in Parliament House and in electorates, extending the availability of these services beyond the Library's opening hours.

The parliamentary cycle has substantial impact on the business pattern of DPL. Whilst the budget estimates for 2003-04 and forward years have been prepared on the basis required by the Department of Finance and Administration, so that they normally have no operating surplus or deficit shown for each financial year, the business cycle for the parliamentary departments is affected by sitting patterns and election timing. As an example, DPL increases its overall staffing in peak sitting periods to meet the greater volume of requirements of Senators, Members and parliamentary committees and reduces staffing levels in election periods. Although net budgeted operating results will be neutral over time, actual operating results for individual financial years will vary depending on the parliamentary demand patterns experienced and the depreciation pattern arising from actual asset use. Accordingly, for 2003-04, the Presiding Officers have agreed to DPL budgeting for a deficit of \$0.504 million.

The Library Committees of the two Houses meet jointly and consider monthly reports on the Parliamentary Library's activities and management, ensuring that accountability to the Parliament is detailed and continuous.

Review of aspects of parliamentary administration

In April 2002, the then President and the Speaker asked the Parliamentary Service Commissioner, Mr Andrew Podger, to review aspects of the parliamentary administration, principally security arrangements, management and corporate functions, centralisation of purchasing and other organisational issues identified by Mr Podger during the review.

Mr Podger's report was tabled on 23 October 2002. The recommendation which most affects DPL is that the three service departments (Joint House Department, Department of the Parliamentary Reporting Staff, and Department of the Parliamentary Library) be amalgamated, with particular organisational arrangements for the Library to be established in the new single service department. The President and Speaker are still considering the recommendations. The Senate Standing Committee on Appropriations and Staffing is also examining the report.

PART C– BUDGET STATEMENT

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The role of the Department of the Parliamentary Library (DPL) is to provide information services, analysis and advice to the Parliament.

DPL's outcome is to contribute to a more informed Parliament and, through it, to the Australian community. This is achieved by the provision of commissioned information services and policy advice and analysis, and self-help information services, for Senators, Members, parliamentary committees and parliamentary departments. DPL serves the Australian community by making available DPL publications, (including general distribution products, the Parliamentary Handbook, subject guides and e-briefs), on the Department's website www.aph.gov.au/library.

APPROPRIATIONS

The total appropriation for the Department of the Parliamentary Library in the 2003–04 accrual Budget is **\$17.415 m**, comprising:

- **\$17.387 m** in the *Appropriation (Parliamentary Departments) Bill (No.1) 2003-2004*; and
- **\$0.028 m** in section 31 net appropriations.

Table 1.1, at page 11, shows the total appropriation for the Department of the Parliamentary Library for 2003–04 by outcome and by price of output appropriation. Trends in appropriation, real funding and staffing are shown in Charts 1 and 2.

DPL's appropriations relate to a single outcome.

BUDGET MEASURES

The Government has approved expenditure by the Department of the Senate and the Department of the House of Representatives of \$25.5 million over four years for increased security at Parliament House. The Government has also decided that in the three out years (2004-2005, 2005-2006 and 2006-2007) the appropriations of all parliamentary departments will be reduced to fund offsetting savings to pay for the additional expenditure. Consequently, the Department of Finance and Administration has reduced DPL's outlays in the Forward Estimates by \$1.228 million in 2004-2005, \$1.252 million in 2005-2006 and \$1.278 million in 2006-2007, ie by an equal amount for each parliamentary department.

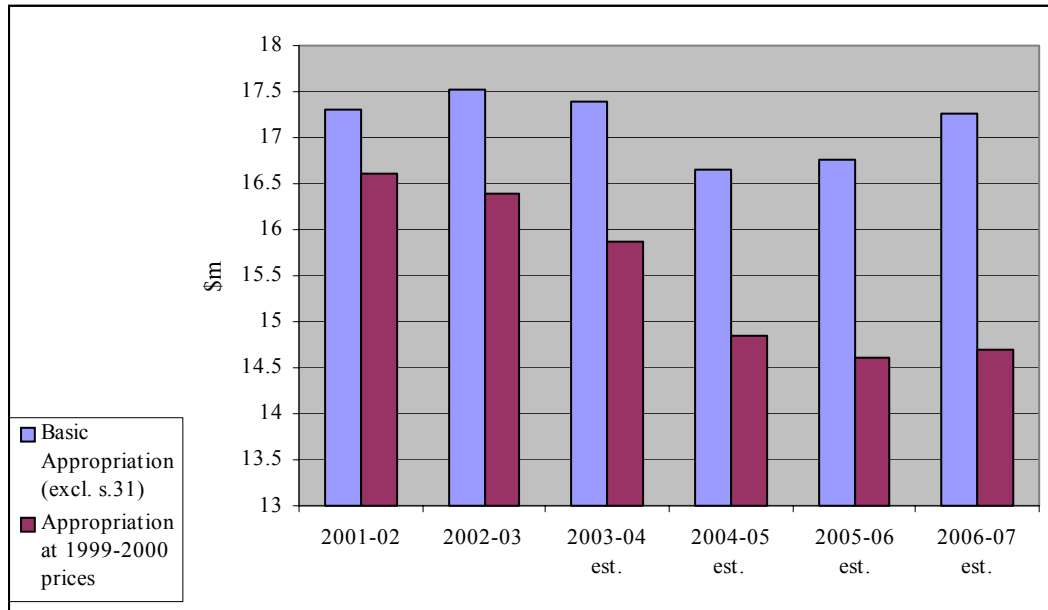
The Presiding Officers have not apportioned the quantum of savings (if any) to be taken from DPL Forward Estimates, which may need to be reviewed and revised at Additional Estimates.

The general public sector 1% efficiency dividend continues to be applied to DPL's forward estimates. Since efficiency dividends were introduced with effect from the 1987-88 financial year, the cumulative efficiency dividends and one-off cuts applied to DPL will reach 26.65% in 2003-04. Excluding inflation effects, the 'present value' of \$1m in 1986-87 is \$763,067 in 2003-04. Efficiency dividends have also been applied to depreciation expenses from the 2000-01 financial year.

