

Part 6

Management and accountability

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

Corporate governance

Introduction

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

The Presiding Officers are assisted by the Joint House Committee, the Joint Standing Committee on the Parliamentary Library, the Security Management Board, the Presiding Officers' Information Technology Advisory

Group and the Art Advisory Committee. The role of each of these committees is outlined below.

Committees advising the Presiding Officers

Joint House Committee

The Joint House Committee (JHC) consists of the members of the House Committees of the Senate and the House of Representatives. Members of those committees are appointed under Senate Standing Order 21 and House of Representatives Standing Order 327 respectively. The two committees meet together as the Joint House Committee.

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

Joint Standing Committee on the Parliamentary Library

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

Security Management Board

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

Membership of the SMB is as follows:

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

In addition, the SMB may invite representatives of organisations involved in the development of security policy and provision of security services to Parliament House to attend meetings. Representatives include officials from the Australian Federal Police, the Attorney-General's Department and the Department of Finance and Deregulation, as well as DPS.

Presiding Officers' Information Technology Advisory Group

The Presiding Officers' Information Technology Advisory Group (POITAG) normally comprises seven Senators and seven Members of the House of Representatives, appointed at the commencement of each Parliament. An additional Member was appointed for the 42nd Parliament.

POITAG's terms of reference are to:

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

Art Advisory Committee

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

Membership of the AAC includes:

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

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

The AAC's terms of reference are to:

- (a) provide guidance on the Rotational Collection Acquisition Policy, and set short-term priorities for acquisitions;
- (b) assess acquisition proposals in accordance with the acquisition policy and priorities; and
- (c) provide advice on other matters relating to the display and management of artworks in the Parliament House Art Collection as considered necessary by the Presiding Officers.

DPS committees

Strategy and Finance Committee

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

The role of the SFC includes:

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

Executive Committee

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

This committee considers the development and implementation of the DPS governance framework and associated processes, including risk management and business planning. The Executive Committee also deals with a range of policy matters in areas such as occupational health and safety, environmental issues, and departmental organisation issues.

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

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

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

Audit Committee

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

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

The Audit Committee comprises an independent chair, Mr Will Laurie, and at least three senior DPS managers appointed for two-year terms.

During 2009-10, five DPS members served on the Audit Committee—the Deputy Secretary (Mr David Kenny), the Parliamentary Librarian (Ms Roxanne Missingham being reappointed to the Committee in January 2010), Assistant Secretaries from the Content Management Branch (Ms Therese Lynch) and the Infrastructure Services Branch (Mr Terry Crane retiring from the Committee in January 2010), and the Executive Adviser (Ms Judy Tahapehi being appointed to the Committee in January 2010).

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

During 2009-10, internal audit services were provided, under contract, by WalterTurnbull Pty Ltd.

During 2009-10, the Audit Committee oversaw reviews of DPS financial and personnel processes (including the move to a shared services payroll environment), project delivery and management, and IT governance and strategic planning processes. Significant audits were conducted on the management and performance of cleaning contracts, and rostering processes in the Content Management Branch.

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

Risk management and fraud control are standing items on the Committee's agenda, and were considered progressively throughout the year. A particular focus of the Committee during 2009-10 was monitoring the department's implementation, testing and management of business continuity and disaster recovery plans.

The Audit Committee met five times during 2009-10. Members' attendance at the meetings is set out in figure 6.1.

Other governance matters

Risk management

In 2009-10, DPS revised its Risk Management Policy and Framework to align with the new Australian risk management standard, AS/NZS/ISO 31000:2009. The revised policy and framework was approved in March 2010 and is available on the DPS intranet.

Regular reporting on the implementation of risk treatments for extreme, high and significant risks was introduced in 2009-10. The report is produced quarterly and is distributed to the Executive Committee and the Audit Committee. It provides information on the status of implementation of risk treatments across DPS.

