



Parliament of Australia

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Department of Parliamentary Services

## **Annual Report 2003–04**

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

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

*DPS Portfolio Budget Statement 2003-2004*

*Parliamentary Service Act 1999*



Parliament of Australia

Department of Parliamentary Services

Hon. Neil Andrew MP  
Speaker of the House of Representatives  
Parliament House  
CANBERRA ACT 2600

Senator the Hon. Paul Calvert  
President of the Senate  
Parliament House  
CANBERRA ACT 2600

Dear Mr Speaker and Mr President

### **Annual Report 2003-04**

I have pleasure in submitting the annual report of the Department of Parliamentary Services for the year ending 30 June 2004, as required by paragraph 65(1)(c) of the *Parliamentary Service Act 1999*. That provision requires the report to be presented to each House of the Parliament.

This is the first annual report of the department, which commenced operations from 1 February 2004. It incorporates material relating to the operations of the former Joint House Department, Department of the Parliamentary Library and Department of the Parliamentary Reporting Staff during the period 1 July 2003 to 31 January 2004. Financial statements for those three departments for that period are also attached to the report.

The year covered in this report has been challenging for all staff. The uncertainties surrounding the amalgamation of the three former departments into a single large and very diverse department, the appointment of a Secretary from outside the Parliamentary Service, and the significant financial pressures faced by the new department, have all contributed to these challenges. Many staff, especially those in the Corporate Group, have carried an unusually heavy workload as they have dealt with complex amalgamation tasks as well as their day-to-day work. Despite these pressures, staff have managed to maintain their high client service standards, and I commend them, and thank them, for their efforts.

Yours sincerely

Hilary Penfold QC

Secretary

14 October 2004



## CONTENTS

<b>Part 1—Secretary’s review</b>	<b>9</b>
1.1 Introduction	9
1.2 The new department	9
1.2.1 The structure of the new department	9
1.2.2 Business as usual in the operational groups	10
1.2.3 Amalgamation work	10
1.3 Parliamentary Librarian	10
1.4 Security	11
1.5 Electorate office support	11
1.6 Client Services Group staffing review plan—post-implementation review	12
1.7 Water leak in the Cabinet Room	12
1.8 Water restrictions	12
1.9 Parliament House Art Collection	13
1.10 Summary of performance and financial results	13
1.11 Outlook for 2004-05	14
<b>Part 2—Departmental overview</b>	<b>17</b>
2.1 Introduction	17
2.2 Departmental Outcome Statement	17
2.3 Departmental structure	17
2.4 Departmental services	19
2.4.1 Information and Research Services Group	19
2.4.2 Resource Management Services Group	20
2.4.3 Client Services Group	20
2.4.4 Technical Services Group	21
2.4.5 Operations Group	22
2.4.6 Security and Facilities Group	23
2.4.7 Corporate and Strategic Development Group	24

## CONTENTS

<b>Part 3—Report on performance</b>	<b>27</b>
3.1 Overview	27
3.1.1 Performance information and reporting model	27
3.1.2 Output cost attribution	27
3.1.3 Changes to Outcome and Outputs	27
3.2 Output 1—Library, Information and Research Services	29
3.2.1 Sub-output 1.1—Information, analysis and advice services to meet client's needs	30
3.2.2 Sub-output 1.2—Access to collection sources for the use of Parliament.	33
3.2.3 Key issues in 2003-04	36
3.3 Output 2—Client and Technical Services	38
3.3.1 Sub-output 2.1—Client Services	39
3.3.2 Sub-output 2.2—Technical services	48
3.4 Output 3—Building and Occupant Services	57
3.4.1 Environmental performance	57
3.4.2 Economic performance	59
3.4.3 Social performance	61
3.5 Administered items	62
3.6 Effectiveness in achieving the planned Outcome	63
<b>Part 4—Special reports</b>	<b>65</b>
4.1 Financial issues	65
4.1.1 The Podger Report and security-related funding cuts	65
4.1.2 Predicted savings—general	66
4.1.3 Other financial matters	68
4.2 Visit of President Bush of the United States of America	68
4.3 Ecologically sustainable development	70
4.3.1 Environmental Management System	70
4.3.2 Environmental performance indicators	70
4.3.3 Initiatives in 2003-04	71
4.3.4 Bird deaths	72
4.3.5 Compliance with government energy policy	72