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

DPL has no administered capital nor departmental equity injections or loans for 2003-04.

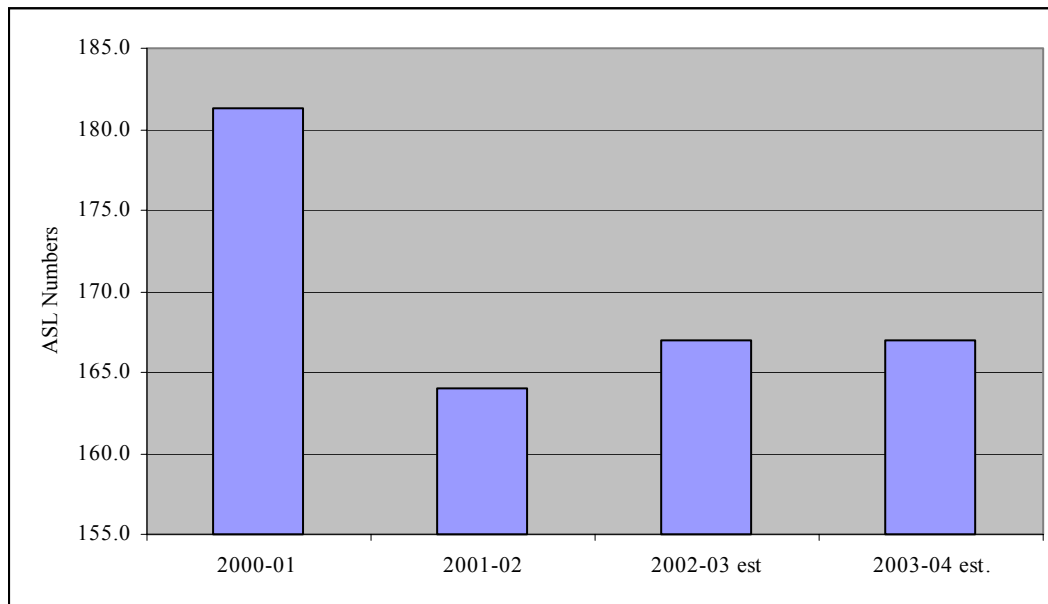
Chart 1: Trends in appropriations and real funding for DPL’s outcome



Note 1: 1999-2000 is the base year for accrual accounting and budgeting.

Note 2: 2003-04 appropriation excludes Capital Use Charge funding.

Chart 2: Trends in staffing levels



Note 1: 2002-03 and 2003-04 average staffing levels (asl) are affected by the usual increase in workload that occurs with each new parliamentary cycle.

Note 2: Asl for DPL reduced by 17 from 2001-02 as a result of the transfer of personnel and financial transaction processing functions from DPL to DPRS.

APPROPRIATIONS 2003-04

Table 1.1: Appropriation and Other Revenue (\$'000)

Outcome	Departmental (price of outputs) (\$'000)					Administered (\$'000)				Total Appropriations
	Revenue from Government (Appropriations)			Revenue from other sources ²	Price of Outputs ³	Annual Appropriations		Special Approps. ¹	Total Administered Appropriations	
	Approp. (Parl. Depts.) Bill 2003-04	Special Approps ¹	Total			Approp. (Parl. Depts.) Bill 2003-04	Other			
Outcome 1: To contribute to a more informed Parliament and, through it, to the Australian community.	17,387	nil	17,387	4,091	21,478	nil	nil	nil	nil	17,387
			100%							
Total	17,387	nil	17,387	4,091	21,478	nil	nil	nil	nil	17,387
Departmental capital (equity injection and loans)										nil
TOTAL APPROPRIATIONS										17,387

1 DPL does not have any Special Appropriations, specific purpose payments, new agency outcomes, administered capital or departmental capital via departmental injections and loans.

2 Revenue from other sources principally includes other revenue from government (resources free of charge \$4,063,000). Other components of this item (eg. sale of goods and services) totalling \$28,000 are detailed at Table 1.3. The estimate does not include GST receipts.

3 Refer to Budgeted Statement of Financial Performance for departmental revenue (see Table 3.1).

Table 1.2: Summary of measures disclosed in the 2003-04 Budget

Measure	Outcome	Output groups affected	Appropriation budget 2003-04 (\$'000)	Appropriation forward estimate 2004-05 (\$'000)	Appropriation forward estimate 2005-06 (\$'000)	Appropriation forward estimate 2006-07 (\$'000)
			outputs	Dept outputs	Dept outputs	Dept outputs
Discontinuation of CUC [#]	Parl-DPL01	Outputs 1 & 2	Nil	Nil	Nil	Nil
Termination of Agency Banking Incentive Scheme (ABIS) [#]	Parl-DPL01	Outputs 1 & 2	Nil	Nil	Nil	Nil
Parliamentary Departments – efficiency measures	Parl-DPL01	Outputs 1 & 2	Nil	-1,228*	-1,252*	-1,278*

[#] These have reduced DPL's budget and price of outputs, but are budget neutral overall.

* To be reviewed at Additional Estimates.

Table 1.3: Receipts from independent sources

	Estimated Revenue 2002-03 \$'000	Estimated Revenue 2003-04 \$'000
Sale of goods and services	6	6
Sale of assets	35	20
Interest	-5	na
Other	-	2
Total estimated revenue ¹	36	28

Note 1: Refer Section 31 receipts in table 2.1 at page 16. Note that no receipts from independent sources are due to cost recovery arrangements.

Table 1.4: Estimates of special account flows and balances

Estimate – 2003-04, Heavy Figures

Actual – 2002-03, Light Figures

Special Accounts	Opening Balance 2003-04 2002-03 \$'000	Receipts 2003-04 2002-03 \$'000	Payments 2003-04 2002-03 \$'000	Closing Balance 2003-04 2002-03 \$'000
Comcare Trust Account – Parliamentary Library ^{1,2} – SRC Act 1998	5 22	12 12	13 29	4 5
Services for Other Governments and Non-Agency Bodies – Parliamentary Library – FMLA Act 1999	0 0	0 0	0 0	0 0
Total	5 22	12 12	13 29	4 5

Acts Glossary:

SRC Act = *Safety, Rehabilitation and Compensation Act 1998*.

