



Part 1

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David Elder, Clerk of the House, and duty deputy clerk Stephen Boyd advising the Member for Rankin, the Hon Dr Jim Chalmers MP, at the table in the House of Representatives Chamber.
Photo: David Foote, Auspic/DPS

Clerk's review

The financial year ending 30 June 2016 was particularly eventful for the Department of the House of Representatives. I am pleased to report that the department performed strongly throughout the year against budget and other performance measures. The staff of the department worked admirably during periods of change and uncertainty in the final year of the Forty-fourth Parliament, and I am confident the House was well supported by the department in discharging its legislative and representative functions.

The year was marked by three significant changes in senior leadership: in the Australian Parliament, the Australian Government and the Australian Parliamentary Service. First, the Hon Tony Smith MP was elected Speaker of the House of Representatives on 10 August 2015 following the resignation of the Hon Bronwyn Bishop MP. A change in the speakership in the course of a parliament is an event of particular significance for the department, and immediate priority was given to supporting the new Speaker and helping familiarise him with his role and functions.

Second, on 15 September 2015, the Hon Malcolm Turnbull MP took office as Prime Minister of Australia. A change such as this will affect the department in many ways—from subtle differences in what might be described as the 'atmospherics' of Parliament House, to more concrete effects, such as the need to move members between office suites in Parliament House following new appointments to the ministry. Where a reshuffle is extensive or involves senior members of the government, as occurred twice in the final months of the Forty-fourth Parliament, logistics can be challenging and labour intensive for the staff of the Serjeant-at-Arms' Office. The changes to the ministry resulted in many changes to the chair and membership of parliamentary committees, which had a major impact on the department's work in supporting committees.

Third, in December 2015, Rob Stefanic was appointed Secretary of the Department of Parliamentary Services. Mr Stefanic comes to the role with extensive experience in parliamentary and public sector administration. I welcome his appointment and the constructive, professional way he and his staff have engaged with me and the department. A collaborative, strategy-focused approach was also in evidence during the regular meetings of the heads of the four parliamentary departments, which I have been pleased to chair this calendar year.

In addition to these leadership changes, a number of other significant and unusual parliamentary events had an impact on the work of the department during the reporting year, not least the prorogation of the parliament on 15 April 2016 and the commencement of a second session on 18 April 2016. While it is reasonably common for parliament to be prorogued immediately before a general election, the last time members and senators had assembled for a second session following prorogation was in 1977.

Most notable, however, was the manner in which the Forty-fourth Parliament came to an end. On 9 May 2016, the Governor-General dissolved both the Senate and the House of Representatives in preparation for a general election on 2 July 2016. This was only the seventh 'double dissolution' in Australia since 1901 and the first since 1987.

I am pleased to report that the department responded well to these unusual events. Legal and administrative machinery exists to facilitate leadership changes at the highest levels of government and to resolve disputes between the two Houses of the parliament—and the changes I refer to were all soundly based in constitutional law, convention and parliamentary practice.

It is also true, however, that this machinery is seldom used. I was very pleased that the department was able to play a role in ensuring that the work of the House of Representatives and the parliament continued smoothly throughout the reporting year as these unusual events unfolded. This is due in no small part to the expertise, professionalism and resilience of all my colleagues.

The 2015–16 reporting year also saw a number of pleasing developments in the corporate sphere of the department's operations. We have for many years undertaken a process of benchmarking our leadership and human resources practices against standards set by the UK-based organisation Investors in People. I am delighted to report that, in August 2015, following a review by an Investors in People assessor, the department's accreditation was upgraded from bronze to silver in recognition of our sound approach to people management and development. Our accreditation at a higher level reflects the effort we put into improving our performance in 2015, in part in response to the issues identified by the Investors in People review.

In 2015–16, for the first time, the department conducted a series of interviews with members of the House who had announced their intention not to stand for re-election. The aim of the interviews was to obtain the members' candid reflections on their time in parliament, give them an opportunity to make suggestions for improving the function of the House and committee system and (given our annual members' survey could not be conducted this year due to the dissolution of the parliament in early May) offer feedback on the department's effectiveness in supporting the work of the House and its committees. The findings of the 19 interviews conducted will inform our briefings of senior parliamentary office-holders when the Forty-fifth Parliament commences. I thank the members interviewed, who were so generous with their time.

