



Parliament of Australia

Department of Parliamentary Services

Annual Report 2003–04

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ISBN 0 9580195 7 6

ISSN 1832-0848

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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

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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.

PART 2 – DEPARTMENTAL OVERVIEW

Part 2—Departmental overview

2.1 Introduction

The Department of Parliamentary Services (DPS) is one of three departments which comprise the Parliamentary Service and directly support the operation of Parliament. The President of the Senate and the Speaker of the House of Representatives (the Presiding Officers) have joint responsibility for the department under the *Parliamentary Service Act 1999*.

The Secretary, Ms Hilary Penfold QC, is responsible to the Presiding Officers for the management of the department.

2.2 Departmental Outcome Statement

The Presiding Officers have approved the following Outcome statement for DPS:

Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.

2.3 Departmental structure

Before the amalgamation, each of the three joint departments was organised into groups headed by executives at the SES 1 level, as follows:

Department of the Parliamentary Library (DPL)

- Information and Research Services
- Resource Management

Department of the Parliamentary Reporting Staff (DPRS)

- Client Services
- Technical Services
- Corporate and Strategic Development

Joint House Department (JHD)

- Operations
- Security
- Corporate

The Secretary of DPRS also acted as the Secretary of DPL.

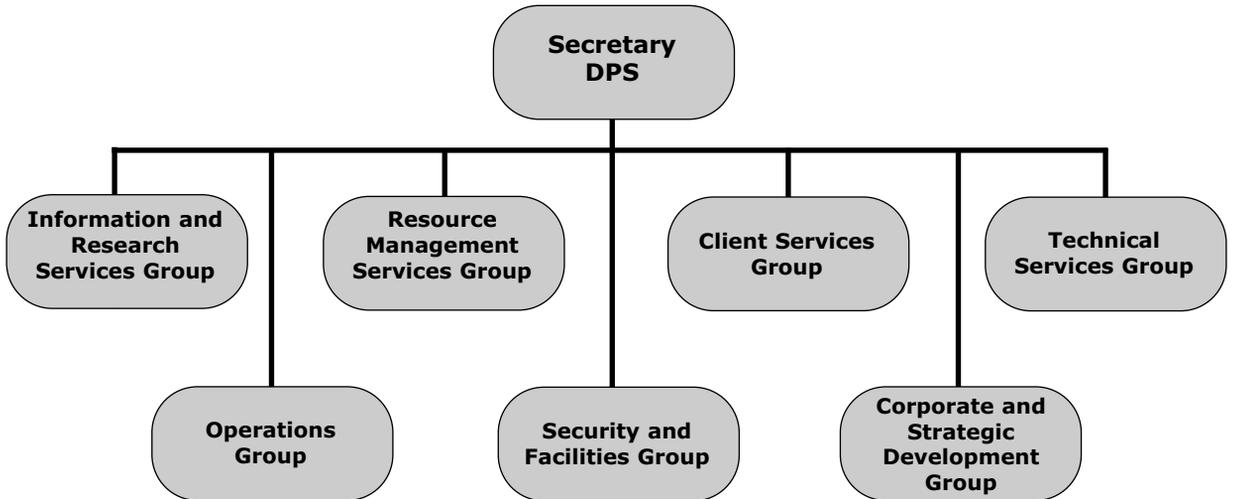
On the abolition of the three joint departments, the SES head of the JHD Corporate Group accepted a voluntary redundancy, and the Facilities Management section of that group was transferred to the Security group; and the SES head of the DPL Resource Management group (which had corporate services responsibilities for DPL) agreed to accept a voluntary redundancy with effect from July 2004. At that stage it seemed possible that a Parliamentary Librarian would be appointed by July.

On the creation of the new department, the corporate services staff from each of the three former departments were moved into a single group headed by Mr John Walsh, who had been Group Manager, Corporate and Strategic Development in DPRS.

PART 2 – DEPARTMENTAL OVERVIEW

Departmental Structure

The department consists of seven groups as shown in the diagram below.



Some of these group names were changed at the end of the year, as follows (the old names are used throughout this report):

Figure 1—Group Name Changes

| Former Name | New Name |
|-------------------------------------|--|
| Resource Management Services | Library Resources and Media Services |
| Client Services | Client Support, Broadcasting and Hansard |
| Technical Services | Information Technology and Communications Services |
| Operations | Building Management |
| Corporate and Strategic Development | Corporate |

Apart from this restructure, many of the arrangements in place in the former departments have been maintained while integration issues are worked through carefully and with appropriate consultation. For instance:

- Chief Executive Instructions (CEIs) and Chief Executive Procedures (CEPs) in place in the former departments have remained in effect for the transactions to which they would have applied apart from the amalgamation, while new CEIs and CEPs are prepared. These will take account of our new financial management arrangements.

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- The two different Financial Management Information Systems (FMISs) used in the former departments (SAP and Oracle) continued to be used by different parts of the department during the year. On 1 July 2004 the whole department adopted SAP as our FMIS. This decision was influenced by JHD's use of SAP, not just as an FMIS but also as a Corporate Management Information System, using SAP's maintenance management and project management modules.
- The four Certified Agreements (CAs) covering different groups of staff (two from JHD and one each for the other departments) will continue to cover relevant groups of staff until they expire in 2005 or early 2006.
- The two different HR information systems (HRIS) used in the former departments (CHRIS and PeopleSoft) continued to be used by different parts of the department during the year. We are close to making a choice between the two systems, but will probably continue to use the two systems while we continue to work under multiple CAs.
- Management reporting arrangements used in each of the former departments have continued to be used. New arrangements will depend on our new governance and business planning arrangements.

2.4 Departmental services

The work done, and services provided, by each of the seven groups, is set out below.

2.4.1 Information and Research Services Group

The Information and Research Services Group (IRS) provides information, analysis and advice to the Parliament. Provision of these services is facilitated through the Central Enquiry Point.

Information, research and analysis services are provided to Senators and Members and their staff, committees and the parliamentary departments to support parliamentary or representational duties (services are not provided to constituents or for commercial or educational purposes). Information, research and analysis services are provided in three ways.

Commissioned information and research services are individually tailored responses to requests for background information or critical analysis or policy development on any issue before the Parliament. Responses may be requested as oral briefings or brief memoranda or analytical papers. The responses are prepared by researchers in seven subject sections:

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

PART 2 – DEPARTMENTAL OVERVIEW

As well as responding to individually-commissioned requests, IRS staff prepare briefs (including Bills Digests and research briefs, chronologies, electronic briefs and Internet Resource Guides) which are available to all parliamentary clients and generally through the Internet to the public.

IRS also provides specialist help for parliamentary clients by supplying information on any issue, either directly, or by identifying resources for self-help access. The information may be supplied in a variety of electronic and print formats and is drawn from newspapers, television and radio programs, journals, books, in-house and commercial databases, the Internet and intranet and, if necessary, through inter-library loans. Significant parliament-specific resources have been developed in all subject areas; most of these resources are accessible to clients through ParlInfo (the parliamentary database) or the intranet, including, for example, The Electorate Atlas. Print collections are maintained of pre-2000 newspaper clippings, Commonwealth legislative and parliamentary materials, historic Hansards, bills and explanatory memoranda and party political material.

IRS provides an alert service to clients based on personal subject profiles, and also provides seminars, displays and systems and content training as required.

2.4.2 Resource Management Services Group

The Resource Management Services Group (RMS) acquires, maintains and facilitates access to the library's electronic and print information resources. Information resources include monographs, serials, information databases, Internet-based publications, off-air recordings, transcripts and related materials. RMS also maintains the physical collection, including an electronic index to Parliamentary Papers.

RMS provides the Electronic Media Monitoring Service, which enables Senators, Members and parliamentary committees to access the content of broadcast news and current affairs programs that relate to their parliamentary and representational duties.

RMS selects, compiles, maintains and indexes material for the 10 library information databases on ParlInfo, an Australian Parliamentary information service on the Internet. RMS produces a weekly list of significant new material received and assists with client and staff training and orientation.

RMS develops, maintains and administers the library's dedicated Information and Communications Technology (ICT) systems. This includes managing the Parliament House, DPS and library Internet and intranet sites, and providing project management and advice on ICT and information management to the library.

2.4.3 Client Services Group

The Client Services Group (CSG) is the first point of contact for first line support for information technology, broadcasting and Hansard services. The Client Services Desk operates from Monday to Friday from 8.00 am to 7.00 pm.

CSG produces and distributes an annual average of 1,500 hours of television, radio and webcast content of the Senate and House of Representatives chambers and the Main Committee of the House of Representatives, and an annual average of 2,500 hours of committee proceedings. It also produces the House Monitoring Service (HMS), a multi-channel radio and television system available within Parliament House.

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These services are sound reinforced, and include systems for the hearing impaired in certain locations.

CSG offers television and radio production facilities to Senators and Members; these include a fully equipped studio complex and video editing facilities, audio-visual support services for parliamentary events, video conferencing and teleconferencing facilities, and video and audio copies of parliamentary proceedings.

CSG staff transcribe and publish Hansard reports of proceedings in the Senate, the House of Representatives and the Main Committee of the House of Representatives, and produce transcripts of parliamentary committee hearings and some ministerial or parliament-related conferences. CSG also produces media transcripts for Senators and Members on request.

CSG also provides classroom and one-to-one training and documentation for supported information technology products and those developed specifically for Parliament; courses are also developed to meet the needs of specific groups. CSG staff provide personalised assistance on request to Senators and Members, their staff and staff of the parliamentary departments to help them to make more productive and efficient use of the IT services that DPS supports. The bureau service is a self-help facility which provides Senators and Members with access to certain software and hardware which may not be available in their own offices. Services include scanning, creation of CDs and DVDs and file conversion.

2.4.4 Technical Services Group

The Technical Services Group (TSG) is responsible for providing technical support for the Parliament's information and communications (ICT) and broadcasting systems. TSG is also responsible for the delivery and maintenance of new or enhanced systems. CSG provides first line client support for these systems.

TSG provides Parliament-wide ICT infrastructure and systems. This allows over 4,000 registered users of the parliamentary network to have secure access to parliamentary resources, documents and materials through integrated desktop facilities, email, intranet and the Internet. TSG also provides remote and mobile access to the central computing networks and manages the gateway to the network that connects Senators' and Members' Parliament House offices to their electorate offices (this network is managed by the Department of Finance and Administration).

Telecommunications services are managed by TSG, supporting 4.7 million telephone calls and 3.9 million faxed pages annually.

Technical support for television, radio and internet broadcast systems is provided by TSG, which also supports the sound reinforcement systems in the Senate and House of Representatives chambers, and the committee rooms.

TSG supports other electronic services including division lights, bells, clocks, Senators' and Members' pagers and the public address and emergency warning intercom systems.

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2.4.5 Operations Group

The Operations Group (OG) provides asset and environmental management services for Parliament House.

OG provides strategic direction for the maintenance and development of Parliament House, primarily through a 100-year strategic plan (with more detailed 20- and 5-year plans) for replacing administered asset components, changing assets to suit changing use requirements and/or extending the useful life of assets. It also develops specific strategic plans that flow out of this master document, for example the furniture management strategy. This strategy combines furniture maintenance, conservation and replacement programs for furniture that was designed and built specifically for Parliament House.

OG develops annual building work programs and specifications based on the strategic plans and client requirements. The work programs are delivered using various approaches including project management, construction management and lump sum contracts. Operations Group manages all work programs to ensure that works are delivered on time and within budget, and meet the client's needs, and that the design integrity of Parliament House is maintained appropriately.

OG prepares an annual preventative maintenance program that is delivered through a combination of in-house staff and contracted service providers. This includes maintenance of the major building systems such as air conditioning, lighting systems, lifts, emergency power systems, building management systems and the maintenance of building fabric.

Building systems are monitored by OG to ensure that they are progressing through their life cycle as expected, and that back-up systems are available to provide support if needed. Building fabric condition is monitored to ensure that it remains within a specified range of its original condition. Detailed information on the building and its systems is maintained by OG.

OG also provides a breakdown repair and maintenance service including a 24 hour a day, 7 day a week help desk.

OG has a lead role in the management of the Parliament House environment. It develops and implements strategies to reduce the impact that Parliament House has on the environment, including putting in place measures from the energy and water strategies to ensure that greenhouse gas emission targets and water restriction levels are met. OG coordinates the environmental effort of the department, and increasingly of the whole of Parliament.

OG provides a high-quality working environment for all Members, Senators, staff and visitors by monitoring and controlling air quality and by maintaining 23 hectares of landscape.

OG coordinates the acquisition of works for the Parliament House Art Collection, manages conservation of the Collection, and provides access to artwork for the offices of Senators and Members, and for staff and visitors through the circulation and public area displays. It also administers the Historic Memorials Collection, under the Historic Memorials Committee, and the Gift Collection.

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2.4.6 Security and Facilities Group

The Security and Facilities Group (SFG) provides a range of services to occupants and visitors to Parliament House. The range includes security and emergency services, facilities management, information and promotional services and a variety of occupant services including health and wellbeing and the storage and movement of goods.

Security

SFG provides security services through a layered approach.

Externally, the Australian Protective Service (APS) is contracted to provide a constant presence of mobile and static patrols. Mobile patrols are provided by officers in vehicles, on bicycles and using explosive detection dogs. APS officers deal with protests and demonstrations within the precincts and also provide an armed first response capability for Parliament House.

Internally, Parliamentary Security Service (PSS) officers provide access control and security screening at the seven entrance points and a mobile and static security presence throughout the building including the chambers and the public galleries. Access control and security screening involves the use of metal detectors and x-ray machines to screen all incoming people, goods and mail. Internal and external security is supported by closed-circuit television (CCTV) and a variety of electronic security systems.

Emergency responses within Parliament House are managed by the security organisation, supported by wardens from all parliamentary departments. PSS officers operate a central control facility that monitors the security systems and coordinates all security and emergency responses. PSS officers are also trained to provide emergency first aid.

SFG administers the Parliament House pass system, and acquires and maintains a range of security and emergency equipment, including access control systems, CCTV, electronic security equipment, and fire fighting systems. SFG is also responsible for developing and implementing security and emergency policy and response protocols for Parliament House, and for pursuing any capital works required by the changing security environment or new security policies.

Facilities

Facilities management involves administering the Presiding Officers' policies on the use of Parliament House facilities by building occupants and members of the public. It also covers providing catering and cleaning services and pest control in the building through contracts with outsourced providers. SFG also manages the licences relating to those parts of the building which are occupied by tenants under commercial rental arrangements. Tenants include the Press Gallery, Westpac Bank, Synergi travel agent, Aussie's General Store, the Post Office, a hairdresser and a florist.

SFG provides a range of visitor services including regular and special guided tours for visitors to the building and tours and presentations for visiting school groups. SFG coordinates events such as the annual Parliament House Open Day and Floriade tours. SFG also operates the Parliament Shop, which sells a range of Parliament House souvenirs and other specialty Australian-made goods.

SFG provides a limited range of health services to building occupants through the Nurses Centre and operates the Health and Recreation Centre, which offers building occupants access to a gymnasium and other facilities such as squash courts, tennis courts,

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swimming pool, fitness classes and other health-related activities. SFG is currently examining options to improve the availability of childcare services to building occupants.

SFG manages the Parliament House Loading Dock, which is responsible for the distribution of incoming goods throughout the building and the storage of surplus furniture and equipment. The Loading Dock also provides recycling and waste disposal services for the building.

2.4.7 Corporate and Strategic Development Group

The Corporate and Strategic Development Group (CSD) provides services in support of the other Groups that make up DPS.

CSD develops policy and provides advice on a range of human resource issues including pay and conditions of service, recruitment, training and development, performance management, workplace diversity, implementation of the Commonwealth disability strategy, occupational health and safety (OHS), workplace relations and codes of conduct. It provides relevant analysis and reports on these issues, and ensures compliance with legislative requirements.

CSD maintains the HRIS system and administers pay and conditions of services for DPS staff. It supports line areas in the recruitment of staff by advertising vacancies, assisting with interview and selection, coordinating induction and probation arrangements and conducting exit interviews. It provides training and development opportunities by a combination of in-house and external providers. It develops tools and provides advice to assist line areas fulfil performance management and succession planning responsibilities.

CSD coordinates the departmental OHS effort through the use of the SafetyMap system, for which it has external accreditation. It also provides secretariat support to the OHS committee. It coordinates workers' compensation claims, compensation case management and return-to-work programs, and administers the Comcare trust account. CSD manages the Employee Assistance Program contract.

CSD supports the CA and Australian Workplace Agreement (AWA) processes, and handles other workplace relations issues. It maintains the position classification standards that assist line areas in job design and determining competency requirements. The section administers grievance matters, reviews of actions and code of conduct/discipline matters.

CSD coordinates the development of Portfolio Budget Statements and Annual Reports. It coordinates and advises on the development and implementation of corporate and business planning and risk management processes, including through preparation of a range of plans, reports and other documents. CSD develops and reviews corporate strategies and is responsible for developing and implementing a continuous improvement framework. CSD supports the Audit Committee and other committees.

CSD provides advice to the Executive, Assistant Secretaries and other managers on a range of financial issues including compliance with statutory requirements. It promulgates the Chief Executive Instructions and delegations for this purpose. It coordinates external and internal budgeting and provides monthly management reporting and statutory reporting, including annual financial statements.

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CSD receives and pays accounts, manages cash and payment of travel allowance, and tracks and reports on departmental assets. It also provides office services (including providing office equipment from endorsed suppliers) and records management.

CSD provides advice on a range of procurement issues. It develops, implements and interprets procurement and contract management policies, and ensures that legislative, regulatory and procedural obligations are consistently observed. This includes statutory reporting obligations covering gazettal of purchases, Senate Order listings, annual report consultancy listings, maintenance of the contracts database and monitoring *Financial Management and Accountability Act 1997* Regulation 10 matters.

CSD also provides a service to operational areas of the department in relation to specialised purchasing, contract development, procurement advice and tendering to ensure that value for money is being achieved.

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Part 3—Report on performance

3.1 Overview

3.1.1 Performance information and reporting model

As the transition from the three former departments (the Joint House Department (JHD), Department of the Parliamentary Library (DPL) and Department of the Parliamentary Reporting Staff (DPRS) to the new Department of Parliamentary Services (DPS) occurred during the financial year, a single reporting model and set of performance indicators was not developed for DPS for 2003-04. Instead, it was decided to apply the performance indicators and reporting models of the former departments to the corresponding DPS outputs for the remainder of the financial year.

Some former JHD indicators such as the Corporate Health Index and the Service Delivery Index (which included internal corporate services to other parts of the organisation) were discontinued because the amalgamation meant that it was not possible to get any meaningful results for the year.

The DPS performance indicators and reporting model will be reviewed during 2004-05 with a view to developing a single model for the 2005-06 financial year.

3.1.2 Output cost attribution

The department uses an activity-based costing system to attribute its shared items. This system is based on allocating shared items initially to cost centres. Personnel costs are allocated to cost centres based on the number of staff, while other corporate costs are allocated based on budget allocations. Each group's executive costs are then allocated to cost centres under their control and finally cost centre overheads are allocated to activities.

3.1.3 Changes to Outcome and Outputs

DPS was created with effect from 1 February 2004. An Outcomes and Outputs structure was agreed by the Presiding Officers on 27 April 2004. DPS's outputs generally reflect the responsibilities of the three former departments it replaced.

Figure 2 below shows the relationship between the outcome, output groups and contributing outputs for the department.

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Figure 2—Relationship between Outcome and Outputs

OUTCOME

Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.

| OUTPUT 1 | OUTPUT 2 | OUTPUT 3 | ADMINISTERED ITEM |
|---|---|--|---|
| <p>Library, Information and Research Services</p> <p>An effective knowledge centre for the Parliament through the provision of information, analysis and advice.</p> <p>1.1 Information, analysis and advice services to meet clients' needs.</p> <p>1.2 Access to collection sources for the use of Parliament.</p> | <p>Client and Technical Services</p> <p>Provision of client support, broadcasting, Hansard, and information and communication technology services.</p> <p>2.1 Client support, broadcasting and Hansard services.</p> <p>2.2 Information and communication technology and broadcasting support.</p> | <p>Building and Occupant Services</p> <p>An efficiently functioning, safe and secure environment for Senators, Members, other building occupants and visitors.</p> <p>3.1 Occupant services.</p> <p>3.2 Visitor services.</p> <p>3.3 Asset management services.</p> | <p>Works Programmes</p> <p>Preservation of the heritage value of Parliament House and surrounds.</p> <ul style="list-style-type: none"> • Building • Furniture • Artworks • Gardens and landscapes |

PART 3 – REPORT ON PERFORMANCE

3.2 Output 1—Library, Information and Research Services

Output 1 aims to provide an effective knowledge centre for the Parliament through the provision of information, analysis and advice. Performance is assessed using indicators that cover quality, quantity and price.

Figure 3—Output 1 performance indicators

| Indicator | Sub-output 1.1—Information, analysis and advice services to meet clients' needs | Sub-output 1.2—Access to collection sources for the use of Parliament |
|----------------------------------|---|--|
| Quality—High client satisfaction | Percentage and number of clients satisfied that services are tailored to meet their needs, confidential and impartial | Percentage and number of clients satisfied with: range of products, timeliness, relevant material accessibility and ability to find what they are looking for |
| Quantity | Percentage change and number of transactions handled by type. Percentage change and number of hours spent by type. | Usage of library databases: percentage change and number of external client accesses (ie access made by non-library staff) to information. Growth in library databases: percentage change and number of resources added to library databases. |
| Price | Estimated price of sub-output | Estimated price of sub-output |

A confidential, qualitative and quantitative survey is carried out during each Parliament by an independent consultant. The Maitland Tanner 2002-03 Client Service Survey (the Maitland Tanner Report) was published in DPL's *Annual Report 2002-03*.

The Time and Activity Recording Data Information System (TARDIS) is used by library staff to record client requests and the time spent on these and other client-related activities. The time attributed to commissioned requests only reflects the direct time spent on each request. However, our ability to provide effective and timely delivery of commissioned services is underpinned by investment in building and maintaining the expertise of staff, including by building intellectual capital using professional literature, networks and conferences and by identifying material for quick retrieval from specialised databases.

Note that changed accounting practices following the amalgamation of the Department of the Parliamentary Library into DPS in February 2004 resulted in a different method for calculating the price of library outputs. Therefore it is not possible to make a direct comparison between the estimated and actual prices for 2003-04.

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3.2.1 Sub-output 1.1—Information, analysis and advice services to meet client's needs

General description

Commissioned information and research services are tailored responses prepared following requests for information, analysis and advice from individual Senators, Members and their staff.

General Distribution Products (GDPs) include Bills Digests which provide Senators and Members with an independent explanation and commentary on Bills as they come before Parliament. Other GDPs are prepared where strong client demand is anticipated for briefing on specific policy issues. A significant proportion of GDPs are available to the general public through the library's Internet site.

All Senators and Members use the library's services. Acknowledging that clients may require information and research packaged in different formats, the library has developed a range of products to address these needs. For example, the issue of funding for schools was covered in 2003-04 through commissioned client services including oral briefings, written analysis, the provision of background information from print and electronic resources and setting up Alert profiles (a service that advises Senators and Members when new material is available on an issue nominated by the Senator or Member). Several GDPs also addressed the issue and the Electorate Atlas provided information and statistics about schools for each electorate.

Media services are provided by the Electronic Media Monitoring Unit (EMMU), which supplies on-demand recordings of free-to-air television and radio news and current affairs programs broadcast in Canberra to Members and Senators for their parliamentary duties.

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Performance indicator—quality

Figure 4—Performance evaluation—quality

| Indicator | Evaluation methods | Performance |
|--|--|--|
| <p>High client satisfaction: Percentage and number of clients satisfied that services are tailored to meet their needs, confidential and impartial</p> | <p>Office visits to discuss library services</p> | <p>32 clients were visited either in their Parliament House offices by the Head or Deputy Head of the Information and Research Service, or in their electorate offices when library staff were attending a conference in the vicinity. Clients generally expressed their satisfaction with library services and any issues regarding service awareness or delivery were followed up immediately.</p> |
| | <p>Comments in <i>Bouquets and brickbats</i></p> | <p>98% of unsolicited client feedback was positive.</p> |
| | <p>Peer review</p> | <p>In general, peer review comments indicated that draft papers were of a high standard, and the papers were further improved by suggestions made by the reviewers. There were 71 citations of GDPs in the media and academia.</p> |
| | <p>Focus groups with clients</p> | <p>Open forums, party-specific briefings and arranging for individual clients to address library staff provided first-hand feedback and highlighted the need for increased promotion of specific services and the development of targeted training for other services.</p> |

The *Bouquets and brickbats* database is a primary tool for evaluating the quality of library services, and provides an ongoing record of all feedback which is volunteered, rather than solicited, from clients. Of the 693 comments for 2003-04, only 2% (16) were negative. Each of these was investigated and followed through with the client as required.

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Performance indicator—quantity

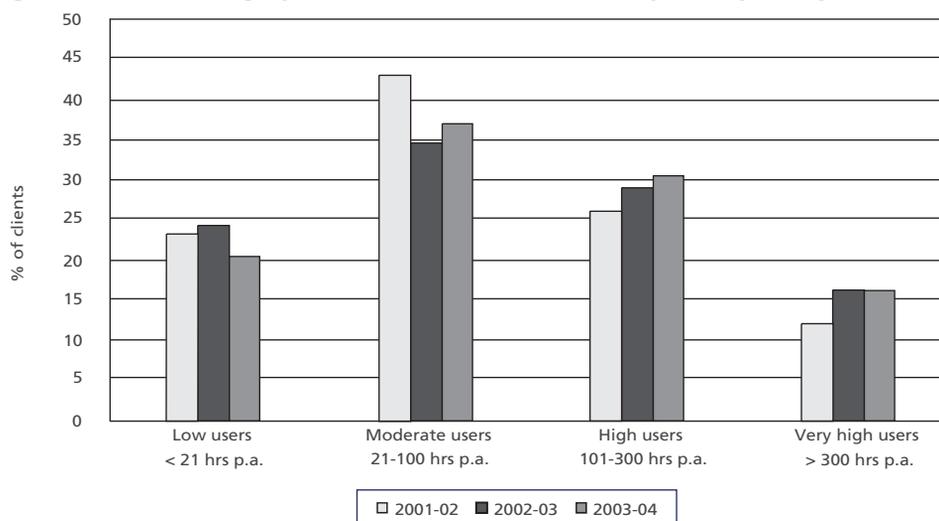
Figure 5—Performance evaluation—quantity

| Service | Number of transactions | Hours spent | Variation on 2002-03 |
|-----------------------|------------------------|-------------|---|
| Commissioned requests | 25,861 | 57,906 | -5.4% in number of requests +5.2% in hours |
| GDPs | 321 | 20,163 | -5.3% in number of GDPs -3.1% in hours |

The increase in the number of hours to meet client requests, and the accompanying decline in the number of requests, accords with expectations for the third year in the electoral cycle. Since 2001-02, there has been a 62% increase in the number of requests taking more than 10 hours to satisfy. This suggests a client need for more in-depth analysis.

The Maitland Tanner Report identified that a large number of moderate and light users were unaware of the library's full range of services, and recommended a marketing strategy to migrate moderate (and some light) users to become "power users" in the medium to long term. Figure 6 below indicates that the library has achieved some success in this aim.

Figure 6—Client usage pattern for commissioned requests (hours)

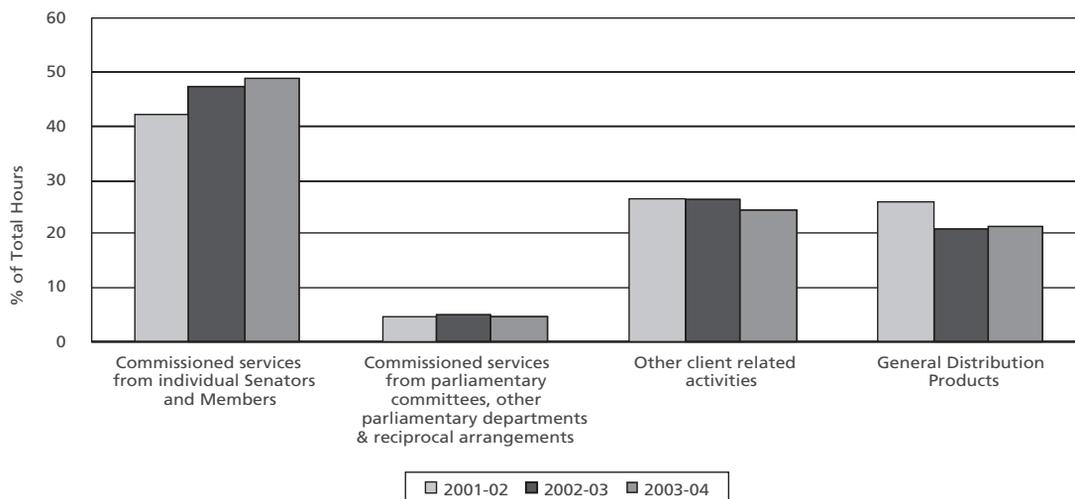


In 2003-04, there was a slight increase in the number of moderate and high users. The number of low users decreased. This trend indicates a greater familiarity with library services in the third year of the Parliamentary cycle and may also be attributed to better marketing of library services.

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The overall total of GDPs produced remained consistent with the previous year. The number of Bills Digests published was slightly lower than the previous year, reflecting the legislative program for 2003-04. In response to the Maitland Tanner Report recommendation to repackage publications in a “pithier format”, there has been an increase in the number of shorter publications, specifically the two and four page Research Notes.

Figure 7—Distribution of hours by service type



Commissioned individual, confidential services for Senators and Members are the predominant activity for direct client service staff. Other client-related activities include client education and training, Central Enquiry Point activities and selection of material for the library’s collections.

Performance indicator—price

Figure 8—performance evaluation—price

| Indicator | Performance |
|---|--|
| Estimated price of sub-output \$16.323 m | Actual price of sub-output \$16.480 m |

3.2.2 Sub-output 1.2—Access to collection sources for the use of Parliament.

Self-help services provide clients with access to the library’s electronic products 24 hours a day, 7 days a week through the parliamentary computing network using the ParlInfo databases and the library’s Internet and intranet sites.

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Self-help services include library databases on ParlInfo, including selected newspaper clippings and journal articles as well as relevant press releases, radio and TV program notes and transcripts, library publications and the library's catalogue of its own collection. Other databases available directly to clients include ABS@Parliament, the Proquest suite of databases and Economist Intelligence Unit Country Reports.

To help clients use self-help services effectively, the library provides orientation sessions, training courses, individual tuition and tip sheets.

Performance indicator—quality

Figure 9—Performance evaluation—quality

| Indicator | Evaluation | Performance |
|--|---|---|
| <p>High client satisfaction: Percentage and number of clients satisfied with: range of products, timeliness, relevant material accessibility and ability to find what they are looking for</p> | <p>To measure access to self help services the library relies on usage data logged whenever ParlInfo or the Internet is accessed. The library has been refining data collection processes over the past year as there have been some difficulties in collecting accurate and consistent data as various services have come online. The process of collecting this data will continue to be developed in future years.</p> | <p>Significant efforts were made to improve accessibility to the library's databases, including through the client outreach program. There was an increase in the use of library databases, indicating greater awareness through publicity and training, and possibly higher client satisfaction.</p> |

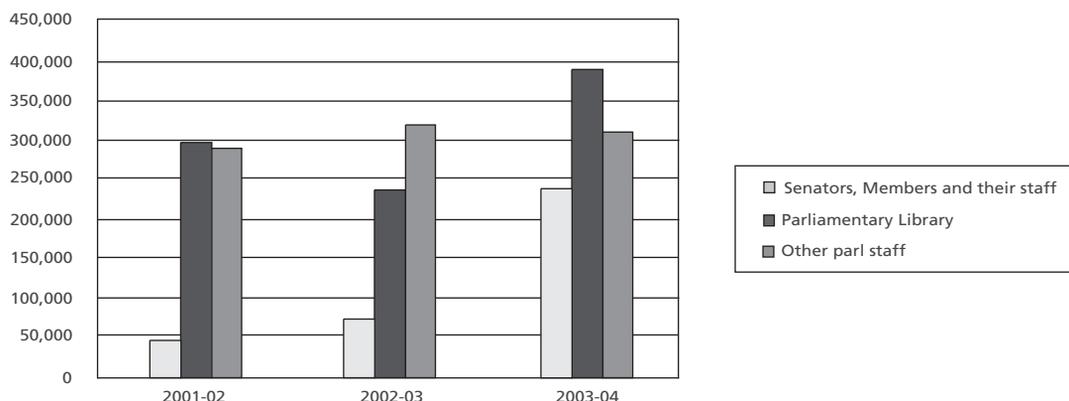
Performance indicator—quantity

Clients can access the library's databases through the ParlInfo repository, either through the full client interface which is only available to users of the parliamentary network or through the publicly available web interface.

Figure 10—Library databases—quantity

| Indicator | Performance |
|---|---|
| <p>Usage of library databases Percentage change and number of external client accesses (ie access made by non-library staff) to information</p> <p>Growth in library databases Percentage change and number of resources added to library databases</p> | <p>540,618 external searches of ParlInfo using the full client interface (28.5% increase over 2002-03).</p> <p>142,394 items added to ParlInfo databases (15.3% increase over 2002-03).</p> |

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Figure 11—Usage of ParlInfo Full Client Interface

The library's efforts to improve the quality and timeliness of the information in the ParlInfo databases appear to have been rewarded by increased usage, particularly by Senators, Members and their staff. The increased usage may also reflect the increased effort put into personalised training on the use of material in ParlInfo databases.

Growth in library collection

Clients of the library require access to accurate and up-to-date material. A greater emphasis is being placed on acquiring and preserving material in electronic forms and providing a coordinated interface for effective searching and retrieval.

The newspaper clipping database continues to grow quickly as an average of 298 items were added to the database each day in 2003-4. It is also one of the most heavily used databases in ParlInfo, which indicates its relevance and usefulness to the library's clients. The library's other databases do not grow as quickly but they are also used heavily, as they contain information not readily found in other sources accessible by the library's clients.

The library's hard copy collection is constantly updated in accordance with the library's Information Access Policy. Outdated, damaged and redundant material is discarded if it is no longer required by clients or specialist staff. The library aims to keep the collection at around 110,000 titles, taking into account the need to store historical collections of legislative and constitutional material which must be well maintained for the future use of Parliament.

Performance indicator—price

Figure 12—performance evaluation—price

| Indicator | Performance |
|--|---|
| Estimated price of sub-output \$5.155 m | Actual price of sub-output \$6.276 m |

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3.2.3 Key issues in 2003-04

Client services survey

Responses to the key recommendations of the Maitland Tanner Report were completed in 2003-04.

Contextual training

The Maitland Tanner Report showed that time-pressured users are more likely to come to a course that shows particular benefits to them, rather than to more generalised training courses. Clients from government, opposition and minor parties requested and received focused training in Parliament House for electorate staff, often in quite large groups. In addition, library staff attending conferences inter-state visited electorate offices to provide information and training on library services and to elicit feedback.

Publications

The Maitland Tanner Report noted that clients recognised some particular GDPs, especially *Bills Digests* and *This Sitting Week*, but were confused by the number and types of research papers available. In response to this, advertisements for GDPs now highlight the subject matter, and no longer draw attention to the series a GDP belongs to (the series are retained for internal management purposes only).

Clients can now click straight to a publication through either the email or intranet PDF version of *This Sitting Week*, and author information has been augmented with telephone numbers and email address links.

In addition, two major initiatives have improved client access to GDPs. Previously GDPs were listed on the library's Internet site by type. The "Search Publications" enhancement provides drop-down menus including a key word search facility to locate publications by subject, author and section as well as type. The Guide to Services also now offers improved access and retrieval with a "Hot Issues" section and "Quick Links" to frequently requested documents.

Continual development of client services

The library continually monitors the presentation and mechanisms for delivery of client services. In 2003-04 the following services were developed, reviewed or enhanced.

Intranet

The library's intranet was redeveloped late in 2003 to make the layout clearer and the content more accessible.

The front page now features a new service called "Hot Issues" (also featured in the Senators' and Members' Services Portal). The idea is to make information on these issues readily available to clients. Contact details of a specialist who can provide further analysis and advice are also provided.

Identification of issues is coordinated through subject section representatives and the Manager, Central Enquiry Point. Peer review is undertaken before material on each issue is loaded, and each issue has a finish date for automatic deletion.

While the library is not able to respond to specific requests made on behalf of constituents or for community or educational purposes, the library's intranet includes a series of tip sheets which guide clients through many of the electronic resources available to help in dealing with such requests.

Library databases

Significant advances were made in ensuring that information is loaded quickly into library databases.

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Library staff working with the databases commenced a seven day roster in November 2002. This ensured that newspaper clippings were loaded and indexed shortly after publication.

Library technical staff also developed improvements in the software which reduced loading times significantly.

As a result of both changes, most newspaper clippings are now sent to ParlInfo by 9.00 am each day. The databases also now have improved coverage (by including additional newspapers), improved turn-around times for journal article indexing, improved selection of electronic material and improved timeliness and coverage of radio and television transcripts.

Electronic media monitoring service

The EMMU has been working on a digitisation project since December 2002 when it was formally approved by the library's then management committee. The primary goal of the project is to improve client services by:

- supporting content availability 24 hours a day, 7 days a week;
- providing more timely delivery and re-use of content, both in Parliament and to electorate offices;
- promoting on-line access to content rather than continuing dependence on physical media; and
- encouraging client self-service by providing an environment where clients can browse and playback content without EMMU involvement.

A Request for Solution was issued to the market in May 2003. Fourteen responses were received. After a detailed evaluation process the Visionbytes solution was accepted. The library took delivery of the equipment on 13 February 2004 and has been testing the solution since then. It is hoped to launch the new service in October 2004.

Online Electorate Atlas

New mapping expertise has been used as part of the foundation for the development of an online Electorate Atlas containing a range of information for Senators and Members only. The Atlas allows users to access data for a particular electoral division by a number of alternative routes. Current and historical election results, census data and statistics from Commonwealth agencies are some of the features of the Atlas.

Launch of publications

The Deputy Prime Minister, the Hon. John Anderson MP, launched *The Voice and the Vote of the Bush: The Representation of Rural and Regional Australia in the Federal Parliament* by Dr Jennifer Curtin, Australian Parliamentary Fellow 2000. On the same occasion a Subject Collection, *The Theory and Practice of Developing Parliamentary Information and Research Services*, a collection of papers by senior staff of the library, was launched by the President of the Senate.

The Theory and Practice of Developing Parliamentary Information and Research Services was developed as a contribution to discussion, among the international network of parliamentary information and research services, of the way in which such services strengthen the work of informed legislatures around the world.

International contact

Senior library staff participated in the activities of the Association of Parliamentary Libraries of Australasia, the Association of Parliamentary Libraries of Asia and the Pacific, and the International Federation of Library Associations, where issues of benchmarking and standards were prominent.

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3.3 Output 2—Client and Technical Services

Output 2 is the provision of client support, broadcasting, Hansard, and information and communication technology services. Performance is assessed using indicators that cover quality, quantity, price and community access.

Figure 13—Output 2 performance indicators

| Indicator | Sub-output 2.1—Client support, broadcasting and Hansard services | Sub-output 2.2—Information and communication technology and broadcasting support |
|------------------|--|---|
| Quality | <p>Client support Client satisfaction: Number and percentage of clients who are satisfied or very satisfied with services (basis for comparison—trends over time). Service timeliness: Number and percentage of service requests resolved within service standard (basis for comparison—trends over time).</p> <p>Broadcasting Client satisfaction: Number of clients very satisfied or satisfied with services (basis for comparison—trends over time).</p> <p>Hansard Client satisfaction: Number of clients very satisfied or satisfied with services (basis for comparison—trends over time). Accuracy: Accurate transcription error rate per 100 pages transcribed, as notified by client, by category (basis for comparison—trends over time). Timeliness: Number of transcripts delivered within standard, by category (basis for comparison—trends over time)</p> | <p>Infrastructure Availability: 99.9% during sitting hours and business hours and 99% at other times.</p> <p>Infrastructure project delivery Projects are delivered on time, on budget, with clients satisfied with project deliverables. Targets: Stakeholder satisfaction—100% meet stakeholder expectations Budget—95% of projects within budget, the remainder within 10% of budget Time—80% of projects delivered on time, the remainder within three months</p> |
| Quantity | <p>Client support Number and percentage change in client service requests (Client Services Desk calls, training and client consultation): Basis for comparison—trends over time.</p> <p>Broadcasting Number of hours broadcast, by category (basis for comparison—trends over time).</p> <p>Hansard Number of hours transcribed, by category (basis for comparison—trends over time).</p> | <p>Infrastructure Number of registered users, by category, on the Parliament House network (basis for comparison—trends over time).</p> <p>Infrastructure Services Number of telephone calls made, facsimiles sent, e-mails sent over the Internet (basis for comparison—trends over time).</p> |
| Price | <p>Client support Full and average costs for client services (help desk, training and client consultation activities) (basis for comparison—trends over time).</p> <p>Broadcasting Direct and full cost per hour of broadcast, by category (basis for comparison—trends over time).</p> <p>Hansard Direct and full cost per hour of transcript, by category (basis for comparison—trends over time).</p> | <p>Information and communication technology and broadcasting support Full costs for sub-output 2.2 (basis for comparison—trends over time).</p> |
| Community access | <p>Hansard Community access to parliamentary proceedings: number of Internet and ParlInfo access requests (basis for comparison—trends over time).</p> | |

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3.3.1 Sub-output 2.1—Client Services

The Client Services Group (CSG) delivers information technology support, broadcasting and Hansard services. It is a main point of contact for Senators and Members and other clients wishing to use the department's services.

Client support

The Client Support section is responsible for the Client Services Desk, which is the interface between clients and the staff who deliver computing, broadcasting and Hansard services. The Client Support section noted several achievements during 2003-04 including the following:

- implementing information technology support services to electorate offices on behalf of the Department of Finance and Administration (Finance);
- providing training and support services during the rollout of the OneOffice computer software platform to Senators, Members and their staff;
- providing support and training to Senators and Members in the use of their remote and mobile computing platforms, including support of personal digital assistants;
- implementing and refining the new incident management system including new processes and procedures for call handling;
- implementing standardised procedures for IT problem management; and
- visiting numerous electorate offices to gain a better understanding of their work practices and business needs for input into the service development cycle.

Performance indicator—quality (client satisfaction)

Indicator: Number and percentage of clients who are satisfied or very satisfied with services.

Client surveys, conducted once during each Parliament, seek the views of Senators, Members and senior parliamentary staff regarding their levels of satisfaction with a range of services. The results from the 2003 survey were generally positive and are reported in detail in DPRS's *Annual Report 2002-03*.

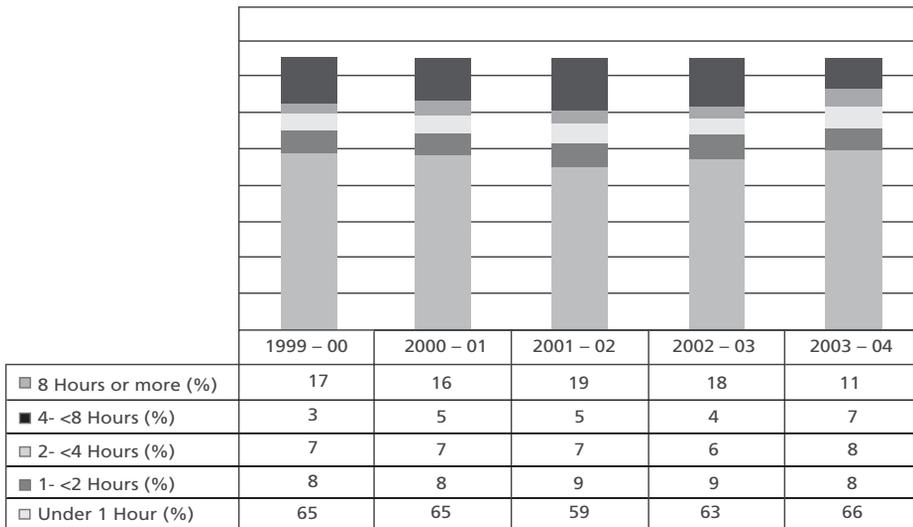
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Performance indicator—quality (service timeliness)

Indicator: Number and percentage of service requests resolved within service standard.

Timeliness of service delivery to Senators, Members and parliamentary committees continues to be the most critical factor and this is reflected in consultations with clients. DPS responded to 67,148 calls to the Client Services Desk in 2003-04, a 51% increase over 2002-03, with the following results for the time taken to resolve service requests.

Figure 14—Client support timeliness - Service request resolution

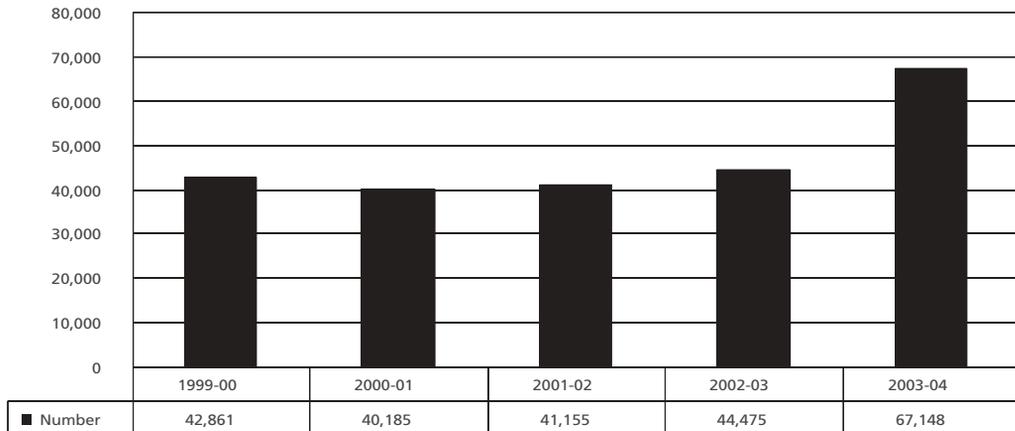


Despite the 51% increase in Client Services Desk calls between 2002-03 and 2003-04, service timeliness levels, as a proportion of total calls serviced, have increased from 63% to 66% for calls resolved in under one hour. Simultaneously, calls taking eight hours or more to resolve have reduced from 18% of total calls to 11%. These results are notable given the significant increase in call volume, the increasing complexity in the nature of calls and the range of services supported.

Performance indicator—quantity

Indicator: Number and percentage change in client service requests (Client Services Desk calls, training and client consultations).

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Figure 15—Service desk calls

There was a 51% increase in the number of calls to the Client Services Desk in 2003-04, with 67,148 calls compared with 44,475 calls in 2002-03.

The primary cause of this increase was the transfer of the support of electorate offices from Finance to DPS, starting in July 2003. Calls from electorate offices totalled 21,443, accounting for 32% of total calls.

This result reflects the highest volume of calls ever serviced. This took place during a period where anecdotal evidence suggests an increasing complexity in the nature of the calls being serviced. Of the calls, 85% involved information technology service requests, 8% involved broadcasting service requests and 3% were Hansard service requests.

Training and client consultation

Group training courses provided in 2003-04 totalled 541 student days, a decrease of 18% on 2002-03 results (662 days). There was also a 10% decrease in one-to-one training sessions provided during the year, with 149 sessions compared to 167 sessions in 2002-03. These decreases are attributed to the reduced demand following completion of the OneOffice platform rollout, and our reduced capacity to schedule training courses following the higher than expected volume of Client Services Desk calls from electorate offices.

Individual consultations with clients decreased from 6,561 hours in 2002-03 to 4,449 hours in 2003-04. This result reflects an increasing use of remote assistance rather than site visits and again, a reduced capacity to conduct site visits following the higher than expected volume of Client Services Desk calls. Despite this decrease, anecdotal evidence suggests that the average time spent by support staff on each consultation is rising as both the complexity and range of services supported increases.