FMLA Act = *Financial Management Legislation Amendment Act 1999*.

Note 1: DPL's Comcare Trust Account is neither Administered nor Departmental. This special account is reported under "Notes to and forming part of the financial statements" in DPL's Annual Reports.

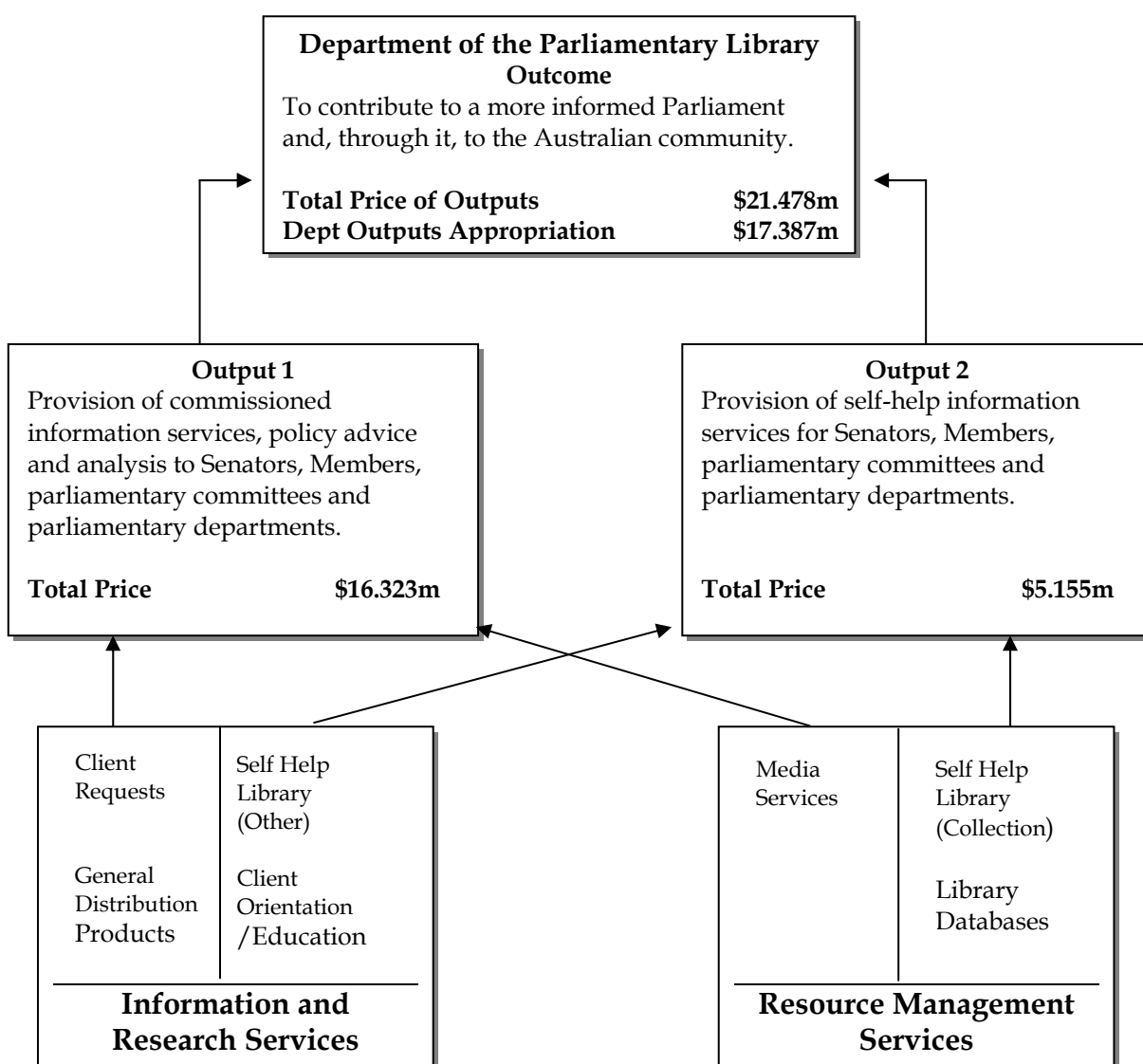
Note 2: Receipts from appropriations and other sources are further specified in the Total Resources for Outcome table 2.1 at page 16.

Section 2: Outcome and outputs information

The chart below shows the relationship between the single outcome and the two contributing outputs for the Department of the Parliamentary Library. Financial details for Outcome 1 by outputs appear in tables 2.1, 2.2 and 2.3 on pages 16, 18 and 20 respectively.

Department of the Parliamentary Library Resourcing

OUTCOME AND OUTPUTS



Note: There has been no change in DPL's outcome and outputs from financial year 2002-03.

OUTPUT COST ATTRIBUTION

As outlined on page 14, DPL has one outcome, two outputs and a range of services that comprise the two outputs. Costing is performed by service and aggregated to outputs.

The department's output costing is based on an activity based costing model. Where possible, costs are applied directly to the service they relate to. Labour costs are allocated to services based on daily records of how every staff member spends their time. Overhead costs are allocated to services based on the most appropriate driver of those costs.

There is an allocation of some Output 2 services to Output 1 services, reflecting DPL's internal consumption of services provided generally to clients, eg some Library Databases costs are re-allocated according to the number of searches of library databases by internal user groups.

RESOURCES FOR OUTCOME

Table 2.1 shows how the 2003-04 Budget appropriations translates to total resourcing for its Outcome, including revenue from government (appropriation), revenue from other sources, and the total price of outputs. The table also shows DPL's Special Account.

Outcome—To contribute to a more informed Parliament and, through it, to the Australian community.