DPS improved the alignment of risk management, business, resource and strategic planning processes. DPS will continue to refine this process in 2010-11.

Figure 6.1—Audit Committee attendance

Member	Position	Meeting attendance	
		attended	out of
Mr Will Laurie	Independent Chair	5	5
Mr David Kenny	Deputy Secretary	5	5
Ms Roxanne Missingham	Parliamentary Librarian	5	5
Ms Therese Lynch	Assistant Secretary, Content Management Branch	4	5
Mr Terry Crane	Assistant Secretary, Infrastructure Services Branch	3	3
Ms Judy Tahapehi	Executive Adviser	1	2

The department participated in the Comcover 2010 Risk Management Benchmarking Survey. The survey methodology had been substantially changed in 2010 from the previous year, including a more detailed examination across 10 elements rather than the five used in previous surveys. Under the new arrangements, DPS received a benchmarking score of 5.9 in 2010. DPS achieved strong results in the areas of risk management policy and objectives, integration, and review and evaluation. Improvements to a variety of risk management elements will be undertaken throughout 2010-11.

DPS worked with Comcover to identify suitable content in providing a risk management fundamentals course in 2009. As a result of feedback from the participants on that course, DPS is proposing to expand risk management training and has been working with Comcover to identify suitable topics.

The DPS Business Continuity Policy and Framework was completed and approved in April 2010. It provides a clear statement on the importance of business continuity to DPS operations, and provides detail on the roles and responsibilities of DPS staff.

Continuity plans for services identified as critical were completed and approved in 2009-10. All the plans were then tested and, where appropriate, amended as a result of the testing. The types of exercises varied depending on the plan and ranged from reviews of existing documents to desk-based scenarios and simulated emergencies.

In conjunction with the chamber departments, DPS completed a Parliament-wide business continuity plan in 2009-10. The plan is designed to facilitate an emergency sitting of Parliament at an alternative location. The Continuity of Parliament plan is overseen by the Security Management Board.

Fraud control

A distributed denial of service attack occurred on the Parliament House website during 2009-10, falling within the definition of 'interference with a Commonwealth computer system' under the Commonwealth Fraud Control guidelines. Advice and assistance was sought from the Cyber Security Operations Centre in the Department of Defence, and

the Australian Federal Police have also been investigating the incident. DPS implemented a number of measures to reduce the impact of the incident, and has been investigating other possible countermeasures.

A number of fraud-related articles were published in the *DPS Dispatch* newsletter to maintain fraud awareness amongst staff during 2009-10. The topics for the articles included ethics and how to report suspected fraud.

DPS revised its Fraud Control Policy and Framework in 2009-10. The new document sets out the responsibilities of all staff and the commitment of DPS to fraud control.

Ethics

DPS is strongly committed to embedding a departmental culture of ethical and lawful behaviour. Ethical standards are embedded in the Parliamentary Service Values and Parliamentary Service Code of Conduct (ss.10 and 13 of the *Parliamentary Service Act 1999*), and flow through to an extensive policy approach contained in the department's governance, finance, personnel, human resources and occupational health and safety policies, as well as to operating policy and procedure documents. This commitment was enhanced in 2009-10 when the Secretary issued a document titled 'Ethical behaviour for DPS officers', which has been attached to all DPS policies where staff need to be aware of the department's expectations of ethical behaviour.

The DPS Audit Committee commenced work on developing a framework for an annual ethics 'health check' in 2009-10. The purpose is to bring together a variety of significant ethical 'health' indicators in one place to assess the overall effectiveness of DPS ethical policies. Initial work has been completed, and the final ethics health check report will be provided to the Audit Committee in 2010-11.

Strategic plan

After broad discussion at all levels across the department, the DPS Strategic Plan 2010-13 was published in March 2010 and provides both our 20-year vision and a three-year action plan. It brings together the collective vision

of the department and the values we hold. It explains how we will move toward our vision and presents our people with a clear picture of where we are going. The plan is publicly available on the Parliament House website at <http://www.aph.gov.au>.