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Performance indicator—price

Indicator: Full and average costs for client services (help desk, training and client consultation activities).

The overall cost of Client Support in 2003-04 was \$3.1m, which is an increase of 11% over 2002-03 (\$2.8m). Average unit costs for Client Services Desk calls reduced by 29% in 2003-04 (\$22 per call from \$31 per call) due largely to the significantly higher call volumes from electorate offices. Average unit costs for training days reduced by 44% in 2003-04 (\$230 per student day from \$410 per student day) due to reductions in direct training and preparation costs. Average unit costs for IT consultations increased by 30% in 2003-04 (\$197 per consultation from \$152 per consultation) due to largely fixed costs being distributed over fewer consulting hours.

Broadcasting

The Broadcasting section is responsible for the production and distribution of television, audio and client-specific broadcast services. The Broadcasting section noted several achievements during 2003-04 including the following:

- multi-camera coverage and distribution of the ceremony to swear in the Governor-General;
- multi-camera coverage and distribution of the Bali Memorial Service in the Great Hall;
- multi-camera coverage and national and international distribution of the arrival ceremonies and speeches of Presidents Bush and Hu;
- multi-camera coverage of the Prime Minister's Employer of the Year awards in the Great Hall;
- negotiations and support leading to the launch of Sky News Active's Parliament Channel using DPS broadcast coverage; and
- negotiations and support leading to the launch of Broadcast Australia's trial datacasting service using DPS broadcast coverage from the chambers and televised committees.

Performance indicator—quality

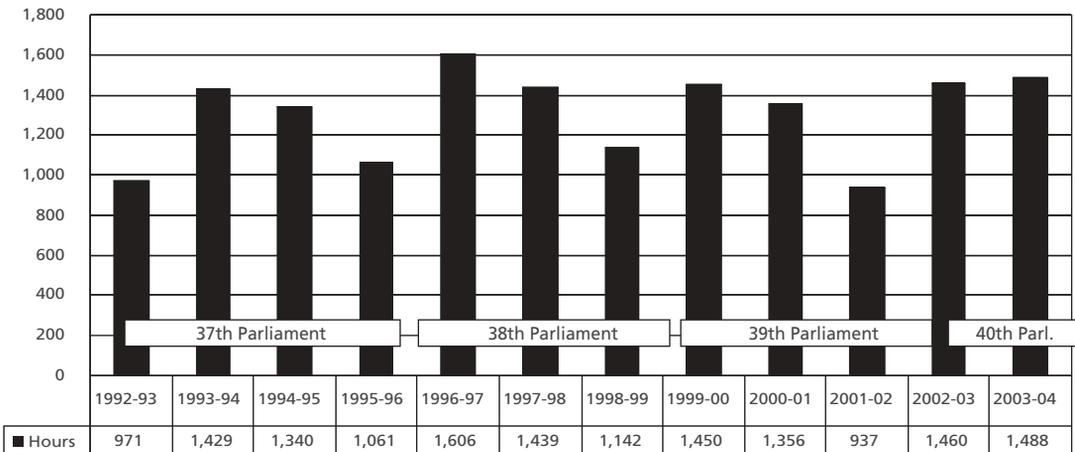
Indicator: Number of clients very satisfied or satisfied with services.

The results of the 2003 Client Survey were largely positive and are reported in detail in the 2002-03 Annual Report of the Department of the Parliamentary Reporting Staff.

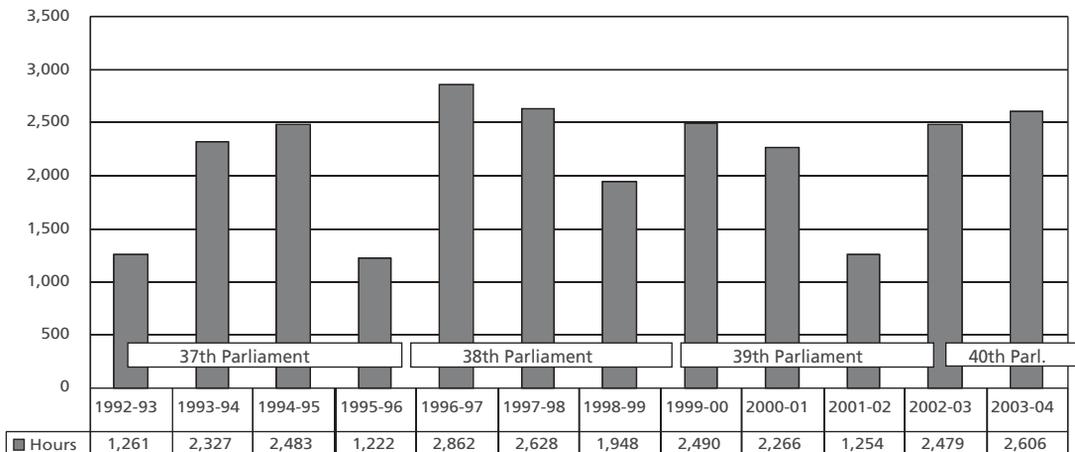
Performance indicator—quantity

Indicator: Number of hours broadcast, by category.

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Figure 16—Broadcasting and Hansard Hours (Chambers)

There were 1,488 hours of chamber proceedings broadcast (television and audio) in 2003-04. This is a small increase over 2002-03 results but reflected the highest volume of activity recorded since 1996-97. The workload over each quarter was again relatively consistent in 2003-04. However, concurrent sittings of Senate Estimates Committees and the House of Representatives, extended sitting hours at the end of parliamentary sittings, and late-notice sittings of the Main Committee continued to stretch resources.

Figure 17—Broadcasting and Hansard Hours (Committees)

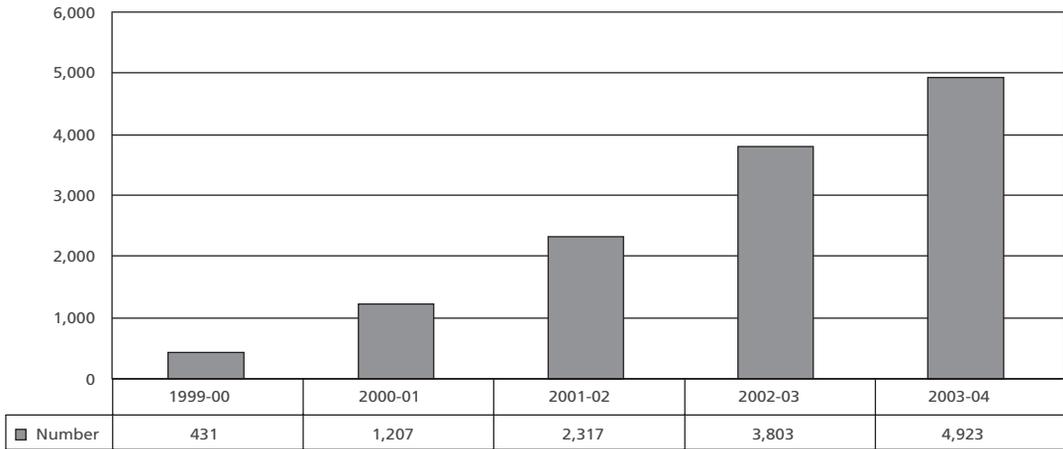
There were 2,606 hours of committee hearings broadcast (television and audio) in 2003-04. This is a small increase over 2002-03, but the total number of hours was the highest recorded since 1997-98.

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The overall broadcasting workload from committees was relatively constant over 2003-04. However, the high volume of interstate committee hearings in the first quarter, and the workload from Senate committees in the fourth quarter, presented further resource challenges. Interstate committee hearings accounted for approximately 40% of the total hours broadcast, which is consistent with results in recent years.

Client-Specific Broadcasting Services

Figure 18—Client-specific broadcasting services



The number of client-specific broadcasting services continued the trend and rose significantly during 2003-04, totalling 4,923. This reflects more than a tenfold increase over the period 1999-2000 to 2003-04. These services include filming pieces to camera, setting-up and operating audio-visual equipment and completing videotape requests.

Performance indicator—price

Indicator: Direct and full cost per hour of broadcast, by category.

The overall cost of Broadcasting in 2003-04 was \$7.4m, which is a decrease of 17% when compared with 2002-03 (\$8.9m).

Between 2002-03 and 2003-04, the full costs per hour of broadcast for television and audio reflected respective decreases of 19% (\$1,562 per televised hour, from \$1,939) and 9% (\$995 per audio hour, from \$1,094). These decreases were due largely to an increase in hours broadcast and efficiencies in service provision.

The full costs for client-specific broadcast services reflected a decrease of 21% (\$405 per hour from \$513) between 2002-03 and 2003-04; this decrease was largely due to fixed costs spread over an increasing number of services.

The direct costs per hour of broadcast for television decreased by 8% (\$534 per hour, from \$579) as a result of decreasing costs for chamber broadcasts which were, however, partly offset by an increase of 8% for audio broadcasting (\$328 per hour from \$304) resulting from interstate committee costs between 2002-03 and 2003-04.

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Hansard

The Hansard section is responsible for the transcription and publishing of reports of proceedings in the Senate, the House of Representatives and the Main Committee of the House of Representatives, and transcripts of parliamentary committees and some ministerial or parliament-related conferences. The Hansard section noted several achievements during 2003-04 including the following:

- placing pinks and greens (draft transcripts of Hansard chamber transcripts) on the Senators' and Members' Services Portal, which provides more timely and user-friendly access to these transcripts; and
- expanding the panel of external providers for transcription services.

Performance indicator—quality (client satisfaction)

Indicator: Number of clients very satisfied or satisfied with services.

The results of the 2003 Client Survey were largely positive and are reported in detail in DPRS's *Annual Report 2002-03*.

Performance indicator—quality (accuracy)

Indicator: Accurate transcription error rate per 100 pages transcribed, as notified by client, by category.

Hansard error rates are based on the number of corrections to pinks and greens returned by Senators and Members, or corrections to committee transcripts made by witnesses, and accepted as Hansard errors. The trends over time demonstrate that, despite a greater emphasis on timeliness for both chamber and committee work, record levels of transcription accuracy have been achieved when compared to the rates in previous years.

The combined chamber error rate of 3.3 errors per 100 pages reflects the best accuracy result achieved since 1999-2000. The comparative rate in 2002-03 was 7.1 errors per 100 pages. The committee transcripts error rate of 0.7 errors per 100 pages also reflected the best accuracy result achieved since 1999-2000. The comparative rate in 2002-03 was 2.8 errors per 100 pages.

Performance indicator—quality (timeliness)

Indicator: Number of transcripts delivered within standard, by category.

The timeliness delivery standards required for chamber transcripts are as follows:

- individual draft speeches available within 2 hours of speech finishing;
- electronic proof Hansard reports available within three hours of house rising;
- hard copy proof Hansard reports available in Parliament House by 8.30 am on the day following sitting day;
- electronic Official Hansard available within 10 working days following last sitting day in the week; and
- hard copy Official Hansard delivered to publisher within 10 working days following last sitting day in the week.

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Despite these tight timeliness standards, and increasing client demands for earlier transcript deliveries, timeliness standards for chamber speeches (pinks and greens) were met on 97% of occasions. This reflects a decrease of 2% when compared with 2002-03 (99%).

For committees, the rate of timeliness for transcript deliveries in 2003-04 was 96%, which also reflects a decrease of 2% when compared with 2002-03 (98%).

The number of requests for priority transcript deliveries was a record for non-election years, particularly the number of requests for delivery of committee transcripts within three days (including the introduction of a 24 hour turnaround priority); these requests have increased from 22% in 1999-2000 to 62% in 2003-04.

The timeliness of committee transcript deliveries was a record level for non-election year turnaround times. This improvement has been particularly evident in the number of requests for delivery of committee transcripts within three days (including the introduction of a 24 hour turnaround priority); these requests have increased from 22% in 1999-2000 to 62% in 2003-04.

Performance indicator—quantity

Transcripts of parliamentary proceedings are provided to occupants of Parliament House in hard copy and are available electronically through ParlInfo, the parliamentary database. Transcripts are provided to the community through:

- the Internet (via fully searchable Hansard transcripts on ParlInfo Web);
- libraries and educational institutions; and
- direct subscriptions.

Indicator: Number of hours transcribed, by category.

Chambers

1,488 hours of chamber proceedings were transcribed in 2003-04, a small increase over 2002-03 (1,460 hours). These results, while in line with the total hours transcribed in previous non-election years, represent the highest volume of hours recorded since 1996-97 (1,606 hours). These results are reflected in the charts in Figure 16, section 3.3.1.

Continuing the trend of recent years, the Main Committee continued to meet for extended periods during sittings of the House of Representatives and the Senate. These concurrent sittings (often scheduled at late notice) and extended sitting hours at the end of parliamentary sittings continued to pressure Hansard resources.

Committees

In 2003-04, Hansard transcribed 2,606 hours of committee hearings, a small increase over 2002-03 (2,479 hours). As for the chambers, these results, while in line with the total hours transcribed in previous non-election years, represent the highest volume recorded since 1997-98 (2,682 hours). These results are reflected in the charts presented earlier in Figure 17, section 3.3.1.

As has been the case in recent years, Senate Estimates Committee hearings during the May-June period again presented the most significant workload challenges for Hansard. However, the high volume of interstate committee hearings in the first quarter also presented resource and rostering challenges. Interstate committee hearings accounted for approximately 40% of the total hours transcribed, which is consistent with results in recent years.

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Senate committee hearings made up 69% of the total workload and House of Representatives committee hearings the remaining 31%. Joint committee hearings (for committees with members from both chambers) are included in the total hours for the chamber which provides administrative support. The department has continued to use external transcript providers in the management of its peak workload and Hansard's in-house capacity continues to be maintained through the recruitment and training of new editors. The panel of external providers was supplemented following a tender process during 2003-04.

Performance indicator—price

Indicator: Direct and full cost per hour of transcript, by category.

The overall cost of Hansard was \$13.2m in 2003-04, which is a decrease of 4% from 2002-03 (\$13.7m).

Between 2003-03 and 2003-04, the full costs per hour of Hansard transcripts decreased, for chambers by 9% (from \$4,403 to \$4,000) and for committees by 2% (from \$2,726 to \$2,682). This resulted from reductions in overhead costs, which include management costs, and personnel, finance and information technology services.

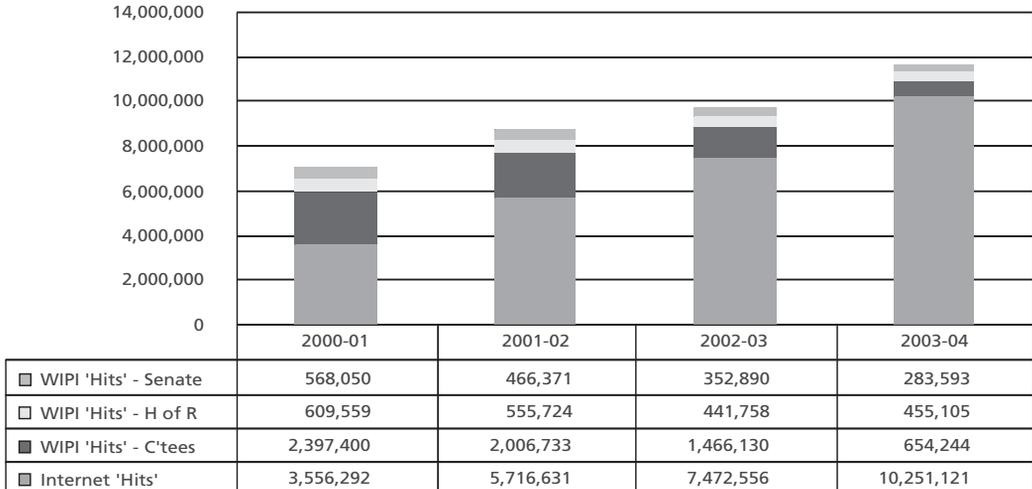
The direct costs per hour of Hansard chamber transcripts increased by 7% (from \$2,290 to \$2,439). The largest component of direct costs, namely salaries and wages, remained stable despite annual wage increases, but increases in printing costs, including additional numbers of bound volumes printed within the financial year, contributed to the increase. The direct costs per hour of committee transcripts were almost unchanged (from \$1,070 to \$1,074).

Performance indicator—community access

Indicator: Community access to parliamentary proceedings—number of Internet and ParlInfo access requests

The department makes parliamentary proceedings, including Hansard transcripts and live television coverage, available on the Internet either through webcasting or through access to ParlInfo, the parliamentary database.

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Figure 19—Community access to parliamentary proceedings¹

There was a decrease in access requests to the fully-searchable Hansard transcripts using ParlInfo Web from 2002-03 (2,260,778) to 2003-04 (1,392,942). Access requests relating to chamber transcripts accounted for 53% of the total requests with the remaining 47% being for committee transcripts.

Simultaneously, the significant trend observed last year with the increase in recorded "hits" to the print-ready Hansard transcripts on the Internet continued in 2003-04, with the number of hits rising a further 37% to 10,251,121 from 7,472,556 in 2002-03. This indicates that many users are choosing to browse the Hansard transcripts rather than searching for specific content.

The number of webcast accesses by external clients increased by 49% from 326,667 in 2002-03 to 485,634 in 2003-04. The webcast service reached its maximum capacity during President Bush's visit, with all 800 connections being used on commencement of the President's chamber address. An additional 400 connections were then provided, and these were also fully used within a short period of time.

3.3.2 Sub-output 2.2—Technical services

The Technical Services Group (TSG) provides information and communication technology and broadcasting support services. TSG's focus is on the provision of reliable, responsive and high quality infrastructure services. Output performance is measured against indicators of quality, quantity and price.

Infrastructure

The quality of the infrastructure is judged in terms of availability, measured in parliamentary sitting hours, business hours and other times.

Performance indicator—quality (availability)

Indicator: 99.9% during sitting hours and business hours and 99% at other times.

¹ Internet hits via www.aph.gov.au and Web interface to Parl info via WIPI. Each file requested by a visitor registers as a hit for the purposes of this chart. Depending on page content, there can be several hits on a single page accessed.

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Figure 20—Infrastructure availability

| Infrastructure availability results to date (percentage point variance to last year) | Sitting hours (8 am to midnight) | Business hours (8 am to 6 pm) | Other times |
|--|----------------------------------|-------------------------------|---------------------|
| Information technology | target 99.9% | target 99.9% | target 99.0% |
| Desktop | 100% (nil %) | 100% (nil %) | 99.98% (+0.1%) |
| Central File Services | 99.32% | 99.98% | 99.16% |
| Applications | 99.98% (+0.02%) | 99.96% (+0.01%) | 99.5% (-0.3%) |
| Telecommunications | target 99.9% | target 99.9% | target 99.0% |
| PABX | 100% | 100% | 100% |
| Facsimile | 99.98% (-0.012%) | 99.42% (- 0.48%) | 97.88% (+7.88%) |
| Broadcasting | target 100% | | |
| Vision services | 100% (nil %) | 100% (nil %) | 100% (nil %) |
| Audio services | 100% (nil %) | 100% (nil %) | 100% (nil %) |

System availability is measured as a percentage of time that an aggregate of infrastructure components are available for use, averaged over the reporting year. Reporting at this level does not properly indicate the disruption that may be caused by isolated or more widespread cases of network or server failure, which temporarily render segments of the parliamentary network unavailable, or when services to isolated user groups are affected. This indicator will be reviewed in 2004-05 with a view to addressing this issue.

Specific incidents relating to disk controller and virus problems resulted in major disruption to central file services, applications, and facsimile services. Two incidents in February and March 2004 were associated with unforeseen disk controller problems on the central file services. These problems caused considerable disruption to the users of the IT services due to slowness and, in some instances, "freezing" of services. These problems were resolved in conjunction with the vendor and overseas manufacturer.

The other incidents which affected services were the Nachi virus in October 2003, and the Korgo virus in June 2004. Services were slowed across the network, with the broadcast facsimile gateway experiencing a minor outage due to network connectivity problems caused by the Korgo virus.

With the exception of the central file servers and the fax service, the department provided reliable and robust systems to support the work of Senators, Members and the parliamentary departments.

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Electorate offices—slowness in systems

Electorate office support is the responsibility of the Department of Finance and Administration (Finance). In June 2003, outsourcing arrangements put in place by Finance were changed. This included the transfer of help desk and second line remote support to DPS on a fee-for-service basis, with provision of on-site support outsourced. Commencing around May 2003, a number of Senators, Members and electorate office clients reported slowness with the electorate offices systems, including email freezing, slow web browsing, and slow printing. Although this slowness coincided with the commencement of the OneOffice rollout, the slowness was also experienced by some offices still using the older POWER 3.5 system.

A number of measures (beyond the normal first and second line support provided as part of the memorandum of agreement) were taken by DPS to assist Finance to address this problem. These measures included:

- site visits to affected offices in the ACT and Queensland;
- the identification of possible causes such as changes to software configurations;
- withdrawal of unnecessary printer protocols;
- review of electorate network settings; and
- the introduction of network and performance monitoring software.

The site visits provided an opportunity to witness and monitor the reported slowness, and to review work priorities. The outcome of these site visits contributed to the problem definition and subsequent resolution.

DPS and Finance also engaged external consulting services to assist with further investigation of the problem. The investigations resulted in a number of recommendations relating to network settings, inefficient applications and network capacity which have all been adopted. In addition, the OneOffice suite of applications and protocols have been fine-tuned to eliminate application freezing, and better cope with lower network bandwidth situations.

Longer term initiatives being considered by Finance, with advice from DPS, include the introduction of network bandwidth segmentation and prioritisation; introduction of network base-lining and end-to-end network monitoring; and an increase in the bandwidth allocation (currently set at 512kbs per electorate office).

Performance indicator—quality (project delivery)

Indicator: Projects are delivered to the following performance targets:

- Stakeholder satisfaction—100% meet stakeholder expectations.
- Budget—95% of projects within budget, the remainder within 10% of budget.
- Time—80% of projects delivered on time, the remainder within three months.

These targets are new targets set following a review by the Quality Management Review Group. They reflect the high priority that project sponsors and stakeholders give to the quality of delivered services and products, and to careful cost management. Time is often a lower priority, and projects are sometimes rescheduled so that new or improved services are implemented during the parliamentary winter, summer or election breaks, or at other times which will minimise the impact on parliamentary business.

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Figure 21—Project delivery

| Project Delivery Performance Indicators | Target | 2001-02 | 2002-03 | 2003-04 |
|--|---------------|----------------|----------------|----------------|
| Number of projects completed | | 22 | 20 | 25 |
| Projects delivered (%) | | | | |
| • on time | 80 | 59 | 45 | 52 |
| • on approved budget | 95 | 95 | 75 | 100 |
| Client satisfaction (%) | | | | |
| • project met business requirements | 100 | | | 96 |
| • project met client expectations | 100 | | | 96 |
| • level of communication | 100 | | | 96 |
| • project management competencies | 100 | | | 96 |
| • value of project management methodology | 100 | | | 96 |

Client satisfaction was not measured sufficiently before 2003-04 to provide data useful to make a trend comparison.

In 2003-04 the client satisfaction target was not met because of one project for which DPS was not able to reach agreement with stakeholders on the acceptance criteria for the quality of the delivered product.

Overall, clients were satisfied with the quality of new and improved services. All projects were delivered within the approved budget, although 12% of projects needed additional funds formally allocated to them. However, many projects are still being completed later than expected. This is due to factors such as changes to the project scope during project development, poor time estimation, delays in procurement and faults with software products, and late administrative closure of project.

The project management methodology has been revised to strengthen the project completion and formal stakeholder sign-off process. Other key factors, such as improving stakeholder involvement, are being addressed.

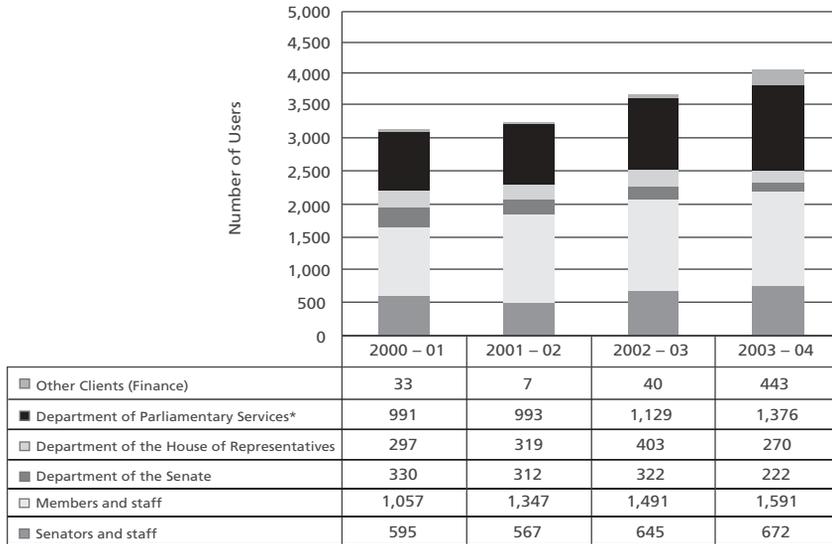
Performance indicator—quantity

Indicator: Number of registered users, by category, on the Parliament House network.

The number of registered information technology users on the Parliament House network continues to increase each year. In 2003-04 the monthly average number was 4,574, a 13% increase compared to last year and a 39% increase over the four years since 2000-01.

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Figure 22—Registered users per year



* Previously DPL, JHD, DPRS

The overall growth in the number of users reflects a small general increase in staff having access to the parliamentary computing environment. However, the most significant increase is under the “other clients” category, which has increased from less than 1% to 10% of the total number of users. This increase is due to the new electorate office support arrangements under which DPS is now providing remote support of electorate offices for Finance, and Volante Systems is providing on-site support. The new arrangements have meant that Finance electorate office support staff require access to the parliamentary systems to monitor electorate office support calls, and Volante staff also require access to record and manage support calls. This increased the overall number of registered users.

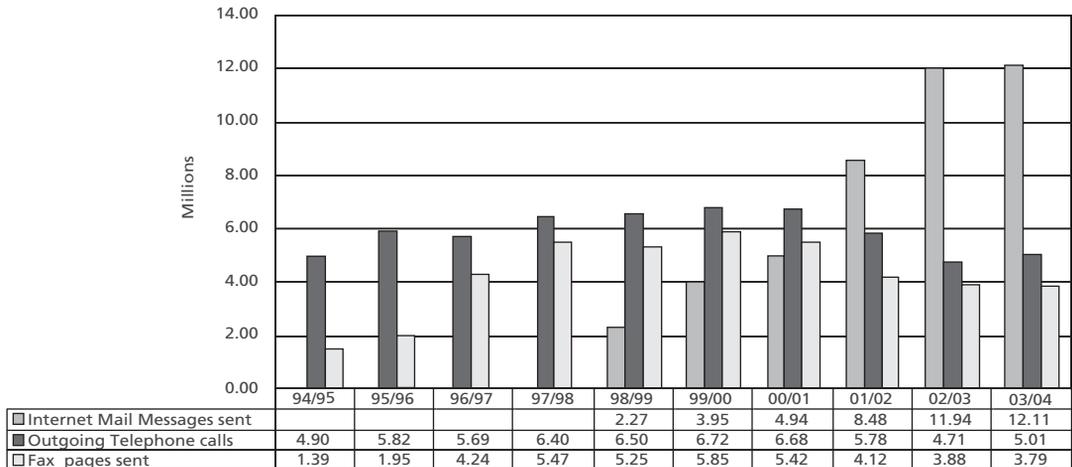
Other changes have been the transfer of the Parliamentary Security Service (PSS) from the Chamber Departments to the former JHD in 2003 and subsequently to DPS on 1 February 2004, and the amalgamation of the three former departments, JHD, DPL, and DPRS, now reported collectively as DPS. Although not increasing the number of registered users, these changes have reduced the number of House of Representatives and Senate users and increased the number of DPS users.

Performance indicator—quantity

Indicator: Number of telephone calls made, number of facsimiles sent, number of emails sent over the Internet.

The change in client use of telecommunications services appears to have settled. Telephone calls (5.01 million outgoing calls) represented a 6% increase from last year and the use of facsimile services with 2.04 million outgoing calls (3.8 million pages sent) a 2% decrease. The significant increases over the last five years in the amount of email sent over the Internet have also stabilised, with a marginal increase of 1% over the year (12.11 million outgoing messages).

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Figure 23—Client use of infrastructure

In order to manage unsolicited email (SPAM) that impacts on Senators, Members and their staff, a trial of anti-spam software commenced in June 2003 to determine the capability of the software to control the email flood. The software identifies SPAM mail, determined using criteria set by the software (which may be modified by the user), and moves it into a Quarantine folder. This has the benefit of reducing the contents of the inbox, while retaining the presumed SPAM for subsequent review.

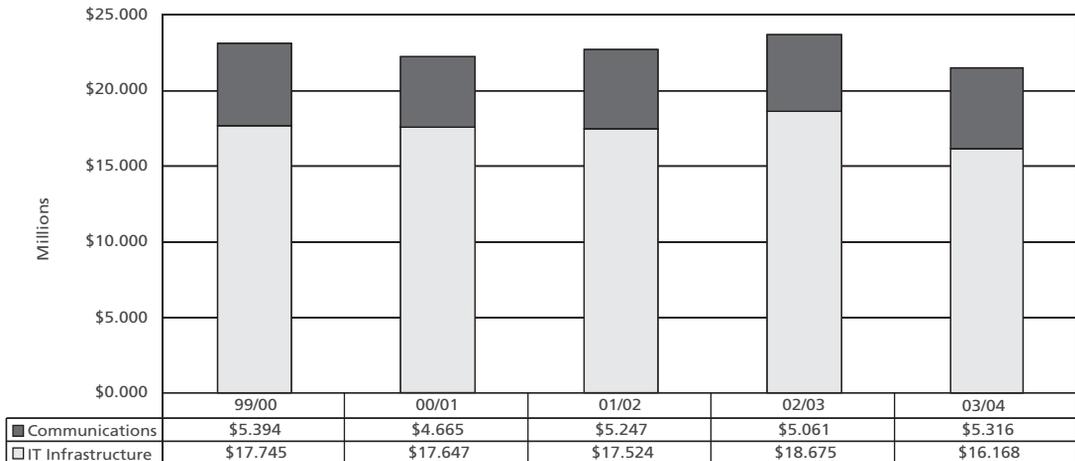
An extended trial of the anti-spam software confirmed the benefit of such an approach. However, server instability with the large volume of email processed has led to a decision to broaden the evaluation of software to other products, albeit ones which operate in a similar way.

Performance indicator—price:

Indicator: Full costs for sub-output 2.2.

The overall cost for infrastructure support and communications services was \$21.5m, \$2.26m less than 2002-03. However, costs have in fact remained stable. The apparent reduction in infrastructure support costs is due to changes in the Output 2 reporting of services, under which Client Services Desk activities, training, client consultations, and problem resolution are reported this year under sub-output 2.1 instead.

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Figure 24—Cost of communication services and infrastructure support (\$m)*Project Management Improvement**Project Office Accreditation*

Evidence of the high quality of project management work is reflected in the department's ISO 9001:2000 accreditation for its project management quality control system. The successful re-accreditation in April 2004 against ISO 9001 is significant and illustrates the importance placed by DPS on providing an international standard of service.

Project Manager Accreditation

A significant initiative in 2003-04 was the trial, evaluation and endorsement of a project management certification program. The project managers selected for the trial achieved formal project management certification as Registered Project Managers with the Australian Institute of Project Management. Further project management certification will be conducted within our performance communication and individual development planning process.

*Infrastructure Improvement**OneOffice*

A significant achievement has been the delivery of new and improved services through the OneOffice project. This was the largest, most complex and lengthy information technology project undertaken since the opening of the new Parliament House in 1988. The OneOffice project was a joint venture undertaking with Finance.

The 1998 and 2002 DPRS client surveys identified that clients required a "seamless service". The OneOffice project vision was to provide Senators and Members and their staff with such a "seamless service", that is the ability to securely conduct parliamentary business at any time from anywhere in the world.

The project began in 2000-01 with research on current and future technologies. The full OneOffice solution roll-out to Parliament House and all electorate offices commenced in October 2003 and was completed in April 2004.

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A Quality Assurance review of the project was undertaken in April 2004 and concluded that overall, stakeholders were satisfied with the quality of OneOffice deliverables.

Other initiatives that were completed or commenced in 2003-04 are described below.

Senators' and Members' pagers

The rollout of the new pagers was delayed due to problems experienced with the installation and operation of the "exclusion zone" function required in both chambers, and signal coverage issues in the Ministerial Wing. The pagers were issued to Senators and Members progressively during the Spring Sittings 2003, with the rollout completed on 3 November 2003. In order to minimise risk immediately after the roll-out, the old and new pager systems were operated in parallel for a short period.

A comprehensive handover and training program was developed in conjunction with all Whips' offices. The program included training of Whips' office staff, individual training of all Senators and Members, provision of documentation, and the availability of extra support staff on each day of the roll-outs.

Feedback from Senators and Members has been largely positive, with the new units proving to be much easier to use than the old units.

Senators' and Members' Services Portal

At the request of the Presiding Officers Information Technology Advisory Group, an intranet portal was developed to provide one-stop access to information about parliamentary services of direct interest to Senators and Members without the need for them to navigate separate departmental intranets. The portal, known as the Senators' and Members' Services Portal (SMSP), has been designed to be highly responsive to key service needs of users.

The SMSP project was initiated in mid-2003 and a basic portal facility featuring 13 content blocks was released in October 2003. Stage 1 of a SMSP consolidation project commenced in October and this added a further 6 content blocks and additional features when released in March 2004.

A second and final stage of the consolidation project is planned for release in late 2004 and this is expected to add further content and functions, as well as completing the administration components.

Master Clock System

The Master Clock System synchronises the 2,500 clocks throughout Parliament House. The system is divided into zones according to the building layout and has separate zone-distributed management systems, in case the Master Clock fails.

The original system was installed in 1988 when the building was commissioned and was based on analogue technology. A tender was called for a replacement system based on digital technology, to include significant redundancy to cater for failure.

Commcord Communications, an Australian company, was selected by the tender process and the system was installed in January 2004. After some teething problems with cable terminations and incompatible control devices, the system is now working well.

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Local Control Room (LCR) Audio system

The chamber LCR audio systems are used to provide sound reinforcement in the chambers and the broadcasting of parliament. A project was initiated in January 2002 to replace existing ageing and unsupported audio systems in both chambers. The objectives of this project are to improve serviceability, audio quality and system health monitoring; improve ease of use and service continuity features; separate operational functions between DPS and the Australian Broadcasting Corporation; and enhance consistency between chambers, including Senate sound reinforcement improvements.

The Senate chamber is expected to be upgraded during the election break, while the House of Representatives chamber will be upgraded in early 2005.

Security

Considerable work was undertaken on updating the Department's Information Technology Security Policy and in developing a Security-in-depth proposal which will upgrade the network security environment to enable the parliamentary computing network to be classified X-in-confidence. The Security-in-depth model will provide a layered approach to network security and will be consistent with best practice security management.

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3.4 Output 3—Building and Occupant Services

Output 3 aims to provide an efficiently functioning, safe and secure environment for Senators, Members, other building occupants and visitors. Performance is assessed using environmental, economic and social performance indicators.

3.4.1 Environmental performance

Environmental performance indicators are defined as those that measure the impact on the natural world, or on our as-built surrounds.

Figure 25—Environmental indicators performance information

| Environmental indicator | Performance target (2002-03 result) | Performance result (2003-04 result) |
|--|---|---|
| Natural world | | |
| 1. Landscape Condition Index | 88%-91%, optimal at 90% | 88% |
| 2. Water usage—landscape services deficit replaced | 44.7% of net evaporation | 41% |
| 3. Water usage—Parliament House building Note: this is a revised figure from that published in last year's annual report. The variation is due to a faulty water meter which has now been fixed | +/- 5% on 2002-03 result (99,583kL) | 0.53% reduction (99,053kL) |
| 4. Carbon dioxide emissions (26,653 tonnes) | 1.7% reduction on 2002-03 result (27,882 tonnes) | 2.9% increase |
| 5. Energy consumption (145,940GJ) | 1.2% reduction on 2002-03 result (151,605GJ) | 2.6% increase |
| 6. Tonnes of general waste to landfill as a percentage of total general waste | +/- 5% on 2002-03 result (waste to landfill 603.7t waste recycled 210.4t) | 3.3% reduction (waste to landfill 624.6t waste recycled 257.0t) |
| 7. Hazardous substances report undertaken and any problems rectified | Hazardous substances audit Required action taken | Audit completed |
| 8. Biodiversity | Area of native plantings/species mix maintained within 1% of previous year. | This indicator has been affected by the continuing drought. |
| As built surrounds | | |
| 9. Building Condition Index | 89-92, optimal at 90% | 90% |
| 10. Engineering Systems Condition Index | 89-92, optimal at 90% | 90% |
| 11. Furniture Condition Index | 75% | 71% |

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Natural world

For the last 5 years, the Environmental Condition Index (ECI)—a composite measure—has been used in conjunction with Landscape Condition Index (LCI) to determine the effect of DPS operations on the natural world.

In 2003-04 the ECI was discontinued. Experience has shown that this indicator can be inappropriately influenced by factors outside the control of DPS. As well, the carbon dioxide emission target set under the Greenhouse Challenge conflicted with the tougher internal business plan target using the developed ECI methodology.

During the year, DPS developed an Environmental Management System (EMS). With the implementation of the EMS and the ceasing of the ECI, it was appropriate to review the environmental performance measures with a view to updating and tailoring these to better suit the Parliamentary environment. This review commenced in 2003-04 and will be completed in 2004-05.

An interim set of indicators, designed to maintain continuity between the old and the new, was determined for 2003-04. The targets and results are shown in Figure 25 above, along with the LCI.

LCI is a measure of the condition of the parliamentary landscape, which has been divided into eight zones for this purpose. The zones have different targets that combine to give an overall score. The scoring is undertaken by Landscape Services and the results audited by an external contractor. In 2003-04 the contractor was Advanced FM.

The LCI fell from 91% in 2001-02 to 88% in 2002-03 and remained at 88% in 2003-04 due to the drought and water restrictions which have caused some 5,000 plants and two hectares of lawn to die over the last two years, having a significant impact on the overall landscape condition. We expect that the drought and ongoing water restrictions will have a further significant impact on the LCI in 2004-05.

Parliament House was one of the first institutions in Canberra to enter into a water restriction agreement with ActewAGL. Under the agreement, the landscape water usage target was reduced from an annual target of 60% to 44.7% of net evapo-transpiration. DPS achieved 41% and thereby demonstrated its commitment to the water saving effort in the Canberra region.

The increase in both energy consumption and carbon dioxide emissions relates largely to a problem with one of the chillers in the heating ventilation and air conditioning system which proved difficult to identify and repair. As a consequence, one of the remaining chillers was run inefficiently over an extended period to continue to maintain service to Parliament House users. The problem has now been identified and repaired.

DPS (and previously JHD) have worked on reducing energy usage since 1989-90. There are difficulties in continuing to find energy savings (without major capital expenditure) in a building that has reduced electricity consumption by 36%, gas consumption by 71%, carbon dioxide emissions by 45% and total energy consumption by 55% over that time. Further reductions are becoming marginal, and can easily be wiped out (as has happened this year) by one relatively minor problem causing an increase in energy usage or carbon dioxide emissions.

The death of plants and turf has had an effect on the native plantings/species mix. It is intended that once the drought is over, the biodiversity will be returned to the pre-drought mix.

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See Part 4 for a more in-depth report on ecologically sustainable development and environmental performance.

As-built surrounds

Three indices combine to provide an overall picture of how well DPS is managing and maintaining Parliament House.

The Building Condition Index (BCI) is a measure of the current condition of the fabric of Parliament House, expressed as a percentage of the original condition. Different zones in the building have different condition targets that combine to give an overall score. An external consultant conducts a final measure of the BCI in July each year. In 2003-04 the contractor was Advanced FM. The target of 90% has been determined as the optimum balance of condition and cost to achieve that condition, based on external benchmarks sourced over the last six years.

The Engineering Systems Condition Index (ESCI) is a measure of the current operation and condition of engineering systems in Parliament House against the expected decline of that system through its life cycle. We monitor 33 elements for performance, life cycle progress and actual versus expected condition. As with the BCI, an external consultant conducts a final measure of the ESCI in July each year. In 2003-04 the contractor was Advanced FM. The system of scoring has been designed so that the optimum target of 90 is achieved if all systems are ageing through their life cycle as expected.

The Furniture Condition Index (FCI) is a new indicator introduced in 2003-04. It measures the condition of furniture controlled by DPS that was designed and built specifically for Parliament House, and is also an indicator of the success of the furniture management strategy initiated by the former JHD. As with the BCI, furniture in different building zones has different targets that combine to give an overall score. An external consultant conducts a final measure of the FCI in July each year. In 2003-04 the contractor was Advanced FM. The target for 2003-04 reflects that a management strategy for this furniture has only been in place for 12 months. It will be 2 to 3 years before the condition and target can be brought into line with the other condition indices.

A significant reason for not achieving the FCI target was that the procurement process for two of the seven furniture conservation/replacement projects was reviewed, and then varied, as a result of representations made by members of Parliament on behalf of constituents. The revised evaluation process, involving an independent auditor, took longer to complete than had originally been planned. We expect that the projects will be completed in 2004-05.

3.4.2 Economic performance

Economic performance indicators are defined as those that apply to financial and/or business practice interactions including regulation, efficiency, governance and probity of commercial dealings. An explanation of these indicators is set out below, together with the results for 2003-04.

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Figure 26—Economic indicators

| Economic indicator | Performance target | Performance result |
|--|--|--|
| | | Financial |
| 1. Salaries and salary-related costs as a percentage of total Output costs | 43% | 40.9% |
| 2. Maintenance cost per square metre | Total - \$55.74 m ² | \$53.47 m ² |
| Building Fabric | \$22.33 m ² | \$22.07 m ² |
| Engineering Systems | \$25.41 m ² | \$23.64 m ² |
| Landscape | \$8.00 m ² | \$7.76 m ² |
| 3. Energy cost per square metre | \$10.23 m ² | \$10.38 m ² |
| 4. Sales in Parliament Shop | Sales: \$1,350,000 Net Profit: \$146,880 | \$1,441,000 \$224,000 |
| 5. Business Unit budget targets | All business units meet target. | Targets met or additional funds agreed |
| 6. Value of improvement initiatives implemented over the life of the JHD Certified Agreement (CA). | 2001-02: \$622,600 (4%) 2002-03: \$495,300 (3%) 2003-04: \$477,567 (3%) TOTAL \$1,595,500 | \$1,939,123 \$960,600 \$398,500 \$3,298,223 |
| | | Business practice |
| 7. Achievement against business plan | 85% | 91.4% |

Financial

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

Maintenance cost per square metre is a measure of components of the budget spent on the maintenance of building fabric and engineering systems, divided by the total ventilated area of Parliament House. Added to this are components of the budget spent on landscape services, divided by the landscape area maintained. The three figures are added to provide one target for annual performance.

Energy cost per square metre is the total amount spent on energy divided by the total ventilated area of Parliament House. The result for energy costs per square metre reflects the chiller problem described in the environmental indicators (see section 3.4.1). It is more than offset by the savings made in maintenance cost per square metre.

Total sales and net profit targets are set for the Parliament Shop, a souvenir and gift shop located in the public area of Parliament House.

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

Value of improvement initiatives implemented is expressed as a percentage of the Output salaries and related costs. Ideas included in this calculation are those that result in bottom line savings to the budget, expenditure not having to be made or additional services being provided at no extra cost. The target equals the pay rise offered over the previous 12 months, thus underpinning pay increases in the CA with productivity improvements.

Some of the major contributors to the improvement initiatives over the life of the CA include:

- \$430,000 budget saving and a productivity improvement of 5,500 maintenance hours per annum as the result of a maintenance restructure;
- \$622,000 saved as a result of various energy initiatives over the three years; and
- \$250,000 savings from the implementation of the Stores & Distribution review.

Business practice

Achievement against business plans is a combined measure of the proportion of the business plan each business unit has achieved during the course of the year.

The target of 85% recognises that things happen that can divert attention and resources from the planned activities.

3.4.3 Social performance

Social performance indicators measure interactions between the business units that make up this Output and the communities in which they operate. This includes internal communities such as Parliament House and its occupants, and the broader community, including Canberra residents and businesses, visitors and community organisations.

Figure 27—Social indicators

| Social indicator | Performance target | Performance result |
|------------------------------------|-------------------------------|--------------------|
| Stakeholder communications | | |
| 1. Client/Stakeholder satisfaction | 85% | 89.6% |
| 2. Service Charter Complaints | Service Charter Standards met | Nil complaints |
| Community support | | |
| 3. Design Integrity Index | 90% | 90% |
| Security | | |
| 4. Security index | 90% | 90.9% |

Stakeholder communications

The primary indicator of stakeholder communication is client and stakeholder satisfaction. This is measured by aggregating, to a single result, a series of surveys conducted throughout the year by most business units. These survey results include feedback from building occupants, visitors and DPS staff.

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The other indicator in this category is the number and type of complaints in relation to the standards of service as published in the JHD Service Charter.

Community support

The Design Integrity Index (DII) monitors the degree of departure from the original design intent for Parliament House and its fusion with the Parliament House art collection and the Parliamentary landscape. Different zones have a different importance and scoring target, and these targets combine to form the DII target. An external consultant conducts a final measure of the DII in July each year. A target of 90% recognises the need for balance between providing a functional building for users and protecting and preserving the original design intent.

Protecting the original design intent of Parliament House is important because of the national pride in this building and its significance to both current and future generations.

The index, and our target, are not intended as absolute indicators. Rather, the index monitors trends and provides an early indication of changes in the design integrity of the building, which may happen in very subtle and gradual ways.

Security

Security arrangements at Parliament House recognise the competing demands of providing a safe and secure working environment for the Parliament and other building users, and maintaining the traditional access to the Parliament and the parliamentary process that is expected and enjoyed by the general public.

In 2003-04, the Departments of the Senate and the House of Representatives (the Chamber Departments) provided security within Parliament House through a purchaser/provider arrangement with DPS. The arrangement was governed by a Memorandum of Understanding (MOU) that included performance standards. The external security was provided by the APS and governed by an MOU between the Australian Protective Service (APS) and the Chamber Departments that was administered by DPS.

The Security Index is a composite measure of the performance of the DPS security area that was developed having regard to the performance standards in the MOU between DPS and the Chamber Departments. It is not intended as a measure of the level or effectiveness of security in Parliament House. It measures six contributing factors, namely: percentage achievement against the business plan; percentage achievement against security validation exercises, security asset replacement programs and planned maintenance programs; Senator and Member satisfaction survey results; and performance against budget. For 2003-04, the satisfaction survey was not conducted, and the performance result reflects the other five elements only.

3.5 Administered items

The works program undertaken with administered funds is intended to preserve the heritage value of Parliament House and its surrounds. The work is designed to replace administered asset components, change asset functionality and/or extend the useful life of assets. As such the results of this work contribute to a range of environmental and social indicators discussed in section 3.4 above and reproduced in Figure 28 below.

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Figure 28—Administered indicators

| Administered indicator | Performance target | Performance result |
|--|-----------------------|--------------------|
| 1. Building Condition Index | 89-92, optimal at 90% | 90% |
| 2. Engineering Systems Condition Index | 89-92, optimal at 90% | 90% |
| 3. Furniture Condition Index | 75% | 71% |
| 4. Design Integrity Index | 90% | 90% |

For comments on results, see sections 3.4.1 and 3.4.3.

3.6 Effectiveness in achieving the planned Outcome

DPS's Outcome is as follows:

Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.

DPS provides occupants and other users of Parliament House with a wide range of services and facilities. These are described in general terms in Part 2. The performance report in this Part measures and discusses the DPS performance in delivering those services and facilities. The results demonstrate success in a variety of areas; however, because of the ongoing nature of the outcome, DPS is 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 will be finalised and put in place in the first quarter of 2004-05.