## CONTENTS

<b>Part 5—Management and accountability</b>	<b>73</b>
5.1 Overview	73
5.2 Corporate Governance	73
5.2.1 Introduction	73
5.2.2 Joint Library Committee	73
5.2.3 Joint House Committee	73
5.2.4 Presiding Officers' Information Technology Advisory Group	73
5.2.5 DPS Committees	73
5.2.6 Senior Management Coordination Group	74
5.2.7 Corporate Plan	75
5.2.8 Business Plan	75
5.2.9 Risk Management Framework	75
5.2.10 Service Charter	75
5.2.11 Appropriate ethical standards	75
5.3 Personnel Management and Support	76
5.3.1 Remuneration for Senior Executive Service employees	76
5.3.2 Management of human resources	76
5.3.3 Overview of staffing statistics	77
5.3.4 Workforce planning, staff retention and turnover	79
5.3.5 Workplace relations	79
5.3.6 Performance-based pay arrangements	79
5.3.7 Workplace diversity	79
5.3.8 Staff development and training	80
5.3.9 Occupational health and safety	80
5.3.10 Commonwealth Disability Strategy	80
5.4 Purchasing	82
5.4.1 Consultants	83
5.4.2 Consultancy services 2003-04	84
5.5 Competitive tendering and contracting	88
5.6 Asset management	88

## CONTENTS

5.7	Accountability	89
5.7.1	External scrutiny	89
5.7.2	Freedom of Information	90
5.7.3	Discretionary grants	90
5.7.4	Advertising costs 2003-04	90
<b>Financial Statements Contents</b>		<b>93</b>
	Joint House Department (JHD)	94
	Department of the Parliamentary Library (DPL)	156
	Department of the Parliamentary Reporting Staff (DPRS)	200
	Department of Parliamentary Services (DPS)	236
<b>Glossary</b>		<b>290</b>
<b>Acronyms and abbreviations</b>		<b>293</b>
<b>Index</b>		<b>295</b>



## PART 1 – SECRETARY’S REVIEW

### Part 1—Secretary’s review

#### 1.1 Introduction

In April 2002, the then Presiding Officers commissioned the Parliamentary Service Commissioner, Mr Andrew Podger AO, to review aspects of the parliamentary administration. Mr Podger’s report was tabled on 23 October 2002. It recommended, among other things, that a single department replace the three existing joint service departments.

By resolution of both Houses of Parliament in August 2003 (the House of Representatives on 14 August and the Senate on 18 August), the Department of Parliamentary Services (DPS) was established with effect from 1 February 2004. The department replaces the former Joint House Department (JHD), Department of the Parliamentary Library (DPL) and Department of the Parliamentary Reporting Staff (DPRS).

On 27 November 2003, the Presiding Officers announced my appointment to the position of Secretary, DPS, and I took up that position on 1 February 2004.

#### 1.2 The new department

The creation of the new department brought together three very different organisations. The departments differed in the nature of their work, their management structures and approaches, the skills bases of their staff, and their cultures. However, all the departments shared a commitment to the Parliament and its place in Australia’s democratic system, and a strong client service ethos. These shared values have underpinned our approach to the creation of an effective and efficient single service department for the Parliament.

##### *1.2.1 The structure of the new department*

Before the amalgamation, each of the three departments was organised into groups headed by executives at the SES 1 level. There were eight groups in total. DPL had previously outsourced many of its corporate functions to DPRS, and retained only a small corporate support unit within one of its two groups. On the creation of the new department, all corporate services staff from the three former departments were moved into a single group, and other staff previously within the JHD corporate group were transferred to another group, giving us a total of seven groups headed by SES Band 1 executives.

Apart from the Corporate Group, the functions of each group are more or less independent of the functions of other groups. There are still some cases where similar functions are performed separately in and for two or more different groups, but there is no significant duplication of work across the other six groups. Within the Corporate Group, a new structure has largely integrated the remaining staff from the three former departments. While both the CFO and the Director, HR come from the former DPRS, they have found the assistance of staff from the other two former departments vital in a variety of both ongoing and amalgamation tasks.

## PART 1 – SECRETARY'S REVIEW

### *1.2.2 Business as usual in the operational groups*

The amalgamation of the three former departments into a single functioning department has not been without complications, but it was achieved with a minimum of disruption and appears to have had little or no effect on the delivery of services to our clients. This result was achieved by taking a business as usual approach to the operational areas of the department rather than attempting to make significant structural or other changes early on. Many of the arrangements in place in the former departments have been maintained until integration issues can be worked through properly.