Business planning

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

DPS Services Catalogue

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

HR services

Staffing, salary and classification structures

Remuneration for Senior Executive Service (SES) employees

In early 2009-10, all SES employees agreed to terminate their Australian Workplace Agreements made under the *Workplace Relations Act 1996* and transfer to a Determination made under section 24 of the *Parliamentary Service Act 1999*. The underpinning remuneration and other conditions of employment were not changed in any material sense.

The level of remuneration, and in some cases the conditions attaching to remuneration,

varies from employee to employee, but in general terms salary increases provided to SES employees depend upon a rating of 'effective' or higher through the performance management arrangements.

Performance-based salary advancement for non-SES staff

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

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

Salary increases under the collective agreement

An increase in salary and allowances was paid as provided for under the Union Collective Agreement.

Overview of classification structures

Figure 6.2 sets out the non-SES classifications and salary ranges for DPS staff as at 30 June 2010.

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

Figure 6.3 sets out actual staff (a headcount), showing broad-banded and apprenticeship levels separately, as at 30 June 2010. It includes inoperative staff and staff acting at a higher level as at 30 June 2010 (i.e. these staff are listed against their higher classification).



Parliament of Australia
Department of Parliamentary Services

DPS ref: 10/948/37

25 August 2010

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

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

Dear Mr Speaker and Mr President

DPS—Fraud control certification

1 I am writing to you to inform you about the status of fraud control in the Department of Parliamentary Services (**DPS**), as required by paragraph 1.9 of the *Commonwealth Fraud Control Guidelines 2002*.

2 I am satisfied that fraud risk assessments and fraud control plans have been prepared that comply with the Guidelines and that appropriate fraud prevention, detection, investigation, data collection and reporting procedures are in place in DPS.

3 For more details about fraud control in DPS, please refer to Part 6—Management and Accountability of the Department of Parliamentary Services Annual Report and Financial Statements 2009–10.

Yours sincerely

Alan Thompson
Secretary

Figure 6.2—Classification and salary ranges as at 30 June 2010

Classification	Salary range
Parliamentary Service Level 1	\$41,699 - \$48,566
Parliamentary Service Level 2	\$49,538 - \$53,181
Parliamentary Service Level 3	\$54,364 - \$56,810
Parliamentary Service Level 4	\$57,945 - \$62,964
Parliamentary Service Level 5	\$64,223 - \$68,901
Parliamentary Service Level 6	\$70,279 - \$78,988
Parliamentary Executive Level 1	\$85,524 - \$97,647
Parliamentary Executive Level 2	\$99,599 - \$118,099

Management of human resources

Introduction

Throughout 2009-10, the HR Services Section (HRS) continued to implement the DPS People Strategy 2007-2010. The strategy aims to build and improve DPS's organisational capability through integrated people management practices. Priorities were allocated to implementing the DPS Leadership Development Framework, an internal audit of the DPS performance management scheme and conducting a SafetyMap Audit.

HRS worked with the Department of the House of Representatives to transition to a shared payroll services arrangement. This included the transfer of all DPS payroll data from the PeopleSoft human resource information system to a version of the CHRIS21 system and the implementation of a new employee self service tool.

HRS continued to work on developing and reviewing a range of policies and guidelines on personnel and workplace relations issues. Much of the policy review work centred around the introduction of the *Fair Work Act 2009*.

Workforce planning, staff retention and turnover

Information on staff retention and turnover for DPS during 2009-10 compared to previous years is provided in Figure 6.4.

During the year, staff turnover increased from 12.7% in 2008-09 to 17.3% in 2009-10. Factors affecting this result include an increase in the number of transfers/promotions out of the department (from 17 in 2008-09 to 33 in 2009-10), and an increase in voluntary redundancy retirements (from 14 in 2008-09 to 39 in 2009-10)—a figure significantly influenced by a restructure in the Building Services Branch and the move to a shared payroll processing arrangement affecting the HR Services Section.