In 2003-04, DPS facilitated access for the general public to the work of the Parliament and its building by:

- providing 1,500 hours of chamber broadcast;
- providing 2,600 hours of committee broadcast;
- providing fully searchable Hansard transcripts using ParlInfo (which received 1.3m requests);
- providing print ready Hansard transcripts on the DPS Internet site (which received 10.25m hits);
- hosting 1.02m visitors, including 106,500 school children;
- hosting 6,700 visitors to Parliament House Open Day; and
- providing Floriade courtyard garden tours to 649 participants.

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Part 4—Special reports

4.1 Financial issues

4.1.1 *The Podger Report and security-related funding cuts*

The *Final Report of the Review by the Parliamentary Service Commissioner of Aspects of the Administration of the Parliament* (the Podger Report) was released in September 2002. It recommended the amalgamation of the three joint service departments, and predicted savings of \$5m to \$10m per year.

In April 2003 the Minister for Finance and Administration advised the Presiding Officers that:

- funding of \$25.5m would be provided over four years for enhancement of security at Parliament House; and
- that savings would need to be made against the appropriations for the parliamentary departments of equivalent amounts over the last three of those four years, these savings to be found through the introduction of efficiencies either by implementing the recommendations of the Podger Report or by alternative means.

The 2004-05 figures shown in the 2003-04 Budget papers reflected a cut of just over \$1.2m for each of the five parliamentary departments.

In August 2003 the Senate and the House of Representatives approved resolutions for the abolition of the three joint service departments, and the creation of the Department of Parliamentary Services (DPS) to take over all the functions of the three abolished departments. In both Houses, the original resolution proposed by the Presiding Officer concerned was amended to include the following words:

That any savings achieved by the amalgamation may be used to offset increases in costs of security measures approved by the Presiding Officers for Parliament House, but if those increases in costs exceed those savings, the appropriations for the parliamentary departments are to be supplemented for the excess.

In the Senate, the final resolution agreed to also included the following words:

That any redundancies arising from the amalgamation must be of a voluntary nature and that no staff will be forced to take involuntary redundancies as a result of the amalgamation.

In March 2004 the Government agreed to provide an extra \$1.3m in total to be shared between the Chamber Departments in 2004-05. This amount was to be appropriated to DPS and set off against security charges that would otherwise have been billed to the Chamber Departments.

In June 2004, the Presiding Officers decided that the remaining cuts for each Chamber Department would be transferred to DPS, along with security funding previously appropriated to the Chamber Departments (a net transfer of \$19.6m to DPS). The previous arrangement, under which DPS provided security services through a purchaser/provider arrangement with the Chamber Departments, was abandoned. This transfer of funds was effected in July 2004.

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The net effect of these events is that DPS is currently required to find savings of \$4.8m in 2004-05, \$6.3m in 2005-06 and \$6.4m in 2006-07.

4.1.2 Predicted savings—general

Part 5.2.7 of the Podger Report addressed the potential cost efficiencies with the following introduction:

We have not been able to undertake a detailed analysis of the cost efficiencies that might result from amalgamation of the three service provision departments. However, we believe that very significant savings would be derived from amalgamation of the corporate function.

The Report then outlines the areas of potential savings in general terms, and sets out some attempts to estimate potential amalgamation savings by extrapolation from other experiences.

Savings through staff reductions

Predictions

The Report referred to a PriceWaterhouseCoopers assessment of 148 full-time equivalent (FTE) employees, with a salary cost of \$10m, providing management and corporate functions across the five parliamentary departments.² Of these 148 employees, 88 belonged to the three joint departments. For these staff, the Report assumed a total salary cost of around \$6m.³

The Report judged that, through the amalgamation of three departments:

... salary savings of \$3 million a year in the corporate area would be achievable in the medium term (2-3 years). Allowing for on-costs and overheads, this would generate savings of the order of \$5 million a year.⁴

Realised savings

As predicted in the Podger Report, the main area of savings has been through reductions in staff numbers in areas of overlap or potential overlap. So far, 19 positions have been abolished, and another two will be abolished later this year. A further four possible redundancies or departures have been identified. Savings from the confirmed reduction in staffing, including superannuation on-costs, are around \$2m. Savings from the four other positions that may be abolished would be a maximum of \$0.3m including superannuation on-costs. Redundancy payments have been, or will be, met out of DPS reserves.

However, having regard to the creation of a new position of Secretary at a higher salary than those of the previous Secretaries (so that it is equal to the salary of the Clerks), and the requirement to create a new position of Parliamentary Librarian,⁵ the guaranteed net savings from staff reductions will be closer to \$1.5m.

The confirmed reduction in positions represents about 25% of the corporate staffing numbers of the joint departments as mentioned in the Podger Report. The result of the reduction is that the DPS Corporate and Executive groups now have 71 staff servicing a department with a total staff of around 900. Salary and superannuation on-costs for the remaining Corporate and Executive staff are budgeted at \$5.4m for 2004-05.

² Podger Report, page 24.

³ Podger Report, page 22. Note that the Podger Report calculations presumably reflected 2001-2002 salary levels.

⁴ Podger Report, page 52.

⁵ The previous position of Parliamentary Librarian was filled on an acting basis by the Secretary to the Department of the Parliamentary Reporting Staff (and therefore did not have to be separately funded)

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The saving from staff reductions so far achieved is considerably less than that predicted in the Podger Report.

The reduction in positions is, however, close to that predicted in an Ernst & Young report commissioned in December 2003 by the then Secretary of the Joint House Department (JHD). That report predicted a total loss of 19.5 positions for a total saving of \$1.8m.

On-costs, overheads and economies of scale

The Podger Report identified a variety of savings possibilities apart from the direct reduction in duplicated corporate positions⁶. These include the following:

- amalgamation of three groups of consultative, advising and decision-making forums and secretariats;
- amalgamation of three sets of systems requiring hardware, licences, development and support;
- amalgamation of three sets of policies requiring development and maintenance;
- amalgamation of three CAs requiring separate administration, interpretation, processing and advising;
- elimination of threefold opportunities for the provision of consultancy advice to the Parliament;
- \$2m a year in on-costs and overheads saved as a result of salary savings of \$3m a year (it is not clear whether this estimate is an attempt to cost the potential savings from the matters referred to above, or a separate set of savings).

These savings possibilities have been examined and costed as well as we are able to at this stage. Many of the savings suggested duplicate those achieved through reductions in corporate services staff (for instance, replacing three SES heads of corporate services areas with one SES head provides a saving in staff costs, but there is no extra saving arising from the fact that only one of those SES heads, instead of three of them, now attend meetings with equivalent officers in the Chamber Departments).

We have identified annual savings of around \$0.6m from these changes.

Other efficiencies within the Parliamentary Service

Provision of services to the Chamber Departments

In due course, as a result of improved DPS processes and economies of scale, DPS will probably be in a position to offer certain services to the Chamber Departments more cheaply than those services can be provided by those departments themselves. However, whether the Chamber Departments will take up our offer, and how much of those savings can be harvested by DPS rather than retained by the Chamber Departments, is unclear at this stage.

Purchasing of common items

Arrangements previously in place under the five-department structure have been maintained (eg the travel contract has been renegotiated by DPS on behalf of the three current departments). However, as the Podger Report pointed out, "it is doubtful whether any significant financial benefit would be gained by centralising the procurement of common items across the [five] parliamentary departments".

⁶ Podger Report, page 50.

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4.1.3 Other financial matters

Building management costs

The costs of managing Parliament House have increased disproportionately to past increases in budget funding. This divergence between costs and funding is likely to increase in the next few years, since many of our current contracts involve annual increases equal to or greater than CPI, whereas indexation of budget funding is routinely reduced by the efficiency dividend.

Significant elements of building maintenance (eg painting, lift maintenance, fire systems maintenance) are outsourced under contracts that provide for CPI and other cost increases.

As well, DPS provides various building services, including electricity, gas, water and sewerage, air conditioning, cleaning and waste management and security to all building occupants. Many of these services, or elements of them, are sourced from external providers, leaving DPS vulnerable to both CPI and other cost increases. As well, DPS supplements the accommodation in Parliament House with accommodation rented in West Block (DPS staff accommodation) and Queanbeyan (storage).

As mentioned in section 4.1.1, DPS faced a total cut of \$4.8m in its operating budget for 2004-05 compared with the budgets of the three former departments; after amalgamation savings are accounted for, this still leaves us \$2.7m short for 2004-05, with larger cuts expected in later years.

Negotiations with Finance

In August 2004, we commenced negotiations with the Department of Finance and Administration (Finance) about the possible reversal of any of the funding cuts imposed for 2004-05 or the forward years. Finance has recommended a careful analysis of all our activities to determine whether any further efficiencies can be found (whether or not related to the amalgamation). The process of analysing our activities will in any case be useful in our future planning for the department. However, identifying the services for which we have been notionally funded in the past will be difficult, and it may be that we will need to start from first principles in determining what level of services we can continue to provide, and in recommending to the Presiding Officers where service reductions can be made.

We may also need to renegotiate the arrangements under which DPS provides services to the Executive (eg through services to the Ministerial Wing).

4.2 Visit of President Bush of the United States of America

During the year Parliament House was visited by President Bush of the United States of America and President Hu of the People's Republic of China. A description of President Bush's visit on 23 October 2003 demonstrates the breadth of services provided by DPS.

The President arrived via motorcade and there was a ceremonial welcome in the Marble Foyer upon arrival. The official party then moved through the Great Hall to the Members Hall, where the President signed the Parliament House Visitors Book. From here he moved through the Cabinet Suite to the Prime Minister's Office for discussions with the Prime Minister.

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After the meeting with the Prime Minister, President Bush met with senior Cabinet Ministers and the Leader of the Opposition in the Cabinet Suite. Following this meeting, the official party moved to the House of Representatives chamber where the President addressed members of Parliament. Upon concluding his address, President Bush returned to the Cabinet Suite for a further meeting with the Prime Minister and invited guests before departing via motorcade from the Prime Minister’s Courtyard.

Of paramount importance for this visit were the security arrangements. The Deputy Security Controller, Parliamentary Security Service (PSS), in consultation with the Australian Federal Police, the Protective Security Coordination Centre (PSCC) and other relevant parties, developed a detailed security plan for the visit.

Parliament House was closed to the public throughout the visit and until after the departure of the Presidential motorcade. Entry to the building was restricted to Members and Senators and their invited guests, Parliament House pass-holders, and other people involved with the visit.

All persons entering the building were meticulously security screened (unless they were part of the official party). Special selected viewing areas were set up in order to allow viewing of the official party by building occupants and invited guests. These viewing points included the first floor of the Members Hall, the first floor of the Marble Foyer and the head of the east and west stairs in the Foyer.

PSS staff preceded the official party in order to ensure that once inside the building, the routes traversed by the party were clear of obstructions. Access to the route via lateral and intersecting corridors was also controlled and restricted before and during the passage of the official party.

Bomb searches were conducted by the PSS and by the Australian Protective Service explosive detection dog team before the arrival of the official party.

A number of key security points were identified both inside and outside Parliament House. A separate and specific set of security measures was formulated for each point, designed to pre-check the area, secure it during the visit and respond to any security event that might occur.

The joint sitting of Parliament involved considerable planning and preparation from the Broadcasting area. Multi-camera coverage of the Presidential address was made available via the internal House Monitoring Service and re-broadcast by international television networks CNN and CNBC and all Australian networks. In addition, feeds were provided for radio coverage via the NewsRadio network.

A webcast service was accessible to the public via the Parliament House web site and this proved very popular. For the address by President Bush, all 800 webcast connections were used and an additional 400 connections were then provided. These were fully used very quickly—this required DPS to support our highest ever volume of concurrent webcast connections.

The Hansard area provided support for the Presidential visit through their preparation and delivery of the transcript of the Presidential address using digital audio and voice recognition technology. The transcript was then published on the Parliament House web site.

The Facilities Management area liaised with the Ceremonial and Hospitality Unit of the Department of Prime Minister and Cabinet (CERHOS) and with security personnel

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regarding requirements for equipment and labour, and arranged these as required. This included staging, furniture, the Forecourt layout, tables and bins in the public car park for military and police personnel, and flagpoles and flags in areas designated by CERHOS. They also arranged for additional cleaning of areas to be used during the visit and cleaning of venues after the event.

The Visitor Services area provided special tours of Parliament House for visiting embassy staff and journalists. The same area was also involved in providing escort services within Parliament House for journalists and other visitors.

The Parliamentary Library captured print and electronic media coverage of the visit in its database for future reference by the Parliament.

4.3 Ecologically sustainable development

Parliament House does not occupy a site of significant environmental heritage or environmental conservation value for the purposes of the *Environmental Protection and Biodiversity Conservation Act 1999*. However, in this report, ecological sustainability has the same meaning as in that Act.

4.3.1 Environmental Management System

An Environmental Management Committee (EMC), established by the former JHD, met almost fortnightly throughout the year to progress a range of environmental issues.

The most notable issue was the development of an Environmental Management System (EMS) covering the then JHD's operations and activities. Training was provided to relevant middle and senior management and other departmental staff to undertake an Environmental Impact Review. The outcome of this review was an Environmental Management Program, an important element of the EMS.

DPS has adopted the JHD EMS. As well, the Clerks of the two Houses have advised the Department of the Environment and Heritage that DPS would facilitate and coordinate sustainability issues on behalf of all the parliamentary departments. This means that further work will be required on the EMS to cover the additional operational aspects and impacts. This work will progress during the 2004–05 financial year with a view to having one common endorsed EMS for the Parliamentary Service by 30 June 2005.

4.3.2 Environmental performance indicators

For information on a range of environmental performance indicators and results for 2003–04, see Figure 25 in section 3.4.1. Further detail is also available from the DPS web site environmental portal at <http://www.aph.gov.au/JHD/EMS/index.htm>.

The Commonwealth government, through the Department of the Environment and Heritage, established the Greenhouse Challenge Office with responsibility for encouraging industry and government agencies to reduce greenhouse gas emissions and energy use. JHD became a Greenhouse Challenge partner in November 1997, agreeing to reduce greenhouse gas emissions by 1.5% per annum until 2005. The JHD/DPS Greenhouse Challenge target in 2003–04 was 154,084 GJ, with actual energy consumption 151,605 GJ (the DPS internal target was 145,940GJ—see Figure 25).

During the reporting period there was no measurable leachate runoff from the parliamentary precincts into the stormwater drainage system, or the creek that enters the lake at Lotus Bay.

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4.3.3 Initiatives in 2003-04

Training sessions in the concepts of sustainability and Triple Bottom Line (TBL) reporting were provided to most of the then JHD middle and senior management staff. As a result, proposals to commit funds were prepared and presented using a TBL approach. Work also commenced to restructure business plans using the TBL format.

To ensure that sustainability is considered in all purchasing decisions, further amendments were made to the *Parliament House Site Book*, which specifies requirements and expectations of persons and companies working at Parliament House for DPS. *The Site Book* is provided to all construction contractors and sub-contractors. It is also available on the Parliament House Web Site to facilitate easy access and reference.

An environmental portal was created and is accessible through the Parliament House web site (see address in section 4.3.2). It facilitates access to environmental information relating to operations at Parliament House. Informal feedback is positive and suggests that the portal is a useful medium for communicating environmental issues and outcomes to other government departments, private enterprise and the wider community.

An energy education training program for a number of the then JHD staff was developed following a telephone survey to determine existing staff attitudes and behaviours in relation to energy efficiency. Twenty JHD business unit leaders and other senior staff attended an energy forum to build support for energy management initiatives, before involving general staff. Ten workshops were then conducted and attended by over 100 interested staff who took back ideas to consider and implement in their workplaces. They were also encouraged to identify other ways in which energy could be saved.

This training was followed by collaborative energy audits in Landscape Services and Building Information and a telephone survey of staff three months after the workshops to determine the program's level of impact. The Landscape Services and Building Information units were chosen for the follow up as they are discrete areas where performance outcomes could be easily monitored to obtain a benchmark for future reference. Evidence of energy reduction in these business units is available on the DPS environmental portal.

A number of areas within DPS have been involved in seeking ways to reduce adverse environmental impacts of the Parliament's operations by:

- identifying ways to further reduce the volume of waste going to landfill;
- identifying ways to increase the levels of recycling occurring at, or of materials removed from, Parliament House;
- reducing water consumption both on the landscape and internally;
- investigating ways to reduce reliance on potable water in preference to recycled water;
- implementing recommendations contained in the EMS;
- putting a new waste and recycling contract in place;
- improving recording and monitoring of environmental issues; and
- continuing to purchase 10% green energy to reduce the carbon dioxide impact of Parliament House's energy use.

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4.3.4 Bird deaths

A number of birds were found dead in a southern courtyard during the period of the spring Bogong moth migration to the Snowy Mountains. It was suggested in the Senate and in the media that the bird deaths had been caused by spraying the building with a synthetic pyrethroid, Cislin 10, which discourages the moths from roosting.

While Cislin 10 had been used for some years without any previous adverse effects on bird life around Parliament House, its use has been discontinued after the Senate agreed to a motion that the Senate:

(a) notes:

- (i) the death of at least 14 currawongs around Parliament House during the last 2 weeks of October 2003, and the subsequent absence of most magpies and currawongs,
- (ii) that the likely cause of the bird deaths is their consumption of contaminated bogong moths,
- (iii) that the contamination of the bogong moths is most likely due to the application of Cislin, a pyrethrum-based spray, around Parliament House, to kill bogong moths, and
- (iv) that the data sheet prepared by the manufacturers of Cislin notes that it is highly toxic to fish, aquatic organisms and bees and also toxic for birds in various concentrations; and

(b) asks that the Joint House Department cease any further spraying of Cislin, or other substances toxic to birds, in any concentration, in 2003 or in future years.

A review of alternative treatments and deterrents will continue in 2004-05.

4.3.5 Compliance with government energy policy

DPS complied with all the applicable requirements of the government's policy for improving energy efficiency in Commonwealth government operations. Details can be found on the environmental portal accessible from the Parliament House web site at <http://www.aph.gov.au/JHD/EMS/index.htm>.

PART 5 – MANAGEMENT AND ACCOUNTABILITY

Part 5—Management and accountability**5.1 Overview**

This Part provides information on the department's management and corporate governance practices and how it meets its accountability obligations.

5.2 Corporate Governance*5.2.1 Introduction*

The Presiding Officers of the Parliament—the President of the Senate and the Speaker of the House of Representatives—have joint powers in relation to the Department of Parliamentary Services (DPS), similar, but not identical, to those of the Minister administering a Department of State.

The Presiding Officers are assisted by several committees, including the joint House Committee, the joint Library Committee and the Presiding Officers' Information Technology Advisory Group (POITAG). The role of each of these committees is shown below.

5.2.2 Joint Library Committee

The Senate and the House of Representatives choose their own Library Committees, which meet together as the joint Library Committee. Its terms of reference are to advise the Presiding Officers on major policy matters relating to the Parliamentary Library's role, including client services and corporate planning, and on performance and evaluation matters.

5.2.3 Joint House Committee

The joint House Committee 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 27 respectively. The two committees meet jointly as the joint House Committee. The Committee advises the Presiding Officers on the provision of services and amenities to Senators, Members and staff located in Parliament House.

5.2.4 Presiding Officers' Information Technology Advisory Group

The Presiding Officers' Information Technology Advisory Group provides a forum for Senators and Members to contribute to and guide IT strategies and development in the Parliament.

5.2.5 DPS Committees

DPS is in the process of developing its internal governance framework and is looking to have this substantially in place by the end of 2004. Two important committees have already been established.

Executive Committee (interim)

The interim Executive Committee consists of the Secretary and the seven Assistant Secretaries. The long-term role of this committee is not yet clear, and it will develop with

PART 5 – MANAGEMENT AND ACCOUNTABILITY

the forthcoming appointment of two new senior members of the department, the Deputy Secretary and the Parliamentary Librarian.

So far, however, the Committee, which meets fortnightly, has functioned mainly as part of the department's communications framework, and as a policy-making body. The Committee has been a venue for discussing major events in the department's operations and development; information shared in this way can then be passed on by the Assistant Secretaries to their staff. Meeting minutes are also posted on the DPS intranet.

As well, Committee meetings have provided an opportunity for members to learn about the operations and approaches of other parts of the department; this has been a significant exercise, given the diversity of the new department, and is vital to the Committee's other role as a policy-making body for the department.

Audit Committee

The Secretary has appointed an independent chair of the Audit Committee (Mr Will Laurie), with three Assistant Secretaries as members.

The functions of the Committee were settled following its first meeting at the end of July 2004, and have been set out in a DPS Governance Paper issued in August 2004. The functions of the Committee are to:

- request the preparation of any such audit plan as the Committee considers necessary, including the annual or strategic audit plans;
- oversee internal audit programs and coordinate with the DPS audit programs conducted by the Australian National Audit Office (ANAO);
- monitor external audit activities of the ANAO or special reviews such as those conducted by a parliamentary committee or the Ombudsman;
- review any audit report that involves any matter of concern to the Secretary or other senior management in DPS, and to advise the Secretary on action to be taken;
- advise the Secretary on the preparation and review of DPS's financial statements;
- monitor DPS's risk management framework, and the implementation of risk management principles and practices within DPS;
- consider and contribute to the implementation of fraud control measures; and
- identify and disseminate good practices.

Early business for the Audit Committee includes a review of the risk management framework and the development of an internal audit program.

5.2.6 Senior Management Coordination Group

The Senior Management Coordination Group is an interdepartmental committee made up of SES representatives from the three parliamentary departments. It meets every two months and deals with management issues where a coordinated approach or consideration from the Parliamentary Service is required.

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5.2.7 Corporate Plan

The DPS Corporate Plan 2004-07 was under development at the end of the financial year. The purpose of the plan is to set the overall direction for DPS for the next three years. It will give the department something against which to test the relevance of both its day-to-day activities and special projects. Performance indicators, and the priority areas for pursuing improvement, will be developed having regard to the plan.

5.2.8 Business Plan

During 2004-05, DPS will be reviewing the business planning processes of the three former departments and developing a single planning and reporting process relevant to the new organisation. While this review is taking place, the various Groups will continue to plan and report in the same way as they did in the former departments.

5.2.9 Risk Management Framework

The Executive Committee signed off on a risk management policy on 1 June 2004. The policy objectives are that:

- all significant risks faced by DPS are understood and properly managed;
- the Executive has a common understanding and approach to risk management;
- all staff have an awareness of risk management and the DPS risk management framework and practices; and
- risk assessment and management are an integral part of the DPS decision-making process.

The Executive Committee also agreed to continue and expand on work undertaken by the former Joint House Department (JHD) to put a systematic risk management framework in place. To this end we have drafted a plan that identifies what work is needed to consolidate the risk management framework. This approach was endorsed at the initial Audit Committee meeting.

The work includes consolidating the existing fraud risk assessments and Fraud Control plans of the former departments. The three former departments completed the annual fraud questionnaire as required by the Commonwealth Fraud Control Guidelines.

In May and June 2004, DPS took part in the Comcover Benchmarking Program as part of its ongoing commitment to a systematic risk management framework. The Department received a three star rating which entitles it to a 4% discount on its 2004-05 Comcover premium.

5.2.10 Service Charter

DPS intends to develop a Service Charter during the course of the 2004-05 year.

5.2.11 Appropriate ethical standards

The standards embraced in DPS reflect the values and code of conduct contained in the *Parliamentary Service Act 1999*. These are promoted in DPS corporate documents including the Chief Executive Instructions (CEIs) and Chief Executive Procedures (CEPs). They are also reflected in documents on the DPS intranet concerning how staff will conduct themselves with tenderers and contractors.

5.3 Personnel Management and Support

5.3.1 Remuneration for Senior Executive Service employees

The remuneration for all Senior Executive Service (SES) employees is prescribed in Australian Workplace Agreements (AWAs) and takes account of each employee's responsibilities within the department as well as SES pay levels elsewhere in the public sector.

The current AWAs were negotiated between employees and the then Secretaries of the former departments. The level of remuneration and the conditions attaching to remuneration vary from employee to employee, but in general terms all salary increases provided to SES employees depend upon performance targets being satisfied. Salaries for SES staff range from \$105,649 to \$129,250.

5.3.2 Management of human resources

An interim structure for the Personnel Management and Support Section with an average staffing level of 26.7 full time equivalent staff was put in place from 1 February 2004. Under this structure the section comprises four work units that provide the full range of human resource management and workplace relation services. The structure of the section will continue to evolve over the next 12 to 18 months, and will be largely dependent on the budget that is available for the section and the services expected of it.

There are two significant issues affecting the section's current staffing levels—the need to maintain two payroll/HR systems and the requirement to administer the widely differing terms and conditions of employment prescribed in the four CAs that were carried over from the three former departments. Current expectations are that by July 2005 the selected HR information system will be fully implemented and all non-SES staff (except members of the Parliamentary Security Service) will be covered by a single CA.

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5.3.3 Overview of staffing statistics

Figure 29—Salary ranges as at 30 June 2004

| Classification | Salary range |
|---|-----------------------|
| SES | \$105,649 - \$129,250 |
| PEL2/EL2/SOGB | \$76,039 - \$89,017 |
| PEL1/EL1/SOGC | \$66,199 - \$76,142 |
| APS6/PSL6/POC6 | \$51,875 - \$59,882 |
| APS5/PSL5/POC5 | \$48,249 - \$51,310 |
| APS4/PSL4/POC4 | \$43,504 - \$47,180 |
| APS3/PSL3/POC3 | \$39,117 - \$42,349 |
| APS2/3 | \$37,254 - \$42,349 |
| APS2/PSL2/POC2 | \$34,445 - \$38,428 |
| APS 1/2 | \$34,178 - \$39,377 |
| APS 1/PSL1/ POC1 | \$22,500 - \$35,716 |
| Apprentice | \$20,506 - \$38,537 |
| PSS1/2 | \$18,412 - \$36,213 |
| PSS3 | \$39,102 - \$41,218 |
| BSO (Broadcast Service Officer) CI 1 | \$34,943 - \$38,428 |
| BSO CI 2 | \$43,563 - \$47,046 |
| BSO CI 3 | \$48,249 - \$50,983 |
| BSO CI 4 | \$51,875 - \$59,151 |
| Editor I | \$48,249 |
| Editor II | \$55,067 |
| Editor III | \$59,151 |
| Editor IV | \$68,363 |
| ITO (Information Technology Officer) CI 1 | \$42,279 - \$47,046 |
| ITO CI 2 | \$51,875 - \$59,151 |
| ITO CI 3 | \$65,670 - \$70,676 |
| Junior Editor I | \$39,391 - \$43,485 |
| Principal Editor | \$80,346 |
| Senior Editor | \$73,328 |
| SITO (Senior Information Technology Officer) Gr A | \$87,704 |
| SITO Gr B | \$84,962 |
| SITO Gr C | \$65,670 - \$70,676 |
| STO (Senior Technical Officer) Grade C | \$65,670 - \$70,676 |
| Technical Officer Level 1 | \$36,034 - \$37,701 |
| Technical Officer Level 2 | \$42,279 - \$44,855 |
| Technical Officer Level 3 | \$45,945 - \$51,875 |
| Technical Officer Level 4 | \$53,092 - \$59,151 |

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Figure 30—Staff numbers as at 30 June 2004

| Classification | Ongoing F/T | | Ongoing P/T | | Non-ongoing F/T | | Non-ongoing P/T | | Casual Staff | | Total | | |
|----------------------|-------------|------------|-------------|-----------|-----------------|-----------|-----------------|-----------|--------------|-----------|------------|------------|------------|
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Total |
| Secretary | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| SES BAND1 | 6 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 2 | 8 |
| PEL2/EL2/SOGB | 17 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17 | 13 | 30 |
| PELL/EL1/SOGC | 65 | 33 | 3 | 3 | 4 | 3 | 1 | 1 | 0 | 0 | 74 | 43 | 117 |
| APS6/PSL6/POC6 | 43 | 18 | 1 | 10 | 3 | 4 | 1 | 1 | 0 | 6 | 47 | 39 | 86 |
| APS5/PSL5/POC5 | 26 | 17 | 0 | 2 | 1 | 1 | 1 | 2 | 0 | 0 | 27 | 21 | 48 |
| APS4/PSL4/POC4 | 34 | 25 | 2 | 3 | 4 | 1 | 2 | 0 | 0 | 40 | 27 | 31 | 71 |
| APS3/PSL3/POC3 | 24 | 30 | 0 | 9 | 3 | 3 | 0 | 0 | 0 | 27 | 27 | 42 | 69 |
| APS2/3 | 26 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 26 | 26 | 1 | 27 |
| APS2/PSL2/POC2 | 4 | 16 | 8 | 30 | 1 | 4 | 5 | 0 | 0 | 1 | 14 | 56 | 70 |
| APS 1/2 | 9 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 12 | 1 | 13 |
| APS 1/PSL1/ POC1 | 16 | 0 | 1 | 1 | 2 | 0 | 1 | 1 | 0 | 15 | 23 | 17 | 40 |
| Apprentice | 0 | 0 | 0 | 0 | 9 | 1 | 0 | 0 | 0 | 9 | 9 | 1 | 10 |
| PSS1/2 | 72 | 5 | 0 | 1 | 0 | 0 | 0 | 0 | 48 | 4 | 120 | 10 | 130 |
| PSS3 | 12 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 12 | 4 | 16 |
| BSO CI 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 1 |
| BSO CI 2 | 9 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 | 12 | 9 | 21 |
| BSO CI 3 | 7 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 8 | 4 | 12 |
| BSO CI 4 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 0 | 5 |
| Editor I | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Editor II | 7 | 17 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 7 | 14 |
| Editor III | 1 | 14 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 2 |
| Editor IV | 3 | 13 | 0 | 6 | 0 | 0 | 0 | 0 | 1 | 4 | 4 | 23 | 27 |
| ITO CI 1 | 16 | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 18 | 21 | 6 | 27 |
| ITO CI 2 | 20 | 6 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 21 | 6 | 1 | 27 |
| ITO CI 3 | 6 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 6 | 0 | 1 | 7 |
| Junior Editor I | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 16 | 16 |
| Principal Editor | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 2 |
| Senior Editor | 2 | 3 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 4 | 6 |
| SITO Gr A | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 | 1 | 4 |
| SITO Gr B | 8 | 12 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 10 | 10 | 1 | 12 |
| SITO Gr C | 11 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11 | 1 | 1 | 12 |
| SITO Grade C | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 0 | 2 |
| Tech Officer Level 1 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 | 0 | 3 |
| Tech Officer Level 2 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 4 | 0 | 4 |
| Tech Officer Level 3 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 8 | 0 | 8 |
| Tech Officer Level 4 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 | 0 | 3 |
| TOTALS | 473 | 243 | 15 | 75 | 36 | 17 | 4 | 11 | 57 | 44 | 585 | 390 | 975 |

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5.3.4 Workforce planning, staff retention and turnover

The department continues to have a stable workforce, with a high level of retention of ongoing staff. Contractual engagements continue to be used as a means for managing fluctuating workloads and project activity.

A number of approaches and models for workforce planning were in use across the three former departments. A focus for the coming year will be to review the various approaches with the aim of developing a standard model linking business outcomes and workforce needs.

5.3.5 Workplace relations

The focus of the past year has been to provide staff with certainty in relation to working conditions across the new department and to commence planning for a new Certified Agreement.

Section 54B of the *Parliamentary Service Act 1999* provided that staff of each of the former departments automatically transferred to the new department. Each of the former departments had its own CA covering most terms and conditions of employment for staff, with JHD also having a separate CA for security staff. All of these agreements provide different conditions and pay rates for staff. The three general agreements have a nominal expiry date of 30 June 2005, while the security agreement has a nominal expiry date of 6 January 2006.

On the basis of legal advice, the Presiding Officers made a determination under subsection 24(3) of the *Parliamentary Service Act 1999* to clarify the application of the agreements to staff in the new department. The determination provides that existing staff continue to be covered by the CA that applied before the amalgamation, and new staff engaged to perform duties formerly performed in one of the abolished departments would be covered by that department's CA.

Work has begun on analysis of the differences and similarities of the three agreements with a view to developing a new CA for DPS.

5.3.6 Performance-based pay arrangements

The department does not provide performance-based bonuses for non-SES staff. However, salary advancement is based upon performance assessment of individuals required by the various CAs and performance management arrangements.

The CAs for the former JHD and Department of the Parliamentary Library (DPL) provide for an annual wage increase for staff covered by those agreements subject to the achievement of departmental performance indicators, including compliance with performance management arrangements. Former JHD staff received a 3% pay increase from 1 July 2003 and DPL staff received a 5% increase to salary and allowances in the nature of salary from 1 January 2004. Former Department of the Parliamentary Reporting Staff (DPRS) staff received a 5% pay increase from 1 July 2003.

5.3.7 Workplace diversity

DPS has worked towards developing a Workplace Diversity Plan; currently a draft document is being considered by the Secretary. Ratification and implementation of a new Plan is expected in the early part of 2004-05. We have a network of trained Harassment

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Contact Officers.

5.3.8 Staff development and training

DPS provides various development opportunities to staff. The key avenues for identifying development needs have been individual development plans prepared as part of the performance management process, and emerging business issues. Funding for development activities is concentrated at a section or business unit level, to enable managers to effectively target resources.

Staff accessed a wide range of external training programs. These included training in management, communication and client service, and technical skills associated with specific functions. Internal training activities were also provided to address function and department-wide needs. Programs covering information technology, project management, procurement skills, staff selection and performance management have continued to raise the competence of staff in specialised areas.

Staff continued to receive support for tertiary study. Support included time to attend study activities and financial assistance towards compulsory costs.

The department continued to provide long-term development opportunities for staff. One employee was selected to participate on the Senior Women in Management Program for 2004, and two others completed the program in December 2003.

5.3.9 Occupational health and safety

Pending the consolidation of OHS arrangements, the arrangements that were in place in the former departments continued to cover the relevant staff. These arrangements met all statutory requirements of the *Occupational Health and Safety (Commonwealth Employment) Act 1991* (the OHS Act) in respect of consultative arrangements, identification of Designated Work Groups and election of Health and Safety Representatives.

DPS commenced consultation on a single OHS Agreement, policy statement and consultative arrangements to cover all elements of the department.

DPS continued with safety awareness programs through induction, specific training and the provision of more general health and well-being programs.

Employment conditions for some employees allow for the re-imbursment of costs for health-related programs, including gym memberships and eye-sight testing. DPS provides employees and their families with a confidential staff counselling service through an external provider.

In accordance with section 68 of the OHS Act, 22 incidents were notified to Comcare arising out of the activities undertaken by the department. The incidents reported included 13 dangerous occurrences, 8 serious personal injuries and one "near miss". All reportable notifications were investigated and remedial action taken where necessary.

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

5.3.10 Commonwealth Disability Strategy

DPS has three roles under the Commonwealth Disability Strategy, those of Provider, Employer and Purchaser.

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Provider Role

DPS is the principal support agency for the operations of Parliament. As well as responsibility for the building and surrounds, DPS provides Hansard and broadcasting services for the Parliament, information and communications technology, library and research services to members of Parliament, parliamentary committees and other building occupants; facilities including security, catering, cleaning, visitor services, health and recreation, the Parliament Shop; and facilities management.

A report was compiled by Eric Martin and Associates for the former JHD on conformance with disability regulatory requirements. The recommendations arising from that report are being progressively implemented in conjunction with projects undertaken as part of the administered funds works program.

The documentation phase was completed on a project to redesign and fit a Member's suite to facilitate disabled access and use. It is expected that the construction work will be completed in the 2004-05 financial year. As well as making this suite more accessible, the project will provide cost and time data that will inform similar future works.

Services for visitors to Parliament House with disabilities are regularly reviewed through responses to satisfaction surveys conducted by Visitor Services and the Parliament Shop. Such services currently include:

- four designated parking bays on level A of the underground public car park;
- ramped access from all levels of the car park to the lift;
- disabled toilets in the public areas (ground and first floor);
- wheelchair access to the Great Hall first floor tour gallery and the public galleries of the chambers;
- an induction loop for users of hearing aids—with T switches—is available in the open public galleries of the chambers (when Parliament is sitting), in the Theatre and also in the committee rooms;
- wheelchairs for loan, the publication Parliament House Visitor Guide for People with Disabilities, and a Braille Visitor Guide, all available from the Information desk in the main foyer;
- awareness training for Parliament House guides in the needs of visitors with vision and hearing impairments; and
- facilitating the provision of an Auslan interpreter for school groups on request (one guide is currently being trained in Auslan).

DPS will be developing a Service Charter over the following year and this will include accessibility issues for people with disabilities, including a formal grievance and complaints mechanism.

The Parliament House web site complies with the W3C Level A rating and the Australian Government Information Management Office's minimum web site standards. The web site is also subjected to, and complies with, regular National Information and Library Services checks.

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Employer Role

DPS's employment policies and procedures comply with the requirements of the *Disability Discrimination Act 1992*.

All press and gazette advertising now includes a reference to a TTY number for potential candidates with hearing or speech disabilities. No requests were received for selection documentation to be made available in any other format eg Braille.

The "reasonable adjustment" principles are followed in the recruitment and management of staff. DPS has not needed to apply these principles in any recruitment process in 2003-04.

Staff development programs take into account of the needs of people with disabilities, and individual needs are accommodated on a case-by-case basis prior to the commencement of the course. Through the evaluation process, no negative feedback has been received relating to disability needs. Training programs, including induction and harassment training, integrate and incorporate disability issues into their course content.

DPS has a number of mechanisms in place—both informal and formal—to manage complaints and grievances. Access is available to Workplace Harassment Contact Officers, the Employee Assistance Program and the Parliamentary Service Merit Protection Commissioner.

There have been no formal requests for review of action under the *Parliamentary Service Act 1999*. One complaint was lodged by an employee through an external agency. The issues are currently being worked through with the employee concerned.

Purchaser Role

All departmental tender documents include provisions requiring contractors to comply with their obligations, if applicable, under the *Disability Discrimination Act 1992*.

5.4 Purchasing

The acquisition of goods and services was undertaken separately by the three former departments before the creation of DPS on 1 February 2004. From then until 30 June 2004, two financial management systems—Oracle Financials 11i and SAP R/3—were used.

Purchasing goods and services during 2003-04 within the then DPRS, DPL and JHD, and subsequently in DPS, was undertaken with the aim of realising core business objectives while achieving operational effectiveness and value-for-money outcomes. Purchasing was managed in accordance with the framework established by the *Commonwealth Procurement Guidelines* and internally by CEIs and CEPs.

Throughout the reporting year, key purchasing staff in each agency were fully trained and possessed a Certificate IV in Public Sector Procurement or its equivalent. The prime purchasing objectives were:

- to conduct cost-effective procurement activities that conformed with contemporary Commonwealth purchasing policies, practices and procedures;
- to ensure the principles of value for money, efficiency and effectiveness, accountability and transparency, ethics and industry development were consistently observed;

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- to support the business requirements of each department through a focus on better practice procurement; and
- to involve small to medium enterprises (SMEs) and Australian and New Zealand businesses wherever practicable.

In May 2004, the JHD Procurement Unit was transferred to the Corporate and Strategic Development Group and combined with other procurement staff. This group will provide purchasing expertise for the whole department, and will ensure that established guidelines and procedures are observed and statutory reporting obligations are met.

5.4.1 Consultants

During 2003-04, 207 consultancy contracts were commissioned or were already in existence with DPS or one of the three former departments, and the total amount spent on consultants was \$1,373,296 (GST inclusive). A summary of consultants employed during the year is shown in the following table:

Figure 31—Consultant expenditure⁷

| Department | Number of contracts commissioned or already in existence | Total expenditure on consultants in 2003-04 | Total expenditure on consultants in 2002-03 |
|--|--|---|---|
| Department of the Parliamentary Reporting Staff (Period 1/7/03 to 31/1/04) | 26 | \$200,585 | \$2,798,340 |
| Department of the Parliamentary Library (Period 1/7/03 to 31/1/04) | 12 | \$70,265 | \$508,697 |
| Joint House Department (Period 1/7/03 to 31/1/04) | 68 | \$386,419 | \$1,066,956 |
| Department of Parliamentary Services (Period 1/2/04 to 30/6/04) | 101 | \$716,027 | \$ Nil |
| Totals | 207 | \$1,373,296 | \$4,373,993 |

The substantial reduction in the level of expenditure for consultants in 2003-04 compared to the previous year is attributed to both a change in the interpretation of what is a consultant (as opposed to a professional service provider) by the then DPRS, and the postponement of consultancy expenditure by the three former departments in the period leading up to the creation of the new department.

Each agency used a blend of in-house resources and suitably qualified external consultants to deliver professional services, as required. Private sector specialists were engaged under panel or individual contract arrangements when unique skills and expertise were necessary to assist with the achievement of core business objectives.

⁷ Expenditure figures shown for 2002-03 and 2003-04 are GST inclusive. In Annual reports for DPRS and JHD for 2002-03 and previous years, GST exclusive figures were published.

PART 5 – MANAGEMENT AND ACCOUNTABILITY

A total of 42 consultants were engaged or under engagement for costs of \$10,000 or more during 2003-04, and the total of expenditure and commitments for those consultants was \$1,122,838 (GST inclusive). Further details are contained in Figure 32 below.

DPS's policy is to engage the services of external consultants where such a course of action can add genuine value to our operational effectiveness. Each proposal to engage a consultant is considered on its individual merits, and the reasons for engagement include:

- a limited or one-off need to use specialised skills;
- a need for unique areas of expertise;
- a lack of specialist knowledge or resources available within DPS;
- a need for an independent study;
- a need for a change agent or facilitator;
- a need for rapid access to the latest technology and experience in its application;
and
- limitations on management time.

The method of procurement for consultants is determined by the complexity and nature of each specific requirement. The methods used include open tender, restricted tender/quotation or a sole sourcing arrangement, and the method which will achieve the best value-for-money outcome is selected. DPS also has in place standing offer panel arrangements for legal, architectural, engineering, audit and building management consultancy services.

5.4.2 Consultancy services 2003-04

Figure 32 shows consultancies to the value of \$10,000 or more during the financial year 2003-04.

PART 5 – MANAGEMENT AND ACCOUNTABILITY

Figure 32—Consultancies to the value of \$10,000 or more**Department of the Parliamentary Library 1 July 2003 - 31 January 2004**

| Name of Consultant | Nature and Purpose of Consultancy | Contract Price 2003-04 | Expenditure Justification | Selection Process | Justification |
|------------------------------|--|-------------------------------|----------------------------------|--------------------------|----------------------|
| Deloitte Touche Tohmatsu | Provision of Internal Audit Services | \$14,740 | \$14,740 | 1 | B |
| Maitland Tanner & Associates | Newspaper Database Services Survey | \$31,867 | \$31,867 | 1 | A,D |
| | Total | | \$46,607 | | |

Department of the Parliamentary Reporting Staff 1 July 2003 - 31 January 2004

| Name of Consultant | Nature and Purpose of Consultancy | Contract Price 2003-04 | Expenditure Justification | Selection Process | Justification |
|--|---|-------------------------------|----------------------------------|--------------------------|----------------------|
| ARTD Management & Research Consultants | DPRS Client Satisfaction Survey 2003 (13/3/03 to 31/7/03) | \$37,200 | \$29,062 | 1 | D |
| Australian Valuation Office | 2002-03 Asset Valuation | \$22,000 | \$22,000 | 3 | C |
| Deloitte Touche Tohmatsu | Development of Business Continuity Plans | \$17,596 | \$17,596 | 3 | C,G |
| Deloitte Touche Tohmatsu | Provision of Internal Audit Services | \$19,179 | \$19,179 | 3 | C,D |
| Deloitte Touche Tohmatsu | Redevelopment of Risk Register | \$17,248 | \$17,248 | 3 | C |
| Hummingbird/PC Docs | Report & Associated Proposal to DPRS on Upgrading/ Extending ParlInfo Windows and Web Search Interfaces | \$13,678 | \$13,678 | 3 | D |
| Marshall Consulting | Advice on AWAs for SES Staff | \$16,720 | \$16,720 | 3 | D |
| Microsoft Enterprise Services | Review of OneOffice SOE Architecture and Infrastructure | \$14,553 | \$14,553 | 3 | B |
| StorageTek | Electorate Office NAS Devices and Centralised Back up Review | \$23,100 | \$23,100 | 2 | B |
| | Total | | \$173,135 | | |

PART 5 – MANAGEMENT AND ACCOUNTABILITY

Joint House Department 1 July 2003 - 31 January 2004

| Name of Consultant | Nature and Purpose of Consultancy | Contract Price 2003-04 | Expenditure Justification | Selection Process | Justification |
|---|--|------------------------|---------------------------|-------------------|---------------|
| Clayton Utz Lawyers | Provision of Legal Services | Standing Offer | \$25,611 | 1 | C |
| Minter Ellison | Provision of Legal Services | Standing Offer | \$20,357 | 1 | C |
| KPMG | Provision of Internal Audit Services | Standing Offer | \$21,060 | 1 | C |
| Advance FM | Provision of Building Management Guidance and Advice | Standing Offer | \$24,094 | 3 | C |
| EP Safety Rehabilitation & Compensation Solutions P/L | Rehabilitation Case Management Services | Period Contract | \$16,027 | 1 | C |
| Siller Systems Administration | Development of Record keeping Documents | \$57,926 | \$16,128 | 3 | C |
| International Conservation Services | Provision of Conservation Services and Advice | Standing Offer | \$46,121 | 2 | B |
| Sustainable Business | Provision of Energy and Environmental Education Services | \$30,250 | \$19,030 | 2 | B |
| Betty Churcher Productions | Review the Acquisition and Management Strategies for the Parliament House Art Collection | \$33,000 | \$33,000 | 3 | A |
| URS Australia Pty Ltd | Development of an Environmental Management System | \$27,449 | \$11,813 | 2 | B |
| Ernst & Young | Provision of Services related to the Amalgamation of the Parliamentary Departments | \$11,000 | \$11,000 | 3 | B |
| URS Australia Pty Ltd | Consultancy to Assist with Integration of Triple Bottom Line Initiatives into Business Plans | \$10,551 | \$10,551 | 3 | B |
| Educational Training Programs | Provision of Guidance on Knowledge Management Principles and Practices | \$17,160 | \$17,490 | 2 | B |
| Lawrence Computing Pty Ltd | Review of IT Systems and Development of an IT Strategic Plan 2004-2006 | \$24,640 | \$24,145 | 3 | B |
| | | Total | \$296,427 | | |

PART 5 – MANAGEMENT AND ACCOUNTABILITY

Department of Parliamentary Services 1 February 2004 - 30 June 2004

| Name of Consultant | Nature and Purpose of Consultancy | Contract Price 2003-04 | Expenditure Justification | Selection Process | Justification |
|--|--|------------------------|---------------------------|-------------------|---------------|
| Australian Government Solicitor* | Provision of Legal Services | Standing Offer | \$42,842 | 3 | C |
| International Conservation Services Pty Ltd* | Maintain and Report on Outdoor Sculptures at Parliament House | Period Contract | \$17,655 | 2 | C |
| KPMG* | Provision of Internal Audit Services | Standing Offer | \$41,796 | 1 | C |
| SRC Solutions Pty Ltd* | Rehabilitation Case Management Services | Period Contract | \$16,135 | 1 | C |
| Bligh Voller Neild* | Provision of Architectural Services | Standing Offer | \$21,311 | 1 | C |
| International Conservation Services* | Provision of Conservation Consultancy and Services | Standing Offer | \$71,326 | 2 | B |
| MGT Architects* | Development of a Central Reference Document- Program and Accommodation | \$25,996 | \$27,798 | 3 | C |
| Hughes Trueman* | Engineering Consultancy Services | Standing Offer | \$20,625 | 1 | B |
| MGT Architects* | Provision of Architectural Design Services | \$167,497.00 | \$14,410 | 3 | B |
| Sustainable Business* | Provision of Energy and Environmental Education Services | \$33,275 | \$11,220 | 2 | B |
| MGT Architects | Design Management of Security Enhancement Projects | \$110,000 | \$103,421 | 3 | C |
| Gilmore Engineers Pty Ltd | Analysis of Perspex Sight Glass | \$17,600 | \$17,600 | 3 | C |
| Ernst & Young* | Financial Assessment and Due Diligence Review prior to the amalgamation of the joint Parliamentary Departments | \$91,300 | \$80,300 | 3 | D |
| Australian Valuation Office | 2003/04 Asset Valuation | \$24,200 | \$24,200 | 3 | C |
| Deloitte Touche Tomatsu | Post-Implementation Review of Client Services Group Staffing Plan | \$17,820 | \$17,820 | 3 | D |
| Dimension Data Australia Pty Ltd | Information Technology Consultancy Services | \$33,000 | \$33,000 | 2 | C |
| Gartner Australia Pty Ltd | Hardware & Software Review | \$45,210 | \$41,823 | 2 | D |
| | | Total | \$603,282 | | |

* Indicates contracts commissioned before the formation of DPS.