### *1.2.3 Amalgamation work*

While the operational groups have maintained a business as usual approach, the Executive and the Corporate Group have focused on the amalgamation work, with some staff from the other groups taking on particular tasks. On one view, it would have been desirable to establish a dedicated implementation task force; however, a shortage of departmental resources made this problematic, and it might not have been efficient to bring in outsiders, however competent, without in-depth knowledge of the Parliamentary Service in general, and the former departments in particular.

## **1.3 Parliamentary Librarian**

On 24 March 2004, the Presiding Officers made statements to the Houses about a package of proposals designed to guarantee the independence of the Parliamentary Library. These proposals were intended to implement parts of the parliamentary resolutions establishing DPS.

The resolutions passed by the two Houses require the Parliamentary Librarian to be created as a statutory position, with direct reporting lines to the Presiding Officers and the library committees. The package of proposals included drafting instructions to amend the *Parliamentary Service Act 1999*, among other things to set out the functions of the Parliamentary Librarian and require those functions to be performed in a timely, impartial and confidential manner and on the basis of equality of access for all Senators and Members.

The package also included a duty statement and selection criteria reflecting the proposed functions and qualifications of the Parliamentary Librarian. The proposal required an appointee as Parliamentary Librarian to have qualifications in librarianship or information management.

As well, the Presiding Officers' proposals included strengthening the terms of reference of the joint Library Committee. This committee would advise the Presiding Officers on the annual resource agreement between the Parliamentary Librarian and the Secretary to the DPS. The Parliamentary Librarian would report to the Library Committee at least once a year.

The Parliamentary Service Amendment Bill 2004, giving effect to the proposals, was introduced in the Senate on 21 June 2004.

The Bill had not been passed by the Senate when the Parliament was prorogued on 31 August 2004.

## PART 1 – SECRETARY’S REVIEW

### 1.4 Security

Operational staff of the Parliamentary Security Service (PSS) were transferred to JHD on 23 October 2003, following the transfer of management and administrative staff on 1 July the same year. On 1 February 2004, the PSS became part of DPS upon the abolition of JHD.

A new Certified Agreement was ratified for the operational staff in early January 2004. This agreement consolidated all staff under single performance management, occupational health and safety, development support and salary packaging policies, and linked pay increases to the outcome of the previous 12 months’ performance as reflected in the Security Index results. A number of conditions of service were rationalised and the staff fitness incentive was built into the base salary rate.

An \$11.7m program of security enhancement works has been developed and is expected to be completed by 31 March 2005. The most notable of these is the construction of a low wall around the inside of Parliament Drive to prevent unauthorised vehicle access, in particular to the grassed ramps and other grassed areas. Installation of retractable bollards at the slip roads will prevent unauthorised vehicle access while enabling authorised vehicles to enter the slip roads. There will be consultation with occupants of Parliament House about access for those who will no longer be able to use the slip roads. This will include arrangements for drop-off and pick-up of both occupants and visitors, including those with disabilities.

The Ministerial Wing ground-level car park will be closed to provide better perimeter security, and consequential works will take place in the Melbourne Avenue car parks to compensate for the loss of parking spaces. Both Melbourne Avenue car parks will be restricted to pass holders and Commonwealth vehicles. Measures will be undertaken to strengthen certain windows that face the Ministerial Wing car park.

MGT Canberra Architects and Mr Romaldo Giurgola AO (original architects of Parliament House) have been engaged by DPS to develop design solutions. GE Shaw and Associates have been engaged to provide construction management services.

### 1.5 Electorate office support

Since 1 July 2003, DPS has been providing information technology services and support to 250 Senators’ and Members’ electorate offices and other offices outside Parliament House, on behalf of the Department of Finance and Administration (Finance). DPS has taken over responsibility for the provision of help desk services, second-tier support and the standard operating environment for electorate offices. In a Memorandum of Agreement (MOA) between the two departments, Finance agreed to fund additional staff in DPS to provide the agreed services.

The workload from electorate offices over the first year of DPS providing these services has been 65% higher than originally anticipated. As a result, DPS will be working with Finance to review the MOA and seeking agreement on appropriate funding and service levels.

Feedback received from Senators, Members and their staff on the support that DPS provides to electorate offices has been largely positive.

## PART 1 – SECRETARY'S REVIEW

### **1.6 Client Services Group staffing review plan— post-implementation review**

An independent review of the Client Services Group (CSG) staffing plan was undertaken during the year with results reflecting that, of the 17 objectives evaluated, 13 were fully achieved, 3 partially achieved and one not achieved.