Staff development and training

Corporate training focused on developing a range of general management, office and supervisory skills, as well as personal development.

During 2009-10, a total of 66 training events were delivered through the DPS training calendar, to a total of 718 people. The training program was determined, in part, as a result of an annual assessment of training needs from DPS employees' Individual Development Plans.

Figure 6.3—Staff numbers as at 30 June 2010

Classification	Ongoing F/T		Ongoing P/T		Non-Ongoing F/T		Non-Ongoing P/T		Casual		Total	
	F	M	F	M	F	M	F	M	F	M	F	M
Apprentice 1/2	0	0	0	0	0	1	0	0	0	0	0	1
Apprentice 2/3	0	0	0	0	0	3	0	0	0	0	0	3
PSL1/2	6	86	5	22	0	1	0	0	1	17	12	138
PSL2/3	0	31	0	0	0	3	0	0	0	0	0	34
PSL4/5	3	4	0	0	0	0	1	0	0	0	4	8
PSL5/6	19	13	19	7	0	0	0	0	1	0	39	59
PSL1	0	8	0	0	0	0	0	0	11	5	11	24
PSL2	16	16	25	8	0	0	0	0	0	2	41	67
PSL3	16	31	4	0	1	1	0	0	0	0	21	53
PSL4	33	60	7	2	3	1	0	0	4	7	47	117
PSL5	13	29	6	0	0	1	0	0	9	1	28	59
PSL6	23	61	8	3	3	4	0	1	3	0	37	106
PEL1	40	68	12	4	0	3	0	0	0	0	52	127
PEL2	16	24	0	0	0	0	0	0	0	2	16	42
Senior Executive Service 1	7	0	0	0	0	0	0	0	0	0	7	7
Parliamentary Librarian	1	0	0	0	0	0	0	0	0	0	1	1
Senior Executive Service 3	0	1	0	0	0	0	0	0	0	0	0	1
Secretary	0	1	0	0	0	0	0	0	0	0	0	1
Total	193	433	86	46	7	18	1	1	29	34	316	848

Figure 6.4—Staff retention and turnover statistics

Staff retention and turnover statistics	2007-08	2008-09	2009-10	Change
Staff Number	929	904	848	-56
Staff Separations (total)	141	114	147	33
Turnover	15.2%	12.7%	17.3%	4.7%
Separations by type				
transfers/promotions	24	17	33	16
resignations	42	33	42	9
age retirements	10	7	11	4
invalidity retirements	1	0	1	1
voluntary redundancy retirements	30	14	39	25
terminations	2	4	2	-2
death	1	1	2	1
end of temporary contract	31	33	18	-15
end of temporary transfer	0	5	0	5
Exit Interviews				
Interviews held	41	34	43	7
Participation rate	29%	30%	29%	-1%

HRS presented quarterly induction/orientation and monthly occupational health and safety awareness workshops to new employees, and is working with the Departments of the Senate and the House of Representatives to develop a Parliamentary Service e-learning induction module.

DPS implemented a leadership development framework to support the development of middle- and senior-level employees. It included a DPS leadership capability element,

consistent with the Australian Public Service Commission's (APSC) Integrated Leadership System. Leadership development included core business and team leadership skills training events, and quarterly leadership meetings. One PEL2 attended the APSC Career Development Assessment Centre.

An internal audit of the department's performance management scheme was conducted in May 2010. Recommendations from the audit will be used to inform

improvements to the scheme over the next year.

The department provided support for external study to 30 staff members in 2009-10. Support includes time to attend study activities and, in some cases, financial assistance towards compulsory costs.

Workplace relations

Throughout the year the Workplace Relations Unit supported the department in accordance with the DPS Staff Management Strategy, and in relation to people matters resulting from structural changes.