PART 5 – MANAGEMENT AND ACCOUNTABILITY

Key to Consultancy Justification Codes

| | |
|---|---|
| A | Limited or one time use of specialised skills |
| B | Requirement for unique areas of expertise |
| C | Specialist knowledge and/or resources not available from within the Department |
| D | Need for an independent study |
| E | Requirement for a change agent or facilitator |
| F | Requirement for rapid access to the latest technology and experience in its application |
| G | Limitations on management time |

Key to Selection Process

| | |
|---|--|
| 1 | Open tender - fully advertised |
| 2 | Restricted tender/quotation - not advertised |
| 3 | Sole Sourcing arrangement - not advertised |

All prices include GST.

5.5 Competitive tendering and contracting

During 2003-04, the three former departments undertook minimal new outsourcing activities because of the impending amalgamation. Nor has there been any new outsourcing since DPS was formed.

However, many activities are routinely outsourced to external providers, under standing offers or contracts for:

- legal assistance;
- internal audit;
- project management;
- maintenance painting;
- heating, ventilation and air conditioning maintenance;
- engineering advice;
- architectural matters;
- employee relations;
- communications;
- transcriptions/audio recordings; and
- specialist trade activities.

5.6 Asset management

Parliament House is valued at \$1.7 billion for insurance purposes and has an intended life of 200 years. The building represents a significant public investment, is a major national and international tourist attraction and is an eminent work of architecture. The building is expected to accommodate growth and to adapt to the changing functional requirements of Parliament.

PART 5 – MANAGEMENT AND ACCOUNTABILITY

In 1987, the Presiding Officers delegated their responsibility for maintenance and capital works at Parliament House to JHD. On 1 February 2004, DPS took responsibility under this delegation.

DPS is responsible for asset management of Parliament House. We have implemented sophisticated asset management systems to ensure that the building fulfils its role as a functional parliamentary building, an office for the executive government and an iconic tourist attraction.

The asset management systems used by DPS include a building management system, a maintenance management system, life cycle management, condition monitoring, 100-, 20- and 5-year asset management plans, performance standards and benchmarking. These systems are used in combination to ensure that appropriate levels of condition and serviceability are maintained in a cost effective manner. The systems are supported by a team of professional engineers, architects and facility managers who continually develop their skills in asset management.

The department uses a series of performance indices to measure asset management performance, including the Building Condition Index (BCI). The performance against these indices is reported separately in Figure 25 in section 3.4.1.

5.7 Accountability

5.7.1 External scrutiny

During 2003–04, JHD, DPL and DPRS were the subject of external performance and compliance audits by the ANAO in relation to their financial statements for the period ending 31 January 2004. These audits were unqualified. The ANAO audit of DPS's financial statements for the period 1 February 2004 to 30 June 2004 also produced an unqualified audit report.

The ANAO audits the compliance of agencies with the *Senate Order for Departmental and Agency Contracts* (the Senate Order) that requires them to list contract details on the Internet. The parliamentary departments are not departments of State, and are therefore not required to comply with the Senate Order. However, all except the Department of the House of Representatives have chosen to do so. The last audit to be completed, for the 2003 calendar year, was tabled on 17 September 2004. No matters of a material nature were identified by the ANAO.

DPS was not subject to any judicial decisions or decisions of administrative tribunals, nor did the Ombudsman consider, or report on, activities of JHD, DPL, DPRS or DPS in 2003–04.

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

PART 5 – MANAGEMENT AND ACCOUNTABILITY

5.7.2 Freedom of Information

While DPS is not subject to the provisions of the *Freedom of Information Act 1982* (the FOI Act), every effort is made to respond in accordance with the intent of the legislation.

DPS maintains documentation on its daily operations, the Parliamentary Library catalogue, a large number of systems manuals and all of the “as-constructed” drawings of Parliament House.

As DPS is not a policy department, it has no policy documents other than those affecting its own operations.

Because DPS is not subject to the FOI Act, no facilities are provided to enable members of the public to obtain physical access to its documents. When inquiries for information are made, such requests are referred to the Director, Governance.

In 2003–04, one request for information was received. The information could not be provided as it was security-sensitive.

5.7.3 Discretionary grants

DPS does not administer any discretionary grant programs.

5.7.4 Advertising costs 2003–04

All Commonwealth departments and agencies are required, under section 311A of the *Commonwealth Electoral Act 1918*, to provide a statement setting out particulars of all amounts over \$1,500 paid to:

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

PART 5 – MANAGEMENT AND ACCOUNTABILITY

Figure 33—Advertising costs

| Supplier | Item | Cost \$ |
|--|---|----------------|
| Around Australia Magazine Pty Ltd | <i>Around Canberra</i> publication | 4,025 |
| Australian Capital Tourism Corporation | Counter advertising at the Canberra and Region Visitors Centre | 3,150 |
| Bearcage | Revise TV advertisement for Open Day | 2,238 |
| Canberra Convention Bureau | Meeting & Incentive Planners' Guide | 2,900 |
| HMA Blaze | Recruitment notices | 65,933 |
| HMA Blaze | Tender notices | 23,524 |
| Sampson Carroll Aust P/L | <i>The Big Book of Australia</i> publication | 2,750 |
| The Canberra Times | Floriade Program | 2,287 |
| WIN TV | Advertising Open Day | 5,550 |
| ZOO | Amend design and text and print promotional brochure | 10,321 |
| | Text & image changes and print Visitor Guide Reprint promotional brochure | 8,316 |
| | | 3,492 |
| Total | | 134,486 |

No money was paid to any organisation covered in paragraph (b), (c) or (d).

FINANCIAL STATEMENTS CONTENTS

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Statement of Financial Performance

Statement of Financial Position

Statement of Cash Flows

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Schedule of Contingencies

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FINANCIAL STATEMENTS



INDEPENDENT AUDIT REPORT

To the President of the Senate and the Speaker of the House of Representatives

Scope

I have audited the financial statements of Joint House Department for the period ended 31 January 2004. The financial statements comprise:

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

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

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

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

GPO Box 787 CANBERRA ACT 2605
Corner Henry House 18 National Circuit
BARTON ACT
Phone (06) 4363 7300 Fax (02) 6263 7717

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of Joint House Department as at 31 January 2004, and its financial performance and cash flows for the period then ended.

Australian National Audit Office



Rebecca Reilly
Acting Executive Director

Delegate of the Auditor-General

Canberra
07 July 2004

FINANCIAL STATEMENTS

Parliament of Australia
Joint House Department



Parliament House
Canberra ACT 2600

ABN 54 580 947 081

Statement by the Chief Executive

In our opinion, the attached financial statements for the seven months ended 31 January 2004 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.

H Penfold QC
Secretary

7 / 7 / 2004

Michael Laugesen
Chief Finance Officer

7 / 7 / 2004

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
STATEMENT OF FINANCIAL PERFORMANCE
for the Seven months ended 31 January 2004

| | Notes | Seven months ended 31 January 2004 S'000 | Twelve months ended 30 June 2003 S'000 |
|---|-------|---|---|
| Revenues from ordinary activities | | | |
| Revenues from Government | 3A | 22 519 | 36 807 |
| Sales of goods and services | 3B | 5 132 | 2 819 |
| Interest | 3C | 0 | 125 |
| Revenue from sale of assets | 3D | 12 | 67 |
| Other | 3E | 29 | 1 390 |
| Revenues from ordinary activities | | 27 692 | 41 208 |
| Expenses from ordinary activities (excluding borrowing cost expense) | | | |
| Employees | 4A | 12 809 | 15 926 |
| Suppliers | 4B | 14 092 | 22 922 |
| Depreciation and amortisation | 4C | 705 | 1 448 |
| Value of assets sold | 3D | 7 | 363 |
| Other | 4D | 50 | 133 |
| Expenses from ordinary activities (excluding borrowing costs expense) | | 27 663 | 40 792 |
| Borrowing costs expense | 4E | 29 | 30 |
| Net surplus / (deficit) | | 0 | 386 |
| Net credit to asset revaluation reserve | | 0 | (136) |
| Decrease in accumulated results on initial adoption of accounting standard AASB1028 Employee Benefits | | 0 | (68) |
| Total revenues, expenses and valuation adjustments attributable to the Commonwealth Government and recognised directly in equity | | 0 | (204) |
| Total changes in equity other than those resulting from transactions with owners as owners | | 0 | 182 |

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

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
STATEMENT OF FINANCIAL POSITION

as at 31 January 2004

| | Notes | Seven months ended 31 January 2004 \$'000 | Twelve months ended 30 June 2003 \$'000 |
|--|-------|--|--|
| ASSETS | | | |
| Financial assets | | | |
| Cash | 5A | 1 114 | 1 590 |
| Receivables | 5B | 5 085 | 4 322 |
| Total financial assets | | 6 199 | 5 912 |
| Non-financial assets | | | |
| Infrastructure, Plant & Equipment | 6A,C | 2 726 | 2 257 |
| Intangibles | 6B,C | 390 | 436 |
| Inventories | 6D | 193 | 191 |
| Other | 6E | 220 | 107 |
| Total non-financial assets | | 3 529 | 2 991 |
| TOTAL ASSETS | | 9 728 | 8 903 |
| LIABILITIES | | | |
| Interest bearing liabilities | | | |
| Leases | T | 886 | 255 |
| Total interest bearing liabilities | | 886 | 255 |
| Provisions | | | |
| Employees | 8B | 5 058 | 4 565 |
| Total provisions | | 5 058 | 4 565 |
| Payables | | | |
| Suppliers | 9 | 662 | 961 |
| Total payables | | 662 | 961 |
| TOTAL LIABILITIES | | 6 606 | 5 781 |
| NET ASSETS | | 3 122 | 3 122 |
| EQUITY | | | |
| Contributed equity | 10 | 1 609 | 1 609 |
| Reserves | 10 | 347 | 347 |
| Retained surpluses or accumulated deficits | 10 | 1 166 | 1 166 |
| TOTAL EQUITY | 10 | 3 122 | 3 122 |
| Current assets | | 6 612 | 6 210 |
| Non-current assets | | 3 116 | 2 693 |
| Current liabilities | | 2 507 | 2 647 |
| Non-current liabilities | | 4 099 | 3 134 |

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

FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT
STATEMENT OF CASH FLOWS**
for the Seven months ended 31 January 2004

| | Notes | Seven months ended 31 January 2004 \$'000 | Twelve months ended 30 June 2003 \$'000 |
|---|-------|--|--|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Goods and services | | 2 989 | 3 979 |
| Appropriations | | 22 350 | 33 520 |
| Interest | | 0 | 125 |
| GST received from ATD | | 798 | 1 704 |
| Total cash received | | 26 137 | 39 328 |
| Cash used | | | |
| Employees | | (12 315) | (15 782) |
| Suppliers | | (13 776) | (22 430) |
| Return of Cash Balances | | 0 | (4 000) |
| Borrowing costs | | (29) | (30) |
| Total cash used | | (26 120) | (42 242) |
| Net cash from / (used by) operating activities | 11 | 17 | (2 914) |
| INVESTING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from sales of property, plant and equipment | | 12 | 67 |
| Total cash received | | 12 | 67 |
| Cash used | | | |
| Purchase of property, plant and equipment | | (505) | (306) |
| Total cash used | | (505) | (306) |
| Net cash from / (used by) investing activities | | (493) | (239) |
| FINANCING ACTIVITIES | | | |
| Cash received | | | |
| | | 0 | 0 |
| Cash used | | | |
| Capital use charge paid | | 0 | (1 211) |
| Total cash used | | 0 | (1 211) |
| Net cash from / (used by) financing activities | | 0 | (1 211) |
| Net increase (decrease) in cash held | | (476) | (4 364) |
| Cash at beginning of the reporting period | | 1 590 | 5 954 |
| Cash at the end of the reporting period | 5A | 1 114 | 1 590 |

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

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
SCHEDULE OF COMMITMENTS

as at 31 January 2004

| | Notes | Seven months ended 31 January 2004 S'000 | Twelve months ended 30 June 2003 S'000 |
|--|-------|--|---|
| BY TYPE | | | |
| Other commitments | | | |
| Operating leases ¹ | | 4 971 | 4 768 |
| Other commitments | | 27 492 | 28 469 |
| Total other commitments | | 32 463 | 33 237 |
| Commitments receivable | | (2 951) | (3 022) |
| Net commitments | | 29 512 | 30 215 |
| BY MATURITY | | | |
| All net commitments | | | |
| One year or less | | 7 913 | 6 933 |
| From one to five years | | 21 599 | 23 229 |
| Over five years | | 0 | 51 |
| Net commitments by maturity | | 29 512 | 30 215 |
| Gross Operating lease commitments | | | |
| One year or less | | 1 542 | 1 188 |
| From one to five years | | 3 429 | 3 280 |
| Over five years | | 0 | 0 |
| Total operating leases | | 4 971 | 4 768 |

NB : Commitments are GST inclusive where relevant.

: All commitments have been assumed by Department of Parliamentary Services.

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

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

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

FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT
SCHEDULE OF CONTINGENCIES**
as at 31 January 2004

| | Notes | Seven months ended 31 January 2004 S'000 | Twelve months ended 30 June 2003 S'000 |
|-----------------------------------|-------|---|---|
| CONTINGENT LOSSES | | | |
| Claims for damages/costs | | 17 | 50 |
| CONTINGENT ASSETS | | | |
| Claims for damages/costs | | 0 | 0 |
| Net Contingent Liabilities | | <u>17</u> | <u>50</u> |

Quantifiable Contingencies

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

Any Contingent Liabilities will be assumed by Department of Parliamentary Services.

REMOTE OR UNQUANTIFIABLE CONTINGENCIES

At 31 January, 2004, JHD has no remote or unquantifiable contingencies.

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

FINANCIAL STATEMENTS

| JOINT HOUSE DEPARTMENT | | | |
|---|----------|---|---|
| SCHEDULE OF ADMINISTERED ITEMS | | | |
| | Notes | Seven months ended 31 January 2004 S'000 | Twelve months ended 30 June 2003 S'000 |
| Revenues Administered on Behalf of Government <i>for the Seven months ended 31 January 2004</i> | | | |
| Non-Taxation Revenue | | | |
| Resources received—free of charge | 17A | 76 | 202 |
| Total revenues administered on behalf of Government | | <u>76</u> | <u>202</u> |
| Expenses Administered on Behalf of Government <i>for the Seven months ended 31 January 2004</i> | | | |
| Depreciation and amortisation | 17B | 23 134 | 28 028 |
| Value of assets sold | 17B | 141 | 360 |
| Total expense administered on behalf of Government | | <u>23 275</u> | <u>28 388</u> |
| Assets Administered on Behalf of Government <i>as at 31 January 2004</i> | | | |
| Financial assets | | | |
| Cash | 17C | 10 | 0 |
| Receivables | 17C | 219 | 48 |
| Total financial assets | | <u>229</u> | <u>48</u> |
| Non-financial assets | | | |
| Land & Buildings | 17C, 18A | 1324 912 | 1341 786 |
| Infrastructure, Plant & Equipment | 17C, 18B | 32 147 | 33 093 |
| Artworks | 17C, 18C | 84 188 | 84 041 |
| Total non-financial assets | | <u>1441 247</u> | <u>1458 920</u> |
| Total Assets Administered on Behalf of Government | | <u>1441 476</u> | <u>1458 968</u> |
| Liabilities Administered on Behalf of Government <i>as at 31 January 2004</i> | | | |
| Payables | | | |
| Suppliers | 17D | 268 | 115 |
| Total payables | | <u>268</u> | <u>115</u> |
| Total Liabilities Administered on Behalf of Government | | <u>268</u> | <u>115</u> |
| Net Assets Administered on Behalf of Government | 19 | <u>1441 208</u> | <u>1458 853</u> |
| Current assets | | 229 | 48 |
| Non-current assets | | 1441 247 | 1458 920 |
| Current liabilities | | 268 | 115 |
| Non-current liabilities | | 0 | 0 |

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

FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT
SCHEDULE OF ADMINISTERED ITEMS**

| | Notes | Seven months ended 31 January 2004 5'000 | Twelve months ended 30 June 2003 5'000 |
|---|-------|---|---|
| Administered Cash Flows | | | |
| <i>for the Seven months ended 31 January 2004</i> | | | |
| Operating Activities | | | |
| Cash received | | | |
| Cash from Official Public Account for : | | | |
| —Appropriations | | 5 555 | 6 888 |
| —GST Annotations | | 555 | 688 |
| GST received from ATO | | 377 | 713 |
| Total cash received | | <u>6 487</u> | <u>8 289</u> |
| Cash used | | | |
| Cash to Official Public Account for : | | | |
| —GST Returned | | (377) | (713) |
| —Other | | (2) | 0 |
| GST paid to Suppliers | | (549) | (671) |
| Total cash used | | <u>(928)</u> | <u>(1 384)</u> |
| Net cash from / (used by) operating activities | | <u>5 559</u> | <u>6 905</u> |
| INVESTING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from sales of property, plant and equipment | | 2 | 0 |
| Total cash received | | <u>2</u> | <u>0</u> |
| Cash used | | | |
| Purchase of property, plant and equipment | | (5 551) | (6 905) |
| Total cash used | | <u>(5 551)</u> | <u>(6 905)</u> |
| Net cash from / (used by) investing activities | | <u>(5 549)</u> | <u>(6 905)</u> |
| Net increase (decrease) in cash held | | <u>10</u> | <u>0</u> |
| Cash at beginning of the reporting period | | 0 | 0 |
| Cash at the end of the reporting period | | <u>10</u> | <u>0</u> |

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

FINANCIAL STATEMENTS

| JOINT HOUSE DEPARTMENT SCHEDULE OF ADMINISTERED ITEMS | | | |
|---|-------|--|--|
| | Notes | Seven months ended 31 January 2004 S'000 | Twelve months ended 30 June 2003 S'000 |
| Administered Commitments <i>as at 31 January 2004</i> | | | |
| BY TYPE | | | |
| Capital Commitments | | | |
| Infrastructure, plant and equipment | | 12 726 | 17 137 |
| Total capital commitments | | <u>12 726</u> | <u>17 137</u> |
| Commitments Receivable | | | |
| GST Component | | (1 157) | (1 558) |
| Total other commitments | | <u>(1 157)</u> | <u>(1 558)</u> |
| Net commitments | | <u>11 569</u> | <u>15 579</u> |
| BY MATURITY | | | |
| All net commitments | | | |
| One year or less | | 11 569 | 14 229 |
| From one to five years | | 0 | 1 350 |
| Over five years | | 0 | 0 |
| Net Administered Commitments | | <u>11 569</u> | <u>15 579</u> |
| NB : Commitments are GST inclusive where relevant. : All commitments have been assumed by Department of Parliamentary Services. | | | |
| Administered Contingencies <i>as at 31 January 2004</i> | | | |
| JHD has no contingent, remote nor unquantifiable contingencies at balance date. | | | |
| Any Contingent Liabilities will be assumed by Department of Parliamentary Services. | | | |
| Statement of Activities Administered on behalf of Government | | | |
| The major administered activity of Joint House Department is directed towards achieving the outcome described in Note 1 to the Financial Statements. That outcome being "An effectively functioning legislative building for the Parliament of Australia which preserves its value as a heritage complex and raises public awareness of the Australian Federal Parliamentary system and the Parliament House building". | | | |
| Details of planned activities can be found in the Department's Portfolio Budget Statements for 2003-04 which have been tabled in Parliament. | | | |
| These administered activities have been assumed by the Department of Parliamentary Services. | | | |
| The above statements should be read in conjunction with the accompanying notes. | | | |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

| Note | Description |
|-------------|--|
| 1 | Summary of Significant Accounting Policies |
| 2 | Events Occurring after Balance Date |
| 3 | Operating Revenues |
| 4 | Operating Expenses |
| 5 | Financial Assets |
| 6 | Non-financial Assets |
| 7 | Interest Bearing Liabilities |
| 8 | Provisions |
| 9 | Supplier Payables |
| 10 | Equity |
| 11 | Cash Flow Reconciliation |
| 12 | Executive Remuneration |
| 13 | Remuneration of Auditors |
| 14 | Average Staffing Levels |
| 15 | Act of Grace Payments, Waivers and Defective Administration Scheme |
| 16 | Financial Instruments |
| 17 | Administered Items |
| | A - Revenues Administered on behalf of Government |
| | B - Expenses Administered on behalf of Government |
| | C - Assets Administered on behalf of Government |
| | D - Liabilities Administered on behalf of Government |
| 18 | Administered Non-financial Assets |
| 19 | Administered Reconciliation Table |
| 20 | Administered Financial Instruments |
| 21 | Appropriations |
| 22 | Trust Monies |
| 23 | Reporting of Outcome and Outputs |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

Note 1 Summary of Significant Accounting Policies

1.1 Objectives of Joint House Department (JHD)

OUR VISION

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

OUR MISSION

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

JHD is structured to meet one outcome.

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

JHD's activities contributing towards this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by JHD in its own right. Administered activities involve the management, by JHD on behalf of the Government, of items controlled or incurred by the Government.

The departmental outcome is measured by the following outputs:

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

The administered outcome has only one output:

- Output 1—Total Asset Management Services.

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

1.2 Basis of Accounting

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

The financial statements have been prepared in accordance with:

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

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

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

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefit will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionally unperformed are, however, not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the schedule of Commitments and the Schedule of Contingencies. JHD has no remote and unquantifiable contingencies at reporting date.

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

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

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *for the seven months ended 31 January 2004*

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2002-03.

1.4 Revenue

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

Revenues from Government

In a normal year, the full amount of the appropriation for the departmental output for the year is recognised as revenue. For this seven month period ended 31 January 2004, only that portion of the annual appropriation necessary to offset expenses for the period has been recognized as revenue. The remainder of the appropriation has been transferred to the Department of Parliamentary Services under section 54B of the *Parliamentary Service Act 1999*.

JHD draws appropriations down from the OPA on a "just-in-time" basis, to meet its payment demands.

Resources Received Free of Charge

Services received free of charge are recognised in the Statement of Financial Performance as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (refer to Note 1.5).

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

Other Revenue

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

These revenues are mainly comprised of:

- rental income received from Parliament House (PH) occupants
- catering revenue received under contracts in place between JHD and the PH catering service provider.
- recovery of security costs from both Departments of the Senate and House of Representatives.

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

1.5 Transactions by the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections', are recognised directly in Contributed Equity for that year.

Restructuring of Administrative Arrangements

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

Capital Use Charges

Capital Use Charge was discontinued from 30 June 2003.

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *for the seven months ended 31 January 2004*

1.6 Employee Entitlements

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

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

These liabilities are recorded at their nominal amount, being the rate at which the liability is expected to be paid on settlement. This is in accordance with Accounting Standard AASB 1028 Employee Benefits.

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

Leave

Leave liabilities at 31 January 2004 are calculated on the basis of employee remuneration, including the department's employer superannuation contributions to the extent that the leave is likely to be taken during service rather than paid out on termination.

Long Service Leave liabilities are determined by reference to the present value of the estimated future cash flows to be made in respect of all employees as at 31 January 2004. The estimation of the present value of the liability has taken into account attrition rates and pay increases through promotion and inflation.

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

Separation and redundancy

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

No redundancies have been identified at reporting date.

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

Superannuation

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

JHD makes employer contributions to the Commonwealth at rates determined by an actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of JHD's employees. For the seven months to January 2004, employer contributions of \$1 367 123 (2002-03 year: \$1 606 090) have been expensed in these financial statements.

The liability for superannuation recognised at both reporting dates represents the outstanding contributions in relation to salaries accrued at those dates.

Employer Superannuation Productivity Benefit contributions of \$258 081 (2002-03 year: \$343 430) have also been expensed in these financial statements.

1.7 Leases

A distinction is made between:

- finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and
- operating leases, under which the lessor effectively retains substantially all such risk and benefits.

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

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

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

1.8 Borrowing Costs

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

1.9 Cash

Cash includes notes and coins held and the balances of JHD's bank accounts.

1.10 Financial Instruments

Accounting policies for financial instruments are stated in Note 16.

1.11 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below.

The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring administrative arrangements as outlined in Note 1.5: Restructuring of Administrative Arrangements.

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

1.12 Property, plant and equipment

Asset recognition threshold

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

Revaluations

Land, buildings, infrastructure, plant and equipment were revalued at 30 June 2003 at fair value in accordance with Accounting Standard AASB 1041 *Revaluation of Non-current Assets*. Artworks were last revalued in 2002 using the deprival method of valuation.

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

| Asset class | Fair value measured at: | Deprival value measured at: |
|----------------------|--|---|
| Land | Market selling price subject to restricted use clause. | Not Applicable. |
| Buildings | Current replacement cost. | Not Applicable. |
| Plant & Equipment | Current market value, or Current replacement cost. | Not Applicable. |
| Furniture & Fittings | Current market value, or Current replacement cost, or Current reproduction cost. | Not Applicable. |
| Artworks | Current market value, or Current replacement cost. | Current market value, or Current replacement cost. |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

Frequency

Assets classes are subject to a formal valuation by independent valuers every three years.

Artworks which were last revalued in 2002 are scheduled for valuation in 2005, using the fair value method in accordance with AASB 1041 *Revaluation of Non-current Asset*.

As the fair value and deprival value bases are the same, no material differences are expected.

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

Conduct

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

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

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

Depreciation and Amortisation

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

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

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

| | Seven Months 2003-04 | Twelve Months 2002-03 |
|---|-------------------------|--------------------------|
| Building—Superstructure | 200 years | 200 years |
| Building—External Services | 50 years | 50 years |
| Building—Internal Services | 30 years | 30 years |
| Building—Finishes, Fittings and Improvements | 20 years | 20 years |
| Computer Equipment | 3 to 5 years | 10 years |
| Plant & Equipment | 3 to 50 years | 5 to 50 years |
| Office Furniture | 3 to 10 years | 10 years |
| Artworks Furniture | 10 years | 10 years |

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

1.13 Inventories

The Parliament Shop inventories are held for resale and are valued at the lower of cost or net realisable value. Costs are assigned to individual items of stock on a first-in-first-out basis.

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

1.14 Intangibles

JHD's intangibles comprise internally developed software for own use and capital works-in-progress. These assets are carried at cost, and are assessed for indications of impairment. The carrying amount of the impaired asset is written down to reflect its remaining service potential.

No software assets were assessed as impaired at 31 January 2004.

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

| | Seven Months 2003-04 | Twelve Months 2002-03 |
|----------|-------------------------|--------------------------|
| Software | 5 years | 5 years |

Capital works-in-progress are not depreciated.

1.15 Taxation

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

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

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

1.16 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
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1.17 Insurance

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

1.18 Comparative figures

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

1.19 Rounding

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

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

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the seven months ended 31 January 2004

1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are presented in the Schedule of Administered Items and related Notes.

Except where otherwise stated below, administered items are reported on the same bases and using the same policies as for Departmental items, including the application to the greatest extent possible of Accounting Standards, Accounting Interpretations and Urgent Issues Group Consensus Views.

Administered appropriations received or receivable from the Official Public Account (OPA) are not reported as administered revenues and assets respectively. Similarly, administered receipts transferred or transferable to the OPA are not reported as administered expenses or payables. These transactions and balances are internal to the Administered entity.

These transfers of cash are reported as administered (operating) cash flows and in the administered reconciliation table in Note 19.

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

Revenue

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

This funding will be used for:

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

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

Note 2 Events Occurring after Balance Date

These are the final financial statements for Joint House Department.

Joint House Department, the Department of the Parliamentary Library and the Department of the Parliamentary Reporting Staff were abolished in accordance with section 54 of the *Parliamentary Service Act 1999*, with effect from 31 January 2004. A new joint services department, the "Department of Parliamentary Services" (DPS), was established from 1 February 2004 to fulfil all the functions of the former departments.

The House of Representatives passed the resolution on 14 August, 2003 and the Senate on the 18 August 2003.

The balance of the annual departmental appropriation for 2003-04 not required to offset expenses for the seven months ended 31 January 2004, amounting to \$13,628,399 has been transferred to DPS under section 54B of the *Parliamentary Service Act 1999*. Refer to Note 21A.

All departmental assets, liabilities, commitments and contingencies have been transferred to DPS with effect from 1 February 2004.

The administered appropriation for 2003-04 not drawn down at 31 January 2004, amounting to \$5,098,507 has been transferred to DPS under section 54B of the *Parliamentary Service Act 1999*. Refer to Note 21A.

All administered assets, liabilities, commitments and contingencies have been transferred to DPS with effect from 1 February 2004.

There have been no material events after reporting date affecting the performance of DPS.

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

| | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|--|-----------------------------------|------------------------------------|
| Note 3 Operating Revenues | | |
| <u>Note 3A Revenues from Government</u> | | |
| Appropriations for outputs | 20 570 | 33 387 |
| Advance from Presiding Officers | 50 | 133 |
| Resources received free of charge | 1 899 | 3 287 |
| Total revenues from Government | 22 519 | 36 807 |
| <u>Note 3B Sales of Goods and Services</u> | | |
| The Parliament Shop retail sales | 902 | 1 429 |
| Press Gallery and Caterers | 744 | 1 210 |
| Security Recovery from Chamber Departments | 3 025 | 0 |
| User Charges | 461 | 180 |
| Total sales of goods and services | 5 132 | 2 819 |
| Provision of goods tax | | |
| –Related entities | 0 | 0 |
| –External entities | 902 | 1 429 |
| Total sales of goods | 902 | 1 429 |
| Cost of goods sold | 489 | 750 |
| Rendering of services to: | | |
| –Related entities | 3 952 | 514 |
| –External entities | 278 | 876 |
| Total sales of goods | 4 230 | 1 390 |

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JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

| Note 3 Operating Revenues (continued) | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|---|-----------------------------------|------------------------------------|
| <u>Note 3C Interest</u> | | |
| Interest on deposits | 0 | 125 |
| | <hr/> | <hr/> |
| <u>Note 3D Net Profits / (Losses) from Sales of Assets</u> | | |
| Infrastructure, Plant and Equipment: | | |
| -Proceeds from disposal | 12 | 67 |
| -Net book value of assets disposed | (7) | (363) |
| <i>Total net profits / (losses) from disposal of assets</i> | <hr/> 5 <hr/> | <hr/> (296) <hr/> |
| <u>Note 3E Other Operating Revenues</u> | | |
| Other | 29 | 1 390 |
| <i>Total other operating revenues</i> | <hr/> 29 <hr/> | <hr/> 1 390 <hr/> |

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

| | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|------------------------------------|-----------------------------------|------------------------------------|
| Note 4 Operating Expenses | | |
| <u>Note 4A Employee Expenses</u> | | |
| Wages and salaries | 9 230 | 12 171 |
| Superannuation | 1 625 | 1 950 |
| Leave and other entitlements | 1 274 | 1 380 |
| Separation and redundancies | 492 | 141 |
| Other employee expenses | 27 | 39 |
| Total employee remuneration | 12 648 | 15 681 |
| Worker compensation premiums | 161 | 245 |
| Total employee expenses | 12 809 | 15 926 |
| <u>Note 4B Suppliers' Expenses</u> | | |
| Goods from related entities | 5 | 15 |
| Goods from external entities | 1 589 | 3 080 |
| Services from related entities | 626 | 469 |
| Services from external entities | 11 216 | 18 450 |
| Operating lease rentals * | 656 | 908 |
| Total supplier expenses | 14 092 | 22 922 |

* These comprise the minimum lease payments only.

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

| Note 4 Operating Expenses (continued) | Seven Months | Twelve Months |
|---|--------------|---------------|
| | 2003-04 | 2002-03 |
| | \$'000 | \$'000 |
| <u>Note 4C Depreciation and Amortisation</u> | | |
| Depreciation of infrastructure, plant and equipment | 544 | 980 |
| Amortisation of intangibles | 161 | 468 |
| Total depreciation and amortisation | 705 | 1 448 |

The aggregate amounts of depreciation/amortisation expensed during the reporting period for each class of asset are as follows:

| | | |
|--|------------|--------------|
| -Furniture and fittings | 59 | 154 |
| -Plant and equipment | 250 | 404 |
| -Computers | 235 | 422 |
| -Software | 161 | 468 |
| Total depreciation and amortisation | 705 | 1 448 |

Note 4D Other Operating Expenses

| | | |
|---------------------------------------|-----------|------------|
| Legal and Compensation | 50 | 133 |
| Total other operating expenses | 50 | 133 |

Note 4E Borrowing Cost Expenses

| | | |
|---------------------------------|-----------|-----------|
| Leases | 29 | 30 |
| Total borrowing expenses | 29 | 30 |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

| | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|--------------------------------|-----------------------------------|------------------------------------|
| Note 5 Financial Assets | | |
| <u>Note 5A Cash</u> | | |
| Cash on hand | 9 | 9 |
| Cash at bank | 1 105 | 1 581 |
| Total cash | 1 114 | 1 590 |

All cash is recognised as a current asset.

| | | |
|------------------------------------|--------------|--------------|
| Note 5B Receivables | | |
| Appropriations receivable | 2 270 | 4 000 |
| Goods & services | 2 746 | 236 |
| Less: Provision for doubtful debts | (10) | (10) |
| | 5 006 | 4 226 |
| GST receivable from the ATO | 29 | 96 |
| Total net receivables | 5 085 | 4 322 |

All receivables are current assets.

Gross receivables are aged as follows:

| | | |
|--------------------------------|--------------|--------------|
| Not overdue | 4 208 | 4 169 |
| Overdue by: | | |
| less than 30 days | 840 | 145 |
| 30 days to 60 days | 0 | 18 |
| 60 days to 90 days | 23 | 0 |
| more than 90 days | 24 | 0 |
| Total gross receivables | 5 095 | 4 332 |

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

FINANCIAL STATEMENTS

| Note 6 Non-financial Assets | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|--|-----------------------------------|------------------------------------|
| <u>Note 6A Infrastructure, Plant and Equipment</u> | | |
| <u>Furniture and Fittings</u> | | |
| Furniture and Fittings—under finance lease | | 88 |
| Accumulated depreciation | | (88) |
| Furniture and Fittings—at cost | 47 | |
| Accumulated depreciation | (1) | |
| Furniture and Fittings— at fair value | 383 | 373 |
| Accumulated depreciation | (68) | |
| <i>Total Furniture and Fittings</i> | 361 | 373 |
| <u>Plant and Equipment</u> | | |
| Plant and Equipment—under finance lease | 226 | 163 |
| Accumulated depreciation | (82) | (60) |
| Plant and Equipment—at cost | 91 | |
| Accumulated depreciation | (5) | |
| Plant and Equipment— at fair value | 1 282 | 1 278 |
| Accumulated depreciation | (218) | |
| <i>Total Plant and Equipment</i> | 1 294 | 1 381 |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

| Note 6 Non-financial Assets (continued) | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|--|-----------------------------------|------------------------------------|
| <i>Note 6A Infrastructure, Plant and Equipment (Continued)</i> | | |
| <i>Computers</i> | | |
| Computers—under finance lease | 911 | 942 |
| Accumulated depreciation | (188) | (804) |
| Computers—at cost | 37 | |
| Accumulated depreciation | (3) | |
| Computers—at fair value | 378 | 365 |
| Accumulated depreciation | (64) | |
| Total Computers | 1 071 | 503 |
| Total Infrastructure, Plant and Equipment | 2 726 | 2 257 |
| <i>Note 6B Intangibles</i> | | |
| <i>Computer software</i> | | |
| Internally developed-Work in Progress at cost | 236 | 121 |
| Computer Software—at cost | 2 341 | 2 341 |
| Accumulated amortisation | (2 187) | (2 026) |
| Total Computer Software | 390 | 436 |

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Note 6 Non-financial Assets (continued)

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

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

| Item | Infrastructure, Plant and Equipment | Computer Software | Total |
|---------------------------------------|---|----------------------|---------|
| | \$'000 | \$'000 | \$'000 |
| As at 1 July 2003 | | | |
| Acquisition cost or valuation | 2 257 | 2 462 | 4 719 |
| Accumulated depreciation/amortisation | - | (2 026) | (2 026) |
| Net book value | 2 257 | 436 | 2 693 |
| | | | |
| Acquisition of new assets | 1 020 | 115 | 1 135 |
| Depreciation/amortisation expense | (544) | (161) | (706) |
| | | | |
| Disposals | (7) | - | (7) |
| As at 31 January 2004 | | | |
| Gross value | 3 356 | 2 577 | 5 933 |
| Accumulated Depreciation/amortisation | (630) | (2 187) | 2 817 |
| <i>Net book value</i> | 2 726 | 390 | 3 116 |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
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Note 6 Non-financial Assets (continued)

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

Table B Assets at valuation

| Item | Infrastructure, Plant and Equipment \$'000 |
|---------------------------------------|---|
| As at 31 January 2004 | |
| Gross Value | 2 044 |
| Accumulated depreciation/amortisation | (351) |
| Net book value | 1 693 |
| As at 30 June 2003 | |
| Gross Value | 2 016 |
| Accumulated depreciation/amortisation | - |
| Net book value | 2 016 |

Table C Assets under finance lease

| Item | Infrastructure, Plant and Equipment \$'000 |
|---------------------------------------|---|
| As at 31 January 2004 | |
| Gross Value | 1 137 |
| Accumulated depreciation/amortisation | (270) |
| Net book value | 867 |
| As at 30 June 2003 | |
| Gross Value | 1 194 |
| Accumulated depreciation/amortisation | (952) |
| Net book value | 242 |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
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Note 6 Non-financial Assets (continued)

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

Table D. Assets under construction

| Item | Infrastructure, Plant and Equipment | Computer Software | Total |
|-----------------------------------|---|----------------------|--------|
| | \$'000 | \$'000 | \$'000 |
| Gross Value as at 31 January 2004 | - | 236 | 236 |
| Gross Value as at 30 June 2003 | - | 121 | 121 |

| | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|---|-----------------------------------|------------------------------------|
| Note 6D. Inventories | | |
| Inventories held for sale—The Parliament Shop | 193 | 191 |
| Total Inventories | 193 | 191 |

All Departmental inventories are current assets.

Note 6E. Other Non-financial Assets

| | | |
|---|------------|------------|
| Prepayments | 220 | 107 |
| Total other non-financial assets | 220 | 107 |

All other non-financial assets are current assets.

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| Note 7 Interest Bearing Liabilities | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|-------------------------------------|-----------------------------------|------------------------------------|
| Finance lease commitments: | | |
| Payable: | | |
| within one year | 398 | 141 |
| in one to five years | 563 | 133 |
| greater than five years | 0 | 0 |
| Minimum lease payments | 961 | 274 |
| Deduct: future finance charges | (75) | (19) |
| <i>Net lease liability</i> | 886 | 255 |
| Lease Liability is represented by: | | |
| Current | 351 | 130 |
| Non-current | 535 | 125 |
| <i>Net lease liability</i> | 886 | 255 |

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

FINANCIAL STATEMENTS

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| Note 8 Provisions | Seven Months | Twelve Months |
|---|--------------|---------------|
| | 2003-04 | 2002-03 |
| | \$'000 | \$'000 |
| <u>Note 8A Capital Use Charge</u> | | |
| Capital use charge | 0 | 0 |
| Balance owing 01 July | 0 | 848 |
| Capital use charge provided for during the period | 0 | 363 |
| Capital use charge paid | 0 | (1 211) |
| Balance owing 31 January | 0 | 0 |

The capital use charge has been abolished.

Note 8B Employee Provisions

| | | |
|----------------------------------|--------------|--------------|
| Salaries and wages | 121 | 347 |
| Leave | 4 653 | 3 929 |
| Superannuation | 284 | 289 |
| Total Employee Provisions | 5 058 | 4 565 |
| Current | 1 494 | 1 556 |
| Non-current | 3 564 | 3 009 |

Note 9 Supplier Payables

| | | |
|--------------------------------|------------|------------|
| Trade creditors | 662 | 961 |
| Total Supplier Payables | 662 | 961 |

Payables are all current liabilities.

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 10 Equity

| Item | Capital | | Asset revaluation reserve | | Accumulated results | | TOTAL EQUITY | |
|---|-------------------------|--------------------------|---------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| | Seven Months 2003-04 | Twelve Months 2002-03 | Seven Months 2003-04 | Twelve Months 2002-03 | Seven Months 2003-04 | Twelve Months 2002-03 | Seven Months 2003-04 | Twelve Months 2002-03 |
| Opening balance as at 01 July | 1 609 | 1 609 | 347 | 483 | 1 166 | 1 211 | 3 122 | 3 303 |
| Net surplus / (deficit) | - | - | - | - | 0 | 386 | 0 | 386 |
| Net revaluation increments/decrements | - | - | - | (136) | - | - | - | (136) |
| Decrease in retained earnings on application of accounting standard AASB 1028 Employee Benefits | - | - | - | - | - | 668 | - | (668) |
| Capital Use Charge | - | - | - | - | - | (363) | - | (363) |
| Closing balance as at 31 January | 1 609 | 1 609 | 347 | 347 | 1 166 | 1 166 | 3 122 | 3 122 |

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| | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|--|-----------------------------------|------------------------------------|
| Note 11 - Cash Flow Reconciliation | | |
| Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows | | |
| Cash at year end per Statement of Cash Flows | 1 114 | 1 590 |
| Statement of Financial Position items comprising above cash: "Financial Asset-Cash" | 1 114 | 1 590 |
| Reconciliation of net surplus to net cash provided by operating activities: | | |
| Net surplus (deficit) | 0 | 386 |
| Depreciation/amortisation | 705 | 1 448 |
| Write down of non-financial assets | 0 | (281) |
| (Profit)/Loss on disposal of assets | (5) | 297 |
| (Increase)/decrease in net receivables | (763) | (3 830) |
| (Increase)/decrease in inventories | (2) | 57 |
| (Increase)/decrease in prepayments | (113) | 34 |
| Increase/(decrease) in employee provisions | 493 | 136 |
| Increase/(decrease) in supplier payables | (298) | (1 161) |
| Net cash from / (used by) operating activities | 17 | (2 914) |

FINANCIAL STATEMENTS

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| | Seven Months 2003-04 | Twelve Months 2002-03 |
|---|----------------------------|-----------------------------|
| Note 12 Executive Remuneration | | |
| The number of Executive officers who received or were due to receive fixed remuneration of \$100 000 or more are as follows. Note that the remuneration paid is for seven months and only two Executive officers met these criteria for the period. | | |
| \$100 000 to \$139 999 | - | - |
| \$140 000 to \$149 999 | - | 1 |
| \$150 000 to \$159 999 | - | 1 |
| \$160 000 to \$189 999 | - | - |
| \$190 000 to \$199 999 | 1 | - |
| \$200 000 to \$219 999 | - | - |
| \$220 000 to \$229 999 | - | 1 |
| \$230 000 to \$249 999 | - | - |
| \$250 000 to \$259 999 | 1 | - |
| The aggregate amount of total remuneration of Executive officers shown above | \$450 463 | \$526 536 |
| The aggregate amount of separation and redundancy/termination payments to Executive officers included in above | \$217 089 | - |
| Two Executive officers have left JHD at the end of the reporting period as a result of the amalgamation and have not been replaced. | | |
| Note 13 Remuneration of Auditors | | |
| Financial statement audit services are provided free of charge to JHD. | | |
| The fair value of services provided was: | \$99 000 | \$99 000 |
| No other services were provided by the Auditor-General. | | |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 14 - Average Staffing Levels

| | Seven Months 2003-04 | Twelve Months 2002-03 |
|--|----------------------------|-----------------------------|
| The average staffing levels for JHD during the year were | 417 | 254 |

Note 15 - Act of Grace Payments, Waivers and Defective Administration Scheme

No Act of Grace Payments were made during the reporting period pursuant to subsection 33(1) of the Financial Management and Accountability Act 1997.

No waivers were made during the reporting period pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997.

No payments were made under the 'Defective Administration Scheme' during the reporting period.

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
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Note 16 Financial Instruments

Note 16A Terms, Conditions and Accounting Policies

| Financial Instrument | Notes | Accounting Policies and Methods (including recognition criteria and measurement basis) | Nature of Underlying Instruments and conditions affecting certainty of cash flows) |
|------------------------------------|-------|---|---|
| FINANCIAL ASSETS | | Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured. | |
| Cash | 5A | Cash is recognised at its nominal amounts. | Cash includes notes and co departmental bank account |
| Receivables for goods and services | 5B | Receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely. | A majority of receivables are Commonwealth. Credit terms are net 30 day |
| Appropriations receivable | 5B | Appropriation receivables are recognised at their nominal amounts. | Amounts appropriated by previous years which are also. Also includes amounts to be a future year for services purchased, workload or in |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the years ended 31 January 2004

Note 16: Financial Instruments (continued)

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

| Financial Instrument | Notes | Accounting Policies and Methods (including recognition criteria and measurement basis) | Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows) |
|------------------------------|-------|--|--|
| FINANCIAL LIABILITIES | | Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured. | |
| Finance lease liabilities | 7 | Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the leases. | At the reporting date, JHD had finance leases with terms averaging three years and a maximum term of five years. The interest rate implicit in the leases averaged 6.57% (2003: 6.57%). The lease asset settles the lease liabilities. |
| Capital Use Charge Profile | 8A | CUC was abolished with effect from 01 July 2003. | |
| Trade creditors | 9 | Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). | A majority of creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days. |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
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 for the seven months ended 31 January 2004

Note 16: Financial Instruments (continued)

Note 16B: Interest Rate Risk

| Financial Instrument | Notes | Floating Interest Rate | | Fixed Interest Rate | | | | | | None Interest Bearing | | Total | | Weighted Average Effective Interest Rate | |
|--|-------|------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|--|------------|
| | | | | 1 year or less | | 1 to 3 years | | 3-5 years | | | | | | | |
| | | Seven Months 2003-04 | Twelve Months 2003-04 | Seven Months 2002-03 | Twelve Months 2002-03 | Seven Months 2001-02 | Twelve Months 2001-02 | Seven Months 2000-01 | Twelve Months 2000-01 | Seven Months 2000-01 | Twelve Months 2000-01 | Seven Months 2001-04 | Twelve Months 2001-03 | % | % |
| Financial Assets | | | | | | | | | | | | | | | |
| Cash on hand | 5A | | | | | | | | | 0 | 0 | 0 | 0 | n/a | n/a |
| Cash at bank | 5A | 1,401 | 1,581 | | | | | | | | | 1,401 | 1,581 | n/a | n/a |
| Receivables for goods and services (gross) | 5B | | | | | | | | | 2,740 | 313 | 2,740 | 313 | n/a | n/a |
| Appropriations receivable | 5D | | | | | | | | | 2,239 | 4,000 | 2,239 | 4,000 | n/a | n/a |
| Total | | 1,401 | 1,581 | | | | | | | 5,029 | 4,313 | 5,180 | 5,912 | n/a | n/a |
| Total assets | | | | | | | | | | | | 9,726 | 9,903 | | |
| Financial Liabilities | | | | | | | | | | | | | | | |
| Provision for liabilities | 7 | | | 331 | 130 | 535 | 125 | | | | | 966 | 255 | 6.37 | 6.37 |
| Trade creditors | 8 | | | | | | | | | 662 | 961 | 662 | 961 | n/a | n/a |
| Total | | | | 331 | 130 | 535 | 125 | | | 662 | 961 | 1,628 | 1,216 | | |
| Total liabilities | | | | | | | | | | | | 6,600 | 5,787 | | |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
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Note 16 Financial Instruments (continued)

Note 16C Net Fair Values of Financial Assets and Liabilities

| Departmental | Notes | Seven Months 2003-04 | | Twelve Months 2002-03 | |
|---|-------|---------------------------------------|--|---------------------------------------|--|
| | | Total carrying amount \$'000 | Aggregate net fair value \$'000 | Total carrying amount \$'000 | Aggregate net fair value \$'000 |
| Financial Assets | | | | | |
| Cash on hand | 5A | 9 | 9 | 9 | 9 |
| Cash at bank | 5A | 1 105 | 1 105 | 1 581 | 1 581 |
| Receivables for goods and services | | | | | |
| | 5B | 2 746 | 2 746 | 322 | 322 |
| Appropriations receivable | 5B | 2 270 | 2 270 | 4 000 | 4 000 |
| Total Financial Assets | | 6 130 | 6 130 | 5 912 | 5 912 |
| Financial Liabilities (Recognised) | | | | | |
| Lease creditor | 7 | 886 | 886 | 255 | 255 |
| Trade creditors | 9 | 662 | 662 | 961 | 961 |
| Total Financial Liabilities (Recognised) | | 1 548 | 1 548 | 1 216 | 1 216 |

Financial Assets

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

Financial Liabilities

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

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

Note 16D Credit Risk Exposures

JHD's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statements of Financial Position.