Table 2.1: Total Resources for Outcome

	Estimated Actual 2002-03 (\$'000)	Budget Estimate 2003-04 (\$'000)
Departmental appropriation		
Output 1 - Provision of commissioned information services, policy advice and analysis to Senators, Members, parliamentary committees and parliamentary departments.	13,320	13,214
Subtotal Output 1	13,320	13,214
Output 2 - Provision of self-help information services for Senators, Members, parliamentary committees and parliamentary departments.	4,202	4,173
Subtotal Output 2	4,202	4,173
Total revenue from government (appropriation) Contributing to price of departmental outputs	17,522	17,387
	100%	100%
Revenue from other sources		
Resources received free of charge	4063	4063
Section 31 receipts ¹	36	28
Total revenue from other sources	4,099	4,091
Total price of departmental outputs (Total revenue from government and from other sources)	21,621	21,478
Total estimated resourcing for Outcome (Total price of outputs and administered expenses)	21,621	21,478
from Special Accounts (estimated payments from Special Accounts balances) ²		
Comcare Trust Account	29	13
	2002-03	2003-04
Average staffing level (number)	167	167

Note 1: Section 31 receipts relate to table 1.3 at page 13.

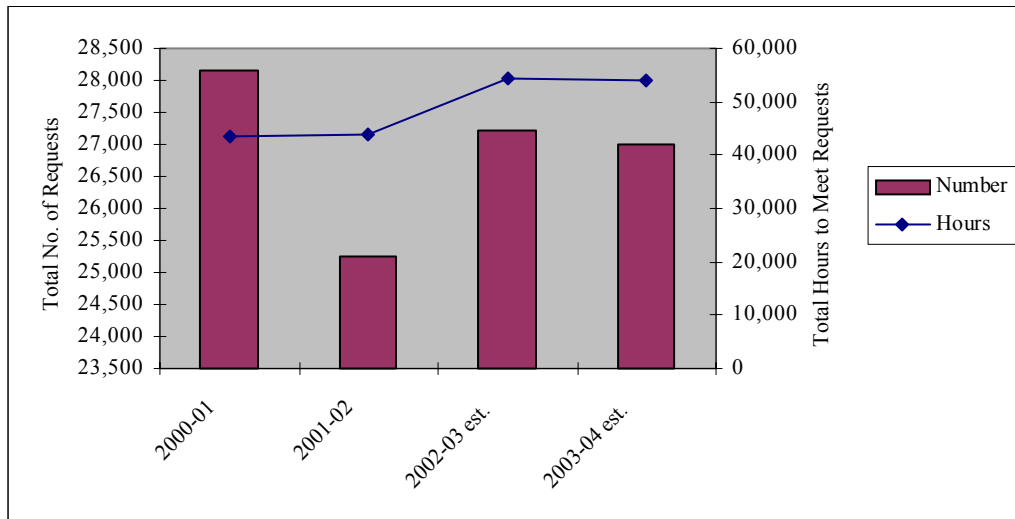
Note 2: Special account outflows are shown in the payments column of the Special Account table 1.4 at page 13.

PERFORMANCE INFORMATION FOR OUTCOME

Tables 2.2 and 2.3 list the formal performance information that the Department of the Parliamentary Library will use to assess the planned level of its achievement of its Outcome during 2003–04. The tables show how the outputs contribute to the Outcome. Information shown is both quantitative and qualitative.

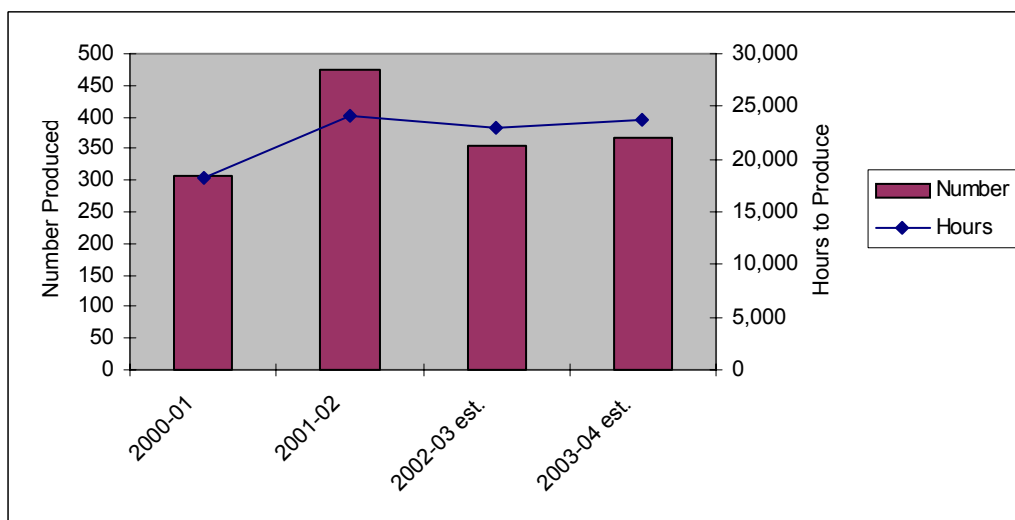
Output 1

Chart 3: Direct Client Requests



Note: Figures do not include General Distribution Products (GDPs) – see below.

Chart 4: Anticipating Client Requests – General Distribution Products



Note: 2001-02 statistics include publication of a *Briefing Book* for Senators and Members prior to the commencement of the 40th Parliament.

Table 2.2: Performance Information for Output 1

Effectiveness – Overall Achievement of the Outcome – (Measures, indicators and targets used as appropriate)	
Assessment by Senators and Members	Confidential, qualitative and quantitative client survey conducted each Parliament: ² <ul style="list-style-type: none"> - improvement in satisfaction levels; and - increased flexibility and suitability of services provided.
Performance Information for Departmental Outputs	
Output 1: Provision of commissioned information services, policy advice and analysis to Senators, Members, parliamentary committees and parliamentary departments. ¹	
Client requests (including general distribution products (GDPs) and media services)	<p>Quality: High client satisfaction:² ie. Percentage and number of clients satisfied that services are tailored to meet their needs, confidential and impartial Qualitative evaluation using:</p> <ul style="list-style-type: none"> - office visits; - comments in “bouquets and brickbats”; - peer review; and - focus groups with clients. <p>Quantity: Percentage change and number of:</p> <ul style="list-style-type: none"> - requests or transactions handled; and - hours spent on requests, by type of request. <p>(a) Client request: 27,000 requests (estimate) 54,000 hours (estimate)</p> <p>(b) GDPs: 367 products (estimate) 23,700 hours (estimate)</p> <p>Price:¹ \$16.323 m</p> <p>(a) \$490 per request (client request) \$245 per hour (client requests)</p> <p>(b) \$8,450 per product (GDPs) \$131 per hour (GDPs)³</p>

¹ As the individual requirements of Senators, Members, parliamentary committees and their staff vary over time, funds may be transferred between outputs and between the various elements of Output 1 to meet the changing priorities of Parliament and the information delivery environment.