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

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

Occupational health and safety

The DPS Occupational Health and Safety (OHS) Committee met four times during the year. The work of the committee is primarily directed at reviewing OHS policies and procedures and taking a strategic approach to OHS management across the department. This was further reinforced when members participated in a Comcare workshop on effective OHS committees.

The DPS Contractors OHS Subcommittee met four times. This forum provides a valuable mechanism to address OHS issues involving the work performed by the large number of contractors at Parliament House.

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

A range of OHS-related training was provided to staff throughout the year, including generic induction and OHS awareness sessions. Approximately 70 supervisors attended a new course entitled OHS for DPS Supervisors, while 31 staff attended a course on OHS and contractors. Occupation-specific OHS training

was also provided including: first aid; working in confined spaces; working at heights; chainsaw safety; pesticide application and use; plant and equipment use; high risk licences for forklifts and elevated work platforms; and defensive tactics.

In 2009-10, DPS recently underwent a rigorous audit of its OHS management systems. An external auditor found that DPS complied with the requirements of the SafetyMAP Initial Level auditing tool. DPS subsequently achieved certification to Joint Accreditation System–Australia and New Zealand standards for a three-year period, subject to six-monthly surveillance audits.

All DPS staff are entitled to access the Parliament House gymnasium as a condition of their employment. In addition, a number of health-related activities were promoted during the year including the National Ride to Work Day and National Safe Work Australia Week.

During the 2009-10 year, two incidents were notified to Comcare in accordance with section 68 of the *Occupational Health and Safety Act 1991* (the OHS Act). Each incident was also examined by DPS and remedial work was undertaken where required.

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

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

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

Workplace diversity

Initiatives in support of the DPS Workplace Diversity program for the period 2008-11 continued to be rolled out in 2009-10. In 2009-10, all of the annual diversity action plan activities were completed. Some of the key achievements included:

- (a) delivering respect and courtesy workshops for supervisors and employees to support the education and awareness of Parliamentary Service Values and Code of Conduct;
 - (b) promoting the APH disability services directory for DPS employees;
 - (c) promoting local/regional cultural events and activities supporting diversity awareness (e.g. NAIDOC Week, National Families Week);
 - (d) participating in the 'Making Diversity Work' employer survey; and
 - (e) delivering cultural awareness training for DPS Visitor Services staff.
- Commonwealth Disability Strategy
- DPS has three roles under the Commonwealth Disability Strategy (CDS)—provider, employer and purchaser.

Provider role

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

DPS continued to address recommendations of the CRS Australia 'functional access assessment' of Parliament House, conducted the previous year for the purposes of identifying work to improve access for disabled persons. Some recommendations are being addressed through planned maintenance, while others have required or will require physical changes to the building.

In relation to physical changes to the building, all work is carried out in accordance with the Building Code of Australia (BCA). The BCA requires that Australian Standard 1428 (disabled access requirements) is met in any new works. Work undertaken to improve disabled access during 2009-10 included:

- (a) incorporation of a disabled compliant ramp in the design documents for the Additional DPS Office Accommodation project—works are to be undertaken in 2010-11;

- (b) adding door widening to the project scope for entry to the disabled toilets in the first floor Senate and House of Representatives Chamber foyers—works are to be undertaken in 2010-2011;
- (c) installation of a platform lift for disabled access to the building from the public car park;
- (d) addition of a taxi rank with disabled access to the new public car parking arrangements;
- (e) ensuring compliance of the Australian Parliament House website redevelopment project with Web Content Accessibility guidelines, to be implemented in 2010; and
- (f) as part of the Committee Room Audio project, providing signs that will illuminate to show when hearing impaired loops are operating—this project is rolling out over the next two years.

Employer role

As required under section 18 of the *Parliamentary Service Act 1999*, DPS has a workplace diversity program in place. The DPS Workplace Diversity Program 2008-2011 is supported by an annual action plan. Both the program and the action plan include provisions to ensure that the department's employment policies and procedures support equitable working conditions for employees, including those with disabilities.