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

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| Note 17 Administered Items | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|---|-----------------------------------|------------------------------------|
| <i>Note 17A Revenues administered on behalf of Government</i> | | |
| Resources received free of charge | | |
| Artworks and collectables received on behalf of the Parliament of Australia | 76 | 202 |
| <i>Total Revenues administered on behalf of Government</i> | <u>76</u> | <u>202</u> |
| <i>Note 17B Expenses administered on behalf of Government</i> | | |
| Depreciation | | |
| Buildings | 21 752 | 25 751 |
| Other Infrastructure, Plant and Equipment | 1 382 | 2 277 |
| <i>Total Depreciation</i> | <u>23 134</u> | <u>28 028</u> |
| Value of assets sold | | |
| Other Infrastructure, Plant and Equipment | 141 | 360 |
| <i>Total Expenses administered on behalf of Government</i> | <u>23 275</u> | <u>28 388</u> |

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| Note 17 Administered Items (continued) | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|--|-----------------------------------|------------------------------------|
| <u>Note 17C Assets administered on behalf of Government</u> | | |
| Financial Assets | | |
| Cash | | |
| Administered bank account | 10 | 0 |
| Receivables | | |
| Current GST receivable from ATO | 219 | 48 |
| <i>Total Financial Assets administered on behalf of Government</i> | 229 | 48 |
| All receivables are considered to be not overdue. | | |
| Non-financial Assets | | |
| Land and Buildings | 1 324 912 | 1 341 786 |
| Infrastructure, Plant & Equipment | 32 147 | 33 093 |
| Artworks | 84 188 | 84 041 |
| <i>Total Non-financial Assets administered on behalf of Government</i> | 1 441 247 | 1 458 920 |
| <i>Total Assets Administered on behalf of Government</i> | 1 441 476 | 1 458 968 |
| <u>Note 17D Liabilities administered on behalf of Government</u> | | |
| Payables | | |
| Suppliers—trade creditors | 268 | 115 |
| <i>Total Liabilities Administered on behalf of Government</i> | 268 | 115 |
| All payables are current. | | |

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JOINT HOUSE DEPARTMENT
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| Note 18 Administered Non-financial Assets | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|---|-----------------------------------|------------------------------------|
| Note 18A Land and Buildings | | |
| Land | | |
| Land—at fair value | 22 500 | 22 500 |
| Total Land | 22 500 | 22 500 |
| Buildings | | |
| Buildings—at fair value | 1 308 496 | 1 308 496 |
| Accumulated depreciation | (21 690) | 0 |
| Buildings—at cost | 3 669 | |
| Accumulated depreciation | (62) | |
| Work in progress—at cost | 11 999 | 10 790 |
| Total Buildings | 1 302 412 | 1 319 286 |
| Total Land and Buildings | 1 324 912 | 1 341 786 |

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JOINT HOUSE DEPARTMENT
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| Note 18 Administered Non-financial Assets (continued) | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
|---|-----------------------------------|------------------------------------|
| Note 18B Infrastructure, Plant and Equipment | | |
| Furniture, Fittings and Equipment | | |
| Furniture, Fittings and Equipment—at fair value | 448 | 448 |
| Accumulated depreciation | (41) | |
| Furniture, Fittings and Equipment—at cost | | |
| Accumulated depreciation | | |
| Total Furniture, Fittings and Equipment | 407 | 448 |
| Plant and Equipment | | |
| Plant and Equipment—at fair value | 32 494 | 32 645 |
| Accumulated depreciation | (1 298) | |
| Plant and Equipment—at cost | 577 | |
| Accumulated depreciation | (33) | |
| Total Plant and Equipment | 31 740 | 32 645 |
| Total Infrastructure, Plant and Equipment | 32 147 | 33 093 |
| Note 18C Artworks | | |
| Artworks | | |
| Work in progress—at cost | 143 | 89 |
| Artworks—at 2002 deprival value | 83 946 | 83 745 |
| Artworks—at cost | 99 | 207 |
| Total Artworks | 84 188 | 84 041 |

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

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

| Item | Land and Buildings | Infrastructure, Plant and Equipment | Artworks | Total |
|---|-----------------------|---|---------------|------------------|
| | £000 | £000 | £000 | £000 |
| As at 1 July 2003 | | | | |
| Gross book value | 1,341,786 | 33,093 | 84,041 | 1,458,920 |
| Accumulated depreciation/amortisation | - | - | - | - |
| Net book value | 1,341,786 | 33,093 | 84,041 | 1,458,920 |
| Additions | | | | |
| By purchase | 5,455 | - | 147 | 5,602 |
| Depreciation/amortisation expense | (21,752) | (1,382) | - | (23,134) |
| Transfer of Work-in-progress (Buildings) to I, P & E. | (577) | 577 | - | - |
| Disposals | | | | |
| Other disposals | - | (141) | - | (141) |
| As at 31 January 2004 | | | | |
| Gross book value | 1,346,664 | 33,519 | 84,188 | 1,464,371 |
| Accumulated depreciation/amortisation | (21,752) | (1,372) | - | (23,124) |
| Net book value | 1,324,912 | 32,147 | 84,188 | 1,441,247 |

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

Table B: Assets at valuation

| Item | Land and Buildings | Infrastructure, Plant and Equipment | Armoeks | Total |
|---------------------------------------|--------------------|-------------------------------------|---------------|------------------|
| | \$/000 | \$/000 | \$/000 | \$/000 |
| As at 31 January 2004 | | | | |
| Gross value | 1 331 077 | 32 942 | 84 000 | 1 448 019 |
| Accumulated depreciation/amortisation | (21 690) | (1 340) | - | (23 030) |
| Net book value | 1 309 387 | 31 602 | 84 000 | 1 424 989 |
| As at 30 June 2003 | | | | |
| Gross value | 1 341 786 | 33 093 | 83 745 | 1 458 624 |
| Accumulated depreciation/amortisation | - | - | - | - |
| Net book value | 1 341 786 | 33 093 | 83 745 | 1 458 624 |

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

Table C: Assets under construction

| Item | Land and Buildings | Infrastructure, Plant and Equipment | Armoeks | Total |
|---------------------------------------|--------------------|-------------------------------------|------------|---------------|
| | \$/000 | \$/000 | \$/000 | \$/000 |
| Gross value at 31 January 2004 | 11 999 | | 143 | 12 142 |
| Gross value at 30 June 2003 | 10 790 | | 89 | 10 879 |

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| Note 19 Administered Reconciliation Table | Seven Months | Twelve Months |
|--|-------------------|-------------------|
| | 2003-04 \$'000 | 2002-03 \$'000 |
| <i>Administered assets less administered liabilities as at 1 July</i> | 1 458 853 | 1 233 692 |
| Plus Administered revenues | 76 | 202 |
| Less Administered expenses | (23 275) | (28 388) |
| Administered transfers to/from Government | | |
| Appropriation transfers from Official Public Account | 5 555 | 6 861 |
| Transfers to Official Public Account | (1) | 0 |
| Administered revaluations taken to/from reserves | 0 | 246 486 |
| Administered assets less administered liabilities as at 31 January 2004 | 1 441 208 | 1 458 853 |

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JOINT HOUSE DEPARTMENT
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 for the year ended 31 January 2004

| Note 20 Administered Financial Instruments | | | |
|--|-------|--|---|
| Note 20A Terms, Conditions and Accounting Policies | | | |
| Financial Instrument | Notes | Accounting Policies and Methods (including recognition criteria and measurement basis) | Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows) |
| FINANCIAL ASSETS | | | |
| Cash | 17C | Cash is measured at its nominal amounts. | Cash includes notes and coins held and the balances of JHE's administered bank accounts. |
| FINANCIAL LIABILITIES | | | |
| Trade creditors | 17D | Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). | The majority of the creditors is the net GST association due to DoFA at reporting date. |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

Note 20 - Administered Financial Instruments (continued)

Note 20B - Interest Rate Risk

| Financial Instruments | Notes | Floating Interest Rate | | Fixed Interest Rate | | | | | | Non-Interest Bearing | | Total | | Weighted Average Effective Interest Rate | | | |
|------------------------------|-------|------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|--|-----|--|--|
| | | | | 1 year or less | | 1 to 3 years | | > 3 years | | | | | | | | | |
| | | Seven Months 2003-04 | Twelve Months 2002-03 | Seven Months 2003-04 | Twelve Months 2002-03 | Seven Months 2003-04 | Twelve Months 2002-03 | Seven Months 2003-04 | Twelve Months 2002-03 | Seven Months 2003-04 | Twelve Months 2002-03 | Seven Months 2003-04 | Twelve Months 2002-03 | % | % | | |
| Financial Assets | | | | | | | | | | | | | | | | | |
| Cash | 17C | | | | | | | | | 50 | 0 | 50 | 0 | n/a | n/a | | |
| Total | | | | | | | | | | 50 | 0 | 50 | 0 | n/a | n/a | | |
| Total assets | | | | | | | | | | | | 1 441 836 | 1 458 968 | | | | |
| Financial Liabilities | | | | | | | | | | | | | | | | | |
| Trade creditors | 21D | | | | | | | | | 268 | 113 | 268 | 113 | n/a | n/a | | |
| Total | | | | | | | | | | 268 | 113 | 268 | 113 | | | | |
| Total liabilities | | | | | | | | | | | | 268 | 113 | | | | |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

Note 20 - Administered Financial Instruments (continued)

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

| Note | Seven Months 2003-04 | | Twelve Months 2002-03 | |
|------------------------------------|---------------------------------------|--|---------------------------------------|--|
| | Total carrying amount \$'000 | Aggregate net fair value \$'000 | Total carrying amount \$'000 | Aggregate net fair value \$'000 |
| Financial Assets | | | | |
| Cash | 10 | 10 | 0 | 0 |
| Total Financial Assets | 10 | 10 | 0 | 0 |
| Financial Liabilities | | | | |
| Trade creditors | 268 | 268 | 115 | 115 |
| Total Financial Liabilities | 268 | 268 | 115 | 115 |

Financial Assets

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

Financial Liabilities

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

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

Note 21 Appropriations

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

| Particulars | Administered Expenses Outcome 1 | Departmental Outputs | Total |
|---|---------------------------------------|-------------------------|------------------|
| Seven months ended 31 January 2004 | \$ | \$ | \$ |
| Balance carried forward from previous year | - | 5 700 549 | 5 700 549 |
| Appropriation (Parliamentary Departments) Act | 10 654 000 | 34 198 000 | 44 852 000 |
| Less: Appropriation revenue to be recognised in the Department of Parliamentary Service (section 54B of the Parliamentary Service Act 1999) | (5 098 507) | (13 628 399) | (18 726 906) |
| Amounts from Advance to Presiding Officers | - | 50 000 | 50 000 |
| GST credits (FMA s30A) | 555 259 | 1 286 820 | 1 842 079 |
| Annotations to "net appropriations" (FMA s 31) | - | 2 662 713 | 2 662 713 |
| Available for payments | 6 110 752 | 30 269 683 | 36 380 435 |
| Payments made | 5 882 374 | 26 743 040 | 32 625 414 |
| <i>Balance to be transferred to Department of Parliamentary Services</i> | <i>228 378</i> | <i>3 526 643</i> | <i>3 755 021</i> |
| Represented by: | | | |
| Cash | 10 134 | 1 114 138 | 1 124 272 |
| Add: Appropriations receivable | | 2 269 601 | 2 269 601 |
| Add: Receivables—Goods and Services—GST receivable from customers | | 65 798 | 65 798 |
| Add: Receivables—Net GST receivable from the ATO | 219 165 | 79 165 | 298 330 |
| Add: Payable—Suppliers—GST portion | (921) | (2 059) | (2 980) |
| Total | 228 378 | 3 526 643 | 3 755 021 |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

Note 21 Appropriations (continued)

Note 21A Cash Basis Acquittal of Appropriation (Parliamentary Departments) Acts (Ns 1/3)

| Particulars | Administered Expenses Outcome 1 | Departmental Outputs | Total |
|---|------------------------------------|----------------------|------------|
| Twelve months ended 30 June 2003 | \$ | \$ | \$ |
| Balance carried forward from previous year | - | 5 954 039 | 5 954 039 |
| Appropriation (Parliamentary Departments) Act | 6 859 744 | 33 387 000 | 40 246 744 |
| Amounts from Advance to Presiding Officers | - | 132 700 | 132 700 |
| GST credits (FMA s30A) | 688 470 | 2 093 700 | 2 782 170 |
| Annotations to "net appropriations" (FMA s 31) | - | 4 169 930 | 4 169 930 |
| Available for payments | 7 548 214 | 45 737 369 | 53 285 583 |
| Payments made | 7 548 214 | 40 036 820 | 47 585 034 |
| Balance carried to next year | - | 5 700 549 | 5 700 549 |
| <i>Represented by:</i> | | | |
| Cash | - | 1 589 798 | 1 589 798 |
| Add: Appropriations receivable | | 4 000 000 | 4 000 000 |
| Add: Receivables—Goods and Services—GST receivable from customers | | 14 797 | 14 797 |
| Add: Receivables—Net GST receivable from the ATO | | 96 089 | 96 089 |
| Less: Payable—Suppliers—GST portion | | (135) | (135) |
| Total | - | 5 700 549 | 5 700 549 |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

Note 22 Trust Monies

Comcare Trust Account

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

| | Seven Months 2003-04 | Twelve Months 2002-03 |
|--|-------------------------|--------------------------|
| | \$ | \$ |
| Balance brought forward from previous period | 3 276 | 22 684 |
| Receipts | 54 997 | 57 038 |
| Available for payment | 58 273 | 79 722 |
| Payments | (28 584) | (76 446) |
| Balance carried forward to next period | 29 689 | 3 276 |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the seven months ended 31 January 2004

Note 23 Reporting of Outcome and Outputs

Note 23A Net cost of Outcome Delivery

| | Outcome 1 | |
|--|---------------|---------------|
| | Seven Months | Twelve Months |
| | 2003-04 | 2002-03 |
| | \$'000 | \$'000 |
| Departmental expenses | 27 692 | 40 822 |
| Administered expenses | 23 275 | 28 388 |
| Total expenses | 50 967 | 69 210 |
| <i>Costs recovered from provision of goods and services to the non-government sector</i> | | |
| Departmental | 1 180 | 2 305 |
| Administered | 76 | 202 |
| Total costs recovered | 1 256 | 2 507 |
| Departmental | | |
| Interest on cash deposits | - | 125 |
| Revenue from disposal of assets | 12 | 67 |
| Other | 29 | 1 390 |
| Goods and Services from Related Entities | 3 952 | 514 |
| Total other external revenues | 3 993 | 2 096 |
| Net cost/(contribution) of Outcome | 45 718 | 64 607 |

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

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

Note 23 Reporting of Outcome and Outputs (continued)

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

| Outcome 1 | Output 1 | | Output 2 | | Total | |
|------------------------------------|---------------|---------------|--------------|---------------|---------------|---------------|
| | Seven Months | Twelve Months | Seven Months | Twelve Months | Seven Months | Twelve Months |
| | 2003-04 | 2002-03 | 2003-04 | 2002-03 | 2003-04 | 2002-03 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Departmental Expenses | | | | | | |
| Employees | 9 194 | 11 538 | 3 615 | 4 388 | 12 809 | 15 926 |
| Suppliers | 8 414 | 13 267 | 5 678 | 9 155 | 14 092 | 22 922 |
| Depreciation and amortisation | 529 | 1 061 | 176 | 387 | 705 | 1 448 |
| Other expenses | 62 | 206 | 24 | 230 | 86 | 526 |
| Total departmental expenses | 18 199 | 26 662 | 9 493 | 14 160 | 27 692 | 40 822 |
| Funded by: | | | | | | |
| Revenues from government | 16 233 | 26 406 | 6 286 | 10 401 | 22 519 | 36 807 |
| Sale of goods and services | 2 335 | 51 | 2 797 | 2 769 | 5 132 | 2 819 |
| Other operating revenue | 33 | 563 | 8 | 1 019 | 41 | 1 582 |
| Total departmental revenues | 18 601 | 27 020 | 9 091 | 14 189 | 27 692 | 41 208 |

FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the seven months ended 31 January 2004

Note 23 Reporting of Outcome and Outputs (continued)

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

| | Outcome 1 | |
|------------------------------------|-----------------------------------|------------------------------------|
| | Seven Months 2003-04 \$'000 | Twelve Months 2002-03 \$'000 |
| Administered Revenues | | |
| Other | 76 | 202 |
| Total administered revenues | 76 | 202 |
| Administered expenses | | |
| Depreciation and amortisation | 23 134 | 28 028 |
| Loss on sale of assets | 141 | 360 |
| Total Administered Expenses | 23 275 | 28 388 |

JHD's Outcome is described in Note 1.1.

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

FINANCIAL STATEMENTS



INDEPENDENT AUDIT REPORT

To the President of the Senate and the Speaker of the House of Representatives

Scope

The financial statements comprise:

- Statement by the Secretary;
- Statements of Financial Position, Financial Performance and Cash Flows;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

for the Department of the Parliamentary Library for the period ended 31 January 2004.

The Department's Secretary is responsible for the preparation and true and fair presentation of the financial statements in accordance with the Finance Minister's Orders. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

I have conducted an independent audit in order to express an opinion to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of the procedures, the audit was not designed to provide assurance on internal controls.

The audit did not involve an analysis of the prudence of business decisions made by the Secretary or management.

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FINANCIAL STATEMENTS

Procedures were performed to assess whether in all material respects the financial report presents fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Department's performance as represented by the statements of financial performance, financial position and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Secretary.

Independence

In conducting the audit, I have followed the independence requirements of the ANAO which incorporate Australian professional ethical pronouncements.

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and applicable Accounting Standards; and
- (ii) give a true and fair view, of the matters required by applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Department of the Parliamentary Library as at 31 January 2004, and its financial performance and cash flows for the period then ended.



Rebecca Reilly
Acting Executive Director

Delegate of the Auditor-General

Canberra
19 July 2004

FINANCIAL STATEMENTS

CERTIFICATION

In my opinion, the attached financial statements for the period ended 31 January 2004 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.



Hilary Penfold QC
Secretary

19 / 7 / 2004

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Financial Statements to 31 January 2004

DEPARTMENT OF THE PARLIAMENTARY LIBRARY
STATEMENT OF FINANCIAL PERFORMANCE
for the period ended 31 January 2004

| | Notes | 31/01/04 \$'000 | 2002-03 \$'000 |
|--|-------|--------------------|-------------------|
| Revenues from ordinary activities | | | |
| Revenues from government | 4A | 12,490 | 21,647 |
| Sale of goods and services | 4B | 5 | 7 |
| Revenue from sale of assets | 4C | 5 | 45 |
| Other | 4D | 243 | 38 |
| Total revenues from ordinary activities | | 12,752 | 21,737 |
| Expenses from ordinary activities | | | |
| Employees | 5A | 7,420 | 11,402 |
| Suppliers | 5B | 4,069 | 7,288 |
| Depreciation and amortisation | 5C | 1,153 | 2,253 |
| Correction of fundamental error | 6 | 1,065 | - |
| Value of assets sold | 4C | 56 | 337 |
| Write-down of assets | 5D | 41 | 144 |
| Other | 5E | 13 | 6 |
| Total expenses from ordinary activities | | 13,817 | 21,430 |
| Net surplus/(deficit) | | (1,065) | 307 |
| Net credit/(debit) to asset revaluation reserve | 10 | 432 | - |
| Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity | | 432 | - |
| Total changes in equity other than those resulting from transactions with owners as owners | | (633) | 307 |

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

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Financial Statements to 31 January 2004

DEPARTMENT OF THE PARLIAMENTARY LIBRARY
STATEMENT OF FINANCIAL POSITION

as at 31 January 2004

| | Notes | 31/01/04 \$'000 | 2002-03 \$'000 |
|---|-------|--------------------|-------------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash | 7A | 680 | 3,262 |
| Receivables | 7B | 1,908 | 77 |
| Total financial assets | | 2,588 | 3,339 |
| Non-financial assets | | | |
| Plant and equipment, library collection | 8A,8B | 8,242 | 8,623 |
| Intangibles | 8C | 1,248 | 843 |
| Other | 8E | 493 | 445 |
| Total non-financial assets | | 9,983 | 9,911 |
| TOTAL ASSETS | | 12,571 | 13,250 |
| LIABILITIES | | | |
| Provisions | | | |
| Employees | 9A | 4,467 | 4,398 |
| Total provisions | | 4,467 | 4,398 |
| Payables | | | |
| Suppliers | 9C | 19 | 134 |
| Total payables | | 19 | 134 |
| TOTAL LIABILITIES | | 4,486 | 4,532 |
| NET ASSETS | | 8,085 | 8,718 |
| EQUITY | | | |
| Parent entity interest | | | |
| Contributed equity | 10 | 77 | 77 |
| Reserves | 10 | 5,204 | 4,772 |
| Retained surpluses | 10 | 2,804 | 3,869 |
| TOTAL EQUITY | | 8,085 | 8,718 |
| Current assets | | 3,081 | 3,784 |
| Non-current assets | | 9,490 | 9,466 |
| Current liabilities | | 1,883 | 2,052 |
| Non-current liabilities | | 2,603 | 2,480 |

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

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Financial Statements to 31 January 2004

**DEPARTMENT OF THE PARLIAMENTARY LIBRARY
STATEMENT OF CASH FLOWS**

for the period ended 31 January 2004

| | Notes | 31/01/04 \$'000 | 2002-03 \$'000 |
|---|-------|--------------------|-------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Appropriations | | 8,200 | 17,522 |
| Sale of goods and services | | 5 | 49 |
| Interest | | - | 28 |
| GST received from ATO | | 366 | 496 |
| Total cash received | | 8,571 | 18,095 |
| Cash used | | | |
| Employees | | (7,213) | (11,222) |
| Suppliers | | (2,281) | (3,658) |
| Total cash used | | (9,494) | (14,880) |
| Net cash from/(used by) operating activities | 11 | (923) | 3,215 |
| INVESTING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from sales of plant and equipment | | 5 | 39 |
| Proceeds from maturity of term deposits | | - | 2,800 |
| Total cash received | | 5 | 2,839 |
| Cash used | | | |
| Purchase of plant and equipment, library collection | | (1,066) | (1,947) |
| Purchase of intangibles | | (598) | (301) |
| Total cash used | | (1,664) | (2,248) |
| Net cash from/(used by) investing activities | | (1,659) | 591 |
| FINANCING ACTIVITIES | | | |
| Cash used | | | |
| Capital use charge paid | | - | (862) |
| Return of contributed equity | | - | (13) |
| Net cash from/(used by) financing activities | | - | (875) |
| Net increase/(decrease) in cash held | | (2,582) | 2,931 |
| Cash at the beginning of the reporting period | | 3,262 | 331 |
| Cash at the end of the reporting period | 7A | 680 | 3,262 |

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

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Financial Statements to 31 January 2004

DEPARTMENT OF THE PARLIAMENTARY LIBRARY
SCHEDULE OF COMMITMENTS
as at 31 January 2004

| BY TYPE | 31/01/04 \$'000 | 30/06/03 \$'000 |
|---|--------------------|--------------------|
| Capital Commitments | | |
| Plant and equipment, library collection (1) | 753 | 201 |
| Total capital commitments | 753 | 201 |
| Other Commitments | | |
| Operating leases (2) | 11 | 21 |
| Other commitments (3) | 405 | 674 |
| Total other commitments | 416 | 695 |
| Commitments Receivable | 106 | 81 |
| Net commitments | 1,063 | 815 |
| BY MATURITY | | |
| Capital Commitments | | |
| One year or less | 753 | 201 |
| From one to five years | - | - |
| Over five years | - | - |
| Operating lease commitments | | |
| One year or less | 11 | 16 |
| From one to five years | - | 5 |
| Over five years | - | - |
| Other commitments | | |
| One year or less | 405 | 674 |
| From one to five years | - | - |
| Over five years | - | - |
| Commitments receivable | | |
| One year or less | 106 | 81 |
| Net commitments by maturity | 1,063 | 815 |

N.B. Commitments are GST inclusive where relevant. GST recoveries in relation to the commitments are shown as commitments receivable.

(1) Plant and equipment commitments are primarily orders for purchases of furniture & fittings and IT equipment.

(2) Operating leases included are effectively non-cancellable and comprise agreements for the provision of motor vehicles to a) a senior executive officer and b) a general vehicle for administrative use. No contingent rentals exist, and there are no renewal or purchase options available to the Department.

(3) Other commitments include purchase orders raised and yet to be filled as at 31 January 2004.

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

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Financial Statements to 31 January 2004

**DEPARTMENT OF THE PARLIAMENTARY LIBRARY
SCHEDULE OF CONTINGENCIES**

as at 31 January 2004

| | 31/01/04 \$'000 | 30/06/03 \$'000 |
|---------------------------------|--------------------|--------------------|
| CONTINGENT LOSSES | | |
| Claims for damages/costs | — | — |
| CONTINGENT GAINS | | |
| Claims for damages/costs | — | — |
| <i>Net contingencies</i> | — | — |

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

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

DEPARTMENT OF THE PARLIAMENTARY LIBRARY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the period ending 31 January 2004

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FINANCIAL STATEMENTS

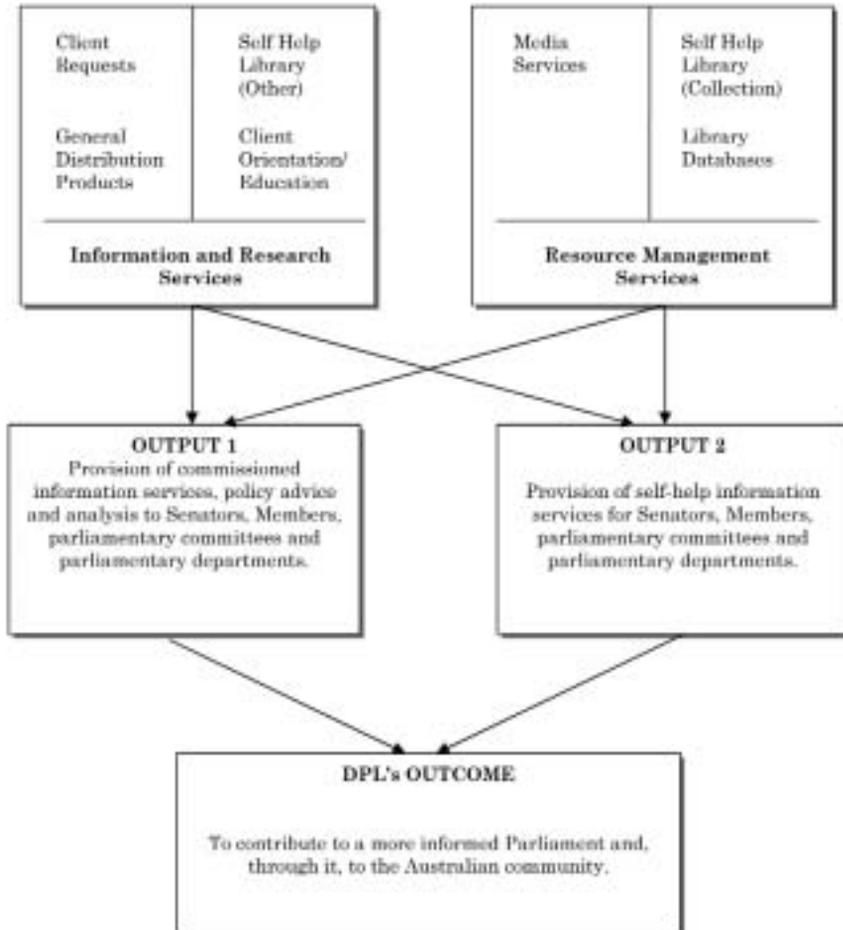
Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

DEPARTMENT OF THE PARLIAMENTARY LIBRARY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2004

NOTE 1 DEPARTMENTAL STRUCTURE AND OBJECTIVES

Appropriations are received on an outcome and outputs basis, whereas output activities are provided and managed on a program basis as shown below.



DPL

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Vision

The Department's vision is to be the leading resource for the Australian Parliament for information, analysis and advice.

Mission

The Department's mission is to support the parliamentary process by providing Senators and Members with quality information services, analysis and advice.

Values

The Department's values include:

Personal

- Professionalism;
- confidentiality;
- impartiality; and
- integrity.

Organisational

- excellence in service;
- continuous improvement;
- cost-effectiveness; and
- mutual support.

Corporate objectives

The Department's key corporate objectives include:

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

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of accounting*

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

The statements have been prepared in accordance with:

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

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

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

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

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

The Department ceases to exist in its present form as at 31 January 2004. Its present programs will be taken over by the Department of Parliamentary Services (DPS) and unused appropriation funding will be transferred to DPS (see Note 22).

(b) *Changes in accounting policy*

The accounting policies used in the preparation of these financial statements are consistent with those used in 2002-03.

(c) *Comparative figures*

2002-2003 comparative figures disclosed in these financial statements are for the full 12 months 1 July 2002 – 30 June 2003.

(d) *Rounding*

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

- act of grace payments and waivers;
- remuneration of executives;
- remuneration of auditors; and
- appropriation note disclosures.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

(e) *Agency and administered items*

Agency (ie-departmental) assets, liabilities, revenues and expenses are those items that are financially controlled by the Department. They are used by the Department in producing its outputs, including:

- property, plant and equipment used in providing goods and services;
- liabilities for employee entitlements;
- revenues from appropriations and from user charging where the proceeds are deemed appropriated under section 31 of the *Financial Management and Accountability Act 1997*; and
- employee, supplier and depreciation expenses incurred in producing the Department's outputs.

Administered items are those items that are controlled by the Commonwealth and managed in a fiduciary capacity by the Department.

The Department does not have any administered functions.

(f) *Reporting by outcomes*

DPL has only one outcome. A comparison of budget and actual figures by outputs, and an outline of the output costing methodology, is presented in Note 20.

(g) *Revenues from government*

Departmental outputs appropriations for the year (less any savings offered up in Portfolio Additional Estimates Statement) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

(h) *Other revenue*

Revenue from the sale of goods and services is recognised upon their delivery to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

(i) *Transactions with the Commonwealth as Owner*

Equity injections

From 1 July 2002 amounts of appropriations designated as equity injections are recognised directly in Contributed Equity as at 1 July or later date of effect of the appropriation.

The Department has not had any such injections since 1 July 2002.

Capital Usage Charge

In previous years a capital usage charge was imposed by the Commonwealth on the net assets of the Department. The charge was adjusted to take account of asset gifts and revaluation increments during the financial year. The charge was accounted for in the statements as a dividend to Government.

In accordance with the recommendations of a review of Budget Estimates and Framework, the Government decided that the charge would not operate after 30 June 2003. As 2002-2003 was the final year that the charge operated, it was set for that year at a level that ensured Budget neutrality.

Return of contributed equity

In 2002-2003 the Department returned \$13,000 to the Official Public Account. The \$13,000 represented interest that the Department was not able to retain, given the cessation of the Agency Banking Incentive Scheme. It was accounted for in accordance with Finance Brief 16 'Accounting for Returns of Cash to the official Public Account'.

(j) *Taxation*

The Department's activities in the seven months to 31 January 2004 were exempt from all forms of taxation except for fringe benefits tax, the goods and services tax, superannuation guarantee levy and import duties.

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

(k) *Insurance*

The Department has insured for risks through the Commonwealth's insurable risk managed fund, called 'Comecover'. Workers compensation is insured through Comcare Australia. The Department carries no other insurance, apart from ad hoc travel insurance for official travel overseas, and, in accordance with Commonwealth policy, losses are expensed as they are incurred.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

(l) *Leases*

A distinction is made between finance leases (which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets) and operating leases (under which the lessor effectively retains substantially all such risks and benefits). The Department has not financed any purchases with a finance lease.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets.

(m) *Cash*

Cash means notes and coins held and any deposits held at call with a bank or financial institution.

(n) *Term Deposit*

Term Deposit means investments held at market rates with the Reserve Bank of Australia.

(o) *Financial instruments*

Accounting policies for financial instruments are stated at Note 21.

(p) *Receivables*

A provision is raised if necessary for any doubtful debts based on a review of all outstanding accounts as at 31 January 2004. Bad debts are written off in the period they are identified.

(q) *Property, plant and equipment*

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than the threshold limits, which are expensed in the year of acquisition (other than where they form part of a group of similar items which, when taken as a group, have a material cost). Threshold limits applied are shown in the tables included later in this Note 2(q). All monographs added to the collection are capitalised regardless of their individual value as they are regarded as part of a group of similar items significant in total.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

The following assets, not individually over the asset threshold, are considered material as a group because the group cost is \$20,000 or more:

Chairs; desks; work stations; filing cabinets; computer monitors; bookcases; mobile storage units; and tables.

These groups have been capitalised.

Valuation policy

Plant and equipment and the library collection are carried at valuation, other than for asset purchases since the last revaluation (carried at cost until the next revaluation). Revaluations undertaken up to 30 June 2002 were done on a deprival basis. Revaluations since that date are at fair value with the first revaluation of the library collection to fair value as at 1 January 2004. This change in accounting policy is required by Australian Accounting Standard AASB 1041 *Revaluation of Non-Current Assets*.

The financial effect for the seven months to 31 January 2004 of this change in accounting policy relates to those assets to be recognised at fair value at 31 January 2004. The financial effect of the change was the difference between the carrying amount of the library collection at 31 December 2003 and its fair value at 1 January 2004. The effect was to increase the carrying value of the library collection and asset revaluation reserve by \$432,813.

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

| Asset class | Fair value measured at: | Deprival value measured at: |
|--------------------|---|------------------------------------|
| Plant & equipment | | Depreciated replacement cost |
| Library collection | Market selling price and Depreciated replacement cost | |

Under both deprival and fair value, assets which are surplus to requirements are measured at their net realisable value. At 31 January 2004 the Department had no assets in this situation (2003:Nil).

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Revaluations are being undertaken progressively. The library collection was revalued at 1 January 2004 by the Australian Valuation Office (AVO) using the fair value method.

All plant & equipment was revalued at officer's valuation as at 30 June 2002, with assistance from the AVO, using the deprival method. The next revaluation of plant & equipment using the fair value method is scheduled in 2004-2005. The Department has no reason to believe that reference to fair value would yield significantly different disclosures compared to deprival value at 31 January 2004.

Depreciation/amortisation policy

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. DPL uses the straight-line method of depreciation/amortisation.

Depreciation/amortisation is provided for monthly, using rates and methods that are reviewed annually. Residual values are normally estimated at zero.

Depreciation/amortisation periods are:

| Asset type | No. of years depreciated/ amortised | Capitalisation threshold \$ |
|---------------------------------------|--|--|
| Computing, plant and office equipment | 3-20 | 1,000* |
| Furniture and fittings | 10-30 | 1,000* |
| Library collection | 3-30 | 1 |

* Subject to the grouping policy detailed above.

Intangibles

The Department's intangible assets comprise internally developed software and software which has been purchased. These assets are carried at cost. Actual costs, including salary and related direct costs of DPL staff, have been included in the total cost of internally developed software and enhancements.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

All software assets have been assessed for impairment at 31 January 2004 and none have been found to be impaired.

Depreciation/amortisation periods are:

| Asset type | No. of years depreciated/ amortised | Capitalisation threshold \$ |
|--------------------|--|--|
| Mainframe software | 5 | 20,000 if internally developed; 1,000 if externally acquired |
| PC-based software | 3 | As above |

The aggregate amount of depreciation/amortisation allocated for each class of asset during the reporting period is disclosed in note 5C.

(r) *Employee benefits*

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

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

For the provision for long service leave, this measurement has been made using the shorthand methodology provided by the Australian Government Actuary.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees as at 31 January 2004. In determining the present value of the liability, the Department has taken into account attrition rates and pay increases through promotion and inflation.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Liabilities for annual leave and long service leave take into account both the value of the leave salary and associated employer superannuation contributions (to the extent that leave is likely to be taken during service rather than paid out on termination).

In accordance with Accounting Standard AASB 1028 *Employee Benefits*, a liability for employee benefits in the form of compensated absences is recognised in accrued salaries as at 31 January 2004. These compensated absences arise when employees render service that entitles them to future compensated absences in accordance with the Department's *Certified Agreement 2002-2005*.

Staff of the Department are mainly members of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The liability for those superannuation benefits is recognised in the financial statements of the Commonwealth and is settled by the Commonwealth in due course.

For those schemes, the Department makes employer contributions to the Commonwealth at rates determined by an actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of the Department's employees.

For staff who are members of the Australian Government Employees Superannuation Trust, the Department's employer contributions are in accordance with prescribed amounts under superannuation guarantee legislation.

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

(s) *Foreign currency*

Foreign currency transactions occurring during the year were converted to Australian dollars at the rates of exchange prevailing at the date of each transaction. Where foreign currency transactions have been included in the calculation of accrued expenditure as at 31 January 2004, exchange rates at balance date were used to convert the amounts into Australian dollars. Associated currency gains and losses are not material.

(t) *Resources received free of charge*

Material resources received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of these resources is recognised as an expense.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

(u) *Trust moneys and special accounts*

The Comcare Trust Account operates principally for the purpose of receiving from COMCARE amounts payable to employees under a determination pursuant to the *Safety, Rehabilitation and Compensation Act 1988*. Until a determination is made by COMCARE, the Department makes payments in the nature of salary to the employee. Funds received from COMCARE are deposited into an administered (COMCARE) receipts account as special public monies. Upon receiving a determination, the funds are transferred through an administered (COMCARE) payments account to the Department to reimburse it for the expenditure incurred.

The Department has two special accounts: 'Services for Other Government and Non-Agency Bodies' and 'Other Trust Moneys'.

Further details on the trust account and special accounts are disclosed in Note 13.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 3 EVENTS OCCURRING AFTER BALANCE DATE

Apart from the matter outlined at Note 22, no events occurred after balance date that required an adjustment to or disclosure in the financial statements.

NOTE 4 OPERATING REVENUES

| | 31/01/04 \$'000 | 2002-03 \$'000 |
|---|--------------------|-------------------|
| Note 4A - Revenues from Government | | |
| Appropriations for outputs | 10,071 | 17,522 |
| Resources received free of charge | 2,428 | 4,125 |
| Total | <u>12,499</u> | <u>21,647</u> |

Note 4B – Sale of Goods and Services

| | | |
|--|----------|----------|
| Goods and services | <u>5</u> | <u>7</u> |
| Goods and services were sold as follows: | | |
| Related entities (Commonwealth Government) | 1 | 1 |
| External entities | <u>4</u> | <u>6</u> |
| Total | <u>5</u> | <u>7</u> |

Note 4C – Net Gains/(Losses) from Disposal of Assets

| | | |
|------------------------------|-------------|--------------|
| Plant & Equipment | | |
| Proceeds from disposal | 5 | 45 |
| Less: | | |
| Net book value at disposal | (5) | (158) |
| Expenses from sale | (1) | (9) |
| Net gain/(loss) | <u>(1)</u> | <u>(122)</u> |
| Collection | | |
| Proceeds from disposal | - | - |
| Less: | | |
| Net book value at disposal | (50) | (170) |
| Net gain/(loss) | <u>(50)</u> | <u>(170)</u> |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

| | 31/01/04 | 2002-03 |
|--|-------------|--------------|
| | \$'000 | \$'000 |
| Note 4C continued | | |
| Plant & Equipment, Collection | | |
| Total proceeds from disposal | 5 | 45 |
| Less: | | |
| Total value of assets disposed | (55) | (328) |
| Total expenses from sale | (1) | (9) |
| Total net gain/(loss) from disposal of assets | <u>(51)</u> | <u>(292)</u> |
| | | |
| Note 4D - Other | | |
| Grouped assets brought to account | - | 38 |
| Collection adjustments | 243 | - |
| Total Other | <u>243</u> | <u>38</u> |

Collection adjustments include a regular re-assessment of the provision for future stocktakes (see Note 8B).