The past 12 months have also been a professionally satisfying period for me as Clerk. In January 2016, I accompanied the Speaker to the 23rd Conference of Speakers and Presiding Officers of the Commonwealth in Kota Kinabalu, Malaysia. This biennial event is an opportunity for Presiding Officers to discuss topics of mutual interest and build relationships with their Commonwealth counterparts. The 23rd conference was a great success.

I conclude by acknowledging the spike in workload for most areas of the department as a result of the Forty-fourth Parliament drawing to an end somewhat earlier than expected. The challenge was met by staff providing support to the Chamber as legislative priorities evolved and by colleagues in the Committee Office who helped to conclude a large number of inquiries and finalise reports at short notice. I commend the staff of the department for their hard work during the 2015–16 reporting year and look forward to the challenges and opportunities that will come with the opening of the Forty-fifth Parliament early in 2016–17.

Departmental overview

Purpose

The department's purpose, as set out in its corporate plan, is:

To support the House of Representatives, and the wider Parliament, in the role of a representative and legislative body by providing advice and services of a high standard.

Role and functions

The *Parliamentary Service Act 1999* provides for a non-partisan parliamentary service to serve the Australian Parliament. The Department of the House of Representatives is established by and operates under the Act, together with three other parliamentary departments: the Department of the Senate, the Department of Parliamentary Services and the Parliamentary Budget Office.

During 2015–16, the department continued in its role as a service department for the parliament, supporting the work of the House of Representatives, its members and committees, and some joint committees (comprising members of both the House and the Senate). The department also continued to provide assistance to the House and the parliament in maintaining relationships with state and territory, and international counterparts.

Organisational structure

The department is managed by its Executive: the Clerk, Deputy Clerk, Clerk Assistant (Table), Clerk Assistant (Committees) and Serjeant-at-Arms. Their work is carried out through nine offices.

The department's organisational structure changed in one respect during the year. In October 2015, the Clerk Assistant (Table) assumed responsibility from the Deputy Clerk for the work of the International and Parliamentary Relations Office.

Figure 1 shows the department's organisational structure at 30 June 2016.

Outcome and program structure

The department's outcome and program structure for the reporting year is set out in its 2015–16 Portfolio Budget Statements.

The department has one outcome:

Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.

The department has two programs:

- » Program 1: Departmental—supports five activities
- » Program 2: Administered—supports one activity.

Figure 2 shows the department's outcome and program structure and the activities under each program.