The CSG staffing plan arose as a response to long-term changes in parliamentary workloads and followed a restructure of the former DPRS into two primary groups – the Client Services Group and the Technical Services Group. Guiding principles established in the plan included a permanent, highly skilled workforce; standard working days; operational flexibility; safe working practices; recognition and reward for work value; and cost-effective operations.

The criteria for the review included a quantitative analysis of performance and staffing information for the period 1999 to 2003, and qualitative interviews with staff representatives. The staffing plan was considered to have resulted in significant improvements in direct client services, more cost-effective operations and a more predictable and sustainable workplace environment for staff. The principles of the plan provide a sound platform for identifying further improvements across the group over time.

### **1.7 Water leak in the Cabinet Room**

On 18 April 2004, a large quantity of water entered the Cabinet Room from a burst mains pressure pipe and flooded adjacent rooms and offices, progressing to the Prime Minister's foyer and the Members' Hall. Staff from DPS worked with ACT emergency services, contractors from 19 companies and staff from other departments to respond initially and then undertake recovery action.

While the water caused minimal structural damage, there was fairly extensive carpet and furniture damage. Conservation of high-profile furniture items and fixtures was undertaken with success, minimising the damage from moisture on these items.

New techniques were used that absorbed the moisture through the circulation of dry air. Around 1,100 square metres of timber-strip flooring was recovered, requiring no maintenance after drying, and 800 square metres of carpet was removed and replaced.

The cooperation and teamwork of everyone involved in this operation was demonstrated by the Cabinet Room being available for use again only five weeks after the flooding occurred. There will be ongoing rehabilitation work to various fabric elements over the next 12 months, as well as conservation and replacement of furniture.

### **1.8 Water restrictions**

Parliament House was one of the first institutions in Canberra to enter into an agreement to introduce voluntary water restriction targets. The then JHD held discussions with ActewAGL in November 2002, leading to the Presiding Officers making a statement to the Parliament on 5 December 2002 about this matter. The agreement covered the five stages of water restriction, with a 25% reduction in water consumption agreed for stage 2. The agreement was concluded with a letter of acknowledgement from ActewAGL on 13 December 2002.

## PART 1 – SECRETARY’S REVIEW

In March 2003 stage 3 restrictions were introduced. This required Parliament House to achieve a 40% reduction in normal water consumption. Parliament’s normal target for landscape irrigation is to replace 60% of net evapo-transpiration. With adjustments for periods of stage 2 and stage 3 restrictions, the annual target became 44.7%. During the year, DPS used water to replace only 41% of net evapo-transpiration. The voluntary agreement and the results achieved demonstrate DPS’s commitment to the water-saving effort in the Canberra region.

### **1.9 Parliament House Art Collection**

A review of the Parliament House Art Collection (PHAC) was conducted by Mrs Betty Churcher AO during 2003. Mrs Churcher’s report was submitted to the Presiding Officers in October 2003 and was circulated to all Senators and Members for comment over the summer break. In June 2004 the Presiding Officers announced in-principle responses to many of Mrs Churcher’s recommendations.

First, the acquisition policy is no longer to focus on the works of new and emerging artists, but will allow a wider range of acquisitions on the basis that the artist has appropriate professional standing and the work is suitable to be added to the Collection. This change in the acquisitions policy will not preclude acquiring the work of new or emerging artists, and the funding constraints affecting the Collection mean that new and emerging artists may continue to represent a significant proportion of acquisitions.

Separately from the PHAC, an alternative collection of reproductions is to be acquired to provide Senators and Members with a broader choice of works to hang in their suites. These reproductions would not be accessioned into the Collection (for this reason, it is not clear that funds for purchasing these reproductions will be available in the short term).

The Art Advisory Committee, to decide on acquisitions into the Collection, will be constituted by the Presiding Officers as joint chairs, the Deputy Speaker, the Deputy President and Chairman of Committees, and the Secretary of DPS.

Further work is to be done on the implementation of Mrs Churcher’s other recommendations.

### **1.10 Summary of performance and financial results**

DPS provides occupants and other users of Parliament House with a wide range of services and facilities. The performance report at Part 3 measures and discusses how well this was done. While the results demonstrate success in a variety of areas, we are always looking for further improvement.