NOTE 5 OPERATING EXPENSES

Note 5A - Employee Expenses

| | | |
|--|--------------|---------------|
| Wages and salaries | 5,176 | 7,961 |
| Superannuation | 1,049 | 1,508 |
| Leave and other entitlements | 694 | 1,247 |
| Separations and redundancies | 240 | 238 |
| Other employee related expenses | 223 | 364 |
| Total employee benefits expense | <u>7,382</u> | <u>11,318</u> |
| Workers compensation premiums | 38 | 84 |
| Total | <u>7,420</u> | <u>11,402</u> |

Note 5B - Supplier Expenses

| | | |
|---------------------------------|--------------|--------------|
| Goods from related entities | 54 | 61 |
| Goods from external entities | 526 | 983 |
| Services from related entities | 2,687 | 5,017 |
| Services from external entities | 794 | 1,213 |
| Operating lease rentals | 8 | 14 |
| Total | <u>4,069</u> | <u>7,288</u> |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

| | 31/01/04 | 2002-03 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Note 5C - Depreciation and Amortisation | | |
| Depreciation of plant and equipment | 489 | 837 |
| Depreciation of library collection | 471 | 1,025 |
| Amortisation of intangibles | 193 | 391 |
| Total | <u>1,153</u> | <u>2,253</u> |
| | | |
| Note 5D - Write down of assets | | |
| Provision for collection losses expense | - | 144 |
| Stocktake Writedowns | 41 | - |
| Total | <u>41</u> | <u>144</u> |
| | | |
| Note 5E - Other | | |
| Interest | - | 5 |
| Net foreign exchange losses | 13 | 1 |
| Total | <u>13</u> | <u>6</u> |

NOTE 6 FUNDAMENTAL ERROR IN LIBRARY COLLECTION

During the current period, it was determined that the large majority of salary costs that had been capitalised in the library collection as General Development Products in the current and prior years did not meet the recognition criteria and characteristics of an asset in accordance with Accounting Standards. This error had the effect of overstating the non-financial assets: library collection by \$1,065,050 as at 30 June 2003 and net surplus from ordinary activities by \$431,000 for the year ended 30 June 2003 and by \$634,000 for the year ended 30 June 2002. Restated financial information for the 31 January 2004, 30 June 2003 and 30 June 2002 reporting periods is presented below and reflects the adjustments to the prior years' salary and depreciation expense as if the error had not been made.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

| <i>Note 6 continued</i> | 31/01/04 | 2002-03 | 2001-02 |
|---|---------------------|--------------------|--------------------|
| Restated Statement of Financial Performance | \$000 | \$000 | \$000 |
| Total revenues from ordinary activities | 12,752 | 21,737 | 21,895 |
| Expenses from ordinary activities | | | |
| Employees | 7,420 | 12,117 | 11,293 |
| Suppliers | 4,069 | 7,288 | 7,305 |
| Depreciation and amortisation | 1,153 | 1,969 | 1,839 |
| Value of assets sold | 56 | 337 | - |
| Write-down of assets | 41 | 144 | 40 |
| Other | 13 | 6 | - |
| Total expenses from ordinary activities | <u>12,752</u> | <u>21,861</u> | <u>20,477</u> |
| Net surplus/(deficit) | <u>-</u> | <u>(124)</u> | <u>1,418</u> |
| Restatement of Accumulated Results | 31/01/04 | 2002-03 | 2001-02 |
| | \$000 | \$000 | \$000 |
| Previously reported results at the end of the previous reporting period | 3,869 | 4,397 | 3,360 |
| Correction of fundamental error | (1,065) | (634) | - |
| Restated accumulated results at the beginning of the reporting period | 2,804 | 3,763 | 3,360 |
| Net surplus/(deficit) | - | (124) | 1,418 |
| Capital use charge | - | (835) | (1,015) |
| Restated accumulated results at the reporting date | <u>2,804</u> | <u>2,804</u> | <u>3,763</u> |
| Restated Statement of Financial Position | 31/01/04 | 2002-03 | 2001-02 |
| | \$000 | \$000 | \$000 |
| Assets | | | |
| Total financial assets | 2,588 | 3,339 | 3,339 |
| Total non-financial assets (as restated) | 9,983 | 8,846 | 9,591 |
| Total Assets | <u>12,571</u> | <u>12,185</u> | <u>12,930</u> |
| Liabilities | <u>4,486</u> | <u>4,532</u> | <u>4,305</u> |
| Net Assets | <u>8,085</u> | <u>7,653</u> | <u>8,625</u> |
| Equity | | | |
| Contributed equity | 77 | 77 | 90 |
| Reserves | 5,204 | 4,772 | 4,772 |
| Retained surpluses (as restated) | 2,804 | 2,804 | 3,763 |
| Total Equity | <u>8,085</u> | <u>7,653</u> | <u>8,625</u> |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 7 FINANCIAL ASSETS

| | | |
|--------------------------------|----------------|----------------|
| Note 7A – Cash | 31/1/04 | 30/6/03 |
| Cash on hand | - | 2 |
| Cash at bank | 680 | 3,260 |
| Total Cash | 680 | 3,262 |
| Note 7B - Receivables | | |
| GST receivable | 36 | 76 |
| Goods and services | 1 | 1 |
| Appropriation receivable | 1,871 | - |
| Total Receivables (net) | 1,908 | 77 |

Receivables (gross) which are overdue are aged as follows:

| | | |
|----------------------------------|----------------|-----------------|
| | 31/1/04 | 30/06/03 |
| | \$'000 | \$'000 |
| Current | 1,908 | 77 |
| Overdue by: | | |
| Less than 30 days | - | - |
| 30 to 60 days | - | - |
| 60 to 90 days | - | - |
| more than 90 days | - | - |
| Total receivables (gross) | 1,908 | 77 |

All receivables are current assets.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 8 NON-FINANCIAL ASSETS

| Note 8A - Plant and Equipment | 31/01/04 \$'000 | 30/06/03 \$'000 |
|---|----------------------------|----------------------------|
| Computing, plant and office equipment – at 2002 valuation | 2,365 | 2,611 |
| Less accumulated depreciation | (1,583) | (1,461) |
| Carrying amount | 782 | 1,150 |
| Computing, plant and office equipment – at cost | 432 | 303 |
| Less accumulated depreciation | (157) | (35) |
| Carrying amount | <u>275</u> | <u>268</u> |
| Furniture and fittings – at 2002 valuation | 2,005 | 2,009 |
| Less accumulated depreciation | (1,057) | (1,004) |
| Carrying amount | <u>948</u> | <u>1,005</u> |
| Furniture and fittings – at cost | 88 | 68 |
| Less accumulated depreciation | (5) | (3) |
| Carrying amount | <u>83</u> | <u>65</u> |
| Assets under construction – at cost | 447 | 5 |
| Plant and Equipment | <u>2,535</u> | <u>2,493</u> |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

| Note 8B - Library Collection | 31/01/04 | 30/06/03 |
|--|-----------------|-----------------|
| | \$'000 | \$'000 |
| Library collection - at 2004 valuation | 5,665 | 7,482 |
| Less accumulated depreciation | <u>(67)</u> | <u>(3,500)</u> |
| Carrying amount | 5,598 | 3,982 |
| Library collection - at cost | 287 | 2,828 |
| Less accumulated depreciation | <u>(109)</u> | <u>(469)</u> |
| Carrying amount | 178 | 2,359 |
| | | |
| Total | <u>5,776</u> | <u>6,341</u> |
| Less provision for future stocktakes | <u>(69)</u> | <u>(211)</u> |
| Library Collection | <u>5,707</u> | <u>6,130</u> |
| | | |
| Total Plant & Equipment, Library Collection | <u>8,242</u> | <u>8,623</u> |
| | | |
| Note 8C - Intangibles | | |
| Software - at cost | 2,777 | 2,589 |
| Less accumulated amortisation | <u>(1,977)</u> | <u>(1,784)</u> |
| Carrying amount | 800 | 805 |
| Software under development – at cost | <u>448</u> | <u>38</u> |
| Total Intangibles | <u>1,248</u> | <u>843</u> |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Note 8D - Analysis of Plant and Equipment, Library Collection and Intangibles

| Table A – Reconciliation of opening and closing balances for all assets | Plant and equipment \$'000 | Library Collection \$'000 | Intangibles \$'000 | Total \$'000 |
|--|---------------------------------------|--------------------------------------|-------------------------------|-------------------------|
| As at 1 July 2003 | | | | |
| Gross book value | 4,996 | 10,310 | 2,627 | 17,933 |
| Accumulated dep'n, amortisation | (2,503) | (3,969) | (1,784) | (8,256) |
| Provision for future stocktakes | - | (211) | - | (211) |
| Net book value | 2,493 | 6,130 | 843 | 9,466 |
| Additions | 538 | 528 | 598 | 1,664 |
| Dep'n, amortisation expense | (489) | (471) | (193) | (1,153) |
| Disposals | (7) | (49) | - | (56) |
| Write off of assets | - | (41) | - | (41) |
| Collection adjustments | - | 101 | - | 101 |
| Revaluation of Assets | - | 432 | - | 432 |
| Provision Adjustments | - | 142 | - | 142 |
| GDP's written off at 1 July 2003 | - | (1,065) | - | (1,065) |
| As at 31 January 2004 | | | | |
| Gross book value | 5,337 | 5,952 | 3,225 | 14,514 |
| Accumulated dep'n, amortisation | (2,802) | (176) | (1,977) | (4,955) |
| Provision for future stocktakes | - | (69) | - | (69) |
| Net book value | 2,535 | 5,707 | 1,248 | 9,490 |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Note 8D - Analysis of plant and equipment, library collection and intangibles – continued.

| Table B – Assets at valuation | Plant and equipment | Library collection | Intangibles | Total |
|---------------------------------------|--------------------------------|-------------------------------|--------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 31 January 2004 | | | | |
| Gross value | 4,370 | 5,665 | - | 10,035 |
| Accumulated depreciation/amortisation | (2,640) | (67) | - | (2,707) |
| Net book value | 1,730 | 5,598 | - | 7,328 |
| As at 30 June 2003 | | | | |
| Gross value | 4,620 | 7,482 | - | 12,102 |
| Accumulated depreciation/amortisation | (2,465) | (3,500) | - | (5,965) |
| Net book value | 2,155 | 3,982 | - | 6,137 |

| Table C – Assets under construction, software under development | Plant and equipment | Library collection | Intangibles | Total |
|--|--------------------------------|-------------------------------|--------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Gross value as at 31 January 2004 | 447 | - | 448 | 895 |
| Gross value as at 30 June 2003 | 5 | - | 38 | 43 |

| | 31/01/04 \$'000 | 30/06/03 \$'000 |
|---|----------------------------|----------------------------|
| Note 8E – Other Non-Financial Assets | | |
| Prepayments | <u>493</u> | <u>445</u> |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 9 PROVISIONS AND PAYABLES

| | 31/01/04 \$'000 | 30/06/03 \$'000 |
|---|--------------------|--------------------|
| Note 9A - Employee Provisions | | |
| Salaries | 150 | 361 |
| Separations & redundancies | 226 | 37 |
| Annual leave | 1,109 | 1,127 |
| Long service leave | 2,982 | 2,873 |
| Aggregate Employee Entitlement Liability | <u>4,467</u> | <u>4,398</u> |
| Current | 1,864 | 1,918 |
| Non-current | <u>2,603</u> | <u>2,480</u> |
| | <u>4,467</u> | <u>4,398</u> |
| Note 9B - Capital use charge (CUC) provision | | |
| Balance owing 1 July | - | 27 |
| CUC provided during the year | - | 835 |
| CUC paid | - | (862) |
| Balance owing at end of period | <u>-</u> | <u>-</u> |
| Note 9C - Payables | | |
| Trade creditors | - | 81 |
| Accrued expenses | <u>19</u> | <u>53</u> |
| | <u>19</u> | <u>134</u> |

All payables are current liabilities.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 10 EQUITY
Analysis of Equity

| Item | Accumulated Results | | Asset Revaluation Reserves | | Contributed Equity | | TOTAL EQUITY | |
|---|---------------------|--------------------|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 31/01/04 \$'000 | 30/06/03 \$'000 | 31/01/04 \$'000 | 30/06/03 \$'000 | 31/01/04 \$'000 | 30/06/03 \$'000 | 31/01/04 \$'000 | 30/06/03 \$'000 |
| Opening balance as at 1 July | 3,869 | 4,397 | 4,772 | 4,772 | 77 | 90 | 8,718 | 9,259 |
| Net surplus/deficit | (1,065) | 307 | - | - | - | - | (1,065) | 307 |
| Net revaluation increment/ (decrement) | - | - | 432 | - | - | - | 432 | - |
| Transactions with owner: | | | | | | | | |
| Returns on Capital | | | | | | | | |
| - Capital use charge (CUC) | - | (835) | - | - | - | - | - | (835) |
| Returns of Capital | | | | | | | | |
| - Return of contributed equity (cessation of Agency Banking Incentive Scheme) | - | - | - | - | - | (13) | - | (13) |
| Closing balance as at 31 January 2004/30 June 2003 | 2,804 | 3,869 | 5,204 | 4,772 | 77 | 77 | 8,085 | 8,718 |
| Total equity attributable to the Commonwealth | 2,804 | 3,869 | 5,204 | 4,772 | 77 | 77 | 8,085 | 8,718 |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 11 CASH FLOW RECONCILIATION

| Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows | 7 Months ended 31/1/04 \$'000 | 12 Months ended 2002-03 \$'000 |
|---|--|---|
| Cash at year end per Statement of Cash Flows | 680 | 3,262 |
| Statement of Financial Position | 680 | 3,262 |
| Reconciliation of net cost of services to net cash provided by operating activities: | | |
| Net surplus (deficit) | (1,065) | 307 |
| Depreciation / Amortisation | 1,153 | 2,253 |
| Net loss on disposal of assets (incl s.31 receipts) | 51 | 292 |
| Write down of assets | 41 | 144 |
| Grouped assets brought to account | 0 | (38) |
| Reduction Collection Write down Provision | (242) | - |
| Decrease / (Increase) in receivables | (1831) | 131 |
| Decrease / (Increase) in prepayments | (48) | (125) |
| Increase / (Decrease) in employee liabilities | 69 | 235 |
| Increase / (Decrease) in supplier payables | (116) | 16 |
| Fundamental error expensed | 1065 | - |
| Net cash from/(used by) by operating activities | (923) | 3,215 |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 12 DEPARTMENTAL APPROPRIATION

Cash Basis Acquittal of Appropriations from Act 1

| | Total |
|---|-------------------|
| | \$ |
| 7 months ended 31 January 2004 | |
| Balance carried from previous year | 3,330,387 |
| Appropriation (Parliamentary Departments) Act | 17,387,000 |
| Less Appropriation Revenue to be recognised in the Department of Parliamentary Services (Section 54B of the <i>Parliamentary Service Act 1999</i>) | 7,315,579 |
| Appropriation Revenue recognised in DPL | <u>10,071,421</u> |
| Annotations to 'net appropriations' (FMA s.31) | 10,765 |
| GST credits (FMA s.30A) | 341,329 |
| Available for payments | <u>13,753,902</u> |
| Payments during the 7 months | <u>11,166,777</u> |
| Balance carried forward to next period | <u>2,587,125</u> |
| Represented by: | |
| Cash | 679,800 |
| Accrued revenue | 1,871,421 |
| Net GST receivables | 35,904 |
| Payables – trade creditors GST portion | - |
| | <u>2,587,125</u> |
| Year ended 30 June 2003 | |
| Balance carried from previous year | 3,130,788 |
| Appropriation (Parliamentary Departments) Act | 17,522,000 |
| Annotations to 'net appropriations' (FMA s.31) | 116,098 |
| GST credits (FMA s.30A) | <u>600,069</u> |
| Available for payments | 21,368,955 |
| Payments during the year | <u>18,038,568</u> |
| Balance carried forward to next year | <u>3,330,387</u> |
| Represented by: | |
| Cash | 3,262,000 |
| Net GST receivables | 76,258 |
| Payables – trade creditors GST portion | <u>(7,871)</u> |
| | 3,330,387 |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 13 TRUST MONEYS AND SPECIAL ACCOUNTS

a) *Comcare Trust Account*

Purpose – Moneys held in trust and advanced to DPL by Comcare for the purpose of distributing compensation payments made in accordance with *the Safety, Rehabilitation and Compensation Act 1998*.

The following table shows the composition of the Trust Account balance at the end of the period:

| | 31/01/04 | 2002-03 |
|--|----------|---------|
| | \$ | \$ |
| Balance carried forward from previous year | 3,506 | 21,580 |
| - receipts during the year | 110 | 11,833 |
| - available for payment | 3,616 | 33,413 |
| - payments made during the year | 3,616 | 29,907 |
| Balance carried forward to next year | - | 3,506 |

b) *Services for Other Governments and Non-Agency Bodies Special Account*

This account was established for expenditure in connection with services performed on behalf of other Governments and bodies that are not agencies under the *Financial Management & Accountability Act 1997*. For the periods ended 31 January 2004 and 30 June 2003, this special account had a \$Nil balance and there were no transactions debited or credited.

c) *Other Trust Moneys Special Account*

This account was established for expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. For the periods ended 31 January 2004 and 30 June 2003, this special account had a \$Nil balance and there were no transactions debited or credited.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 14 EXECUTIVE REMUNERATION

| | To 31/01/04 | 2002-03 |
|---|------------------------|-----------|
| The number of senior executive officials whose total remuneration exceeds \$100,000: | Number | Number |
| \$140,000 to \$149,999 | - | 1 |
| \$160,000 to \$169,999 | - | 1 |
| \$250,000 to \$259,999 | 1 | - |
| The aggregate amount of remuneration for senior executive officials shown above (including the aggregate amount allowed during the period for separation and redundancy payments) | \$252,544 | \$311,363 |
| The aggregate amount of separation and redundancy/termination payments during the period to executive officials included in above | \$152,000 | |

No performance pay was paid or payable during the year.

The above figures include employer superannuation contributions paid by the Department to Comsuper at an actuarially determined average rate set for all DPL staff. Remuneration actually received from the Commonwealth by individual senior executive officials may differ significantly from the average payments made.

The Department also reimburses the Department of the Parliamentary Reporting Staff 25% of the cost of its joint department head.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 15 COLLECTION DEVELOPMENT EXPENDITURE

As the annual expenditure for purposes of information resources development is a significant proportion of the Department's total supplier expenses, more detailed disclosure of this item is below:

| Class of purchase | 7 Months ended 31/1/04 \$'000 | 12 Months ended 30/6/03 \$'000 |
|--|--|---|
| Expensed: | | |
| Serials | 459 | 740 |
| External databases | 154 | 338 |
| News services | 159 | 75 |
| Other information resources | 47 | 82 |
| Capitalised: | | |
| Reference serials | 254 | 265 |
| Monographs | 148 | 368 |
| General distribution products for Senators and Members | | 936 |
| | <u>1,221</u> | <u>2,804</u> |

The library collection depreciation expense is at Note 8D.

NOTE 16 SERVICES PROVIDED BY AUDITORS**a) External Audit Services**

The fair value of services provided by the Auditor-General for the financial statement audit for the seven months to 31 January 2004 was \$57,000 (\$55,000 for the 2002-2003 financial statement audit).

These services were provided free of charge. No other services were provided to the Department by the Auditor-General.

b) Internal Audit Services

Internal audit services are provided by Deloitte Touche Tohmatsu. For the seven months to 31 January 2004 they were paid \$13,400 for those services (2002-2003: \$47,163). No other services were provided by Deloitte Touche Tohmatsu.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 17 MATERIAL RESOURCES RECEIVED FREE OF CHARGE

During the financial period ending 31 January 2004, a number of Commonwealth departments and agencies provided services to the Department without charge. Expenditure for these services was met from those departments' appropriations.

In determining the cost of resources provided to, or received from, other Commonwealth departments and agencies free of charge, provision has been made for the costs directly related to the institution of Parliament, Senators and Members to be deducted from actual costs. The material services received were as follows:

| | Value Provided 31/01/04 \$000 | Value Provided 2002-03 \$000 |
|---|--|---------------------------------------|
| Australian National Audit Office (Note 16) | | |
| Auditing services | 57 | 55 |
| Department of the Senate | | |
| Copies of Bills, Notice Papers, Journals, and Parliamentary papers | 10 | 16 |
| The provision of security services | 100 | 171 |
| Department of the House of Representatives | | |
| Copies of Bills, Notice Papers, Votes and Proceedings and Parliamentary papers | 4 | 8 |
| The provision of security services | 73 | 125 |
| Department of the Parliamentary Reporting Staff | | |
| The supply of Hansard and transcription services | 15 | 36 |
| Provision, maintenance and training in computer, sound and vision systems | 941 | 1,613 |
| Telephone and Telecommunication services | 235 | 389 |
| Joint House Department | | |
| The provision of office accommodation Engineering Services and Capital works | 963 | 1,651 |
| National Library of Australia | | |
| The provision of original and photocopied documentary material | 30 | 61 |
| | 2,428 | 4,125 |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 18 ACT OF GRACE PAYMENTS, WAIVERS AND WRITE-OFFS

No 'Act of Grace' payments were made during the reporting period. (2003: No payments made.)

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*. (2003: No waivers made.)

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 37A of the *Fauna and Flora Act 1985*. (2003: No waivers made.)

No payments were made under the 'Defective Administration Scheme' during the reporting period. (2003: No payments made.)

NOTE 19 AVERAGE STAFFING LEVELS

Average staffing levels by program and in total during the year were as follows:

| | 31/01/04 | 2002-03 |
|--|------------|------------|
| Program 1: Information and Research Services | 101 | 103 |
| Program 2: Resource Management Services | <u>62</u> | <u>66</u> |
| Total | <u>163</u> | <u>169</u> |

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Notes to and forming part of the Financial Statements

Note 20 REPORTING OF OUTCOMES

The Department's costings are 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 staff members spend their time. Overhead costs are allocated to services based on the most appropriate driver of those costs.

Note 20A - Net Cost of Outcome Delivery

| | Outcome 1 | |
|---------------------------------------|------------------------------|-----------------------------|
| | Actual 31/01/04 \$'000 | Actual 2002/03 \$'000 |
| Departmental expenses | 13,817 | 21,430 |
| Other external Departmental revenues | 5 | 7 |
| - Sale of publications, subscriptions | 5 | 45 |
| - Revenue from disposal of assets | 243 | 38 |
| - Other | | |
| Net cost of Budget outcome | 13,564 | 21,340 |

Note 20B - Major Departmental Revenues and Expenses by Output

| | Output 1 | | Output 2 | | Total | |
|------------------------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| | 31/01/04 \$'000 | 2002/03 \$'000 | 31/01/04 \$'000 | 2002/03 \$'000 | 31/01/04 \$'000 | 2002/03 \$'000 |
| Departmental expenses: | | | | | | |
| Employees | 5,328 | 8,551 | 4,092 | 2,851 | 7,420 | 11,402 |
| Suppliers | 2,922 | 5,400 | 1,147 | 1,822 | 4,069 | 7,288 |
| Depreciation and amortisation | 828 | 1,690 | 325 | 683 | 1,153 | 2,253 |
| Value of assets sold | 4 | 253 | 2 | 84 | 6 | 337 |
| Write-down of assets | 65 | 108 | 26 | 36 | 91 | 144 |
| Fundamental Error | 1,065 | | | | 1,065 | |
| Other expenses | 9 | 4 | 4 | 2 | 13 | 6 |
| Total Departmental expenses | 10,221 | 16,072 | 3,596 | 5,358 | 13,817 | 21,430 |

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Notes to and forming part of the Financial Statements

| | Output 1 | | Output 2 | | Total | |
|-------------------------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| | 31/01/04 \$'000 | 2002/03 \$'000 | 31/01/04 \$'000 | 2002/03 \$'000 | 31/01/04 \$'000 | 2002/03 \$'000 |
| Funded by: | | | | | | |
| Revenues from Government | 8,956 | 16,235 | 3,543 | 5,412 | 12,499 | 21,647 |
| Sale of publications, subscriptions | 4 | 5 | 1 | 2 | 5 | 7 |
| Revenue from disposal of assets | 4 | 34 | 1 | 11 | 5 | 45 |
| Other non-taxation revenues | 174 | 28 | 69 | 10 | 243 | 38 |
| Total Departmental revenues | 9,138 | 16,302 | 3,614 | 5,435 | 12,752 | 21,737 |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 21 FINANCIAL INSTRUMENTS

Note 21A – Terms, conditions and Accounting Policies

| Financial Instrument | Notes | Accounting Policies and Methods (including recognition criteria and measurement basis) | Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows) |
|---|-----------|--|---|
| Financial Assets | | Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured. | |
| Cash | 7A | Cash is recognised at its nominal amount. Interest is credited to revenue as it accrues. | Moneys in the Department's bank accounts are swept into the Official Public Account nightly. Changes in the Agency Banking Incentive Scheme have resulted in a NTI, interest rate for the year. Apart from \$13, as at 31 January 2004 all receivables are with entities internal to the Commonwealth. As at 30 June 2003 all receivables were with entities external to the Commonwealth, with credit terms of not 30 days. |
| Receivables for goods and services | 7B | These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less likely rather than more likely. | |

Note 21A – Terms, conditions and Accounting Policies (continued)

| Financial Instrument | Notes | Accounting Policies and Methods (including recognition criteria and measurement basis) | Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows) |
|---|-------|--|--|
| Financial Liabilities | | Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured. | |
| Trade creditors | 9C | Creditors and accruals are recognised at their nominal amounts, being the amounts at which liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). | All creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made as per contractual terms or else on net 30 days. |
| Unrecognised financial liabilities | | | |
| Indemnities | | The maximum amount payable under any indemnities given is disclosed in the Schedule of Contingencies. At the reporting date, there were no indemnities. | |

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Notes to and forming part of the Financial Statements

Note 21B - Interest rate risk

| Financial Instrument | Notes | Floating Interest Rate | | Fixed Interest Rate Maturing in | | | Non-Interest Bearing | | Total | | Weighted Average Effective Interest Rate |
|------------------------------|-------|------------------------|-------------|---------------------------------|--------------|-----------|----------------------|-------------|-------------|-------------|--|
| | | 2004 \$'000 | 2003 \$'000 | 1 year or less | 1 to 5 years | > 5 years | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 | |
| Financial Assets | | | | | | | | | | | |
| Cash at bank | 7A | - | - | - | - | - | 680 | 3,282 | 680 | 3,282 | n/a |
| Receivables | 7B | - | - | - | - | - | 37 | 17 | 37 | 17 | n/a |
| Appropriation Reserve/able | 7B | - | - | - | - | - | 1,871 | - | 1,871 | - | n/a |
| Total | | - | - | - | - | - | 2,588 | 3,339 | 2,588 | 3,339 | n/a |
| Total Assets | | | | | | | | | | | |
| | | | | | | | 12,571 | 11,250 | 12,571 | 11,250 | |
| Financial Liabilities | | | | | | | | | | | |
| Trade creditors | 9C | - | - | - | - | - | - | 91 | - | 91 | n/a |
| Total | | | | | | | - | 91 | - | 91 | n/a |
| Total Liabilities | | | | | | | | | | | |
| Unreciprocated Indemnity | | - | - | - | - | - | - | - | - | - | - |

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Note 21C - Net Fair Values of Financial Assets and Liabilities

The net fair value of each class of financial assets and liabilities equal the carrying amounts for both the current and previous financial years.

Note 21D - Credit Risk Exposures

The Department's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Performance.

The Department has no significant exposures to any concentrations of credit risk.

NOTE 22 - ABOLITION OF THE DEPARTMENT

In October 2002, a report titled *Review of Aspects of the Administration of the Parliament* (the Podger Report) was tabled in both Houses of the Parliament of Australia. That report recommended, inter alia, that the three joint parliamentary departments (the Department of the Parliamentary Library, the Department of the Parliamentary Reporting Staff and Joint House Department) be amalgamated into one service department. The report also made a number of recommendations relating to the role and responsibilities of the Parliamentary Library in a new single department.

On 14 August 2003 the House of Representatives resolved that the three joint departments be abolished effective from 31 January 2004 and the Department of Parliamentary Services be established from 1 February 2004, and resolved to support the Presiding Officers in their endeavours to reinforce the independence of the Parliamentary Library. Similar resolutions were passed by the Senate on 18 August 2003.

As a result, on 1 February the Department of Parliamentary Services will take over the Statement of Financial Position, Schedule of Commitments and Schedule of Contingencies reported in these financial statements.

The remaining unspent appropriation from each of the three was transferred to the Department of Parliamentary Services under s54b of the *Parliamentary Service Act 1999*. The total transfer from the former Department of the Parliamentary Library to the Department of Parliamentary Services of the portion of the 2003-04 appropriation not needed to offset expenses for the seven month period to 31 January 2004 was \$7,315,579. Refer to Note 12.

FINANCIAL STATEMENTS



INDEPENDENT AUDIT REPORT

To the President of the Senate and the Speaker of the House of Representatives

Scope

I have audited the financial statements of the Department of the Parliamentary Reporting Staff for the period ended 31 January 2004. The financial statements comprise:

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

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

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

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

FINANCIAL STATEMENTS

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Department of the Parliamentary Reporting Staff as at 31 January 2004, and its financial performance and cash flows for the period then ended.

Australian National Audit Office



Rebecca Reilly
Acting Executive Director

Delegate of the Auditor-General

Canberra
11 June 2004

FINANCIAL STATEMENTS



INDEPENDENT AUDIT REPORT

To the President of the Senate and the Speaker of the House of Representatives

Matters relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of the Department of the Parliamentary Reporting Staff for the period ended 31 January 2004 included on the Parliament of Australia's web site. The Department of the Parliamentary Reporting Staff's Chief Executive is responsible for the integrity of the information on the Parliament of Australia's web site that relates to the Department of the Parliamentary Reporting Staff.

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

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

Scope

I have audited the financial statements of the Department of the Parliamentary Reporting Staff for the period ended 31 January 2004. The financial statements comprise:

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

FINANCIAL STATEMENTS

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

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

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

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Department of the Parliamentary Reporting Staff as at 31 January 2004, and its financial performance and cash flows for the period then ended.

Australian National Audit Office



Rebecca Reilly
Acting Executive Director

Delegate of the Auditor-General

Canberra
11 June 2004

FINANCIAL STATEMENTS

DEPARTMENT OF PARLIAMENTARY REPORTING STAFF
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

CERTIFICATION

In our opinion, the attached financial statements for the period ended 31 January 2004 give a true and fair view of the matters required by the Finance Minister's Orders made under the Financial Management and Accountability Act 1997.

Hilary Perfold QC
Secretary

11/16/2004

Judith King FCPA
Chief Finance Officer

11/16/2004

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
STATEMENT OF FINANCIAL PERFORMANCE
for the period ended 31 January 2004

| | Notes | 31/01/04 \$'000 | 2002-03 \$'000 |
|---|-------|--------------------|-------------------|
| Revenues from ordinary activities | | | |
| Revenues from government | 3A | 25,074 | 47,090 |
| Sales of goods and services | 3B | 2,316 | 2,409 |
| Interest | 3C | Nil | 42 |
| Revenue from sale of assets | 3D | 19 | 17 |
| Other | 3E | 42 | 82 |
| Revenues from ordinary activities | | <u>27,451</u> | <u>49,640</u> |
| Expenses from ordinary activities | | | |
| Employees | 4A | 12,209 | 20,003 |
| Suppliers | 4B | 8,150 | 13,774 |
| Depreciation and amortisation | 4C | 7,079 | 10,398 |
| Write-down of assets | 4D | 3 | Nil |
| Value of assets sold | 3D | 10 | 38 |
| Expenses from ordinary activities | | <u>27,451</u> | <u>44,213</u> |
| Net surplus | | <u>Nil</u> | <u>5,427</u> |
| Net Credit to Asset Revaluation Reserve | | <u>901</u> | <u>898</u> |
| Total revenues, expenses and valuation adjustments attributable to the Commonwealth Government and recognised directly in equity | | <u>901</u> | <u>898</u> |
| Total changes in equity other than those resulting from transactions with owners as owners | | <u>901</u> | <u>6,325</u> |

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

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
STATEMENT OF FINANCIAL POSITION
as at 31 January 2004

| | Notes | 31/01/04 \$'000 | 2002-03 \$'000 |
|-------------------------------------|-------|--------------------|-------------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash | 5A | 783 | 1,628 |
| Receivables | 5B | 12,074 | 9,749 |
| Total financial assets | | <u>12,777</u> | <u>11,377</u> |
| Non-financial assets | | | |
| Infrastructure, plant and equipment | 6 A-C | 31,889 | 33,206 |
| Intangibles | 6 B-C | 12,428 | 12,099 |
| Other | 6D | 323 | 538 |
| Total non-financial assets | | <u>44,560</u> | <u>45,843</u> |
| TOTAL ASSETS | | <u>57,337</u> | <u>57,220</u> |
| LIABILITIES | | | |
| Provisions | | | |
| Capital use charge | 7A | Nil | Nil |
| Employees | 7B | 6,485 | 7,337 |
| Total provisions | | <u>6,485</u> | <u>7,337</u> |
| Payables | | | |
| Suppliers | 8A | 1,285 | 1,291 |
| Other | 8B | 2,585 | 2,362 |
| Total payables | | <u>3,710</u> | <u>3,653</u> |
| TOTAL LIABILITIES | | <u>10,295</u> | <u>10,990</u> |
| NET ASSETS | | <u>47,132</u> | <u>46,230</u> |
| EQUITY | | | |
| Contributed equity | 9 | 412 | 412 |
| Reserves | 9 | 42,938 | 42,036 |
| Accumulated surpluses | 9 | 3,782 | 3,782 |
| TOTAL EQUITY | 9 | <u>47,132</u> | <u>46,230</u> |
| Current assets | | 13,180 | 11,915 |
| Non-current assets | | 44,237 | 45,305 |
| Current liabilities | | 4,026 | 4,907 |
| Non-current liabilities | | 6,179 | 6,083 |

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

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
STATEMENT OF CASH FLOWS
For the period ended 31 January 2004

| | Notes | 31/01/04 \$'000 | 2002-03 \$'000 |
|---|-------|--------------------|-------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Goods and services | | 2,465 | 5,068 |
| Appropriations | | 20,913 | 44,456 |
| Interest | | Nil | 49 |
| GST received from ATO | | 1,179 | 1,231 |
| Total cash received | | <u>24,557</u> | <u>50,804</u> |
| Cash used | | | |
| Employees | | (12,768) | (19,455) |
| Suppliers | | (7,547) | (13,471) |
| Total cash used | | <u>(20,315)</u> | <u>(32,926)</u> |
| Net cash from operating activities | 10 | <u>4,242</u> | <u>17,878</u> |
| INVESTING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from sale of infrastructure, plant and equipment | | 19 | 13 |
| Total cash received | | <u>19</u> | <u>13</u> |
| Cash used | | | |
| Purchase of property, plant and equipment | | (3,831) | (5,325) |
| Purchase of intangibles | | (1,395) | (5,647) |
| Total cash used | | <u>(5,186)</u> | <u>(12,172)</u> |
| Net cash used by investing activities | | <u>(5,167)</u> | <u>(12,159)</u> |
| FINANCING ACTIVITIES | | | |
| Cash used | | | |
| Capital use charge paid | | Nil | (4,929) |
| Appropriation receivable | | Nil | (8,600) |
| Total cash used | | <u>Nil</u> | <u>(13,729)</u> |
| Net cash from financing activities | | <u>Nil</u> | <u>(13,729)</u> |
| Net increase (decrease) in cash held | | <u>(925)</u> | <u>(7,000)</u> |
| Cash at the beginning of the reporting period | | 1,628 | 9,618 |
| Cash at the end of the reporting period | 5A | <u>703</u> | <u>1,628</u> |

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

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
 SCHEDULE OF COMMITMENTS
 as at 31 January 2004

| | 31/01/04 \$'000 | 2002-03 \$'000 |
|---|--------------------|-------------------|
| BY TYPE | | |
| Capital commitments | | |
| Infrastructure Plant and Equipment ¹ | 623 | 1,052 |
| Other Capital ² | 46 | 1 |
| Total capital commitments | <u>669</u> | <u>1,053</u> |
| Other commitments | | |
| Operating Leases ³ | 559 | 732 |
| Other ⁴ | 1,404 | 984 |
| Total other commitments | <u>1,963</u> | <u>1,716</u> |
| Commitments receivable ⁵ | <u>(2,884)</u> | <u>(4,853)</u> |
| Net Commitments | <u>(252)</u> | <u>(2,084)</u> |
| BY MATURITY | | |
| Capital commitments | | |
| One year or less | 669 | 1,053 |
| From one to five years | Nil | Nil |
| Operating Lease Commitments | | |
| One year or less | 387 | 416 |
| From one to five years | 172 | 316 |
| Other commitments and receivables | | |
| One year or less | 847 | (1,200) |
| From one to five years | (2,327) | (2,666) |
| Net Commitments by maturity | <u>(252)</u> | <u>(2,084)</u> |

NB. Commitments are GST inclusive where relevant.

¹ Plant and equipment commitments are primarily contracts for purchases of equipment and services for system assets.

² Other capital commitments are primarily contracts for purchases of individual assets such as computers, printers, etc.

³ Operating leases included are effectively non-cancellable and comprise agreements for the provision of motor vehicles to the senior management group. The department has a 4 year agreement to lease some computing equipment that is part of the LAN network.

⁴ Other commitments are primarily contracts for the purchase of non-asset related equipment and services, including the provision of bureau services for the human resources system.

⁵ The department has entered into an agreement to undertake the processing of personnel and finance data for the Department of the Parliamentary Library. The agreement is for 3 years, renewable yearly thereafter.

| Nature of lease | General description of leasing arrangement |
|---|--|
| Agreements for the provision of motor vehicles to senior executive officers | No contingent rentals exist. There are no renewal or purchase options available to the department. |
| A lease in relation to computer equipment for the LAN network | The lessor has a four year contract to provide the department with computer equipment for the LAN network. |

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

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
 SCHEDULE OF CONTINGENCIES
 as at 31 January 2004

| | 31/01/04 \$'000 | 2002-03 \$'000 |
|--------------------------------------|--------------------|-------------------|
| Contingent Liabilities | | |
| Claims for damages/costs | Nil | Nil |
| Contingent assets | | |
| Claims for damages/costs | Nil | Nil |
| Net contingencies liabilities | <u>Nil</u> | <u>Nil</u> |

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

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 31 January 2004

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FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2004**Note 1 Summary of Significant Accounting Policies****1.1 Objectives of the Department of the Parliamentary Reporting Staff**

The department's vision is to give all Australians the opportunity to see, hear and read the work of their national Parliament.

The department has one outcome:

The Commonwealth Parliament to have international standard broadcasting, transcription and information technology services and the Australian community to be able to see, hear and read the work of the Parliament.

The two outputs below contribute to this outcome:

1. Broadcast and Transcription Services
 - Output 1.1 Client Services
 - Output 1.2 Broadcasting
 - Output 1.3 Transcription
2. Infrastructure and Communications Support
 - Output 2.1 Infrastructure Support
 - Output 2.2 Communications

1.2 Basis of Accounting

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

The statements have been prepared in accordance with:

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

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

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

Assets and liabilities are recognised in the department's Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

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

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2002-2003.

1.4 Revenue

Revenues from Government

Departmental outputs appropriations for the year (less any savings offered up in Portfolio Additional Estimates Statement) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Resources Received Free of Charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Other Revenue

Revenue from the sale of goods and the provision of services is recognised upon the delivery of goods and services to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

All revenues described in this note are revenues relating to the core operating activities of the department. Details of revenue amounts are given in Note 3.

1.5 Transactions with the Government as Owner

Capital Use Charge

A Capital Use Charge of nil (2002-03 11%) was imposed by the Government on the departmental net assets of the Agency at year end. The net assets figure is adjusted to take account of asset gifts and revaluation increments during the financial year. The Charge was accounted for as a dividend to Government. In accordance with the recommendations of a review of Budget Estimates and Framework, the Government decided that the charge would not operate after 30 June 2003.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

1.6 Employee Benefits

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

Liabilities for wages and salaries (including non-monetary benefits), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

Leave

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the department is estimated to be less than the annual entitlement to sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The provision for long service leave is calculated using shorthand methodology provided by the Australian Government Actuary. The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 31 January 2004. In determining the present value of the liability, the department has taken into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is also made for separation and redundancy benefit payments in circumstances where an offer of redundancy has been accepted and a reliable estimate of the amount of the payment can be determined.

Superannuation

Staff of the department contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$1,539,210 (2002-03 \$2,015,323) in relation to these schemes have been expensed in these financial statements. . Employer Superannuation Productivity Benefit contributions totalled \$292,742 (2002-03 \$467,591).

A liability is shown for superannuation in the Statement of Financial Position for the anticipated superannuation contribution when staff of the department take recreation and long service leave

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

1.7 Leases

Operating lease payments are expensed on a basis, which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlay in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

1.8 Cash

Cash includes notes and coins held as cash on hand for petty cash advances and any deposits at call with a bank or financial institution.

1.9 Financial Instruments

Accounting policies for financial instruments are stated at Note 18.

1.10 Property Plant and Equipment (Note 6)

Definition of assets

In these statements, except for office equipment, technical equipment and furniture which are recorded as individual items, a reportable asset is a functional system in which component parts do not retain a separate identity and are not expected to be used by the department after the asset is disposed of.

All non-current depreciable assets are recognised in the financial statements if they belong to a class of assets which is represented by:

- complete functional systems valued at cost or independent valuation,
- work in progress valued at cost, and
- individual items at cost of acquisition or valuation of at least \$2,000.

Accounting for System Assets

System assets are carried in the financial statements at their valuation less accumulated depreciation. Except where expenditure on system assets replaces or improves the system, the expenditure will be regarded as maintenance as there is no change in intrinsic value. Additions or extensions to a system asset which enhances the asset by increasing its functionality and becomes an integral part of that asset, increase the reportable value of that system by the cost of the acquisition or extension and are depreciated over the remaining useful life of the asset. Where action is taken to decommission a materially whole system by replacement or by recognising obsolescence, the entire system is subject to disposal action.

The department recognises the following classes of system assets:

- Network and Mainframe
- Telecommunications
- Broadcast
- Intangibles
- Hansard

The department has identified and records all assets individually for fraud control and management purposes.

Asset Recognition threshold

Purchases of plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

*Revaluation Policy**Basis*

Plant and equipment are carried at valuation. Revaluations undertaken up to 30 June 2002 were done on a deprival basis; revaluations since that date are at fair value. This change in accounting policy is required by Australian Accounting Standard AASB 1041 Revaluation of Non-Current Assets. With the change in accounting policy, the department now recognises property, plant and equipment at fair value measured at depreciated replacement cost.

Under both deprival and fair value, assets which are surplus to the requirements are valued at their net realisable value. At 31 January 2004, the department had no assets in this situation.

Conduct

All valuations are conducted by an independent qualified valuer.

Frequency

Plant and equipment are revalued progressively in successive three-year cycles. Table 6A notes all asset groups and the year and method of revaluation. The assets listed on table 6A that are still at deprival value will be revalued to fair value by the 30 June 2005.

All current cycles commenced on 1 July 2002 and will finish on 30 June 2005.

Work-in-progress

If, at 31 January 2004, an asset is not fully constructed, the expenditure will be disclosed separately as work in progress. Depreciation will not be set until the project has been completed to a stage where it can provide a service to the department.

Depreciation and Amortisation Policy (Note 4C)

An asset is depreciated from the time it is first put into or held ready for use. When an asset is a complex structure made up of interdependent substructures which require installation at successive stages, it is considered as being ready for use only after installation has been completed to a stage where it can provide a service to the department.

All depreciable non-current assets are written off to their estimated residual values over their estimated useful life to the department. Depreciation is calculated using the straight-line method that is consistent with the pattern of usage.

Estimated useful lives and depreciation rates and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in price only when assets are revalued.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives:

| | 31/01/04 | 2002-03 |
|-------------------------|---------------|---------------|
| Network and Mainframe | 3 to 20 years | 3 to 20 years |
| Telecommunications | 3 to 12 years | 3 to 12 years |
| Broadcast | 3 to 24 years | 3 to 24 years |
| Hansard | 3 to 9 years | 3 to 9 years |
| Equipment and furniture | 2 to 10 years | 3 to 10 years |

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

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

1.11 Intangibles

The department's intangibles comprise internally developed software. These assets are carried at cost.

The carrying amount of impaired assets must be written down to the higher of its market selling price or depreciated replacement cost. No assets were impaired at year end.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the department's software is between 3 to 10 years (02-03 3 to 10 years).

1.12 Inventories

Inventories not held for resale are valued at cost, unless they are no longer required, in which case they are valued at net realisable value.

1.13 Taxation

The department's activities are exempt from all forms of taxation except for fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.14 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.15 Insurance

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

1.16 Administered Items

Administered items are those items that are controlled by the Government and managed by the department on behalf of the Government. The department had no administered items to the 31 January 2004.

1.17 Rounding

Amounts have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero except in relation to the following:

- act of grace payments and waivers;
- remuneration of executives;
- remuneration of auditors; and
- appropriation note disclosures.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

1.18 Comparative Figures

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

1.19 Receivables (Note 5B)

Revenue from the provision of services is recognised upon the delivery of services to customers. Bad debts are written off in the year they are identified. None of the amounts are considered to be doubtful and in view of the relatively small amount written off as bad debts to 31 January 2004, and the strength of the debtors control system in place, the department does not consider it appropriate to provide for doubtful debts.

Note 2 – Events Occurring after Balance Date

The Department of the Parliamentary Reporting Staff, the Department of the Parliamentary Library and the Joint House Department were abolished, in accordance with section 54 of the *Parliamentary Service Act 1999*, on the 31 January 2004 to form a new joint service department called the 'Department of Parliamentary Services', established on 1 February 2004.

The remaining unspent appropriation from each of the three former departments was transferred to the Department of Parliamentary Services under s54b of the *Parliamentary Service Act 1999*. The total transfer from the former Department of the Parliamentary Reporting Staff to the Department of Parliamentary Services of the portion of the 2003-04 appropriation not needed to offset expenses for the seven month period ended 31 January 2004 was \$17,153,499. Refer to Note 11.

There have been no material events after reporting date affecting the performance of the Department of Parliamentary Services.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 3 Operating Revenue

| <u>Note 3A - Revenues from Government</u> | 31/01/04 \$'000 | 2002-03 \$'000 |
|---|------------------------|-----------------------|
| Appropriations for outputs | 23,459 | 44,456 |
| Resources received free of charge | 1,615 | 2,634 |
| Total revenues from government | 25,074 | 47,090 |
| <u>Note 3B - Goods and Services</u> | 31/01/04 \$'000 | 2002-03 \$'000 |
| Goods | 12 | 24 |
| Services | 2,304 | 2,385 |
| Total sales of goods and services | 2,316 | 2,409 |
| Provision of goods to: | | |
| Related entities | 3 | 4 |
| External entities | 9 | 20 |
| Total sales of goods | 12 | 24 |
| Rendering of services to: | | |
| Related entities | 1,444 | 2,280 |
| External entities | 860 | 105 |
| Total rendering of services | 2,304 | 2,385 |
| Cost of sale of goods | 1 | 2 |
| <u>Note 3C - Interest</u> | 31/01/04 \$'000 | 2002-03 \$'000 |
| Interest on deposits | Nil | 42 |
| <u>Note 3D - Net Gains from Sales of Assets</u> | 31/01/04 \$'000 | 2002-03 \$'000 |
| Infrastructure, plant and equipment | | |
| Proceeds from disposal | 19 | 17 |
| Net book value of assets disposed | (10) | (38) |
| Net gain / (loss) from disposal of infrastructure, plant and equipment | 9 | (21) |
| <u>Note 3E- Other Revenue</u> | 31/01/04 \$'000 | 2002-03 \$'000 |
| Discounts received | 42 | 62 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 4 – Operating ExpensesNote 4A – Employee Expenses

| | 31/01/04 \$'000 | 2002-03 \$'000 |
|--|--------------------|-------------------|
| Wages and Salary | 8,780 | 14,265 |
| Superannuation | 1,731 | 2,519 |
| Leave and other entitlements | 1,075 | 2,438 |
| Separation and redundancy | 389 | 307 |
| Other employee expenses | 166 | 272 |
| Total employee benefits expense | <u>12,141</u> | <u>19,861</u> |
| Workers compensation premiums | 68 | 142 |
| Total employee expenses | <u>12,209</u> | <u>20,003</u> |

Note 4B – Supplier Expenses

| | 31/01/04 \$'000 | 2002-03 \$'000 |
|---------------------------------|--------------------|-------------------|
| Goods from related entities | 16 | 27 |
| Goods from external entities | 1,288 | 2,401 |
| Services from related entities | 3,252 | 5,287 |
| Services from external entities | 3,419 | 5,804 |
| Operating lease rentals * | 175 | 255 |
| Total supplier expenses | <u>8,150</u> | <u>13,774</u> |

*These comprise minimum lease payments only

Note 4C – Depreciation and Amortisation

| | 31/01/04 \$'000 | 2002-03 \$'000 |
|--|--------------------|-------------------|
| Depreciation | | |
| Other infrastructure, plant and equipment | <u>4,695</u> | <u>7,216</u> |
| Amortisation | | |
| Intangibles – computer software | <u>2,384</u> | <u>3,182</u> |
| Total depreciation and amortisation | <u>7,079</u> | <u>10,398</u> |

The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:

| | 31/01/04 \$'000 | 2002-03 \$'000 |
|--|--------------------|-------------------|
| Network and Mainframe | 1,620 | 2,130 |
| Equipment and Furniture | 575 | 1,229 |
| Telecommunications | 302 | 432 |
| Broadcast | 2,000 | 3,061 |
| Hansard Systems | 198 | 364 |
| Intangibles | <u>2,384</u> | <u>3,182</u> |
| Total depreciation and amortisation | <u>7,079</u> | <u>10,398</u> |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

| <u>Note 4D - Write down of assets</u> | <u>31/01/04</u> | <u>2002-03</u> |
|--|-----------------|----------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| Non-financial assets | | |
| Plant and equipment - write down | 3 | Nil |
| Total write-down of assets | 3 | Nil |
| | | |
| Note 5 - Financial Assets | | |
| <u>Note 5A - Cash</u> | <u>31/01/04</u> | <u>2002-03</u> |
| | <u>\$'000</u> | <u>\$'000</u> |
| Departmental | 703 | 1,625 |
| Cash on hand | Nil | 3 |
| Total cash | 703 | 1,628 |
| | | |
| <u>Note 5B - Receivables</u> | <u>31/01/04</u> | <u>2002-03</u> |
| | <u>\$'000</u> | <u>\$'000</u> |
| Goods and services | 697 | 508 |
| GST receivable from the Australian Taxation Office | 31 | 441 |
| Appropriations receivable | 11,346 | 8,800 |
| Total receivables (net) | 12,074 | 9,749 |
| | | |
| Receivables (gross) were aged as follows: | | |
| Not overdue | 11,435 | 9,050 |
| Overdue by: | | |
| less than 30 days | 633 | 691 |
| 30 days to 60 days | Nil | 5 |
| 60 days to 90 days | 1 | 3 |
| more than 90 days | 5 | Nil |
| Total receivables (gross) | 12,074 | 9,749 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 6 – Non-Financial Assets

Note 6A – Infrastructure, Plant and Equipment

| 31 January | | | 30 June | | | |
|----------------------------------|---|-------------------------------------|---------------------------------|----------------------------------|---|-------------------------------------|
| 2004 \$'000 Gross Value | 2004 \$'000 Accumulated Depreciation | 2004 \$'000 Net Book Value | Non-Financial Assets | 2003 \$'000 Gross Value | 2003 \$'000 Accumulated Depreciation | 2003 \$'000 Net Book Value |
| | | | <i>Network and Mainframe</i> | | | |
| 3,112 | 660 | 2,452 | At cost | 2,018 | 277 | 1,741 |
| 14,961 | 7,291 | 7,670 | At valuation 00-02 (Depival) | 15,037 | 6,130 | 8,907 |
| 16 | Nil | 16 | Work in progress | 190 | Nil | 190 |
| 18,089 | 7,951 | 10,138 | TOTAL | 17,251 | 6,407 | 10,844 |
| | | | <i>Telecommunications</i> | | | |
| 81 | 6 | 75 | At cost | 40 | 1 | 45 |
| 5,184 | 1,526 | 3,658 | At valuation 00-02 (Depival) | 5,184 | 1,229 | 3,955 |
| 58 | Nil | 58 | Work in progress | Nil | Nil | Nil |
| 5,323 | 1,532 | 3,791 | TOTAL | 5,230 | 1,230 | 4,000 |
| | | | <i>Broadcast</i> | | | |
| 1,068 | 34 | 1,034 | At cost | 1,746 | 84 | 1,662 |
| 310 | 258 | 52 | At valuation 00-02 (Depival) | 22,358 | 17,946 | 4,412 |
| 58,066 | 44,260 | 13,806 | At valuation 03-04 (Fair Value) | 37,278 | 28,420 | 8,858 |
| 1,085 | Nil | 1,085 | Work in progress | 1,055 | Nil | 1,055 |
| 60,529 | 44,552 | 15,977 | TOTAL | 62,437 | 46,450 | 15,987 |
| | | | <i>Hansard Systems</i> | | | |
| Nil | Nil | Nil | At cost | Nil | Nil | Nil |
| 2,400 | 2,258 | 142 | At valuation 03-04 (Fair Value) | 2,400 | 2,060 | 340 |
| Nil | Nil | Nil | Work in progress | Nil | Nil | Nil |
| 2,400 | 2,258 | 142 | TOTAL | 2,400 | 2,060 | 340 |
| | | | <i>Equipment and Furniture</i> | | | |
| 6,015 | 4,254 | 1,761 | At cost | 6,665 | 4,650 | 2,035 |
| 922 | 922 | Nil | At valuation 00-02 (Depival) | 960 | 960 | Nil |
| 6,937 | 5,176 | 1,761 | TOTAL | 7,665 | 5,630 | 2,035 |
| 93,278 | 61,469 | 31,809 | Total | 94,963 | 61,777 | 33,206 |

The revaluations were in accordance with the revaluation policy stated at Note 1 and were completed by an independent valuer S O'Leary, Senior Valuer, Plant & Equipment, Australian Valuation Office. A revaluation increment of \$900,848 (02-03 \$897,961) was made to the asset revaluation reserve (Note 9).