Figure 1 Organisational structure at 30 June 2016

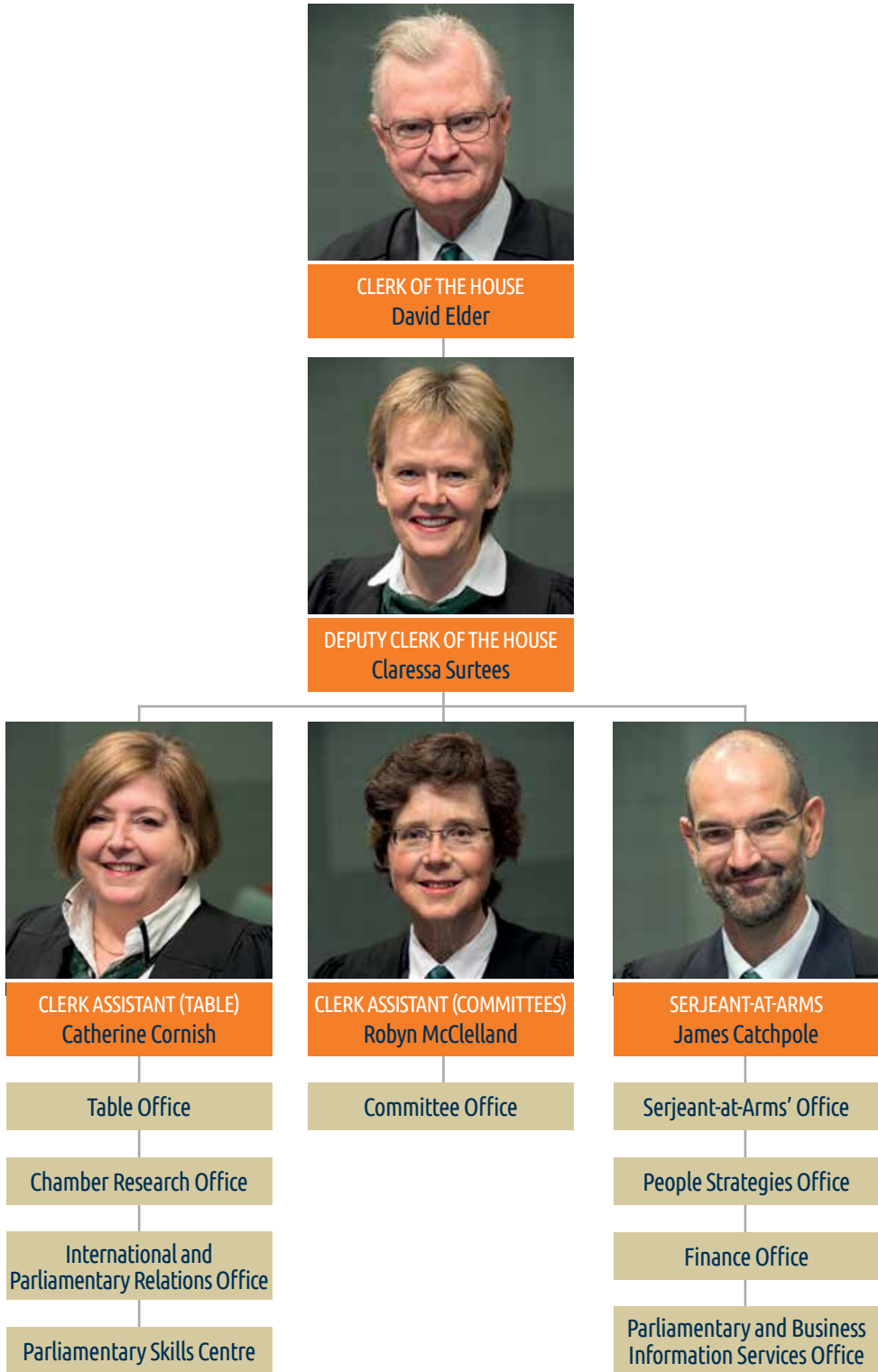
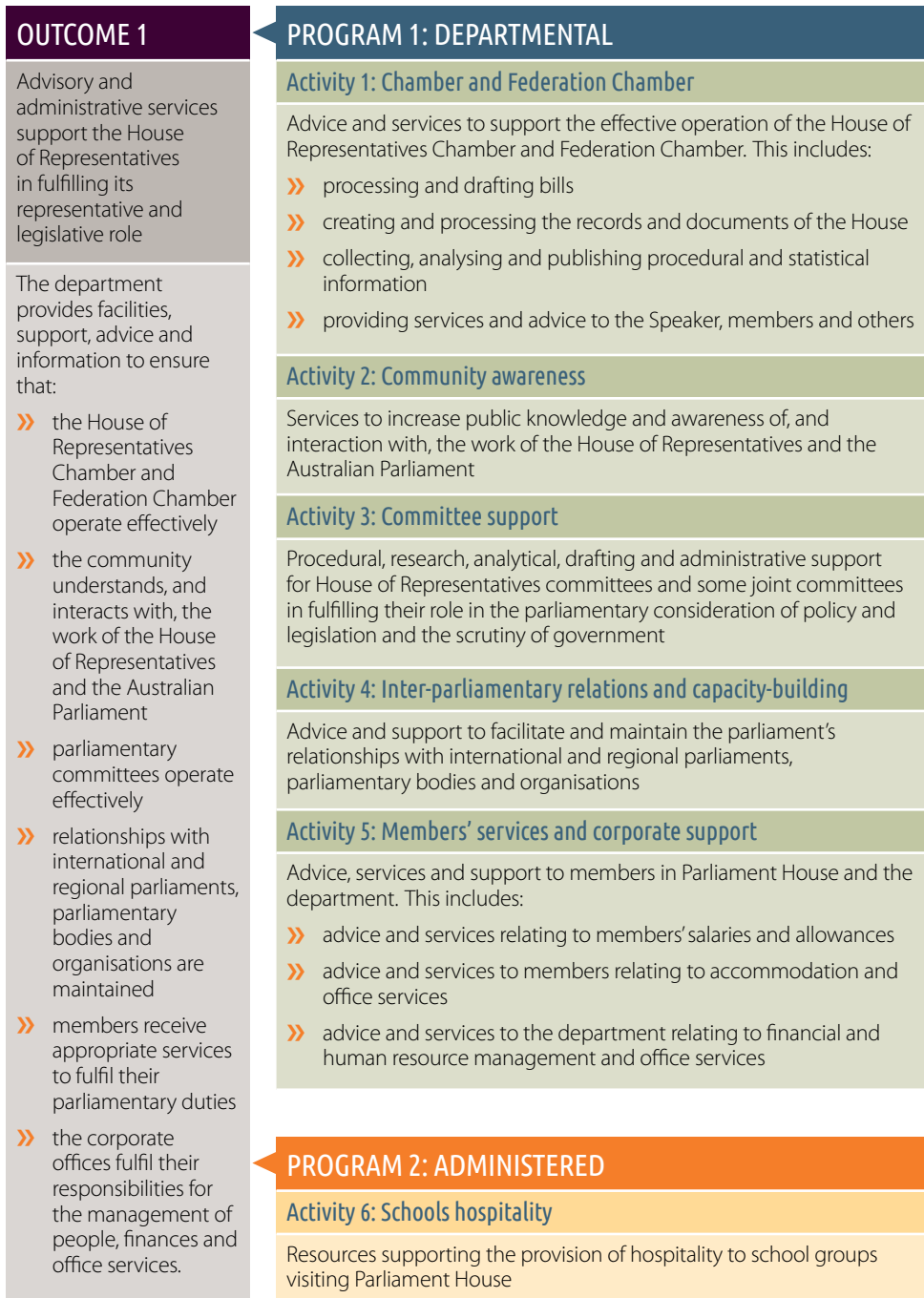