All press and gazette advertising includes a reference to a Telephone Typewriter (TTY) number for potential applicants with hearing or speech disabilities. The 'reasonable adjustments' principles are followed during the recruitment of new employees and for the management of departmental staff.

Purchaser role

The department's tender documentation includes a provision that requires contractors to comply with their legislative obligations regarding the *Disability Discrimination Act 1992*.

Purchasing

Overview

The purchasing of assets and services by DPS during 2009-10 was conducted with the aim of realising core business objectives, while achieving operational effectiveness and value for money outcomes. Purchasing was managed in accordance with the Commonwealth Procurement Guidelines (CPGs), and DPS Chief Executive's Instructions and supporting procedures.

DPS's primary purchasing objectives were:

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

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

Consultants

During 2009-10, 147 consultancies were entered into involving total actual expenditure of \$1,678,627 (GST inclusive), of which 44 were consultancies each with a value of more than \$10,000, as detailed in Appendix A. In addition, 22 ongoing consultancy arrangements continued from previous years, involving total actual expenditure of \$310,048 (GST inclusive) during the reporting year.

DPS used a combination of in house resources and external consultants to deliver services according to the nature of each requirement. Private sector specialists were engaged under panel or discrete contract arrangements to provide the skills and expertise necessary to

assist with the achievement of DPS objectives.

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

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

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

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

- legal;
- architectural;
- engineering;
- information technology;
- audit; and
- building management.

Particulars of consultancy contracts awarded with a value of \$10,000 or more during 2009-10 are shown at Appendix A.

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

Competitive tendering and contracting

During 2009-10, DPS did not allow any provisions in contracts prohibiting the Auditor-General's access. DPS did not conduct any competitive tendering and contracting processes that involved contracting out the delivery of government activities, previously performed by this agency, to another organisation.

Exempt contracts

During 2009-10, no DPS contracts or standing offers were exempted by the Chief Executive from being published via AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

Asset management

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

Accountability

External scrutiny

ANAO audits

During 2009-10, DPS was the subject of an external compliance audit by the ANAO in relation to its financial statements for the period ending 30 June 2009 and, an interim audit in preparation for the 2009-10 financial statement audit. The audit on the 2008-09 financial statements was unqualified.

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

Senate committees

DPS appeared before the Senate Finance and Public Administration Committee on three occasions during 2009-10—19 October 2009 (Supplementary Budget Estimates hearings), 8 February 2010 (Additional Estimates hearings) and 24 May 2010 (Budget Estimates hearings).

Other scrutiny

DPS was not subject to any significant judicial decisions or decisions of administrative tribunals, nor did the Ombudsman report on the activities of DPS in 2009-10.

Freedom of information

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

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

In 2009-10, two requests for information were received.

Discretionary grants

DPS does not administer any discretionary grant programs.

Advertising costs

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

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

Figure 6.5 sets out amounts over \$11,200 (GST inclusive) paid by DPS during the reporting year. No money was paid to any organisation covered in paragraph (b), (c) or (d).

No advertising campaigns were undertaken by the department in 2009-10.

Legal services expenditure

The Legal Services Directions 2005 (paragraph 11.1(ba)) require FMA Act agencies to make publicly available their expenditure on legal services. Figure 6.6 shows the amount DPS spent on legal services during 2009-10.

Figure 6.5—Advertising costs

Supplier	Item	Amount (GST inclusive)
Canprint Communications	Parliament House promotional materials	\$47,269
Adcorp Australia	Recruitment advertisements	\$44,091
Total		\$91,360

Figure 6.6—Legal services expenditure

Services		Amount (GST inclusive)
External expenditure on professional fees		\$205,026.19
External expenditure on counsel *		\$9,461.68
Administrative disbursements on external legal services		\$2,587.97
Total (legal services expenditure—all external)		\$217,075.84
* Male counsel briefed	2	\$9,461.68
* Female counsel briefed	0	\$0.00