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 6B – Intangibles

| | 31/04/04 \$'000 | 2002-03 \$'000 |
|--|----------------------|----------------------|
| Computer software: | | |
| Internally developed – in progress (non-current) | <u>3,256</u> | <u>4,563</u> |
| Internally developed – in use (non-current) | 20,966 | 19,748 |
| Accumulated amortisation | <u>(11,796)</u> | <u>(12,212)</u> |
| | 9,170 | 7,536 |
| Total intangibles | <u>12,428</u> | <u>12,069</u> |

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

TABLE A
Reconciliation of the opening and closing balances of property plant and equipment and intangibles

| Item | Other IP and E \$'000 | Intangibles \$'000 | Total \$'000 |
|---------------------------------------|--------------------------|-----------------------|----------------------|
| As at 1 July 2003 | | | |
| Gross book value | 94,983 | 24,311 | 119,294 |
| Accumulated depreciation/amortisation | (61,777) | (12,212) | (73,989) |
| Net book value | <u>33,206</u> | <u>12,099</u> | <u>45,305</u> |
| Additions | | | |
| By purchase | 2,672 | 3,847 | 6,519 |
| Movement in WIP | (91) | (1,305) | (1,396) |
| Net revaluation increment | 901 | Nil | 901 |
| Depreciation | (4,695) | (2,384) | (7,079) |
| Reclassification | (171) | 171 | Nil |
| Disposals | | | |
| Other Disposals | <u>(13)</u> | <u>Nil</u> | <u>(13)</u> |
| As at 31 January 2004 | | | |
| Gross book value | 93,278 | 24,224 | 117,502 |
| Accumulated depreciation/amortisation | <u>(61,469)</u> | <u>(11,796)</u> | <u>(73,265)</u> |
| Net book value | <u>31,809</u> | <u>12,428</u> | <u>44,237</u> |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 6C – Analysis of Infrastructure, Plant and Equipment and Intangibles**TABLE B – Assets at valuation**

| Items | Other IP and E \$'000 | Intangibles \$'000 | Total \$'000 |
|---|--------------------------|-----------------------|-----------------|
| As at 31 January 2004 | | | |
| Gross Value | 81,843 | Nil | 81,843 |
| Accumulated Depreciation/ Amortisation | 56,515 | Nil | 56,515 |
| Net book value | <u>25,328</u> | <u>Nil</u> | <u>25,328</u> |
| As at 30 June 2003 | | | |
| Gross Value | 83,237 | Nil | 83,237 |
| Accumulated Depreciation/ Amortisation | (56,765) | Nil | (56,765) |
| Net book value | <u>26,472</u> | <u>Nil</u> | <u>26,472</u> |

TABLE C – Assets under construction

| Item | Other Infrastructure Plant and Equipment \$'000 | Intangibles \$'000 | Total \$'000 |
|------------------------------|--|-----------------------|-----------------|
| As at 31 January 2004 | <u>1,159</u> | <u>3,258</u> | <u>4,417</u> |
| As at 30 June 2003 | <u>1,252</u> | <u>4,563</u> | <u>5,815</u> |

Note 6D – Other Non-Financial Assets

| | 31/01/04 \$'000 | 2002-03 \$'000 |
|---|--------------------|-------------------|
| Prepayments: | | |
| Contract maintenance | 286 | 367 |
| Subscriptions | 28 | 35 |
| Memberships | 8 | 13 |
| Other | 1 | 123 |
| Total other non-financial assets | <u>323</u> | <u>538</u> |

Note 7 – Provisions

| | 31/01/04 \$'000 | 2002-03 \$'000 |
|---|--------------------|-------------------|
| <u>Note 7A: Capital Use Charge Provision</u> | | |
| Capital Use Charge | <u>Nil</u> | <u>Nil</u> |
| Balance owing 1 July | Nil | 272 |
| Capital Use Charge provided for during the period | Nil | 4,656 |
| Capital use Charge paid | Nil | 4,928 |
| Balance owing | <u>Nil</u> | <u>Nil</u> |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

| <u>Note 7B – Employees Provisions</u> | 31/01/04 | 2002-03 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Salaries and wages | 132 | 624 |
| Leave | 5,600 | 5,044 |
| Superannuation | 478 | 578 |
| Separations and redundancies | 273 | 173 |
| Aggregate employee entitlement liability | 6,483 | 7,319 |
| Workers' Compensation | 12 | 18 |
| Aggregate employee benefit liability and related on-costs | 6,495 | 7,337 |
| Employee provisions are represented by: | | |
| Current | 2,200 | 2,706 |
| Non-current | 4,295 | 4,631 |
| Note 8: Payables | 31/01/04 | 2002-03 |
| | \$'000 | \$'000 |
| <u>Note 8A - Supplier Payables</u> | | |
| Trade Creditors | 1,265 | 1,291 |
| Total supplier payables | 1,265 | 1,291 |
| Supplier payables are represented by: | | |
| Current | 1,265 | 1,291 |
| <u>Note 8B – Other Payables</u> | | |
| Revenue Received in Advance | 2,505 | 2,362 |
| Total other payables | 2,505 | 2,362 |
| Other payables are represented by: | | |
| Current | 621 | 910 |
| Non current | 1,884 | 1,452 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 9: Equity

Note 9A: - Analysis of Equity

| | Contributed Equity | | Accumulated Results | | Asset Revaluation Reserve | | TOTAL EQUITY | |
|--|--------------------|-------------------|---------------------|-------------------|---------------------------|-------------------|--------------------|-------------------|
| | 31/01/04 \$'000 | 2002-03 \$'000 | 31/01/04 \$'000 | 2002-03 \$'000 | 31/01/04 \$'000 | 2002-03 \$'000 | 31/01/04 \$'000 | 2002-03 \$'000 |
| Opening Balance at 1 July | 412 | 412 | 3,782 | 3,011 | 42,037 | 41,138 | 46,231 | 44,561 |
| Net surplus/(deficit) | Nil | Nil | Nil | 5,427 | Nil | Nil | Nil | 5,427 |
| Net revaluation increment | Nil | Nil | Nil | Nil | 901 | 898 | 901 | 898 |
| Transactions with owner | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Returns on Capital | | | | | | | | |
| Capital Use Charge | Nil | Nil | Nil | (4,856) | Nil | Nil | Nil | (4,856) |
| Closing Balance at 31 Jan | 412 | 412 | 3,782 | 3,782 | 42,938 | 42,036 | 47,132 | 46,230 |
| Total equity attributable to the Commonwealth | 412 | 412 | 3,782 | 3,782 | 42,938 | 42,036 | 47,132 | 46,230 |

Note 10 - Cash Flow Reconciliation

| | 31/01/04 \$'000 | 2002-03 \$'000 |
|--|--------------------|-------------------|
| Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows | | |
| • Cash at year end per Statement of Cash Flows | 703 | 1,628 |
| • Statement of Financial Position items comprising Above cash: 'Financial Asset - Cash' | 703 | 1,628 |
| Reconciliation of net surplus to net cash from operating activities:- | | |
| -Net surplus | Nil | 5,427 |
| -Depreciation and amortisation | 7,079 | 10,398 |
| -(Gain)/Loss on disposal of assets | (9) | 21 |
| -Net Write down of non-financial assets | 3 | Nil |
| -Decrease (Increase) in net receivables | (2,201) | (652) |
| -(Increase) Decrease in prepayments | 215 | (237) |
| -(Decrease) Increase in suppliers payables | (88) | 26 |
| -(Decrease) Increase in employee provisions | (842) | 580 |
| -Increase (decrease) in revenue received in advance | 143 | 2,335 |
| Net cash from operating activities | 4,242 | 17,898 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 11 – AppropriationsNote 11 - Cash Basis Accounting of Appropriations from Act 1

| Period end 31 January 2004 | Note | 2004 \$ |
|---|------|-------------------|
| Balance carried from previous year | | 10,901,240 |
| Appropriation (Parliamentary Departments) Act | | 40,613,000 |
| Less: Appropriation revenue to be recognised in the Department of Parliamentary Services (section 54B of the Parliamentary Services Act 1999) | | (17,153,493) |
| Appropriation revenue recognised in DPRS | 3A | 23,458,501 |
| GST Credits | | 1,062,229 |
| Annotations to 'net appropriations' (FMA s 31) | | 2,181,438 |
| Available for payments | | 37,864,406 |
| Payments made | | (25,561,331) |
| Balance carried to next period | | <u>12,163,075</u> |
| Represented by: | | |
| Cash | | 702,595 |
| Add: Appropriations receivable | | 11,346,383 |
| Add: Receivables – Net GST receivable from the ATD | | 30,883 |
| Add: Receivables – Goods and Services – GST receivable from customers | | 20,051 |
| Add: Payable – Suppliers – GST portion | | 3,163 |
| Total | | <u>12,163,075</u> |
| Year ended 30 June 2003 | | 2003 \$ |
| Balance carried from previous year | | 9,617,649 |
| Appropriation (Parliamentary Departments) Act | | 44,456,000 |
| GST Credits | | 2,275,872 |
| Annotations to 'net appropriations' (FMA s 31) | | 4,578,105 |
| Available for payments | | 60,927,626 |
| Payments made | | (50,026,396) |
| Balance carried to next year | | <u>10,901,240</u> |
| Represented by: | | |
| Cash | | 1,627,811 |
| Add: Appropriations receivable | | 8,800,000 |
| Add: Receivables – Net GST receivable from the ATD | | 440,729 |
| Add: Receivables – Goods and Services – GST receivable from customers | | 46,182 |
| Less: Payable – Suppliers – GST portion | | (13,482) |
| Total | | <u>10,901,240</u> |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 12 – Assets Held in Trust**a) Concare Trust Account**

Purpose – Moneys held in trust and advanced to DPRS by Concare for the purpose of distributing compensation payments made in accordance with the Safety, Rehabilitation and Compensation Act 1998.

The following table shows the composition of the Trust Account balance at the end of the period:

| | 31/01/04 | 30/06/03 |
|---|---------------------|----------------------|
| | \$ | \$ |
| Balance carried forward from previous year | 16,134 | 10,260 |
| Receipts during the year | 27,996 | 64,188 |
| Available for payments | <u>44,130</u> | <u>74,448</u> |
| Payments made | <u>39,028</u> | <u>58,314</u> |
| Balance carried forward to next year | <u>5,102</u> | <u>16,134</u> |

b) Services for Other Governments and Non-Agency Bodies Special Account

This account was established for expenditure in connection with services performed on behalf of other Governments and bodies that are not agencies under the Financial Management and Accountability Act 1997. For the periods ending 31 January 2004 and 30 June 2003, this special account had a \$Nil balance and there were no transactions debited or credited.

c) Other Trust Moneys Special Account

This account was established for expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. For the periods ended 31 January 2004 and 30 June 2003, this special account had a \$Nil balance and there were no transactions debited or credited.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 13 – Reporting of Outcomes

The department uses an activity based costing system to attribute its shared items. This system is based on allocating shared items initially to cost centres. Personnel costs are allocated to cost centres on the number of staff, other corporate costs are allocated on the budget. Each group's executive costs are then allocated to cost centres under their control and finally cost centre overheads are allocated to activities. The basis of attribution is consistent with that used for the 2002-03 Budget.

Note 13A – Net Cost of Outcome Delivery

| | Outcome 1 | |
|---|--------------------|-------------------|
| | 31/01/04 \$'000 | 2002-03 \$'000 |
| Departmental expenses | 27,451 | 44,213 |
| Total expenses | 27,451 | 44,213 |
| Costs recovered from the provision of goods and services to the non-government sector | | |
| Departmental | 889 | 125 |
| Total costs recovered | 889 | 125 |
| Other external revenue | | |
| Departmental | | |
| Interest on cash deposits | Nil | 42 |
| Revenue from disposal of assets | 19 | 17 |
| Other | 42 | 82 |
| Goods and Services Revenue from Related Entities | 1,447 | 2,284 |
| Total other external revenues | 1,508 | 2,425 |
| Net cost of outcome | 25,074 | 41,663 |

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. The Capital Use Charge is not included in the outcome as it is not an operating expense in end-of-year financial reports.

Note 13B – Major Classes of Departmental Revenues and Expenses by Output

| | Outcome 1 | | Output Group 1 | | Output Group 2 | | Total | |
|------------------------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| | 31/01/04 \$'000 | 2002-03 \$'000 | 31/01/04 \$'000 | 2002-03 \$'000 | 31/01/04 \$'000 | 2002-03 \$'000 | 31/01/04 \$'000 | 2002-03 \$'000 |
| Departmental expenses | | | | | | | | |
| Employees | 8,360 | 12,260 | 3,849 | 7,743 | 12,209 | 20,003 | | |
| Suppliers | 3,422 | 5,489 | 4,728 | 8,285 | 8,150 | 13,774 | | |
| Depreciation and amortisation | 2,675 | 4,155 | 4,404 | 6,243 | 7,079 | 10,398 | | |
| Other expenses | Nil | 14 | 13 | 24 | 13 | 38 | | |
| Total departmental expenses | 14,457 | 21,918 | 12,994 | 22,295 | 27,451 | 44,213 | | |
| Funded by: | | | | | | | | |
| Revenue from government | 13,465 | 22,599 | 11,609 | 24,491 | 25,074 | 47,090 | | |
| Sale of goods and services | 783 | 947 | 1,533 | 1,462 | 2,316 | 2,409 | | |
| Other non-taxation revenues | 48 | 97 | 13 | 44 | 61 | 141 | | |
| Total departmental revenues | 14,296 | 23,643 | 13,155 | 25,997 | 27,451 | 49,640 | | |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

| | Outcome 1 | | Output Group 1 | | | | Output Group 2 | | Outcome 1 Total | |
|------------------------------------|--------------|--------------|----------------|---------------|---------------|---------------|----------------|--------------|-----------------|---------------|
| | Output 1.1 | Output 1.2 | 2002-03 | 31/01/04 | 2002-03 | 31/01/04 | 2002-03 | 31/01/04 | 2002-03 | 31/01/04 |
| Departmental expenses | | | | | | | | | | |
| Employees | 1,482 | 4,743 | 3,893 | 2,125 | 8,577 | 3,254 | 4,413 | 595 | 3,300 | 12,298 |
| Supplies | 441 | 1,974 | 1,862 | 1,067 | 3,626 | 2,862 | 7,246 | 1,806 | 1,038 | 8,156 |
| Depreciation and amortisation | 277 | 900 | 2,240 | 1,438 | 1,914 | 2,413 | 5,266 | 991 | 978 | 7,079 |
| Other expenses | Nil | Nil | 7 | Nil | 7 | 13 | 24 | Nil | Nil | 13 |
| Total departmental expenses | 2,210 | 7,617 | 7,792 | 4,630 | 14,126 | 8,542 | 16,940 | 3,452 | 5,346 | 27,451 |
| Funded by: | | | | | | | | | | |
| Revenue from government | | | 8,034 | 13,485 | 14,565 | 11,809 | 18,819 | 5,872 | | 26,074 |
| Sale of goods and services | 354 | 144 | 402 | 285 | 485 | 1,168 | 1,172 | 426 | 290 | 2,316 |
| Other non-taxation revenues | 2 | 42 | 15 | 4 | 82 | 11 | 28 | 2 | 16 | 51 |
| Total departmental/revenues | 356 | 186 | 8,531 | 13,734 | 15,112 | 12,728 | 19,819 | 427 | 6,178 | 27,451 |
| | | | | | | | | | | 49,640 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 14 – Remuneration of Auditors

| | |
|---------|---------|
| 31/01/0 | 2002-03 |
| 4 | 5 |
| \$ | |

Financial statement audit services are provided free of charge to the department.

The fair value of services provided was:

| | |
|---------------|---------------|
| <u>55,000</u> | <u>55,000</u> |
|---------------|---------------|

No other services were provided by the Auditor-General.

Note 15 – Executive Remuneration

The number of executive officers who received or were due to receive total remuneration of \$100,000 or more:

| | 31/01/04 Number | 2002-03 Number |
|------------------------|--------------------|-------------------|
| \$100,000 to 109,999 | 1 | - |
| \$110,000 to 119,999 | - | - |
| \$120,000 to 129,999 | - | 2 |
| \$130,000 to 139,999 | - | 1 |
| \$210,000 to \$220,000 | - | 1 |
| \$280,000 to \$289,999 | 1 | - |
| | <u>2</u> | <u>4</u> |

The aggregate amount of total remuneration of executives shown above:

| | |
|------------------------------|------------------------------|
| \$390,540¹ | \$698,660¹ |
|------------------------------|------------------------------|

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above:

| | |
|------------------|------------|
| \$111,440 | \$0 |
|------------------|------------|

The calculation of executive remuneration to 31 January 2004 was performed on the basis of remuneration provided to individuals and not on position. The aggregate amount of remuneration of executive officers shown above includes salary, accrued recreation and long service leave and accrued superannuation. The remuneration also includes other items provided under the current conditions of employment including the cost of motor vehicles, allowances and Fringe Benefits Tax paid by the department. The components of the aggregate amounts were included to provide consistency with Abstract 14 of the Urgent Issues Group Directors' Remuneration.

The Executive Remuneration figures are for the period 1 July 2003 to 31 January 2004, a 7 month period only. The comparative 02-03 figures are for the full financial year. The \$100,000 threshold for Executive remuneration only captures two Executive Officers to 31 January 2004. If these figures were full year figures the total number of Executives would be four as reported in the comparative year.

¹ This figure includes remuneration for the Chief Executive Officer, part of which has been recovered from the Department of the Parliamentary Library.

Note 16 – Act of Grace Payments and Waivers and Defective Administration Scheme

No Act of Grace payments were made during the reporting period and there are no amounts owing as at period end.

No waivers of amounts owing to the Commonwealth were made Pursuant to subsection 34(1) of the Financial Management and Accountability Act 1987.

No payments were made under the 'Defective Administration Scheme' during the reporting period (2003 no payments).

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 17 – Average Staffing Levels

| | 31/01/04 | 2002-03 |
|--|------------|------------|
| Average staffing levels for the department during the year were: | <u>310</u> | <u>314</u> |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 16 – Financial Instruments

Note 16A – Terms, Conditions and Accounting Policies

| Financial Instrument | Notes | Accounting Policies and Methods (including recognition criteria and measurement basis) | Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows) |
|------------------------------------|-------|---|---|
| Financial Assets | | Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured. | |
| Cash | 5A | Cash is recognised at its nominal amounts. | The department holds funds with the Reserve Bank of Australia at call. Monies in the Agency's bank accounts are swept into the Official Public Account nightly. |
| Receivables for goods and services | 5B | These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectibility of debts is reviewed at balance date. Provisions are made when the collection of the debt is judged to be less rather than more likely. | Receivables include balances due from entities within the Commonwealth and entities external to the Commonwealth. All receivables are due immediately. |
| Appropriations receivable | 5B | These receivables are recognised at their nominal amounts. | Amounts appropriated by the Parliament in the current or previous years which are available to be drawn down by the Agency. |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 15A – Terms, Conditions and Accounting Policies [cont.]

| Financial Instrument | Notes | Accounting Policies and Methods (including recognition criteria and measurement basis) | Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows) |
|-----------------------|-------|--|---|
| Financial Liabilities | | Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured. | |
| Trade Creditors | 2A | Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). | Creditors include balances due to entities within the Commonwealth and entities external to the Commonwealth. Settlement is usually made net 30 days. |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

NOTE 13B – Interest Rate Risk

| Financial Instrument | Notes | Floating Interest Rate | Fixed Interest Rate | | | | Non-Interest Bearing | Total | Weighted Average Effective Interest Rate | | | |
|------------------------------|-------|------------------------|---------------------|--------------|-----------|----------|----------------------|----------|--|--------|-----|-----|
| | | | Maturing in | | | | | | | | | |
| | | | 1 Year or Less | 1 to 5 Years | > 5 Years | | | | | | | |
| | | | 31/01/04 | 31/01/04 | 31/01/04 | 31/01/04 | 31/01/04 | 31/01/04 | | | | |
| | | | 2002-03 | 2002-03 | 2002-03 | 2002-03 | 2002-03 | 2002-03 | | | | |
| | | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % | | | | |
| Financial Assets | | | | | | | | | | | | |
| Cash at bank | 5A | - | - | - | - | - | 703 | 1,625 | 703 | 1,625 | n/a | n/a |
| Cash on hand | 5A | - | - | - | - | - | Nil | 3 | Nil | 3 | n/a | n/a |
| Receivables | 5B | - | - | - | - | - | 728 | 949 | 728 | 949 | n/a | n/a |
| Appropriation Receivables | 5B | - | - | - | - | - | 11,346 | 8,800 | 11,346 | 8,800 | n/a | n/a |
| Total | | - | - | - | - | - | 12,777 | 11,377 | 12,777 | 11,377 | | |
| Total Assets | | | | | | | 57,337 | 57,220 | | | | |
| Financial Liabilities | | | | | | | | | | | | |
| Trade Creditors | 5A | - | - | - | - | - | 1,205 | 1,291 | 1,205 | 1,291 | n/a | n/a |
| Total | | - | - | - | - | - | 1,205 | 1,291 | 1,205 | 1,291 | n/a | n/a |
| Total Liabilities | | | | | | | 10,205 | 10,990 | | | | |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 18C – Net Fair Values of Financial Assets and Liabilities

| | Notes | 31/01/2004 | | 2002-03 | |
|--------------------------------------|-------|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | | Total Carrying Amount \$'000 | Aggregate Net Fair Value \$'000 | Total Carrying Amount \$'000 | Aggregate Net Fair Value \$'000 |
| Departmental Financial Assets | | | | | |
| Cash at bank | 5A | 703 | 703 | 1,625 | 1,625 |
| Cash on hand | 5A | Nil | Nil | 3 | 3 |
| Receivables | 5B | 728 | 728 | 940 | 940 |
| Appropriation receivable | 5B | 11,346 | 11,346 | 8,800 | 8,800 |
| Total Financial Assets | | 12,777 | 12,777 | 11,377 | 11,377 |
| Financial Liabilities | | | | | |
| Trade Creditors | 6A | 1,205 | 1,205 | 1,291 | 1,291 |
| Total Financial Liabilities | | 1,205 | 1,205 | 1,291 | 1,291 |

Credit Risk Exposures

The department's maximum exposures to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. The department has no significant exposures to any concentrations of credit risk.

Financial Assets

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

Financial Liabilities

The net fair values of trade creditors and other payables are approximated by their carrying amounts.

FINANCIAL STATEMENTS



INDEPENDENT AUDIT REPORT

To the President of the Senate and the Speaker of the House of Representatives

Scope

The financial statements comprise:

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

of the Department of Parliamentary Services for the period ended 30 June 2004.

The Department's Secretary is responsible for the preparation and true and fair presentation of the financial statements in accordance with the Finance Minister's Orders. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial*

FINANCIAL STATEMENTS

Management and Accountability Act 1997, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Department of Parliamentary Services' financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Secretary.

Independence

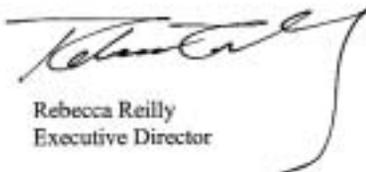
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate Australian professional ethical pronouncements.

Audit Opinion

In my opinion, the financial statements:

- (i) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and applicable Accounting Standards; and
- (ii) give a true and fair view, of the matters required by applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the Finance Minister's Orders, of the financial position of the Department of Parliamentary Services as at 30 June 2004, and its financial performance and cash flows for the period then ended.

Australian National Audit Office



Rebecca Reilly
Executive Director

Delegate of the Auditor-General

Canberra
31 August 2004

FINANCIAL STATEMENTS



INDEPENDENT AUDIT REPORT

To the President of the Senate and Speaker of the House of Representatives

Matters relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial statements published in both the annual report and on the website of the Department of Parliamentary Services for the period ended 30 June 2004. The Department's Secretary is responsible for the integrity of both the annual report and its web site.

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

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in the Department of Parliamentary Services' annual report.

Scope

The financial statements comprise:

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

of the Department of Parliamentary Services for the period ended 30 June 2004.

The Department's Secretary is responsible for the preparation and true and fair presentation of the financial statements in accordance with the Finance Minister's Orders. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent

FINANCIAL STATEMENTS

limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Department of Parliamentary Services' financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Secretary.

Independence

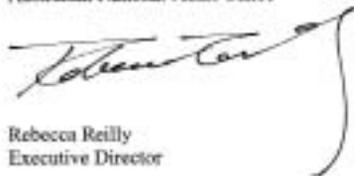
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate Australian professional ethical pronouncements.

Audit Opinion

In my opinion, the financial statements:

- (i) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and applicable Accounting Standards; and
- (ii) give a true and fair view, of the matters required by applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the Finance Minister's Orders, of the financial position of the Department of Parliamentary Services as at 30 June 2004, and its financial performance and cash flows for the period then ended.

Australian National Audit Office



Rebecca Reilly
Executive Director

Delegite of the Auditor-General

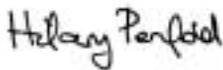
Canberra
31 August 2004

FINANCIAL STATEMENTS

DEPARTMENT OF PARLIAMENTARY SERVICES
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

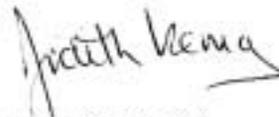
CERTIFICATION

In our opinion, the attached financial statements for the year ended 30 June 2004 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.



Hilary Penfold QC
Secretary

31 August 2004



Judith Konig FCPA
Chief Finance Officer

31 August 2004

FINANCIAL STATEMENTS

DEPARTMENT OF PARLIAMENTARY SERVICES
STATEMENT OF FINANCIAL PERFORMANCE

for the five months ended 30 June 2004

| | Notes | 2004 \$'000 |
|---|-------|----------------|
| Revenues from ordinary activities | | |
| Revenues from Government | 4A | 38,904 |
| Goods and services | 4B | 6,746 |
| Revenue from sale of assets | 4C | 28 |
| Other revenues | | 191 |
| Total revenues from ordinary activities | | 45,869 |
| Expenses from ordinary activities (excluding borrowing cost expense) | | |
| Employees | 5A | 25,032 |
| Suppliers | 5B | 15,448 |
| Depreciation and amortisation | 5C | 6,271 |
| Write down of assets | 5D | 711 |
| Value of assets sold | 4C | 159 |
| Expenses from ordinary activities (excluding borrowing costs expense) | | 47,621 |
| Borrowing costs expense | 6 | 22 |
| Net (deficit) from ordinary activities | | (1,774) |
| Total revenues, expenses and valuation adjustments recognised directly in equity | | - |
| Total changes in equity other than those resulting from transactions with the Australian Government as owner | | (1,774) |

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

FINANCIAL STATEMENTS

DEPARTMENT OF PARLIAMENTARY SERVICES
STATEMENT OF FINANCIAL POSITION

as at 30 June 2004

| | Notes | 2004 \$'000 |
|---|-------|----------------|
| ASSETS | | |
| Financial assets | | |
| Cash | 7A | 3,701 |
| Receivables | 7B | 21,203 |
| Total financial assets | | 24,904 |
| Non-financial assets | | |
| Property, plant and equipment | 8A,B | 41,468 |
| Intangibles | 8C | 13,395 |
| Inventories | 8D | 190 |
| Other non-financial assets | 8E | 731 |
| Total non-financial assets | | 55,784 |
| Total Assets | | 80,688 |
| LIABILITIES | | |
| Interest bearing liabilities | | |
| Leases | 9 | 742 |
| Total interest bearing liabilities | | 742 |
| Provisions | | |
| Employees | 10 | 18,413 |
| Total provisions | | 18,413 |
| Payables | | |
| Suppliers | 11A | 3,153 |
| Other | 11B | 1,815 |
| Total payables | | 4,968 |
| Total Liabilities | | 24,123 |
| NET ASSETS | | 56,565 |
| EQUITY | | |
| Contributed equity | 12 | 58,339 |
| Retained (Accumulated deficits) | 12 | (1,774) |
| TOTAL EQUITY | 12 | 56,565 |
| Current assets | | 25,824 |
| Non-current assets | | 54,864 |
| Current liabilities | | 11,540 |
| Non-current liabilities | | 12,583 |

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

FINANCIAL STATEMENTS

**DEPARTMENT OF PARLIAMENTARY SERVICES
STATEMENT OF CASH FLOWS**
for the five months ended 30 June 2004

| | Notes | 2004 \$'000 |
|--|-------|----------------|
| OPERATING ACTIVITIES | | |
| Cash received | | |
| Goods and services | | 8,737 |
| Appropriations | | 35,240 |
| Net GST received from ATO | | <u>1,038</u> |
| Total cash received | | <u>45,015</u> |
| Cash used | | |
| Employees | | 22,659 |
| Suppliers | | 16,066 |
| Borrowing costs | | <u>22</u> |
| Total cash used | | <u>38,747</u> |
| Net cash from operating activities | 14 | <u>6,268</u> |
| INVESTING ACTIVITIES | | |
| Cash received | | |
| Proceeds from sales of property, plant and equipment | | <u>28</u> |
| Total cash received | | <u>28</u> |
| Cash used | | |
| Purchase of property, plant and equipment | | 3,462 |
| Purchase of intangibles | | <u>1,630</u> |
| Total cash used | | <u>5,092</u> |
| Net cash (used by) investing activities | | <u>(5,064)</u> |
| Net increase in cash held | | 1,204 |
| Cash at the beginning of the reporting period | | <u>2,497</u> |
| Cash at the end of the reporting period | 7A | <u>3,701</u> |

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

FINANCIAL STATEMENTS

DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF COMMITMENTS

as at 30 June 2004

| BY TYPE | Notes | 2004 \$'000 |
|--|-------|----------------|
| Capital commitments | | |
| Property, Plant and Equipment ¹ | | 1,206 |
| Total capital commitments | | <u>1,206</u> |
| Other commitments | | |
| Operating leases ² | | 4,823 |
| Other ³ | | 24,699 |
| Total other commitments | | <u>29,522</u> |
| Commitments receivable | | 4,977 |
| Net commitments | | <u>25,751</u> |
| BY MATURITY | | |
| Capital commitments | | |
| One year or less | | 1,206 |
| From one to five years | | - |
| Over five years | | - |
| Total capital commitments by maturity | | <u>1,206</u> |
| Operating lease commitments | | |
| One year or less | | 1,979 |
| From one to five years | | 2,843 |
| Total operating lease commitments by maturity | | <u>4,822</u> |
| Other commitments | | |
| One year or less | | 7,353 |
| From one to five years | | 17,347 |
| Over five years | | - |
| Total other commitments by maturity | | <u>24,700</u> |
| Commitments Receivable | | 4,977 |
| Net commitments by maturity | | <u>25,751</u> |

NB : Commitments are GST Inclusive where relevant.

- 1 Plant and equipment commitments are primarily for purchase of equipment and services for IT system assets and furniture and fittings.
- 2 Operating leases included are effectively non-cancellable and comprise agreements for the provision of motor vehicles. DPS also has a 4 year agreement to lease computer equipment.
- 3 Other commitments are contracts for the purchase of services, including the provision of bureau services for a human resources system.

| Nature of lease | General description of leasing arrangement |
|-----------------------------|--|
| Office accommodation | Lease payments to the Commonwealth, are subject to annual increases in accordance with movements in the CPI. The lease agreement is for a period of ten years. |
| Storage facilities | Lease payments are subject to annual increases in accordance with movement in the Consumer Price Index(CPI) The sub-lease agreement is for a period of five years. |
| Provision of motor vehicles | Lease periods vary from 18 to 60 months, depending on the type of vehicles leased. Ownership never passes to DPS. There are no renewal or purchase options at the end of the leases. |
| Computer equipment | Four year lease to provide computer equipment for the LAN |

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

FINANCIAL STATEMENTS

DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF CONTINGENCIES
as at 30 June 2004

| | Notes | 2004 \$'000 |
|-------------------------------------|-------|----------------|
| Contingent liabilities | | |
| Claims for damages/costs | 15 | 17 |
| Total Contingent Liabilities | | <u>17</u> |
| Contingent assets | | |
| Claims for damages/costs | 15 | 0 |
| Total Contingent Assets | | <u>0</u> |

Details of contingent liabilities including any not included above as they cannot be quantified or are considered remote, are disclosed in:
 Note 15 Contingent Liabilities and Assets.

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

FINANCIAL STATEMENTS

| DEPARTMENT OF PARLIAMENTARY SERVICES | | |
|---|----------|------------------|
| SCHEDULE OF ADMINISTERED ITEMS | | |
| | Notes | 2004 \$'000 |
| Revenues Administered on Behalf of Government <i>for the five months ended 30 June 2004</i> | | |
| Non-taxation revenue | | |
| Other sources of non-taxation revenue | 20 | 16 |
| Total Revenues Administered on Behalf of Government | | 16 |
| Expenses Administered on Behalf of Government <i>for the five months ended 30 June 2004</i> | | |
| Depreciation and amortisation | 21 | 16,595 |
| Value of assets sold | 21 | 166 |
| Total Expenses Administered on Behalf of Government | | 16,761 |
| Assets Administered on Behalf of Government <i>as at 30 June 2004</i> | | |
| Financial assets | | |
| Receivables | 22 | 224 |
| Total financial assets | | 224 |
| Non-financial assets | | |
| Land & Buildings | 23A, 23D | 1,314,144 |
| Property, Plant & Equipment | 23B, 23D | 31,278 |
| Heritage and Cultural Assets | 23C, 23D | 84,327 |
| Total non-financial assets | | 1,429,749 |
| Total Assets Administered on Behalf of Government | | 1,429,973 |
| Liabilities Administered on Behalf of Government <i>as at 30 June 2004</i> | | |
| Payables | | |
| Suppliers | 24 | 336 |
| Total payables | | 336 |
| Total Liabilities Administered on Behalf of Government | | 336 |
| Net Assets Administered on Behalf of Government | 25 | 1,429,637 |
| Current Assets | | 224 |
| Non-current Assets | | 1,429,749 |
| Current Liabilities | | 336 |
| Non-current Liabilities | | 0 |

This schedule should be read in conjunction with the accompanying notes

FINANCIAL STATEMENTS

| DEPARTMENT OF PARLIAMENTARY SERVICES | | 2004 |
|--|--------------|----------------|
| SCHEDULE OF ADMINISTERED ITEMS (continued) | | \$'000 |
| | Notes | |
| Administered Cash Flows | | |
| <i>for the five months ended 30 June 2004</i> | | |
| Operating Activities | | |
| Cash received | | |
| GST received from ATO | | <u>512</u> |
| Total cash received | | <u>512</u> |
| Cash used | | |
| GST paid to Suppliers | | <u>(517)</u> |
| Total cash used | | <u>(517)</u> |
| Net cash (used in) operating activities | | <u>(5)</u> |
| Investing Activities | | |
| Cash received | | |
| Proceeds from sales of property, plant and equipment | | <u>4</u> |
| Total cash received | | <u>4</u> |
| Cash used | | |
| Purchase of property, plant and equipment | | <u>(5,189)</u> |
| Total cash used | | <u>(5,189)</u> |
| Net cash (used in) investing activities | | <u>(5,185)</u> |
| Net (decrease) in cash held | | <u>(5,190)</u> |
| Cash at the beginning of the reporting period | | 10 |
| Cash from Official Public Account for: | | |
| - Appropriations | | 5,179 |
| GST Annotations Appropriation under S30A | | <u>517</u> |
| | | <u>5,696</u> |
| Cash to Official Public Account for: | | |
| -GST Returned | | (511) |
| -Other | | <u>(5)</u> |
| | | <u>(516)</u> |
| Cash at the end of the reporting period | | <u>0</u> |

This schedule should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

| DEPARTMENT OF PARLIAMENTARY SERVICES | |
|---|----------------|
| SCHEDULE OF ADMINISTERED ITEMS (continued) | |
| Notes | 2004 \$'000 |
| Administered Commitments <i>as at 30 June 2004</i> | |
| BY TYPE | |
| Capital Commitments | |
| Property, plant and equipment | 11,219 |
| Total capital commitments | <u>11,219</u> |
| Commitments Receivable | |
| GST Component | (1,020) |
| Total commitments receivable | <u>(1,020)</u> |
| Net administered commitments | <u>10,199</u> |
| BY MATURITY | |
| Capital commitments | |
| One year or less | 10,199 |
| From one to five years | 0 |
| Over five years | 0 |
| Net Administered Commitments | <u>10,199</u> |
| NB : Commitments are GST inclusive where relevant. | |
| Administered Contingencies <i>as at 30 June 2004</i> | |
| There were no contingencies or remote or unquantifiable contingencies at balance date. | |
| Statement of Activities Administered on behalf of Government | |
| The major administered activity of the Department of Parliamentary Services is directed towards achieving the outcome described in Note 1 to the Financial Statements. That outcome being "Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public." | |
| Details of planned activities can be found in the Portfolio Budget Statements for the three former departments for 2003-04, which have been tabled in Parliament. | |
| This schedule should be read in conjunction with the accompanying notes. | |

FINANCIAL STATEMENTS

DEPARTMENT OF PARLIAMENTARY SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the five months ended 30 June 2004

| Note | Description |
|-------------|--|
| 1 | Summary of Significant Accounting Policies |
| 2 | Adoption of AASB Equivalents to International Financial Reporting Standards from 2005-06 |
| 3 | Events Occurring after Balance Date |
| 4 | Operating Revenues |
| 5 | Operating Expenses |
| 6 | Borrowing Cost Expense |
| 7 | Financial Assets |
| 8 | Non-financial Assets |
| 9 | Interest Bearing Liabilities |
| 10 | Provisions |
| 11 | Payables |
| 12 | Equity |
| 13 | Restructuring |
| 14 | Cash Flow Reconciliation |
| 15 | Contingent Liabilities and Assets |
| 16 | Executive Remuneration |
| 17 | Remuneration of Auditors |
| 18 | Average Staffing Levels |
| 19 | Financial Instruments |
| 20 | Revenues Administered on behalf of Government |
| 21 | Expenses Administered on behalf of Government |
| 22 | Financial Assets Administered on behalf of Government |
| 23 | Non-Financial Assets Administered on behalf of Government |
| 24 | Liabilities Administered on behalf of Government |
| 25 | Administered Reconciliation Table |
| 26 | Administered-Restructuring |
| 27 | Administered Financial Instruments |
| 28 | Appropriations |
| 29 | Specific Payment Disclosures |
| 30 | Reporting of Outcome |

FINANCIAL STATEMENTS

Note 1 Summary of Significant Accounting Policies

1.1 Objectives of the Department of Parliamentary Services(DPS)

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

DPS is structured to meet one outcome. This outcome is:

Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.

The Department's activities contributing towards this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by DPS in its own right. Administered activities involve the management, by DPS on behalf of the Government, of items controlled or incurred by the Government.

The department's outcome is measured by the following outputs:

OUTPUT 1 Information and Research Services

An effective knowledge centre for the Parliament through the provision of information, analysis and advice.

- 1.1 Information, analysis and advice services to meet clients' needs.
- 1.2 Access to collection sources for the use of Parliament

OUTPUT 2 Client and Technical Services

Provision of client support, broadcasting, Hansard, and information and communication technology services.

- 2.1 Client support broadcasting and Hansard services
- 2.2 Information and communication technology and broadcasting support.

OUTPUT 3 Building and Occupant Services

An efficiently functioning, safe and secure environment for Senators, Members, other building occupants and visitors.

- 3.1 Occupant services.
- 3.2 Visitor services.
- 3.3 Asset management services.

The Administered activity is identified as one item:

WORKS PROGRAM

Preservation of the heritage value of Parliament House and surrounds.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements**1.2 Basis of Accounting**

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

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2004)*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

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

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies

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

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for Agency items, except where otherwise stated at Note 1.19.

1.3 Changes in Accounting Policy

DPS commenced operations on 1 February 2004. DPS took over the functions previously undertaken by the three joint Parliamentary departments, namely the Department of the Parliamentary Reporting Staff, Department of the Parliamentary Library and Joint House Department. These financial statements are the first for DPS.

These financial statements are for the 5 months ended 30 June 2004.

1.4 Revenue*Revenues from Government*

Amounts appropriated for Departmental outputs appropriations for the year (less any current year savings and reductions) are recognised as revenue, except for certain

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable is recognised at the nominal amount.

Resources Received Free of Charge

Services received free of charge are recognised in the Statement of Financial Performance as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (refer to Note 1.5).

Other Revenue

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

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is judged to be less rather than more likely.

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

1.5 Transactions by the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any savings offered up on Portfolio Additional Estimates) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

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

The creation of DPS from the three former joint departments effective 1 February 2004 has been treated as a restructure. Notes 1.1 and 13 refer.

1.6 Employee Benefits

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

Liabilities for wages and salaries (including non-monetary benefits), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The provision for long service leave was calculated using the shorthand method provided by the Australian Government Actuary. The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees as at 30 June 2004. In determining the present value of the liability, the Department has taken into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy payments in circumstances where the Department has made an offer of Voluntary Redundancy which has been accepted by a staff member and a reliable estimate of the total amount of the payment can be determined.

Superannuation

DPS staff are members of the Commonwealth Superannuation Scheme or the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

DPS makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of DPS's employees.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final pay accrual of the reporting period, plus the anticipated superannuation contributions when staff take recreation and long service leave.

1.7 Leases

A distinction is made between:

- finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and
- operating leases, under which the lessor effectively retains substantially all such risks and benefits.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the beginning of the lease term and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets.

1.8 Borrowing Costs

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in the reporting period does not exceed the amounts of costs incurred in the period. Refer to Note 6.

1.9 Cash

Cash includes notes and coins held and the balances of DPS's bank accounts. Cash is recognised at its nominal amount.

1.10 Other Financial Instruments

Trade Creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received.

Contingent Liabilities

Contingent Liabilities are not recognised in the Statement of Financial Position but are detailed in the Schedule of Contingencies and at Note 15. They may arise from uncertainty as to the existence of a liability, or represent an existing liability in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability would be recognised. A liability is recognised when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

1.11 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring administrative arrangements as outlined in Note 1.5 above. In the latter case, assets are initially recognised in the transferor agency's accounts immediately prior to the restructuring.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements**1.12 Property, Plant and Equipment***Asset recognition threshold*

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than the recognition threshold (\$2,000), which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Definition of Assets

In these statements, except for office equipment, technical equipment and furniture which are recorded as individual items, a reportable asset is a functional system in which component parts do not retain a separate identity and are not expected to be used by the department after the asset is disposed of.

All non-current depreciable assets are recognised in the financial statements if they belong to a class of assets which is represented by:

- complete functional systems valued at cost or independent valuation,
- work in progress valued at cost, and
- individual items at cost of acquisition or valuation of at least \$2,000.

The department has identified and records all assets individually for fraud control and management purposes.

All monographs added to the Library Collection are capitalised regardless of their individual value as they are regarded as part of a group of similar items significant in total.

Accounting for System Assets

System assets are carried in the financial statements at their valuation less accumulated depreciation. Except where expenditure on system assets replaces or improves the system, the expenditure will be regarded as maintenance as there is no change in intrinsic value. Additions or extensions to a system asset which enhances the asset by increasing its functionality and becomes an integral part of that asset, increase the reportable value of that system by the cost of the acquisition or extension and are depreciated over the remaining useful life of the asset. Where action is taken to decommission a materially whole system by replacement or by recognising obsolescence, the entire system is subject to disposal action.

*Revaluations**Basis*

Property, plant and equipment and heritage and cultural assets are carried at valuation in accordance with *Australian Accounting Standard AASB 1041 Revaluation of Non-Current Assets*. Since DPS is an amalgamation of the three former joint departments, the revaluation dates and methods have varied for the different classes of assets transferred as follows:

- Land and buildings were revalued at 30 June 2003 using the fair value method.
- The system assets are revalued on a progressive basis and as a result, a portion were revalued up to 30 June 2002 using the deprival method and others were revalued in 2003-04 using the fair value method.
- The furniture and equipment assets are revalued on a progressive basis and as a result, a portion were revalued up to 30 June 2002 using the deprival method and others were revalued at 30 June 2003 using the fair value method.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

- The library collection was revalued 1 January 2004 using the fair value method.
- Heritage and cultural assets were revalued in June 2002 using the deprival method.

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

| Asset class | Fair value measured at: | Deprival value measured at: |
|------------------------------|---|---|
| Land | Market selling price subject to restricted use clause. | Not Applicable. |
| Buildings | Current replacement cost. | Not Applicable. |
| System assets | Current market value, or Current replacement cost. | Depreciated replacement cost. |
| Furniture & Equipment | Current market value, or Current replacement cost, or Current reproduction cost. | Depreciated replacement cost |
| Library Collection | Market selling price and Depreciated replacement cost | Not Applicable |
| Heritage and Cultural Assets | Not Applicable. | Current market value, or Current replacement cost. |

The financial effect of the change in policy to reflect assets at fair value was recorded in the former joint departments with the contra entry going to their respective asset revaluation reserves. The total of the asset revaluation reserves were transferred to DPS as "Contributed Equity - Restructuring". Notes 12 and 13 refer.

Under both deprival and fair value, assets which are surplus to the requirements are valued at their net realisable value.

Conduct

All valuations are conducted by an independent qualified valuer.

Frequency

Property, plant and equipment and heritage and cultural assets were transferred into DPS as at 1 February 2004 at the book values of the three transferring departments. Table 8A notes all asset groups and the method of revaluation. The assets listed on table 8A that are still at deprival value will be revalued to fair value by 30 June 2005 in accordance with the Finance Minister's Orders requiring all property, plant and equipment assets to be measured at up-to-date fair values from 30 June 2005 onwards. There will therefore be no progressive revaluations.

Assets capitalised under finance leases have not been revalued and are accounted for under Australian Accounting Standard AASB 17 Accounting for Leases.

Work-in-progress

If, at 30 June 2004, an asset is not fully constructed, the expenditure will be disclosed separately as 'work in progress'. Depreciation will not be set until the project has been completed to a stage where it can provide a service to the department.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements*Depreciation and Amortisation Policy*

An asset is depreciated from the time it is first put into or held ready for use. When an asset is a complex structure made up of interdependent substructures which require installation at successive stages, it is considered as being ready for use only after installation has been completed to a stage where it can provide a service to the department.

All depreciable non-current assets are written off to their estimated residual values over their estimated useful life to the department. Depreciation is calculated using the straight-line method that is consistent with the pattern of usage.

Estimated useful lives and depreciation rates and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in price only when assets are revalued.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives:

| | |
|-------------------------|-----------------|
| Building | 20 to 200 years |
| Furniture and equipment | 2 to 10 years |
| Plant and equipment | 3 to 50 years |
| Library collection | 3 to 30 years |
| System assets | 3 to 24 years |

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 5C.

1.13 Impairment of Non-Current Assets

Non-current assets carried at up to date fair values at the reporting date are not subject to impairment testing.

The non-current assets carried at cost or deprival value have been assessed for indications of impairment. Where indications of impairment exist, the carrying amount of the asset is compared to the higher of its net selling price and depreciated replacement cost and is written down to that value if greater.

1.14 Intangibles

Intangibles comprise internally developed software for own use and capital works-in-progress. These assets are carried at cost, and are assessed for indications of impairment. The carrying amount of the impaired asset is written down to reflect its remaining service potential.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the department's software is between 3 to 10 years.

At balance date the ORACLE Financial Management Information Systems from the former Department of the Parliamentary Reporting Staff and the Department of the Parliamentary Library were written down to an expected useful life of three months. This action reflects that DPS has selected the SAP financial management information system from 1 July 2004.

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1.15 Inventories

The Parliament Shop inventories are held for resale and are valued at the lower of cost or net realisable value. Costs are assigned to stock on a first-in-first-out basis.

1.16 Taxation

The Department is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.17 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.18 Insurance

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

1.19 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

Except where otherwise stated below, administered items are reported on the same bases and using the same policies as for Departmental items, including the application to the greatest extent possible of Accounting Standards, Accounting Interpretations and Urgent Issues Group Consensus Views.

Administered appropriations received or receivable from the Official Public Account (OPA) are not reported as administered revenues and assets respectively. Similarly, administered receipts transferred or transferable to the OPA are not reported as administered expenses or payables. These transactions and balances are internal to the Administered entity.