Figure 2 Outcome and program structure, 2015–16



Financial performance

The department ended the 2015–16 financial year reporting a deficit attributable to the Australian Government of \$2.038 million. The net cash position (after deducting depreciation and amortisation expenses of \$0.896 million) was a deficit of \$1.142 million.

There were two reasons for this result:

- » Employee benefits expenses increased due to a change to the calculation of on-costs and a decrease in the 10-year Treasury (government) bond rate used to determine the present value of employee provisions.
- » The 2016–17 federal budget included a measure for supplementary funding of \$1.061 million for the department for 2015–16; however, the *Supply (Parliamentary Departments) Act (No. 1) 2016–17* did not include the measure. The measure was included in Appropriation (Parliamentary Departments) Bill (No. 1) 2016–17, which had not passed the parliament before the simultaneous dissolution for the 2016 election. Under section 38(2) of the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015, the department was not able to recognise the supplementary funding for 2015–16 of \$1.016m as revenue in the statement of comprehensive income.

Through the 2015–16 federal budget, the department was able to secure supplementary funding to support the work of committees. A total of \$1.5 million was provided over three years commencing in 2014–15 and lapsing in 2016–17. The increase in funding was very welcome; however, financial resourcing pressures still remain. The decrease in the department's own-source revenue was a result of external funding contracts from the Department of Foreign Affairs and Trade for Pacific parliamentary development programs being completed. The amount of revenue recognised in relation to these programs corresponds to the amount of expenses incurred during the financial year.

Cyclical revaluation of the heritage and cultural and plant and equipment asset classes resulted in a revaluation surplus of \$0.772 million. Asset additions during the year relate to the office furniture replacement project. Replacement of furniture items in departmental offices is now complete. Replacement of items in the staff areas of members' offices commenced in late 2015. Total liabilities increased marginally as a result of the change to the calculation of employee provisions and a decrease in the payables relating to expenses for accrued salary and wages.

The estimates for 2016–17 indicate that the department has sufficient resources to continue to support members, the House and its committees. However, the department's budget will come under pressure again in 2017–18 and beyond if additional funding is not secured. The department will continue to innovate and keep pace with technological change in order to sustain the quality of service delivery.

Figure 3 Financial performance, 2011–12 to 2015–16