² A confidential, qualitative and quantitative survey is carried out each Parliament by an independent consultant. The results of the 2002 Client Services Evaluation will be outlined in DPL’s *Annual Report 2002-03*. Achievement of planned performance with respect to other indicators will be reported in the Department of the Parliamentary Library’s *Annual Report 2003–04*.

³ The lower cost per hour for GDPs is due to long-lived GDPs being capitalised.

Output 2

Chart 5: Books Borrowed

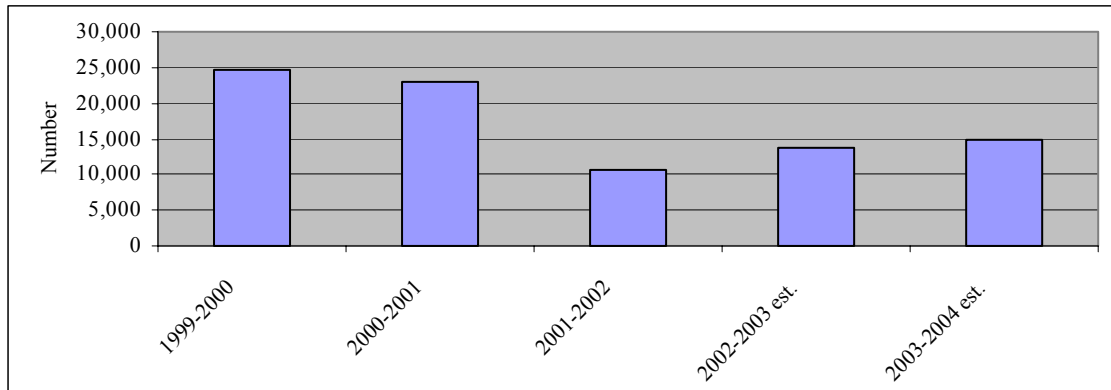
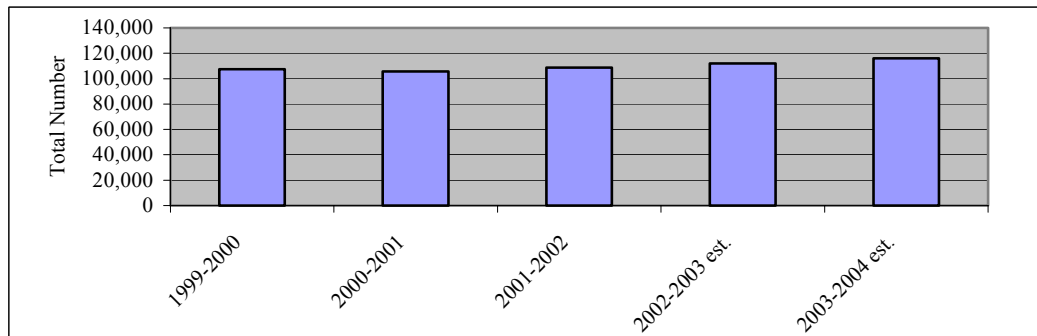
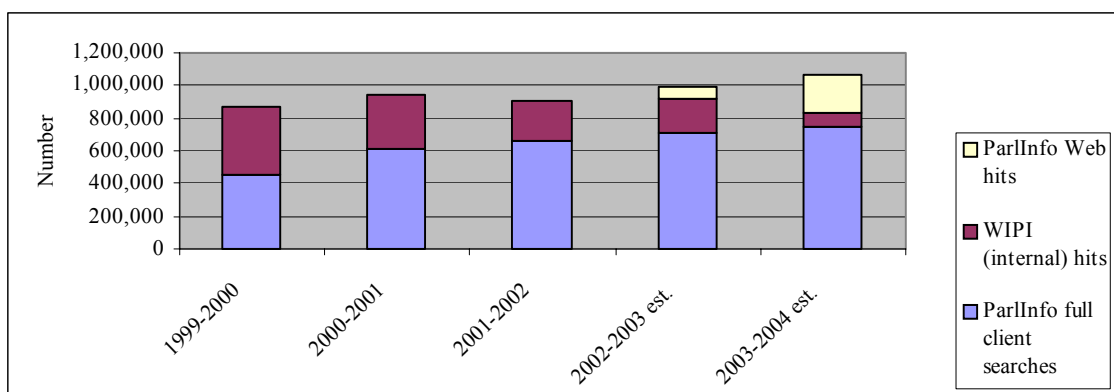


Chart 6: Growth in Collection



Note: This includes books, serials and electronic resources.