These transfers of cash are reported as administered (operating) cash flows and in the administered reconciliation table in Note 25.

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

Revenue

DPS has negotiated an Administered Funding agreement with the Department of Finance and Administration. The agreement is supported by a Funding Proposal, which is

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

This funding will be used for:

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

Note 2 Adoption of AASB Equivalents to International Financial Reporting Standards from 2005-06.

The Australian Accounting Standards Board (AASB) has issued replacement Accounting Standards to apply from 2005-06. The new standards are the AASB Equivalents to International Financial Reporting Standards (IFRS) which are issued by the International Accounting Standards Board.

The purpose of issuing AASB Equivalents to IFRSs is to enable Australian entities reporting under the *Corporations Act 2001* to be able to more readily access overseas capital markets by preparing their financial reports according to accounting standards more widely used overseas.

It is expected that the Minister for Finance will continue to require compliance with the Accounting Standards issued by the AASB, in his Orders for the Preparation of Agency financial statements for 2005-06 and beyond. Existing AASB standards that have no IFRS equivalent will continue to apply, including in particular *AAS 29 Financial Reporting by Government Departments*.

Australian Accounting Standard AASB 1047 Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards requires that the financial statements for 2003-04 disclose:

- An explanation of how the transition to the AASB Equivalents is being managed, and
- A narrative explanation of the key differences in accounting policies arising from the transition.

The purpose of this Note is to make these disclosures.

Management of the transition to AASB Equivalents to IFRSs

DPS has taken the following steps in preparation for the implementation of AASB Equivalents:

- The DPS Audit Committee will oversight the transition to and implementation of AASB Equivalents to IFRSs. The Chief Finance Officer is formally responsible for the project and will report regularly to the Audit Committee on progress against

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the formal plan which is under development and will be approved by the Committee.

- The plan requires the following key steps to be undertaken and sets deadlines for their achievement:
 - Identification of all expected major accounting policy differences between current AASB standards and the AASB Equivalents to IFRSs as at 30 June 2004 by 30 August 2004.
 - Identification of systems changes if any necessary to be able to report under the AASB Equivalents, including those necessary to enable capture of data under both sets of rules for 2004-05, and the testing and implementation of those changes.
 - Preparation of a transitional balance sheet as at 1 July 2004, under AASB Equivalents by 30 August 2004.
 - Preparation of a AASB Equivalent balance sheet at the same time as the 30 June 2005 statements are being prepared.
 - Meeting reporting deadlines set by the Department of Finance and Administration for the 2005-06 balance sheet under AASB Equivalent standards.

- The plan also addresses the risks to successful achievement of the above objectives and includes strategies to keep implementation on schedule to meet all deadlines.

- To date the identification of accounting and disclosure differences has been done and consideration is being given to engaging a consultant to assist with some of the steps in the plan.

Major changes in accounting policy

Identification to date of major expected changes in accounting policy is based upon a comparison of the current applicable AASB standards with the new AASB standards.

Changes in accounting policies under AASB equivalents are applied retrospectively ie. As if the new policy had always applied. This means that a balance sheet prepared under the AASB Equivalents must be made as at 1 July 2004 to enable the 2005-06 financial statements to report comparatives under the AASB Equivalents.

Changes to major accounting policies are discussed in the following paragraphs.

Property, plant and equipment

The Finance Minister requires these assets to be measured at up-to-date fair values as at 30 June 2005. The transitional provisions in *Australian Accounting Standard AASB1* will mean that the values at which assets are carried as at 30 June 2004 under existing standards will stand in the transitional balance which will be prepared as at 1 July 2004. During 2004-05 assets which are currently carried at deprival value will be revalued to fair value.

Borrowing costs related to qualifying assets are currently capitalised. It is understood that the FMOs for 2005-06 will elect to expense all borrowing costs under the new AASB Equivalent standard. Accordingly, borrowing costs will be derecognised.

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Notes to and forming part of the Financial Statements*Impairment of Non-Current Assets*

DPS's policy on impairment of non-current assets is at note 1.13

Under the new AASB Equivalent Standard, these assets will be subject to assessment for impairment and, if there are indications of impairment, measurement of the impairment. (Impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of a) its fair value less costs to sell and b) its value in use. 'Value in use' is 'depreciated replacement cost' for assets which would be replaced if DPS were deprived of them.

Employee Benefits

The provision for long service leave is measured at the present value of estimated future cash outflows using market yields as at the reporting dates on national government bonds.

Under the new AASB Equivalent Standard, the same discount rate will be used unless there is a deep market in high quality corporate bonds, in which case the market yield on such bonds must be used.

Note 3 Events Occurring after Balance Date

Effective from 1 July 2004 the funding and assets associated with the security function of Parliament House were formally transferred from the Department of the Senate and the Department of the House of Representatives to the Department of Parliamentary Services.

2004
\$'000

Note 4 Operating RevenuesNote 4A Revenues from Government

| | |
|---------------------------------------|---------------|
| Appropriations for outputs | 38,323 |
| Resources received free of charge | 581 |
| Total revenues from government | 38,904 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 4 Operating Revenues (continued)

| | 2004 |
|--|--------------|
| | \$'000 |
| <u>Note 4B Goods and Services</u> | |
| Goods | 521 |
| Services | 6,225 |
| Total sales of goods and services | 6,746 |
| Provision of goods to: | |
| Related entities | 2 |
| External entities | 519 |
| Total sales of goods | 521 |
| Rendering of services to: | |
| Related entities | 5,212 |
| External entities | 1,013 |
| Total rendering of services | 6,225 |
| Cost of goods sold | 291 |
| <u>Note 4C Net Gains/(Loss) from Sales of Assets</u> | |
| Property, plant and equipment and intangibles | |
| Proceeds from disposal | 28 |
| Net book value of assets disposed | 159 |
| Write down | (711) |
| Total net gain/(loss) from disposal of assets | (524) |

Note 5 Operating ExpensesNote 5A Employee Expenses

| | |
|--|---------------|
| Wages and salary | 18,445 |
| Superannuation | 3,483 |
| Leave and other entitlements | 2,295 |
| Separation and redundancies | 279 |
| Total employee benefits expense | 24,502 |
| Worker compensation premiums | 530 |
| Total employee expenses | 25,032 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 5 Operating Expenses (continued)

| | 2004 |
|----------------------------------|---------------|
| | \$'000 |
| <u>Note 5B Supplier Expenses</u> | |
| Goods from related entities | 4 |
| Goods from external entities | 2,971 |
| Services from related entities | 1,753 |
| Services from external entities | 10,104 |
| Operating lease rentals * | 616 |
| Total supplier expenses | 15,448 |

* These comprise the minimum lease payments only.

Note 5C Depreciation and Amortisation

| | |
|---|--------------|
| Depreciation of property, plant and equipment | 4,402 |
| Amortisation of intangibles — Computer software | 1,869 |
| Total depreciation and amortisation | 6,271 |

The aggregate amounts of depreciation/amortisation expensed during the reporting period for each class of asset are as follows:

| | |
|--|--------------|
| System assets | 3,013 |
| Furniture and equipment | 1,019 |
| Library collection | 370 |
| Total depreciation | 4,402 |
| Intangibles-Software | 1,869 |
| Total amortisation | 1,869 |
| Total depreciation and amortisation | 6,271 |

Note 5D Write Down of Assets

| | |
|---|------------|
| Non-financial assets | |
| Plant and equipment (Write down of assets transferred from the Department of Parliamentary Library which did not meet the DPS Asset threshold). | 371 |
| Intangibles-Software | 340 |
| Total write-down of assets | 711 |

Note 6 Borrowing Cost Expense

| | |
|--------------------------------|-----------|
| Leases | 22 |
| Total borrowing expense | 22 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

| | 2004 \$'000 |
|--|----------------|
| Note 7 Financial Assets | |
| <u>Note 7A Cash</u> | |
| Cash on hand | 6 |
| Cash at bank | 3,695 |
| Total cash | 3,701 |
| <u>Note 7B Receivables</u> | |
| Goods & services | 2,384 |
| Less: Provision for doubtful debts | (10) |
| | 2,374 |
| GST receivable from the Australian Taxation Office (net) | 259 |
| Appropriations receivable | 18,570 |
| Total receivables (net) | 21,203 |
| All receivables are current assets. | |
| Receivables(gross) are aged as follows: | |
| Not overdue | 20,760 |
| Overdue by: | |
| less than 30 days | 216 |
| 30 days to 60 days | 208 |
| 60 days to 90 days | 4 |
| more than 90 days | 25 |
| Total receivables(gross) | 21,213 |

The provision for doubtful debts is aged as: Overdue by more than 90 days.

Note 8 – Non-Financial AssetsNote 8A – Property, plant and equipment

| | 2004 \$000 | 2004 \$000 | 2004 \$000 |
|----------------------------|---------------|-----------------------------|-------------------|
| | Gross Value | Accumulated Depreciation | Net Book Value |
| <i>System assets</i> | | | |
| At cost | 8,401 | 1,135 | 7,266 |
| At deprival value | 20,541 | 10,140 | 10,401 |
| At fair value | 60,182 | 47,870 | 12,312 |
| Total system assets | 89,124 | 59,145 | 29,979 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 8 – Non-Financial Assets (continued)**Note 8A – Property, plant and equipment (continued)**

| | 2004 \$000 | 2004 \$000 | 2004 \$000 |
|--|----------------|-----------------------------|-------------------|
| | Gross Value | Accumulated Depreciation | Net Book Value |
| <i>Furniture and equipment</i> | | | |
| At cost | 8,501 | 4,737 | 3,764 |
| At deprival | 4,094 | 2,958 | 1,136 |
| At fair value | 1,980 | 962 | 1,018 |
| Total Furniture and equipment | 14,575 | 8,657 | 5,918 |
| <i>Library collection</i> | | | |
| At cost | 475 | 143 | 332 |
| At fair value | 5,642 | 403 | 5,239 |
| Total library collection | 6,117 | 546 | 5,571 |
| Total Property, plant and equipment | 109,816 | 68,348 | 41,468 |

Note 8B Analysis of Property and Plant and Equipment

Table A Reconciliation of the opening and closing balances of Property, plant and equipment (Including Library Collection)

| Item | Property, Plant and Equipment \$'000 |
|--|---|
| As at 1 February 2004 transferred in on restructure | |
| Gross book value | 107,925 |
| Accumulated depreciation/amortisation | (65,079) |
| <i>Net book value</i> | 42,846 |
| Additions by purchase | 3,462 |
| Depreciation | (4,402) |
| Disposals | (67) |
| Writedowns | (371) |
| As at 30 June 2004 | |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

| | |
|--------------------------|-----------------|
| Gross value | 109,816 |
| Accumulated Depreciation | (68,348) |
| Net book value | 41,468 |

Table B Assets at valuation

| Item | Property, Plant and Equipment \$'000 |
|---------------------------------------|---|
| As at 30 June 2004 | |
| Gross Value | 92,438 |
| Accumulated depreciation/amortisation | (62,333) |
| Net book value | 30,105 |
| As at 1 February 2004 | |
| Gross Value | 93,815 |
| Accumulated depreciation/amortisation | (58,635) |
| Net book value | 35,180 |

Table C Assets held under finance lease

| Item | Property, Plant and Equipment \$000 |
|---------------------------------------|--|
| As at 30 June 2004 | |
| Gross Value | 1,137 |
| Accumulated depreciation/amortisation | (420) |
| Net book value | 717 |
| As at 1 February 2004 | |
| Gross Value | 1,137 |
| Accumulated depreciation/amortisation | (270) |
| Net book value | 867 |

Table D Assets under construction

| Item | Property, Plant and Equipment \$'000 |
|---------------------------------------|---|
| Gross Value as at 30 June 2004 | 4,268 |
| Gross Value as at 1 February 2004 | 1,607 |

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Notes to and forming part of the Financial StatementsNote 8C Intangibles

| | |
|---|-----------------|
| | 2004 |
| | \$'000 |
| Computer software | |
| —Internally developed—in progress (non-current) | 2,030 |
| —Internally developed—in use (non-current) | 22,266 |
| Accumulated amortisation | (10,901) |
| Total intangibles | 13,395 |

Note 8C Intangibles continued**TABLE A – Reconciliation of the opening and closing balances of intangibles**

| Item | Computer Software \$'000 |
|--|-----------------------------|
| As at 1 February 2004 upon restructure | |
| Gross book value | 30,027 |
| Accumulated amortisation | (15,961) |
| Net book value | 14,066 |
| | |
| Additions | 1,630 |
| | |
| Amortisation expense | (1,869) |
| Writedown | (340) |
| | |
| Disposals | (92) |
| As at 30 June 2004 | |
| Gross book value | 24,296 |
| Accumulated amortisation | (10,901) |
| Net book value | 13,395 |

Note 8D Inventories

| | |
|---|------------|
| Inventories held for sale—The Parliament Shop | 190 |
| Total inventories | 190 |

All Departmental inventories are current assets.

Note 8E Other Non-financial Assets

| | |
|---|------------|
| Prepayments | 731 |
| Total other non-financial assets | 731 |

All other non-financial assets are current assets.

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Notes to and forming part of the Financial Statements

| | 2004 \$'000 |
|---|----------------|
| Note 9 Interest Bearing Liabilities | |
| Finance lease commitments payable: | |
| within one year | 393 |
| in one to five years | 402 |
| greater than five years | - |
| Minimum lease payments | 795 |
| Deduct: future finance charges | 53 |
| Net lease liability | 742 |
| Lease liability is represented by: | |
| Current | 356 |
| Non-current | 386 |
| Net lease liability | 742 |
| <p>Rental contracts for the hire of computer equipment, peripherals and other equipment have been treated as finance leases. The hire contracts are effectively non-cancellable. While ownership will never pass to DPS, all the risks and benefits of ownership do pass to DPS for the duration of the rental period. The agreement periods range from three to five years. There are no contingent rentals.</p> | |
| Note 10 Provisions | |
| Employee provisions: | |
| Salaries and wages | 2,087 |
| Leave | 14,232 |
| Superannuation | 1,482 |
| Separations and redundancies | 494 |
| Aggregate employee entitlement liability | 18,295 |
| Workers' compensation | 118 |
| Aggregate employee benefit liability and related on-costs | 18,413 |
| Provisions are represented by: | |
| Current | 7,013 |
| Non-current | 11,400 |
| Total provisions | 18,413 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

| | |
|---------------------------------------|---------------|
| | 2004 |
| | \$'000 |
| <hr/> | |
| Note 11 Payables | |
| <i>Note 11A Suppliers Payables</i> | |
| Trade creditors | 3,153 |
| Total Supplier Payables | 3,153 |
| <hr/> | |
| Payables are all current liabilities. | |
| <i>Note 11B Other Payables</i> | |
| Revenue received in advance | 1,815 |
| Total Other Payables | 1,815 |
| <hr/> | |

Other payables are represented by:

| | |
|-----------------------------|--------------|
| Current | 1,018 |
| Non-current | 797 |
| Total other payables | 1,815 |
| <hr/> | |

Note 12 Equity

| Item | Accumulated Results | Asset Revaluation Reserve | Contributed Equity | TOTAL EQUITY |
|--|---------------------|---------------------------|--------------------|----------------|
| | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 |
| Balance as at 01 February | - | - | - | - |
| Net surplus / (deficit) | (1,774) | - | - | (1,774) |
| Net revaluation increments/(decrement) | - | - | - | - |
| Transactions with owner: | | | | |
| Contributions by owner: | | | | |
| Restructuring | - | - | 58,339 | 58,339 |
| Transfers to/(from) between reserves | - | - | - | - |
| Closing balance as at 30 June | (1,774) | - | 58,339 | 56,565 |

Note: Upon creation of the Department of Parliamentary Services on 1 February 2004, the following reserves were transferred from the three former departments: Accumulated Results \$7.752m; Asset Revaluation Reserves \$48.489m; Equity \$2.098m.

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Notes to and forming part of the Financial Statements**Note 13 Restructuring**

As a result of the creation of the Department of Parliamentary Services on 1 February 2004, the department assumed responsibility for the functions performed by the three former joint departments: Joint House Department, Department of the Parliamentary Library and the Department of the Parliamentary Reporting Staff. Refer to Note 1.1 for further information about these functions. All commitments, assets, liabilities and contingencies have been transferred to DPS with effect from 1 February, 2004.

In respect of functions assumed, the net book values of assets and liabilities transferred to DPS and recognised as at 1 February 2004 were:

| | |
|--|---------------|
| | \$'000 |
| Total assets recognised | 79,705 |
| Total liabilities recognised | 21,366 |
| Net assets assumed | 58,339 |
| Net contribution by Government as owner during the period | 58,339 |

Revenues and expenses for the full year for the functions assumed by DPS are as follows:

| | |
|---|----------------|
| | \$'000 |
| Revenues | |
| <i>For the period 1 July 2003 to 31 January 2004:</i> | |
| Recognised by the Department of the Parliamentary Library, Department of the Parliamentary Reporting Staff and Joint House Department | 67,612 |
| <i>For the period 1 February 2004 to 30 June 2004:</i> | |
| Recognised by the Department of Parliamentary Services | 45,869 |
| Total revenues | 113,481 |
| Expenses | |
| <i>For the period 1 July 2003 to 31 January 2004:</i> | |
| Recognised by the Department of the Parliamentary Library, Department of the Parliamentary Reporting Staff and Joint House Department | 68,677 |
| <i>For the period 1 February 2004 to 30 June 2004:</i> | |
| Recognised by the Department of Parliamentary Services | 47,643 |
| Total expenses | 116,320 |

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Notes to and forming part of the Financial Statements

| | 2004 \$'000 |
|--|----------------|
| Note 14 Cash Flow Reconciliation | |
| Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows | |
| Cash at year end per Statement of Cash Flows | 3,701 |
| Statement of Financial Position items comprising above cash: 'Financial Asset—Cash' | 3,701 |
| Reconciliation of net surplus to net cash from operating activities: | |
| Net (deficit) | (1,774) |
| Depreciation/amortisation | 6,271 |
| Write down of non-financial assets | 711 |
| Loss on disposal of assets | 131 |
| (Increase) in net receivables | (1,991) |
| Decrease in inventories | 2 |
| Decrease in prepayments | 305 |
| (Increase) in GST receivable | (145) |
| Increase in employee provisions | 2,374 |
| Increase in supplier payables | 384 |
| Net cash from operating activities | 6,268 |

As a result of the creation of DPS from the three former joint departments on 1 February 2004, certain assets and liabilities were assumed. Note 13 refers. Movements in balance sheet items reflected above, were calculated with reference to the closing balances of the three former departments.

At that date, DPS assumed Property, Plant and Equipment and Intangibles with a gross value of \$137.952m and accumulated depreciation of \$81.040m.

Note 15 Contingent Liabilities and Assets*Quantifiable Contingencies*

The Schedule of Contingencies reports a contingent liability as at 30 June 2004 in respect of claims for damages/costs of \$17,000. This is an estimate of DPS's liability based on precedent cases. DPS has determined a position in each matter in accordance with, and consistent with, the Legal Services Directions promulgated by the Attorney-General. In order to reduce exposure, costs and damages to the Commonwealth, DPS uses the services of a panel of legal service providers, under contractual arrangements.

Unquantifiable Contingencies

As at 30 June 2004 the Department had no unquantifiable contingencies.

Remote Contingencies

As at 30 June 2004 the Department had no remote contingencies.

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Notes to and forming part of the Financial Statements

2004

Note 16 Executive Remuneration

The number of executives who received or were due to receive total remuneration of \$100,000 or more:

| | |
|------------------------|----------|
| \$100,000 to \$109,999 | 1 |
|------------------------|----------|

| | |
|---|------------------|
| The aggregate amount of total remuneration of the executive shown above is: | \$103,440 |
|---|------------------|

No separation or redundancy payments were made to the executive officer.

The calculation of executive remuneration to 30 June 2004 was performed on the basis of remuneration provided to individuals and not on position. The aggregate amount of remuneration shown above includes salary, accrued recreation, long service leave and superannuation and other benefits. The amount is for the five month period from 1 February 2004 to 30 June 2004 and as a result, only one executive officer met the threshold. If the reporting period was for the full year, the total number of executives reported would be eight.

Note 17 Remuneration of Auditors

Financial statement audit services are provided free of charge to DPS.

| | |
|--|-----------------|
| The fair value of services provided was: | \$95,000 |
|--|-----------------|

No other services were provided by the Auditor-General.

Note 18 Average Staffing Levels

| | |
|---|------------|
| The average staffing levels for DPS for the period were | 864 |
|---|------------|

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 19 Financial Instruments

Note 19A Interest Rate Risk

| Financial Instruments | Notes | Floating Interest Rate | Fixed Interest Rate Maturing In | | | Non-Interest Bearing | Total | Weighted Average Effective Interest Rate |
|--|-------|------------------------|---------------------------------|----------------|----------------|----------------------|----------------|--|
| | | | 1 year or Less | 1 to 5 Years | > 5 Years | | | |
| | | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 |
| Financial Assets | | | | | | | | |
| Cash on Hand | 7A | - | - | - | - | 6 | 6 | N/A |
| Cash at bank | 7A | - | - | - | - | 3,695 | 3,695 | N/A |
| Receivables for goods and services (gross) | 7B | - | - | - | - | 2,384 | 2,384 | N/A |
| Appropriations Receivable | 7B | - | - | - | - | 18,570 | 18,570 | N/A |
| Total | | - | - | - | - | 24,655 | 24,655 | |
| Total Assets | | | | | | | | |
| 80,688 | | | | | | | | |
| Financial Liabilities | | | | | | | | |
| Finance Lease Liabilities | 9 | - | 356 | 386 | - | - | 742 | 6.57 |
| Trade Creditors | 11A | - | - | - | - | 3,153 | 3,153 | N/A |
| Total | | - | - | - | - | 3,153 | 3,895 | |
| Total Liabilities | | | | | | | | |
| 24,123 | | | | | | | | |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 19 Financial Instruments (continued)Note 19B Net Fair Values of Financial Assets and Liabilities

| Departmental | Notes | 2004 | |
|---|-------|---------------------------------|------------------------------------|
| | | Total Carrying Amount \$'000 | Aggregate Net Fair Value \$'000 |
| Financial Assets | | | |
| Cash on hand | 7A | 6 | 6 |
| Cash at bank | 7A | 3,695 | 3,695 |
| Receivables for goods and services(net) | 7B | 2,374 | 2,374 |
| Appropriations receivable | 7B | 18,570 | 18,570 |
| Total Financial Assets | | 24,645 | 24,645 |
| Financial Liabilities | | | |
| Lease creditor | 9 | 742 | 742 |
| Trade creditors | 11A | 3,153 | 3,153 |
| Total Financial Liabilities | | 3,895 | 3,895 |

Financial Assets

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

Financial Liabilities

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

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

Note 19C Credit Risk Exposures

DPS's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statements of Financial Position.

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

| | 2004 \$'000 |
|---|----------------|
| Note 20 Revenues administered on behalf of Government | |
| Heritage and cultural assets donated to the Parliament of Australia | 12 |
| Proceeds on sale of assets | 4 |
| Total Revenues administered on behalf of Government | 16 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

| | 2004 \$'000 |
|--|----------------|
| Note 21 Expenses administered on behalf of Government | |
| Depreciation | |
| Buildings | 15,635 |
| Other Property, Plant and Equipment | 960 |
| Total Depreciation | 16,595 |
| Value of assets sold | |
| Other Property, Plant and Equipment | 166 |
| Total Expenses administered on behalf of Government | 16,761 |

Note 22 Financial Assets administered on behalf of Government

| | |
|--|------------|
| Receivables | |
| GST receivable from ATO | 224 |
| Total Financial Assets administered on behalf of Government | 224 |

All receivables are not overdue.

Note 23 Non-financial Assets administered on behalf of government

Note 23A Land and Buildings

| | 2004 \$000 | 2004 \$000 | 2004 \$000 |
|---------------------------------|------------------|-----------------------------|-------------------|
| | Gross Value | Accumulated Depreciation | Net Book Value |
| <i>Land</i> | | | |
| at fair value | 22,500 | - | 22,500 |
| Total land | 22,500 | - | 22,500 |
| <i>Buildings</i> | | | |
| at fair value | 1,308,496 | 37,183 | 1,271,313 |
| at cost | 6,356 | 204 | 6,152 |
| Work in progress—at cost | 14,179 | - | 14,179 |
| Total Buildings | 1,329,031 | 37,387 | 1,291,644 |
| Total Land and Buildings | 1,351,531 | 37,387 | 1,314,144 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 23 Non-financial Assets administered on behalf of government (continued)Note 23B Property, Plant and Equipment

| | 2004 \$000 | 2004 \$000 | 2004 \$000 |
|--|---------------|-----------------------------|-------------------|
| | Gross Value | Accumulated Depreciation | Net Book Value |
| <i>Furniture, Fittings and Equipment</i> | | | |
| at fair value | 447 | 71 | 376 |
| at cost | 81 | 1 | 80 |
| Total Furniture, Fittings and Equipment | 528 | 72 | 456 |
| <i>Plant and Equipment</i> | | | |
| at fair value | 32,280 | 2,151 | 30,129 |
| at cost | 753 | 60 | 693 |
| Total Plant and Equipment | 33,033 | 2,211 | 30,822 |
| Total Property, Plant and Equipment | 33,561 | 2,283 | 31,278 |

| | 2004 \$'000 |
|---|------------------|
| <u>Note 23C Heritage and Cultural Assets</u> | |
| Work in progress—at cost | 245 |
| at 2002 deprival value | 83,972 |
| at cost | 110 |
| Total heritage and cultural assets | 84,327 |
| Total non- Financial Assets administered on behalf of Government | 1,429,749 |
| Total Assets administered on behalf of Government | 1,429,973 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 23D Analysis of Land and Buildings, Property, Plant and Equipment and Heritage and Cultural Assets

Table A Reconciliation of the opening and closing balances of land and buildings, property, plant and equipment and heritage and cultural assets (irrespective of basis of valuation)

| Item | Land and Buildings \$'000 | Property, Plant and Equipment \$'000 | Heritage and Cultural Assets \$'000 | Total \$'000 |
|---|------------------------------|---|--|-----------------|
| As at 1 February 2004 (from restructure) | | | | |
| Gross book value | 1,346,664 | 33,519 | 84,188 | 1,464,371 |
| Accumulated depreciation/amortisation | (21,752) | (1,372) | - | (23,124) |
| Net book value | 1,324,912 | 32,147 | 84,188 | 1,441,247 |
| Additions | | | | |
| By donation | - | - | 12 | 12 |
| By purchase | 4,871 | 253 | 127 | 5,251 |
| Depreciation/amortisation expense | (15,635) | (960) | - | (16,595) |
| Transfer between classes | (4) | 4 | - | - |
| Disposals | | | | |
| Other disposals | - | (166) | - | (166) |
| As at 30 June 2004 | | | | |
| Gross book value | 1,351,531 | 33,561 | 84,327 | 1,469,419 |
| Accumulated depreciation/amortisation | (37,387) | (2,283) | - | (39,670) |
| Net book value | 1,314,144 | 31,278 | 84,327 | 1,429,749 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 23D. Analysis of Land and Buildings, Property, Plant and Equipment, and Heritage and Cultural Assets

| Table B. Assets at valuation | | | | | |
|--|------------------------------|---|--|------------------|--|
| Item | Land and Buildings \$'000 | Property, Plant and Equipment \$'000 | Heritage and Cultural Assets \$'000 | Total \$'000 | |
| As at 30 June 2004 | | | | | |
| Gross value | 1,330,996 | 32,726 | 83,972 | 1,448,487 | |
| Accumulated depreciation/amortisation | (37,183) | (2,221) | - | (39,670) | |
| Net book value | 1,293,813 | 30,505 | 83,972 | 1,408,817 | |
| As at 1 February 2004 upon restructure | | | | | |
| Gross value | 1,331,077 | 32,942 | 83,946 | 1,447,965 | |
| Accumulated depreciation/amortisation | (21,690) | (1,340) | - | (23,030) | |
| Net book value | 1,309,387 | 31,602 | 83,946 | 1,424,935 | |

| Table C. Assets under construction | | | | | |
|------------------------------------|------------------------------|---|--|-----------------|--|
| Item | Land and Buildings \$'000 | Property, Plant and Equipment \$'000 | Heritage and Cultural Assets \$'000 | Total \$'000 | |
| Gross value at 30 June 2004 | 14,179 | - | 245 | 14,424 | |
| Gross value at 1 February 2004 | 11,999 | - | 143 | 12,142 | |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

| | 2004 \$'000 |
|---|----------------|
| Note 24 Liabilities administered on behalf of Government | |
| Payables | |
| Suppliers—trade creditors | 336 |
| Total Liabilities Administered on behalf of Government | <u>336</u> |

All payables are current.

| | 2004 \$'000 |
|--|-------------------------|
| Note 25 Administered Reconciliation Table | |
| Transferred in from restructure on 1 February 2004 | 1,441,208 |
| Add Administered revenues | 16 |
| Less Administered expenses | (16,761) |
| Administered transfers to/from Australian Government: | |
| Appropriation transfers from Official Public Account | 5,179 |
| Transfers to Official Public Account | (5) |
| Administered revaluations taken to/from reserves | |
| Closing administered assets less administered liabilities as at 30 June | <u>1,429,637</u> |

Note 26 Administered Restructuring

As a result of the creation of the Department of Parliamentary Services on 1 February 2004, the Department assumed responsibility for the functions formerly performed by the three former departments: Joint House Department, Department of the Parliamentary Library and the Department of the Parliamentary Reporting Staff. Refer to Note 1 for further information about these functions. All commitments and contingencies have been transferred to DPS with effect from 01 February, 2004.

In respect of functions assumed, the net book values of administered assets and liabilities transferred to DPS for no consideration and recognised as at 1 February 2004 were:

| | \$'000 |
|---|-------------------------|
| Total assets recognised | 1,441,476 |
| Total liabilities recognised | 268 |
| Net assets assumed | <u>1,441,208</u> |
| Net increase in administered net assets during the reporting period. | <u>1,441,208</u> |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 26 Administered Restructuring (continued)

Administered revenues and expenses for the full year for the functions assumed by DPS are as follows:

| | \$'000 |
|--|---------------|
| Revenues | |
| <i>For the period 1 July 2003 to 31 January 2004</i> | |
| Recognised by the Joint House Department | 76 |
| <i>For the period 1 February 2004 to 30 June 2004</i> | |
| Recognised by the Department of Parliamentary Services | 16 |
| Total revenues | 92 |
| Expenses | |
| <i>For the period 1 July 2003 to 31 January 2004</i> | |
| Recognised by the Joint House Department | 23,275 |
| <i>For the period 1 February 2004 to 30 June 2004</i> | |
| Recognised by the Department of Parliamentary Services | 16,761 |
| Total expenses | 40,036 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 27 Administered Financial Instruments

Note 27A Interest Rate Risk

| Financial Instruments | Notes | Floating Interest Rate | Fixed Interest Rate Maturing In | | | | Non-Interest Bearing | Total | Weighted Average Effective Interest Rate |
|------------------------------|-------|------------------------|---------------------------------|--------------|-------------|-------------|----------------------|-------------|--|
| | | | 1 year or Less | 1 to 5 Years | > 5 Years | | | | |
| | | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 | 2004 \$'000 | |
| Financial Assets | | | | | | | | | |
| Cash at bank | 22 | - | - | - | - | - | - | - | N/A |
| Total | | - | - | - | - | - | - | - | |
| Total Assets | | | | | | | | | |
| | | | | | | | 1,429,973 | | |
| Financial Liabilities | | | | | | | | | |
| Trade Creditors | 24 | - | - | - | - | - | 336 | 336 | N/A |
| Total | | - | - | - | - | - | 336 | 336 | |
| Total liabilities | | | | | | | | | |
| | | | | | | | 336 | | |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 27 Administered Financial Instruments (continued)**Note 27B Net Fair Values of Administered Financial Assets and Liabilities**

| | Note | 2004 | |
|---|------|---------------------------------|------------------------------------|
| | | Total carrying amount \$'000 | Aggregate net fair value \$'000 |
| Financial Liabilities(Recognised) | | | |
| Trade creditors | 24 | 336 | 336 |
| Total Financial Liabilities (Recognised) | | 336 | 336 |

Financial Assets

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

Financial Liabilities

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

Note 27C Credit Risk Exposures

The Government's maximum exposures to credit risk at reporting date in relation to each class of recognised administered financial assets is the carrying amount of those assets as indicated in the Schedule of Administered Items.

The Government has no significant exposures to any concentrations of credit risk.

FINANCIAL STATEMENTS

Notes to and forming part of the financial statements

Note 28 Appropriations

Note 28A Accittal of Authority to Draw Cash from the Consolidated Revenue Fund (Appropriations) (Parliamentary Departments) Acts (No.1 and 2)

| Particulars | Administered Expenses Outcome 1 | Departmental Outputs | Total |
|--|---------------------------------|----------------------|-------------------|
| Year ended 30 June 2004 | \$ | \$ | \$ |
| Balance transferred from: | | | |
| Former Department of the Parliamentary Reporting Staff | - | 12,103,075 | 12,103,075 |
| Former Department of the Parliamentary Library | - | 2,587,125 | 2,587,125 |
| Former Joint House Department | 10,134 | 3,526,643 | 3,536,777 |
| Adjustment from prior periods for the former Joint House Department | 10,333,256 | - | 10,333,256 |
| Appropriation recognized in the Department of Parliamentary Services (section 54B of the Parliamentary Service Act 1999) | 5,098,507 | 38,097,477 | 43,195,984 |
| Appropriation (Parliamentary Departments) Act No. 2 2003-2004 | - | 275,000 | 275,000 |
| Appropriations re-credited to the Advance to the Presiding Officers | - | (50,000) | (50,000) |
| GST credits (FMA s30A) | 516,571 | 1,891,024 | 2,407,595 |
| Annotations to "net appropriations" (FMA s 31) | - | 8,057,401 | 8,057,401 |
| Total Appropriations available for payments | 15,958,468 | 66,487,745 | 82,446,213 |
| Payments made (GST inclusive) | (5,705,154) | (43,838,525) | (49,543,679) |
| Balance carried to next year | 10,253,314 | 22,649,220 | 32,902,534 |
| Represented by: | | | |
| Cash at bank and on hand | - | 3,700,627 | 3,700,627 |
| Add: Appropriations not drawn from OPA | 10,253,314 | 18,569,882 | 28,823,196 |
| Add: Receivables—Goods and Services—GST receivable from customers | - | 215,726 | 215,726 |
| Add: Receivables—Net GST receivable from the ATO | | 259,904 | 259,904 |
| Less: Payable—Suppliers—GST portion | | (96,919) | (96,919) |
| Total | 10,253,314 | 22,649,220 | 32,902,534 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 28 Appropriations (continued)

Note 28A Accrual of Authority to Draw Cash from the Consolidated Revenue Fund (Appropriations) (Parliamentary Departments) Acts (No. 1 and 2)

| | | | |
|--|------------------|-------------------|-------------------|
| 2) Reconciliation of Appropriation (Parliamentary Departments Acts (No. 1 and 2) | | | |
| Paid to the entity from the OPA | 5,098,507 | 19,752,595 | 24,851,102 |
| Add: Finance Minister reduction of Appropriations in current year | - | - | - |
| Add: Administered appropriation lapsed in current year | n/a | n/a | n/a |
| Not drawn from the OPA | - | 18,569,882 | 18,569,882 |
| Total Appropriation Acts | 5,098,507 | 38,322,477 | 43,420,984 |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 28 Appropriations (continued)**Note 28B Special Accounts****Services for Other Governments and Non-Agency Bodies Special Account**

This account was established under section 20 of the *Financial Management and Accountability Act 1997* for expenditure in connection with services performed on behalf of other Governments and bodies that are not agencies under the *Financial Management and Accountability Act 1997*. For the period ending 30 June 2004 this special account had a \$Nil balance and there were no transactions debited or credited for the purposes of the account.

However, this special account is considered to provide the legislative authority for the monies advanced by COMCARE and held by DPS and the payments made against accrued sick leave entitlements. Pending determination of an employee's claim, permission is obtained in writing from each individual to allow DPS to recover the payments from the monies in the account.

| | 2004 |
|---|---------------|
| | \$ |
| Comcare account | |
| <i>Legal Authority: Safety Rehabilitation and Compensation Act 1998</i> | |
| <i>Purpose: for the purpose of distributing compensating payments in accordance with this Act.</i> | |
| Balances transferred from the following three former departments to DPS as a result of restructure: | |
| Department of the Parliamentary Library | - |
| Joint House Department | 29,688 |
| Department of the Parliamentary Reporting Staff | 5,110 |
| Receipts | 114,134 |
| Available for payments | 148,932 |
| Payments made | (116,793) |
| Balance carried to next year held by DPS | 32,139 |
| <i>Represented by:</i> | |
| Cash – held by DPS | 32,139 |

Note 29 Specific Payment Disclosures (Departmental and Administered)

No Act of Grace Payments were made during the reporting period or were outstanding at the end of the reporting period, pursuant to subsection 33(1) of the *Financial Management and Accountability Act 1997*.

No waivers were made during the reporting period or were owing to the Australian Government pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

No payments were made under the 'Scheme for Compensation for Detriment caused by Defective Administration' during the reporting period.

No ex-gratia payments were made during the reporting period.

No payments were made during the reporting period under section 66 of the *Parliamentary Service Act 1999*.

Note 30 Reporting of Outcome

The department uses an activity based costing system to attribute its shared items. This system is based on allocating shared items initially to cost centres. Personnel costs are allocated to cost centres based on the number of staff, other corporate costs are allocated based on budget allocations. Each group's executive costs are then allocated to cost centres under their control and finally cost centre overheads are allocated to activities.

Note 30A Net cost of Outcome Delivery

| | Outcome 1 |
|--|------------------|
| | 2004 |
| | \$'000 |
| Administered expenses | 16,761 |
| Departmental expenses | 47,643 |
| Total expenses | 64,404 |
| <i>Costs recovered from provision of goods and services to the non-government sector</i> | |
| Departmental | 1,532 |
| Total costs recovered | 1,532 |
| <i>Other external revenues</i> | |
| Administered revenues | 16 |
| Total Administered | 16 |
| Departmental | |
| Revenue from disposal of assets | 28 |
| Other | 191 |
| Goods and Services from Related Entities | 5,214 |
| Total Departmental | 5,433 |
| Total other external revenues | 5,449 |
| Net cost of outcome | 57,423 |

The outcome is described in Note 1.1. Net costs shown included intra-government costs that are eliminated in calculating the actual Budget outcome. Refer to the Outcome Resourcing Table in the Departmental Overview of this Annual Report.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 30B Major Classes of Departmental Revenue and Expenses by Outputs

| Outcome 1 | Output 1 | | Output 2 | | | Output 3 | | | Total |
|------------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|-------|
| | 1.1 | 1.2 | 2.1 | 2.2 | 3.1 | 3.2 | 3.3 | | |
| | 2004 | 2004 | 2004 | 2004 | 2004 | 2004 | 2004 | 2004 | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Departmental Expenses | | | | | | | | | |
| Employees | 4,072 | 1,074 | 6,440 | 2,287 | 5,689 | 931 | 4,539 | 25,032 | |
| Suppliers | 1,590 | 847 | 2,618 | 3,321 | 3,024 | 570 | 3,478 | 15,448 | |
| Depreciation and amortisation | 701 | 374 | 1,598 | 2,856 | 310 | 52 | 380 | 6,271 | |
| Other expenses | 341 | 182 | 126 | 125 | 48 | 9 | 39 | 870 | |
| Borrowing costs | - | - | - | - | 11 | 2 | 9 | 22 | |
| Total departmental expenses | 6,704 | 2,477 | 10,782 | 8,589 | 9,082 | 1,564 | 8,445 | 47,643 | |
| Funded by: | | | | | | | | | |
| Revenues from government | 6,458 | 2,553 | 9,910 | 6,558 | 4,058 | 1,026 | 8,341 | 38,904 | |
| Sale of goods and services | 1 | 1 | 359 | 912 | 4,924 | 519 | 30 | 6,746 | |
| Other operating revenue | - | - | 26 | 7 | 97 | 18 | 71 | 219 | |
| Total departmental revenues | 6,459 | 2,554 | 10,295 | 7,477 | 9,079 | 1,563 | 8,442 | 45,869 | |

FINANCIAL STATEMENTS

Notes to and forming part of the Financial StatementsNote 30C Major Classes of Administered Revenue and Expenses by Outcome

| | Outcome 1 |
|---|------------------|
| | 2004 |
| | \$'000 |
| Administered Revenues | |
| Revenue from sale of assets | 4 |
| Heritage and cultural assets donated to the Parliament of Australia | 12 |
| Total Administered Revenues | 16 |
| Administered expenses | |
| Depreciation and amortisation | 16,595 |
| Loss on sale of assets | 166 |
| Total Administered Expenses | 16,761 |

DPS's Outcome is described in Note 1.1.

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

Glossary

Set out below is a glossary of technical terms, or ordinary words used technically, and a list of acronyms and abbreviations used in this document.

Accrual accounting – The system of accounting where items are brought to account as they are earned or incurred (and not as cash received or paid) and included in the financial statements for the periods to which they relate.

Administered items – Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.

Agencies/authorities – The basic unit of organisation covered by the budget, and focus for assessing management performance and implementing government policy. Agencies are Departments of State (eg the Department of Finance and Administration), parliamentary departments (eg DPS) and other agencies prescribed under the *Financial Management and Accountability Act 1997* (eg the Australian Taxation Office). Authorities are bodies corporate (eg the Australian Broadcasting Corporation) which are, for legal purposes, entities in their own right in that they are separate from the Commonwealth government and are governed by the *Commonwealth Authorities and Companies Act 1997*.

Appropriation – An authorisation by Parliament to spend monies from the Consolidated Revenue Fund.

Assets – Future economic benefits controlled by an entity as a result of past transactions or future events.

Budget measure – A decision by the Cabinet or Minister that changes existing policy and results in cost or savings in budget financial estimates.

Building condition index – A measurement of the current condition of the maintenance of the building, expressed as a percentage of the original condition.

Capital expenditure – Expenditure by an agency on capital projects, for example purchasing a building.

Cash accounting – The system of accounting that records cash receipts, payments and balances and provides reports that show the sources of cash and how cash was used.

Comcare – Comcare is the workers' compensation insurer for the Australian Commonwealth government, providing safety, rehabilitation and compensation services to Commonwealth employees (and employees of the ACT Government) under the auspices of the Safety, Rehabilitation and Compensation Commission.

Competitive tendering and contracting – Represents the process of contracting out the delivery of government activities that were previously performed by a Commonwealth agency, to another organisation following a competitive tendering process.

Comcover – Comcover is the Commonwealth's self-managed fund for insurable risk.

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.

GLOSSARY

Corporate governance – The structures and processes employed by an organisation to facilitate accountability to stakeholders, as well as successful performance. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.

Departmental items – Assets, liabilities, revenues and expenses which are controlled by the agency in providing its outputs. Departmental items would generally 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.

Design integrity index – A measurement of the current condition of the building, assessed against the Design Integrity Indicators and expressed as a percentage of the original condition.

Equity – The residual interest in the assets of a reporting entity after deduction of its liabilities.

Expenses – Consumption or losses of future economic benefits in the form of reductions in assets or increases in liabilities of the entity.

Financial Management and Accountability Act 1997 (the FMA Act) – The principal legislation governing the proper use and management of public property and other Commonwealth resources by Commonwealth agencies. FMA Regulations and FMA Orders are made pursuant to the FMA Act.

Financial results – The results shown in the financial statements of an entity.

Liabilities – Future sacrifices of economic benefits that the entity is presently obliged to make to other entities as a result of past transactions or other past events.

Materiality – This concept is assessed taking into account the planned outcome and the relative significance of the resources consumed in contributing to the achievement of that outcome.

Operating result – The difference between revenues and expenses; either a surplus or a deficit.

Outcomes – Results, impacts or consequences of actions by the Commonwealth on the Australian community. Outcomes are the results or impacts that the government wishes to achieve. Actual outcomes are the results or impacts actually achieved.

Output groups – The aggregation of outputs, based on a consistent type of product or beneficiary target group. Aggregation may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.

Outputs – The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs include goods and services produced for other areas of government external to the agency.

Performance information – Provides evidence about performance that is collected and used systematically, and that may relate to appropriateness, effectiveness and efficiency and the extent to which an outcome can be attributed to an intervention. Performance information may be quantitative (numerical) or qualitative (descriptive); however, it should be verifiable. Performance measures are more precise than indicators, and are used when there is a causal link between an intervention and a measurable change in performance.

GLOSSARY

Portfolio budget statements – Statements prepared by agencies to explain the Budget appropriations in terms of outcomes and outputs.

Purchaser/provider arrangements – Includes arrangements under which the outputs of one agency are purchased by another agency to contribute to the other agency's outcomes.

Price – The amount the government or the community pays for the delivery of agreed outputs.

Quality – Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between users' expectations and experiences.

Quantity – The size of an output.

Receipts – The total or gross amount received by the Commonwealth. Each receipt item is either revenue, an offset within outlays, or financing transactions. Receipts include taxes, interest, charges for goods and services, borrowings and government business enterprise dividends received.

Service charter – A public statement about the service that a department will provide and what clients can expect from the department. It is government policy that departments that provide services direct to the public have service charters in place.

Third party outputs – Goods or services delivered to the community by entities outside the Commonwealth general government sector. They are outputs wholly or partly funded by administered items and are directed to achieving planned outcomes.

ACRONYMS AND ABBREVIATIONS

Acronyms and abbreviations

| | |
|---------|---|
| ABC | Australian Broadcasting Corporation |
| ANAO | Australian National Audit Office |
| APS | Australian Protective Service |
| ASL | Average staffing level |
| AWA | Australian Workplace Agreement |
| BFG | Broadcast Facsimile Gateway |
| CA | Certified Agreement |
| CEI | Chief Executive Instruction |
| CEP | Chief Executive Procedure |
| CERHOS | Ceremonial and Hospitality Unit (of the Department of Prime Minister and Cabinet) |
| CCTV | Closed-circuit Television |
| CSD | Corporate and Strategic Development |
| CSG | Client Services Group |
| DPL | Department of the Parliamentary Library |
| DPRS | Department of the Parliamentary Reporting Staff |
| DPS | Department of Parliamentary Services |
| EAP | Employee Assistance Program |
| EMMS | Electronic Media Monitoring Service |
| EMMU | Electronic Media Monitoring Unit |
| EMS | Environmental Management System |
| ESD | Ecologically Sustainable Development |
| Finance | Department of Finance and Administration |
| FMIS | Financial Management Information System |
| FTE | Full-time equivalent employees |
| GDP | General Distribution Product |
| GJ | Gigajoule (a joule is a measure of energy; giga is 10 ⁹) |
| HMS | House Monitoring Service |
| HRIS | Human Resource Information System |
| ICT | Information and Communications Technology |
| IRS | Information and Research Services |
| JHD | Joint House Department |

ACRONYMS AND ABBREVIATIONS

| | |
|-----------|---|
| kL | Kilolitre (1,000 litres) |
| LCR | Local Control Room |
| LSL | Long Service Leave |
| MOA | Memorandum of Agreement |
| MOU | Memorandum of Understanding |
| OHS | Occupational Health and Safety |
| OneOffice | New parliamentary computing platform |
| ParlInfo | Parliamentary Information System |
| PBS | Portfolio Budget Statement |
| PHAC | Parliament House Art Collection |
| POITAG | Presiding Officers' Information Technology Advisory Group |
| PSCC | Protective Security Coordination Centre |
| PSS | Parliamentary Security Service |
| RMS | Resource Management Services |
| SES | Senior Executive Service |
| SFG | Security and Facilities Group |
| SMCG | Senior Management Coordination Group |
| SOE | Standard Operating Environment |
| TARDIS | Time and Activity Recording Data Information System |
| TBL | Triple Bottom Line |
| TSG | Technical Services Group |

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