The services and facilities provided by DPS are reviewed on a regular basis. The bringing together of the three former departments will provide a further opportunity to integrate our services where this is both appropriate and efficient. Ensuring that our services are appropriate and easily accessible and satisfy clients’ needs is a primary focus of the new *DPS Corporate Plan 2004-07* that was finalised in the first quarter of 2004-05.

DPS recorded a loss of \$1.774m for the first 5 months of operations. The loss was directly attributable to an increase in expenses from the financial effects of the creation of the new department. The adjustments relating to the creation of the new department included a \$0.371m write down of assets transferred from DPL that did not meet the DPS asset recognition threshold, a \$0.340m write down of Financial

## PART 1 – SECRETARY'S REVIEW

Management Information System (FMIS) computer software no longer required by DPS, a \$0.618m increase to salaries flowing from a decision by the Australian National Audit Office not to recognise General Distribution Products as assets in the DPL statements to 31 January, and a \$1.107m redundancy cost in excess of the salaries cost included in the budget for those staff.

### **1.11 Outlook for 2004-05**

A Deputy Secretary should be appointed before the end of 2004.

Because the Parliament was prorogued without passing the Parliamentary Service Amendment Bill to establish the statutory position of Parliamentary Librarian, this appointment is unlikely to proceed until early in 2005.

As an election year, 2004-05 will not impose such demands on many parts of DPS (for instance, Hansard, broadcasting and library areas) as a year with a normal sitting pattern. However election years are particularly busy for other parts of DPS, in particular the building management areas which try to schedule substantial maintenance and refurbishment activities for periods when there is less activity in Parliament House.

Having regard to our financial position, DPS will need to use this year to explore ways of providing our services more efficiently or renegotiating the provision of, or the service levels for, some of our services.

At a departmental level, our focus will be on a number of areas that should provide efficiencies over the longer term. These include more effective recruiting strategies, a better use of IT (especially word-processing and information management) to enable administrative and other staff to function more efficiently, a different approach to policy-making (including more structured consultation processes) and policy implementation, and a greater willingness to engage with both our direct clients and other interested people and organisations outside the department. However, it is unlikely that these improvements will provide enough savings in the next two or three years to deal with our funding cuts and cost increases.

At an operational level, we will be looking at the following matters, among others:

- our approach to building management, and the scope for us to continue to maintain the building to the current high standards;
- improvements in our environmental practices;
- further enhancements of the security of the parliamentary precincts, and whether physical enhancements will reduce operational security costs;
- whether there are more efficient ways of providing some or all library services, including whether there are any overlaps in the current provision of such services, either within DPS or among the three parliamentary departments;
- whether all Hansard and broadcasting services can be maintained to the same levels, or whether it will be necessary to eliminate some non-core services or reduce service levels for core services;
- the arrangements for setting priorities for both information and communications technology;

## PART 1 – SECRETARY’S REVIEW

- projects undertaken on behalf of parliamentary clients and for new building works or refurbishment projects (each of these may benefit from engaging our clients more fully in the priority-setting processes); and
- the nature of the current service agreements between DPS and its clients, and whether there is scope for renegotiating or clarifying those agreements.

Three of our current Certified Agreements (CAs) expire on 30 June 2005. We are about to begin the process of negotiating a new CA to replace all of those agreements, ideally with effect from 1 July 2005. At this stage we are planning an agreement made with the unions under section 170LJ of the *Workplace Relations Act 1996*.

Negotiating this agreement will be a significant challenge, given our difficult financial position and the fact that the three CAs to be replaced provide very different salary levels and conditions of service.

We are close to choosing between the two Human Resource Information Systems currently in use in DPS. However, the preferred system may not be applied across DPS until the new CA is finalised.

The ACT Government has imposed Stage 3 water restrictions from 1 September 2004. Compliance with the water reduction targets under Stage 3 restrictions will have a significant effect on our landscape. We would expect to lose up to 3.3 hectares of turf over the summer, and many native plants from the peripheral gardens. No floral displays will be planted, display fountains will be turned off and some will need to be emptied.

The election break provides an opportunity to make a range of enhancements to some of our systems and processes. We are preparing a new suite of material for members of the 41st Parliament, to ensure that they are aware of the nature and extent of the services we provide, and to make it easier for them to access those services. The material will explain the services we do provide, clarify the limits on those services, and provide contact information. There will also be minor enhancements to IT systems, and various maintenance and refurbishment projects will be undertaken around the building. The library will develop a policy on maintaining the currency of its published material, and processes for updating, archiving or removing out-of-date material, and will begin a review of its material against that policy.