Chart 7: Library Database Searches – Parliamentary Use



Note: This does not include external hits on Web Interface to ParlInfo (WIPI)

Chart 8: Growth in Library Databases

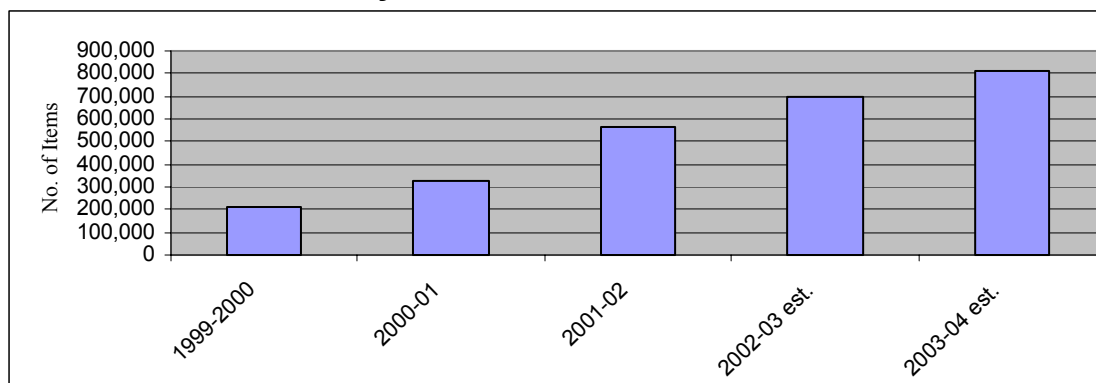


Table 2.3: Performance Information for Output 2

<p>Output 2: Provision of self-help information services for Senators, Members, parliamentary committees and parliamentary departments. ¹</p>	
	<p>Quality:</p> <p>High client satisfaction:</p> <p>ie. Percentage and number of clients satisfied with:</p> <ul style="list-style-type: none"> - range of products, timeliness, relevant material (up to date and historic), accessibility and ability to find what they are looking for. <p>Quantity:</p> <p>Percentage change and number of external client accesses to information, by type:</p> <ul style="list-style-type: none"> - borrowings, database searches and hits on electronic documents.² <p>Percentage change and number of resources:</p> <ul style="list-style-type: none"> - collection items acquired, database items added. <p>Price:¹ \$5.155 m</p>

¹ As the individual requirements of Senators, Members, parliamentary committees and their staff vary over time, funds may be transferred between outputs and between the various elements of Output 2 to meet the changing priorities of Parliament and the information delivery environment.

² Includes downloads of information from databases as well as visits to web-based systems.

Achievement of planned performance will be reported in the Department of the Parliamentary Library's *Annual Report 2003–04*.

EVALUATION

The Department's primary clients are Senators and Members and their staff, parliamentary committees and the parliamentary administration. Accordingly, accountability to the Parliament is both detailed and ongoing.

As part of DPL's commitment to continuous improvement of the services provided to Senators and Members, a confidential, qualitative and quantitative survey is conducted once each Parliament to evaluate the appropriateness, effectiveness and efficiency of DPL's client services and to assist in their development. Such a survey was conducted in 2002-03. The survey was carried out by an independent consulting firm, which conducted indepth interviews with a cross-section of Senators and Members. The survey recommendations and DPL's responses will be considered by the Presiding Officers and the joint Library Committee and published in DPL's *Annual Report 2002-03*.

In 2002–03, DPL has also:

- improved awareness amongst Senators and Members of the full range of Library services available to them through:
 - an outreach program of personalised marketing and training sessions, and
 - an extension of the DPL contact officers network;
- compiled and published the 29th edition of the *Parliamentary Handbook*;
- reviewed and streamlined the production of *Audio Briefs*;
- trialed *Defence Up Close*, highlighting new issues to clients with a key interest in defence;
- enhanced DPL's capacity to retrieve and create maps for clients and for inclusion in publications;
- continued to review DPL's corporate and management overheads, as part of the department's ongoing focus of maximising the percentage of DPL's resources applied to its client service functions ;
- commenced development of an electronic document and record management system;
- restructured the collection management function to provide better delivery of services, including handling of electronic publications; and
- reviewed the management information available within DPL to manage both client and non-client work better.

In 2003–04, DPL intends to:

- complete its redesign of the DPL intraNet site and data;
- implement the major recommendations of the Client Services Survey 2002:
 - seek to improve ease of access to the ParlInfo document repository;
 - develop contextual training for Senators, Members and their staff;
 - review IRS publications series; and
 - continue to improve marketing initiatives and refine DPL work practices to be more responsive to client requests;
- continue development of the electronic document and record management system;
- review and evaluate the current provision of newspaper clippings to clients; and
- convert electronic media monitoring products and services from analogue to digital.

COMPETITIVE TENDERING AND CONTRACTING

The Department continues to contract out a range of non-core services and functions that it believes can be performed more cost-effectively and efficiently by other parliamentary departments or the private sector. These include:

- financial and personnel processing functions outsourced to the Department of the Parliamentary Reporting Staff (DPRS); and
- the media transcript *production* function transferred to DPRS (with DPL retaining the *client service* responsibility to provide Senators and Members with media transcripts).

These are governed by service level agreements.

DPL sources many transcripts, newspaper clippings and press releases in electronic format from commercial suppliers and the Internet. DPL also sources approximately 25% of its indexing and cataloguing services from external suppliers.

Approximately 19% of the total price for DPL's outputs for 2003-04 continues to be represented by resources received free of charge from the other parliamentary departments, the National Library of Australia (NLA) and the Australian National Audit Office (ANAO). Details of the goods and services received are in the notes to the financial statements (note 2).

During 2003-04, DPL will continue to assess carefully which non-core services and functions could cost effectively be outsourced or contracted out.

Section 3: Budgeted financial statements

Analysis of budgeted financial statements

An analysis of the Department's budgeted financial statements for 2003-04 is provided below.

Statement of Financial Performance

The Department is budgeting for an operating loss of \$0.504m for 2003-04.

In the 2001-02 financial year, DPL made an operating surplus (after CUC) of \$1.037m in accrual accounting terms, which was larger than that originally planned. A surplus was always envisaged due to lower operating costs as the year included the general election. The higher surplus achieved was a one-time result, arising mainly from changes in accounting policies. The Presiding Officers have approved budgeted operating losses for DPL in 2002-03 and 2003-04 of \$0.533m and \$0.504m respectively.

Total revenue is estimated to be \$21.478m, a decrease of \$0.143m from the 2002-03 estimated actual. The decrease is the net result of:

- ◆ the discontinuation of funding for the Capital Use Charge (\$0.928m);
- ◆ increase in funding for employer superannuation contributions (\$0.293m); and
- ◆ increased funding for economic parameter adjustments and depreciation.

Total expenses are estimated to be \$21.982m, an increase of \$0.756m on the 2002-03 estimated actual. The increase is due partly to the factors detailed above, but mainly to increased employee expenses as a result of the workload at this stage of the parliamentary cycle and the impact from the DPL's certified agreement.

Statement of Financial Position

DPL's budgeted net asset position of \$8.219m is a decrease of \$0.504 from the 2002-03 estimated actual. The decrease is as a result of the planned operating loss in 2003-04 stated above.

Budgeted Financial Statements

The following budgeted departmental financial statements for the Department of the Parliamentary Library are presented in this section. The budgeted financial statements will form the basis of the audited final financial statements which will appear in the department's 2003-04 Annual Report and be included in the Whole of Government Accounts.

Budgeted Departmental Statement of Financial Performance

This statement provides a picture of the expected financial results for the Department by identifying full accrual revenues and expenses, which highlights whether or not the Department is operating at a sustainable level in the short run. A material component of the operating expenses is resources received free of charge.

Budgeted Departmental Statement of Financial Position

This shows what the department owns and owes at the end of each year. It enables decision-makers to track the management of the department's assets and liabilities.

Budgeted Departmental Statement of Cash Flows

Budgeted cash flows provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental Capital Budget Statement

This shows proposed capital expenditure, how that expenditure is funded and whether it is funded through Budget appropriation as equity injections or as loans.

Departmental Non-financial Assets—Summary of Movement

This statement shows proposed acquisitions and disposals of non-financial assets during the budget year.

Table 3.1: Budgeted Departmental Statement of Financial Performance

for the period ended 30 June 2004

	Note	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
Revenue from ordinary activities	11					
Revenues from Government [includes Appropriations(\$17.387m) and resources received free of charge (\$4.063m)]	1,2	21,585	21,450	20,721	20,828	21,318
Sales of goods and services	3	6	6	6	6	6
Interest	3	-5	-	-	-	-
Net gain from sales of assets	3	35	20	58	58	14
Other			2	2	2	2
Total revenues from ordinary activities		21,621	21,478	20,787	20,894	21,340
Expenses from ordinary activities						
Employees	4	11,397	12,168	11,956	12,248	12,545
Suppliers	5	7,603	7,347	6,258	6,081	6,043
Depreciation and amortisation	6	2,226	2,467	2,573	2,565	2,752
Write down of assets		-	-	-	-	-
Total expenses from ordinary activities		21,226	21,982	20,787	20,894	21,340
Net surplus or deficit from ordinary activities		395	(504)	-	-	-
Gain or loss on extraordinary items		-	-	-	-	-
Net surplus or deficit		395	(504)	-	-	-
Aggregate of amounts transferred to/from Reserves		-	-	-	-	-
Capital use charge	7	928	-	-	-	-
Net surplus or deficit after capital use charge		(533)	(504)	-	-	-

Table 3.2: Budgeted Departmental Statement of Financial Position
as at 30 June 2004

	Note	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
ASSETS						
Financial assets						
	11					
Cash		2,234	1,514	1,978	2,222	2,544
Investments		-	-	-	-	-
Other		62	62	63	65	66
Total financial assets		2,296	1,576	2,041	2,287	2,610
Non – financial assets						
	8					
Infrastructure, plant and equipment		8,846	8,565	8,464	8,628	8,295
Intangibles		1,263	1,623	1,464	1,291	1,511
Other		750	769	786	805	823
Total non-financial assets		10,859	10,957	10,714	10,724	10,629
Total Assets		13,155	12,533	12,755	13,011	13,239
LIABILITIES						
Provisions and payables						
	9					
Employees		4,402	4,282	4,505	4,760	4,987
Suppliers	10	30	32	31	32	33
Total provisions and payables		4,432	4,314	4,536	4,792	5,020
Total Liabilities		4,432	4,314	4,536	4,792	5,020
Net Assets		8,723	8,219	8,219	8,219	8,219
EQUITY						
Capital		90	90	90	90	90
Reserves		4,772	4,772	4,772	4,772	4,772
Accumulated surpluses or deficits		3,861	3,357	3,357	3,357	3,357
Total equity		8,723	8,219	8,219	8,219	8,219
Total assets and liabilities by maturity						
Current assets		3,046	2,344	2,827	3,092	3,433
Non-current assets		10,109	10,189	9,928	9,919	9,806
Current liabilities		1,682	1,419	1,520	1,632	1,708
Non-current liabilities		2,750	2,895	3,016	3,160	3,312

Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June 2004

	Note	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
OPERATING ACTIVITIES						
Cash received						
Appropriations for outputs	11					
Appropriations for outputs	1	17,522	17,387	16,658	16,765	17,255
Sale goods and services	3	167	7	6	4	6
Interest	3	(5)	-	-	-	-
GST refunds	12	648	584	574	585	590
Other	3	1	1	1	1	1
Total cash received		18,333	17,979	17,239	17,355	17,852
Cash used						
Employees		11,045	12,291	11,736	11,996	12,322
Suppliers	12	4,268	3,627	2,552	2,361	2,320
Total cash used		15,313	15,918	14,288	14,357	14,642
Net cash from operating activities		3,020	2,061	2,951	2,998	3,210
INVESTING ACTIVITIES						
Cash received						
Proceeds from sale of property, plant and equipment	3	35	20	58	58	14
Proceeds from matured investments		2,800	-	-	-	-
Total cash received		2,835	20	58	58	14
Cash used						
Purchase of property, plant and equipment	8,12	3,024	2,801	2,545	2,812	2,902
Total cash used		3,024	2,801	2,545	2,812	2,902
Net cash from investing activities		(189)	(2,781)	(2,487)	(2,754)	(2,888)
FINANCIAL ACTIVITIES						
Cash used						
Capital use charge paid	7	928	-	-	-	-
Total cash used		928	-	-	-	-
Net cash from financing activities		(928)	-	-	-	-
Net increase/decrease in cash held		1,903	(720)	464	244	322
Cash at the beginning of the reporting period		331	2,234	1,514	1,978	2,222
Cash at the end of the reporting period		2,234	1,514	1,978	2,222	2,544

Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
CAPITAL BUDGET					
Capital Appropriations					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Represented by:					
Purchase of non-current assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded internally by departmental resources ¹	2,749	2,546	2,314	2,556	2,638

Note 1: Exclusive of GST.

Table 3.5: Departmental Non-Financial Assets – Summary of Movement

(Budget Year 2003-04)

	Other infrastructure plant and equipment ¹ \$'000	Intangibles \$'000	Prepayments \$'000	Total \$'000
Carrying amount at start of year	8,846	1,263	750	10,859
Additions ²	1,736	810	-	2,546
Disposals	(144)	(801)	-	(945)
Other Movements	-	-	19	19
Depreciation/amortisation expense	(2,017)	(450)	-	(2,467)
Depreciation adjustment for disposal	144	801	-	945
Carrying amount at end of year	8,565	1,623	769	10,957
Total additions				
Self funded	1,736	810	-	2,546
Appropriations	-	-	-	-
Total	1,736	810	-	2,546

1 "Other infrastructure, plant and equipment" includes DPL's Library Collection, which was revalued as at 30 June 2001. The total additions for the Library Collection are \$1,325,000.

2 "Additions" are exclusive of recoverable GST (\$255,000).

Notes to the Financial Statements

1. The *Appropriation (Parliamentary Departments) Bill 2003-04* provides for the ordinary annual services of the department and includes funding for replacement of minor assets. The ordinary annual services of the department include the provision of the Australian Parliamentary Fellowship and support for other parliaments, including the South West Pacific Parliamentary Libraries.
2. Resources received free of charge (RRFOC) for 2003-04 have been based on 2002-03 figures, adjusted where agencies have advised changed figures. The goods and services expected to be received free of charge are valued as follows:

ANAO	\$ 55,000
Department of the Senate	\$ 187,000
Department of the House of Representatives	\$ 203,000
Department of the Parliamentary Reporting Staff	\$ 1,918,000
Joint House Department	\$ 1,653,000
National Library of Australia	\$ <u>47,000</u>
	<u>\$ 4,063,000</u>
3. Estimated revenues from independent sources include publications (\$3,000), sale of stores (\$3,000), sale of assets (\$20,000), and other (\$2,000), including insurance recoveries.
4. Employee expenses include normal remuneration expenses for the outputs provided (including accrued leave) and separation expenses.
5. Suppliers include \$4,063,000 resources received free of charge.
6. For the Budget year, depreciation and amortisation include amounts arising from capital purchases planned for 2003-04 and the balance from prior years.
7. The Government has agreed to discontinue the Capital Use Charge (CUC) from 1 July 2003.
8. Refer to Table 3.5 Non-Financial Assets – Summary of Movement.
9. Employee liabilities are the estimated salaries, annual leave and long service leave accruals at 30 June. The shorthand actuarial method recommended by the Australian Government Actuary is used to calculate the long service leave liability.
10. Provision estimated for suppliers at 30 June.
11. Budgeted financial statements are prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with:
 - ◆ Finance Minister's Orders;
 - ◆ Australian Accounting Standards;
 - ◆ other authoritative pronouncements of the Australian Accounting Standards Board; and
 - ◆ Consensus Views of the Urgent Issues Group.
12. Figures used in the Statement of Cash Flows are GST inclusive (suppliers \$329,000 and purchase of property, plant and equipment \$255,000).

Section 4: Purchaser/Provider arrangements

This section applies to arrangements under which the outputs of one agency are purchased by another agency to contribute to outcomes.

DPL has outsourced its financial and personnel transaction processing to DPRS for a fee since 1 July 2001.

In addition to providing services to its core clients, ie Senators and Members, DPL provides services to the staff of parliamentary committees and to the other staff of the parliamentary departments.

The department does not have any cost recovery arrangements pursuant to the Commonwealth Cost Recovery Policy.

GLOSSARY

Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
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.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Additional Estimates Bill or Act	These are Appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments (Appropriation Parliamentary Departments) Bill (No. 2). These Bills are introduced into Parliament after the Budget Bills.
Advance to the Presiding Officers	The contingency provisions appropriated to meet urgent resource requirements either not foreseen at the time of preparation of the relevant Bill or erroneously omitted or understated in that Bill.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Budget measures	A decision by the Executive that has been finalised since the 2002-03 Budget and has resulted in a change in expenditure in the years 2003-04 to 2006-07.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenue and expenses which are controlled by the agency in providing its outputs. Departmental items include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of

	time.
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Efficiency indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes Price, Quality and Quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or Net assets	Residual interest in the assets of an agency after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Intangibles	Assets that embody future economic benefits but do not have physical substance. DPL's intangibles are internally developed and externally acquired computer software.
Liabilities	Future sacrifices of economic benefits that an entity is presently obliged to make to other entities as a result of past transactions or other past events.
Operating result	Equals revenue less expense.
Outcomes	The results, impacts or consequences of actions by the Commonwealth on the Australian community. Outcomes are the results or impacts that the Commonwealth wishes to achieve. Actual outcomes are the results or impacts actually achieved.
Outputs	The goods and services produced by agencies on behalf of the Commonwealth for external organisations or individuals. Outputs include goods and services produced for other areas of the Commonwealth external to the agency.
Portfolio Budget Statement (PBS)	The PBS is officially a Budget Related Paper and is declared by the Appropriation Bills to be a 'relevant document' to the interpretation of the Bills for the purposes of section 15AB of the <i>Acts Interpretation Act 1901</i> . The purpose of the PBS is to inform Senators and Members of Parliament of the proposed allocation of resources for the agency's outcome.
Price	One of the three key efficiency indicators. The amount the Commonwealth or the community pays for the delivery of agreed outputs.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which clients or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from

	interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Size of an output. Count or volume measures. How many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special account	Balances existing within the Consolidated Revenue Fund (CRF), that are supported by standing appropriations (Financial Management and Accountability (FMA) Act 1997, ss.20 and 21). Special Accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a special purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s.21 of the FMA Act).
Special appropriations (including Standing Appropriations)	<p>An amount of moneys appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>